



US Consumer Confidence Dropped Sharply in February

Updated 25 February 2025

Pessimism about the future returned

The Conference Board **Consumer Confidence Index**® declined by 7.0 points in February to 98.3 (1985=100). The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—fell 3.4 points to 136.5. The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—dropped 9.3 points to 72.9. For the first time since June 2024, the Expectations Index was below the threshold of 80 that usually signals a recession ahead. The cutoff date for preliminary results was February 19, 2025.

“In February, consumer confidence registered the largest monthly decline since August 2021,” said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. “This is the third consecutive month on month decline, bringing the Index to the bottom of the range that has prevailed since 2022. Of the five components of the Index, only consumers' assessment of present business conditions improved, albeit slightly. Views of current labor market conditions weakened. Consumers became pessimistic about future business conditions and less optimistic about future income. Pessimism about future employment prospects worsened and reached a ten-month high.”

February's fall in confidence was shared across all age groups but was deepest for consumers between 35 and 55 years old. The decline was also broad-based among

income groups, with the only exceptions among households earning less than \$15,000 a year and between \$100,000–125,000.

Guichard added: “Average 12-month inflation expectations surged from 5.2% to 6% in February. This increase likely reflected a mix of factors, including sticky inflation but also the recent jump in prices of key household staples like eggs and the expected impact of tariffs. References to inflation and prices in general continue to rank high in write-in responses, but the focus shifted towards other topics. There was a sharp increase in the mentions of trade and tariffs, back to a level unseen since 2019. Most notably, comments on the current Administration and its policies dominated the responses.”

Consumers’ views of their Family’s Current and Future Financial Situation were less positive, retreating from the series highs reached in January. The proportion of consumers anticipating a recession over the next 12 months increased to a nine-month high. (These measures are not included in calculating the Consumer Confidence Index®.) Consumers’ bullishness about the stock market also retreated: only 46.8% of consumers expected stock prices to increase over the year ahead—the smallest share since April 2024, and down from 54.2% in January. By contrast, 32.8% expected stock prices to decline, up from 24.8% in January. More than half (51.7%) of consumers expected higher interest rates over the next 12 months. The share of consumers expecting lower interest rates dropped further to 24.0% from 27.1% last month.

On a six-month moving average basis, purchasing plans for homes continued to recover, likely supported by the very recent decline in mortgage rates. On the other hand, buying plans for cars and big-ticket items were down, with notable declines for TVs and electronics. Consumers’ overall intentions to purchase additional services in the months ahead were changed little, but their priorities shifted slightly: personal and health care, as well as movies and live entertainment, moved up the priority list, at the expense of streaming and travel. Vacation plans continued to trend downward.

Present Situation

Consumers’ assessments of **current business conditions** improved slightly in February.

- 19.6% of consumers said business conditions were “good,” up from 18.5% in January.
- 15.7% said business conditions were “bad,” up from 15.2%.

Consumers’ views of the **labor market** were less positive in February.

- 33.4% of consumers said jobs were “plentiful,” down from 33.9% in January.
- 16.3% of consumers said jobs were “hard to get,” up from 14.5%.

Expectations Six Months Hence

Consumers' outlook for **business conditions** turned negative in February.

- 20.2% of consumers expected business conditions to improve, down from 20.8% in January.
- 26.7% expected business conditions to worsen, up from 19.6%.

Consumers' pessimism about the **labor market** outlook worsened.

- 18.4% of consumers expected more jobs to be available, down from 19.1% in January.
- 25.9% anticipated fewer jobs, up from 21.0% in January.

Consumers were less optimistic about their **income prospects** in February.

- 18.2% of consumers expected their incomes to increase, a slight uptick from 18.1% in January.
- But 13.7% expected their incomes to decrease, up from 12.3%.

Assessment of **Family Finances and Recession Risk**

- Consumers' assessments of their **Family's Current Financial Situation** became less positive in February.
- Consumers' assessments of their **Family's Expected Financial Situation** also weakened.
- Consumers' **Perceived Likelihood of a US Recession over the Next 12 Months** rose in February.

The monthly Consumer Confidence Survey®, based on an online sample, is conducted for The Conference Board by Toluna, a technology company that delivers real-time consumer insights and market research through its innovative technology, expertise, and panel of over 36 million consumers. The cutoff date for the preliminary results was February 19.

Source: February 2025 **Consumer Confidence Survey®**
The Conference Board

The Conference Board publishes the Consumer Confidence Index® at 10 a.m. ET on the last Tuesday of every month. Subscription information and the technical notes to this

series are available on The Conference Board website:

<https://www.conference-board.org/data/consumerdata.cfm>.

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