

Consumer Confidence Slips in October Amid Sustained Job Concerns

Summary

Consumer confidence slipped in October amid persistent pessimism about job availability and rising worries about income prospects and future business conditions. Inflation expectations also ticked slightly higher.

Economist(s)

Tim Quinlan

Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283

Shannon Grein

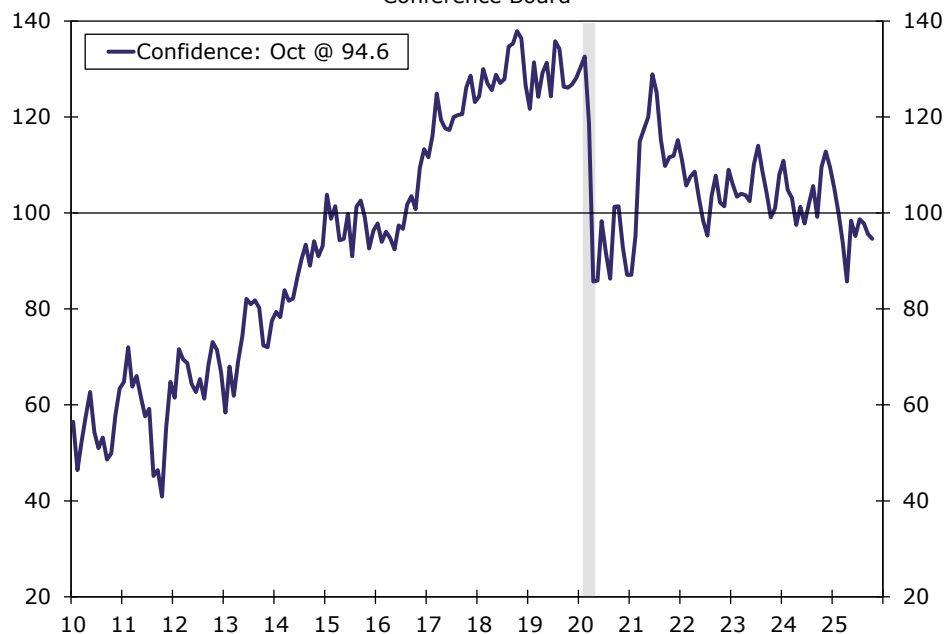
Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369

Andrew L Thompson

Economic Analyst | Wells Fargo Economics
Andrew.L.Thompson@wellsfargo.com | 704-410-2911

Consumer Confidence Index

Conference Board



Source: The Conference Board and Wells Fargo Economics

Holding Pattern

Consumer confidence came in at 94.6 in October, the third consecutive monthly decline. Slight solace comes from the fact that last month's measure was upwardly revised to 95.6 from 94.2, leaving consumers sitting about where we thought they were last month. Consumers' assessment of their current situation ticked up slightly, while their future expectations declined ([chart](#)). Though things haven't exactly gotten better, they haven't gotten particularly worse, either.

We have long cautioned against reading too much into confidence and sentiment as they do not always serve as reliable gauges for future consumer spending. In fact, a theme of our [Holiday Sales preview](#) is that retail therapy may be just the cure for households feeling low this holiday season. But just because confidence does not always predict spending is no reason to look past this report, especially right now when current readings on the economy are scarce.

Last week's [CPI report](#) stands out as a rare example of a published indicator from an official government source during this government shutdown which has reached 28 days, the second-longest government shutdown on record.

As the Federal Reserve begins day one of its two-day meeting this week, we suspect a topic will be how policymakers can stick to their mantra of being "data-dependent" at a time when data is scarce. The challenge of course is to steer the rate environment toward something less restrictive than it is at present to help shore up the softening labor market, without overcorrecting in such a way as to stoke inflation, which still remains above target.

Helpfully, today's consumer confidence report gives us some indication of how consumers perceive each side of the dual mandate.

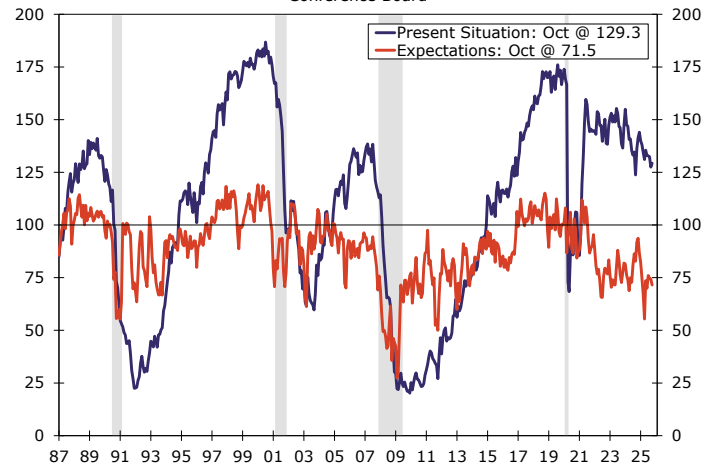
In the absence of September data, alternative employment measures from the private sector have suggested that the labor market remains under pressure. Some support for that was evident in today's survey. The share of consumers saying jobs were "plentiful," came in at 27.8%, up from 26.9% in September. Meanwhile, the share of consumers saying jobs were "hard to get," ticked up slightly to 18.4% in October, up from 18.2% the prior month ([chart](#)).

As work is harder to come by, consumers are unsurprisingly downbeat about income prospects: 17.9% of consumers anticipate higher incomes six months from now, down from 18.2% last month, and 12.5% expect incomes to decrease, up from 11.7%. Worries about jobs and income gains support our case for a moderation in consumer spending in the months ahead.

The deteriorating employment situation comes on top of consumers who see inflation as running sideways. Average and median inflation expectations for 12 months from now both ticked up by 0.1 percentage points, to 5.9% and 4.8%, respectively, after declines last month. Consumers may no longer see tariff-induced inflation getting worse, but they clearly expect some price pass-through down the road. With inflation expectations still grounded, the Fed has room to ease policy for the time being to address the downbeat labor market: we anticipate the Fed will announce a 25 bps cut tomorrow and another 25 bps cut at its December meeting.

Consumer Confidence Index

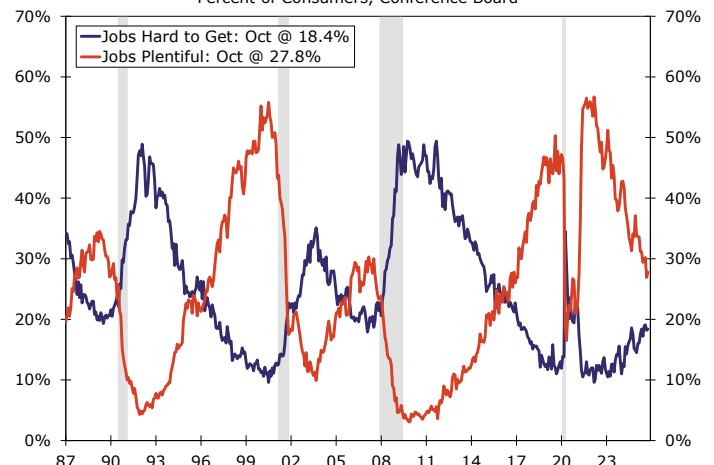
Conference Board



Source: The Conference Board and Wells Fargo Economics

Jobs Plentiful vs. Hard to Get

Percent of Consumers, Conference Board



Source: The Conference Board and Wells Fargo Economics

Subscription Information

To subscribe please visit: www.wellsfargo.com/economicsemail

Via The Bloomberg Professional Services at WFRE

Economics Group

Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Ali Hajibeigi	Economic Analyst	212-214-8253	Ali.Hajibeigi@wellsfargo.com
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Bank, N.A. ("WFBNA"). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. WFBNA distributes this report directly and through affiliates including, but not limited to, Wells Fargo Securities, LLC, Wells Fargo & Company, Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our public website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by WFBNA. WFBNA does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of WFBNA.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by WFBNA to be reliable, but has not been independently verified by WFBNA, may not be current, and WFBNA has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of WFBNA and may differ from the views and opinions of other departments or divisions of WFBNA and its affiliates. WFBNA is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither WFBNA nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. WFBNA is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

You are permitted to store, display, analyze, modify, reformat, copy, duplicate and reproduce this report and the information contained within it for your own use and for no other purpose. Without the prior written consent of WFBNA, no part of this report may be copied, duplicated or reproduced in any form by any other means. In addition, this report and its contents may not be redistributed or transmitted to any other party in whole or in part, directly or indirectly, including by means of any AI Technologies (defined below) through which this report or any portion thereof may be accessible by any third-party. "AI Technologies" means any deep learning, machine learning, and other artificial intelligence technologies, including without limitation any and all (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests or k-means clustering) or reinforcement learning, or curated data sets accessible by any of the foregoing or (b) proprietary embodied artificial intelligence and related hardware or equipment. In addition, certain text, images, graphics, screenshots and audio or video clips included in this report are protected by copyright law and owned by WFBNA, its affiliates or one or more third parties (collectively, "Protected Content"). Protected Content is made available to clients by Wells Fargo under license or otherwise in accordance with applicable law. Any use or publication of Protected Content included in this report for purposes other than fair use requires permission from WFBNA or, in the case of content attributed to any third party, the third-party copyright owner. You may not alter, obscure, or remove any copyright, trademark or any other notices attached to or contained within this report. All rights not expressly granted herein are reserved by WFBNA or the third-party providers from whom WFBNA has obtained the applicable information. © 2025 Wells Fargo Bank, N.A.

Important Information for Non-U.S. Recipients

For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority ("FCA"). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the "Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. ("WFSE"). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE