



# Economics Group

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## Consumer Confidence Corrects in October but Remains High

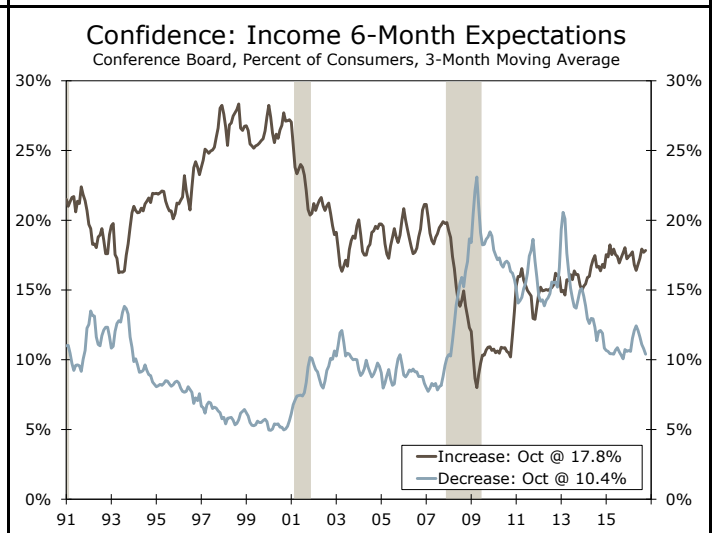
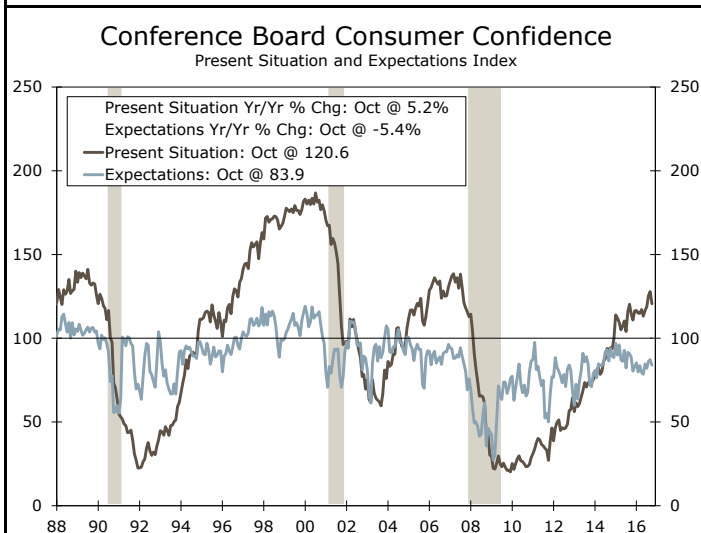
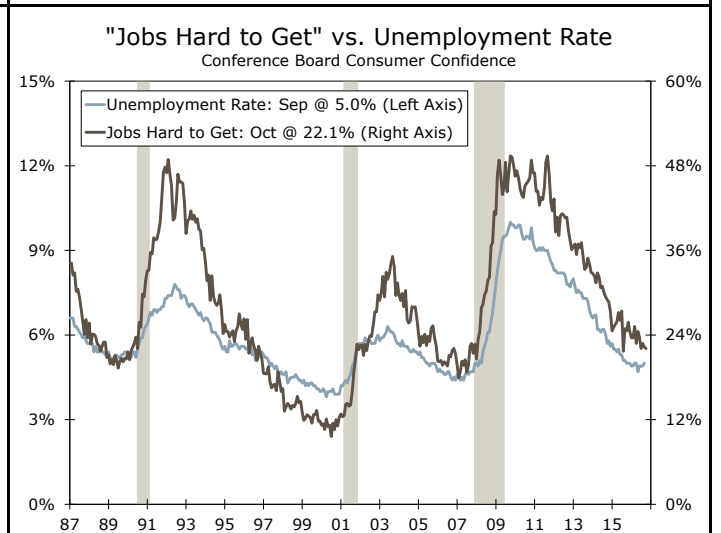
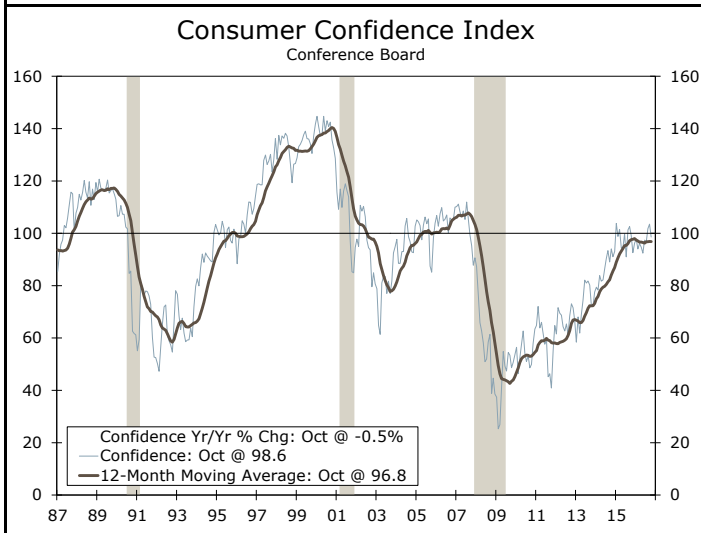
*After surging in September, consumer confidence fell 4.9 points in October. Despite the pullback, confidence remains at levels consistent with consumer spending continuing at a decent clip in the fourth quarter.*

### Confidence Still High Despite Some Giveback

- Consumer confidence pulled back in October as households felt less upbeat about both their present situation and expectations for the future. That said, at 98.6, confidence remains above its year-to-date average, with consumers' views of their present situation noticeably improved over the past year. The gap between the present and expectations index remains near a cycle high and is consistent with a decent pace of spending.

### Income Expectations Rising

- Assessments of the labor market deteriorated a bit in October. The differential between the share of consumers reporting jobs as plentiful minus hard to get fell to a three-month low, but remains at levels consistent with further labor market gains.
- Expectations for stronger income growth should also provide support to spending. The net share of households expecting income to increase versus decrease rose to a 10-month high.



Source: The Conference Board, U.S. Department of Labor and Wells Fargo Securities

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