



# Economics Group

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## Consumer Sentiment Holds Steady in April

*Consumer sentiment continues to hold near the highs reached shortly after the presidential election. Overall consumer sentiment inched up 0.1 point from March to 97.0, but was slightly below its mid-month reading.*

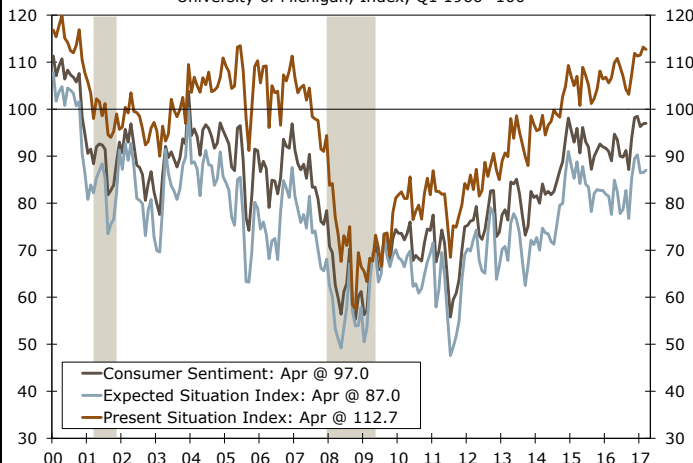
### Consumers Remain Upbeat

- Consumer sentiment rose 0.1 point to 97.0 in March, which is just slightly below the 96.8 averaged over the past six months. Sentiment surged 11.3 points from October to January and has largely held onto those gains, despite uncertainty about the time and magnitude of major policy proposals.
- Much of the rise in sentiment has been driven by improvement in consumers' assessment of current and expected finances.

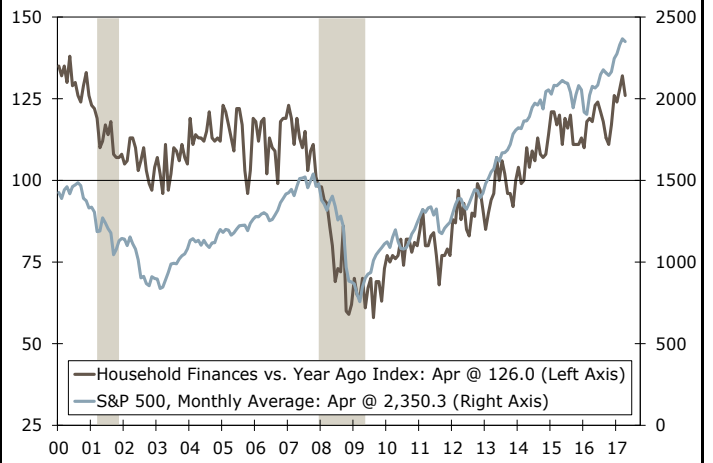
### Rising Equity Prices Are Bolstering Confidence

- Consumers' improved assessment of their household finances has closely tracked gains in the stock market. Improving employment prospects and rising home prices also likely helped.
- The strong consumer sentiment data suggests consumer spending will bounce back in the second quarter. Spending was likely adversely impacted by warmer temperatures earlier this year, which reduced utility purchases, and the late Easter.

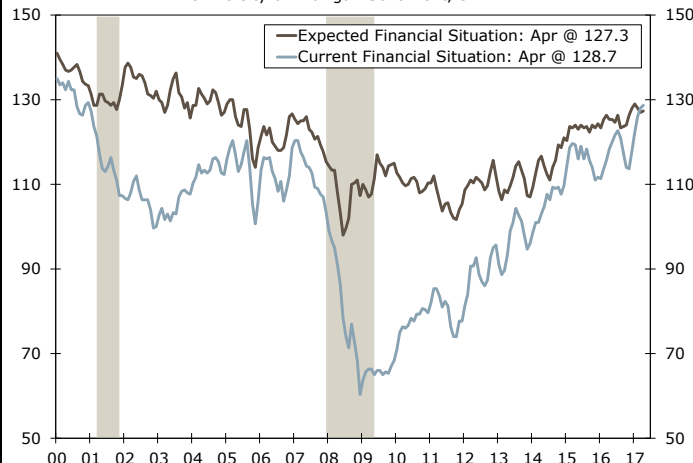
**Consumer Sentiment Survey**  
 University of Michigan, Index, Q1 1966=100



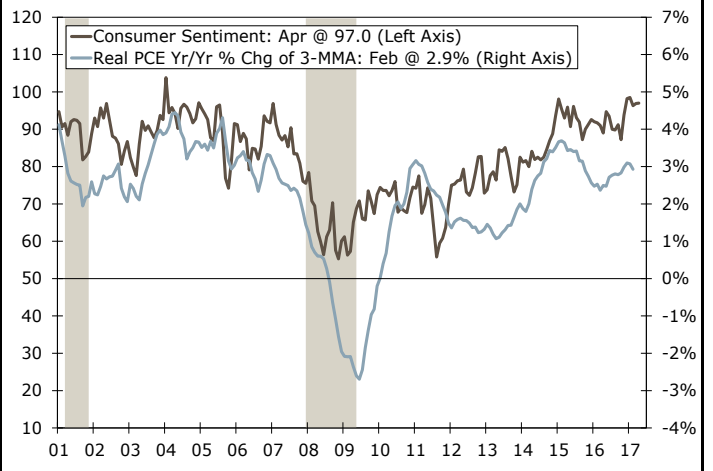
**Household Finances vs. S&P 500**  
 University of Michigan Consumer Sentiment Index



**Current vs. Expected Financial Situation**  
 University of Michigan Sentiment, 3-MMA



**Consumer Sentiment vs. Personal Consumption**  
 Index 1996=100, Yr/Yr Percent Change



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