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Consumer Confidence Falls for Fifth Straight Month in December

By [Sabrina Escobar](#)

Consumers are wrapping up the year feeling pretty grinchy about the U.S. economy, with consumer confidence coming in below expectations and marking the fifth consecutive month of declines.

The Conference Board's consumer confidence index fell to a reading of 89.1 in December from November's upwardly revised reading of 92.9. Economists polled by FactSet were expecting the index to rise to 91.5.

...

The present situation index, which is based on views of current business and labor market conditions, plummeted by 9.5 points to 116.8 in December, reflecting how concerns about the current economy were weighing on consumers. Indeed, on net, people's views of their current financial situation dipped into negative territory for the first time in nearly four years.

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Economists have long tracked measures of consumer confidence and sentiment to predict consumer spending intentions. There has often been a correlation between confidence and spending—when confidence is higher, consumers feel better about spending. In recent years, however, confidence and spending haven't correlated. Americans have been willing to splurge despite expressing severe pessimism about the economy.