

# Worsening job picture fuels slide in confidence

## Consumer confidence slides in October as more Americans worry about jobs and salaries

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CHICAGO (AP) -- Americans' confidence about the U.S. economy fell unexpectedly in October as job prospects remained bleak, a private research group said Tuesday, fueling speculation that an already gloomy holiday shopping forecast could worsen.

The Consumer Confidence Index, released by The Conference Board, sank unexpectedly to 47.7 in October -- its second-lowest reading since May.

Forecasters predicted a higher reading of 53.1.

A reading above 90 means the economy is on solid footing. Above 100 signals strong growth.

The index has seesawed since reaching a historic low of 25.3 in February and climbed to 53.4 in September.

Economists watch consumer confidence because spending on goods and services by Americans accounts for about 70 percent of U.S. economic activity by federal measures. While the reading doesn't always predict short-term spending, it's a helpful barometer of spending levels over time, especially for expensive, big-ticket items.

Recent economic data, from housing to manufacturing, has offered mixed signals but some evidence that an economic recovery might be slow.

But on Tuesday, the figures showed that shoppers have a grim outlook for the future, The Conference Board said, expecting a worsening business climate, fewer jobs and lower salaries. That's particularly bad news for retailers who depend on the holiday shopping season for a hefty share of their annual revenue.

"Consumers also remain quite pessimistic about their future earnings, a sentiment that will likely constrain spending during the holidays," said Lynn Franco, director of The Conference Board's Consumer Research Center.

Economists expect holiday sales to be at best flat from a year ago, which saw the biggest declines since at least 1967 when the Commerce Department started collecting the data.

The Consumer Confidence Index survey, which was sent to 5,000 households, had a cutoff date of Oct. 21.

The news came on the heels of rosier data about the nation's housing market.

The Standard & Poor's/Case-Shiller home price index, which studies real estate transactions in 20 major cities, showed home prices rose in August, the third straight monthly increase and a sign that a housing recovery might be taking hold.

The measure showed the home price index climbed 1 percent from July to a seasonally adjusted reading of 144.5. While prices are down 11.4 percent from August a year ago, the annual declines have slowed since February.

Prices are at levels not seen since August 2003 and have fallen almost 30 percent from the peak in May 2006.

The latest index shows a widespread turnaround with prices rising month-over-month in 15 metro areas since June.

The Dow Jones industrials wavered on the dueling reports, but the index was up 65 points to 9,933 in midmorning trading.

[http://finance.yahoo.com/news/Oct-consumer-confidence-slips-apf-3163576114.html;\\_ylt=AHPe1ifLxL7RAQRPMv4bvDS7YWwSA;\\_ylu=X3oDMTE1ZnUxZjBsBHBvcwMyBHNIYwN0b3BTdG9yaWVzBHNsawNvY?x=0&sec=topStories&pos=main&asset=&ccode=](http://finance.yahoo.com/news/Oct-consumer-confidence-slips-apf-3163576114.html;_ylt=AHPe1ifLxL7RAQRPMv4bvDS7YWwSA;_ylu=X3oDMTE1ZnUxZjBsBHBvcwMyBHNIYwN0b3BTdG9yaWVzBHNsawNvY?x=0&sec=topStories&pos=main&asset=&ccode=)