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The Conference Board Consumer Confidence Index Declines Consumer Confidence at a 16-Year Low

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THE CONFERENCE BOARD

DO NOT RELEASE UNTIL 10:00 AM ET
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News Release

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Release #5242

The Conference Board Consumer Confidence Index Declines

CONSUMER CONFIDENCE

AT A 16-YEAR LOW

May 27, 2008... The Conference Board Consumer Confidence Index, which had declined in April, continued its downward trend in May. The Index now stands at 57.2 (1985=100), down from 62.8 in April. The Present Situation Index decreased to 74.4 from 81.9. The Expectations Index declined to 45.7 from 50.0 in April.

The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. TNS is the world's largest custom research company. The cutoff date for May's preliminary results was May 20th.

Says Lynn Franco, Director of The Conference Board Consumer Research Center: "The Consumer Confidence Index now stands at a 16-year low (Oct. 1992, 54.6). Weakening business and job conditions coupled with growing pessimism about the short-term future have further depleted consumers' confidence in the overall state of the economy. Consumers' inflation expectations, fueled by increasing prices at the pump, are now at an all-time high and are likely to rise further in the months ahead. As for the short-term outlook, the Expectations Index suggests little likelihood of a turnaround in the immediate months ahead."

Consumers' appraisal of current conditions grew more pessimistic in May. Those claiming business conditions are "bad" rose to 30.6 percent from 26.5 percent, while those claiming business conditions are "good" decreased to 13.1 percent from 15.4 percent last month. Consumers' assessment of the job market was also more downbeat. The percentage of consumers saying jobs are "hard to get"

was virtually unchanged, 28.0 percent versus 27.9 percent in April. Those claiming jobs are “plentiful” declined to 16.3 percent from 17.1 percent.

Consumers’ short-term expectations weakened further in May. Consumers anticipating business conditions to worsen over the next six months increased to 33.6 percent from 27.4 percent, while those anticipating business conditions to improve increased slightly to 10.4 percent from 10.1 percent in April.

The outlook for the labor market was little changed, but remains pessimistic. The percent of consumers expecting fewer jobs in the months ahead declined moderately to 32.4 percent from 32.9 percent, while those anticipating more jobs was virtually unchanged, 8.7 percent versus 8.8 percent in April. The proportion of consumers expecting their incomes to increase declined to 13.4 percent from 15.5 percent.

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May Results

	2007							2008					
	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.(r)	May(p)
Consumer Confidence Index	108.5	105.3	111.9	105.6	99.5	95.2	87.8	90.6	87.3	76.4	65.9	62.8	57.2
Present Situation	136.1	129.9	138.3	130.1	121.2	118.0	115.7	112.9	114.3	104.0	90.6	81.9	74.4
Expectations	90.1	88.8	94.4	89.2	85.0	80.0	69.1	75.8	69.3	58.0	49.4	50.0	45.7
Confidence Index by Region													
New England	83.3	96.5	105.9	105.4	84.1	62.0	73.0	71.9	70.5	57.5	57.8	43.7	49.7
Middle Atlantic	89.8	84.3	99.1	83.8	93.7	86.8	78.8	72.5	72.2	59.6	51.9	49.7	43.7
East North Central	69.1	74.0	75.8	70.2	62.7	59.9	57.9	65.8	59.1	46.0	38.2	41.4	34.8
West North Central	98.6	105.3	104.8	116.4	112.2	92.8	93.9	108.0	96.2	76.5	73.0	79.5	57.8
South Atlantic	116.3	111.3	121.9	114.1	109.2	103.1	97.8	85.6	92.4	87.3	67.9	64.3	55.1
East South Central	113.1	106.8	116.1	101.6	120.8	106.4	81.2	97.2	100.7	87.2	68.5	77.0	62.8
West South Central	132.9	125.1	131.5	118.9	121.0	127.7	122.6	119.5	125.3	106.3	97.5	91.3	85.6
Mountain	138.9	129.5	137.6	129.9	119.9	140.1	119.6	114.0	122.8	102.1	97.5	67.5	76.8
Pacific	128.4	117.8	111.3	115.6	107.3	120.1	100.0	98.6	80.7	84.5	65.9	58.1	56.9

US data - top 3 lines - are seasonally adjusted.

Source: The Conference Board, TNS

Source: May 2008 Consumer Confidence Index
The Conference Board

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All series seasonally adjusted

	2007						2008						
	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.(r)	May(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	108.5	105.3	111.9	105.6	99.5	95.2	87.8	90.6	87.3	76.4	65.9	62.8	57.2
Present Situation	136.1	129.9	138.3	130.1	121.2	118.0	115.7	112.9	114.3	104.0	90.6	81.9	74.4
Expectations	90.1	88.8	94.4	89.2	85.0	80.0	69.1	75.8	69.3	58.0	49.4	50.0	45.7
Appraisal of Present Situation: Percent													
Business Conditions													
Good	29.0	27.3	28.3	26.2	25.7	23.2	22.5	21.2	20.6	19.1	15.6	15.4	13.1
Bad	14.6	16.1	14.5	16.3	17.8	16.6	18.9	18.8	20.1	21.3	25.5	26.5	30.6
Normal	56.4	56.6	57.2	57.5	56.5	60.2	58.6	60.0	59.3	59.6	58.9	58.1	56.3
Employment													
Jobs plentiful	29.1	27.6	30.0	27.5	25.6	24.1	23.3	23.6	23.8	21.5	19.2	17.1	16.3
Jobs not so plentiful	51.2	51.9	51.3	52.8	52.0	53.1	55.3	53.7	55.6	55.1	56.3	55.0	55.7
Jobs hard to get	19.7	20.5	18.7	19.7	22.4	22.8	21.4	22.7	20.6	23.4	24.5	27.9	28.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	15.3	16.2	15.1	15.0	15.7	14.0	12.4	13.8	11.5	9.7	8.6	10.1	10.4
Worse	10.2	10.8	8.2	10.2	11.9	13.9	16.6	14.1	16.3	21.6	26.0	27.4	33.6
Same	74.5	73.0	76.7	74.8	72.4	72.1	71.0	72.1	72.2	68.7	65.4	62.5	56.0
Employment													
More jobs	13.6	14.0	13.8	12.9	13.4	13.3	10.6	10.9	10.5	8.9	8.0	8.8	8.7
Fewer jobs	15.6	17.0	14.9	15.2	18.7	20.2	22.8	19.9	21.9	28.0	29.3	32.9	32.4
Same	70.8	69.0	71.3	71.9	67.9	66.5	66.6	69.2	67.6	63.1	62.7	58.3	58.9
Income													
Increase	18.5	19.4	19.2	19.8	20.0	19.9	19.4	20.2	18.1	18.0	16.1	15.5	13.4
Decrease	7.8	8.5	7.2	8.5	8.8	9.1	10.9	10.4	9.8	10.6	13.7	13.5	14.9
Same	73.7	72.1	73.6	71.7	71.2	71.0	69.7	69.4	72.1	71.4	70.2	71.0	71.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	5.9	6.0	7.3	6.3	5.3	6.6	4.8	6.3	6.7	5.4	5.4	5.8	4.8
New	3.7	3.2	3.1	3.2	2.8	3.4	2.1	2.8	3.0	2.2	2.6	2.6	2.2
Used	1.5	2.2	3.2	2.5	1.8	2.3	1.8	2.4	3.2	2.2	2.2	2.4	1.9
Uncertain	0.7	0.6	1.0	0.0	0.7	0.9	0.9	1.1	0.5	1.0	0.6	0.8	0.7
Home													
Yes	2.8	2.9	3.3	3.6	3.0	2.7	2.6	2.5	2.5	2.9	3.4	2.5	2.1
New	0.8	0.8	0.6	1.0	0.8	0.7	0.7	0.5	0.7	0.7	0.9	0.7	0.5
Lived in	1.2	1.3	2.1	1.8	1.3	1.2	1.2	1.3	1.2	1.5	1.7	1.3	1.0
Uncertain	0.8	0.8	0.6	0.8	0.9	0.8	0.7	0.7	0.6	0.7	0.8	0.5	0.6
Major appliances													
Total plans	34.7	35.3	31.4	29.7	29.8	26.3	30.0	28.1	30.6	32.1	30.1	32.1	32.1
Refrigerator	5.1	5.1	4.2	4.1	4.6	4.2	4.0	3.9	5.0	4.9	4.2	4.1	4.0
Washing machine	4.5	4.6	4.5	3.7	3.1	3.5	3.9	3.4	3.9	3.3	3.6	3.6	3.3
TV Set	8.7	10.4	9.1	8.2	8.9	8.0	9.2	8.9	9.7	11.0	11.1	11.4	12.2
Vacuum Cleaner	6.7	5.8	4.8	5.8	5.6	3.7	5.0	4.7	4.1	4.4	4.8	4.7	5.1
Range	3.2	3.1	3.5	2.1	3.0	3.1	2.3	2.4	2.8	3.4	2.3	2.8	2.8
Clothes dryer	4.1	4.2	3.5	3.6	2.6	2.4	3.6	3.0	3.4	3.1	3.1	3.8	3.1
Air conditioner	2.4	2.1	1.8	2.2	2.0	1.4	2.0	1.8	1.7	2.0	1.0	1.7	1.6
Carpet	4.7	4.6	6.0	4.5	4.7	4.7	3.4	4.1	5.0	4.4	3.9	4.0	4.4
Vacation Intended Within Six Months: Percent													
Vacation Intended		42.2		41.7		45.8		44.5		43.0		39.6	0.0
Destination													
U.S.		35.4		35.1		37.4		35.6		35.7		33.4	0.0
Foreign country		9.2		8.3		9.3		9.7		9.6		8.2	0.0
Means of Travel													
Automobile		21.4		21.7		22.8		22.3		22.4		19.9	0.0
Airplane		21.6		18.9		18.9		18.4		19.3		20.1	0.0
Other		3.4		3.2		4.3		4.7		3.9		3.1	0.0

(p) - preliminary (r) - revised

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Seasonally unadjusted
 Index numbers:
 U.S. Average, 1985 = 100

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	2007										2008		
	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.(r)	May(p)
NEW ENGLAND													
Consumer Confidence Index	83.3	96.5	105.9	105.4	84.1	62.0	73.0	71.9	70.5	57.5	57.8	43.7	49.7
Present Situation	108.0	121.8	130.3	128.0	111.6	76.5	96.7	99.5	93.1	83.1	75.8	52.5	60.6
Expectations	66.8	79.7	89.7	90.4	65.8	52.4	57.2	53.5	55.4	40.4	45.7	37.8	42.4
MIDDLE ATLANTIC													
Consumer Confidence Index	89.8	84.3	99.1	83.8	93.7	86.8	78.8	72.5	72.2	59.6	51.9	49.7	43.7
Present Situation	112.0	117.3	126.0	116.8	118.7	116.6	107.7	96.2	86.3	76.8	68.3	58.1	51.3
Expectations	75.1	62.3	81.1	61.8	77.0	67.0	59.5	56.8	62.9	48.1	41.0	44.1	38.6
EAST NORTH CENTRAL													
Consumer Confidence Index	69.1	74.0	75.8	70.2	62.7	59.9	57.9	65.8	59.1	46.0	38.2	41.4	34.8
Present Situation	87.3	82.3	82.4	76.1	65.6	62.7	65.7	73.1	64.8	40.1	37.1	39.7	33.6
Expectations	57.0	68.5	71.4	66.3	60.8	58.0	52.7	60.9	55.3	50.0	38.9	42.5	35.6
WEST NORTH CENTRAL													
Consumer Confidence Index	98.6	105.3	104.8	116.4	112.2	92.8	93.9	108.0	96.2	76.5	73.0	79.5	57.8
Present Situation	132.8	140.9	136.4	144.0	147.6	130.5	127.3	137.1	114.3	104.5	98.1	100.8	81.1
Expectations	75.8	81.6	83.7	98.0	88.6	67.7	71.7	88.6	84.2	57.8	56.3	65.3	42.4
SOUTH ATLANTIC													
Consumer Confidence Index	116.3	111.3	121.9	114.1	109.2	103.1	97.8	85.6	92.4	87.3	67.9	64.3	55.1
Present Situation	148.2	141.2	152.9	140.8	136.5	130.1	131.2	111.1	113.2	116.1	88.7	83.9	75.5
Expectations	95.0	91.4	101.3	96.3	91.0	85.1	75.6	68.6	78.6	68.0	54.1	51.3	41.6
EAST SOUTH CENTRAL													
Consumer Confidence Index	113.1	106.8	116.1	101.6	120.8	106.4	81.2	97.2	100.7	87.2	68.5	77.0	62.8
Present Situation	124.3	123.7	140.5	124.2	141.2	122.7	98.2	117.2	116.2	103.5	97.4	95.6	74.0
Expectations	105.6	95.6	99.9	86.6	107.2	95.6	69.8	84.0	90.4	76.3	49.3	64.5	55.3
WEST SOUTH CENTRAL													
Consumer Confidence Index	132.9	125.1	131.5	118.9	121.0	127.7	122.6	119.5	125.3	106.3	97.5	91.3	85.6
Present Situation	168.7	149.5	166.3	152.0	155.3	159.0	167.1	160.2	162.8	137.0	132.9	131.1	122.8
Expectations	109.1	108.8	108.3	96.9	98.2	106.8	92.9	92.4	100.3	85.8	73.9	64.7	60.9
MOUNTAIN													
Consumer Confidence Index	138.9	129.5	137.6	129.9	119.9	140.1	119.6	114.0	122.8	102.1	97.5	67.5	76.8
Present Situation	180.1	165.2	174.2	165.8	163.0	181.4	156.1	159.4	171.5	142.5	137.4	96.2	108.0
Expectations	111.4	105.7	113.2	106.0	91.3	112.6	95.3	83.7	90.3	75.1	70.9	48.4	56.0
PACIFIC													
Consumer Confidence Index	128.4	117.8	111.3	115.6	107.3	120.1	100.0	98.6	80.7	84.5	65.9	58.1	56.9
Present Situation	162.1	153.8	151.8	150.0	140.7	156.8	146.6	135.1	117.6	110.1	85.3	75.3	76.0
Expectations	106.0	93.8	84.2	92.7	85.0	95.6	69.0	74.3	56.1	67.4	52.9	46.7	44.2

(p) - preliminary (r) - revised

Not Seasonally Adjusted	2007										2008		
	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.(r)	May.(p)

Expectations for Twelve Months Hence: Percent

Inflation Rate													
Average	5.4	5.4	5.1	5.1	5.0	5.1	5.7	5.5	5.3	5.4	6.1	6.8	7.7