



Current Economic News

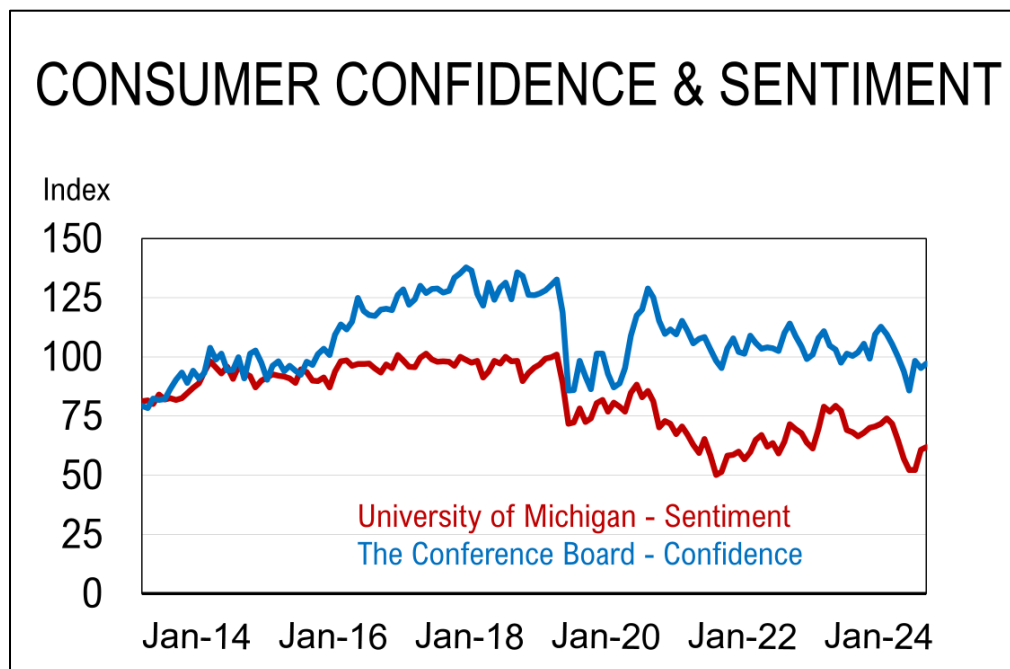
Consumer Confidence Steadies

July 29, 2025

Today, the Conference Board released the [Consumer Confidence Report](#) for July of 2025. As expected, confidence has steadied from its many months of decline, but remains low. It rose by 2.0 points, from 95.2 to 97.2. However, this is still far below the index from July of 2023, which was 114.0.

The same trend can be seen in the University of Michigan's Survey of Consumers. Since this January, the Index of Consumer Sentiment has fallen. In June, the index began to rally, and in July this sentiment change steadied. This shows that the stabilization of sentiment may continue, as long as there are no further shocks.

Both of these surveys, for consumer confidence and consumer sentiment, give information about consumers' spending habits. According to [Britannica](#), these two reports are very similar; however the Conference Board has a larger sample size, which can increase accuracy.



The reason for the decline in sentiment and confidence in the early part of the year is clear: the increase in tariffs matches up with the sharp decline in the indices in March of 2025. In

the June report from the Conference Board, Stephanie Guichard said that “tariffs remained on top of consumers’ minds and were frequently associated with concerns about their negative impacts on the economy and prices.” (Conference Board, US Consumer Confidence Retreats in June, June 24, 2025). In the July survey, tariffs continued to be a concern, but references to inflation also grew rapidly. Trade policy is no longer changing as rapidly, which accounts for the steadying of sentiment and confidence in the last two months.

However, many tariffs are still in place, which is why sentiment is still lower than it was in December of 2024. As the report of the [University of Michigan](#) states, unless “trade policy stabilizes for the foreseeable future,” the remaining uncertainty will continue to depress consumer sentiment.

The Confidence Board also reports on additional data. The report of “Consumer’s perceived likelihood of a recession in the next year” is particular telling.



There was a peak in the perceived likelihood of recession in April of 2025. This lines up when the uncertainty over tariffs was at its highest. However, this index remains at 68, which is still fairly high. This might align with the slight increase in survey takers who said jobs were “hard to get,” as the index increased from 17.2 to 18.9.