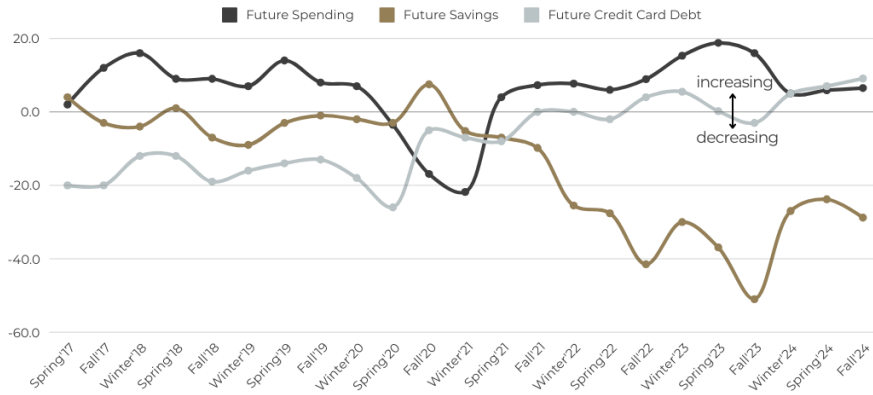


Consumers Anticipate Saving Less and Spending More

Even though the Federal Reserve cut interest rates in September, 76% of consumers are still concerned about inflation and are skeptical that the Federal Reserve has got inflation under control. With wage increases lagging the increases in the cost of goods and services, some consumer spending is occurring at the expense of savings and through credit card debt, putting future spending at risk. While consumers anticipate spending more for goods and services, consumers do not believe now is a good time to make larger purchases.

- More consumers anticipate in the next year that they will save less (versus save more) and their spending and credit card debt will increase (versus decrease).
- Only 7.6% of consumers believe now is a good time to buy a house
- Only 9.2% of consumers believe now is a good time to buy a car.

Consumer Trends



Collaborate with us

The Office of Consumer Research (OCR) collects data throughout the year to measure Tennessee consumers' (Tennessee Consumer Outlook Index) and Business Leaders' (Tennessee Business Barometer) perceptions of the economy. We welcome your comments, questions, and suggestions. Please contact Dr. Michael Peasley for more information.

Michael Peasley, Ph.D.

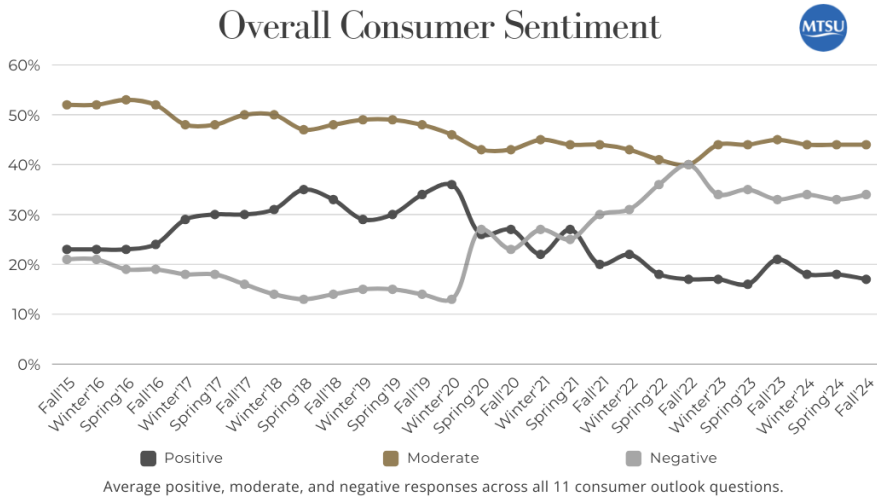
Director, MTSU Office of Consumer Research
Email: michael.peasley@mtsu.edu



We're very excited to have you here! Consumers from across Tennessee responded to the Jones College of Business Office of Consumer Research Consumer Outlook Survey, providing a unique perspective on the current and upcoming outlook of the economy and spending. We hope you see the value in the insights provided from the Fall 2024 Tennessee Consumer Outlook Index results.

Consumer Sentiment Remains Negative

Overall, sentiment remains mostly unchanged from earlier in 2024, as Tennessee consumers appear to be in a wait-and-see pattern due to mixed views on the future of the economy and the upcoming presidential election. Only 14.2% of respondents this quarter said that conditions in the U.S. economy are positive and only 21.4% think that conditions will be better six months from now.

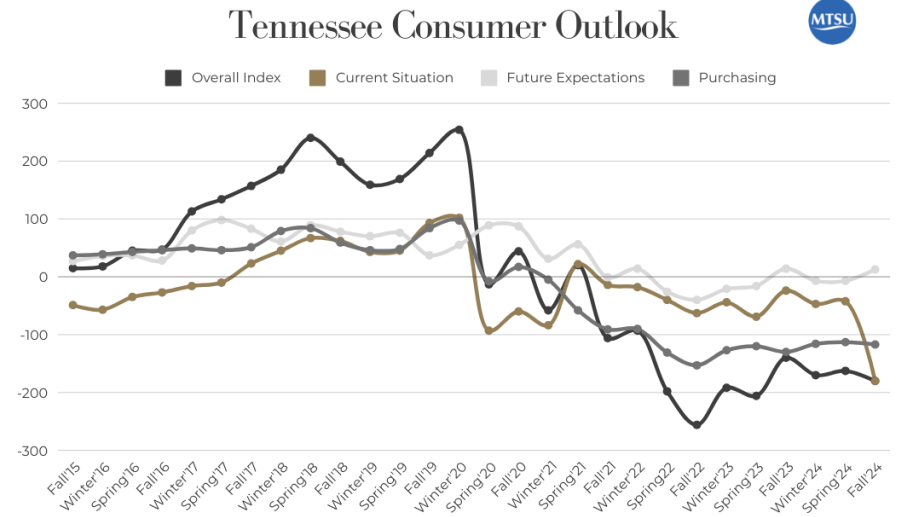


The Overall Consumer Outlook Index¹ took a negative turn this quarter due to consumer concerns related to economic uncertainty, inflation fears, and surviving a loss of employment.

- Only 11% of Tennessee consumers said that their personal financial situation has improved over the last year, while 43% said it's worse and 45% said it's the same.
- 57% of Tennessee consumers said that they don't believe they could survive financially if they lost their job, while 17% said they probably could survive loss of employment.

¹ The Consumer Outlook Index is based on consumers' responses to 11 questions measuring their perceptions of the current economy, the future economy, jobs, personal finances, and whether now is a good time to make large purchases. Four questions make up the Current Situation Index, four questions make up the Future Expectations Index, and three questions make up the Purchasing Index.

This quarter, the Overall Consumer Outlook Index declined by 18 points, led by a decline of 34 in the current situation index. Though, the Future Expectations Index increased by 20 points.



Tennessee Consumer Outlook Trends

INDEX	OVERALL OUTLOOK	CURRENT SITUATION	FUTURE EXPECTATIONS	PURCHASING OUTLOOK
Fall 2024	-180	-76	13	-117
Δ Spring 2024	-18	-34	20	-4
Δ Winter 2024	-10	-29	20	-1
Δ Fall 2023	-40	-52	-1	13

The scores for each index are computed by adding the percentage of favorable responses to each question and subtracting the percentage of negative responses to each question. A net positive score indicates consumers who hold positive views of the economy outnumber those who hold negative views of the economy (vice versa for a net negative score).