

The Conference Board said Tuesday that consumer confidence dipped over job and wage worries. AP

American confidence in economy tumbles

Less optimistic about jobs, wages

By Martin Crutsinger
Associated Press

WASHINGTON — Americans' confidence in the economy fell slightly in September from August, as many became less optimistic about hiring and pay increases over the next six months.

The Conference Board, a New York-based private research group, said Tuesday that its consumer confidence index dropped to 79.7 in September. That's down from August's reading of 81.8, which was slightly higher than previously estimated.

Consumers' confidence is closely watched because their spending accounts for 70 percent of economic activity. The September reading was only slightly below June's reading of 82.1, the highest in 5½ years.

In September, confidence fell on a dimmer outlook for the next few months. Lynn Franco, who oversees the survey, said that reflected concerns about the job market and wages. Consumers were actually more optimistic about present conditions.

"While overall economic conditions appear to have moderately improved, consumers are uncertain that the momentum can be sustained in the months ahead," Franco said.

Amna Asaf, an economist at Capital Economics, said she believed that higher interest rates and lower stock prices contributed to the drop in confidence. But she noted that the survey concluded before last week's decision by the Federal Reserve to make no changes to its bond buying program. That decision sent stock prices up and interest rates down. Recent data suggest economic growth may be slowing.