

Americans remain confident in April

BY ANNE D'INNOENZIO
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NEW YORK — Americans' confidence in the economy was resilient in April despite rising job cuts and falling home values.

The Conference Board, a private research group, said on Tuesday that its Consumer Confidence Index is at 69.2, down slightly from a revised 69.5 in March. Economists were expecting a reading of 70, according to a FactSet poll of analysts. The current level is below February's 71.6, which is the highest level it has been in about a year.

Consumer confidence is widely watched because consumer spending accounts for 70 percent of economic activity. The current level is significantly below the 90 reading that indicates a healthy economy. But it's well above its all-time low of 25.3 in February 2009.

"I am much relieved," said Mark Vitner, an economist at Wells Fargo Securities. "I thought we would see a large drop. It shows that consumers are tuning out the bad news."

Economists are paying close attention to consumers' behavior because the U.S. economy is at a critical juncture. New reports that show rising layoffs and slowing home sales are raising concerns that the economic recovery is facing a spring slowdown for the third straight year. The stock

market rally also has lost steam in recent weeks amid renewed worries about the European financial crisis and the economy at home.

While confidence was pretty steady in April, The Conference Board's report, which is based on a survey conducted from April 1 through April 12 with about 500 randomly selected people nationwide, underscored how Americans' views of the job market remains cautious.

Meanwhile, the home market remains weak, according to the latest data released Tuesday. Sales of new homes fell in March by the largest amount in more than a year, according to a report released by the Commerce Department. A widely-watched report on home prices showed a drop in February in most major U.S. cities for a sixth straight month, according to Standard & Poor's/Case-Shiller home-price index.

Still, there are reasons for optimism. Retail sales have been solid, due in part to unseasonably warm weather. And gas prices are beginning to fall, after a four-month surge pushed gas to nearly \$4 per gallon earlier this month. The price of gasoline in the U.S. has dropped by nearly 8 cents per gallon since the first week of April following a decline in oil prices and gasoline consumption. Gasoline, on average, now costs about as much as it did a year ago.



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A man views merchandise Tuesday at an American Apparel store on the Third Street Promenade in Santa Monica, Calif. Americans' confidence in the economy held steady in April from the previous month despite rising job cuts and falling home values.