

# Consumers resilient



Henry Rice pumps gas at a station in Atlanta. Although gasoline prices are up, the stock market is, too. Unemployment is falling, and so are home prices. AP

## Confidence declines only slightly in US

Jobs a bigger focus than gas

Staff, wire reports

Americans' rosy outlook about the economy remains resilient as they focus on the good in a barrage of conflicting economic news.

Gas prices are up, but the stock market is, too. Unemployment is falling, along with home prices.

But a widely watched barometer of consumer confidence has barely budged this month after hitting its highest level since before the financial crisis began in the previous month.

"The resilience suggests that jobs remain a more important concern for consumers than gasoline prices," said Mark Vitner and Tim Quinlan, economists for Wells Fargo Securities.

Lynn Franco, director of private research group The Conference Board Consumer Research Center, said consumers "feel the economy is not losing momentum."

The Conference Board said Tuesday that its Consumer Confi-

dence Index fell slightly to 70.2. That's down from a revised 71.6 in February — the highest level it's been since the same month in 2011.

Consumer confidence has made a recovery since it fell to an all-time low of 25.3 in February 2009.

But the March reading is below the 90 reading that indicates a healthy economy. The index hasn't been near 90 since December 2007.

Economists watch consumer confidence closely because Americans' spending on things from clothing to health care accounts for about 70 percent of the nation's economic activity.

One gauge of the Consumer Confidence Index, which measures how shoppers feel now about the economy, rose to 51.0, from 46.4 in the previous month.

That measure now stands at the highest level in more than three years. But the other barometer, which assesses shoppers' six-month outlook, declined to 83.0 from 88.4 in February.

Vitner and Quinlan said consumers generally expressed concerns that fewer jobs were

likely to be created over the next six months and a slightly larger share felt that overall conditions would worsen over the next six months and incomes would decrease.

"While consumers are slightly more concerned about future economic conditions, those concerns do not appear to be great enough to keep them away from the shopping malls or sales lot," the economists said in a research report.

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The preliminary survey of consumers, conducted from March 1 through March 15, showed shoppers' worries about inflation rose to the highest level in a year as gas prices rose. In fact, the nationwide average for a gallon of gas reached \$3.90 Monday, which is less than 10 cents away from last year's high.

The price typically climbs in the weeks be-

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fore Memorial Day weekend — the traditional kickoff of the summer driving season.

The national average peaked last year in early May at an average of \$3.98 per gallon. The record high of \$4.11 was set in July 2008.

But steady improvement in other areas of the economy is offsetting worries about gas prices.

The economy expanded at an annual rate of 3 percent in the final three

months of last year. That was better than the 1.8 percent rate in the previous quarter. Most economists expect growth to slow in the current quarter to below 2.5 percent, despite more hiring.

Companies also are adding workers as the economy picks up. The economy has added an average of 245,000 jobs per month from December through February. The unemployment rate has declined to 8.3 percent, the lowest in three years.

Still, a job market recovery has a long way to go. According to Conference

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Board survey, shoppers' assessment of jobs was mixed.

Those saying jobs "are plentiful" increased to 9.4 percent from 7.0 percent, while those stating jobs are "hard to get" also rose, to 41.0 percent from 38.6 percent. Additionally, consumers' six-month outlook for the labor market was less upbeat: Those anticipating more jobs in the months ahead declined to 17.3 percent from 18.8 percent, while those anticipating fewer jobs increased to 18.3 percent from 16.4 percent.

Adding to that, a con-

tinued drop in home prices suggests the housing market remains weak, even after the best winter for home sales in five years and steady improvement in the job market.

A widely watched home price index showed that home prices fell in January for a fifth straight month in most major U.S. cities, as modest sales increases have yet to boost prices. The Standard & Poor's/Case-Shiller home-price index released Tuesday showed that prices dropped in January from December in 16 of 19 cities tracked.