Consumer confidence dropped in October

Level is similar to worries during the middle of 2008-2009 recession

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The Associated Press

NEW YORK — Americans are getting more nervous about the economy.

Consumers' confidence fell in October to the lowest it's been since March 2009, when the U.S. was in the middle of a deep recession, according to a report by a private research group released on Tuesday.

The New York-based Conference Board said that its Consumer Confidence Index dropped more than six points to 39.8 in October, down from a revised 46.4 in September. October's reading marked the lowest point since March 2009 when it was at 26.9. Economists surveyed by FactSet had expected a reading of 47. A reading above 90 indicates the economy is on solid footing.

Economists watch consumer confidence closely because consumer spending accounts for about 70 percent of U.S. economic activity.

The index measures how shoppers feel about business conditions, the job market and the next six months. It had been recovering since hitting an all-time low of 25.3 in February 2009, but has taken a turn for the worse as Americans continue to worry about stubbornly high unemployment, rising prices for food and clothing and an overall weak economy.

"Consumer confidence is now back to levels last seen during the 2008-2009 recession," said Lynn Franco, director of The Conference Board Consumer Research Center, in a statement.

The consumer confidence index is based on a survey conducted from Oct. 1 through Oct. 13 with 5,000 randomly selected households nationwide.

One gauge of the index, which measures how Americans feel about the economy at the time of the survey, declined to 26.3 in October, from 33.3 in September.

The other barometer, which measures shoppers' assessment of the economy over the next six months, dropped to 48.7 from 55.1 in September.

Consumers' outlook for the job market was also gloomy. Those expecting more jobs in the months ahead slipped to 11.3 percent from 11.9 percent, while those expecting fewer jobs declined to 27.4 percent from 28.6 percent.