Consumer confidence rises on job outlook

By Christopher S. Rugaber
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WASHINGTON — Consumer confidence jumped in December on a better outlook for hiring and growth, supporting others signs that show the economy could accelerate in 2014.

The Conference Board said Tuesday that its index of consumer confidence rose to 78.1 in December, up from 72 in the previous month. November's figure was revised up from 70.4. The December increase followed three months of declines.

Consumer confidence is nearly back to where it was before the partial government shutdown in October. Steady job gains and a surging stock market have made Americans more optimistic about the economy and hiring both now and in the near future.

"The upbeat consumer mood bodes well for spending in 2014," said Michael Dolega, senior economist at TD Economics.

Optimism about the job market is at a five-year high. That is a positive sign for a strong December jobs report, which will be released next week.

Consumers' confidence is closely watched because their spending accounts for 70 percent of economic activity.

The confidence index averaged 73.3 this year, according to economists at Barclays Capital, the highest since 2007. In 2009, when the economy was in recession for half the year, it averaged 45.2.

AUTOS LEAD AGAIN

Americans increased their spending in November by the most in five months, led by big gains in auto purchases. While many retailers have reported disappointing holiday sales, consumers appear to be spending at car dealers and on utilities and other services.