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Workers spruce up a retail store at a shopping plaza in Mayfield Heights, Ohio. A research group says U.S. consumers' confidence rose slightly in July.

Consumers more confident in July

By Mae Anderson
THE ASSOCIATED PRESS

NEW YORK — Two years into the recovery, Americans' confidence in the economy continues its rollercoaster ride.

As their short-term outlook on jobs and income eased somewhat amid a mix of optimistic and bad economic news, U.S. consumers' confidence rose slightly to 59.5 in July, according to a survey released Tuesday by a private research group.

That's up from a revised 57.6 in June — which marked a seven-month low in the measure — but still well below the reading of 90 that signals a healthy economy on the Conference Board's Consumer Confidence Index. It hasn't approached that level since the recession began in December 2007.

Brian Reardon, a 29-year-old insurance consultant from New York, says there's a reason consumers aren't confident. He's been cutting back on spending because all the recent unemployment and housing data have been mixed, making him uneasy about the economy.

"One day, it's good news," he says, "and the next day, you hear some company is downsizing."

Economists carefully monitor consumer confidence because consumer spending accounts for 70 percent of economic activity. But consumer confidence has changed like the wind during the economic recovery, fluctuating up and down as consumers react to the stock markets, corporate news and world events. And while confidence had rebounded by now during the last recession — which ended in 2001 — it remains shaky two years into the current recovery.

Earlier in the year on the index, which measures how Americans feel about business conditions, the job market and the next six months, Americans were more optimistic that the economy was on track for a recovery.

But consumer confidence has fallen since reaching a three-year high in February of 72. A shift of less than five points is generally discarded by economists as insignificant.

"Overall, consumers remain apprehensive about the future, but some of the concern expressed last month has abated," said Lynn Franco, director of The Conference Board Consumer Research Center.