Consumer confidence dips in December, but remains strong

Paul Wiseman
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WASHINGTON – Americans were a bit less confident about this economy this month than they were in November, but their spirits remained high overall during the holiday shopping season.

The Conference Board said Wednesday that its consumer confidence index dipped to 122.1 in December from a revised 128.6 in November.

"Despite the decline in confidence, consumers' expectations remain at historically strong levels, suggesting economic growth will continue well into 2018," said Conference Board economist Lynn Franco.

The business research group's index measures consumers' assessment of current conditions and their outlook for the next six months. Their view of today's conditions rose to the highest level since June 2001. But their expectations were the lowest since November 2016.

Economists watch the Conference Board report because consumer spending accounts for about 70 percent of U.S. economic output.

Forecasters had predicted the index would drop this month from November's heights, but it fell more than expected. "This is an unexpected sign of weakness from the biggest driver of U.S. economic growth," Jennifer Lee, senior economist at BMO Capital Markets, wrote in a research report. "I'm not convinced it will play out into weaker consumer spending but this is clearly worth watching."