

Consumers feeling rosier about the economy



51 comments

By Julia Talanova @CNNMoney November 29, 2011: 2:01 PM ET

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NEW YORK (CNNMoney) -- Americans seem to be feeling better about the economy going into the holiday season.

The Consumer Confidence Index shot up to 56.0 in November from 40.9 the previous month, the Conference Board reported Tuesday, the highest reading since July.

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"Confidence has bounced back to levels last seen during the summer," said Lynn Franco, Director of The Conference Board Consumer Research Center in a statement.

Economists were surprised by the sudden rise, and had been expecting a more modest increase to 42.5, according to Briefing.com.

"It looks as though the U.S. consumer is tuning out what's happening in Europe, unless it comes to affect jobs here," said Mark Vitner, senior economist at Wells Fargo.

The Present Situation Index, which reflects consumers' attitude toward the current state of the economy, rose 11.2 points to 38.3 --- the largest monthly gain since June 2004.

Another bit of positive news: consumers appear to be more optimistic about the future. The Expectations Index, an outlook on the economy for the next six months, rose to 67.8 from 50.0 in October and marked the biggest jump since May 2009.

Even attitudes toward the job market seem to be perking up. Respondents claiming jobs are "plentiful" increased to 5.8 %, while those who say jobs are "hard to get" dropped to 42.1%. Those expecting growth in job market improved slightly to 12.9%, while those who anticipate an increase in their incomes rose to 14.9%.

Though Consumer Confidence is not a leading indicator of consumer's behavior, consumer spending accounts for two thirds of U.S. economy, so experts watch closely to get a sense of the economy's overall strength.

Consumers continue to unload debt

"You need to have some confidence in your own confidence and if you are confident, it will hopefully translate into your spending which is good for the U.S. economy," said Jennifer Lee, senior economist at BMO Capital

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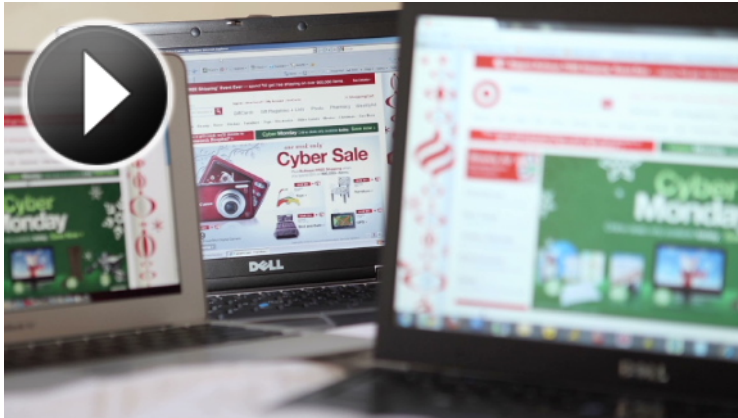
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But, despite the strong sentiment, there is still plenty of skepticism around current economic conditions in the U.S. and abroad, driving concerns about the holiday shopping season.

"Although encouraging, consumer confidence remains susceptible to developments on the continuing European crisis and the domestic fiscal outlook," wrote Cooper Howes, research analyst at Barclays Capital.



Strong Cyber Monday? Don't get too excited

Over the weekend, the National Retail Federation reported **strong sales on Black Friday**, an important shopping milestone traditionally viewed as a kick off to the holiday season.

Total spending over the four-day weekend was up 16% from last year, and the NRF expects retail sales to increase 2.8% during the months of November and December. ■

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Occupy Wall Street protestors were cleared out of Zuccotti Park. Now they are working in an office right next



heart71, 11/30/2011 09:42 AM

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Novalicious liked this

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azclimber, 11/30/2011 04:55 AM

If consumer confidence appears to be up, it must be due to increased usage of alcohol during the holidays. Only a drug addled lemming would look at the job market, layoff predictions, housing prices, protests here and abroad, lower bank ratings, and the our Congress' inability to act responsibly and actually think things were better.

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Boehners_Buddy, 11/29/2011 09:18 PM

Just another sign that the GOP Bandwagon is picking up steam. GOP policies have created the most affordable housing and lowest interest rates in years!

The GOP platform for 2012 will work on investments, taxes and jobs. Soon these areas will be in the same shape as housing and interest rates.

Right after that the party will address banking, finance and insurance by eliminating Dodd-Frank and the other silly regulations that created the... [show more](#)

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Christov1970, 11/29/2011 07:54 PM

I bought 2 gumballs and some new underwear on Black Friday. Doing my part for the econ-omee.

kennethrob and 1 more liked this

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Norton18, 11/29/2011 05:31 PM

People who have jobs buy houses so the housing market can't recover until the job market improves. All the jobs are being outsourced. So increases in consumer spending increase jobs overseas, but not in the US. As fast as jobs might be created here, they will be outsourced. The answer is to stop the outsourcing. This can't be done under Republican leadership. The rich only care about profits and they can... [show more](#)

2 people liked this.

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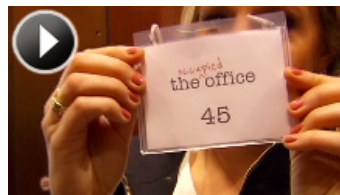
Sixnard, 11/30/2011 03:43 AM in reply to Norton18

Over 90% of the working nation is currently working. Your hypothesis has no foundation.

kennethrob liked this

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Norton18, 11/30/2011 07:44 AM in reply to Sixnard



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So your saying the high unemployment rate with only 90% working means that jobs are not being outsourced. What's your point?
All I'm saying is that companies outsource many more jobs than they need to to remain profitable or competitive. Those jobs could be used to reduce unemployment here. Nobody's moving because there is not enough employment. It's a big deal.

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TomR1955, 11/29/2011 06:05 PM in reply to Norton18

Norton: The biggest problem with this country is people like you who try to blame others for everything without taking any responsibility themselves. You don't think we as consumers had anything to do with the outsourcing problem? Why do you suppose all the jobs went overseas? We are the ones who refuse to buy American made goods because they are too expensive and we have been doing it for years. This is not a Republican... [show more](#)

JimPK and 3 more liked this

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Norton18, 11/29/2011 06:18 PM in reply to TomR1955

I disagree with you completely TomR and I am not blaming others. I am stating a reason for the problem of high unemployment in this country. There is too much outsourcing. Outsourcing has become easy and it is often done not just to remain competitive, but because it is convenient. Now, when the good of a nation comes into play because outsourcing has gone too far, its time for limits. There are... [show more](#)

1 person liked this.

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TomR1955, 11/29/2011 08:51 PM in reply to Norton18

How are we supposed to keep the jobs here if no one will buy the products because china builds them cheaper. American made Xmas lights 9.95, Chinese made 3.95. Which ones are you going to buy? This is why the Xmas light company outsourced the jobs to china, so they wouldn't lose all of their sales and go bankrupt. Is this so hard to understand?

1 person liked this.

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Norton18, 11/30/2011 06:40 AM in reply to TomR1955

Calculations show the only way to make money on certain products is to outsource. But then companies go further. There are many products that are profitable. if made in the US but once they see how easy it is to outsource, they say: what the H, let's outsource everything. They outsource too much. Its myopic. They lose their competencies and in 10 years they won't be able to compete. ... [show more](#)

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TomR1955, 11/29/2011 05:26 PM

As the old saying goes " This too will pass" At some point we all come to this same conclusion. Eventually we will straighten out this economic mess and get our long term finances in order. If we don't,

our country will not survive. We just need to find leaders with backbone and the courage to make the hard decisions that we can't . Someone who can have the frank discussions that we need to have.... [show more](#)

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exitoff76, 11/29/2011 04:51 PM

I know I went out and spent a ton of dough, because I forgot about Europe. But my memory is getting bad. I woke up this morning and forgot the Alamo.

LIKE FLAG



ACSummers, 11/29/2011 06:21 PM in reply to exitoff76

Unless you paid cash.... you will remember real quick when you get that credit card bill is January...Happy Holidays....

LIKE FLAG



coppermouse, 11/29/2011 04:50 PM

Then evidently they don't follow the news.

LIKE FLAG



david95, 11/29/2011 04:23 PM

yes, SO much has changed in the last month that I can easily see why 16% feel more confident.

We finally ended all the wars. Balanced our budget. Returned our civil liberties to us, and prosperity is growing.

And then SLAP. Somebody woke me up, and I remembered that non of this was true. :(

larryking11 and 2 more liked this

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larryking11, 11/29/2011 04:32 PM in reply to david95

and Obama is still here...The worst nightmare of all...

conic123 and 1 more liked this

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david95, 11/29/2011 04:33 PM in reply to larryking11

Oh darn. I was hoping I was still dreaming. :(

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Sixnard, 11/29/2011 04:15 PM

Good news. We're in an economic trough, and part of what's needed to break out of it is a psychological mood swing on the part of consumers, who have been (rightly) squirreling their money away instead of spending it and causing a further drag on the economy as a whole. There are a lot of other factors - Europe, housing prices and so on - but without any other major fiscal fiascoes simple will power... [show more](#)

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david95, 11/29/2011 04:27 PM in reply to Sixnard

Yes, I buy all sorts of goods with my mood swings. As a

matter of fact, once a month my wife gets whatever she wants. :)

conic123 and 1 more liked this



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