

News Release

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Global Consumer Confidence Hits Record High

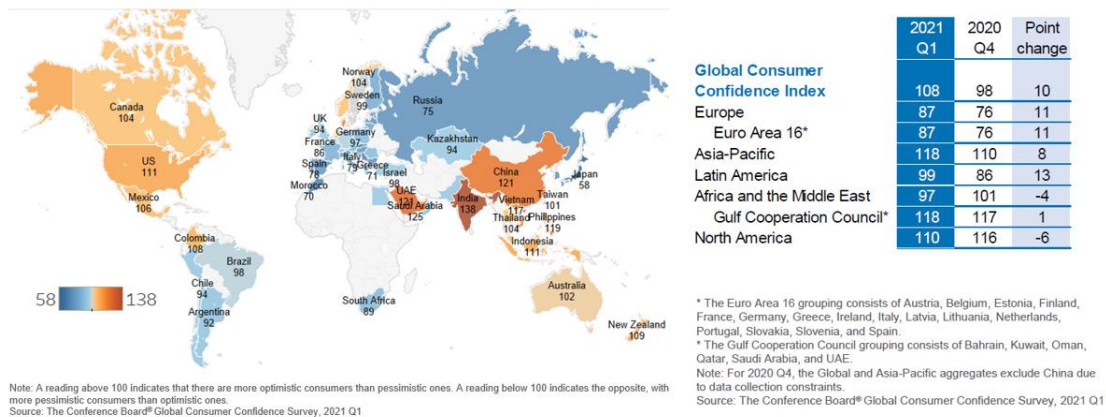
The Conference Board® Global Consumer Confidence Survey Finds Optimism Rising amid Accelerating Vaccinations and Sustained Fiscal Stimulus

New York, April 14, 2021...Global consumer confidence soared to record heights in the first quarter of 2021, according to **The Conference Board® Global Consumer Confidence Survey**, as vaccination campaigns broadened, travel restrictions loosened, and governments and central banks continued to provide economic stimulus.

The survey found that overall global consumer confidence shot up from 98 in the fourth quarter of 2020 to 108 in the first quarter of 2021. That figure exceeded the reading of 106 registered in pre-pandemic 2020 Q1 (a figure above 100 is considered positive) and is the highest recorded since the survey began in 2005. Confidence rose in 49 of 65 markets surveyed, as economic activity resumed, COVID-19 cases peaked in many economies, and vaccine development and distribution expanded. The vaccines contributed to that revival, so individual economies' level of access to them will greatly affect the timing of their recoveries and boosts in consumer confidence. (For 2020 Q4 indexes, results exclude China due to data collection constraints.)

“The lightening of consumer moods globally bodes well for spending throughout the remainder of the year as economies continue to emerge from the 2020 pandemic-induced economic downturn and work toward arresting the spread of the virus,” said **Dana Peterson, Chief Economist of The Conference Board**. “Nonetheless, the global economic recovery – and, consequently, consumer sentiment – is likely to continue to vary notably from region to region. Economies with greater access to vaccines are likely to achieve herd immunity, and thus will return to a state of normalcy sooner.”

GLOBAL CONSUMER CONFIDENCE INDEX, 2021 Q1: 108



Additional takeaways include:

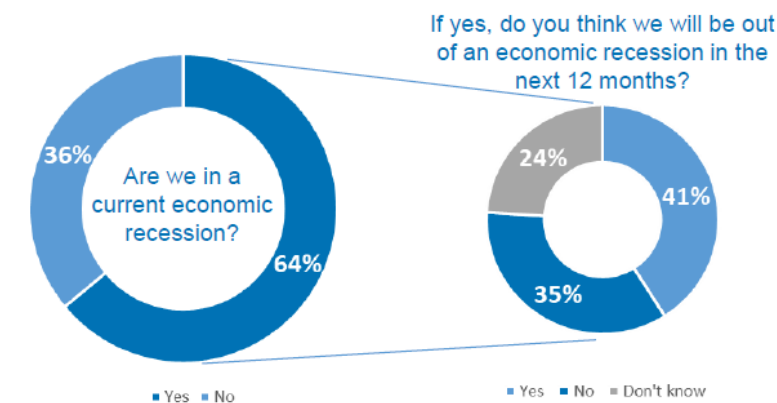
The record-setting global economic confidence was driven by increases in most regions but not all of them.

- **Confidence still varied across regions:** Latin America (up 13 points, from 86 to 99) and Europe (up 11 points, from 76 to 87) enjoyed the biggest gains in consumer confidence. But both regions started from low bases, and Europe remains the least confident region. North America, by contrast, slipped six points, from 116 to 110, while Africa and the Middle East dropped from 101 to 97.

- **Growing confidence in personal finances, especially, propelled the stronger global sentiment:** Consumers were significantly more optimistic about their finances in Q1 2021, with the gap between positive and negative responses standing at +29 percentage points, up substantially from +15 percentage points in Q4 2020. Of the three key drivers of global confidence, **personal finances** made the largest impact, although the other two drivers also trended upward: Sentiment about **job prospects** were up overall around the globe and **spending intentions** flipped from negative (-7 pts) in Q4 2020 to positive (+6 pts) in Q1 2021.
- **Consumers are gearing up for a return to normalcy:** Consumers spent more on entertainment outside of the home, clothing, and vacations. Taken together, these trends indicate that consumers are increasingly looking forward to returning to normal activities at some point this year. Given that consumption levels significantly contribute to growth in many mature economies, such activity in anticipation of greater freedom later on supports [The Conference Board's upwardly revised projection](#) of 5 percent real GDP growth globally this year.
- **However, around the world, consumers also ramped up savings:** 57 percent of global consumers indicated that they are putting money into savings, an increase of 9 pts from the previous quarter. Their efforts to economize primarily reflected savings on hospitality and entertainment services. Consumers planned to eliminate annual vacations, delay upgrading technology, and cut meals away from home. They also switched to cheaper grocery brands and drove their cars less. And, they indicated that they plan to continue saving on clothing, out-of-home-entertainment, and utilities even after economic conditions improve.

The scars of the recession lingered, with health and economic concerns looming large.

- A strong majority of consumers (64 percent) said that their market was still in recession during the first quarter of 2021. While that figure dropped sharply from the end of 2020 (down 17 percentage points, from 81 percent) recession concerns remained elevated.
- Globally, only 41 percent of consumers expected that their economy would be out of recession in 12 months, virtually unchanged from the previous quarter.
- Consumers' worries about their own health (22 percent) and economic performance (20 percent) dominated their top concerns. This trend will likely hold through mid-2021 given the continued crisis, and the time it will take to arrest the coronavirus and establish herd immunity.



Source: The Conference Board® Global Consumer Confidence Survey, 2021 Q1

“With uncertainty around jobs and health prompting consumers to continue economizing, it seems clear that GDP returning to pre-pandemic levels will not in itself mark a return to the old normal,” said **Dana Peterson, Chief Economist of The Conference Board**. “Healing in labor markets may take

longer, with greater potential for scarring among industries that are vulnerable to automation and digital transformation.”

While consumer sentiment was up overall around the globe, regional disparities persisted.

- **Europe:** While nearly all European countries improved in the first quarter of 2021, the region remained the most pessimistic of all surveyed.
 - Job prospects remained the main drag on confidence in the region, despite efforts in many individual economies to contain the negative impact of the pandemic on the labor market.
 - Spending intentions improved in all large European economies, except in Germany. However, restrictions on activity, which were announced in March and April amid an increase in COVID-19 cases, limited consumers’ willingness to spend.

- **Asia-Pacific (AP):** Consumer confidence continued to improve in 10 of 14 AP markets, not including China, as effective containment measures, fiscal stimulus packages in both advanced and emerging economies in the region, and a comparative advantage in exports of goods and technology helped boost regional sentiment.
 - With a score of 118, AP was the region with the highest consumer confidence.
 - The Q4 2020 survey did not include **China**, but the Q1 2021 reading of sentiment there (121) marked a dramatic improvement from the Q2 2020 (97), which was the last time that country was included in the survey.

- **Latin America:** With the region experiencing the largest increase in positive consumer sentiment, its confidence gauge flipped from negative to nearly positive territory, with every economy covered by the survey reporting sizable gains in confidence.
 - Rising optimism about personal finances translated into a greater share of consumers spending their spare cash, but plans to economize on utilities and clothing remained.
 - Although COVID-19 cases continued to rise in **Brazil** and **Chile**, infections continued to trend downward for many economies. General concerns about the economy ebbed as most governments in the region passed generous fiscal relief packages.

- **Africa & The Middle East (A&ME):** Consumer confidence in the region dipped slightly in the first quarter of 2021 from the final quarter of 2020, making it one of two regions, along with North America, to see a retreat in overall outlook.
 - There was a significant range of sentiment among countries in the region, with scores ranging from **Morocco** on one end (70) to **Saudi Arabia** (125) at the other. The split may relate to exposure to non-oil sources of growth, with Saudi Arabia and the **UAE**—relatively less dependent upon oil revenues—reporting improved confidence in Q1 2021.
 - The steep decline in consumption due to the pandemic appeared to be short-lived in the Gulf with the vaccination campaigns on the way, although slow, and the resulting economic rebound in 2021.

- **North America:** Consumer confidence fell in the first quarter of 2021, driven by a dip in confidence in the US – likely due to the slow initial rollout of the vaccines and the heightened political tensions from the protracted election season – while confidence rose in Canada. The decline is expected to be temporary.
 - In the **US**, concerns about the economy loomed large, but ebbed slightly. Concerns about health ticked up slightly. Notably, concerns about political stability appeared to lessen following a spike in the last quarter of 2020.

- In **Canada**, concerns about health and job prospects both ticked up, but worries about the economy fell.

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