



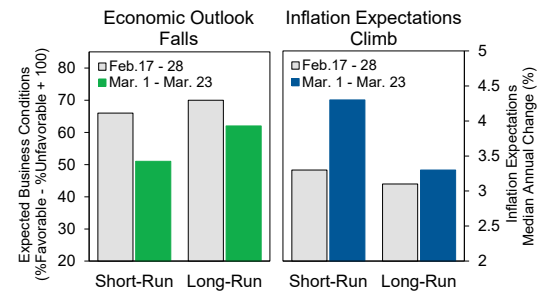
March 2026 survey results

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Joanne Hsu, PhD, Director

Consumer sentiment fell back 6% this month to its lowest level since December 2025. Declines were seen across age and political party. Consumers with middle and higher incomes and stock wealth, buffeted both by escalating gas prices and volatile financial markets in the wake of the Iran conflict, exhibited particularly large drops in sentiment. Overall, the short-run economic outlook plunged 14%, and year-ahead expected personal finances sank 10%, while declines in long-run expectations were more subdued. These patterns suggest that, at this time, consumers may not expect recent negative developments to persist far into the future. These views are subject to change, however, if the Iran conflict becomes protracted or if higher energy prices pass through to overall inflation. Interviews for this release were collected between February 17 and March 23, with about two-thirds completed after the start of the US military conflict in Iran.

Expectations Worsen After Start of Military Conflict in Iran, Particularly Over Short Run



Year-ahead inflation expectations climbed from 3.4% in February to 3.8% this month, the largest one-month increase since April 2025. The current reading exceeds those seen in 2024 and remains well above the 2.3-3.0% range seen in the two years pre-pandemic. Long-run inflation expectations inched down to 3.2%. In 2024, values ranged between 2.8% and 3.2%, while in 2019 and 2020, they were consistently below 2.8%. Note that for both time horizons, interviews completed after February 28th exhibited higher inflation expectations than those completed before that date (see chart, right panel).

Among the various attitudes measured, gas price expectations exhibited the largest changes in the wake of the Iran conflict. Year-ahead gas price expectations surged about five-fold from last month, reaching its highest reading since June 2022, soon after Russia’s invasion of Ukraine and the peak of post-pandemic inflation. Long-run gas price expectations rose to just a touch higher than the year-ahead value, signaling that consumers do not necessarily expect short-term spikes to persist. Likewise, the fact that long-run inflation expectations are comparable to readings seen recent months indicates that consumers currently believe that inflation shocks will have limited passthrough to the long run.

Only 28% of consumers expect interest rates to fall in the year ahead, down from 35% last month and nearly half of consumers 6 months ago. A higher path of interest rates is broadly consistent with the greater stability seen in long-run gas price and inflation expectations, suggesting that consumers expect tighter interest rates to help restrain upward pressure on long-run inflation. Expectations for other elements of the economy, including personal finances, business conditions, labor markets, and stock markets, also deteriorated this month. Decreases in expectations for personal finances and business conditions were much sharper for the short run than the long run.

The persistence of high prices continues to be the dominant factor for consumer views of the economy, with 47% of consumers spontaneously noting that prices are currently eroding their personal finances. As such, the Iran conflict appears to be weighing on consumers primarily through its anticipated effect on inflation. Continued turbulence in financial markets would generate additional downside risk for consumers with those assets, which may dampen their willingness to spend.

	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026
Index of Consumer Sentiment	57.0	52.2	52.2	60.7	61.7	58.2	55.1	53.6	51.0	52.9	56.4	56.6	53.3
Current Economic Conditions	63.8	59.8	58.9	64.8	68.0	61.7	60.4	58.6	51.1	50.4	55.4	56.6	55.8
Index of Consumer Expectations	52.6	47.3	47.9	58.1	57.7	55.9	51.7	50.3	51.0	54.6	57.0	56.6	51.7
Index Components													
Personal Finances - Current	74	71	67	78	83	77	76	78	66	68	74	77	74
Personal Finances - Expected	86	78	79	94	91	91	86	82	85	93	95	93	84
Economic Outlook - 12 Months	56	48	50	63	66	61	57	57	56	59	63	65	56
Economic Outlook - 5 Years	66	60	60	74	72	70	62	59	61	64	68	66	64
Buying Conditions - Durables	89	82	83	88	91	80	78	72	64	60	67	67	68