Consumer Reports Index Finds the Economy Making Slow Advancements in a Stalwart Recession

YONKERS, N.Y., /PRNewswire-USNewswire/ -- After a brief retreat in June, the economy is showing broad improvements in the condition, behavior and expectations of consumers, according to Consumer Reports Index for July.

The Consumer Reports Employment Index numbers show job creation increased to 51.1, its highest level since April 2009. The Employment Index has pointed to employment growth in three of the last four months. In July, 7.8% of Americans started a new job versus 5.7% that lost their job.

Consumer spending across index categories rose in July, particularly in the area of personal electronics and major home appliances. Per capita retail spending was up slightly for July ($274), reflecting June activity, from the prior month ($234).

The Consumer Reports Trouble Tracker Index, which measures the financial difficulties faced by consumers in the past 30 days, declined to 57.6 from 63.5 the prior month, and is slightly below July of last year (58.8). The most notable improvement was in the proportion of Americans that missed a mortgage payment, down to 2.4% from 3.9% the prior month.

Though showing improvement, dogged problems remain, including the proportion of Americans that were unable to afford medical bills or medications (16.0%), or lost or have reduced health-care coverage (8.9%). Problems in affording healthcare are well above levels seen in 2009.

A worrisome development in the Consumer Reports Trouble Tracker Index is a rise in Americans' homes going into foreclosure in the past 30 days. Foreclosures were reported by 1.3% of consumers in June, capping three straight months of increases.

Over the past four months, the Consumer Sentiment Index has crept upwards at a glacial pace, rising from 43.7 in April to 45.2 in July. Despite advances in employment and declining consumer difficulties, Consumer Sentiment stands at 45.2, virtually unchanged from June (45.0).

"The climb out of this recession remains slow with frequent setbacks and unlike most recoveries, where the climb out is roughly linear, we are seeing many ups and downs as consumers once again try to regain their footing," said Ed Farrell, a director of the Consumer Reports National Research Center. "A true bright spot for July is that Americans are heading back to work, with the employment index climbing into positive territory and gains posted in three of the last four months."

The Consumer Reports Index report, available at www.ConsumerReports.org [1],

comprises five key indices: the Sentiment Index, the Trouble Tracker Index, the Stress Index, the Retail Index, and the Employment Index.

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