ECONOMIC BRIEFING

The State of Consumer Confidence

Vol. 1 · July 2026

EXECUTIVE OVERVIEW: THE THREE-GAP CONSUMER
CONFIDENCE & SENTIMENT
JOBS & INCOME
INFLATION & PRICES
SPENDING: THE K
CREDIT STRESS

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SECTION 01

Executive Overview: The Three-Gap Consumer

The American consumer of mid-2026 is three consumers wearing one trench coat. The mood says recession; the money says expansion; and the two surveys that are supposed to measure the same thing sit 37 points apart.

54.4

UMich sentiment, July prelim — +9.9% MoM off June, still −11.8% YoY and nine points above May's record low

UMICH SCA[1] · FINAL JUL 31

36.8

Points between the two confidence gauges — Conference Board 91.2 (Jun) vs UMich 54.4 (Jul prelim). The survey fight is the story.

CB[2] + UMICH[1]

+6.7%

June retail sales YoY ($768.6B) — the money side of the mood-money gap; Q2 ran +6.4% YoY

CENSUS MARTS[3]

3.0%

Personal saving rate, May — the cushion is gone; real spending grew just +0.3% vs +0.7% nominal

BEA[4]

$18.79T

Total household debt, Q1 2026 — a record; student-loan 90+ transitions jumped to 10.86%

NY FED HHDC[5]

$4.00

National avg gas per gallon (Jul 20) — +27% YoY on the war arc; strikes resumed Jul 7, prices climbing again

AAA[6] · $3.14 A YEAR AGO

3.7%

NY Fed SCE median 1-yr inflation expectations, June — a 3-year high (reported per Reuters/PYMNTS)

NY FED SCE, JUNE · REPORTED

$440,600

Median existing-home price, June — all-time high, even as sales fell −2.4% MoM to 4.09M SAAR

NAR[7]

1. Gap one: mood vs money. Sentiment is at recession levels — UMich's July prelim of 54.4[1] follows a May print of 44.8, the lowest in the survey's history[8] (long-run average ~84) — while nominal retail sales run +6.7% YoY[3] and Prime Day set a record ~$26.4B in US online spend (+9.3% YoY, per Adobe via Reuters). Axios (Jul 16) compressed it to one line: consumers "keep spending while 'grumbling.'"

2. Gap two: top vs bottom. The K is quantified: the top 10% of earners spend nearly as much on nonessentials as the bottom 70% combined (per BofA analysis via Yahoo Finance). Beneath the aggregate, the bottom is out of cushion — a 3.0% saving rate[4], revolving credit contracting at −4.7% annualized[9], the worst subprime auto delinquency in 32 years (per Yahoo Finance), and 29% of BNPL users financing groceries (per LendingTree coverage).

3. Gap three: survey vs survey. UMich says 54.4; the Conference Board says 91.2[2]. The gap is so wide the measurement itself became the story — the WSJ asked outright (Jul 10) whether a key survey is broken, and Nate Silver posed the same question (Jun 29). Section 08 takes the fight seriously.

4. The labor market is a "low-hire, low-fire" freeze. June payrolls rose just +57K with unemployment at 4.2% — but the rate held only because 720K people left the labor force (per CNBC/Reuters coverage). JOLTS shows openings at a 2-year high of 7.6M[10] alongside a 1.9% quits rate — churn without motion. The Conference Board's "jobs hard to get" reading hit 22.5%, the highest since January 2021.

5. Inflation cooled on paper, not at the pump. June CPI eased to +3.5% YoY from May's 4.2% cycle peak (per CNBC) — but gas is back at $4.00/gal, +27% YoY[6], after the July 7 resumption of US strikes on Iran, and the NY Fed finds 44–47% of tariff-paying firms still plan further price increases[11], mostly within six months.

6. The Fed flipped hawkish. Under new Chair Kevin Warsh ("Prices are too high"), the June FOMC held at 3.50–3.75% and the dot plot tilted toward a hike, with nine officials backing 2026 increases (per Reuters). Early-2026 hopes for cuts are dead — our Scorecard grades that consensus a MISS.

7. Credit stress is real but localized. Household debt hit a record $18.794T[5]; 90+ day delinquency transitions rose across every product, led by student loans (8.04%→10.86%) after ~2.6M borrowers were moved toward default resolution in Q1.

8. Housing froze at the top. Mortgage rates eased to 6.55%[12] and the median existing-home price set an all-time high at $440,600[7] on falling sales — big-ticket categories (furniture 0.0% YoY, autos flat) tell the same stagnation story.

Gap 1: Mood vs Money WIDENING

Record-low sentiment territory against +6.7% YoY nominal retail. Inflation explains part of the wedge — real PCE grew only +0.3% MoM in May — but not all of it.

- UMich May 44.8 = series record low
- Prime Day record ~$26.4B (per Adobe/Reuters)
- Saving rate 3.0% funds the spending

Gap 2: Top vs Bottom WIDENING

The K-shape: affluent spending carries the aggregate while delinquencies climb from the bottom decile up. TransUnion calls the credit market "splitting along a K-shaped path" (reported).

- Top 10% ≈ bottom 70% on nonessentials (per BofA/Yahoo)
- Subprime auto delinquency worst in 32 yrs (per Yahoo Finance)
- 29% of BNPL users finance groceries (per LendingTree)

Gap 3: Survey vs Survey CONTESTED

UMich 54.4 vs Conference Board 91.2. One measures despair, the other resilience — and the divergence chart below is Vol. 1's signature exhibit.

- WSJ (Jul 10): "is a key survey broken?"
- Fundstrat's Tom Lee: UMich "notoriously partisan" (reported)
- UMich: July gains "pervasive across political party"

SOURCES

[1] www.sca.isr.umich.edu

[2] www.conference-board.org/topics/consumer-confidence

[3] www.census.gov/retail/marts/www/marts_current.pdf

[4] www.bea.gov/news/2026/personal-income-and-outlays-may-2026

[5] www.newyorkfed.org/newsevents/news/research/2026/20260512

[6] gasprices.aaa.com

[7] www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

[8] www.sca.isr.umich.edu/files/tbmics.csv

[9] www.federalreserve.gov/releases/g19/current

[10] www.hiringlab.org/2026/06/30/may-2026-jolts-report-more-of-the-same

[11] libertystreeteconomics.newyorkfed.org/2026/07/more-tariff-pass-through-is-in-the-pipeline

[12] www.freddiemac.com/pmms

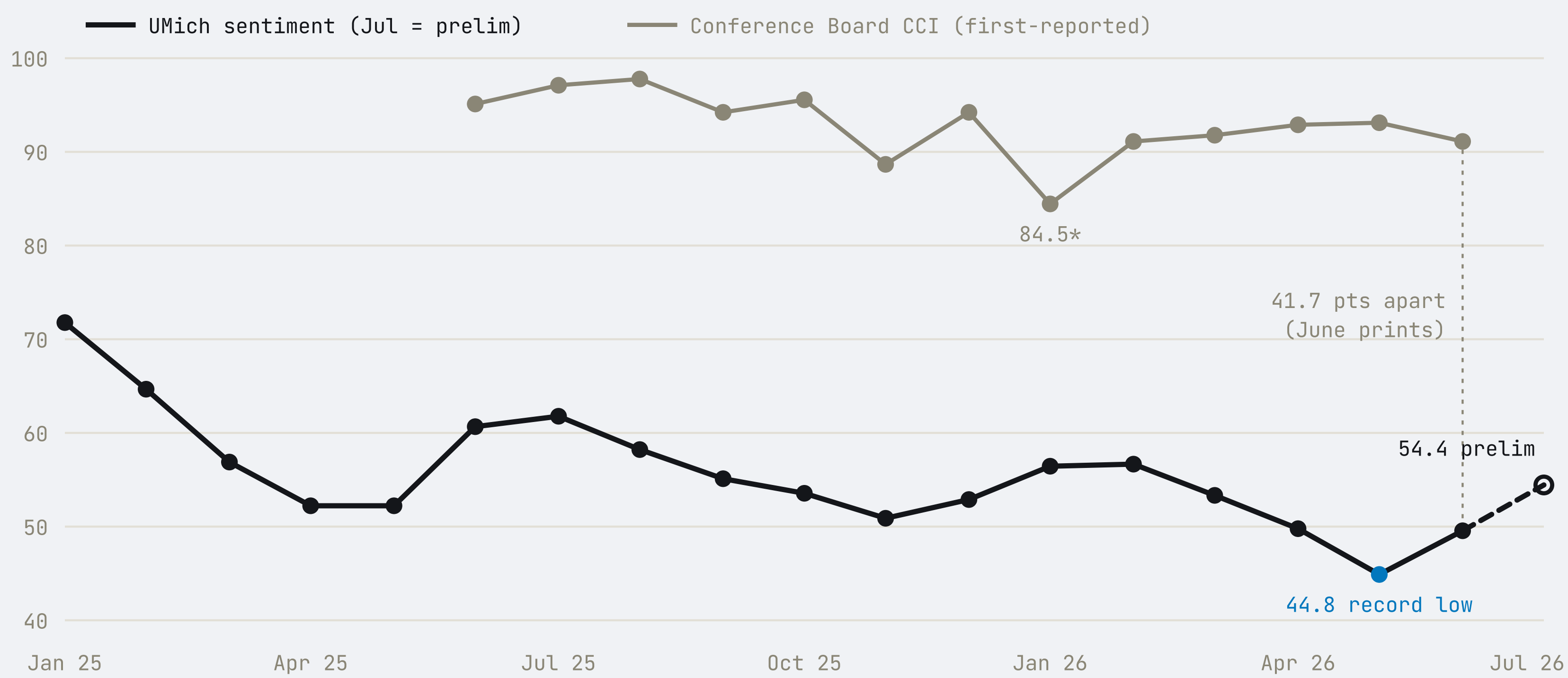
SECTION 02

Confidence & Sentiment

Two gauges, one consumer, a 40-point chasm. UMich bounced off its all-time floor in July; the Conference Board never came close to it.

The divergence: UMich vs Conference Board, Jan 2025 – Jul 2026

UMich Index of Consumer Sentiment (final; July = preliminary, dashed) vs Conference Board Consumer Confidence Index (values as first reported*). Sources: UMich SCA historical series[1] · Conference Board[2] / monthly releases[3]. July CB print due Jul 28.



*Revision convention: Conference Board values are plotted as first reported. Two revisions were large enough to note: Jan 2026 was first reported at 84.5 (lowest since May 2014) and later revised to 89.0; May 2026 was first reported at 93.1 and revised to 90.6.

Inside the July UMich print

+9.9%

MoM gain, 49.5 → 54.4 — best reading since February 2026; current conditions 54.9, expectations 54.0

UMICH SCA PRELIM[4]

+20%

Jump in buying conditions for durables — the single strongest component of the July rebound

UMICH SCA PRELIM · JUL 17

4.2%

Year-ahead inflation expectations, down from 4.6%; long-run eased to 3.3%

UMICH SCA PRELIM · JUL 17

>70%

Share of July interviews conducted BEFORE the Jul 7 resumption of US strikes on Iran and the gas rebound — downside risk into the Jul 31 final

UMICH SCA FIELDWORK CAVEAT

The Conference Board picture

June's CCI reading of **91.2 (+0.6)** splits into a falling **Present Situation index of 116.4 (−3.0)** and an Expectations index of **74.4** — which has now spent roughly **12 straight months below 80**, the level the Conference Board flags as a recession signal. **61.5% of consumers expect higher interest rates** in the next 12 months. Context for the arc: the index peaked at **112.8 in November 2024**; the January 2026 print of 84.5 was first reported as the lowest since May 2014. Sources: Conference Board[2] · June release[3].

> **The recession signal that hasn't resolved**
>
> CB Expectations below 80 has signaled recession for ~12 consecutive months — and no recession has been declared through July 2026. Either the signal is early, or it is broken. We grade it honestly in the Scorecard (Section 10) rather than quietly forgetting it.

The NY Fed's Survey of Consumer Expectations adds the third leg: June median **1-year inflation expectations at 3.7%, a 3-year high** (reported per Reuters/PYMNTS), and May coverage showing **household financial worries at their highest since July 2022** (per CNBC). The SCE's 3- and 5-year medians were not retrievable this cycle and are omitted rather than estimated.

SOURCES

[1] www.sca.isr.umich.edu/files/tbmics.csv

[2] www.conference-board.org/topics/consumer-confidence

[3] www.prnewswire.com/news-releases/us-consumer-confidence-inched-up-in-june-302814510.html

[4] www.sca.isr.umich.edu

SECTION 03

Jobs & Income

A +57K payroll month dressed up by 720K people walking away. The labor market isn't shedding jobs — it has simply stopped moving.

+57K

June payrolls (May: +172K; prior two months revised −74K) — reported per CNBC/Reuters coverage

BLS VIA PRESS COVERAGE · JUL 2

4.2%

Unemployment rate — held down entirely by 720K leaving the labor force; participation at a >5-year low (reported)

PER CNBC/REUTERS · JUL 2

22.5%

"Jobs hard to get" — highest since January 2021; labor differential narrowed to +2.4

CONFERENCE BOARD[1] · JUN

7.6M

JOLTS job openings, May — a 2-year high, but driven by a historic drop in separations, not hiring; quits just 1.9%

INDEED HIRING LAB[2]

The pay problem: working more, affording less

Average hourly earnings reached **$37.64, +3.5% YoY** — trailing inflation. By May 2026, **real wages were roughly back at their January 2025 level**, and the average household is paying about **+$3,100 more per year for essentials** than in January 2025. The composition is worse than the average: from June 2025 to June 2026, industries paying below-average wages added **+762,400 jobs** while above-average-wage industries lost **−40,800**; manufacturing shed 38K. Source: Center for American Progress[3].

+762K

Jobs added in below-average-wage industries, Jun 25–Jun 26

VS -40.8K ABOVE-AVERAGE-WAGE · CAP

+3.5%

Wage growth YoY at $37.64/hr — behind prices; real wages ≈ Jan 2025

CAP ANALYSIS OF BLS DATA

+$3,100

Extra annual essentials cost per avg household since Jan 2025

CENTER FOR AMERICAN PROGRESS

1.9%

Quits rate — nobody is leaving voluntarily; hires 5.2M

JOLTS MAY · INDEED HIRING LAB

The AI-anxiety overlay

Job fear now has a technological face, and it shows up in the sentiment data's expectations components. All items below are press-reported; attribute per outlet: **half of Americans** fear AI could cost someone in their household a job (Reuters/Ipsos, Jun 10), and **53% fear for their own job** (per USA Today). KPMG finds displacement fear **nearly doubled year over year** (reported). The entry-level market has been called the **"worst in 37 years"** (per Fortune, Jul 19); computer-science graduates posted the second-largest entry-level hiring drop, and roughly half of recent graduates are underemployed (per CNBC). The counterpoint is live: NPR/EPI analysts argue remote work, not AI, sidelined new grads — the causal question is unresolved, the fear is not.

SOURCES

[1] www.conference-board.org/topics/consumer-confidence

[2] www.hiringlab.org/2026/06/30/may-2026-jolts-report-more-of-the-same

[3] www.americanprogress.org/article/june-jobs-numbers-are-not-the-boost-for-workers-that-was-expected

SECTION 04

Inflation & Prices

Headline CPI cooled to 3.5% on falling energy — the same week gas turned back up. The tariff pipeline says the disinflation is on borrowed time.

3.5%

June CPI YoY (vs 3.8% expected), cooling from May's 4.2% cycle peak on falling energy (reported per CNBC)

BLS VIA PRESS COVERAGE · JUL 14

$4.003

AAA national avg gas, Jul 20 — +27% vs $3.141 a year ago; ~$4.50 in May, ~$6 in California at the war peak

AAA[1]

3.50–3.75%

Fed funds rate, held in June under Chair Kevin Warsh; dot plot flipped toward a hike, nine officials back 2026 increases (per Reuters)

FOMC VIA REUTERS · JUN

44–47%

Share of tariff-paying firms planning FURTHER price increases (47% services, 44% manufacturing), mostly within 6 months

NY FED LIBERTY STREET[2]

The pump is the sentiment transmission channel

The war arc is the single cleanest explanation for the May sentiment collapse: gas ran to ~$4.50 national (~$6 California) as UMich printed its record-low 44.8. The July rebound was surveyed mostly before Jul 7 — when US strikes on Iran resumed and prices started climbing again[1]. If $4.00+ holds, the July final and August prints inherit the drag.

Tariffs: paid here, not there

The NY Fed's July 8 Liberty Street analysis[2] finds **~90% of tariff costs are borne by US firms and consumers**, and that pass-through is not finished: 47% of service firms and 44% of manufacturers plan further tariff-related increases, mostly within six months. The Dallas Fed reads the PCE tariff effects as having **peaked in Q1 2026 but continuing**. That pipeline is why we treat the June CPI cooldown as fragile — and why inflation expectations (NY Fed 1-yr at a 3-year high of 3.7%) refuse to normalize.

Food: groceries +2.7% YoY in June — with eggs −28% masking hot coffee and beef. Shoppers are adapting by volume: "US grocery slowdown deepens as shoppers buy fewer items" (per CNBC, Jul 16).

SOURCES

[1] gasprices.aaa.com

[2] libertystreeteconomics.newyorkfed.org/2026/07/more-tariff-pass-through-is-in-the-pipeline

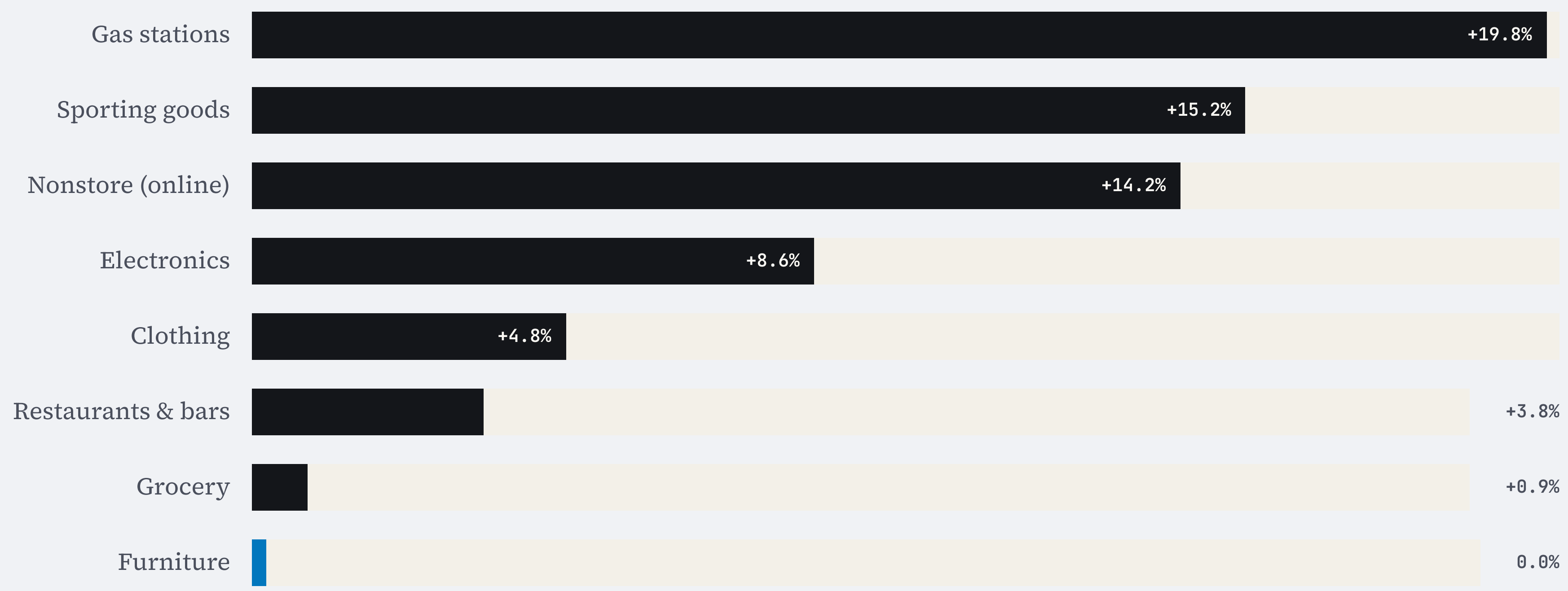
SECTION 05

Spending: The K

The aggregate says boom: +6.7% YoY. The category mix says gas prices and the affluent are doing the lifting while the staples flatline.

June retail sales by category, YoY

Total June retail $768.6B, +0.2% MoM, +6.7% YoY; Q2 +6.4% YoY. Source: Census MARTS advance report[1].



Note the shape: the top bar is inflation (gas dollars, not gallons), the middle bars are discretionary categories skewed to higher-income spenders, and the bottom bars — the staples everyone buys — are flat to zero.

Real vs nominal: inflation eats the growth

May real PCE grew **+0.3% MoM against +0.7% nominal** — more than half the “spending growth” is price. PCE prices ran **+4.1% YoY (core +3.4%)** and the saving rate sat at **3.0%**. Source: BEA Personal Income and Outlays, May 2026[2].

What the retailers are saying (reported)

Walmart
Q1 FY27

Revenue $177.8B, +7.3% · US comps +4.1%

Beat on the quarter, weak outlook, stock −7% — management flagged “lower-income shoppers navigating financial stress” (per CNBC).

Target
Q1

Beat expectations

But flagged “waning consumer sentiment” in guidance (reported).

Macy’s
Q1

Raised forecasts

On an affluent-customer focus — the K-shape in retail strategy form; mid-market apparel struggled (reported).

Amazon Prime Day
JUL

Record ~$26.4B US online spend, +9.3% YoY

Per Adobe via Reuters — with shoppers “navigating with pinched wallets”: record volume, deal-hunting behavior.

QSR / McDonald’s
Q2

Low-income foot traffic dropped sharply

Value wars are “buying traffic, not loyalty” (reported) — the bottom of the K trades down even inside fast food.

Travel
JUL 4

Record 72.2M July 4th travelers (AAA, reported)

Experiences still get funded — the mood-money gap’s most visible exhibit.

The K, quantified

The top 10% of earners now spend nearly as much on nonessentials as the bottom 70% combined (per BofA analysis via Yahoo Finance). At the other end: about half of BNPL users paid late in the past year — the second straight annual rise — and 29% are financing groceries with installment plans (per LendingTree coverage); Klarna is seeking a US bank charter (reported). Luxury vehicle average transaction prices are surging while mainstream buyers shift to affordable segments (per Kelley Blue Book).

SOURCES

[1] www.census.gov/retail/marts/www/marts_current.pdf

[2] www.bea.gov/news/2026/personal-income-and-outlays-may-2026

SECTION 06

Credit Stress

Record debt, contracting credit cards, and a student-loan delinquency cliff. The crack in the consumer is real — it's just not evenly distributed.

$18.794T

Total household debt, Q1 2026 — record; +$18B QoQ

NY FED HHDC[1]

10.3%

Share of student-loan balances 90+ days delinquent (9.6% in Q4); ~2.6M borrowers moved to DoE default resolution in Q1

NY FED HHDC · Q1 2026

-4.7%

Revolving credit, May, annualized — contracting; total consumer credit flat; avg CC rate 22.15% on interest-assessed accounts

FED G.19[2]

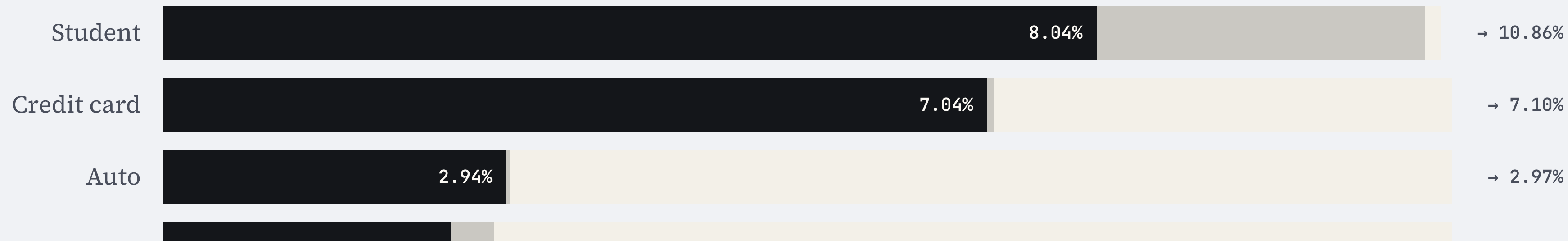
32 yrs

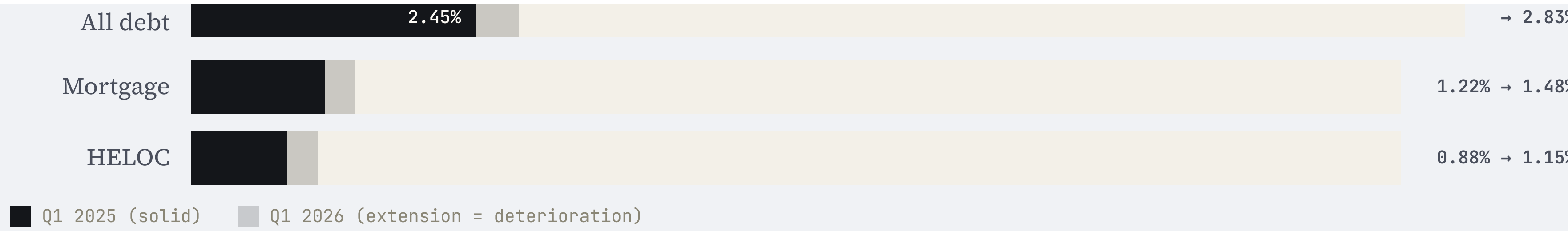
Subprime auto delinquency at its worst since 1994; repos at Great Recession levels (reported per Yahoo Finance, Jul 11)

PER YAHOO FINANCE · REPORTED

90+ day delinquency transitions by loan type, Q1 2025 vs Q1 2026

Annualized share of balances transitioning into serious delinquency. Solid = Q1 2025, light extension = Q1 2026. Source: NY Fed Household Debt and Credit Report[1].





Every product deteriorated year over year. Student loans are the outlier — the end of pandemic-era reporting relief pushed the 90+ transition rate from 8.04% to 10.86%.

Household debt composition, Q1 2026 ($T)

The bottom of the K, in the auto lot

All reported items, attribute per outlet: the average car payment is **$680/month**, and **19% of new-car buyers** carry payments over $1,000/month; the Fed has flagged buy-here-pay-here lending as a risk area. Pandemic-era excess savings are treated as exhausted — “US consumers’ savings buffer is gone” (per Reuters, Jun 1) — and TransUnion describes the credit market as “splitting along a K-shaped path.” Against that: the G.19’s flat total and contracting revolving balances[2] can be read as deleveraging discipline, forced retrenchment, or lenders cutting limits — the data doesn’t distinguish. The delinquency transitions do.

SOURCES

[1] www.newyorkfed.org/newsevents/news/research/2026/20260512

[2] www.federalreserve.gov/releases/g19/current

SECTION 07

Housing & Big-Ticket

Prices at an all-time high on falling volume — the market clears at the top while the first-time buyer disappears from it.

6.55%

30-yr fixed mortgage (Jul 16), down from 6.75% a year ago — purchase demand still weak, inventory rising

FREDDIE MAC PMMS [1]

4.09M

Existing-home sales SAAR, June (−2.4% MoM); 4.6 months of supply

NAR [2]

$440,600

Median existing-home price, June — all-time high

NAR [2]

16.5M

June auto SAAR (NADA, reported) — prices steady as buyers downshift segments; furniture retail 0.0% YoY

NADA · REPORTED / CENSUS [3]

The affordability debate, honestly stated

One strand says the door is closing: “first-time home buyers are a vanishing breed” (per USA Today). Another says the door is slowly reopening: wage growth is now outpacing home-price growth for the first time in years (affordability analyses per Realtor.com/HousingWire). Both can be true — flow affordability improving off a stock affordability that remains historically terrible at a $440,600 median and 6.55% money. We present it as a debate, not a verdict.

Big-ticket is where sentiment and spending finally agree: existing-home volume down, furniture at exactly 0.0% YoY, autos flat with buyers trading down segments while luxury ATPs surge (per KBB). The one contrarian data point — UMich's +20% July jump in durables buying conditions — came before gas turned back up.

SOURCES

[1] www.freddiemac.com/pmms

[2] www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

[3] www.census.gov/retail/marts/www/marts_current.pdf

SECTION 08

The Mood Economy

When the two instruments that measure the same object disagree by 40 points, either the object is strange or an instrument is. Mid-2026's answer: probably both.

The survey fight

All press items reported, attribute per outlet. The WSJ asked the question directly (Jul 10): **"Do We Really Feel This Lousy About the Economy, or Is a Key Survey Broken?"** Nate Silver raised the same doubt (Jun 29). Fundstrat's Tom Lee calls the UMich survey **"notoriously partisan"** — sentiment as political identity rather than economic assessment. UMich's rebuttal, in its own July release: the month's gains were **"pervasive across... political party."** The methodological stakes are real: UMich (phone/web, heavier inflation weighting) sits at recession-era levels while the Conference Board (labor-market weighted) sits at merely-mediocre levels. Whichever instrument you trust determines whether you think the consumer is broken or just annoyed.

The discourse arc: vibecession → permacession

The language mutated this quarter (all reported): The Atlantic declared (May 24) **"The 'Vibecession' Is Over. The 'Permacession' Is Here"** — permanent recession-feeling as steady state. A Schwab strategist offered "vibepression." Behavior split into a doom-spending wave (FT, May 8) against a "No Buy 2026" counter-trend. And the anxiety climbed the income ladder: the **"$200K and still feel broke"** strand puts high earners inside the mood recession even as their spending carries the expansion. Axios (Jul 16) closed the loop: consumers "keep spending while 'grumbling.'"

> ### Vol. 1 house view on the gap
>
> The three gaps are one gap. Inflation's level (not its rate), gas at $4.00, and a frozen job market explain the mood; top-decile balance sheets and 3.0%-saving-rate spending explain the money; and the two surveys weight those two realities differently. The gap closes either when prices normalize (mood rises to meet money) or when the bottom's credit stress spreads (money falls to

meet mood). Our forecasts below lean toward the second closing mechanism being slower than the bears expect — that's what 2025's "consumer will crack" scorecard entry teaches.

SECTION 09

Sector Timeline

The running milestone history of the consumer-confidence cycle — regime changes, records, and firsts. Vol. 1 seeds the ledger; future volumes append.

2024-11

Conference Board CCI peaks at 112.8 ANCHOR

The post-election high-water mark — every reading since is measured against it. Conference Board [1].

2026-01

CB confidence collapses to 84.5 — lowest since May 2014 REGIME

First-reported print (later revised to 89.0) marks the cycle's confidence break on the stronger of the two surveys. Conference Board [1].

2026-03

Iran war begins; gas price spike starts SHOCK

The war arc drives gas toward ~$4.50 national (~$6 California) by May — the cleanest transmission channel into sentiment (reported, per AP).

2026-05

UMich sentiment hits 44.8 — record low for the series RECORD

Lowest reading in the survey's history, against a long-run average near 84. UMich SCA [2].

2026-05

NY Fed: household financial worries highest since Jul 2022 STRESS

Survey of Consumer Expectations coverage shows worry about household finances at a 4-year high (reported, per CNBC).

2026-06

Fed holds under new Chair Warsh; dot plot flips toward hikes REGIME

Rates held at 3.50–3.75%; nine officials back 2026 hikes; "Prices are too high." The 2026-cuts consensus dies (reported, per Reuters).

2026-06-10

Half of Americans fear AI will cost their household a job FIRST

Reuters/Ipsos poll makes AI displacement a first-order consumer-confidence input (reported).

2026-06-30

“Jobs hard to get” hits 22.5% – highest since Jan 2021 RECORD

CB labor differential narrows to +2.4 as the low-hire, low-fire freeze reaches the survey data. Conference Board[1].

2026-07-02

June payrolls shock: +57K, 720K exit the labor force SHOCK

Unemployment holds at 4.2% only via participation collapse to a >5-year low (reported, per CNBC/Reuters).

2026-07-07

US strikes on Iran resume; gas turns back up SHOCK

The re-escalation lands after >70% of UMich July interviews were complete — the rebound was surveyed in a window that no longer exists (reported).

2026-07-07

NY Fed 1-yr inflation expectations hit 3.7% – 3-year high RECORD

June SCE median; the expectations channel refuses to normalize (reported, per Reuters/PYMNTS).

2026-07-14

June CPI cools to +3.5% YoY from May’s 4.2% cycle peak RELIEF

Below the 3.8% expected, on falling energy — a cooldown recorded just as pump prices turned back up (reported, per CNBC).

2026-07-16

June retail sales: $768.6B, +6.7% YoY MONEY

The money side of the gap posts its strongest yearly comp of the cycle; Q2 +6.4% YoY. Census MARTS[3].

2026-07-17

UMich prelim rebounds +9.9% to 54.4 REBOUND

Best since February; durables buying conditions +20%; year-ahead inflation expectations ease to 4.2%. UMich SCA[4].

2026-07-20

Gas back at $4.00/gal – +27% YoY THRESHOLD

AAA national average $4.003 vs $3.141 a year ago, climbing again on the strike resumption. AAA[5].

SOURCES

[1] www.conference-board.org/topics/consumer-confidence

[2] www.sca.isr.umich.edu/files/tbmics.csv

[3] www.census.gov/retail/marts/www/marts_current.pdf

[4] www.sca.isr.umich.edu

[5] gasprices.aaa.com

SECTION 10

Forecasts & Scorecard

The calibration instrument: falsifiable claims with probabilities and resolve-by dates. A stranger must be able to grade every row from public data. Our own Vol. 1 forecasts get graded starting Vol. 2.

Our Forecasts — Vol. 1

ID	CLAIM	PROB.	RESOLVES BY	BASIS
SOCF-2607-01	UMich July FINAL prints ≥ 52.0 (vs 54.4 prelim)	70%	2026-07-31	>70% of interviews predate the Jul 7 strike resumption — revision risk is down, but full round-trips are rare. UMich SCA [1]
SOCF-2607-02	Conference Board July CCI (due Jul 28) prints BELOW June's 91.2	60%	2026-07-28	War re-escalation + $4.00 gas hit the CB fieldwork window fully. CB [2]
SOCF-2607-03	The Fed HIKES at least once in calendar 2026	60%	2026-12-31	Dot plot flipped, nine officials back hikes, Warsh's "prices are too high," tariff pipeline (reported, per Reuters)
SOCF-2607-04	Q2 2026 NY Fed HHDC total household debt exceeds $18.8T (a new record)	85%	2026-08-31	Q1 record $18.794T with +$18B QoQ momentum. NY Fed [3]

ID	CLAIM	PROB.	RESOLVES BY	BASIS
SOCF-2607-05	Q2 2026 student-loan 90+ balance delinquency stays ≥ 10%	80%	2026-08-31	10.3% in Q1 and rising; ~2.6M borrowers in default resolution pipeline. NY Fed[3]
SOCF-2607-06	AAA national avg gas ≥ $4.00/gal on Sep 1, 2026	55%	2026-09-01	$4.003 on Jul 20 and climbing post-Jul 7; war path is the swing variable. AAA[4]
SOCF-2607-07	Headline CPI YoY returns to ≥ 3.8% in at least one report covering Jul–Nov 2026 data	55%	2026-12-15	Gas +27% YoY re-entering the index + 44–47% of firms with tariff hikes queued. NY Fed[5]
SOCF-2607-08	NAR median existing-home price for June 2027 exceeds $440,600 (a new June record)	70%	2027-07-31	ATH set on shrinking volume with 4.6 months supply; wage growth reportedly outpacing price growth argues restraint, not reversal. NAR[6]

Forecast Watch — external

Notable outside forecasts we are tracking to resolution.

FORECASTER	MADE	CLAIM	RESOLVES BY	STATUS
Bank of America	2026-06	Three Fed rate hikes in 2026 (reported)	2026-12-31	OPEN
Kalshi markets	2026-07	~50% implied odds of ≥1 hike in 2026 (reported)	2026-12-31	OPEN
Nine FOMC officials (dot plot)	2026-06	Policy rate should rise in 2026 (per Reuters)	2026-12-31	OPEN

FORECASTER	MADE	CLAIM	RESOLVES BY	STATUS
NY Fed Liberty Street	2026-07	44–47% of tariff-paying firms raise prices further, mostly within 6 months — check CPI/PCE by Jan 2027. Source[5]	2027-01-31	OPEN
CB survey respondents (61.5%)	2026-06	Interest rates will be higher in 12 months. Source[2]	2027-06-30	OPEN
UMich preliminary estimate	2026-07	July final ≈ 54.4 prelim — nearest-term gradeable print; the strike-resumption caveat says downside. Source[1]	2026-07-31	OPEN
Early-2026 market/analyst consensus	2026-01	Fed cuts rates in 2026 (reported)	2026-12-31	TRENDING MISS

Scorecard — resolved external calls

Grading already-resolved (or effectively-resolved) forecasts against mid-2026 reality.

FORECASTER	CLAIM	VERDICT	EVIDENCE
Early-2026 consensus	The Fed cuts rates in 2026	MISS	Held at 3.50–3.75% through June; dot plot flipped toward hikes under Warsh; cut hopes abandoned (reported, per Reuters)
Conference Board signal	Expectations < 80 signals recession (now ~12 straight months)	MISS	No recession declared through Jul 2026 — the signal is early or wrong so far; retained as an honest calibration entry. CB[2]

FORECASTER	CLAIM	VERDICT	EVIDENCE
2025 “consumer will crack” calls	Consumer spending breaks in the aggregate	PARTIAL	Aggregate: miss — June retail +6.7% YoY[7]. Bottom decile: the crack is real — delinquency transitions rising on every product[3], subprime auto worst in 32 years (reported)

SOURCES

[1] www.sca.isr.umich.edu

[2] www.conference-board.org/topics/consumer-confidence

[3] www.newyorkfed.org/newsevents/news/research/2026/20260512

[4] gasprices.aaa.com

[5] libertystreeteconomics.newyorkfed.org/2026/07/more-tariff-pass-through-is-in-the-pipeline

[6] www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

[7] www.census.gov/retail/marts/www/marts_current.pdf

THE STATE OF CONSUMER CONFIDENCE

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UMich Surveys of Consumers · Conference Board CCI · NY Fed Household Debt & Credit · NY Fed Liberty Street · Census MARTS · BEA Personal Income & Outlays · Federal Reserve G.19 · Freddie Mac PMMS · NAR Existing-Home Sales · AAA Gas Prices · Indeed Hiring Lab (JOLTS) · Center for American Progress

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