U.S. Consumer Confidence Index (CCI)

Consumer confidence is the degree of optimism on the state of the economy that consumers are expressing through their activities of saving and spending. This confidence is measured by the U.S. Consumer Confidence Index (CCI). In the United States, the CCI is issued monthly by *The Conference Board*, an independent economic research organization. The Index is calculated each month on the basis of a survey of 5,000 households, asking consumers' opinions on current conditions and future expectations of the economy. Opinions on current conditions make up 40 percent of the index, with expectations of future conditions comprising the remaining 60 percent.

In the simplest terms, when confidence trends up, the economy grows and consumers spend money, boosting consumption. This is good news for business owners. In good economic times, when the CCI trends upwards, businesses often plan expansion – and as a result, they hire more people. The end result more individuals find jobs after receiving workforce services which causes the PRISM placement rate to trend upward.

When consumer confidence trends downward, the rate of economic growth slows and consumers are likely to reduce their spending. Declining consumer confidence is a sign of slowing economic growth and may indicate that the economy is headed into trouble. During a slow economic growth period, businesses are less likely to expand, resulting in a slow-down in hiring or possibly layoffs. As consumer confidence declines the PRISM Placement Rate also declines.