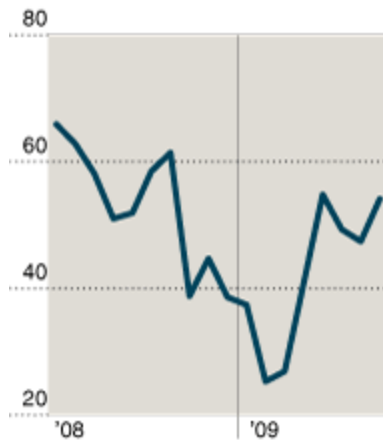


Consumer Confidence Shows a Notable Rise

WASHINGTON (AP) — Consumer sentiment rose more than expected in August, an indication that Americans' pessimism about the economy might be lifting.

Consumer Confidence

Index measuring attitudes toward the economy, 1985=100.



Source: The Conference Board

The New York Times

The New York-based Conference Board said Tuesday that its [Consumer Confidence index](#) rose to 54.1, from an upwardly revised 47.4 in July.

Economists surveyed by [Thomson Reuters](#) had expected a slight increase to 47.5. Still, the index is far below 90, the minimum level associated with a healthy economy. Above 100 signals strong growth.

Economists closely monitor confidence because consumer spending accounts for about 70 percent of United States economic activity. Consumer sentiment — aided by signs the economy is stabilizing — has recovered a bit since hitting a record low 25.3 in February.

Many analysts expect the economy to grow 2 to 3 percent in the current quarter, spurred by a more stable housing market and the cash-for-clunkers program, which has increased auto sales.

But economists worry that without more consumer spending, the recovery may weaken next year.

The housing slump and a weak job market have made consumers reluctant to spend. But the outlook for jobs is improving, [the Conference Board](#) said, with fewer respondents saying positions are hard to get, and more saying they are plentiful.

Consumers' expectations for the economy in the next six months rose to 73.5, from 63.4 in July, the highest level since December 2007, when the [recession](#) began. The consumer confidence survey was sent to 5,000 households and had a response deadline of Aug. 18.

The housing sector also received positive news. The [Standard & Poor's/Case-Shiller](#) National Home Price index [rose nearly 3 percent](#) in the second quarter from the January-March period, the first quarterly increase in three years. Home prices, while still down almost 15 percent from last year, are at levels last seen in early 2003.

The reports, with [President Obama's](#) reappointment of [Ben S. Bernanke](#) as [Federal Reserve](#) chairman, [sent the financial markets higher](#). The Dow Jones industrial average rose 30 points, and broader indexes also gained slightly.

Mr. Obama said Tuesday that his administration's \$787 billion [stimulus package](#) and the extraordinary efforts by Mr. Bernanke to pump trillions of dollars into the financial system had helped turn the economy around.

Jobs are a weak spot, however, and could limit consumer spending if Americans remain concerned about layoffs or declining wages.

Still, the Labor Department reported last week that the unemployment rate dipped for the first time in 15 months, and workers' hours and pay rose slightly in July. The unemployment rate slipped to 9.4 percent, from 9.5 percent, while July job losses slowed to a total of 247,000, the fewest in a year and a big improvement from 443,000 in June.