

PESSIMISM ABOUND

Consumer sentiment in the Sacramento region trails the nation and continues to fall

BY MENGYUAN DONG AND JOSHUA MANN
The Business Journals

Consumer sentiments were down in the Sacramento metro area in the third quarter, and bigger shifts could be on the horizon as 2026 approaches. That's according to the Metropolitan Consumer Sentiment Index, a quarterly index published as part of a partnership between the Sacramento Business Journal's parent company American City Business Journals and global decision-intelligence company Morning Consult. The index tracks consumer and business sentiments in more than 40 major metro areas, based on more than 5,000 daily interviews.

Sacramento's overall MCSI score was 93.4 for the third quarter, below the national average of 95.8 and down from 96.3 in the second quarter. Scores above 100 indicate positive consumer sentiments. The regional findings were based on a weighted sample of nearly 3,000 responses. Beyond the overall decline in confidence, the survey also revealed a growing sense of uncertainty.

"I'm not surprised that Sacramento came in weaker," said Sanjay Varshney, chief economist and publisher of the Sacramento Business Review and a finance professor at California State University Sacramento.

Varshney emphasized the impact of weak job markets on the low consumer confidence, as anchor tech companies such as Intel Corp. have continued mass layoffs, along with

some construction companies.

The Sacramento region's unemployment rate was 5.4% as of August, higher than the national average of 4.3%, according to the U.S. Bureau of Labor Statistics.

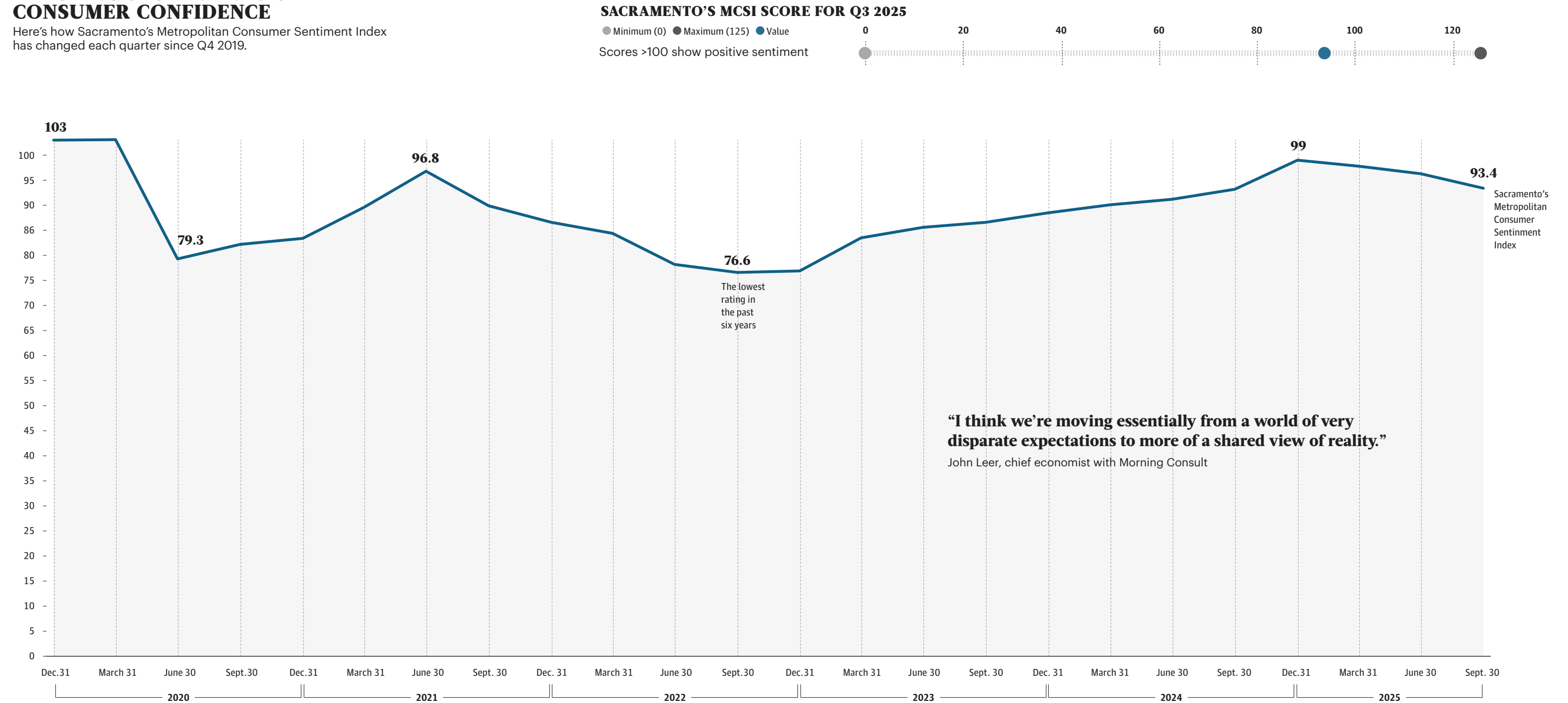
"I'm sure that factors into people's minds," Varshney said. "The loss of jobs and the lack of mobility in terms of being able to find something else certainly has contributed to Sacramento being a little weaker."

Consumer confidence in Sacramento has remained in negative territory since the start of the Covid-19 pandemic. It reached a recent low of 76 in the third quarter of 2022, then climbed to a period high of 99 by the end of 2024. Since early this year, however, it's fallen for three

CONTINUED ON PAGE 16

TRACKING SACRAMENTO'S CONSUMER CONFIDENCE

Here's how Sacramento's Metropolitan Consumer Sentiment Index has changed each quarter since Q4 2019.



INSIDE SACRAMENTO'S MCSI SCORE

Here's how Sacramento fared in five key components of the index

● Agree ● Disagree

