



Written by [Bob Adelman](#) on October 17, 2011

## Recession Confirmed

Since then the index has rebounded to 1,224.58, or 14 percent. Reports of [rising retail sales](#), buoyed by reports that retailers Macy's and Kohl's are boosting hiring, have led some to suggest that predictions of another recession are premature. The 85 economists surveyed by Bloomberg estimated that retail sales for September would rise 0.7 percent and instead they rose by 1.1 percent. And the August numbers were revised upward as well, causing Michael Moran, chief economist at Daiwa Capital Markets, to claim, "It looks like we're going to be avoiding a recession [after all]. Even though consumers don't feel good, there is job growth going on and that is fueling some pickup in spending."



But then the Thomson Reuters/University of Michigan results came out on Friday, showing sentiments among those very same consumers dropping in early October to the [lowest level in more than 30 years](#), and their expectations for the future falling to the lowest level since May of 1980. Thirty-nine percent of those surveyed said the reason for their dour outlook was because of their finances, and 65 percent expected to see no increase in their incomes over the next 12 months, both numbers at the highest levels ever recorded.

The Conference Board [weighed in](#) last Wednesday with its reading on how CEOs are viewing the economy: ranking it at just 42, down from 55 last quarter and now at its lowest level in over two years. When asked to appraise economic conditions, just 11 percent said that conditions were better than they were six months ago, down from 33 percent in the second quarter. Accordingly they are scaling back plans for capital expenditures.

This is [matched](#) by Rasmussen Reports whose Consumer Index fell to 58.1 on Friday — the lowest level in a year, while their Investor Index also hit its lowest level for the year last month. Just 12 percent of those surveyed think the economy is getting better.

For those readers who are discouraged about the barrage of such unhappy measures of consumer sentiment and outlook, there is one ray of light. According to [Intrade.com](#), a website that allows its users to make predictions on the outcome of real-world events, the chances of President Obama being reelected are close to the [lowest levels of his presidency](#).

If the results from Thomson Reuters/University of Michigan and the Conference Board are accurate, then things will likely get worse before they get better. But if Intrade.com is right, things should get better.



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