



Written by [Bob Adelman](#) on February 15, 2019

Consumer Confidence Up, Food Stamp Use Down in Trump Economy

Economists [expected a rebound in consumer sentiment](#) in February but the index reported by the University of Michigan (UMich) on Friday morning exceeded their expectations. They predicted a reading of 94 (up from January's 91.2) but got 95.5 instead.

The news behind the headlines was even better: Consumers' future expectations index jumped from 79.9 to 86.2 while their real (inflation-adjusted) wage gains expectations index was higher "than at any time in more than 15 years," according to UMich.

In other words, the hand-wringing and gnashing of teeth over reports that consumers pulled back in January (an early indicator of a coming recession) just wasted time and energy: The economy continues its remarkable run.

That run shows up in job growth: 304,000 new jobs in January, better than the average 231,000 jobs added over the previous three months; unemployment at four percent, which remains well below the Federal Reserve's full-employment benchmark of 4.7 percent; and hourly wages, which increased 3.2 percent year-over-year. Coupled with consumers' expectations that wages will continue to rise, on an inflation-adjusted basis they are likely to do even better.

Add to the mix the drop in "food stamp" usage, and one has all the evidence needed to conclude that the Trump economy is firing on all cylinders. Last week's report from the Department of Agriculture that 1.4 million households dropped off its SNAP (food stamps) rolls since the start of his administration in January 2017 was only the start. The Food and Nutrition Service component of that department includes the Commodity Supplemental Food Program (CSFP), the Food Distribution Program on Indian Reservations (FDPIR), the Emergency Food Assistance Program (EFAP) and the USDA Foods in Schools program, along with 10 more. Taken all together, more than 3.6 million individuals discontinued using these programs since Trump's inauguration. They wouldn't be doing that unless the economy was offering them a much better incentive than staying at home and out of the workforce.

As Mark Twain famously remarked, "The reports of my death have been greatly exaggerated." So it is with economists' predictions that the Trump economy is headed south.

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