

The American Maru Household Outlook Index (MHOI)

With monthly tracking of US citizen-consumers and their 60-day outlook about the American economy and their personal finances

March 2024





The March 2024 American MHOI

The March 2024 American MHOI is at **85 (negative/pessimistic)**, up two points from last month.

What's Driving the Index this Month?

The US MHOI continues a **Bull Run**—up six points since October 2023 when it tied for its lowest score (**79**) since tracking began in April 2021. This is the longest sustained positive trajectory that the MHOI has exhibited to date and returns to almost where it rested in August 2023 (**86**). There are four elements driving the index this month:

- **More Americans** believe that the state of the US economy is headed in the right direction (41% up from 39% last month) and is up nine percentage points (from 32%) in October 2023. This latest finding returns to the same measure found in August 2023.
- **Less Americans** say they will struggle to make ends meet (35% down from 40% last month) and is the lowest measure recorded since June 2023. Those indicating they are most likely to be struggling has dropped two percentage points (14% down from 16%) and reverts to where it was in July 2023.
- **More Americans** say they will have more than two months of savings to cover any unexpected costs or needs (64% up from 62% last month) and is the best showing this has happened since September 2023.
- **Less Americans** indicate they will default on making payments on major loans or a mortgage (16% down from 17% /very likely 6% down from 7% last month) and is the lowest finding for this metric since October 2023.

There are two elements that are striking about this month's MHOI findings. First, the index has recovered almost all its loss which took place in the run-up to the Senate vote of November 15, 2023, that passed a stop-gap resolution to fund the federal government through early 2024, thus avoiding a government shutdown.

Second, of the sixteen ingredients used for the MHOI, thirteen (or 81% of them in total) are more positive this month than last month. Notably, it was a rare month of measures that witnessed a drop in all the metrics related to the financial challenges facing Americans, an uplift in sentiments about both the US economy and the outlook for local economic improvement, a sense of improvement related to all savings (personal, emergency, and retirement), an upward push on the attainment of wages and their overall financial situation, accompanied by an increase in purchase intentions (for products, big-ticket items, and housing).

Indeed, the uplift in spending intentions may **reflect a real-world carry-on** of February's consumer spending (0.6%) that recovered slightly after a slip in January (revised -1.1%). Americans were **also more upbeat** about earning a livable wage, having enough food for themselves/their family, while being less reliant on government programs to make ends meet and moving to a smaller residence because they need to save money.

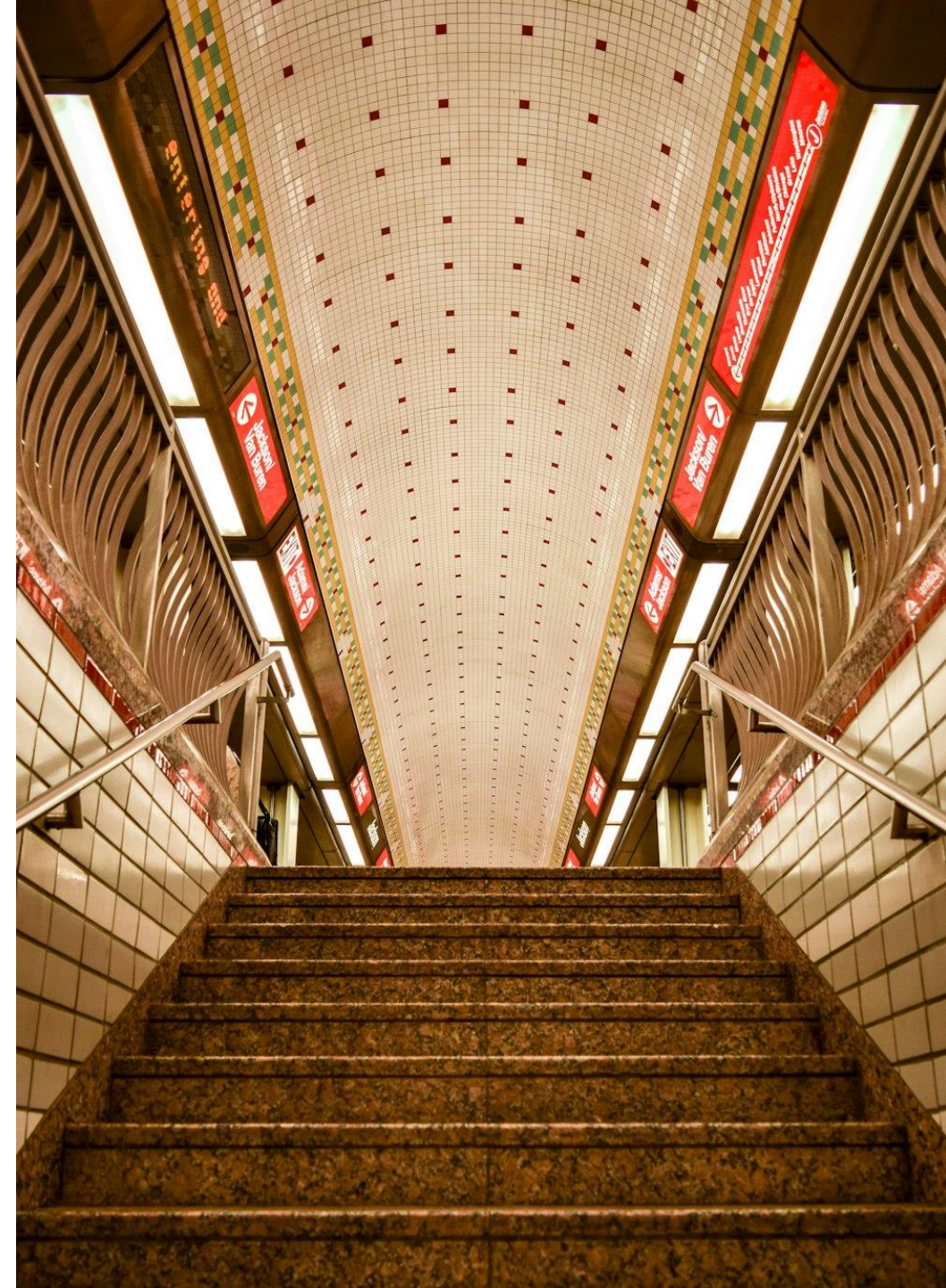
These positive sentiments **may be tethered to year-over-year increased wages** (5.6% including bonuses) while regular pay (excluding bonuses) has grown by 6.1%. To round out the good news, the unemployment rate (3.9%), while up a tad from last year, remains unchanged in the past quarter, and the number of job vacancies have decreased for the twentieth consecutive quarter (but still above pre-pandemic levels).

But while some of this may account for why the MHOI has gained ground, **the stubborn pest most likely to spoil the party has stuck around: inflation**. To put this into pocketbook perspective, those wage increases may look good on paper, but, adjusted for (and ratcheting up) inflation, real wage growth is much lower (at around 1.4% to 1.8%) as "core" consumer prices (that exclude volatile food and energy costs) climbed 3.8% in February over the previous year.

As such, **all eyes will be on the Federal Reserve Board's meeting this week** where it will roll out its latest policy statement and interest rate "dot plot" projections. The early read is that the current 3.15% overarching inflation rate could accelerate to 3.6% by June, well beyond the Fed's 2% target, so the widely hoped June rate cut (and potentially two more for the remainder of the year) may be punted down the road. **So, don't be surprised** if that 23-year interest rate high of between 5.25% and 5.50% holds for a while yet.

Along with the Fed outlook, **two other preliminary readings out this week bear watching**—the S&P Global Manufacturing PMI will capture business conditions in the manufacturing sector, and the S&P Global Services PMI will similarly size up the services sector. **Combined**, these three outputs will no doubt be used to judge the hypothesis of the recently released **US Conference Board's leading economic index that's already baking in a sharp slowdown in economic activity by the second quarter**. If any of that comes to fruition, expect the Presidential ballot question to come into even sharper focus for the home stretch, especially if the prospect of stagflation becomes more evident.

Next month's survey will determine if any of these machinations will put a halt to the current MHOI Bull Run or find an undaunted juggernaut with more gas left in the tank, **so stay tuned**.



The American Maru Household Outlook Index (MHOI)

85 (negative/pessimistic)



The Appendix reveals the questions and formula used to calculate the monthly index.

Who's Driving the Index this Month?

The March 2024 American MHOI is at **85 (negative/pessimistic)**, up two points from last month. Here is a profile of those Americans having the most influence on the Index this month (+/- indicates the month-over-month percentage point difference):

- **Those Americans most likely to believe the state of the US economy is headed in the right direction** (41% up from 39% last month) are those who have lower income (\$25K-\$49K 41% +8, those who are middle-aged (35-54 38% +4), men (46% +2 versus women 36% +1), and those residing in the Midwest (41% +5),
- **Those Americans who are less likely to say they will struggle to make ends meet** (35% down from 40% last month) are the youngest (aged 18-34 47% -10), women (36% -6 versus men 35% -3), those with the highest earnings (\$100K+ 17% -6), the oldest Americans (55+ 26% -5), and those living in South (37% -7) and the Midwest (33% -7).
- **Those Americans who are more likely to say they will have more than two months of savings to cover any unexpected costs or needs** (64% up from 62% last month) are upper middle-income earners (\$50K-\$99K 70% +6), the youngest (aged 18-34 60% +5), and those living in the South (62% +5) and the Northeast (71% +4).
- **Less Americans believe they will default on making payments on major loans or a mortgage** (16% down from 17% /very likely 6% down from 7% last month) are women (13% -4 versus men 20% +2), the youngest (aged 18-34 35% -4), those earning \$50K+ 12% -3), and those living in the Midwest (11% -6) and the Northeast (12% -5).





By the Numbers

The following is a comparison of the findings to last month (+/- indicates the month-over-month percentage point difference):

Thinking of the state of the economy, would you say it is...?

- Moving in the right direction **41% +2**
- On the wrong track **59% -2**

Specifically focused on your financial position, would you say it has...?

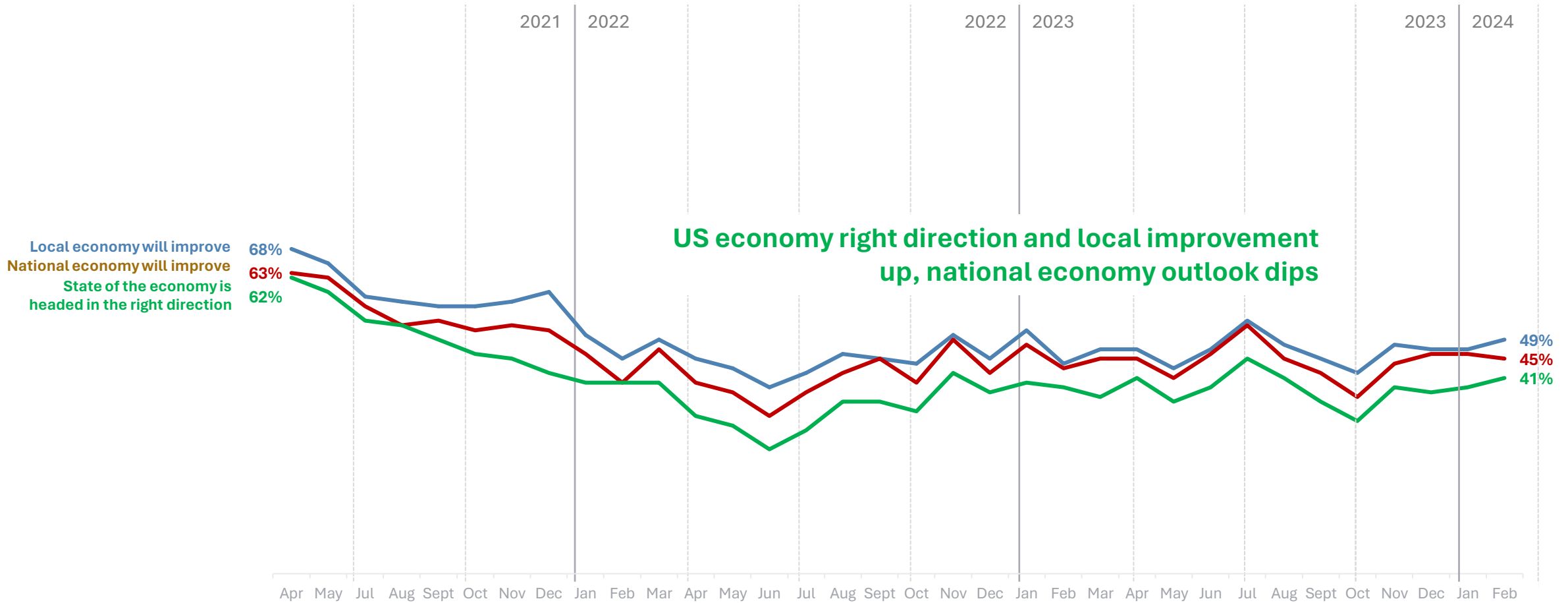
- Improved since last month **18% +2**
- Remain the same over the last month **63% +1**
- Become worse since last month **19% -3**

Over the next sixty (60) days is it **very/somewhat/not very/not at all** likely that...?

- The national economy will improve **45% -1 55%**
- The local economy where I live will improve **49% +2 51%**
- I will have more than two months of savings to cover any unexpected costs or needs **64% +2 36%**
- I will put away money for my retirement/old age security **60% +2 40%**
- I will have enough personal/family investments and savings for the future **61% +2 39%**
- I will be worried about my personal/family day-to-day finances **47% -2 53%**
- I will have the ability to purchase the products needed for me/our family **85% N/C 15%**
- I will invest in the financial markets because now is a good time to do so **40% +4 60%**
- I will purchase big ticket items like a car or furniture **23% +1 77%**
- I will buy a house **14% -1 86%**
- I will struggle to make ends meet **35% -5 65%**
- I will default on making payments on major loans or a mortgage **16% -1 84%**
- I will lose or be laid off from my job because of lack of business/work **12% -2 88%**
- I will likely declare bankruptcy **10% -2 90%**
- I will earn a livable wage **68% +2 32%**
- I will have enough food for myself/family **91% +2 19%**
- I will be able to afford to keep a roof over my/my family's head **80% -3 20%**
- I will rely on government programs to make ends meet **26% -4 74%**
- I will move to a smaller residence because I need to save money **17% -4 83%**
- I will take a learning course to upgrade my skills/education **32% N/C 68%**

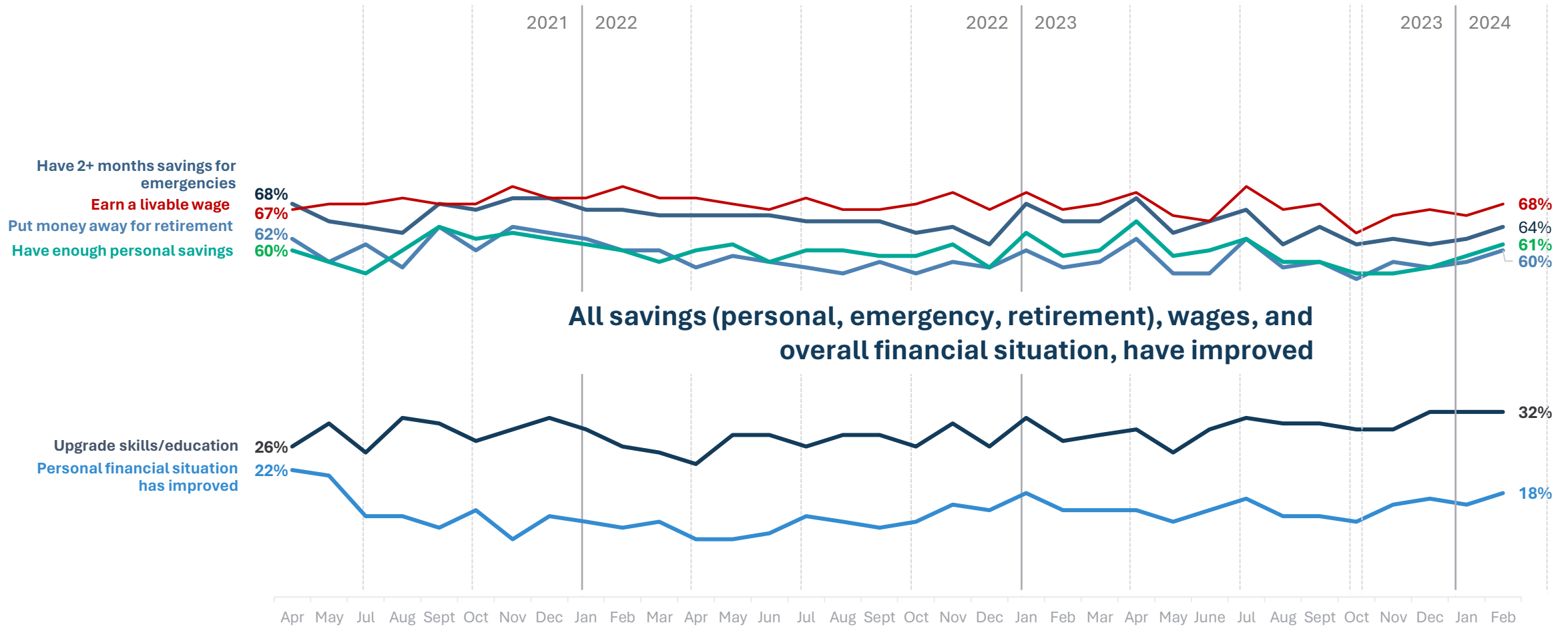
The American Maru Household Outlook Index (MHOI): Economic Outlook

Over the next 60 days, likely to...



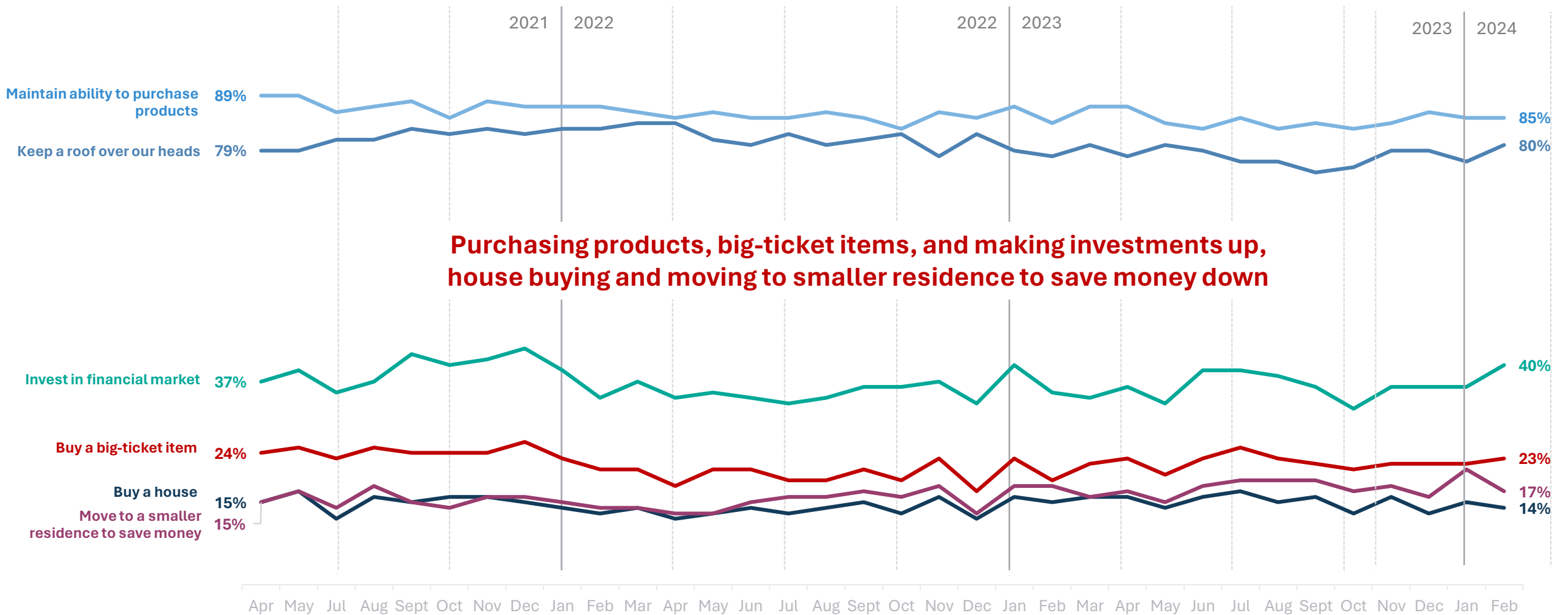
The American Maru Household Outlook Index (MHOI): Personal Finances

Over the next 60 days, likely to...



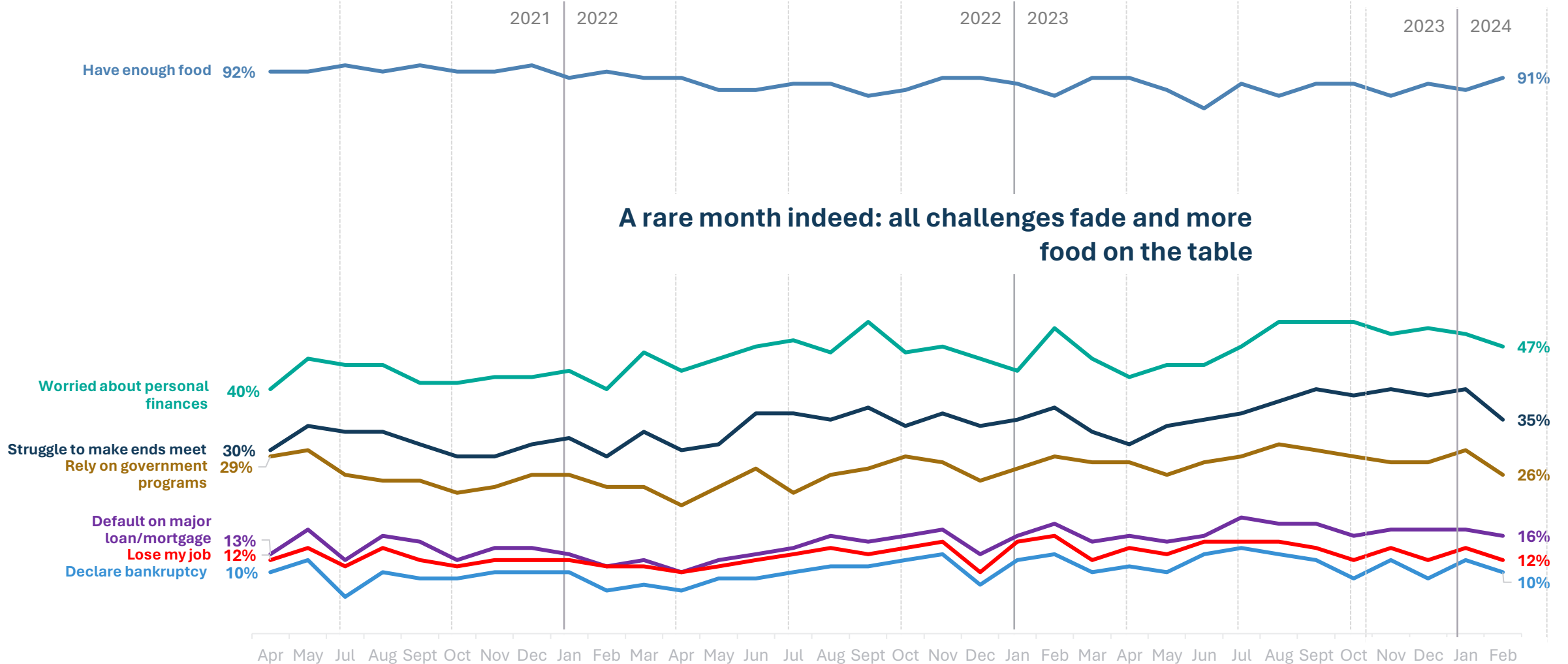
The American Maru Household Outlook Index (MHOI): Purchasing Power

Over the next 60 days, likely to...



The American Maru Household Outlook Index (MHOI): Challenges

Over the next 60 days, likely to...



Index Questions

Thinking of the state of the economy, would you say it is...? (Tracking began in April 2021)

- Moving in the right direction
- On the wrong track

Specifically focused on your financial position, would you say it has...? (Tracking began in April 2021)

- Improved since last month
- Remain the same over the last month
- Become worse since last month

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that... (Tracking began in July 2020)

- The national economy will improve
- The local economy where I live will improve
- I will have more than two months of savings to cover any unexpected costs or needs
- I will put away money for my retirement/old age security
- I will have enough personal/family investments and savings for the future
- I will be worried about my personal/family day-to-day finances
- I will have the ability to purchase the products needed for me/our family
- I will invest in the financial markets because now is a good time to do so
- I will purchase big ticket items like a car or furniture
- I will buy a house
- I will struggle to make ends meet
- I will default on making payments on major loans or a mortgage
- I will lose or be laid off from my job because of lack of business/work
- I will likely declare bankruptcy

Additional Questions (Tracking began in July 2020)

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that...

- I will earn a livable wage
- I will have enough food for myself/family
- I will be able to afford to keep a roof over my/my family's head
- I will rely on government programs to make ends meet
- I will move to a smaller residence because I need to save money
- I will take a learning course to upgrade my skills/education

Index Calculation

- The MHOI is derived from a sixteen-item summated rating scale, fourteen of which are on a four-point scale, with each level having a different weight. A fifteenth item has a binary response, and only the proportion of positive responses is used. The sixteenth item asks respondents to describe how their financial position had changed in the past month wherein the proportion of respondents whose situation has improved or remained constant is kept, with both top options having the same weight in the Index. Each statement score is multiplied by either 1 or -1 depending on whether the attribute is optimistic or pessimistic.
- The Index scores are added, multiplied by 100, and finally divided by the total for the baseline month (April 2021) to give us the weighted index. Any Index output below a composite score of 100 is considered to be negative/pessimistic, and any above a composite score of 100 is considered to be positive/optimistic. The resulting measure is both valid and reliable.
- The MHOI Index number reported in any given month is based on a “rolling average” formula that combines the incumbent data from that month plus the two previous monthly waves (which triples the usual monthly sample size wave of ~1,500 completed interviews for a total of ~4,500).
- In order to heighten the freshness of the Index number reported, the incumbent month is given a weight of 45%, the data from the previous month is given a lesser weight of 35%, and the data from the earliest of the three months is given an even lesser weight of 20%. The output from this formula produces the MHOI Index number reported and charted for comparison with previous iterations.



Data Collection Methodology

- These are some of the findings from a study released by [Maru Public Opinion](#) that was undertaken by its sample and data collection experts at [Maru/Blue](#) on March 1-4, 2024, among a random selection of 1,519 American adults who are [Unlock Surveys](#) online panelists. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 2.5%, 19 times out of 20. Discrepancies in or between totals when compared to the data tables are due to rounding.
- The results have been weighted by education, age, gender, and region to match the population according to census data which ensures the sample is representative of the entire adult population of the United States.
- Panel and data services provider [Maru/Blue](#) is deeply rooted in the Maru/HUB technology platform and offers on-demand, high-quality, highly scalable online community samples of deeply engaged, known respondents. [Unlock Surveys](#) sits within the [Stagwell Marketing Cloud](#) (SMC) suite of data-driven SaaS products for modern marketers. Organizations interested in using [Unlock Surveys](#) to conduct research can reach out to support@unlocksurveys.com.

Use of Findings

- Maru Public Opinion publicly released American polls with supporting detailed tables are found here: [Maru Public Opinion US Polls](#).
- Excerpts from this release of findings should be properly attributed, with interpretation subject to clarification or correction by Maru Public Opinion.
- Presentations and/or media interviews about these and subsequent results can be provided, and individuals may be added to a distribution list, upon request to john.wright@marublue.com



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Maru Public Opinion is a research and insight channel of [Maru Group](#). The division operates a polling division for clients and collaborative media partners. A full description of the channel and access to polls released into the public domain can be found at [Maru Public Opinion US Polls](#)

Maru Public Opinion does not carry out any polling for any political party.

For more information contact:

John Wright

Executive Vice President

Maru Public Opinion

102 Madison Avenue New York, NY, 10016, US

D: 1-332-282-1610

john.wright@marublue.com



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