SSRS Economic Pulse Methodology

To provide a comprehensive and reliable measure of public views on economic conditions, we developed three composite indices that summarize responses across multiple survey questions into a single, easy-to-interpret score:

- **Economic Sentiment Score**
- **Job Market Sentiment Score**
- **Personal Financial Outlook Score**

Each index is designed to measure a distinct dimension of Americans' economic experiences and outlook while reducing the volatility that can occur when relying on any single survey measure.

Index Construction

Each index is composed of a series of survey questions measuring related concepts. Before creating the indices, all survey items were recoded so that lower values consistently reflect greater economic concern, pessimism, or financial strain and higher values reflect greater optimism, confidence, or financial well-being.

Economic Sentiment Score

- Q1A. How would you rate the US economy today?
- Q1B. How would you rate the US job market today?
- Q1C. How would you rate your financial situation today?
- Q2A. How worried, if at all, do you feel about the US economy?
- Q2B. How worried, if at all, do you feel about the US job market?
- Q2C. How worried, if at all, do you feel about your financial situation?
- Q2H. How worried, if at all, do you feel about your cost of living (meaning the amount of money you need for your housing, groceries, transportation, and healthcare)?
- Q5A. To what extent do you agree or disagree with the following statement? - The US is heading for a recession

Job Market Sentiment Score

- Q1B. How would you rate the US job market today?
- Q2B. How worried, if at all, do you feel about the US job market?
- Q2D. How worried, if at all, do you feel about your employment situation?

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- Q2G. How worried, if at all, do you feel about your job stability?
- Q2I. How worried, if at all, do you feel about your ability to find a new job if you need to?

Personal Financial Outlook Score

- Q1C. How would you rate your financial situation today?
- Q2C. How worried, if at all, do you feel about your financial situation?
- Q4C. In the past 3 months, have you cut back on spending on extras and entertainment in order to afford necessities?
- Q4D. In the past 3 months, have you changed what groceries you buy in order to stay within your budget?
- Q4F. In the past 3 months, have you reduced how much you spend on gasoline by driving less?
- Q4H. In the past 3 months, have you traveled less than you planned to or normally would?
- Q4I. In the past 3 months, have you tried to reduce your utility bills (such as turning down your heat or air, or not using appliances)?
- Q4J. In the past 3 months, have you delayed a home or car repair?
- Q4L. In the past 3 months, have you canceled or postponed healthcare appointments or treatments?
- Q5A. To what extent do you agree or disagree with the following statement? - My income has kept up with cost of living increases

To ensure that the items included in each index measured a common underlying construct, reliability analyses were conducted using Cronbach's alpha and item-level diagnostics. Only items demonstrating strong conceptual and empirical relationships were included in the final indices.

Scoring

For each respondent, item responses were summed and transformed to a standardized **0-100 scale**, allowing for straightforward interpretation and comparison across indices and survey waves.

On each index:

- **0** represents the most negative or pessimistic assessment possible.
- **50** represents a neutral or mixed position.
- **100** represents the most positive or optimistic assessment possible.

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As a result, decreases in index scores indicate rising concern, pessimism, or financial strain, while increases indicate improving sentiment, confidence, or financial well-being.

Tracking Over Time

The indices are designed to serve as longitudinal indicators of economic attitudes and experiences. Because they draw on multiple related measures, they provide a more reliable assessment of underlying trends than any individual survey question alone.

Together, the Economic Sentiment Index, Personal Financial Sentiment Index, and Job Market Sentiment Index offer a comprehensive view of how Americans perceive the broader economy, how they are faring financially in their own lives, and how they view the strength of the labor market. Tracking these measures over time helps identify emerging shifts in public sentiment and provides insight into how changes in economic conditions are shaping household confidence, financial decision-making, and perceptions of economic opportunity.

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