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Description

There are more signs that the economy is improving include rising home prices and a surge in the consumer confidence index from 69 in April 2013 to 76.2 in May 2013.

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Citation

MLA
Consumer Confidence Hits Five-Year High

BRIAN WILLIAMS, anchor:
Economic news on several fronts tonight broad enough to affect millions of families across this country and it happens to be good news, word of a huge spike in housing prices and consumer confidence and auto sales so robust the car companies have canceled or scaled back their usual summer breaks. The big question now, is this comeback for real? We get our report tonight from NBC’s John Yang in Chicago.

JOHN YANG, reporting:
For the third straight month, there’s positive signs in the housing markets. In April, home prices took their biggest jump in seven years. Today’s S&P/Case-Shiller Index found the biggest increases in some cities hit hardest by the bursting real estate bubble--up more than 20% in Phoenix, San Francisco, and Las Vegas. Atlanta up more than 19%. But housing is far from fully recovered.

DIANA OLICK (CNBC): We are still well below the prices of the peak of the housing market, in some cases 20 even 30% below where home prices were in 2006.

CHRISTOPHER MAYER (Columbia Business School): I think most Americans now have a more sober view of housing. It’s a place to live and it isn’t the get rich quick scheme.

YANG: Still today the Conference Board said consumer confidence jumped this month from 69 to more than 76, a five-year high. The research group survey found Americans more optimistic about the job market and the overall economy.

WOMAN: Our own finances are looking good and so we’re feeling very optimistic.

MAN #1: I’m not really concerned as much as I was a few years back. I see people spend money so you feel like you got to spend money too.

MAN #2: Another day, another record for the Dow.

YANG: All this put Wall Street in a buying mood today. After the long holiday weekend, the Dow surged more than 200 points at one point before closing up a little more than 106.

MAN #3: What we’re trying to get to you is number one the size.

YANG: Buyers are also flocking to car dealerships like this one outside Los Angeles.
PEGGY GONZALEZ (Car Shopper): We’re comfortable in our house and our house payment is all set and now is the time to think about adding on another monthly payment.
YANG: In April, car sales jumped 8.5% from the year before. Analysts say many delayed replacing old cars because of uncertainty about the economy.
JOHN CASESA (Guggenheim Partners Auto Analyst): There is the ability to buy these cars because interest rates are low and credit's readily available.
YANG: And Detroit’s Big Three are rethinking their traditional summer plant closings to keep up with demand. Car sales are projected to hit 15 million this year and Detroit is getting a bigger and bigger share of that, now selling more cars in America than Asian manufacturers. Brian.
WILLIAMS: John Yang with the state of the economy from Chicago tonight. John, thanks.