

CONSUMER SPENDING

UPDATED THROUGH OCT. 2023 | NATIONAL

Raji Chakrabarti, Natalia Emanuel, Dan Garcia, Ben Lahey, and Maxim Pinkovskiy

Takeaways | Consumer Spending

- Overall retail spending has risen sharply in the last few months, despite declining in the last week of October, and is currently more than 15% above its level in January 2020 in real terms.
- The lower income, the less educated, and the young (25-34) experienced a significantly faster recovery in spending since the pandemic. Spending recovery among the young and less educated is weakening, with the middle-aged (ages 35-44) having higher cumulative spending growth than the young in October 2023 for retail, gas, and restaurants.
- Consumer spending trends have appeared to converge across income groups, maintained previous gaps across educational attainment, and have diverged between consumers aged 55+ and all others.
- Spending of the young (25-34 years) has flatlined or faltered since late July.
- Retail spending between majority-Black or Hispanic and other counties has begun to diverge during summer 2023, with majority-Black or Hispanic counties increasing their spending faster.

Full Report Highlights

- **INFLATION**

Housing inflation is driving most of the demographic inflation differences, in particular the higher inflation of the poorest 40% and of households headed by people under age 25.

- **EARNINGS**

The Black earnings gap is slowly but consistently shrinking for both Black men and women, though it remains large.

- **EMPLOYMENT**

Gaps in employment and unemployment rates across different racial and ethnic groups have come close to pre-pandemic levels, but convergence has stalled, and in some cases reversed slightly.

- **CONSUMER SPENDING**

The lower income, the less educated, and the young experienced a significantly faster recovery in spending since the pandemic. The spending recovery among the young (25-34) has weakened considerably over this year, with their spending on gas and restaurants having stalled in real terms.

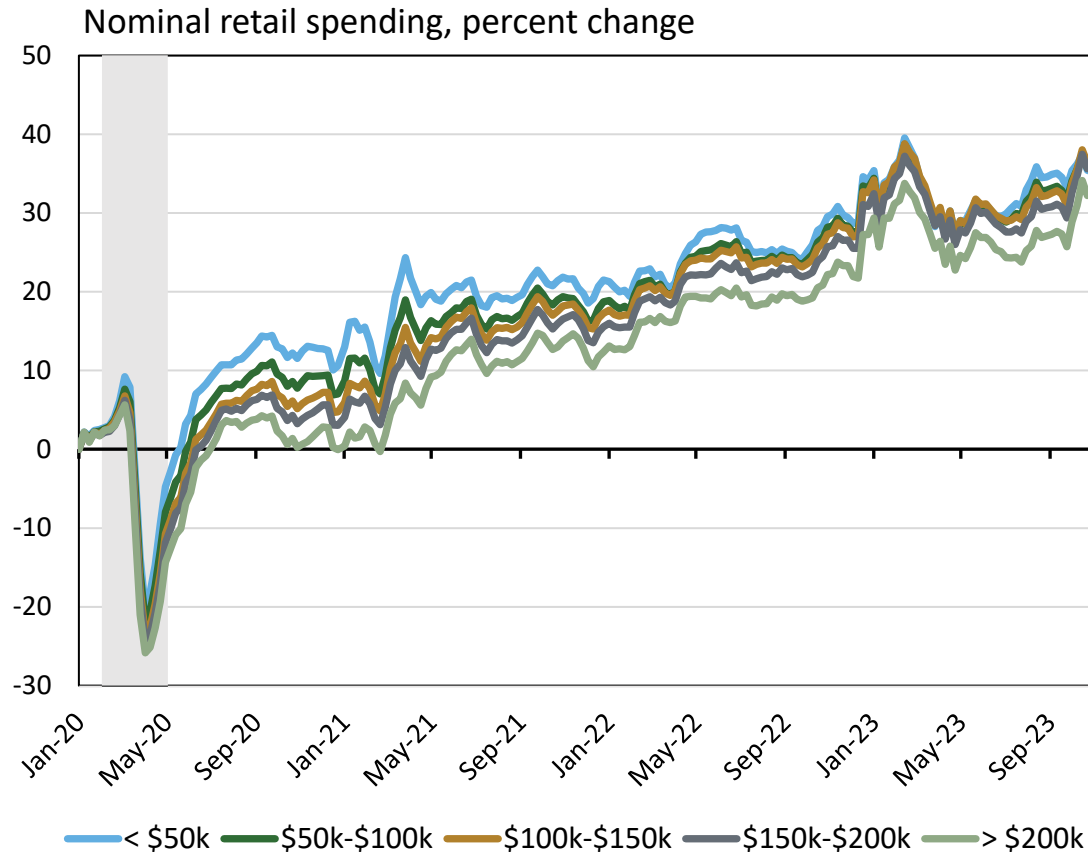
- **WEALTH**

Growth in wealth since the pandemic has been especially pronounced for Hispanic people, people under 40 years old, people in the bottom half of the wealth distribution, and the top 1% of income earners.

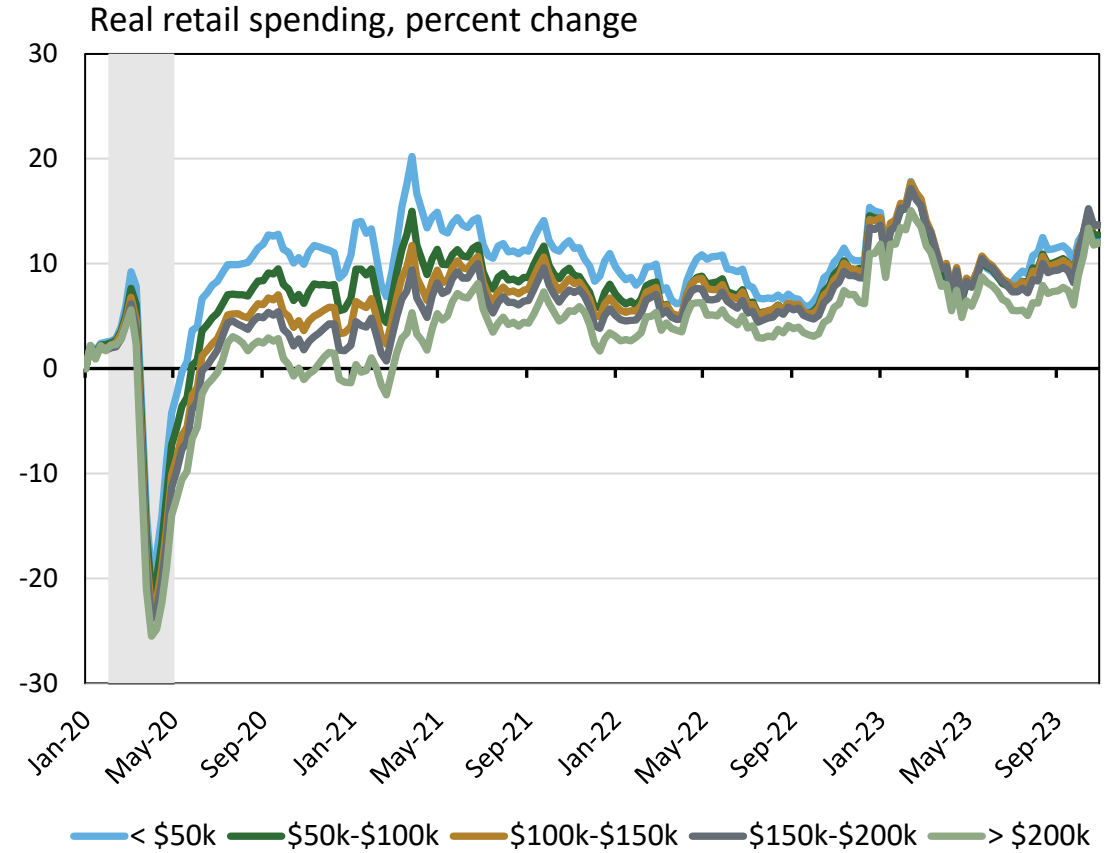
Data & Methods

- We leverage a permissioned panel of around 40 million U.S. households' debit and credit card spending from Commerce Signals, a TransUnion company.
- Commerce Signals data correlate well with U.S. Census Bureau data in measuring aggregate trends in retail, restaurants, and gas station spending, but is released at high frequency (weekly).
- Data are seasonally adjusted by first considering a week in the year and dividing over the 52-week moving average centered at that week. The mean of these ratios across years is used as that week's denominator for seasonal adjustment.
- Real consumer spending trends use the demographic inflation price indexes from the Inflation section when possible. For county demographic spending (besides urban vs. rural), regional price indexes are used.

Retail Spending by Income

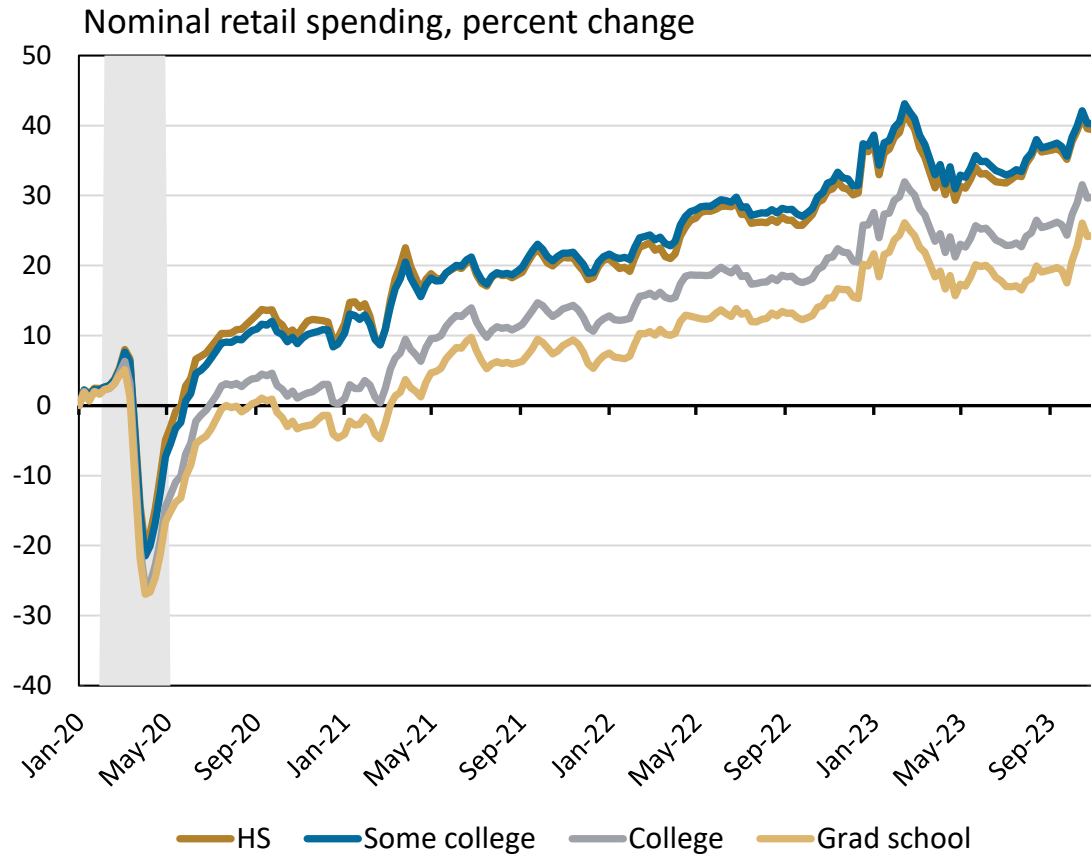


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

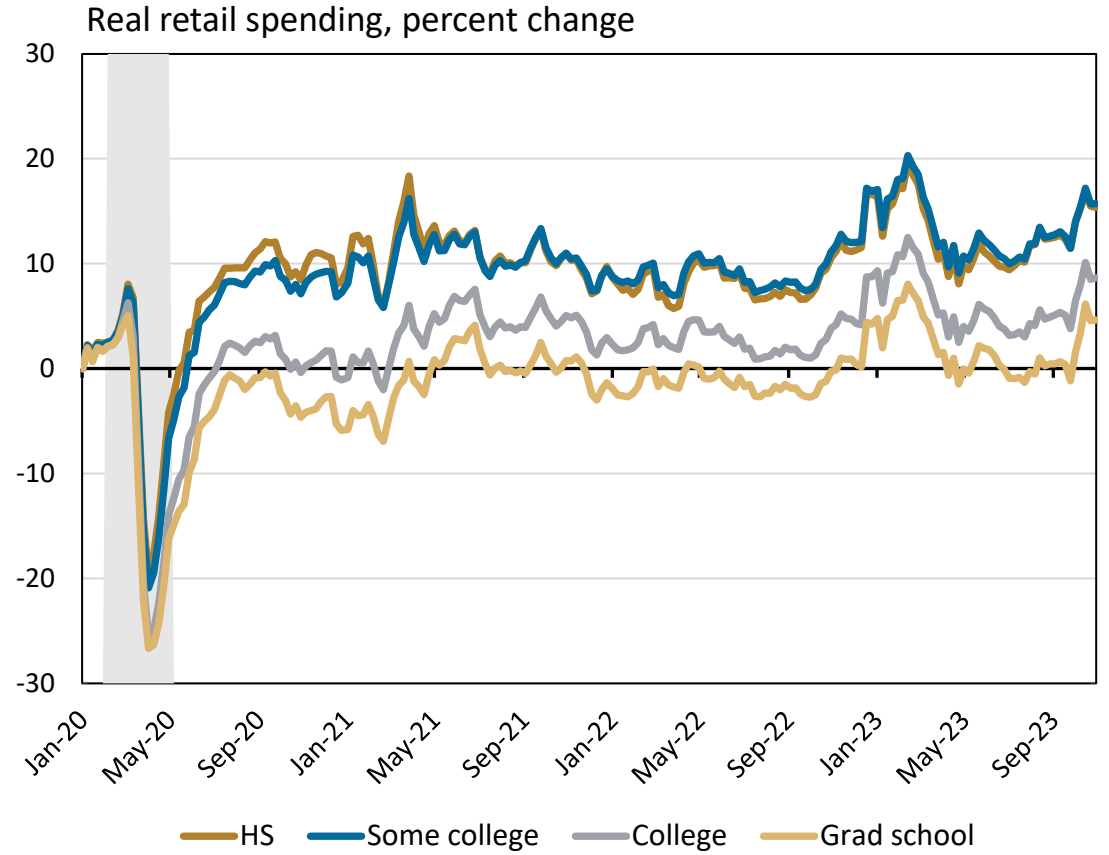


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Retail Spending by Education

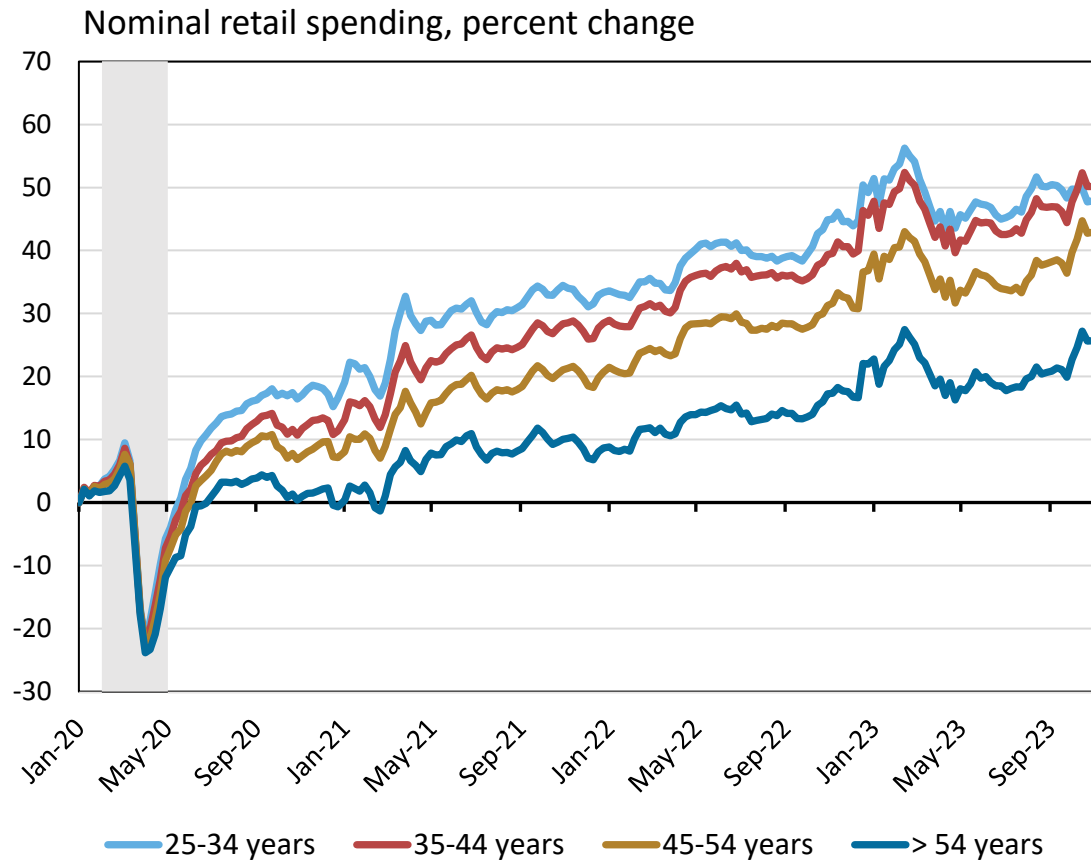


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

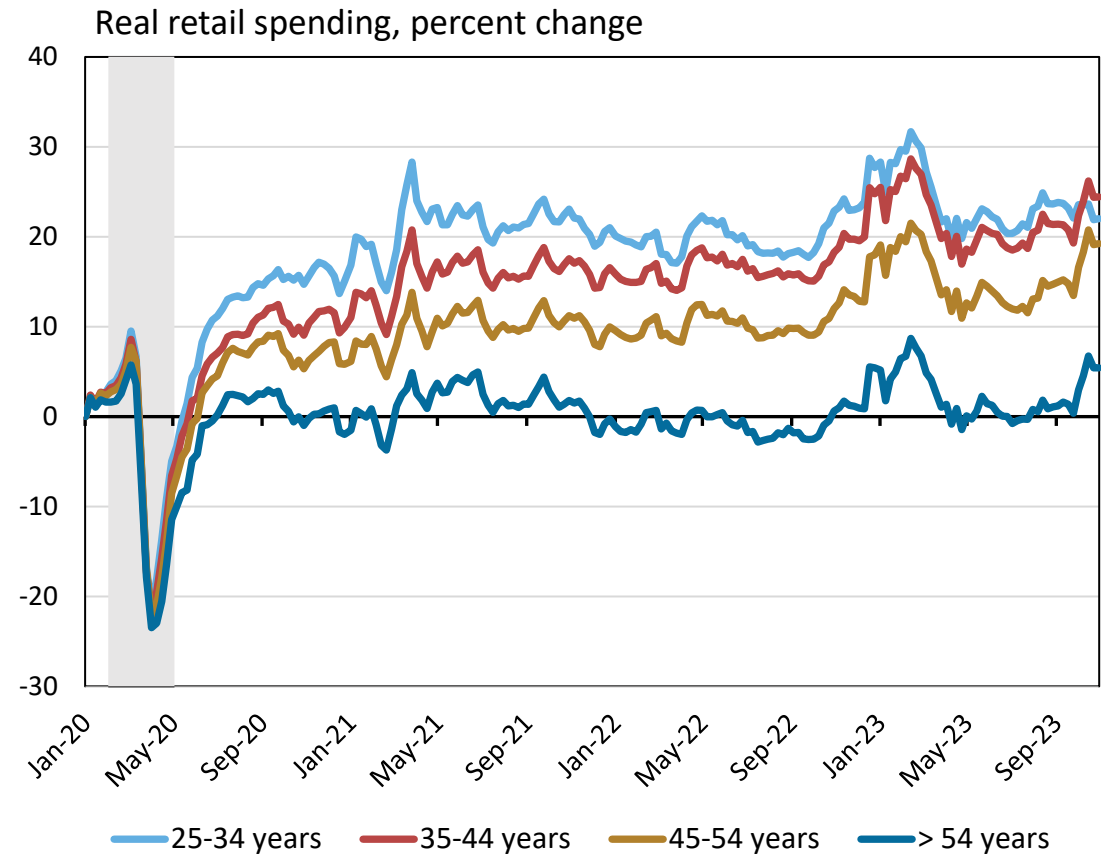


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Retail Spending by Age

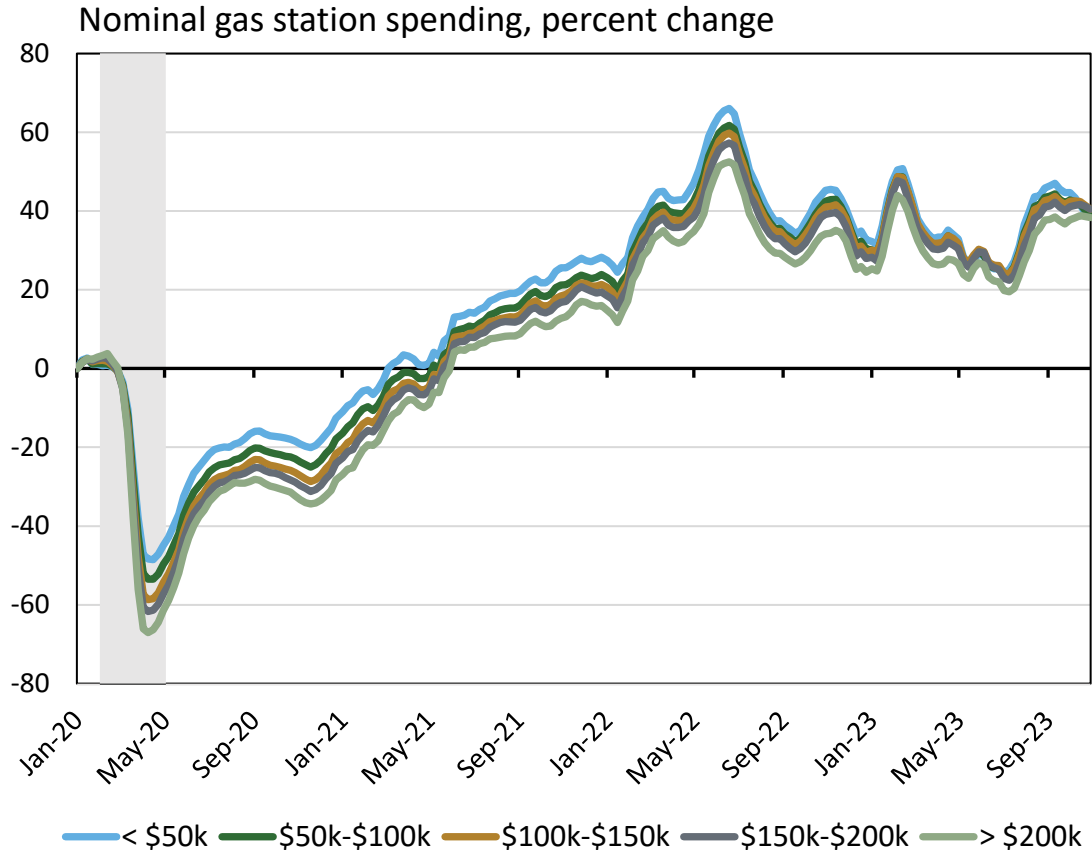


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

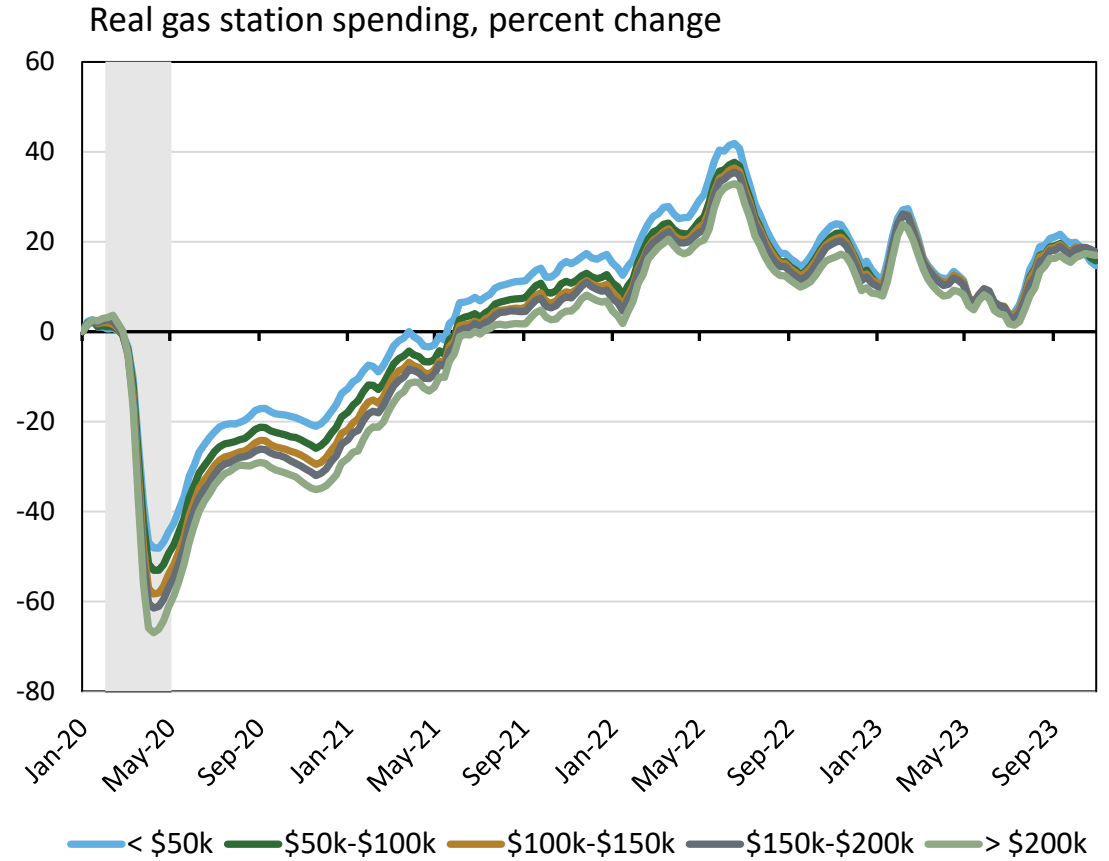


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Gas Station Spending by Income

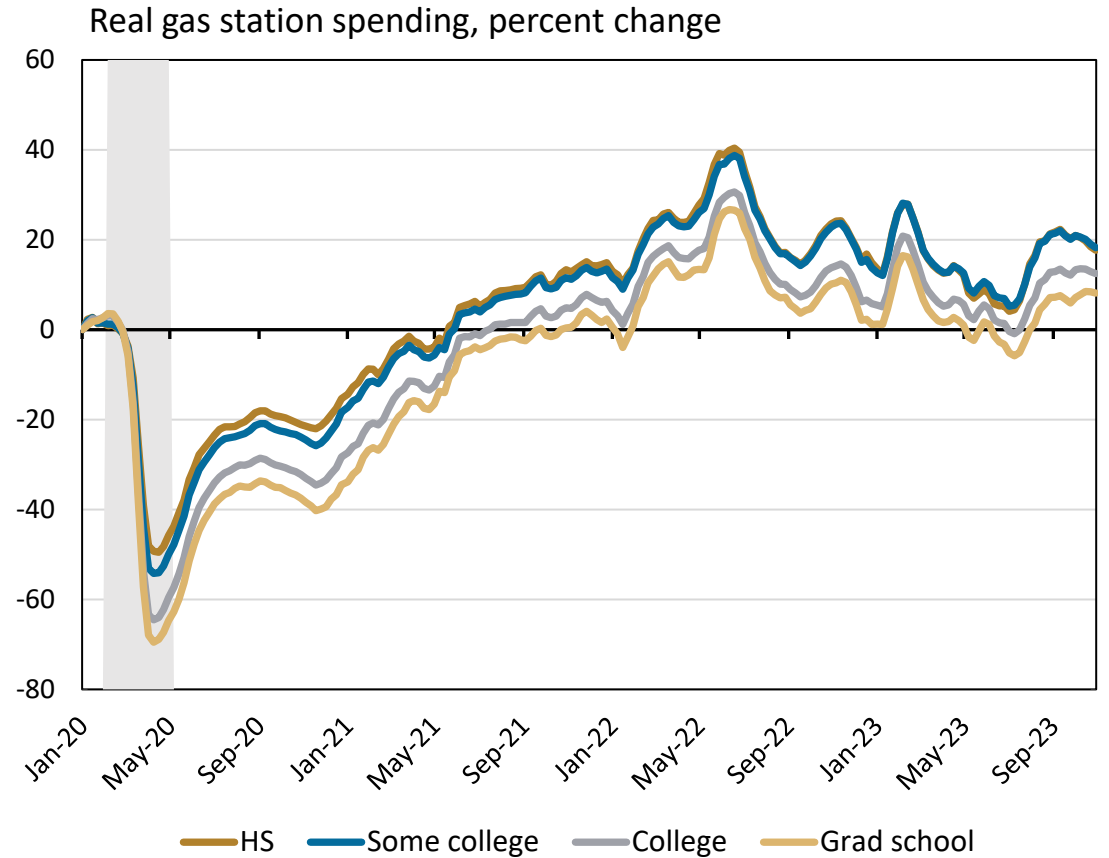
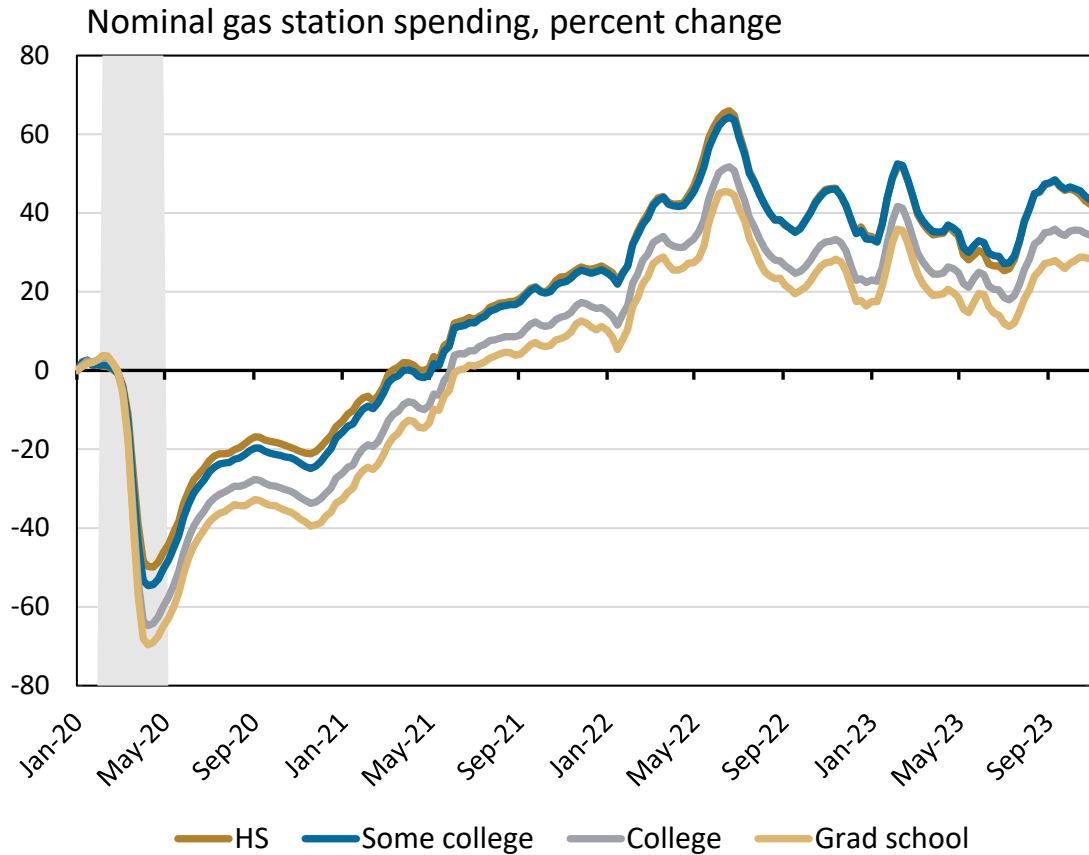


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.



Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

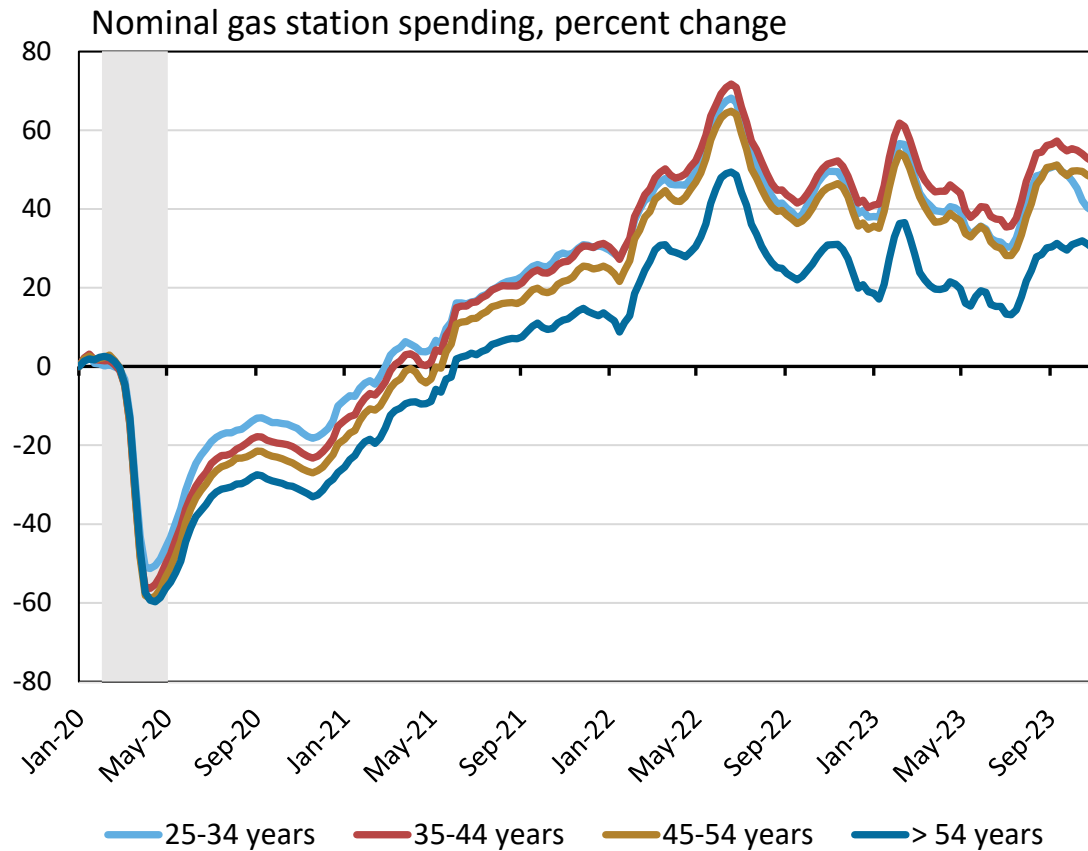
Gas Station Spending by Education



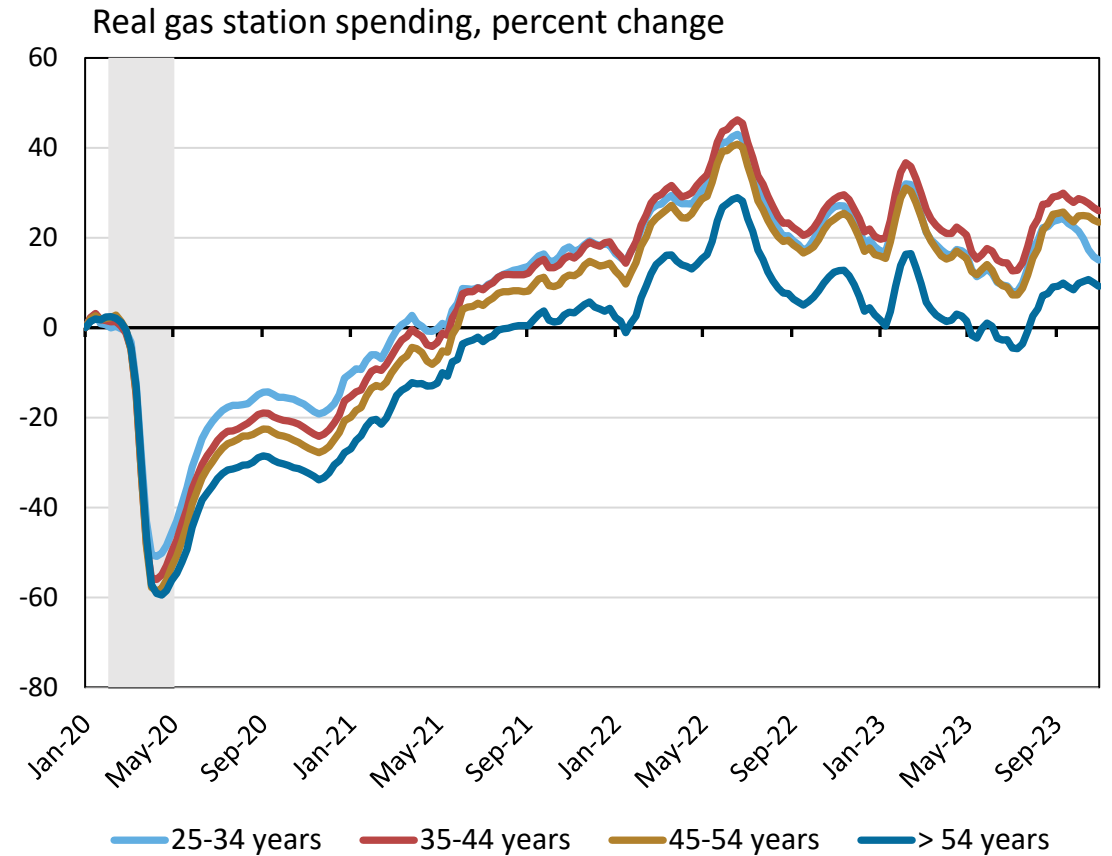
Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Gas Station Spending by Age

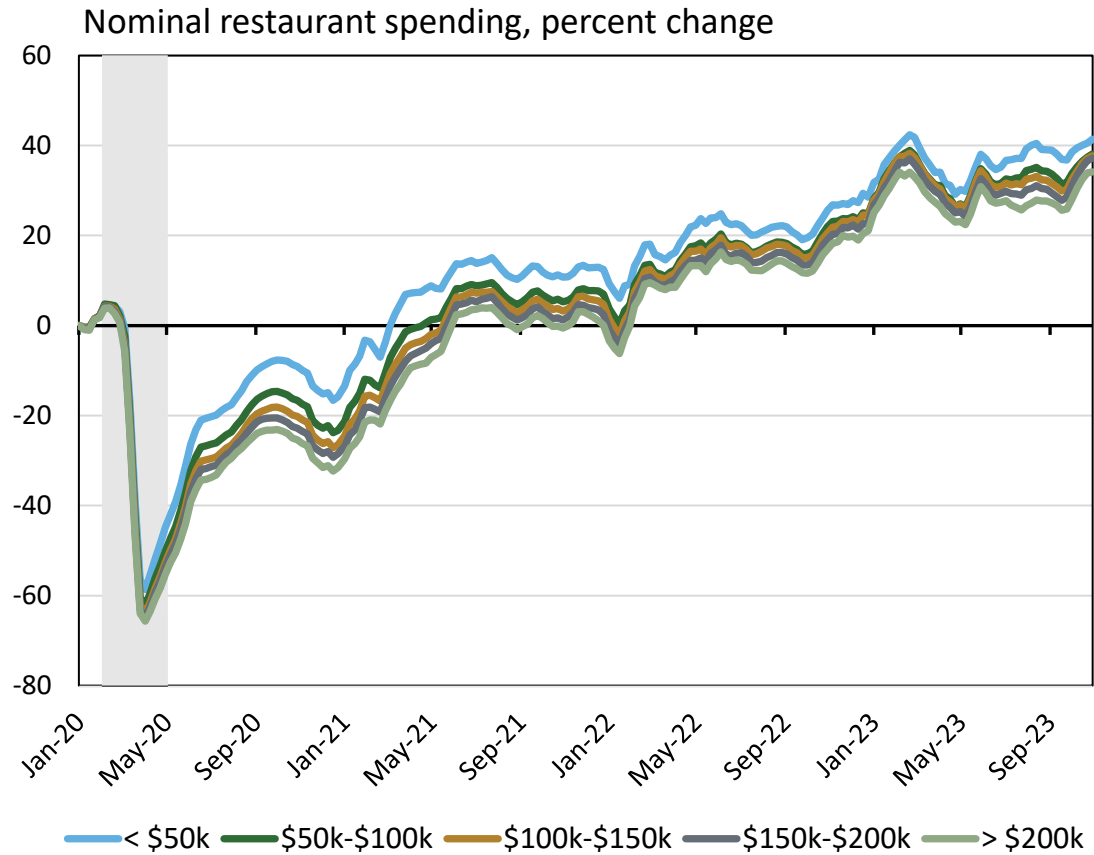


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

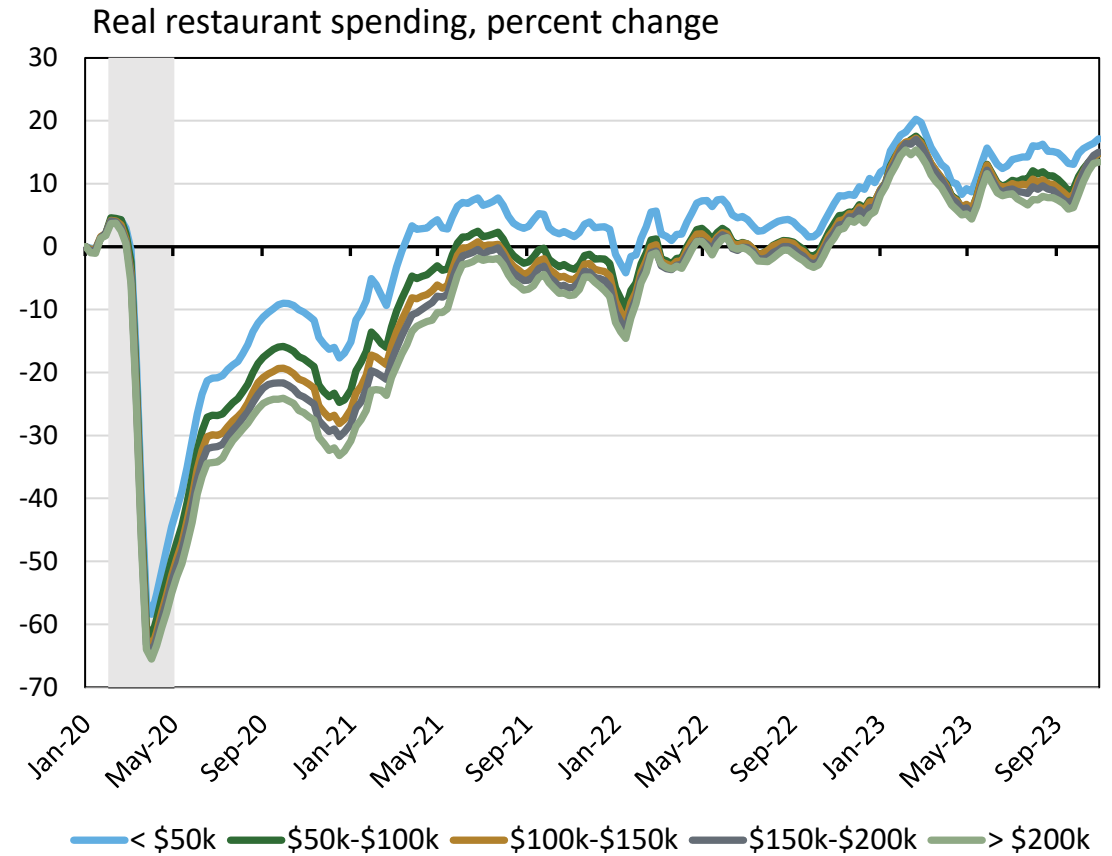


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Restaurant Spending by Income

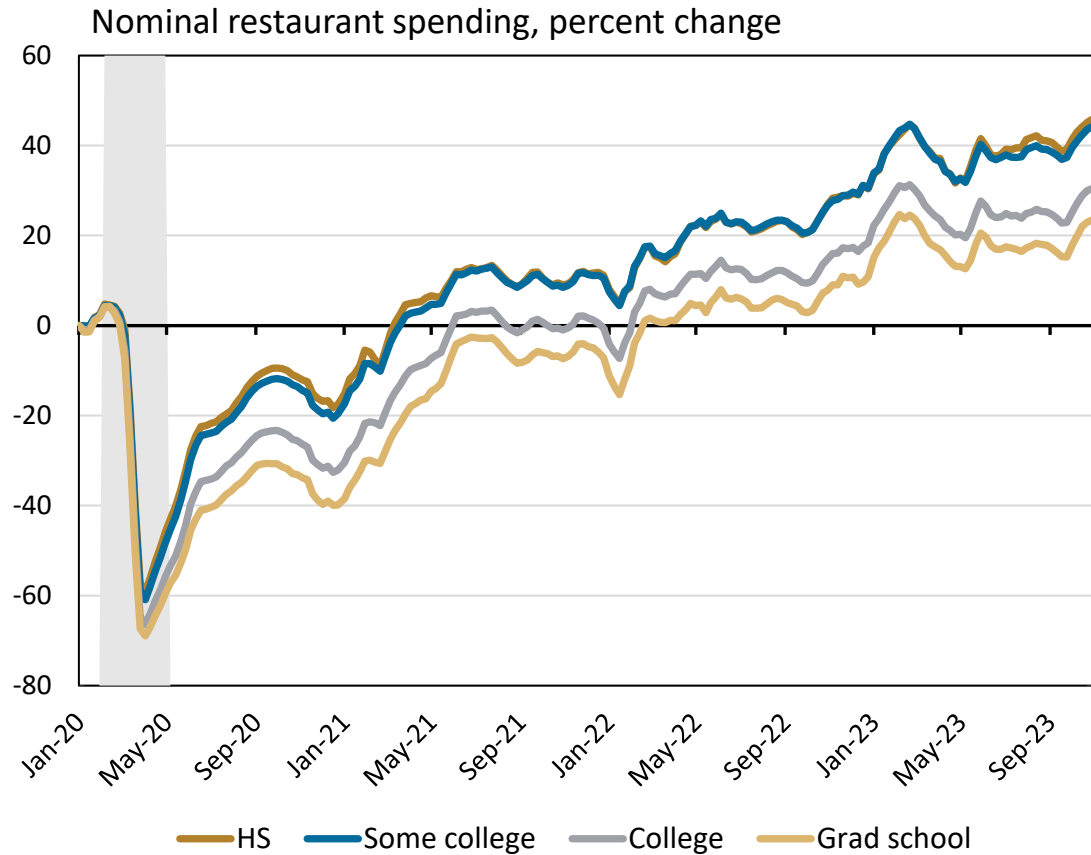


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

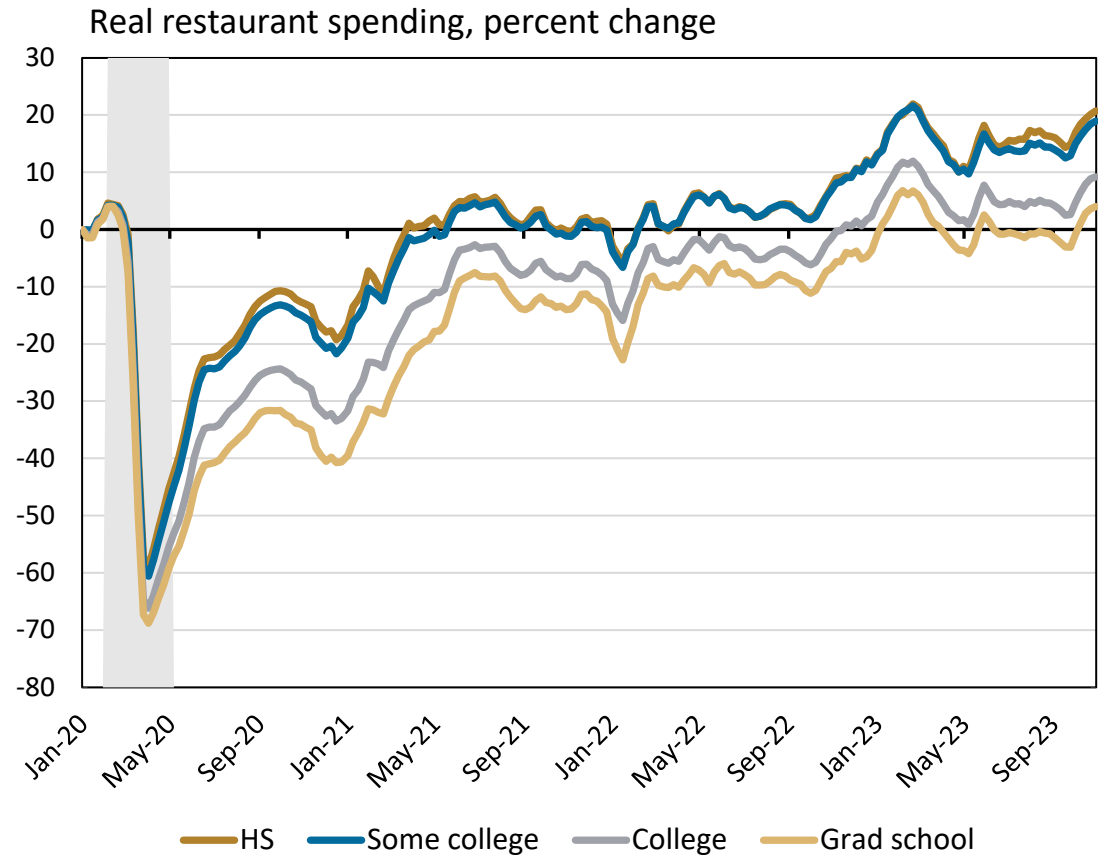


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Restaurant Spending by Education

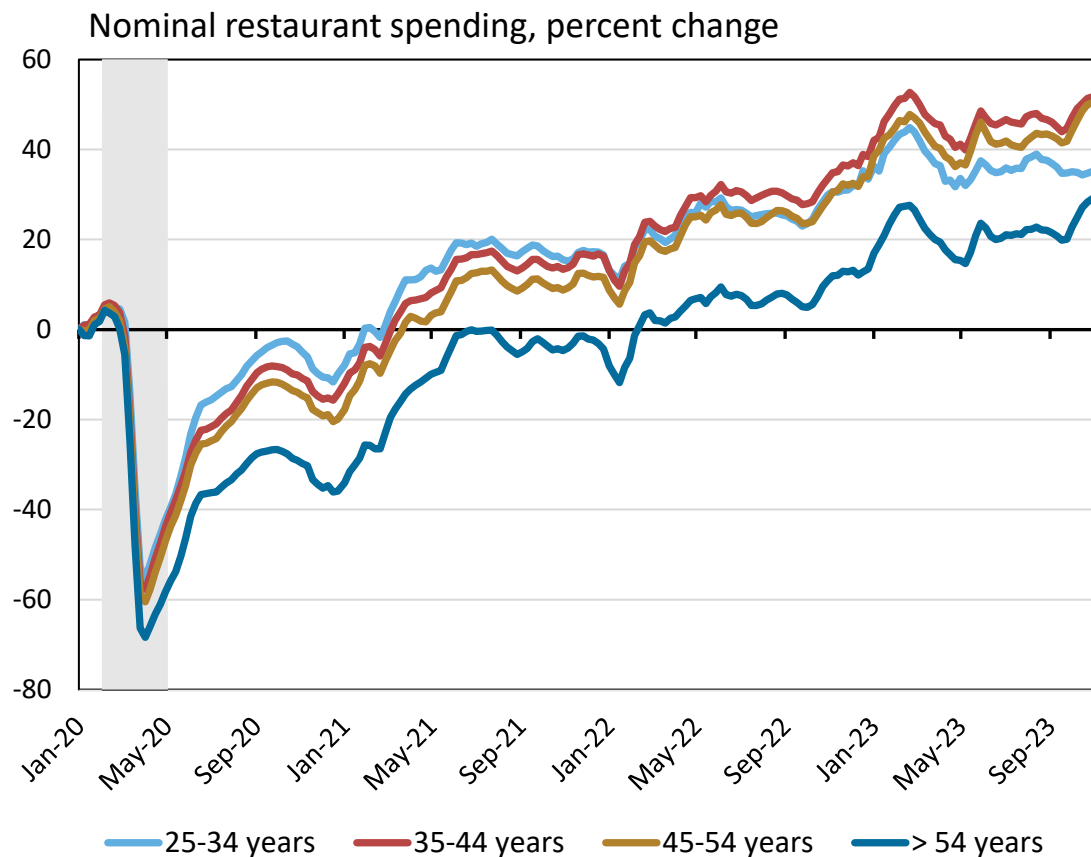


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

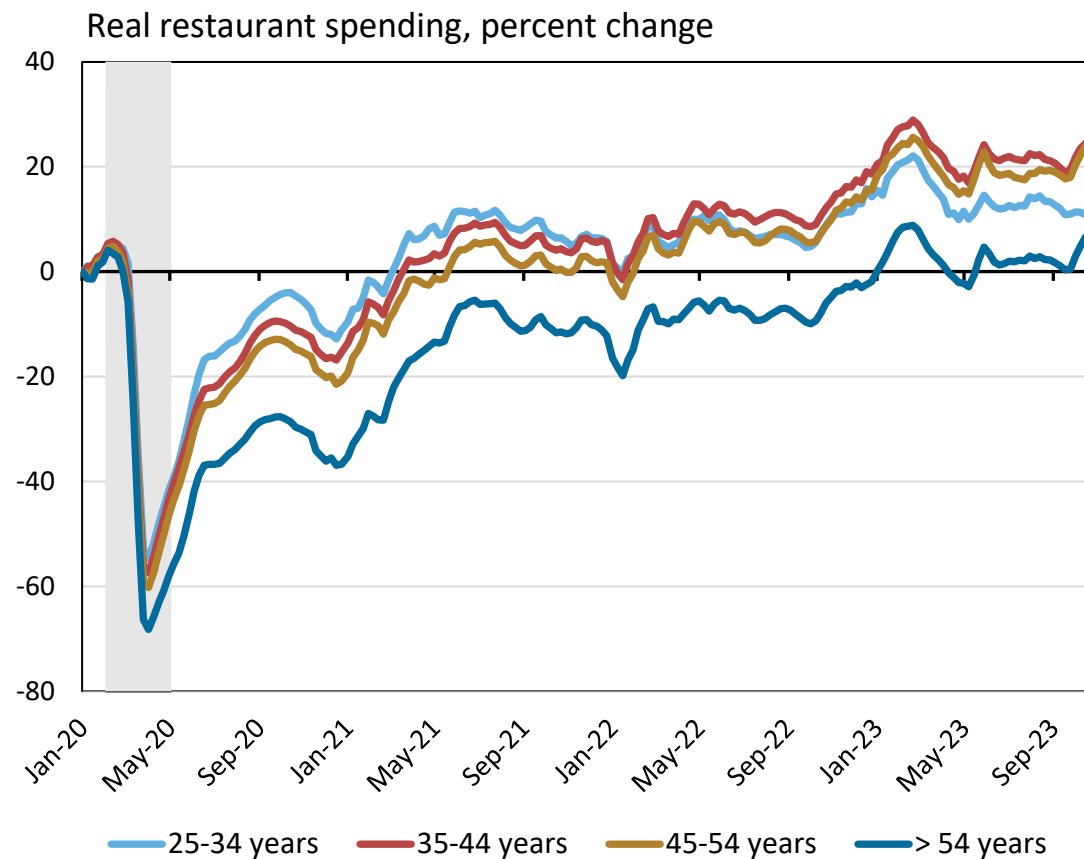


Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Restaurant Spending by Age

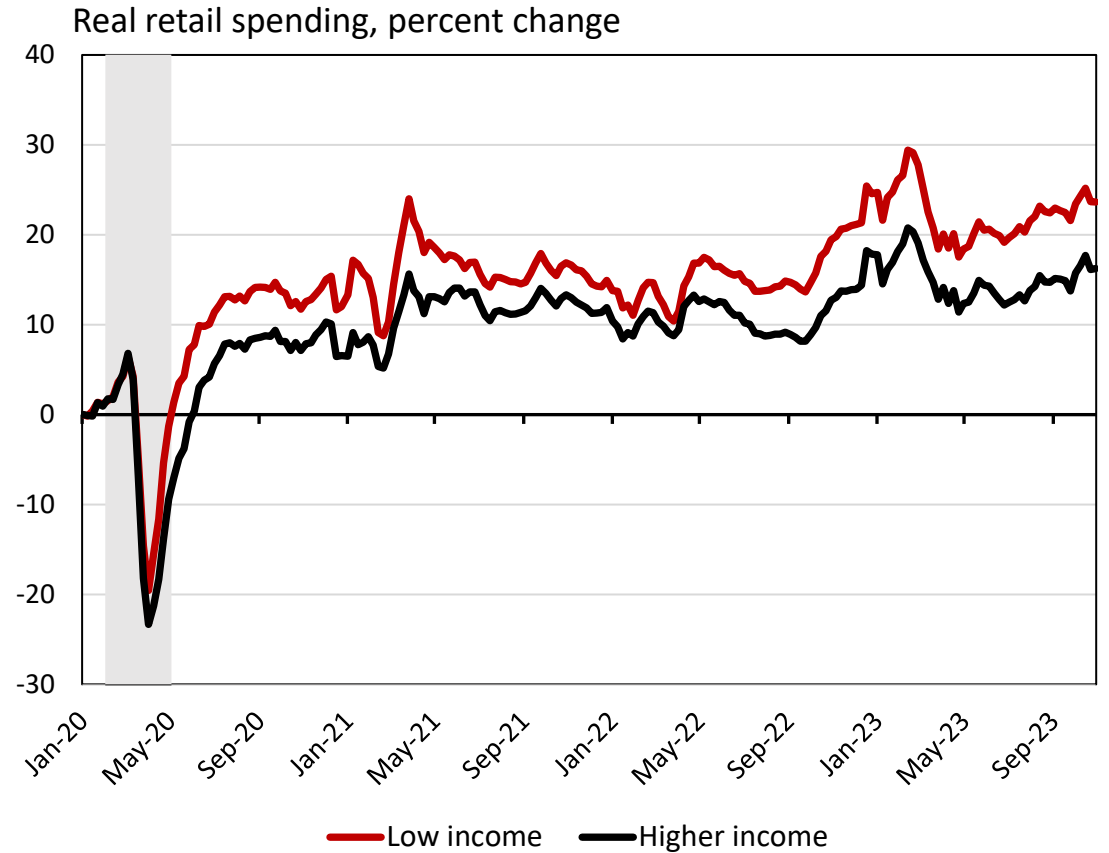


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.



Nominal spending ranges from January 1, 2020, to November 4, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

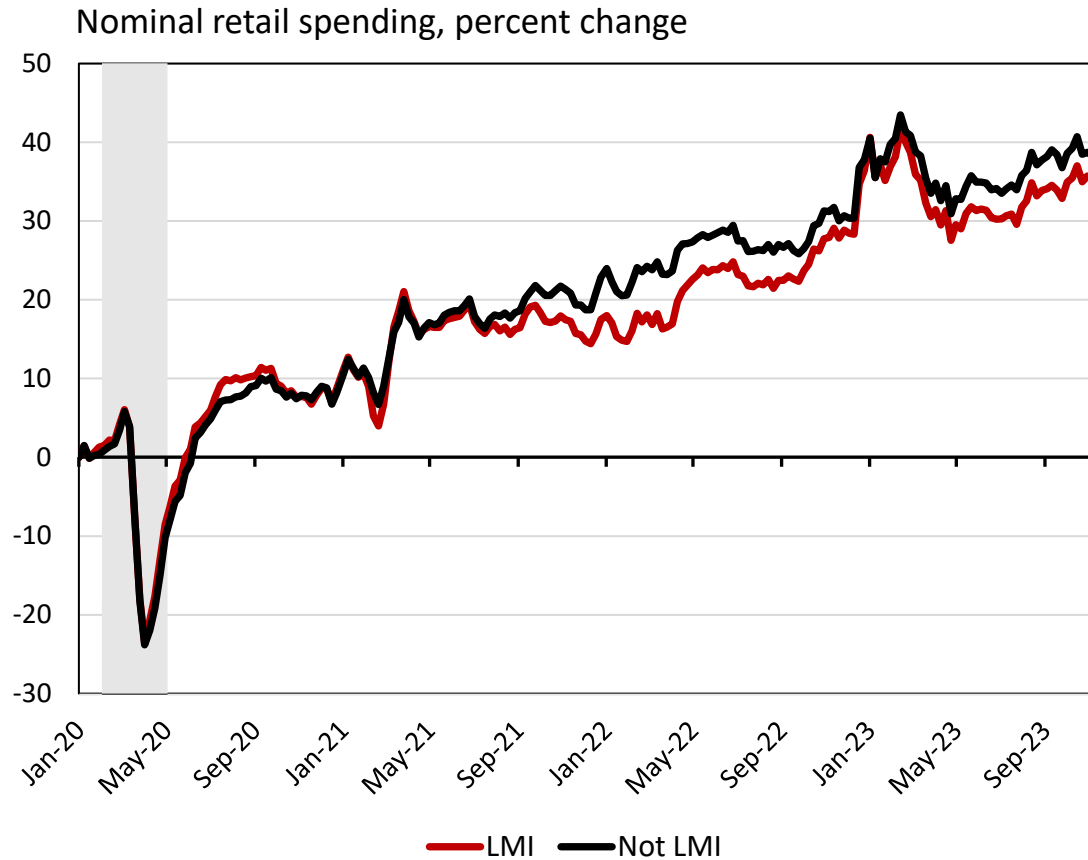
Retail Spending by County Household Income



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-income counties are defined as those with household incomes below the 25th percentile of national household income. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

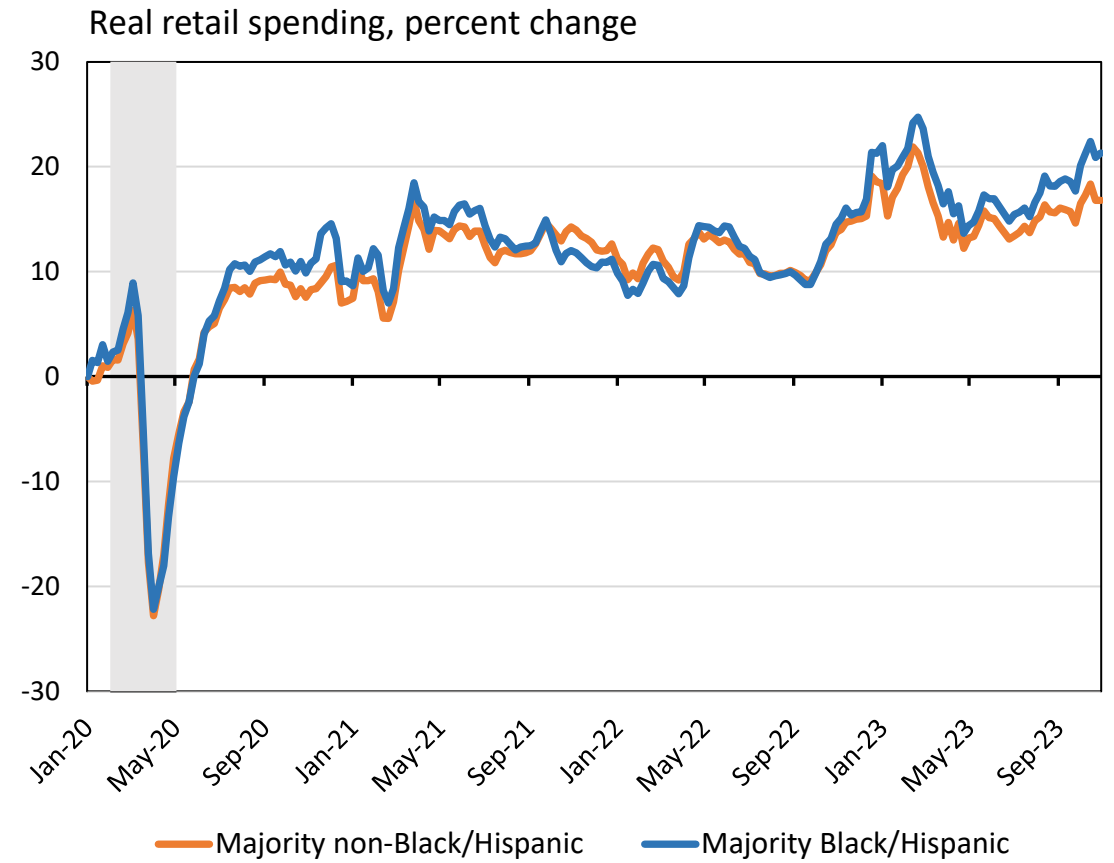
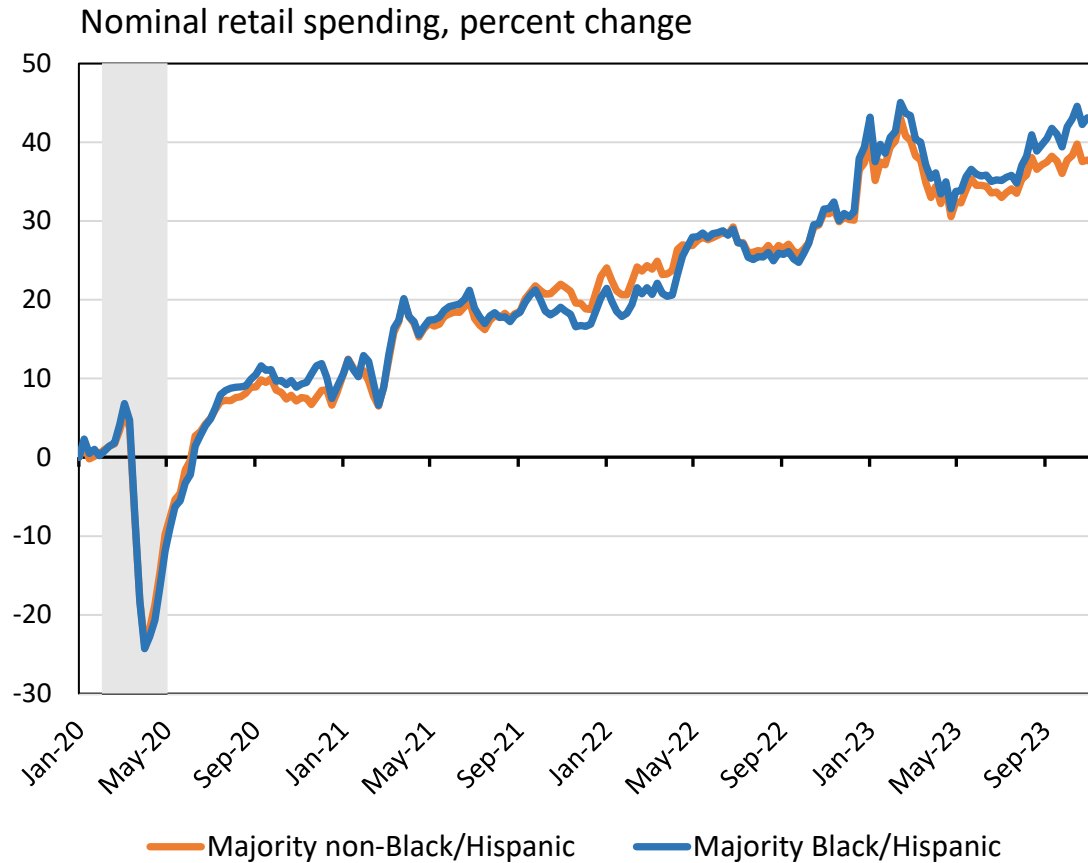
Retail Spending by Low to Moderate Income (LMI) Status



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-to-moderate income (LMI) counties are defined as those where the majority of households earn below 80% of the metro area median. Real spending uses corresponding urban/rural prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

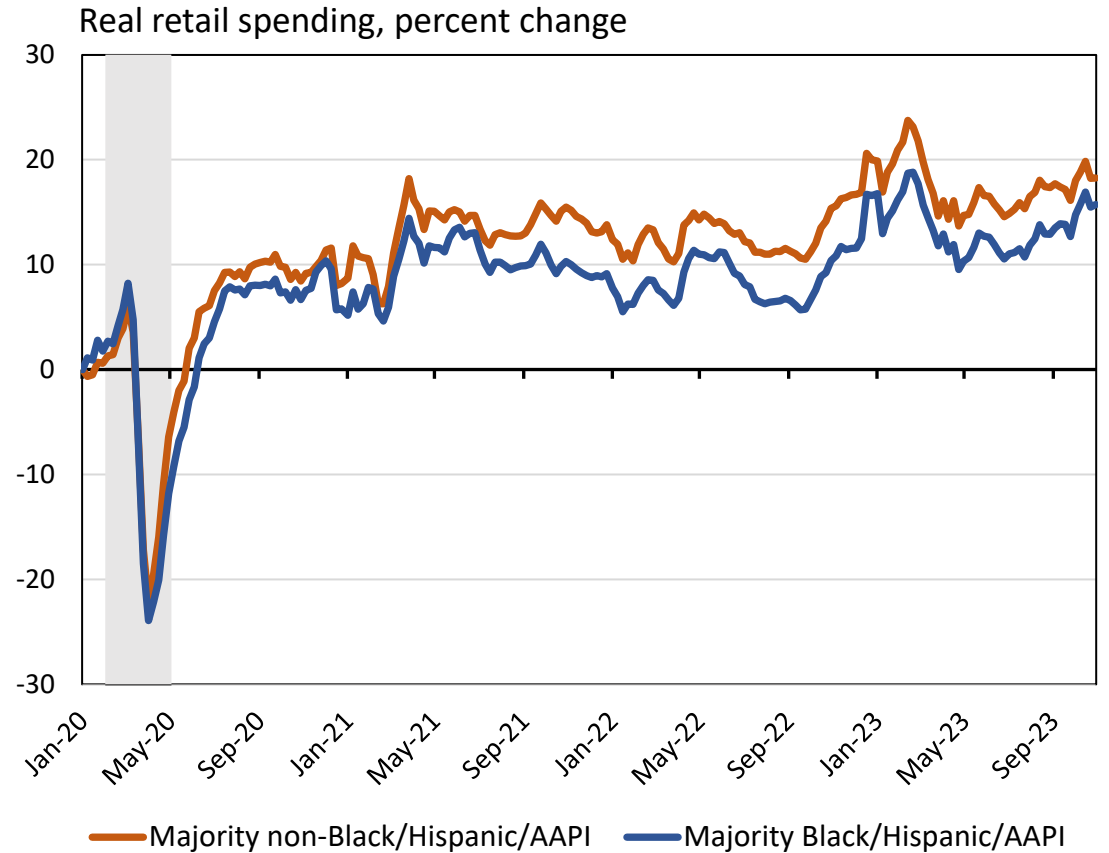
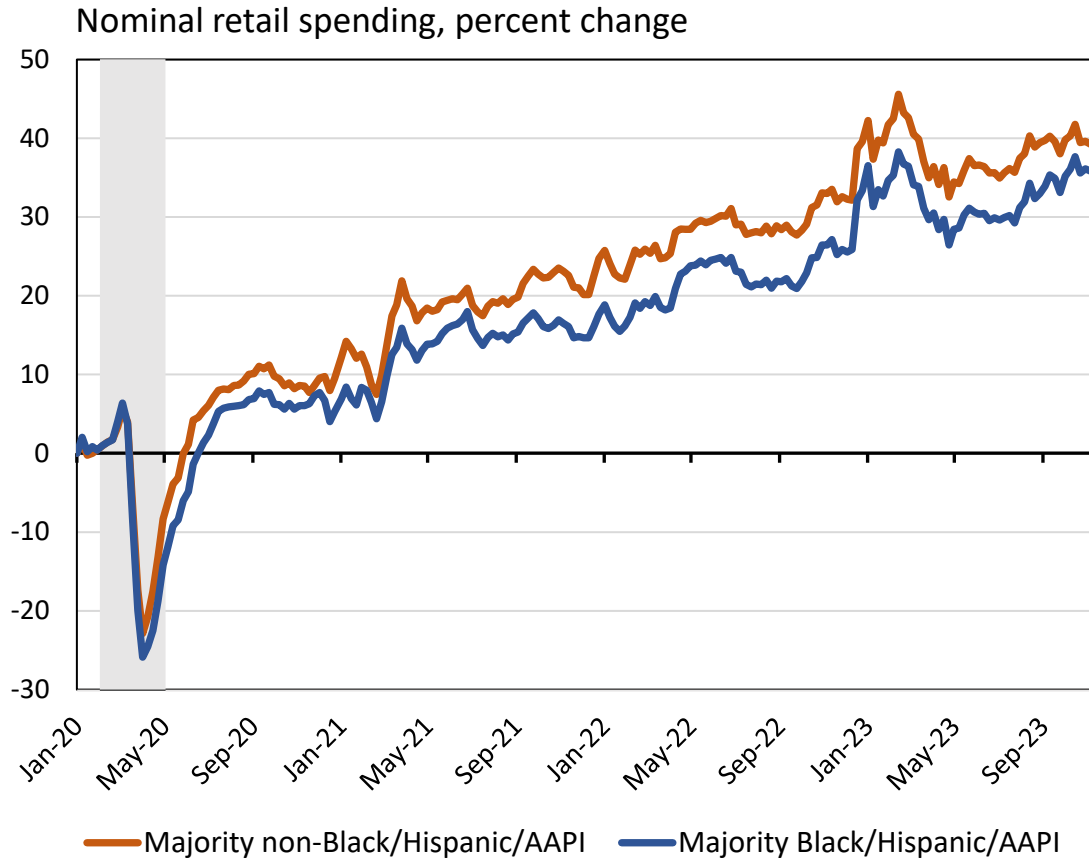
Retail Spending by County Demographics



Source: Commerce Signals – Three-week moving averages.
 Notes: Majority Black/Hispanic counties are defined as those where greater than 50% of the county's population is Black or Hispanic. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

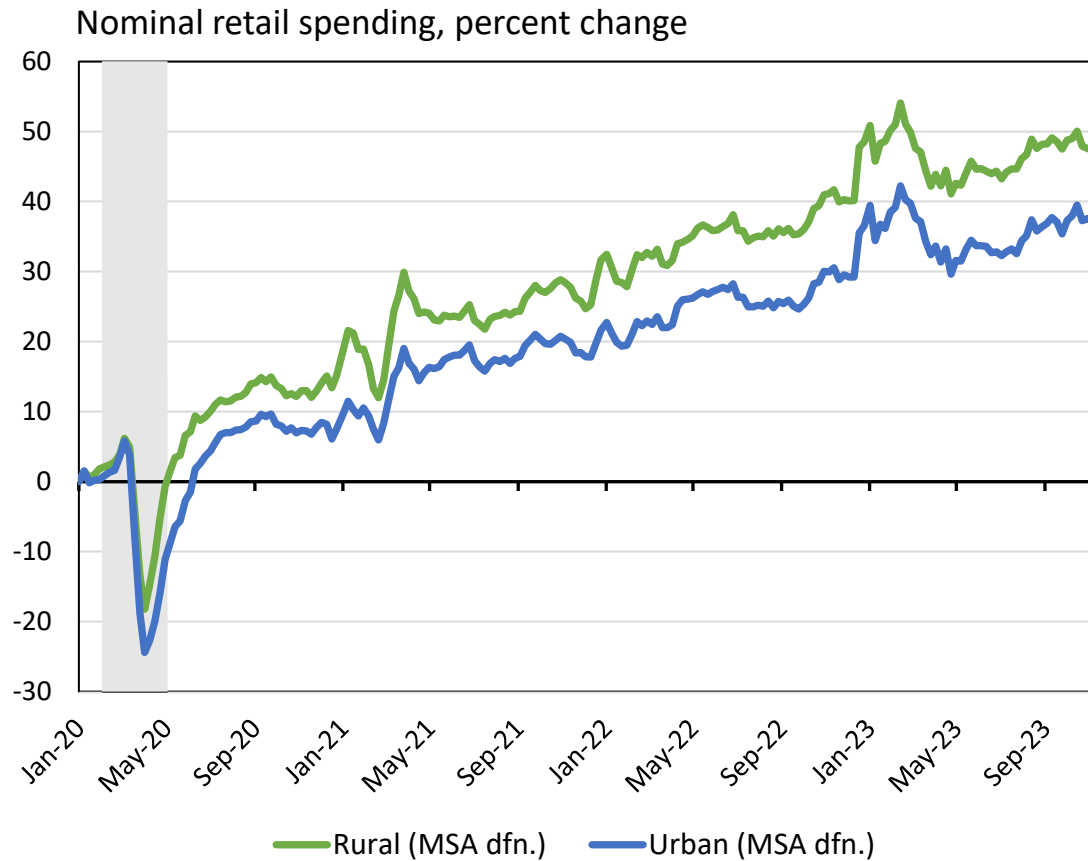
Retail Spending by County Demographics



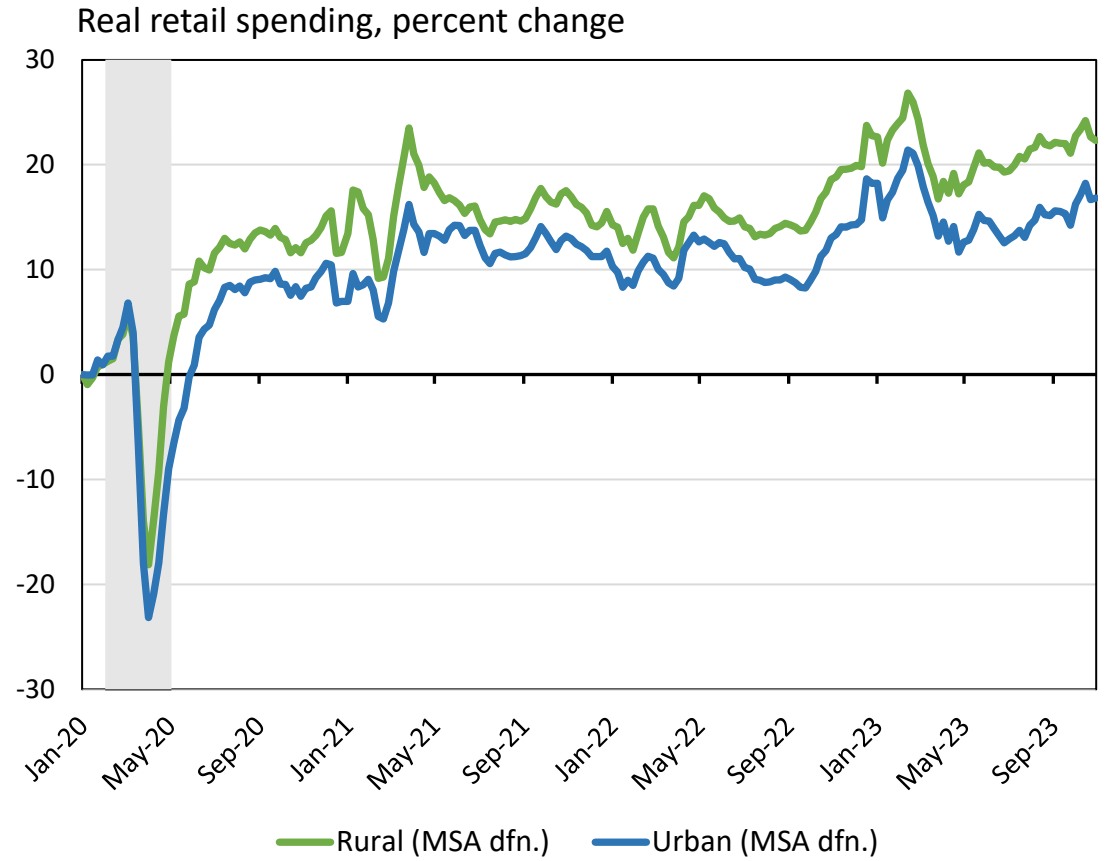
Source: Commerce Signals – Three-week moving averages.
 Notes: Majority Black/Hispanic/AAPI counties are defined as those where greater than 50% of the county's population is Black, Hispanic, or AAPI. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Retail Spending by County Urban/Rural Status

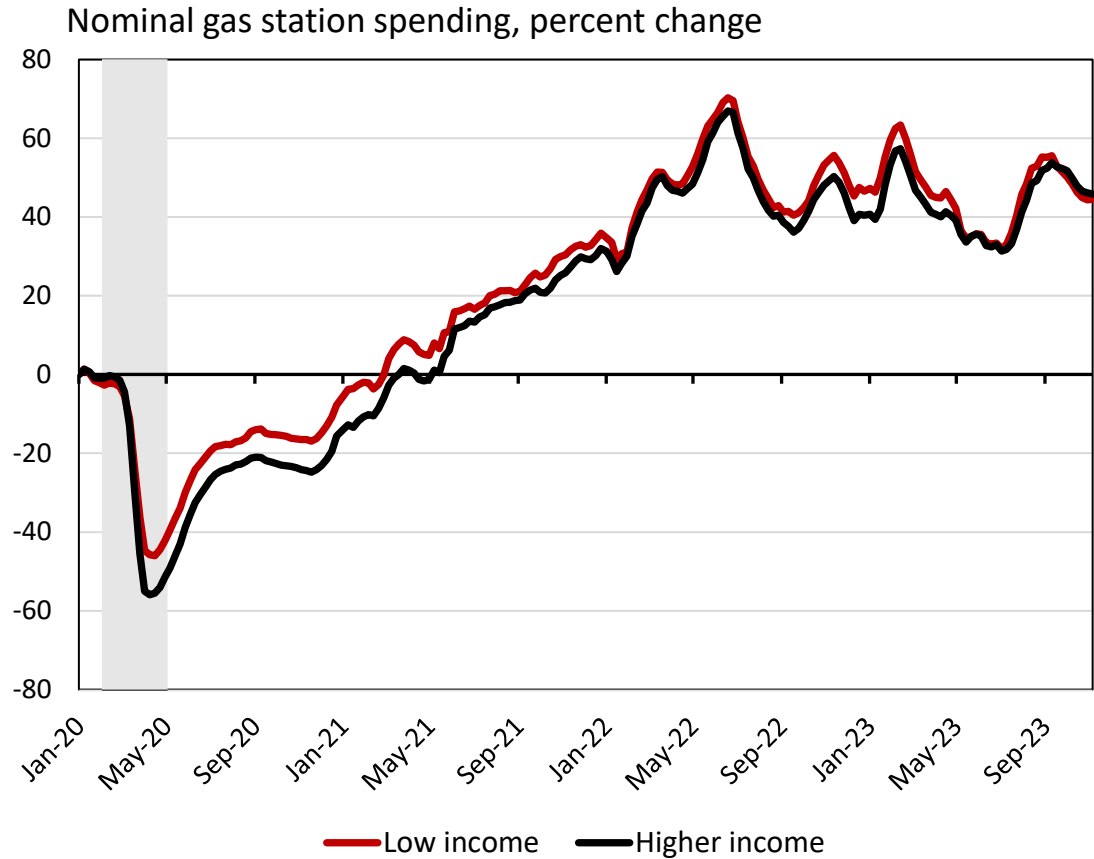


Source: Commerce Signals – Three-week moving averages.
 Notes: Urban counties are defined as those located in a Metropolitan Statistical Area (MSA). Real spending uses corresponding urban prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

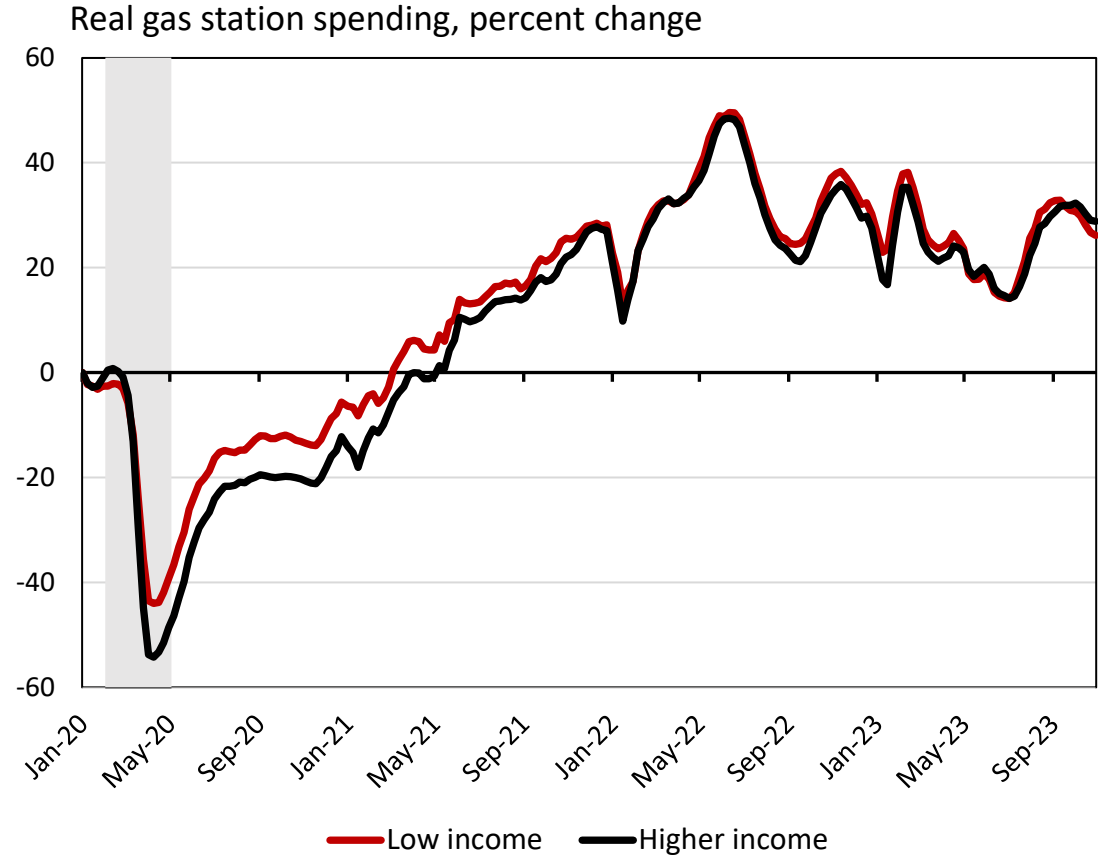


Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Gas Station Spending by County Household Income

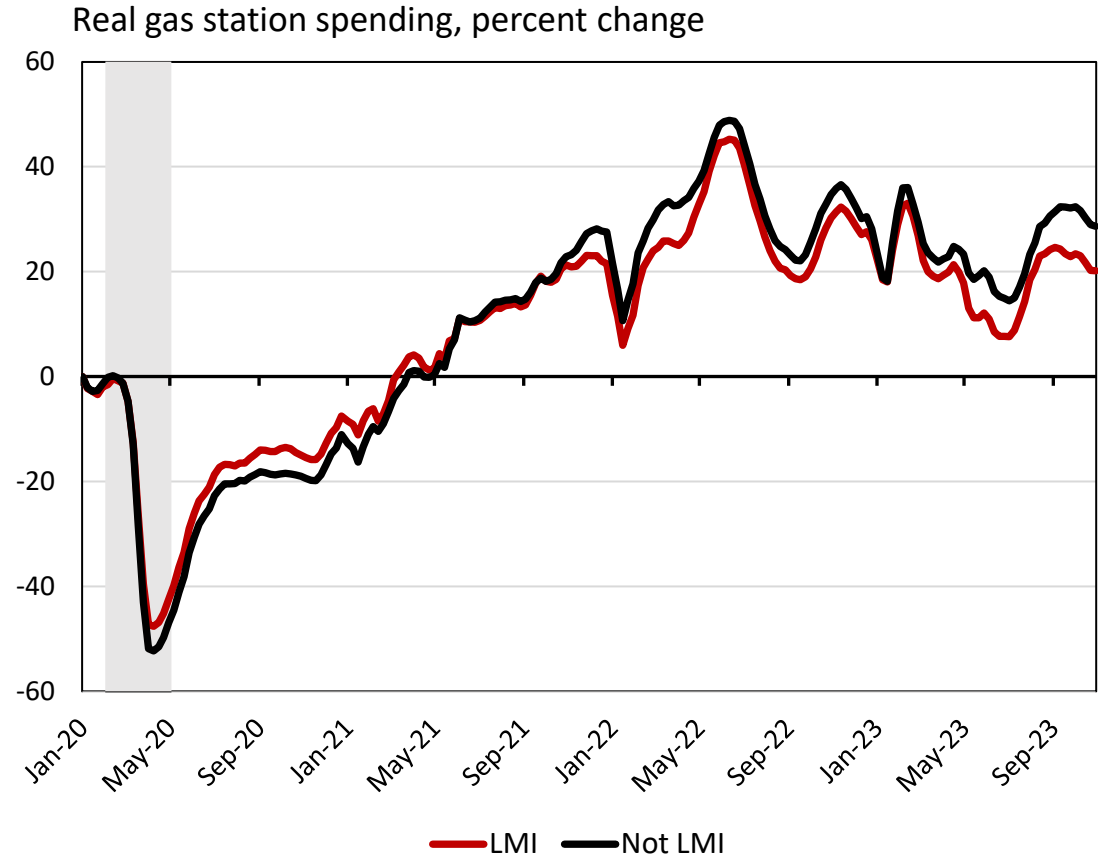
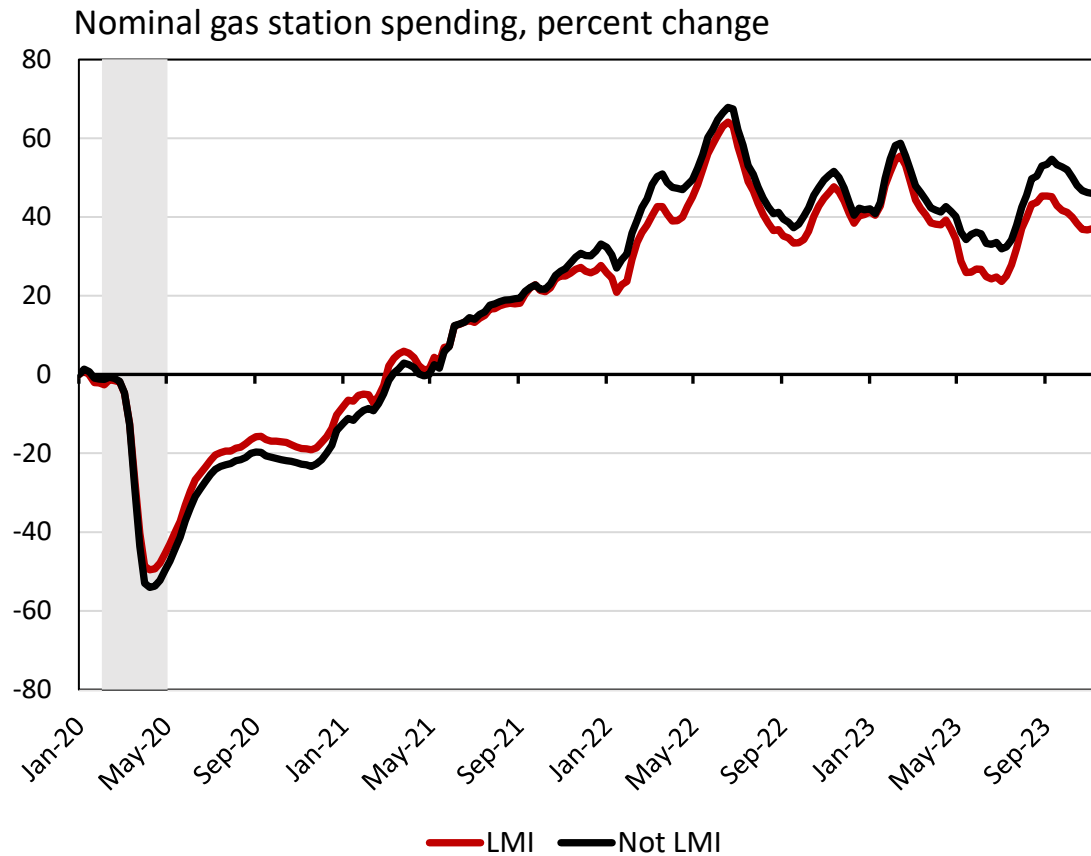


Source: Commerce Signals – Three-week moving averages.
 Notes: Low-income counties are defined as those with household incomes below the 25th percentile of national household income. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.



Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

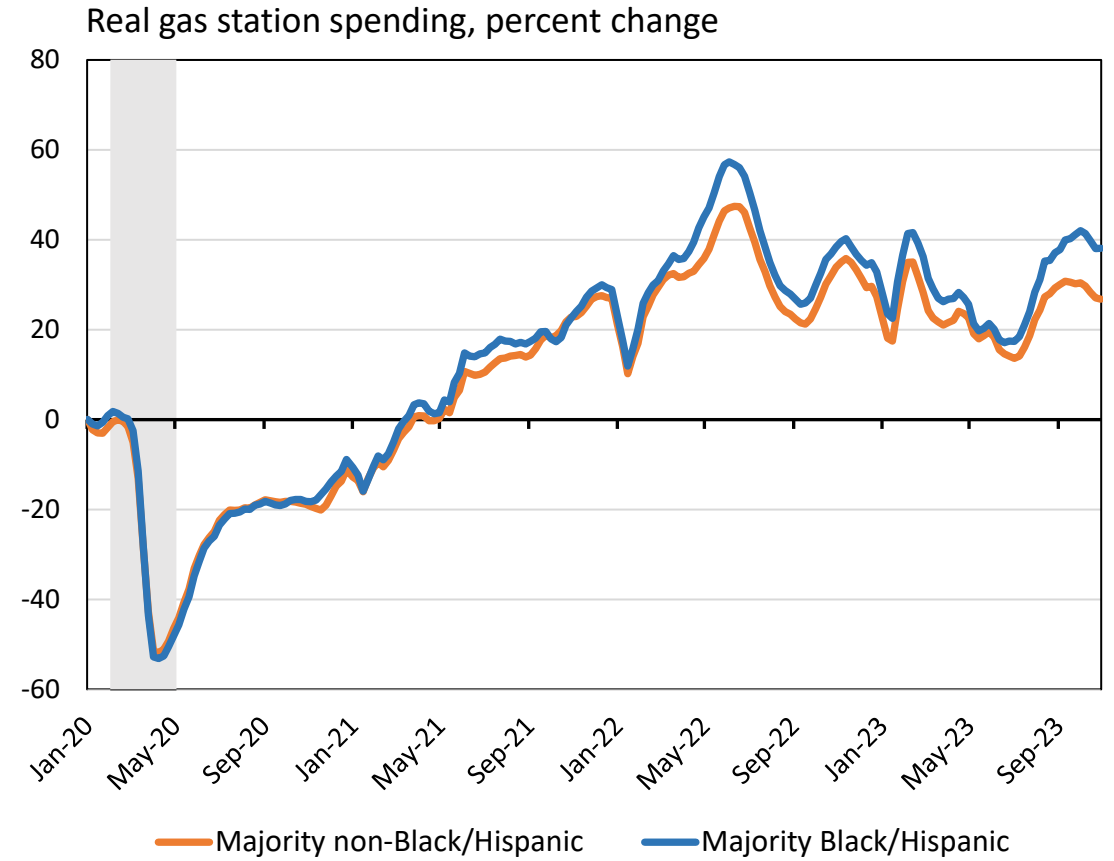
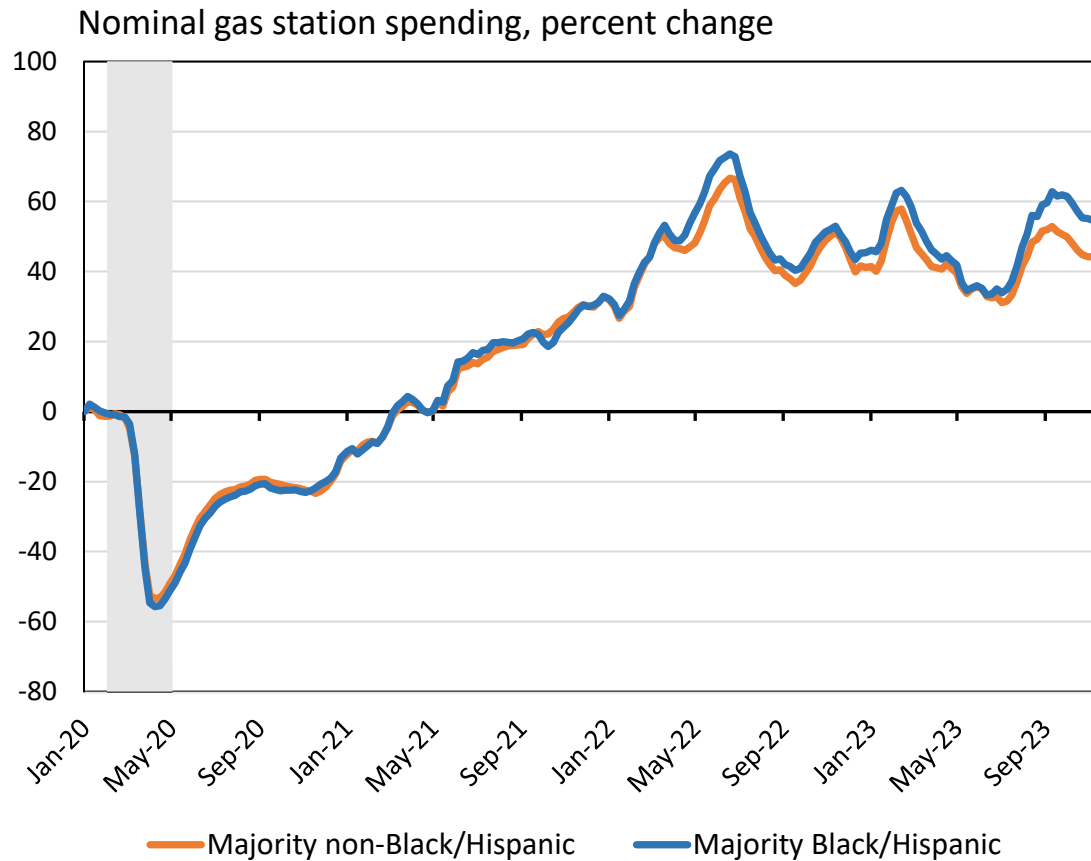
Gas Station Spending by Low to Moderate Income (LMI) Status



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-to-moderate income (LMI) counties are defined as those where the majority of households earn below 80% of the metro area median. Real spending uses corresponding urban/rural prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

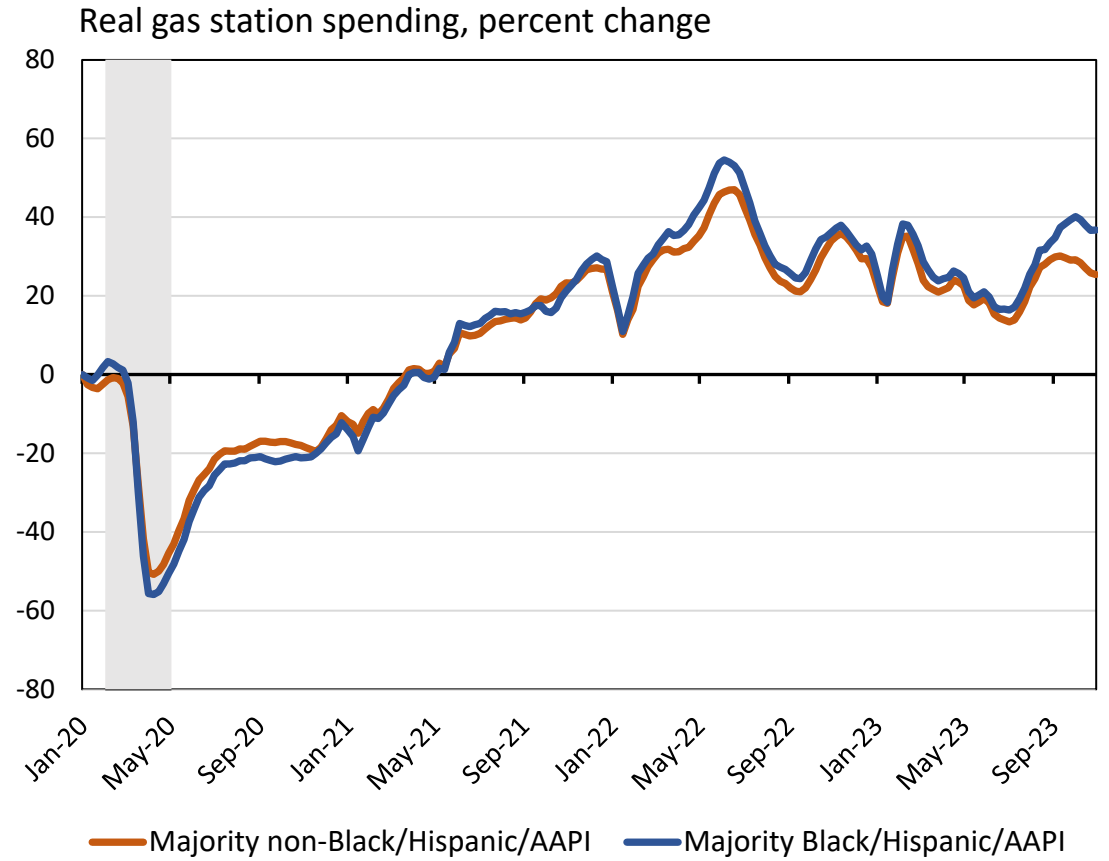
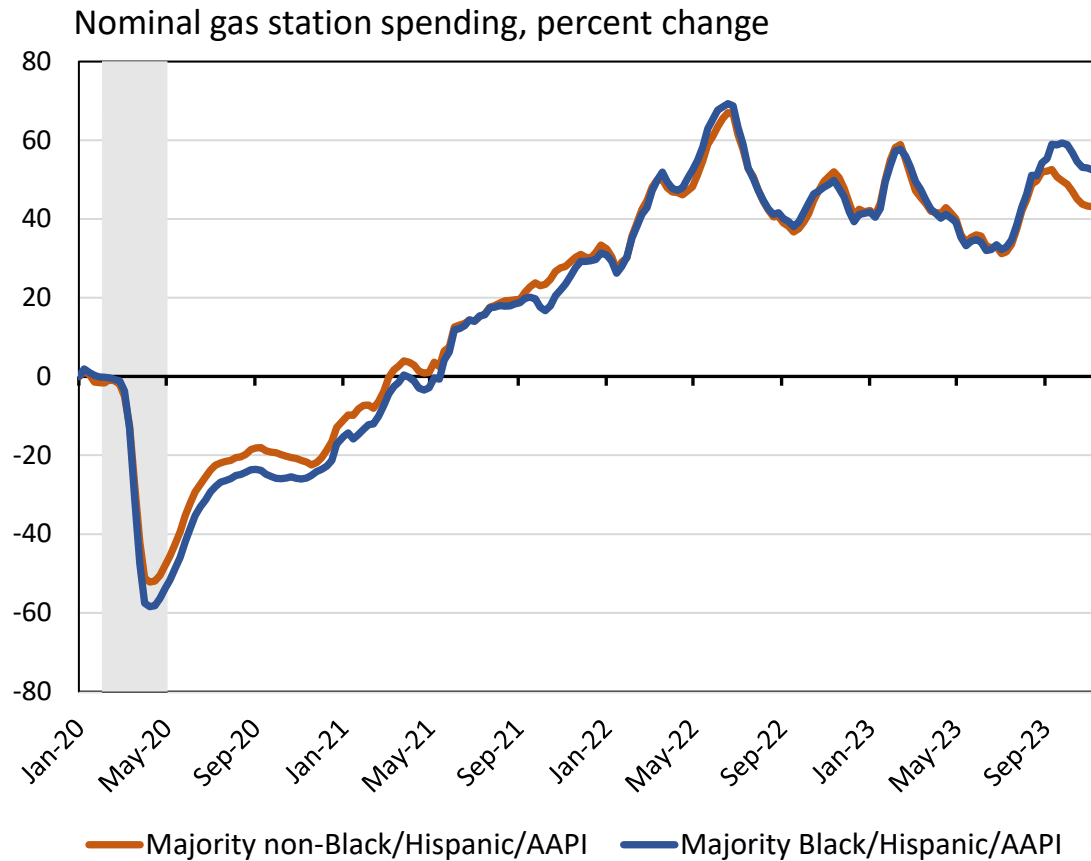
Gas Station Spending by County Demographics



Source: Commerce Signals – Three-week moving averages,
 Notes: Majority Black/Hispanic counties are defined as those where greater than 50% of the county's population is Black or Hispanic. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

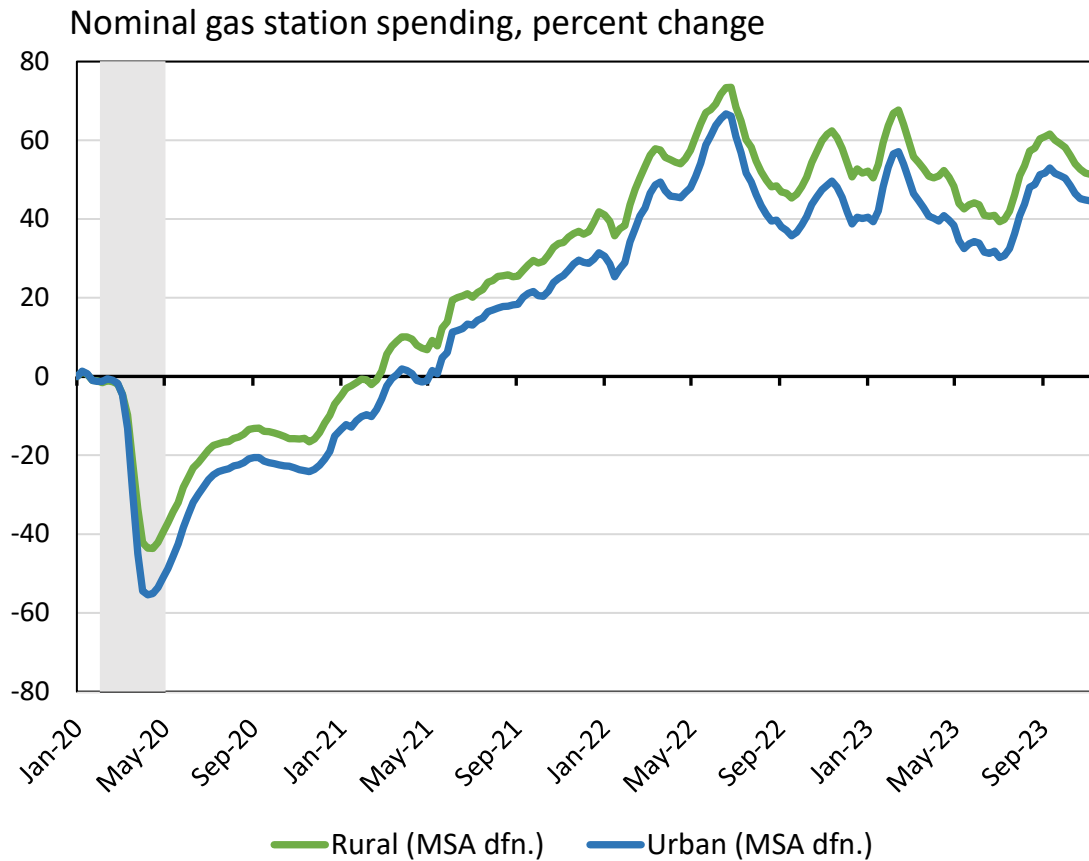
Gas Station Spending by County Demographics



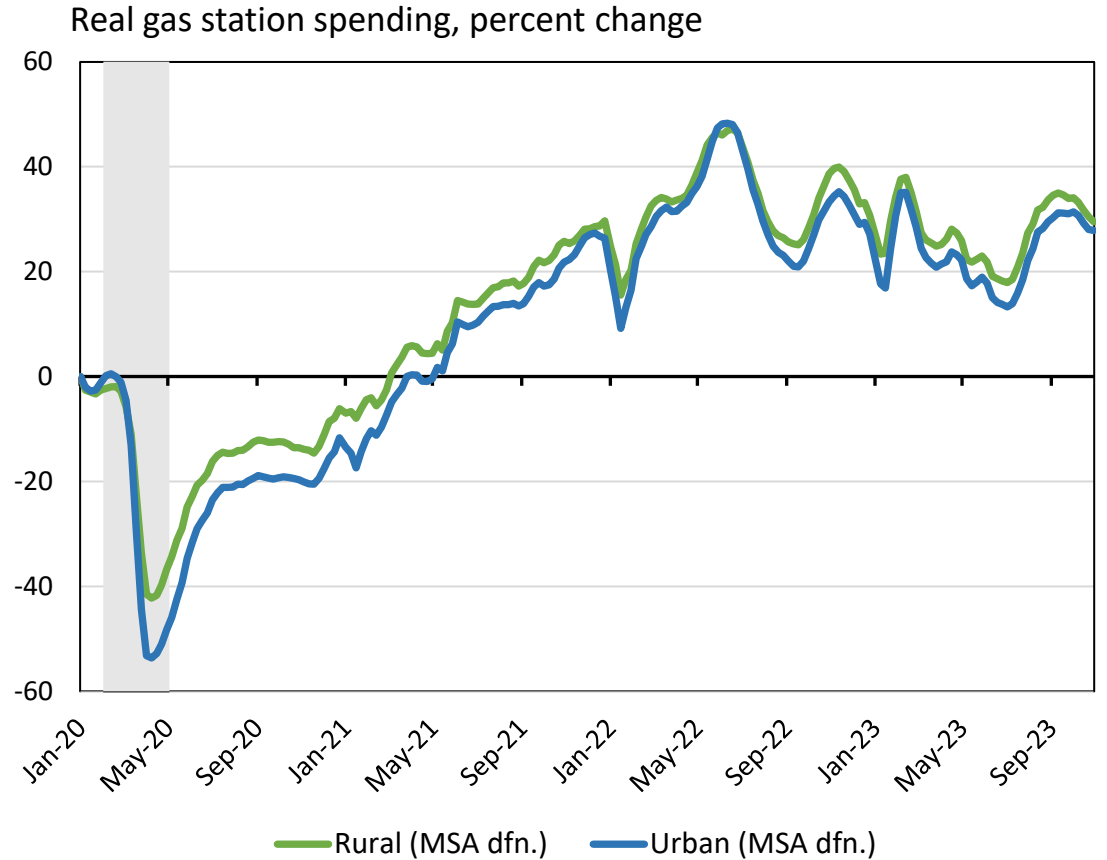
Source: Commerce Signals – Three-week moving averages.
 Notes: Majority Black/Hispanic/AAPI counties are defined as those where greater than 50% of the county's population is Black, Hispanic, or AAPI. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Gas Station Spending by County Urban/Rural Status

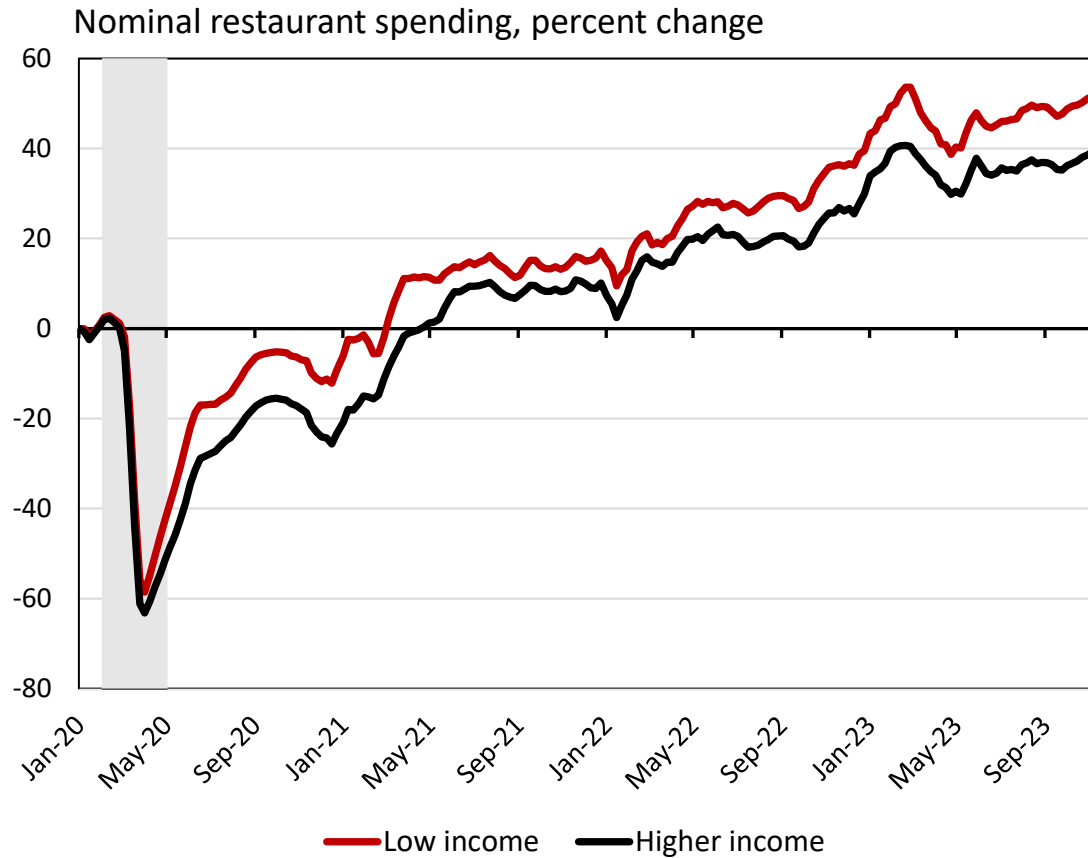


Source: Commerce Signals – Three-week moving averages.
 Notes: Urban counties are defined as those located in a Metropolitan Statistical Area (MSA). Real spending uses corresponding urban prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

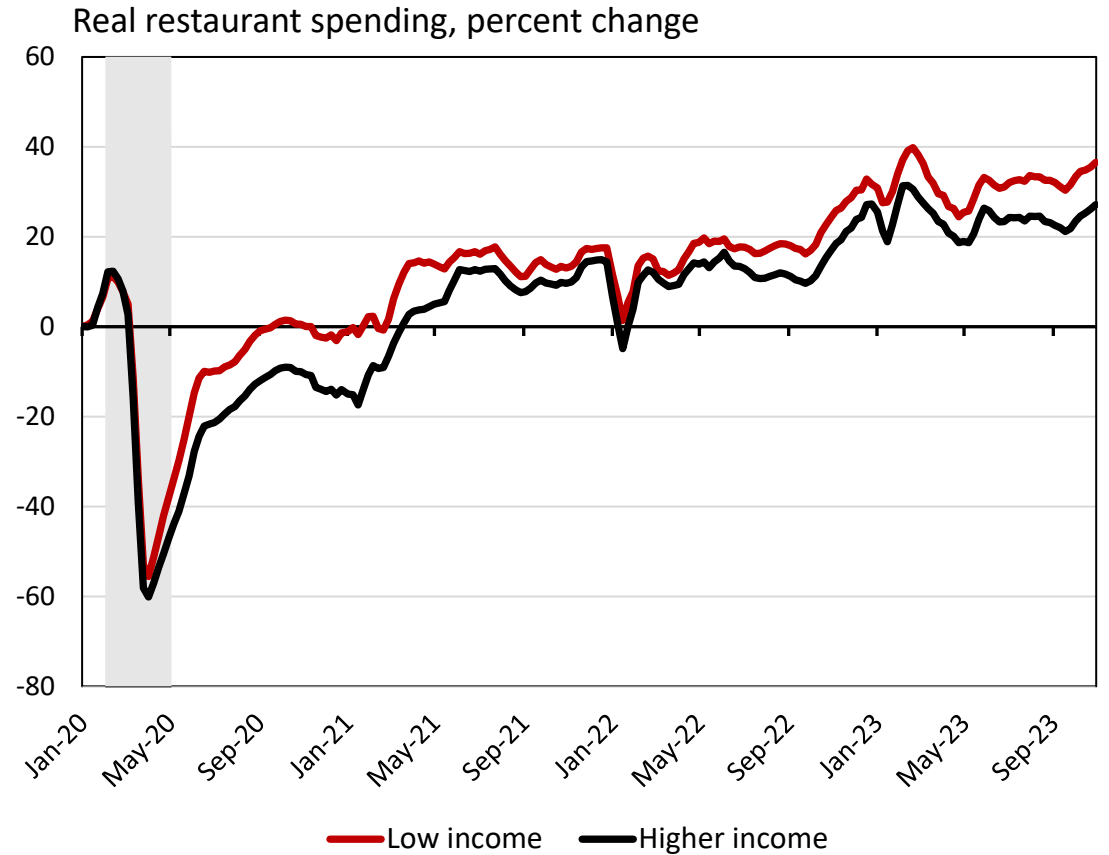


Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Restaurant Spending by County Household Income

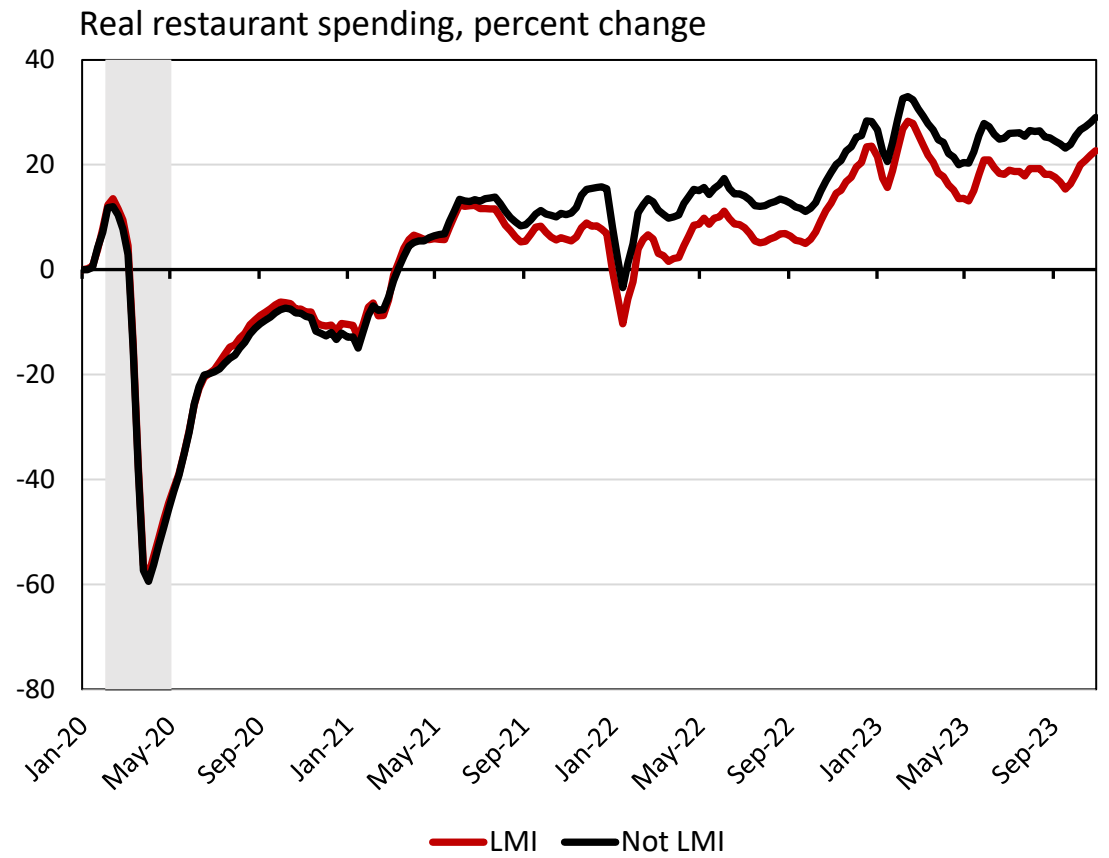
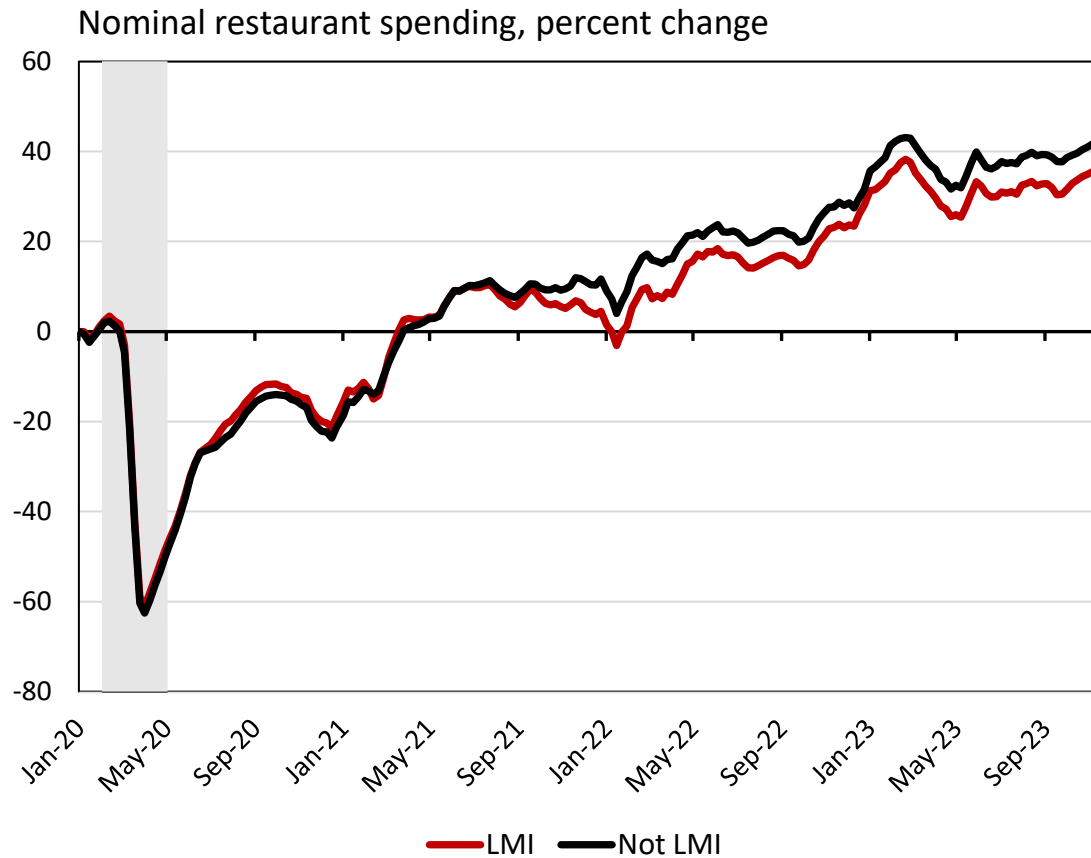


Source: Commerce Signals – Three-week moving averages.
 Notes: Low-income counties are defined as those with household incomes below the 25th percentile of national household income. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.



Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

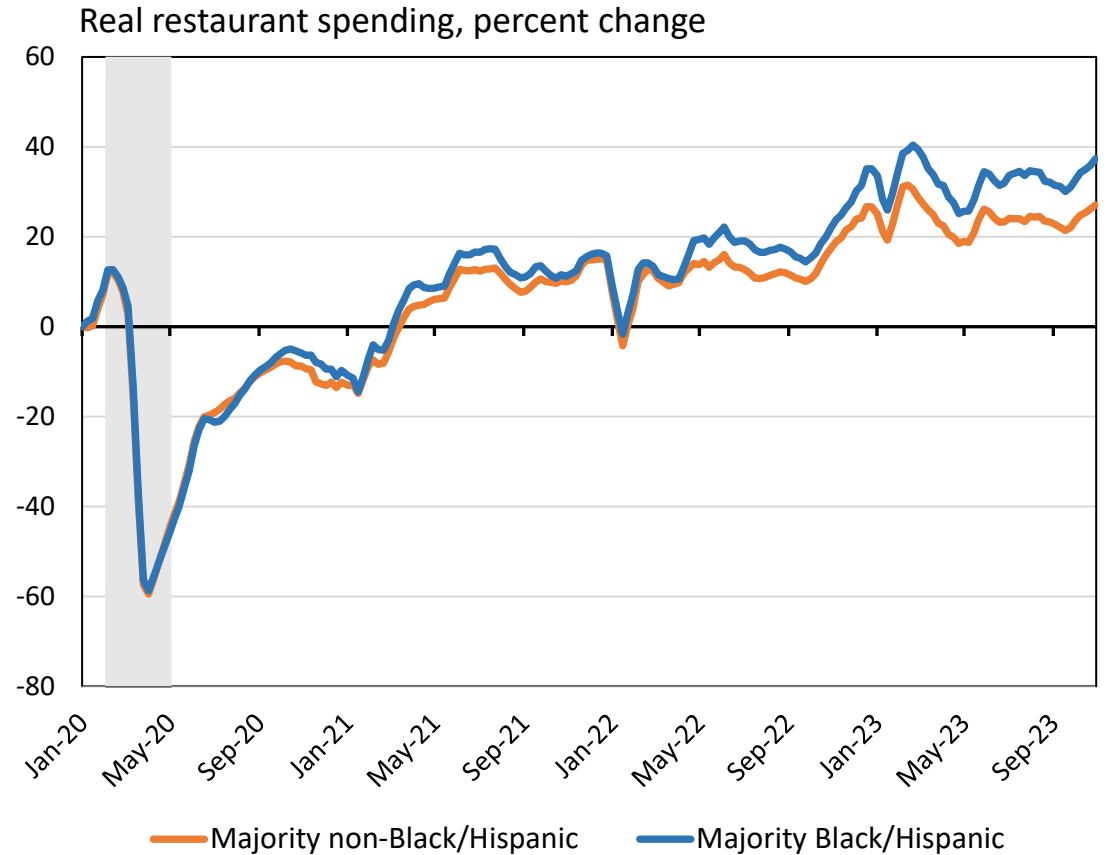
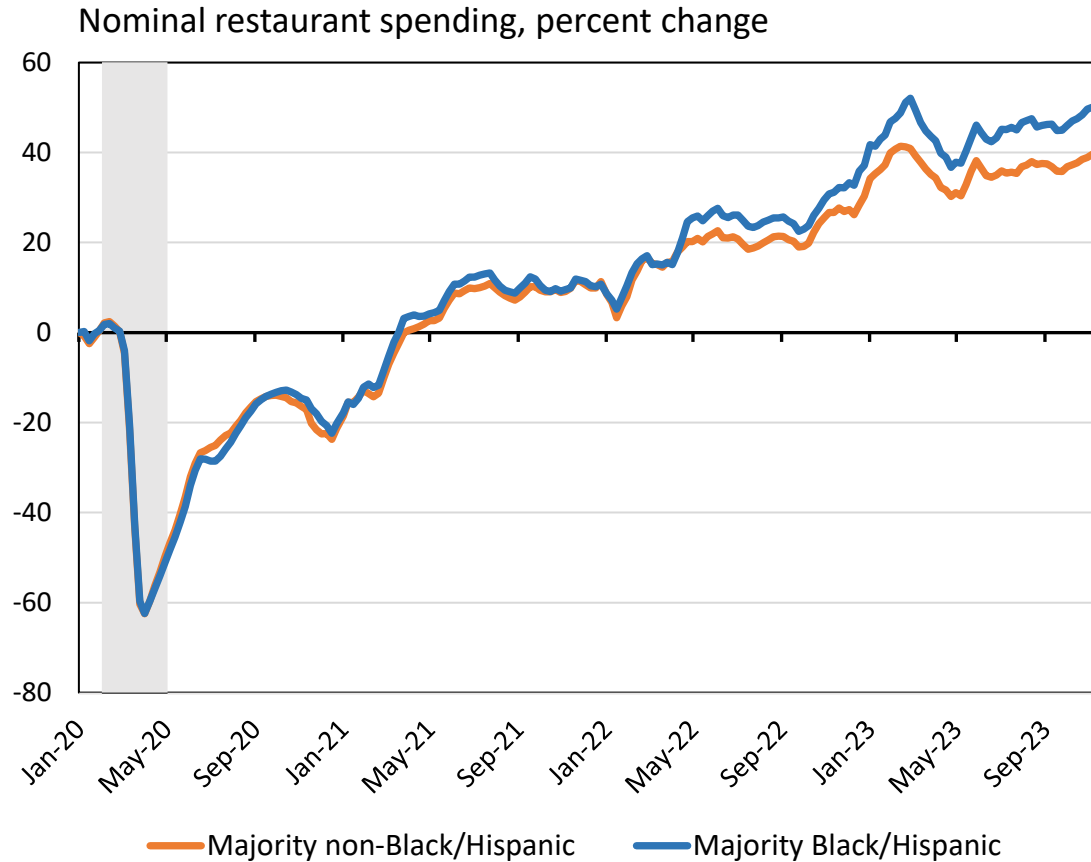
Restaurant Spending by Low to Moderate Income (LMI) Status



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-to-moderate income (LMI) counties are defined as those where the majority of households earn below 80% of the metro area median. Real spending uses corresponding urban/rural prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

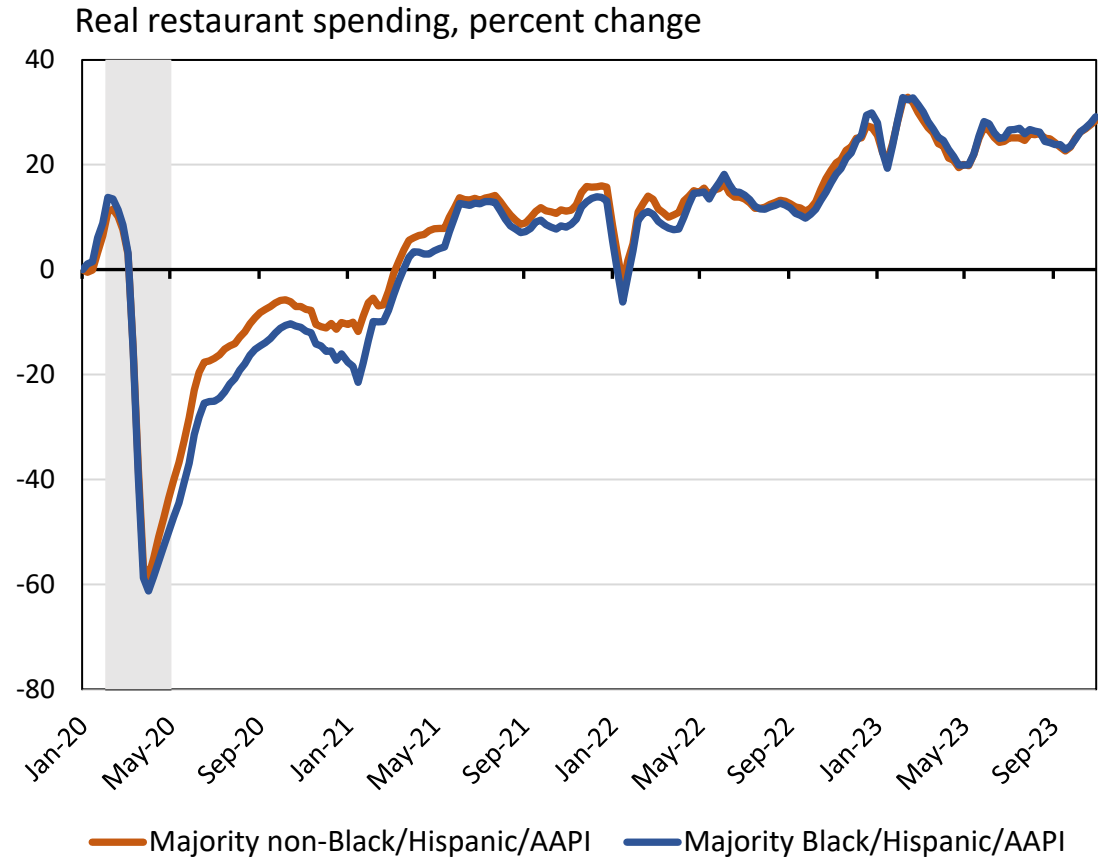
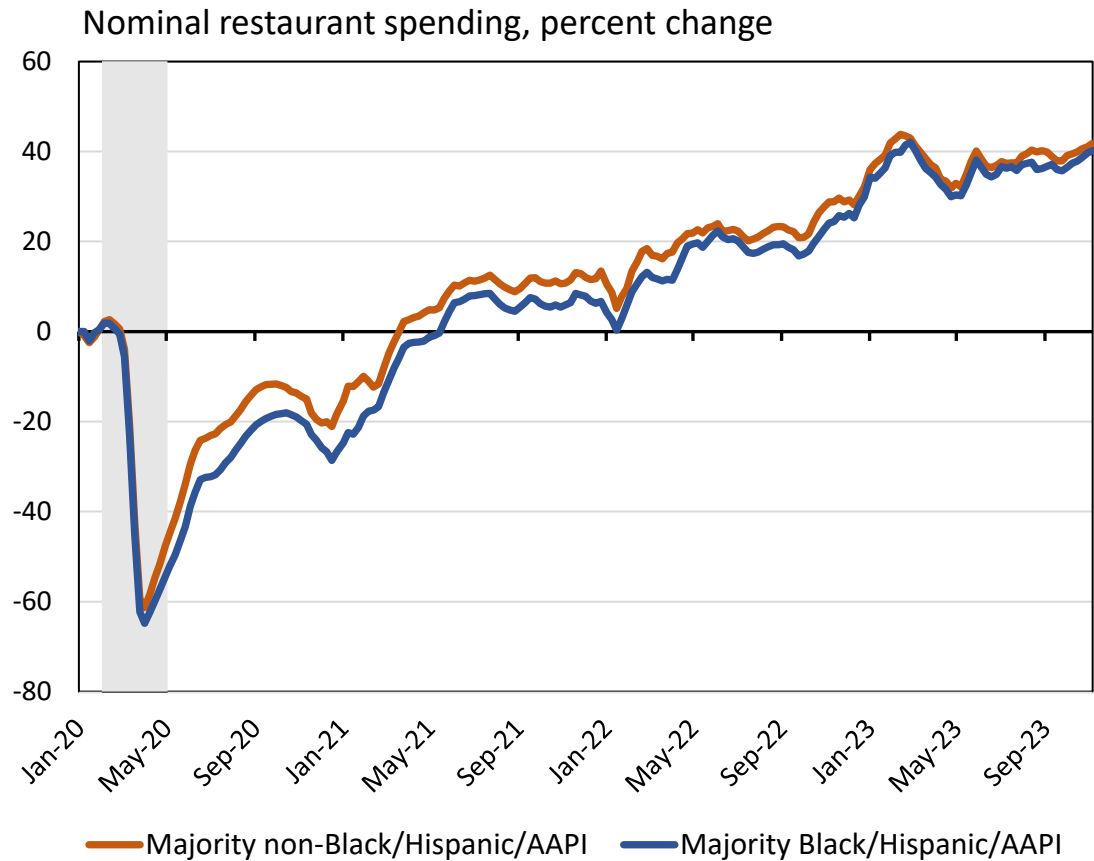
Restaurant Spending by County Demographics



Source: Commerce Signals – Three-week moving averages.
 Notes: Majority Black/Hispanic counties are defined as those where greater than 50% of the county's population is Black or Hispanic. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

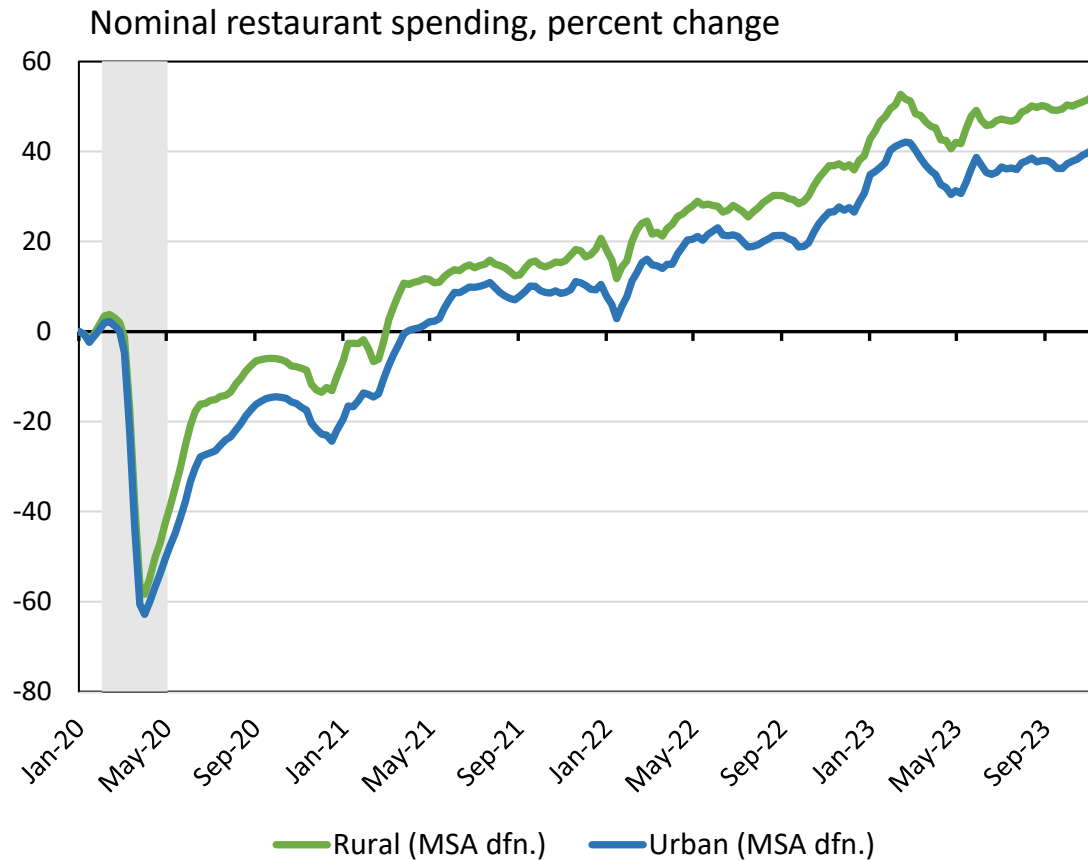
Restaurant Spending by County Demographics



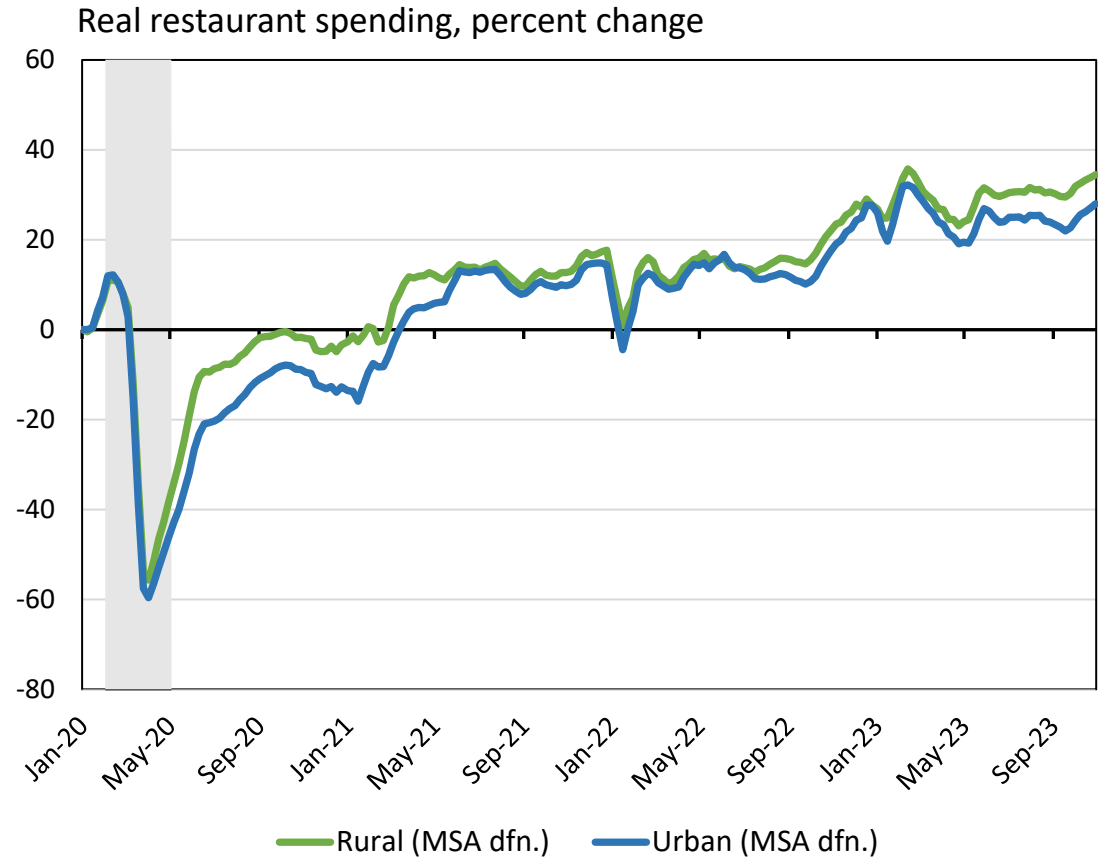
Source: Commerce Signals – Three-week moving averages.
 Notes: Majority Black/Hispanic/AAPI counties are defined as those where greater than 50% of the county's population is Black, Hispanic, or AAPI. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession

Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.

Restaurant Spending by County Urban/Rural Status



Source: Commerce Signals – Three-week moving averages.
 Notes: Urban counties are defined as those located in a Metropolitan Statistical Area (MSA). Real spending uses corresponding urban prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.



Nominal spending ranges from January 1, 2020, to November 11, 2023. Real spending ranges from January 1, 2020, to November 4, 2023.