EQUITABLE GROWTH INDICATORS

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Summary

- **INFLATION**
  Inflation is declining overall, as well as in the high-inflation categories of food and housing. Households headed by young people are experiencing inflation that is nearly 0.5 percentage point above the national average.

- **EARNINGS**
  Real earnings in April and May 2023 increased at the fastest rate since May 2020, except for Hispanic and younger workers whose earnings remained stable.

- **EMPLOYMENT**
  The employment gap between men and women is close to its lowest level since 2019 (11 percent vs. 13.3 percent in January 2019), having fallen throughout the pandemic and its aftermath.

- **CONSUMER SPENDING**
  Real spending of the young (aged 25-34) remains low relative to its post-pandemic trend in each of the retail, gas, and restaurant categories. The young had increased their consumer spending the most following the pandemic, but currently spend less than do people aged 35-44 and only slightly more than do people aged 45-54, relative to their pre-pandemic levels.
CONSUMER SPENDING
Takeaways | Consumer Spending

- The lower income, the less educated, and the young experienced a significantly faster recovery in spending since the pandemic. There are some signs, however, that the spending recovery among the young and less educated is weakening.
- Consumer spending recovery gaps are largest for age and smallest for income, with education gaps in the middle.
- Recovery gaps are slightly smaller for gas spending than for retail and restaurant spending but follow a similar pattern.
- Consumer spending rose in May 2023, reversing the decline in spending earlier this year, although spending by people aged 25-34 remains depressed with real consumption essentially at the same level as in April.
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 – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Nominal retail spending, percent change

Real retail spending, percent change

Retail Spending by Education

Nominal retail spending, percent change

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Real retail spending, percent change

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Gas Station Spending by Income

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.
Gas Station Spending by Education

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

EQUITABLE GROWTH INDICATORS | Gas Station Spending

Gas Station Spending by Age

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Restaurant Spending by Income

Nominal restaurant spending, percent change

Real restaurant spending, percent change

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Restaurant Spending by Education

Nominal restaurant spending, percent change

Real restaurant spending, percent change

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

Restaurant Spending by Age

Source: Commerce Signals – 3-week moving averages.
Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.


Source: Commerce Signals – 3-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.


Retail Spending by Low to Moderate Income (LMI) Status

Source: Commerce Signals – 3-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.


Retail Spending by County Demographics

Source: Commerce Signals – 3-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 retail spending, percent change

Real retail spending, percent change

Retail Spending by County Demographics


Source: Commerce Signals – 3-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.


Retail Spending by County Urban/Rural Status

Source: Commerce Signals – 3-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 retail spending, percent change

Real retail spending, percent change

Gas Station Spending by County Household Income

Source: Commerce Signals – 3-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 and real gas station spending by Low to Moderate Income (LMI) status from January 1, 2020, to June 17, 2023. Real spending ranges from January 1, 2020, to June 3, 2023.

Source: Commerce Signals – 3-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.
Gas Station Spending by County Demographics

Nominal gas station spending, percent change

Real gas station spending, percent change

Source: Commerce Signals – 3-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.

Gas Station Spending by County Demographics

Source: Commerce Signals – 3-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.


Gas Station Spending by County Urban/Rural Status

Source: Commerce Signals – 3-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.


Restaurant Spending by County Household Income

Source: Commerce Signals – 3 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.


Restaurant Spending by Low to Moderate Income (LMI) Status

Source: Commerce Signals – 3-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.

Restaurant Spending by County Demographics


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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.

Restaurant Spending by County Demographics

Nominal restaurant spending, percent change

Real restaurant spending, percent change

Source: Commerce Signals – 3-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.


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