

CONSUMER SPENDING

UPDATED THROUGH FEBRUARY 2024 | NATIONAL

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Takeaways | Consumer Spending

- Overall retail spending has risen sharply in early 2024.
- This spending rise has been remarkably uniform across different income, educational and age groups except for the young (25-34) for whom it has registered only slightly. Spending recovery among the young is weakening, with the middle-aged (ages 35-44) having higher cumulative spending growth than the young in February 2024 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 2023.
- The divergence in retail spending between majority-Black or Hispanic and other counties has continued since the summer of 2023, with majority-Black or Hispanic counties increasing their spending faster.

Full Report Highlights

- **INFLATION**

Inflation trends continued to be very similar to the last quarter of 2023, with inflation inequality being low and AAPI households, households from the lowest-income 40% and young households experiencing relatively higher inflation.

- **EARNINGS**

The Black earnings gap has marginally increased, nevertheless remaining well below pre-pandemic levels.

- **EMPLOYMENT**

Black employment and labor force participation gaps declined to their lowest levels since the pandemic, driven by Black women.

- **CONSUMER SPENDING**

Consumer spending rose overall in early 2024, with the increase shared by all groups except for the young (25-34).

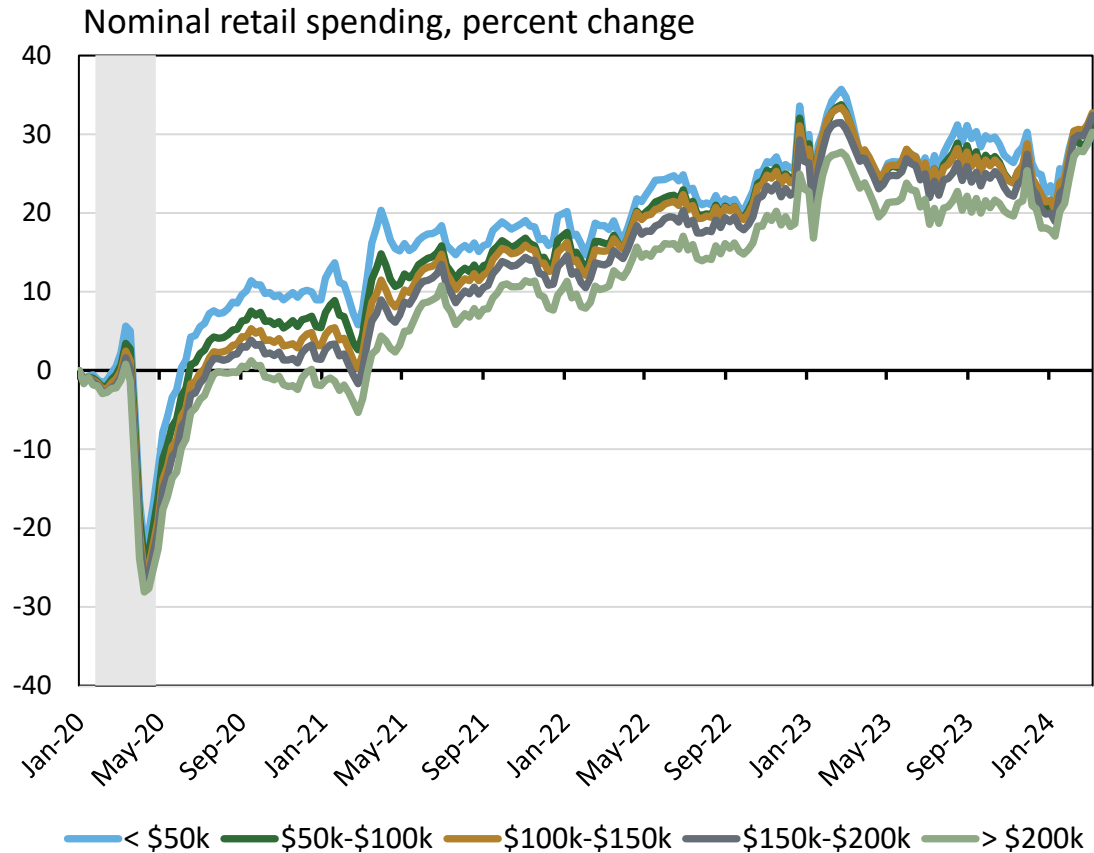
- **WEALTH**

Growth in wealth after 2019 was faster for some groups with little wealth relative to population, but did not meaningfully reduce stark wealth inequalities across demographic groups.

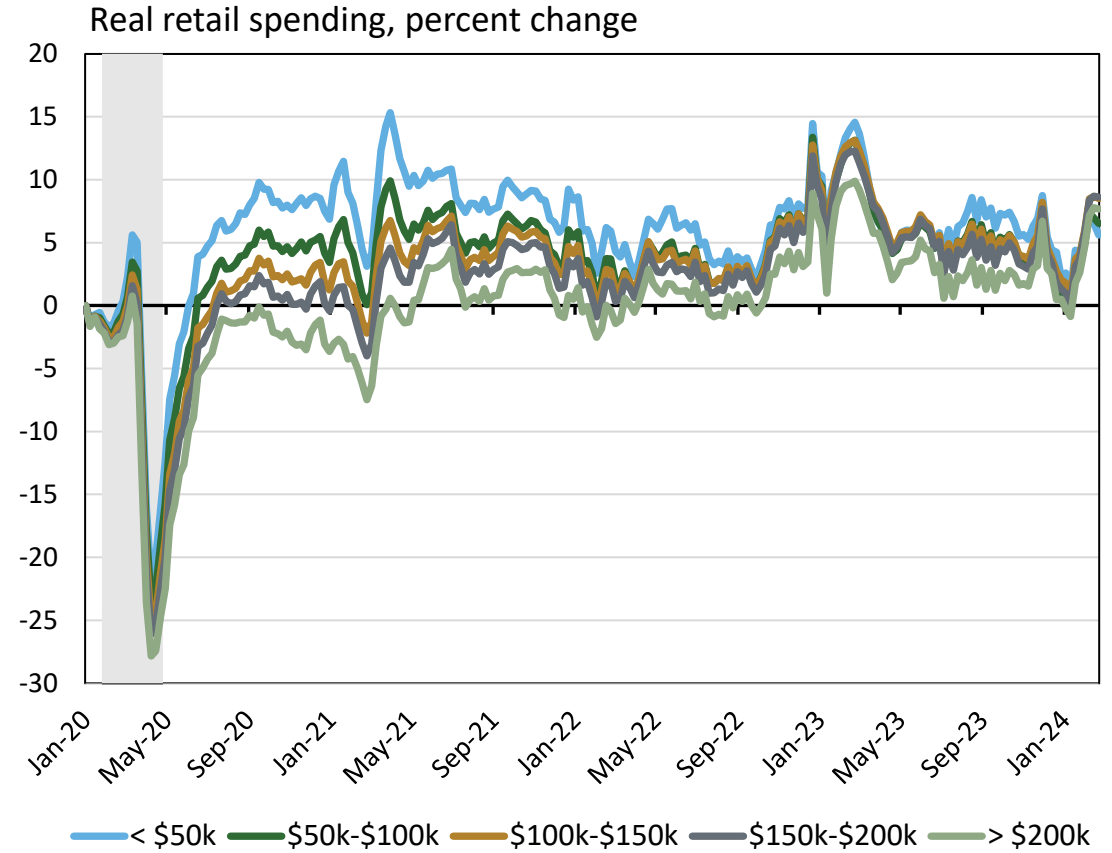
Data & Methods

- 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

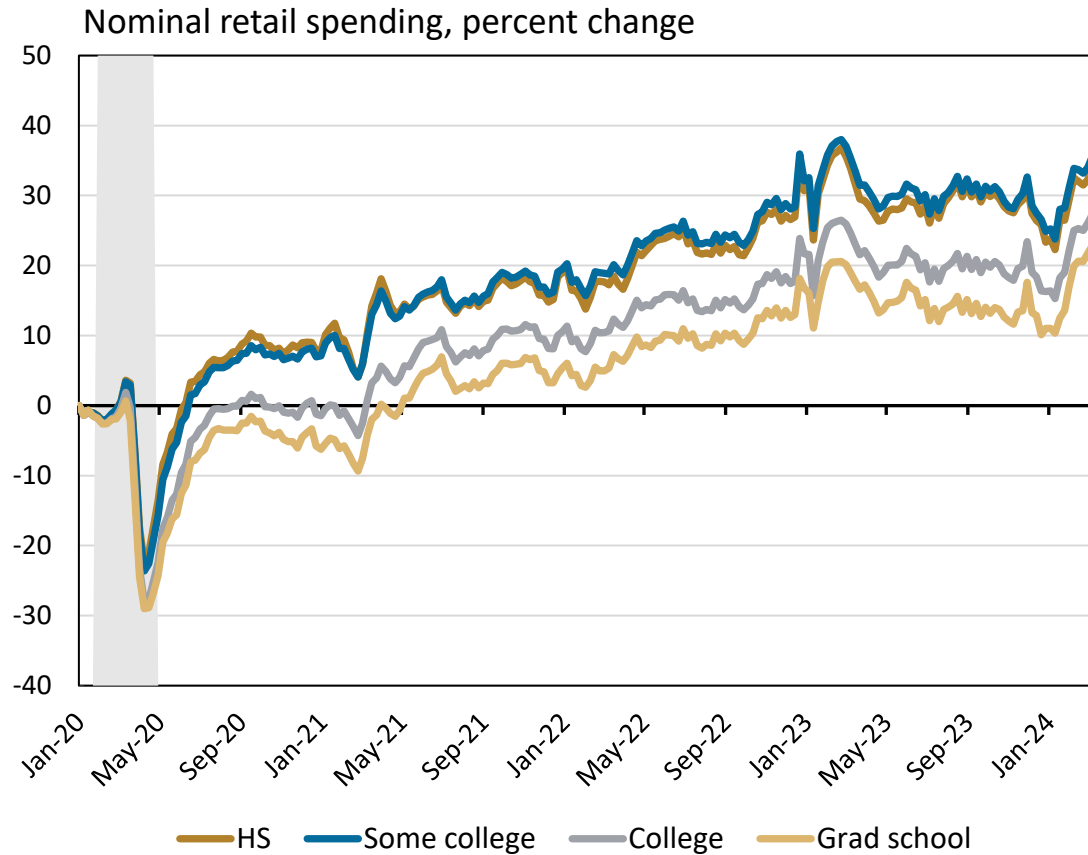


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

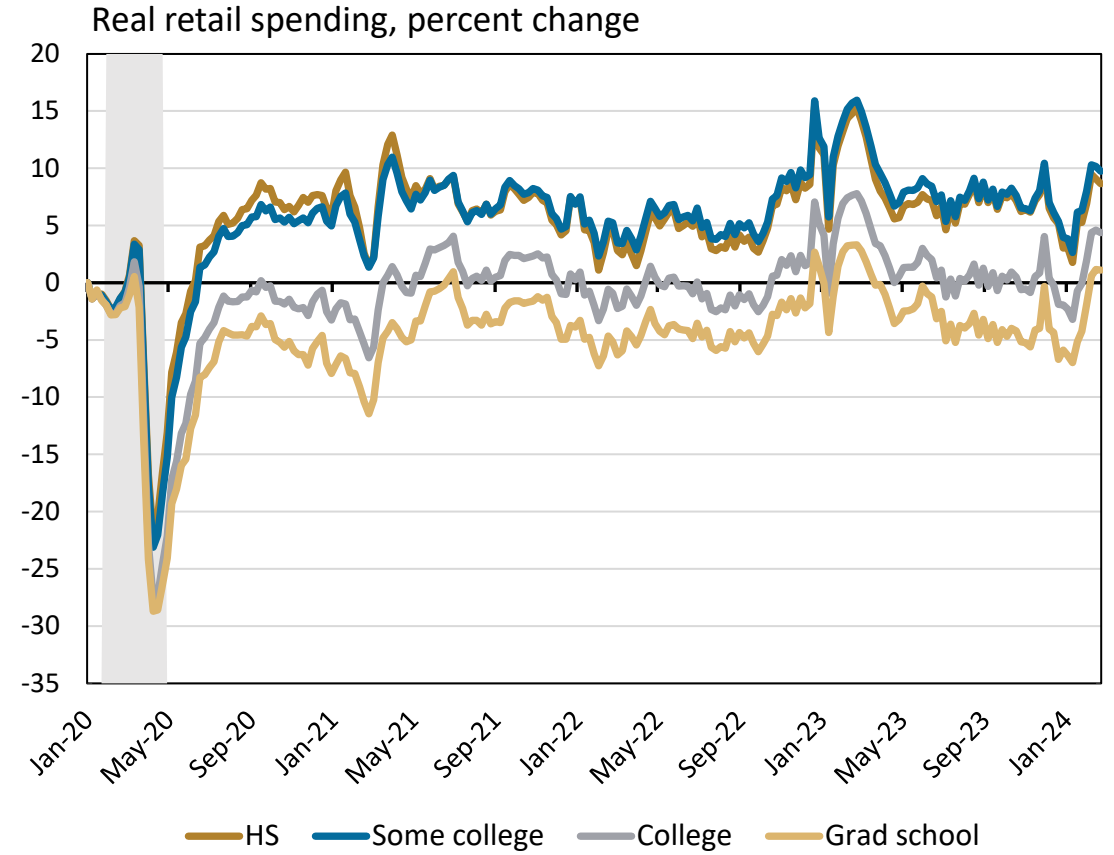


Nominal spending ranges from January 1, 2020, to March 9, 2024. Real spending ranges from January 1, 2020, to February 24, 2024.

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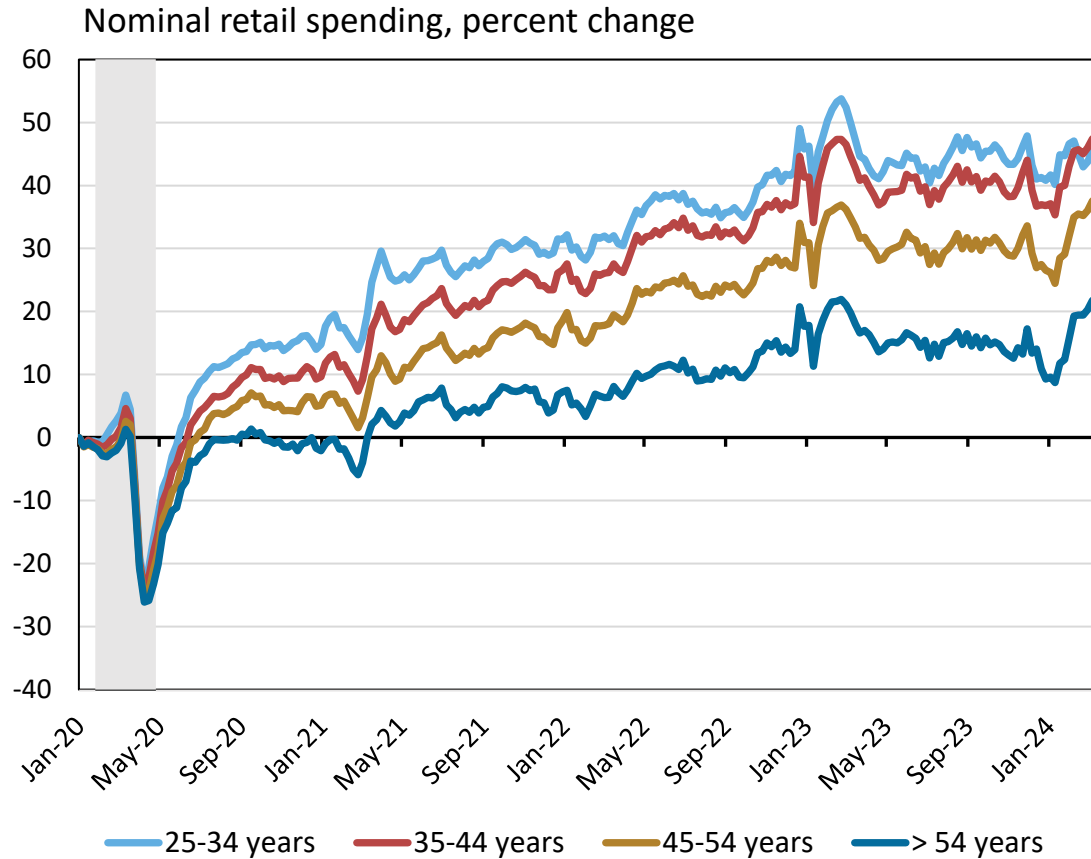


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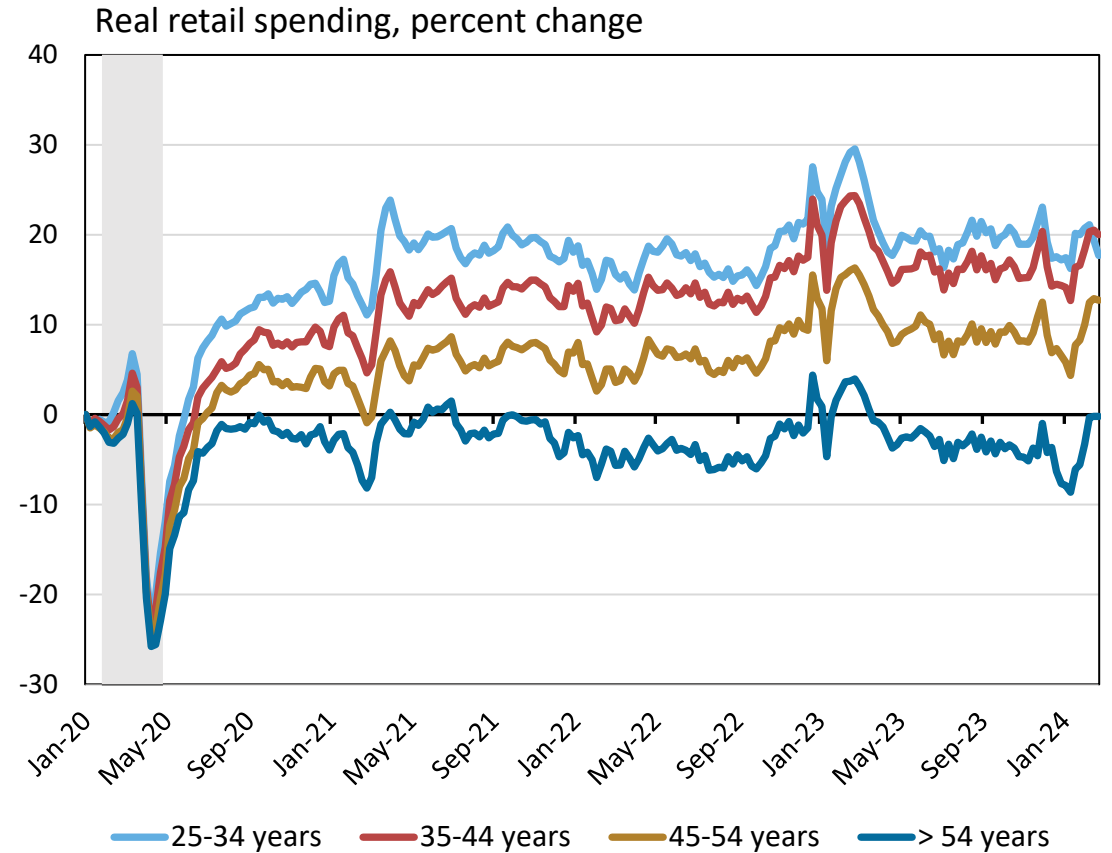


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Retail Spending by Age

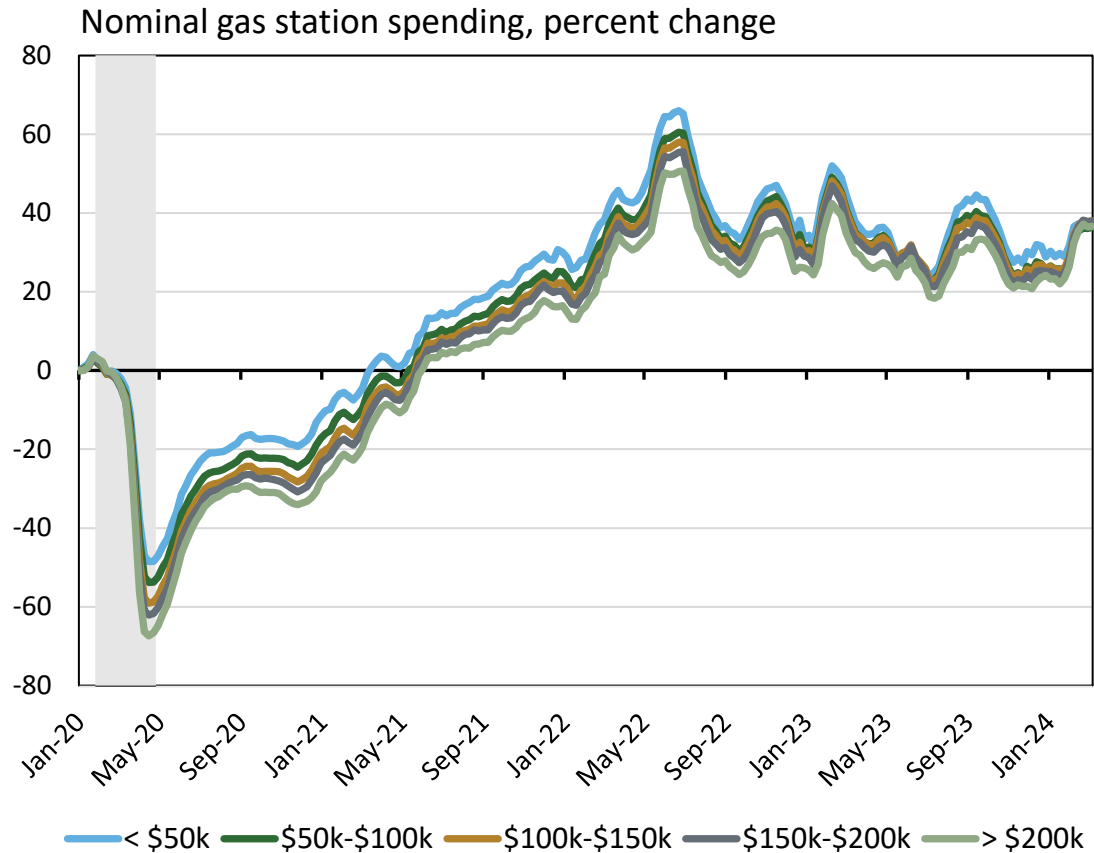


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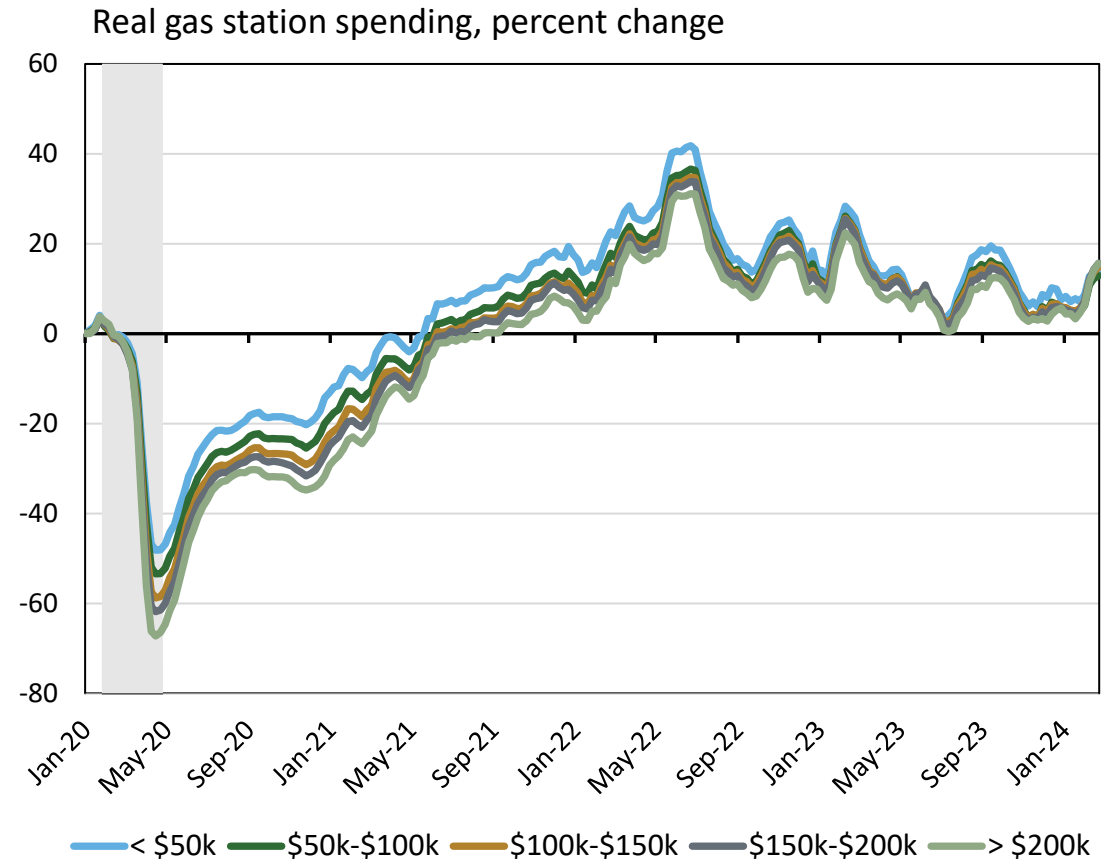


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Gas Station Spending by Income

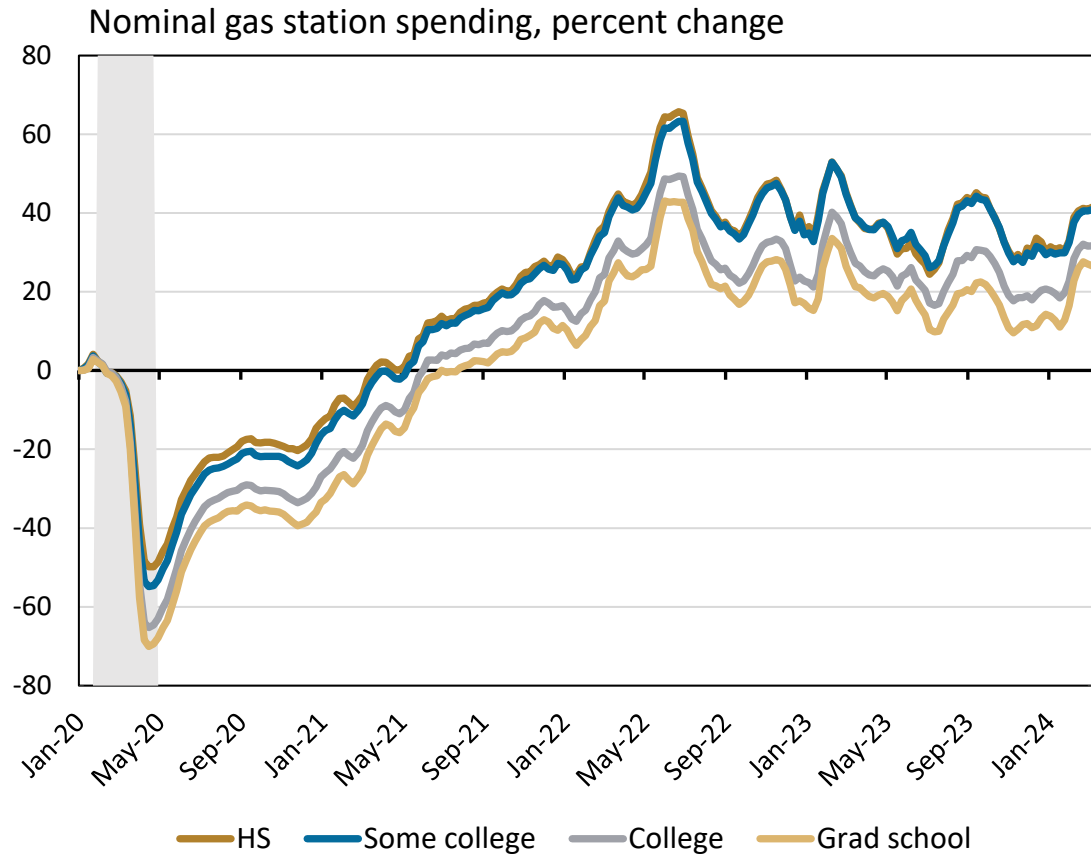


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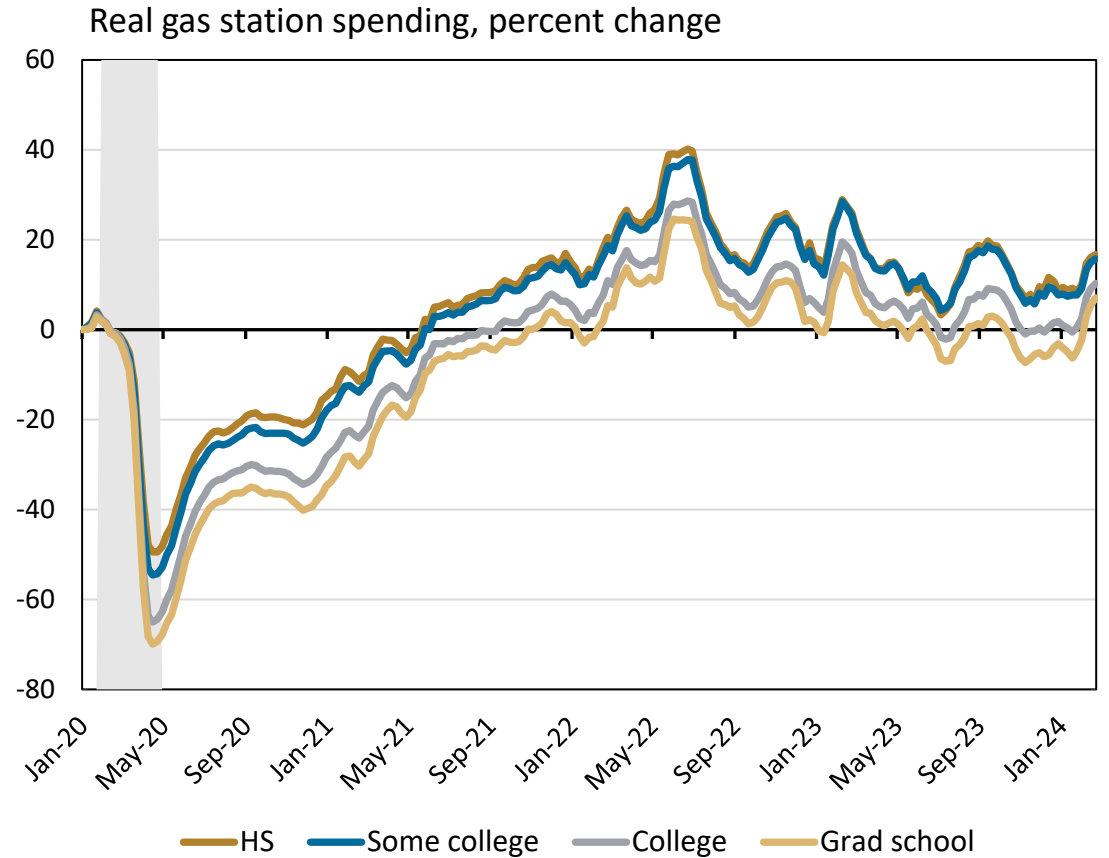


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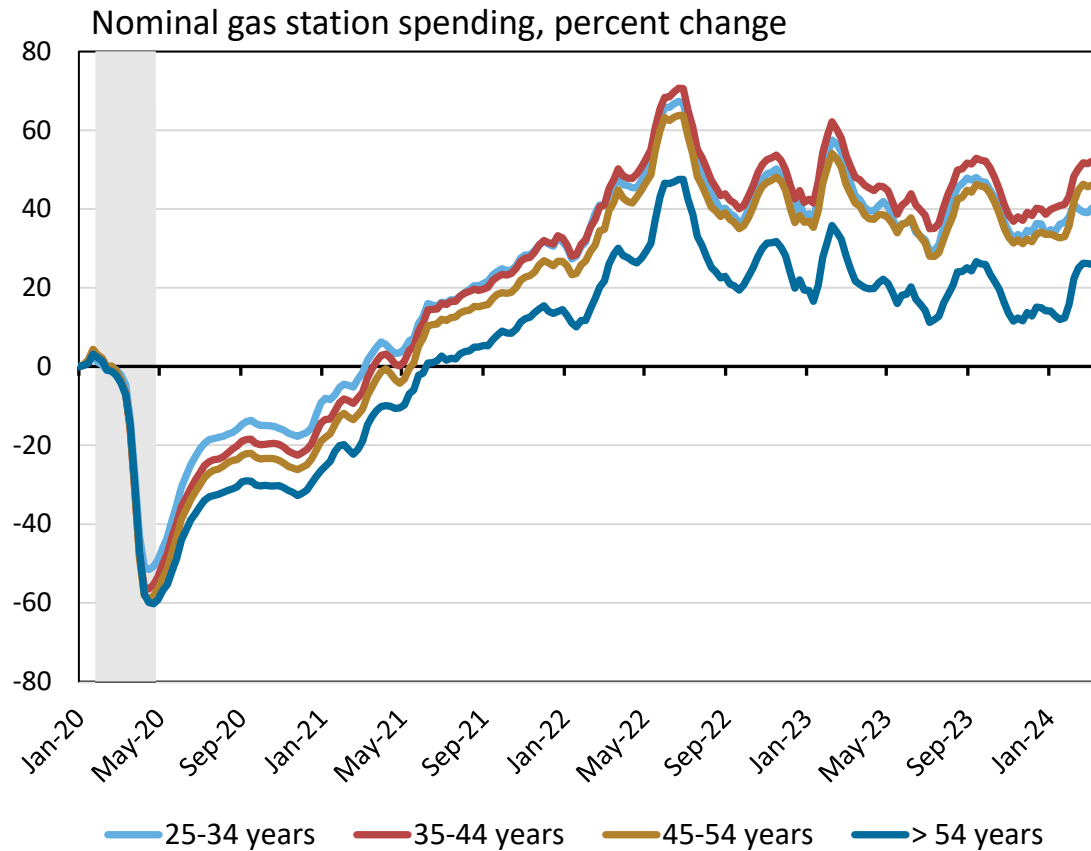


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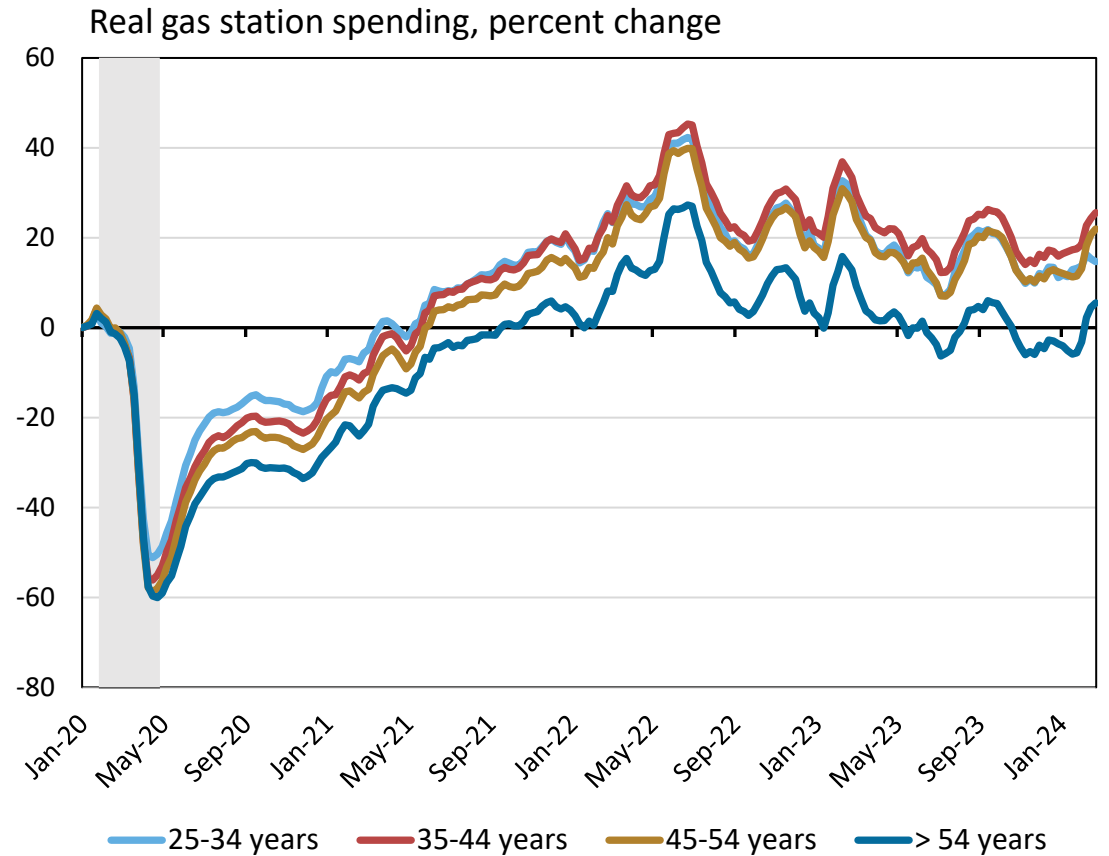


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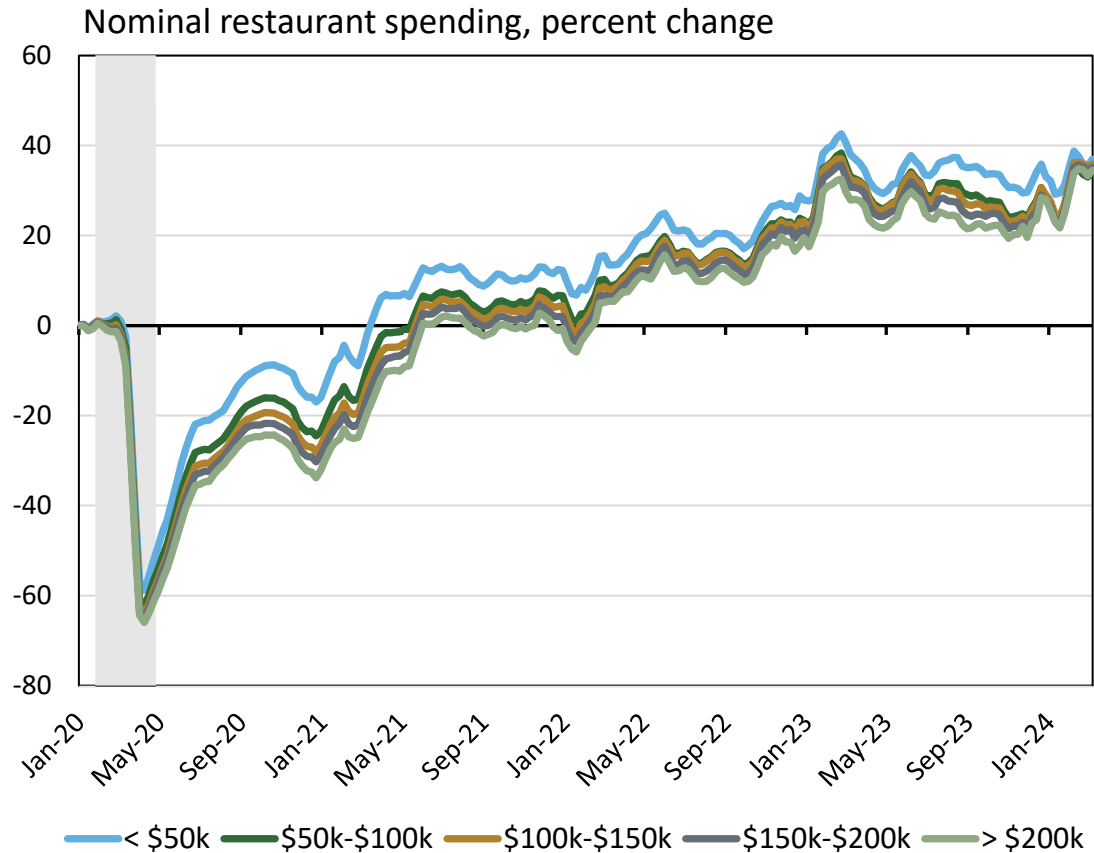


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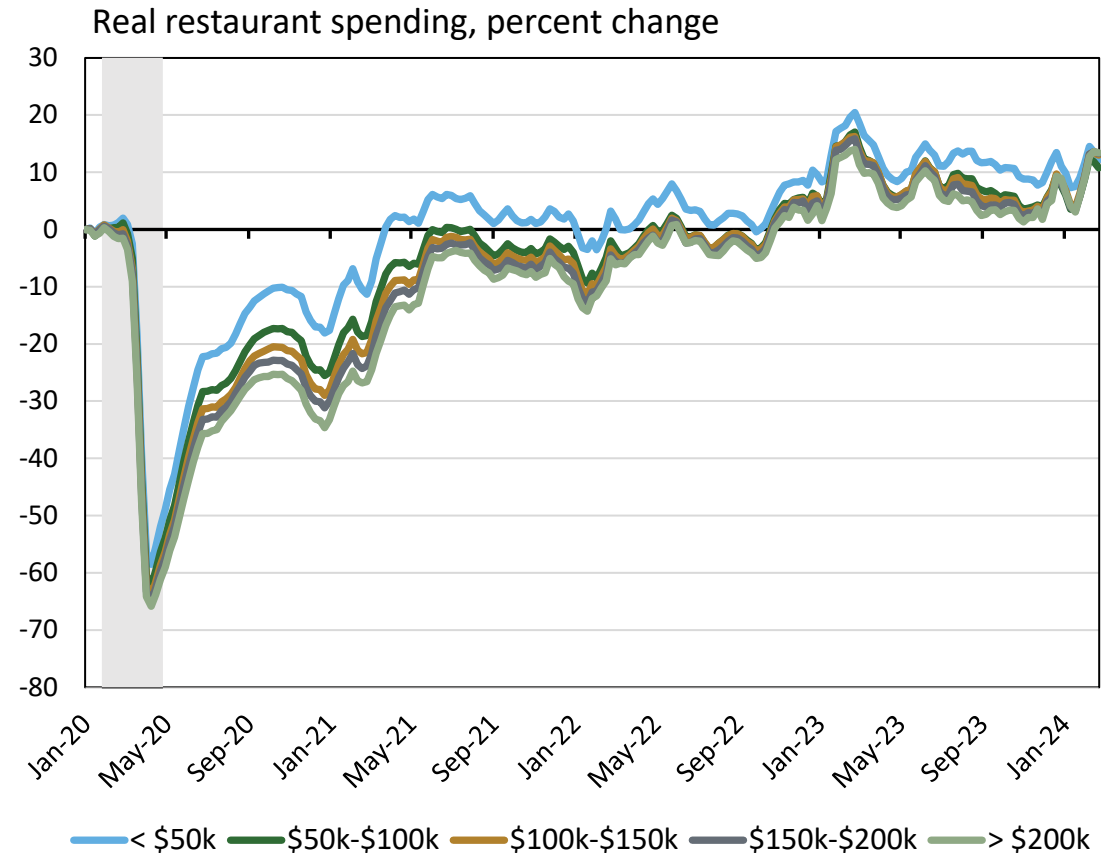


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Restaurant Spending by Income

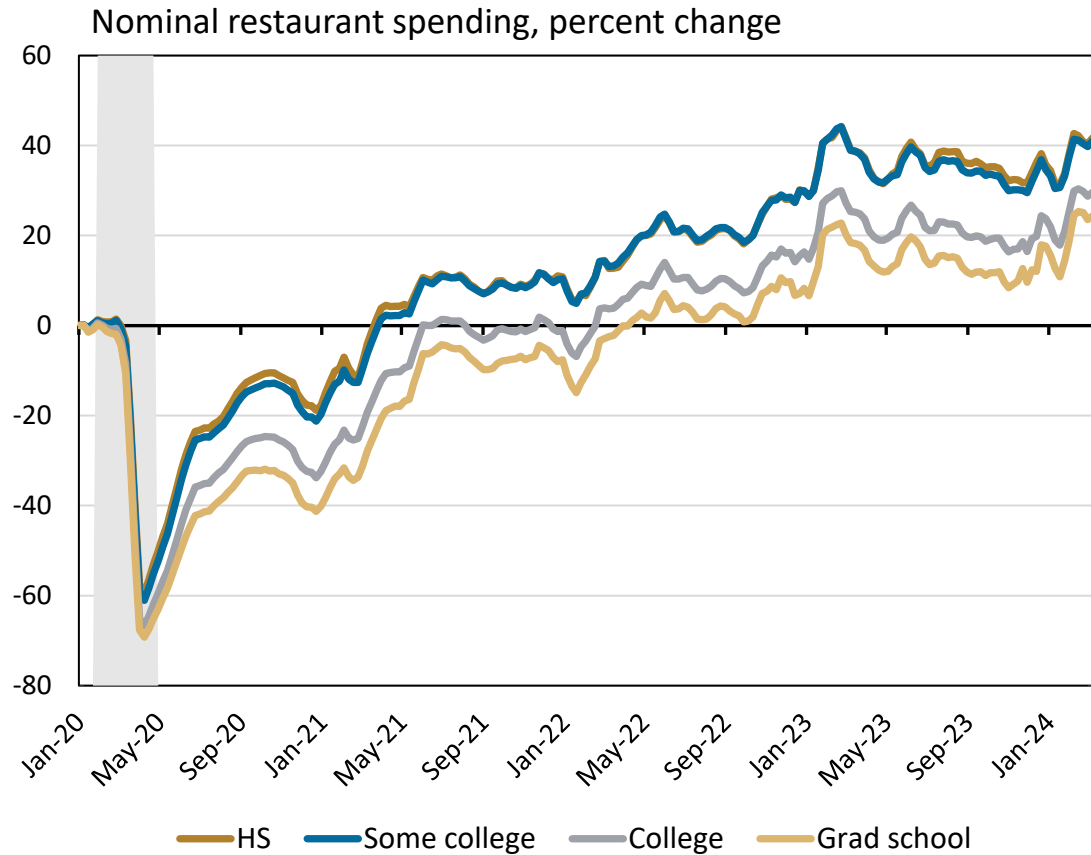


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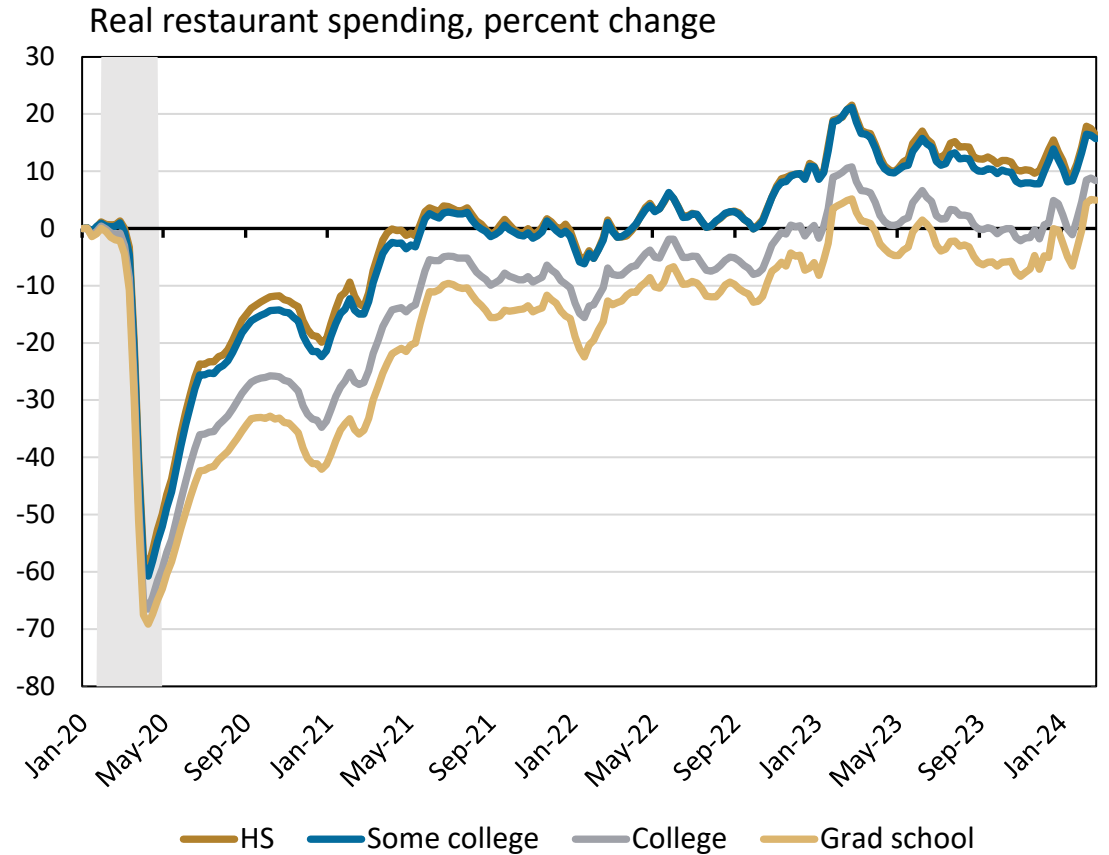


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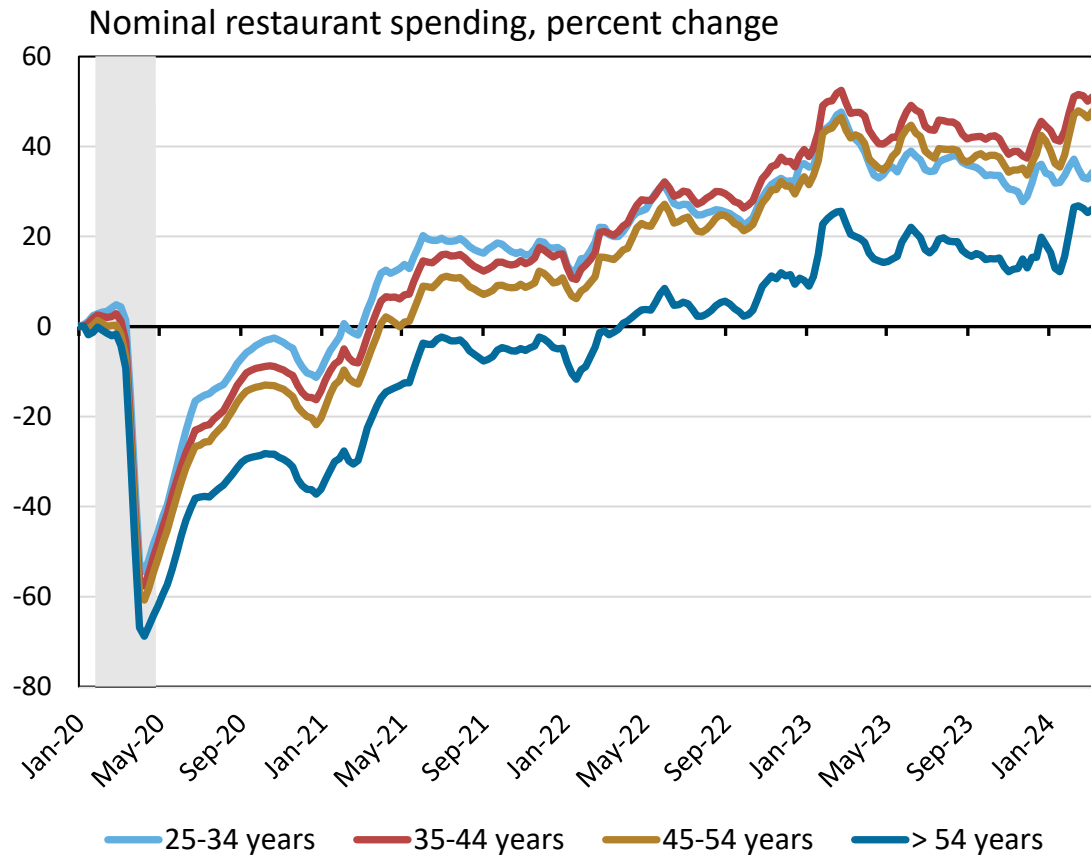


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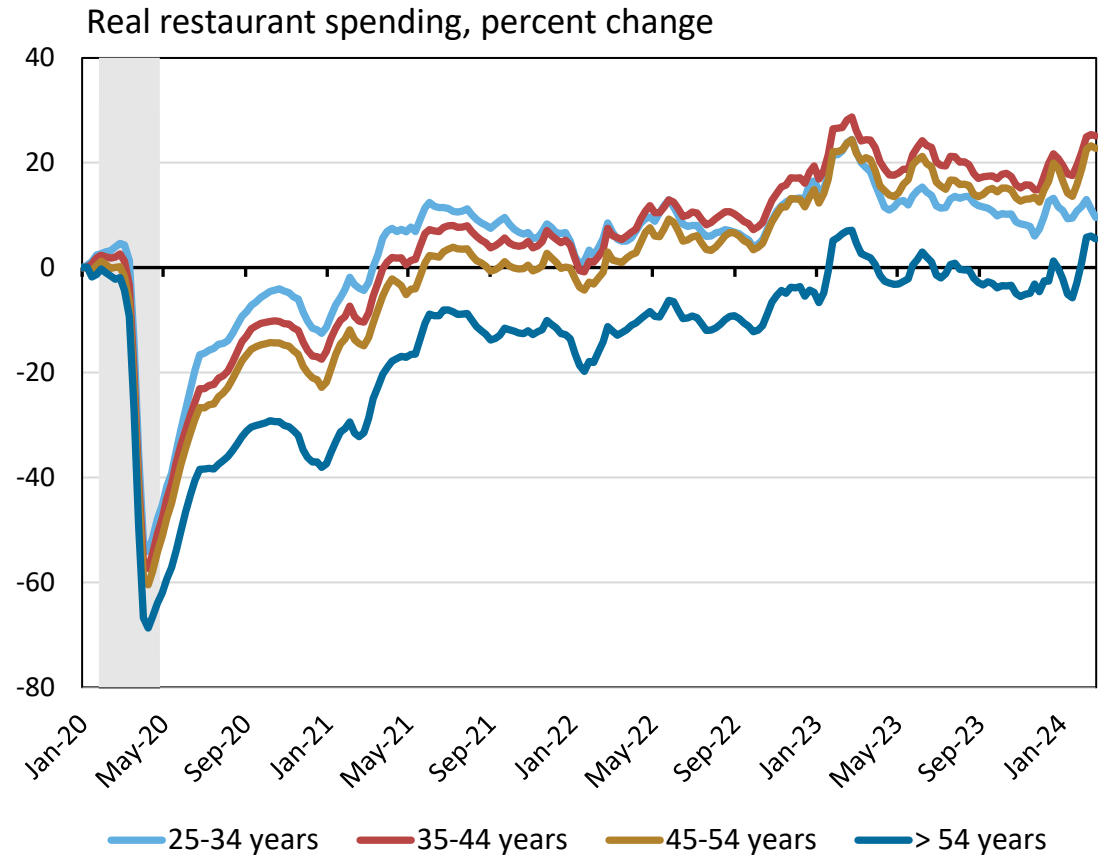


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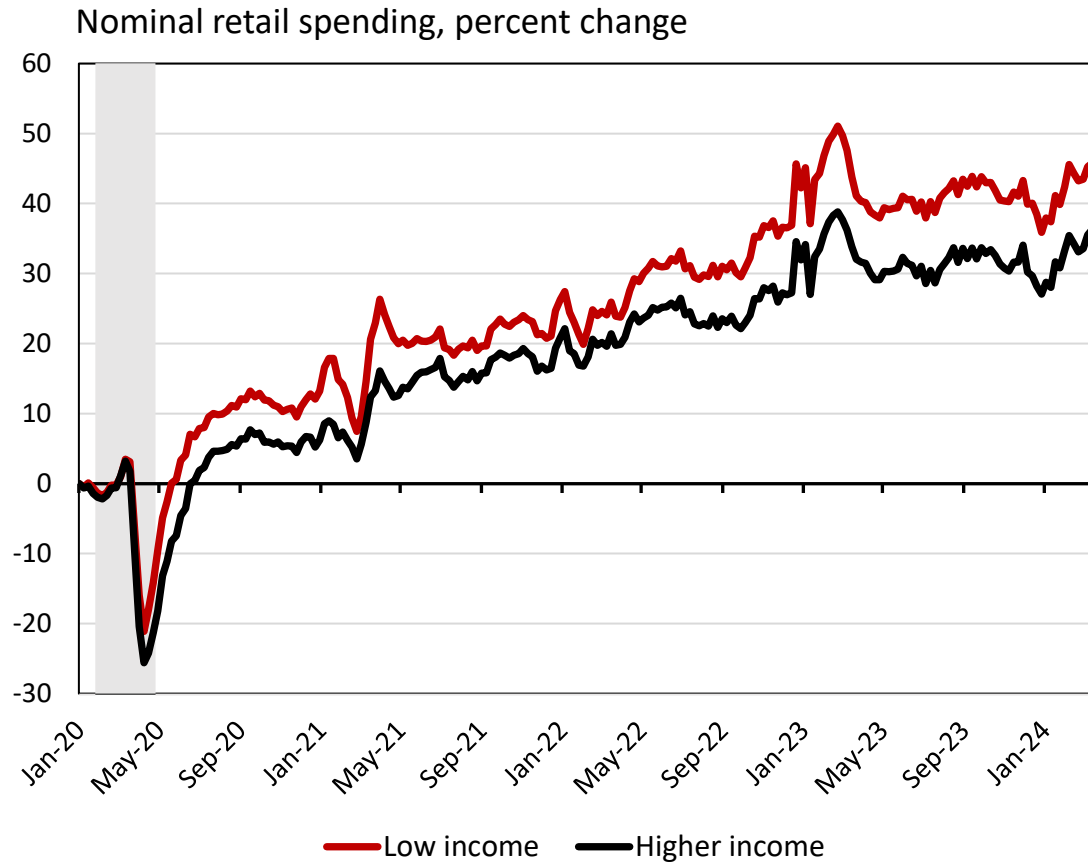


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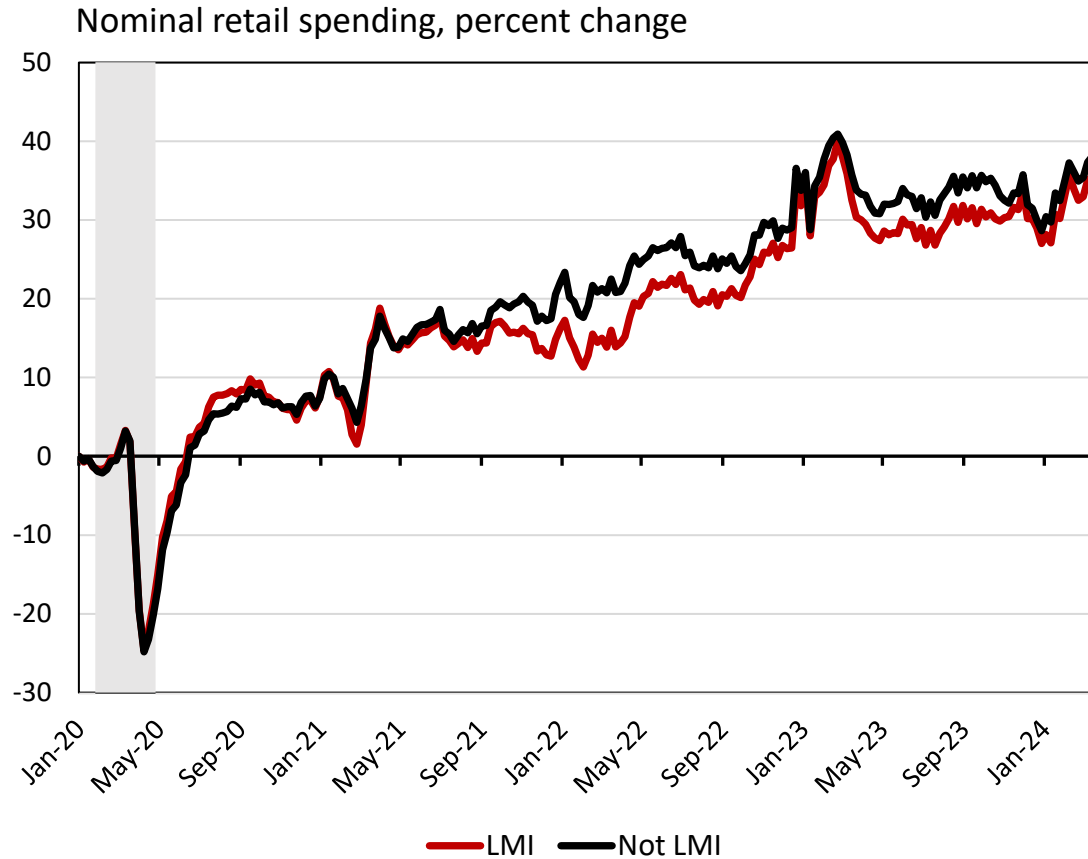
Retail Spending by County Household Income



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.

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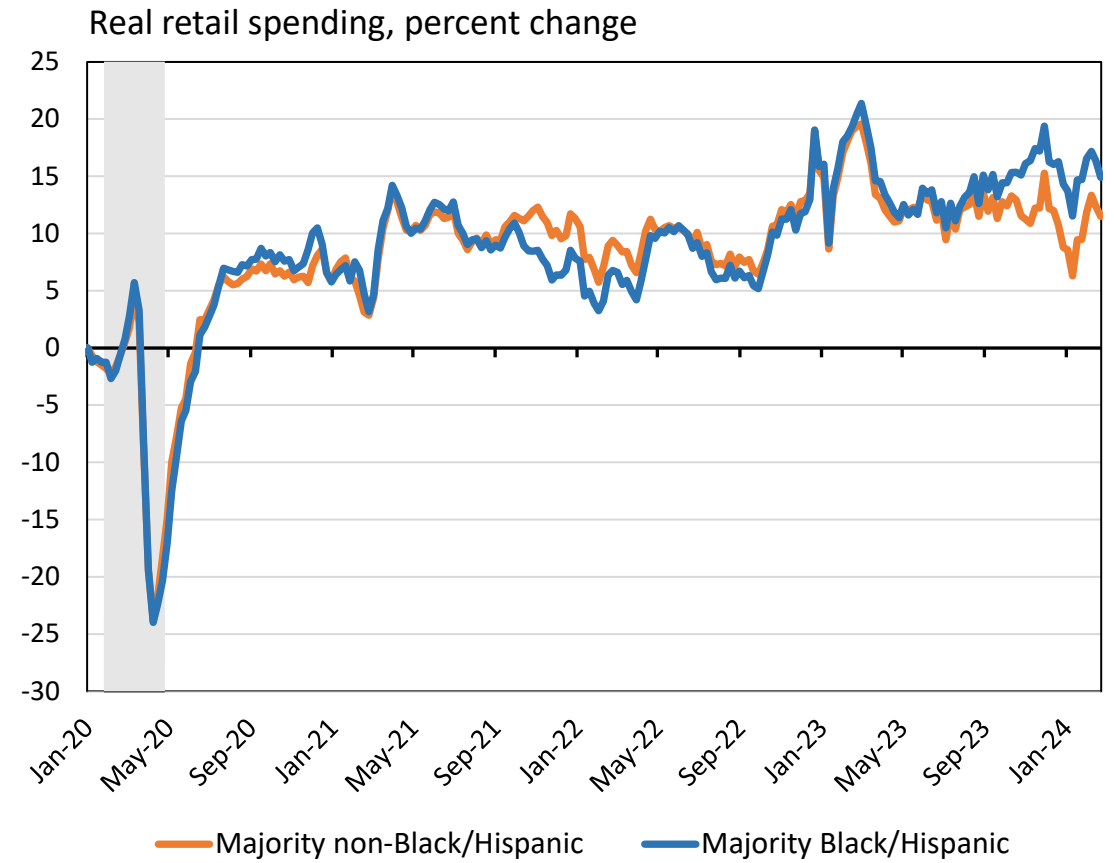
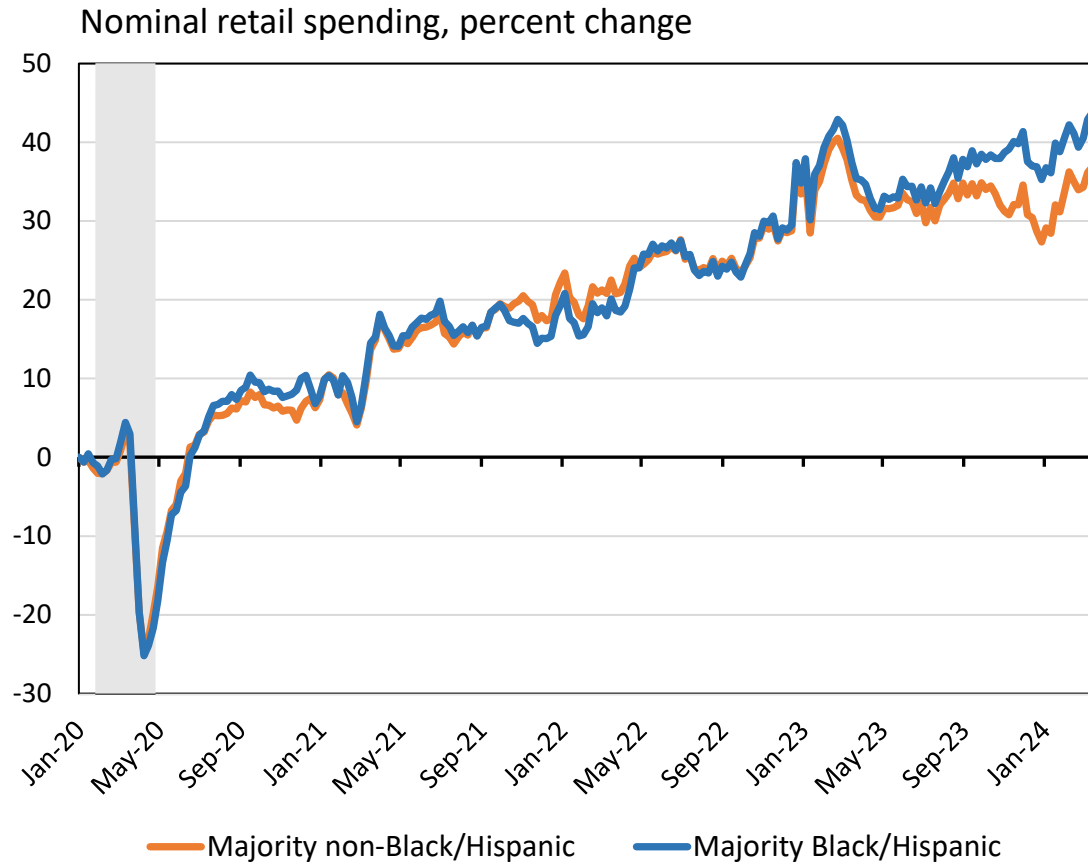
Retail Spending by Low to Moderate Income (LMI) Status



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.

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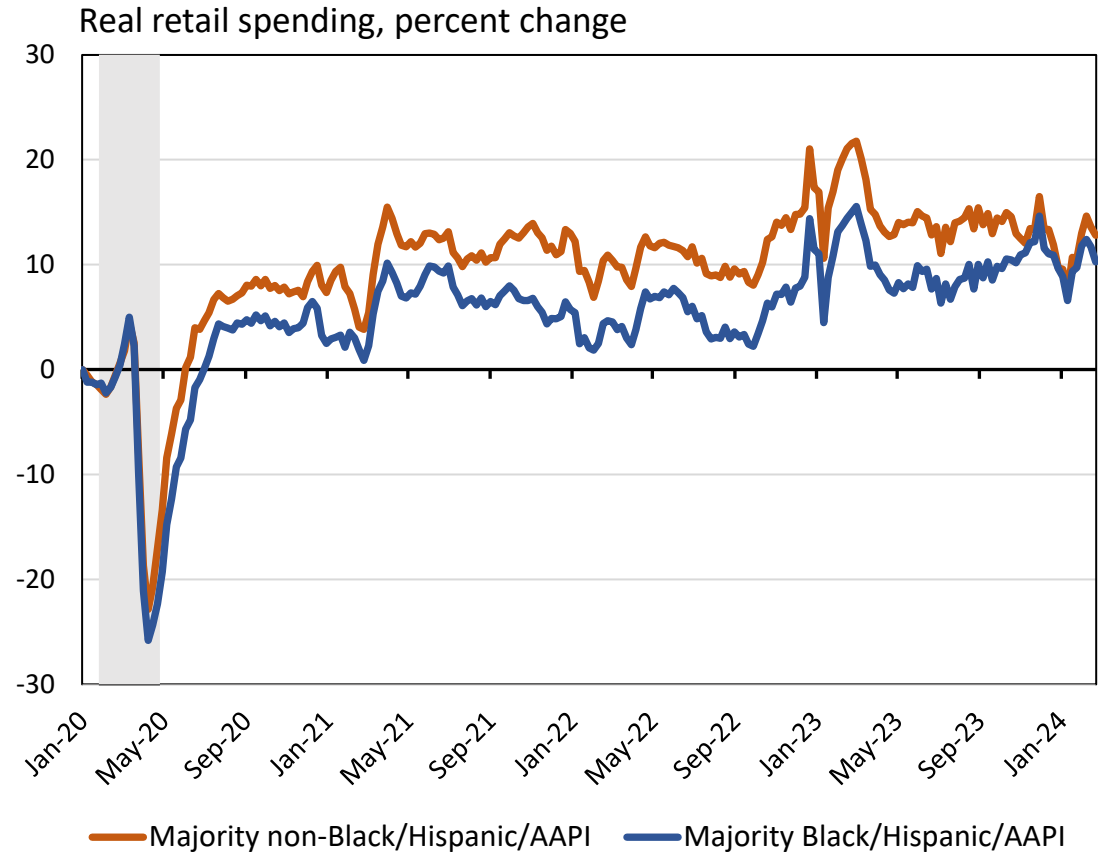
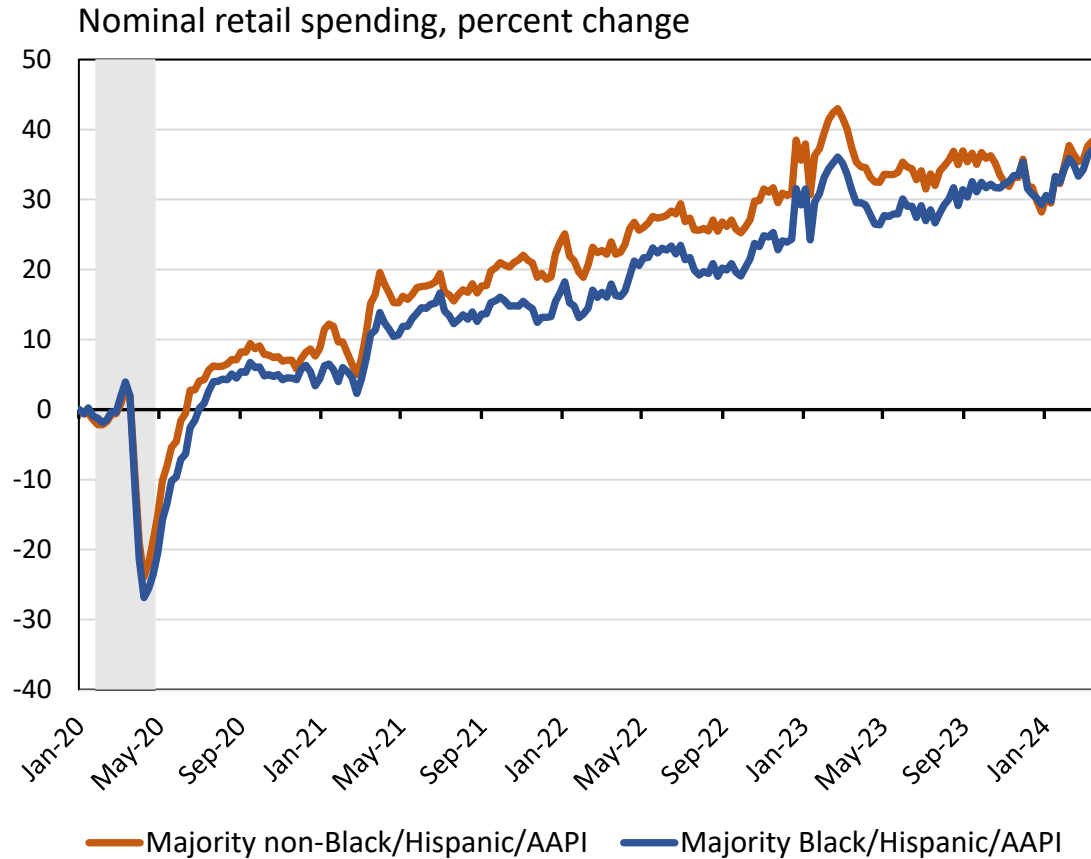
Retail Spending by County Demographics



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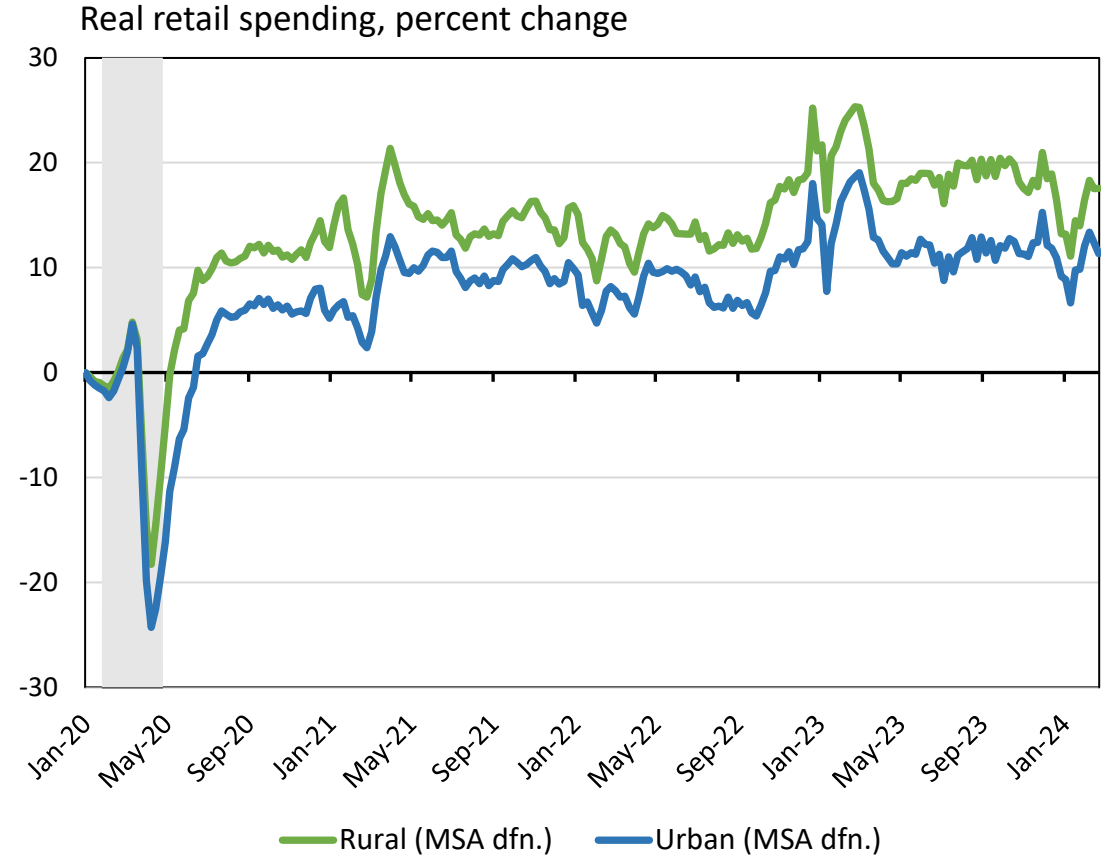
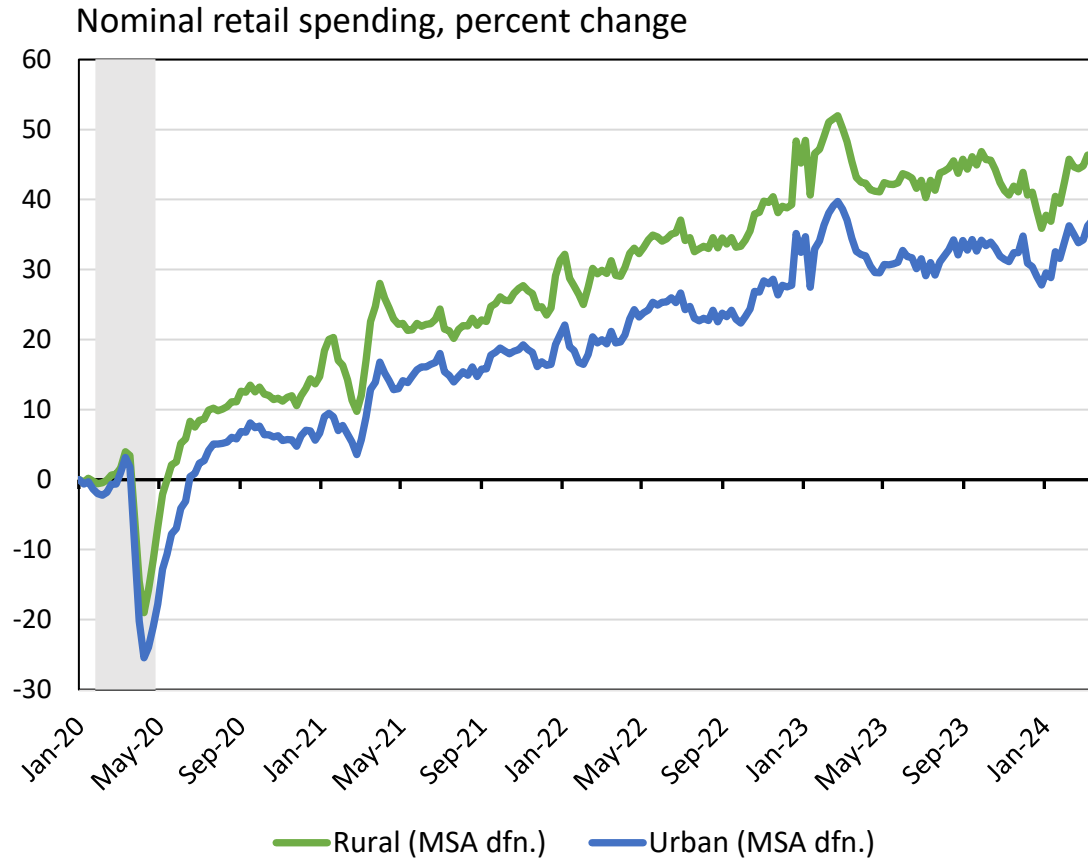
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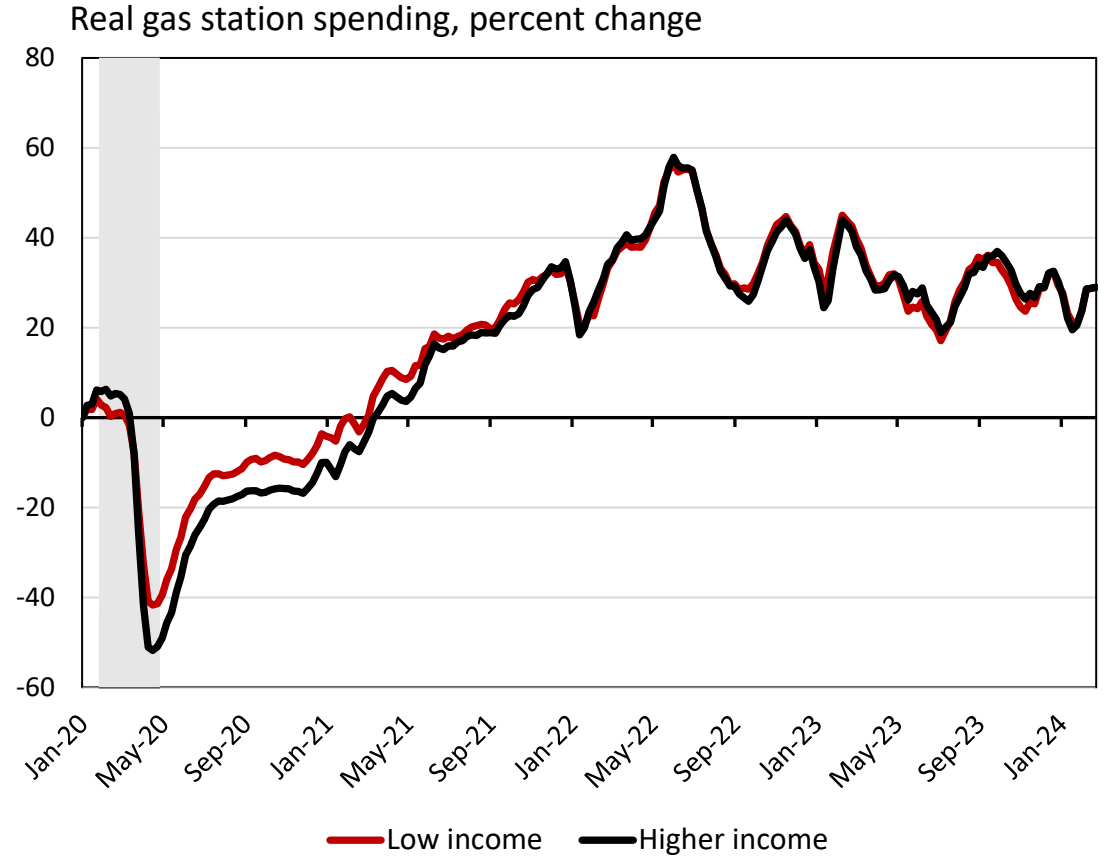
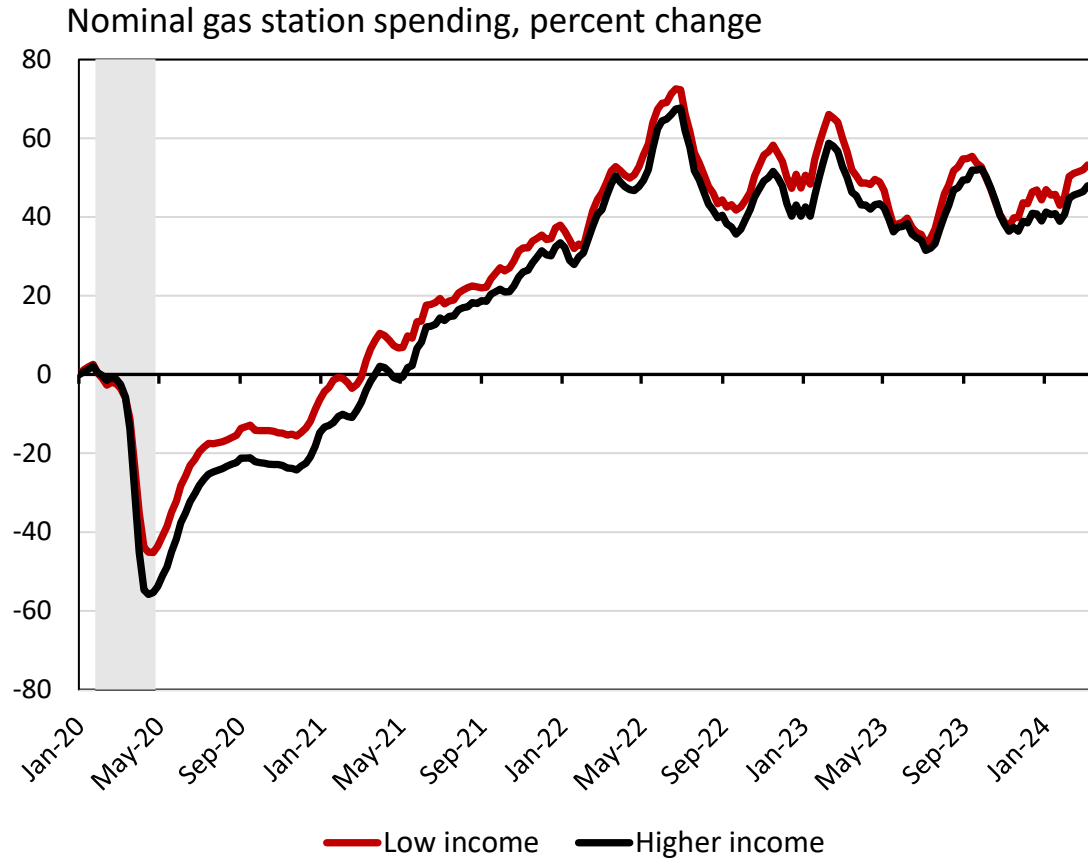
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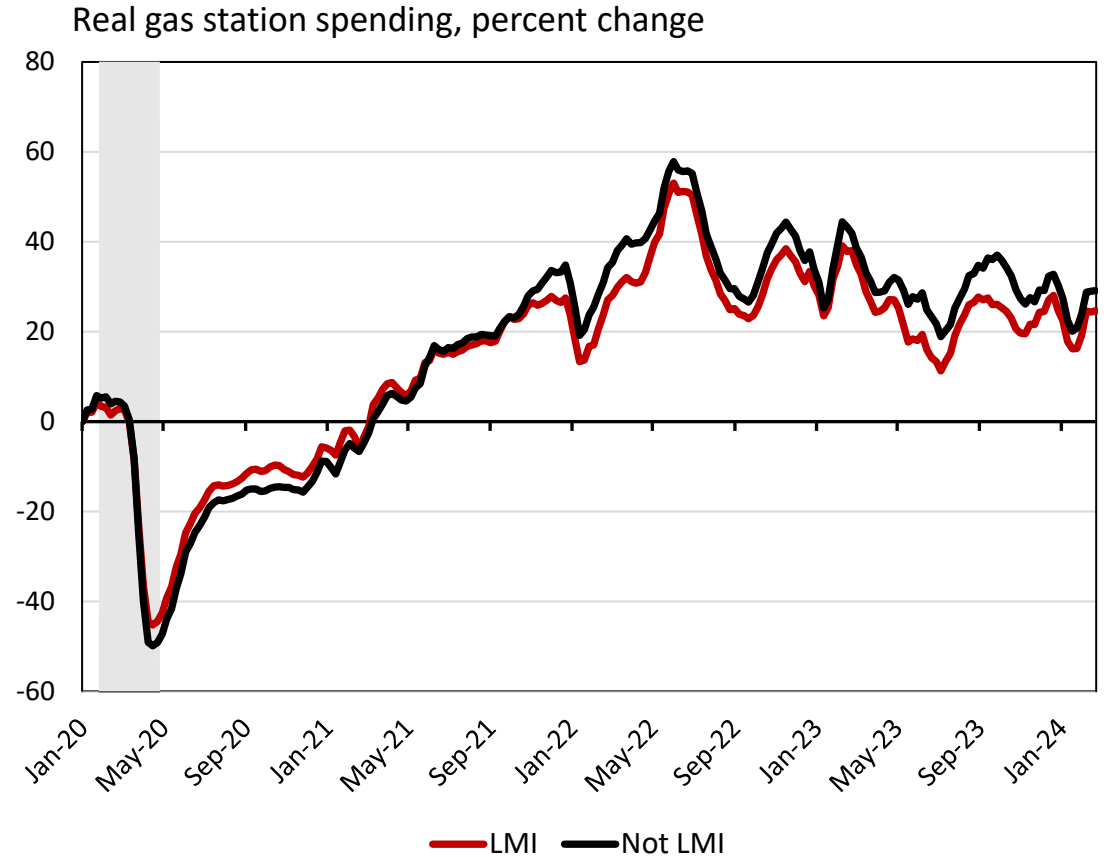
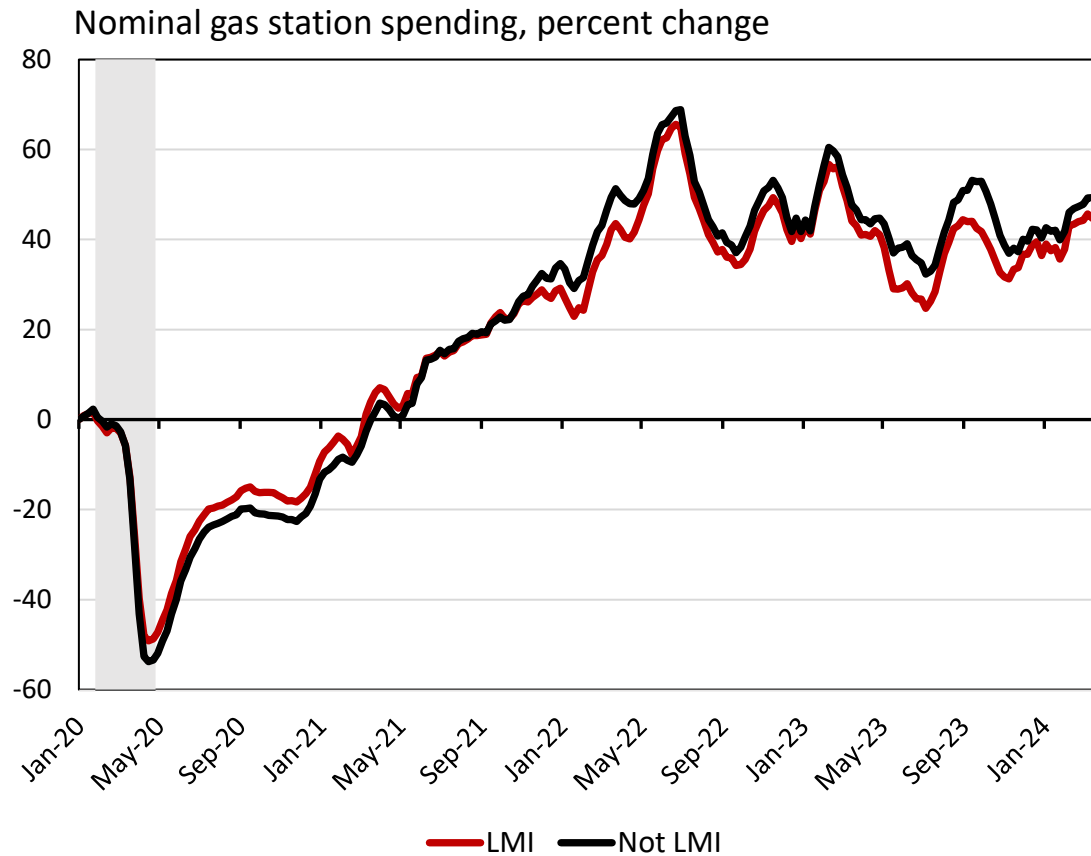


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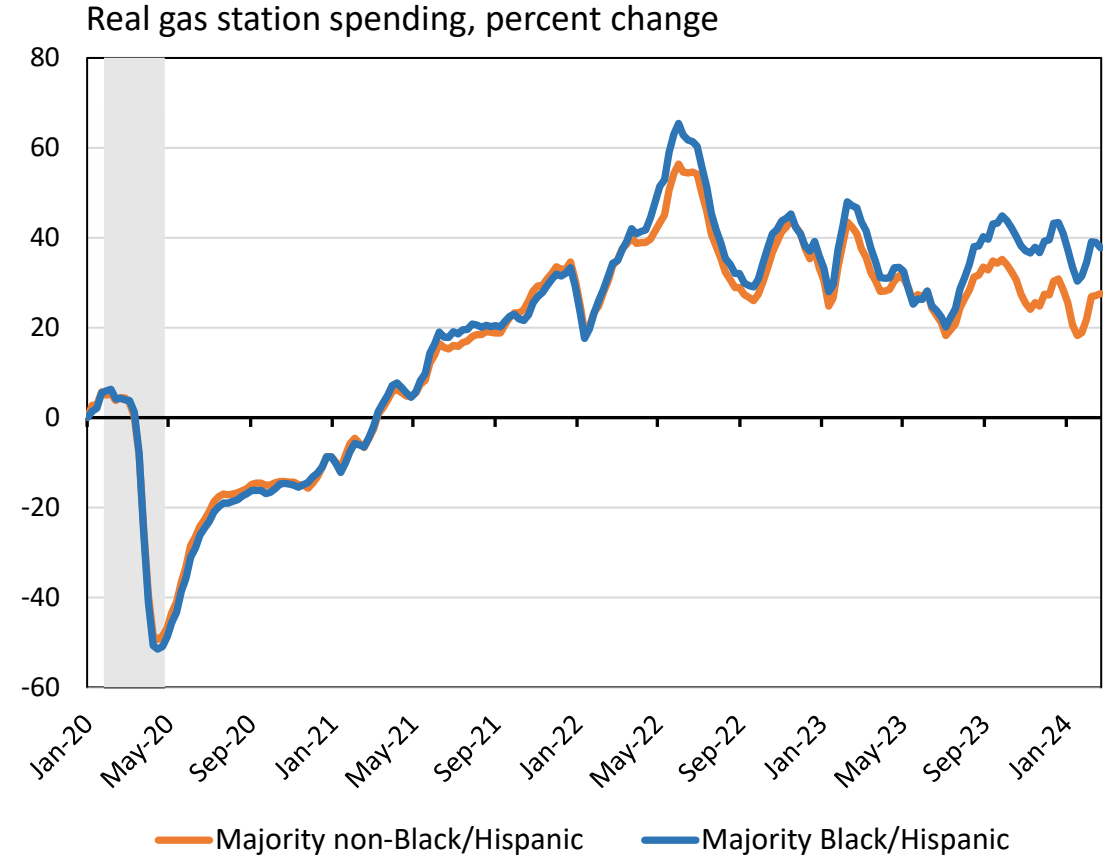
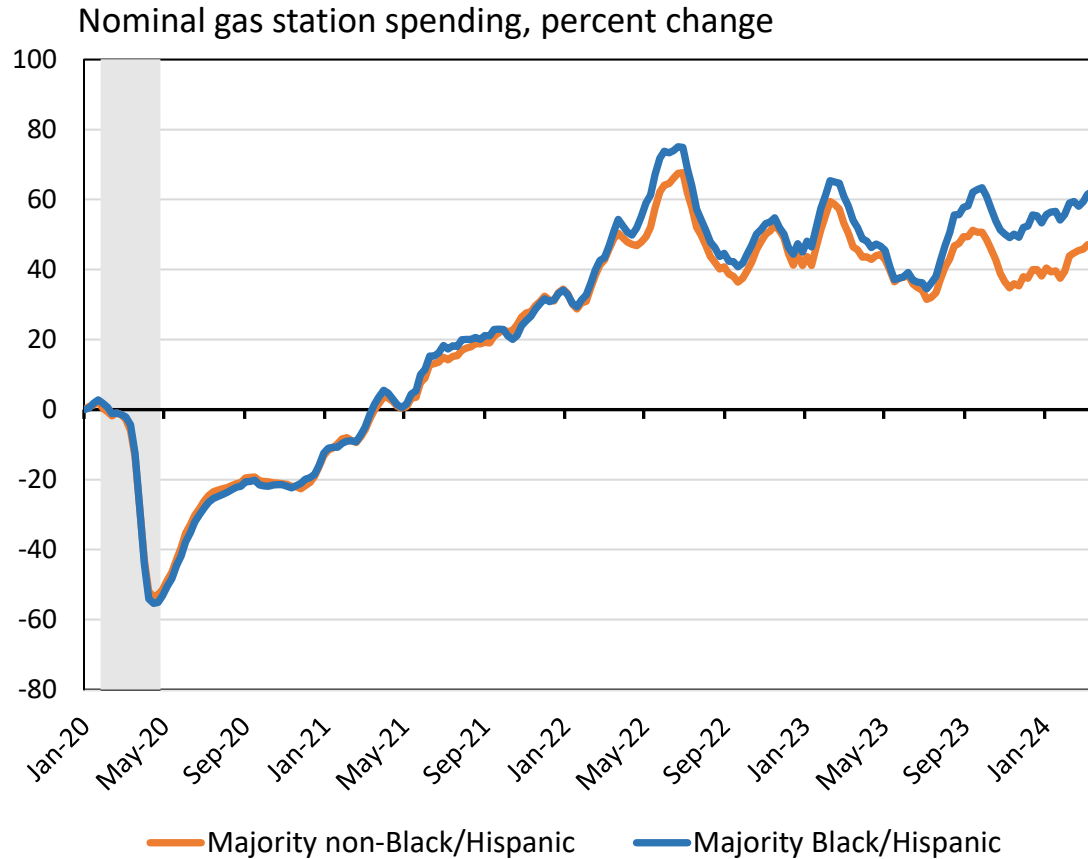
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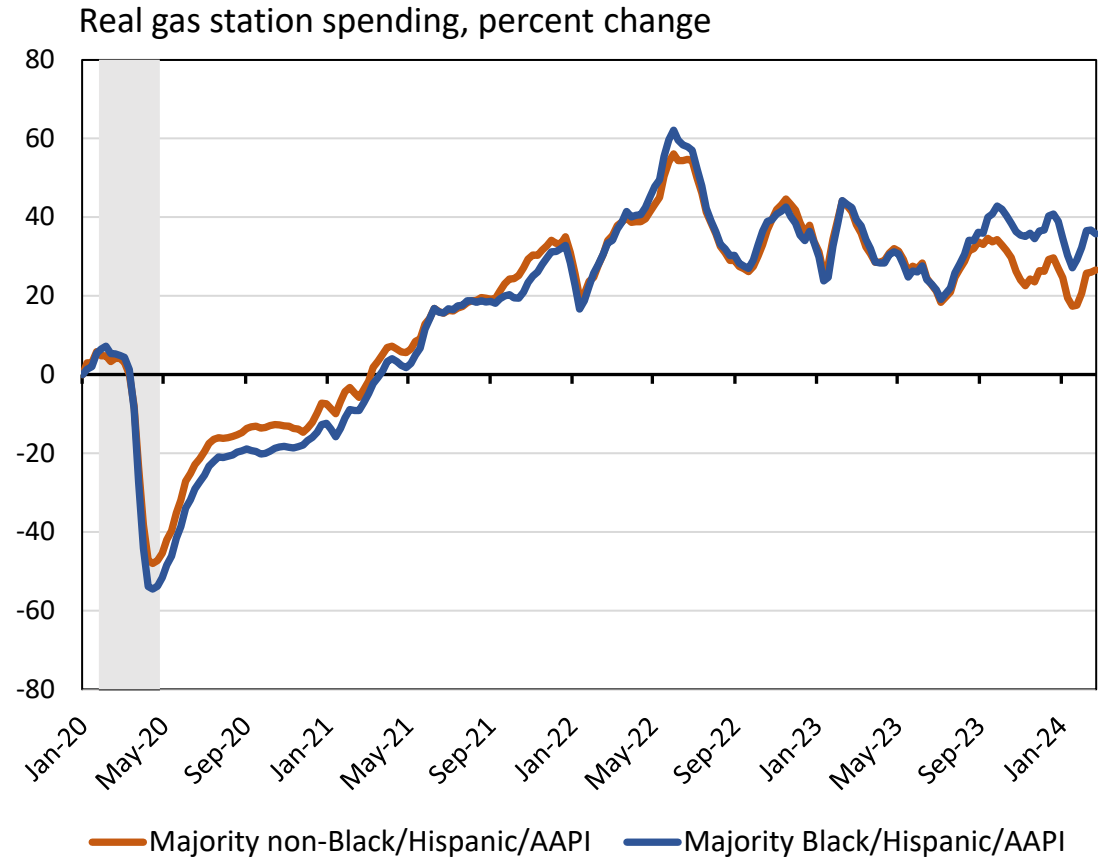
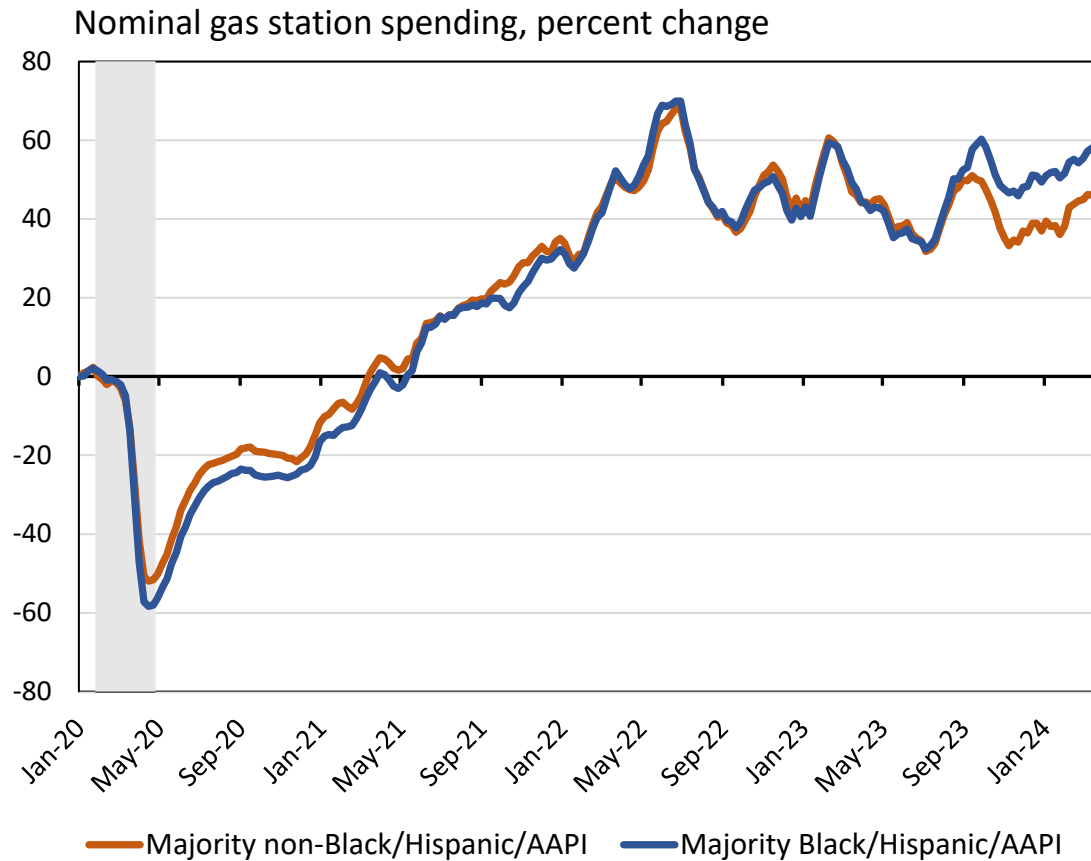
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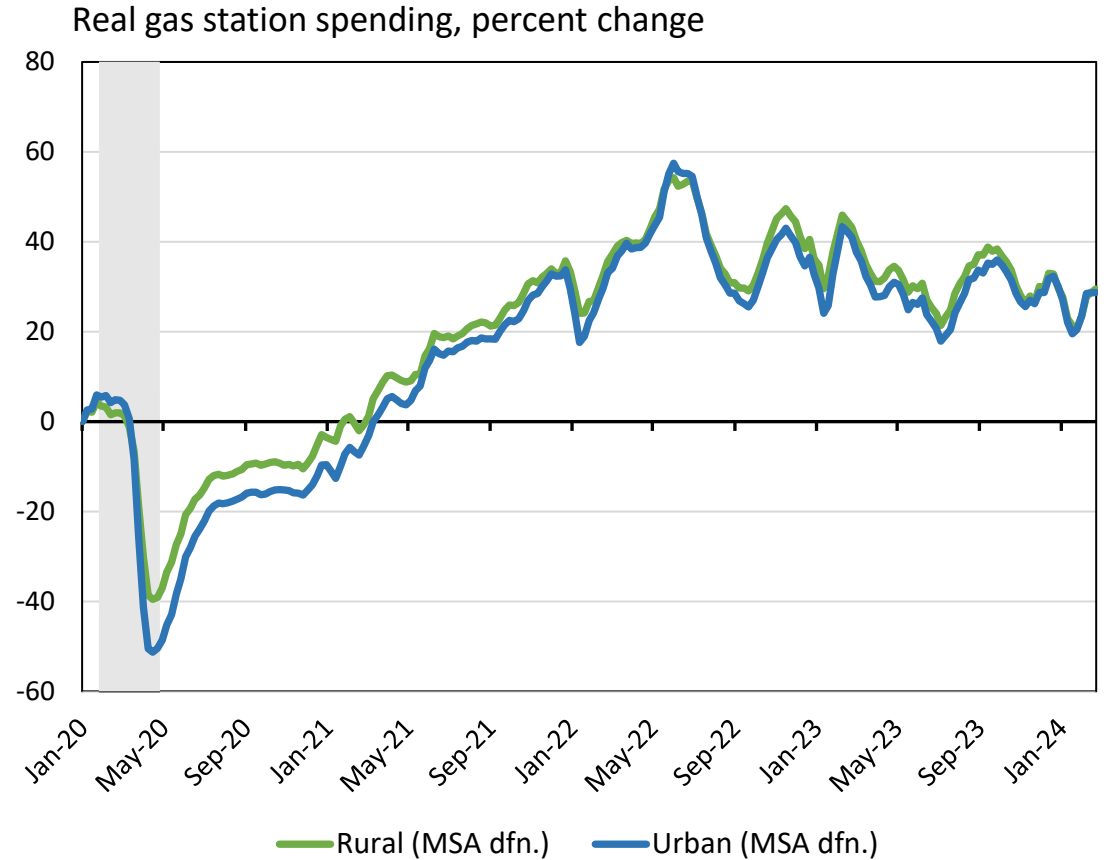
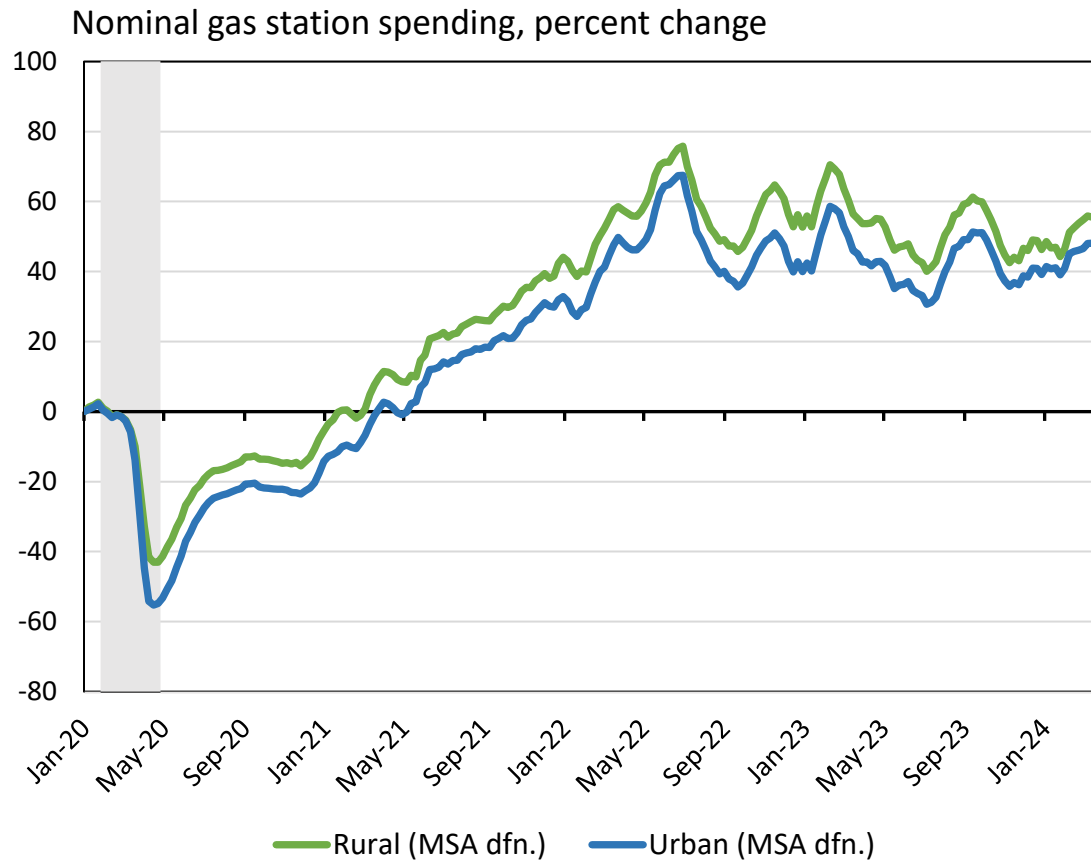


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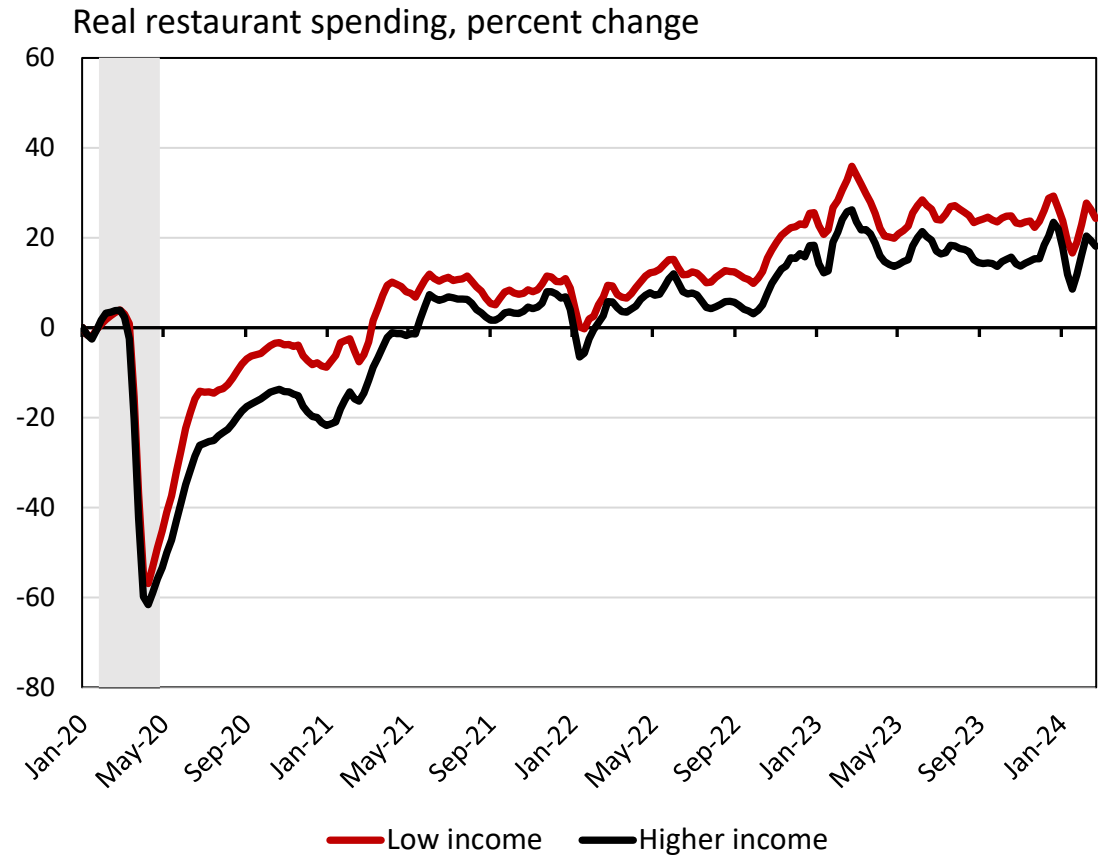
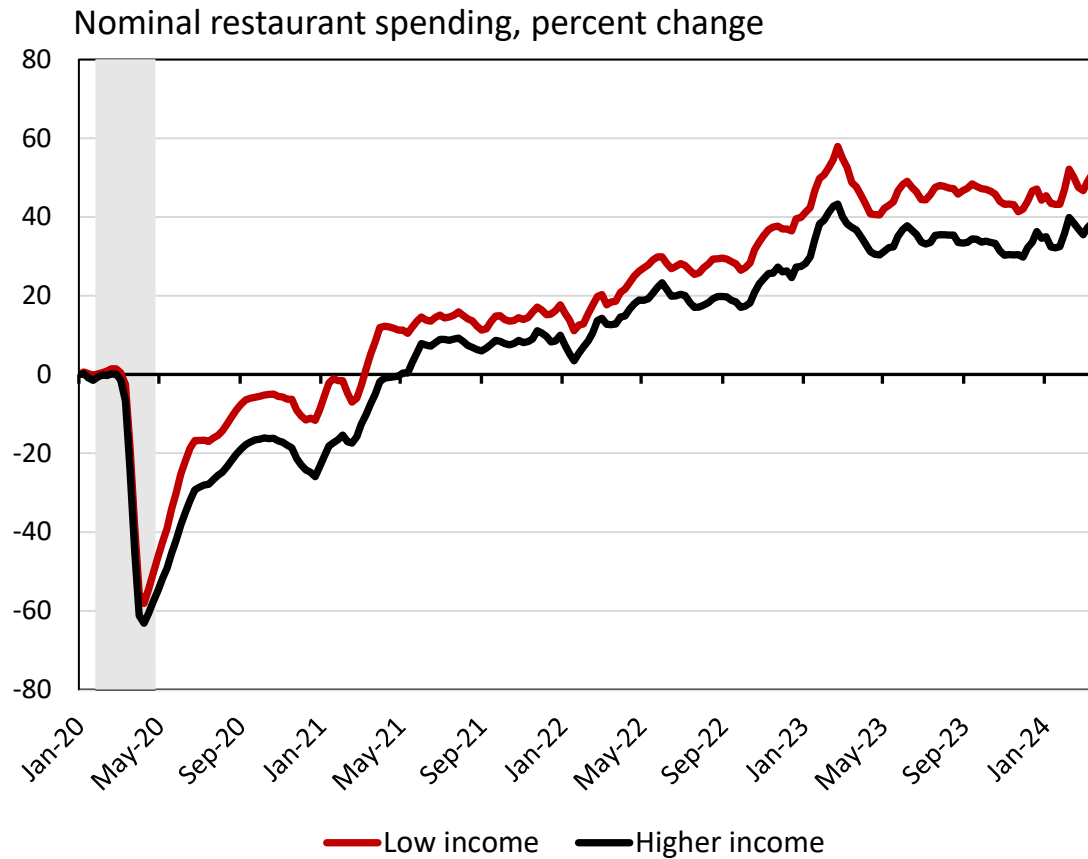
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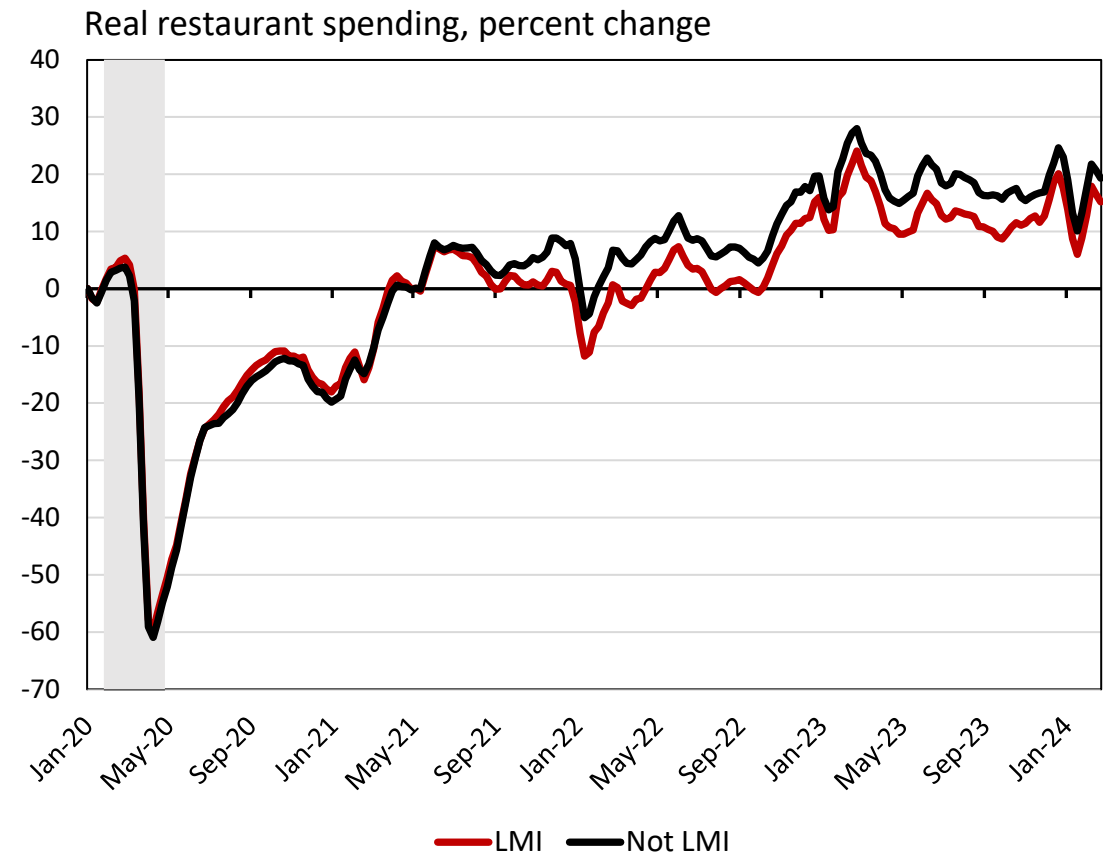
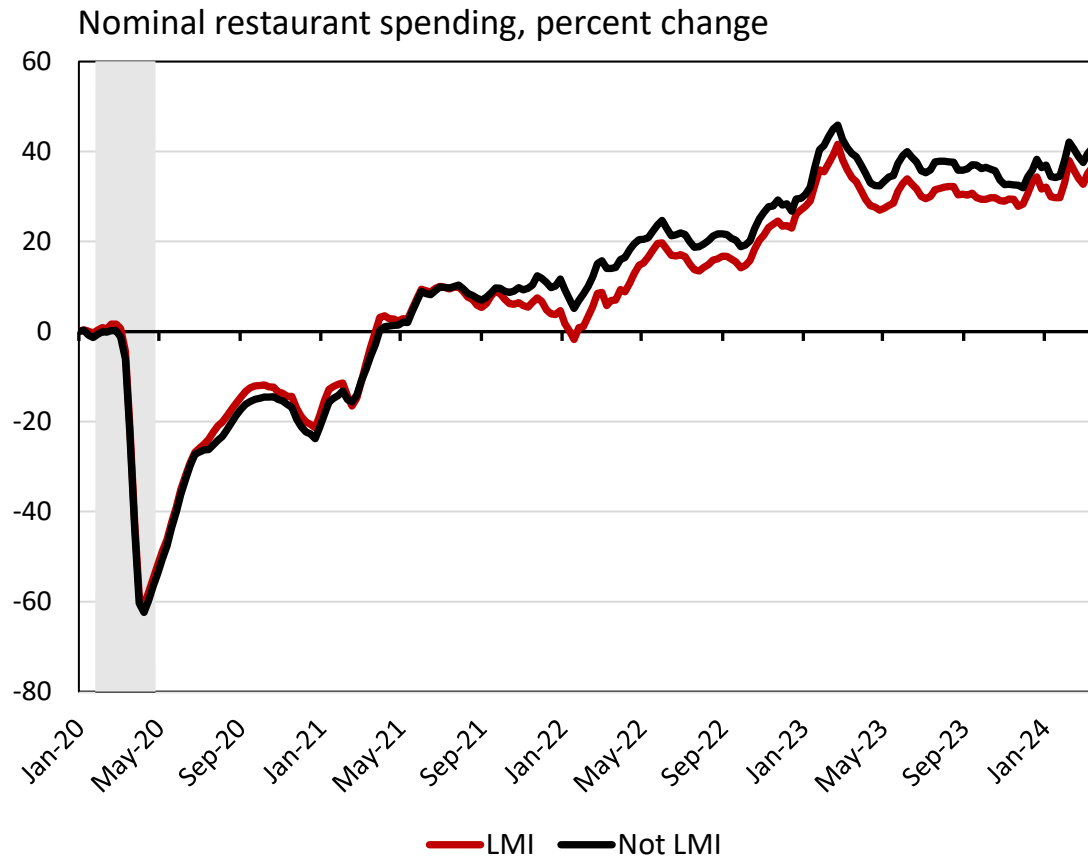
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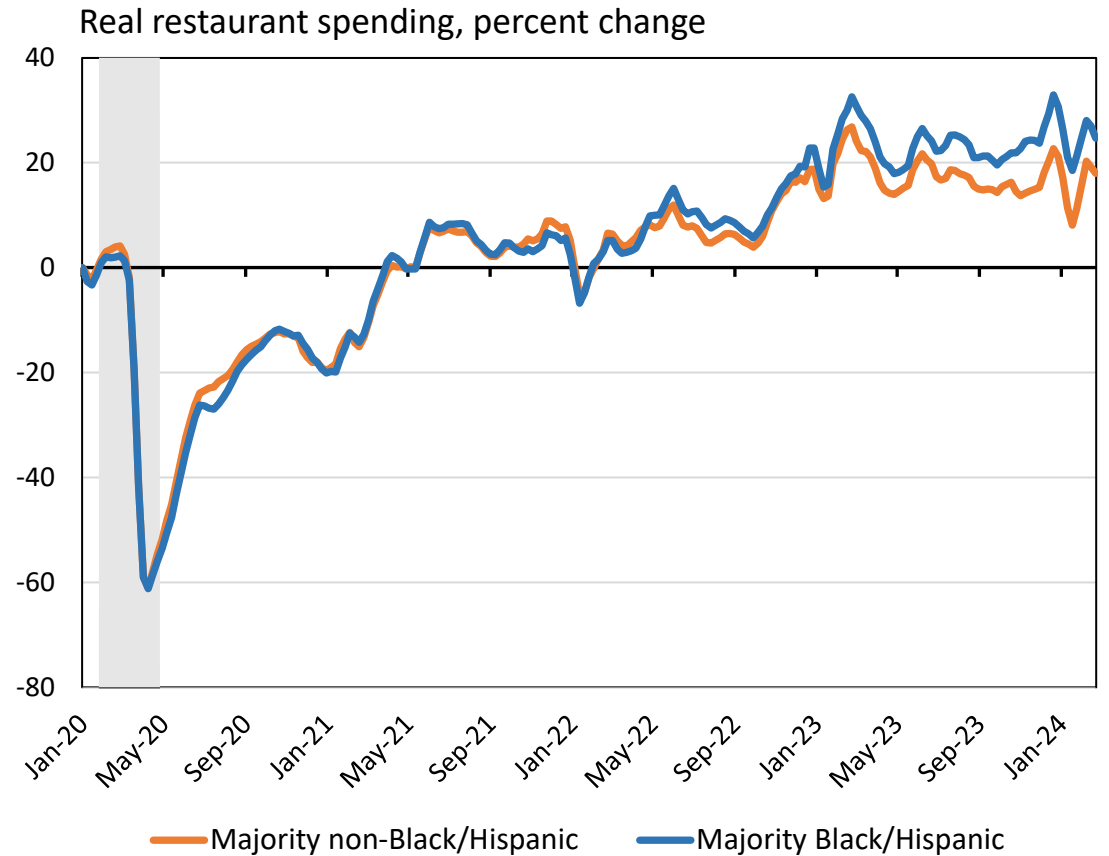
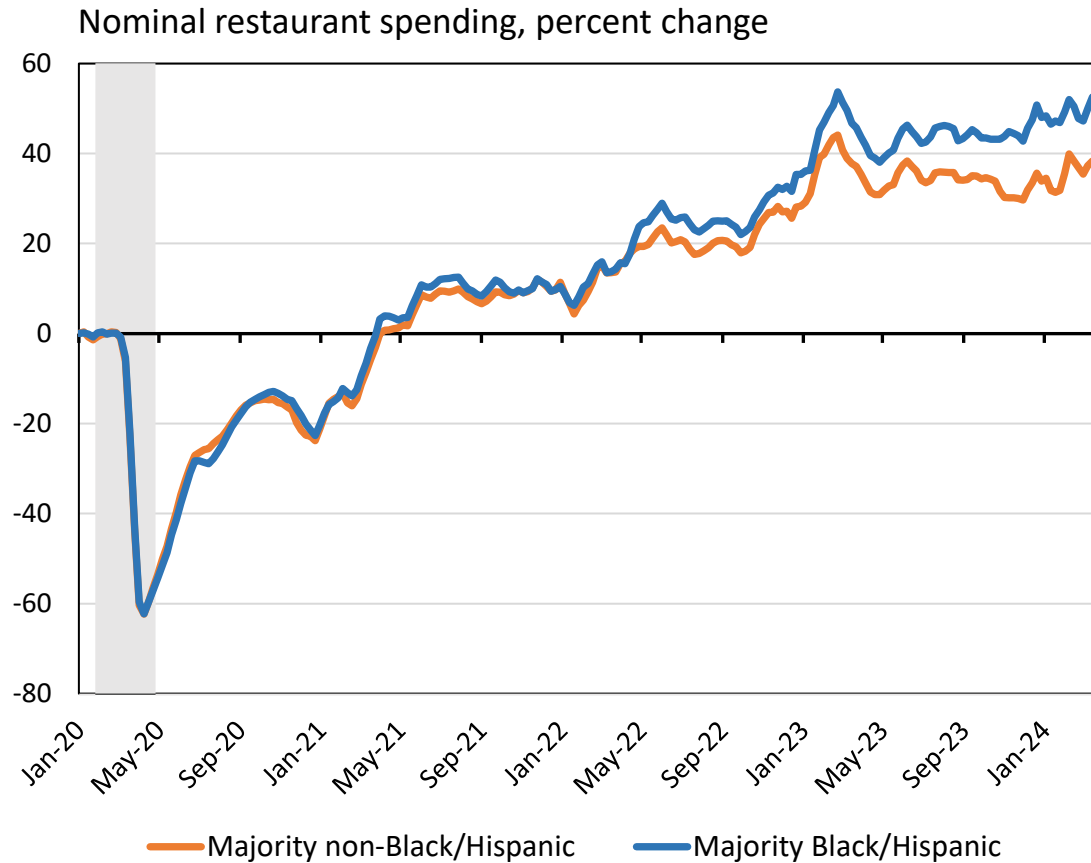
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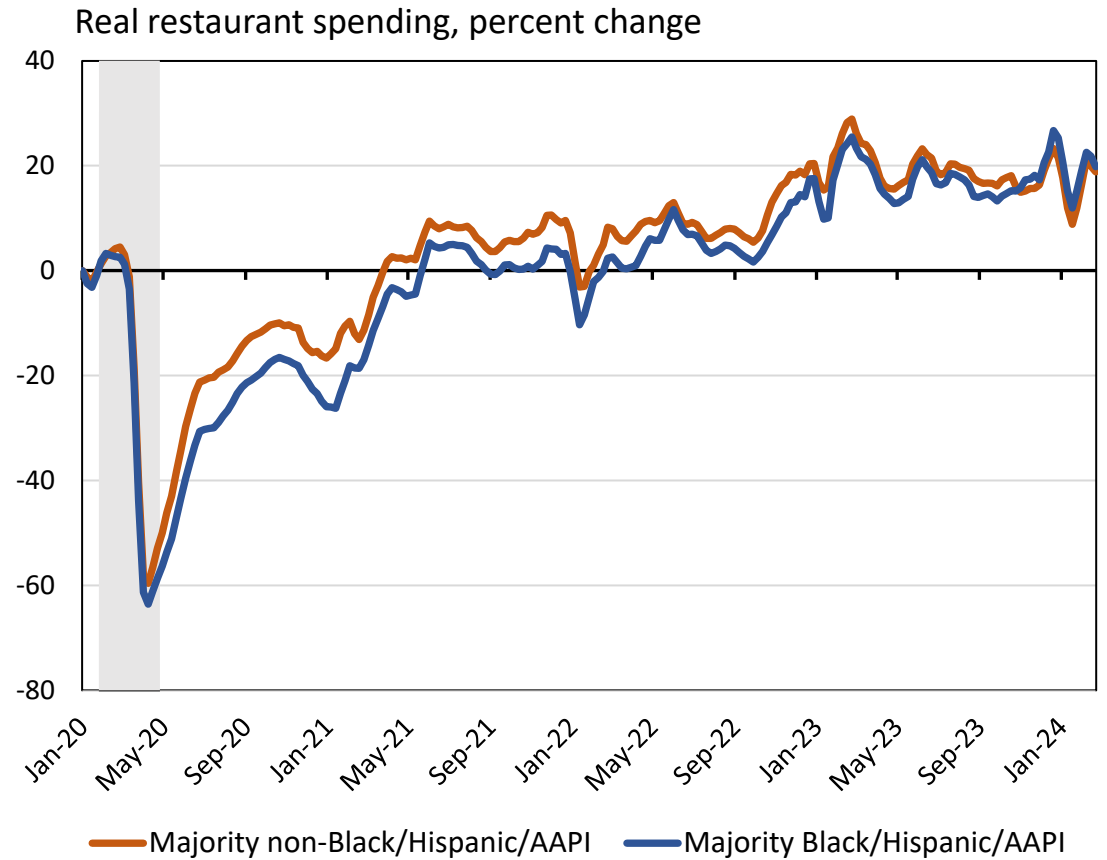
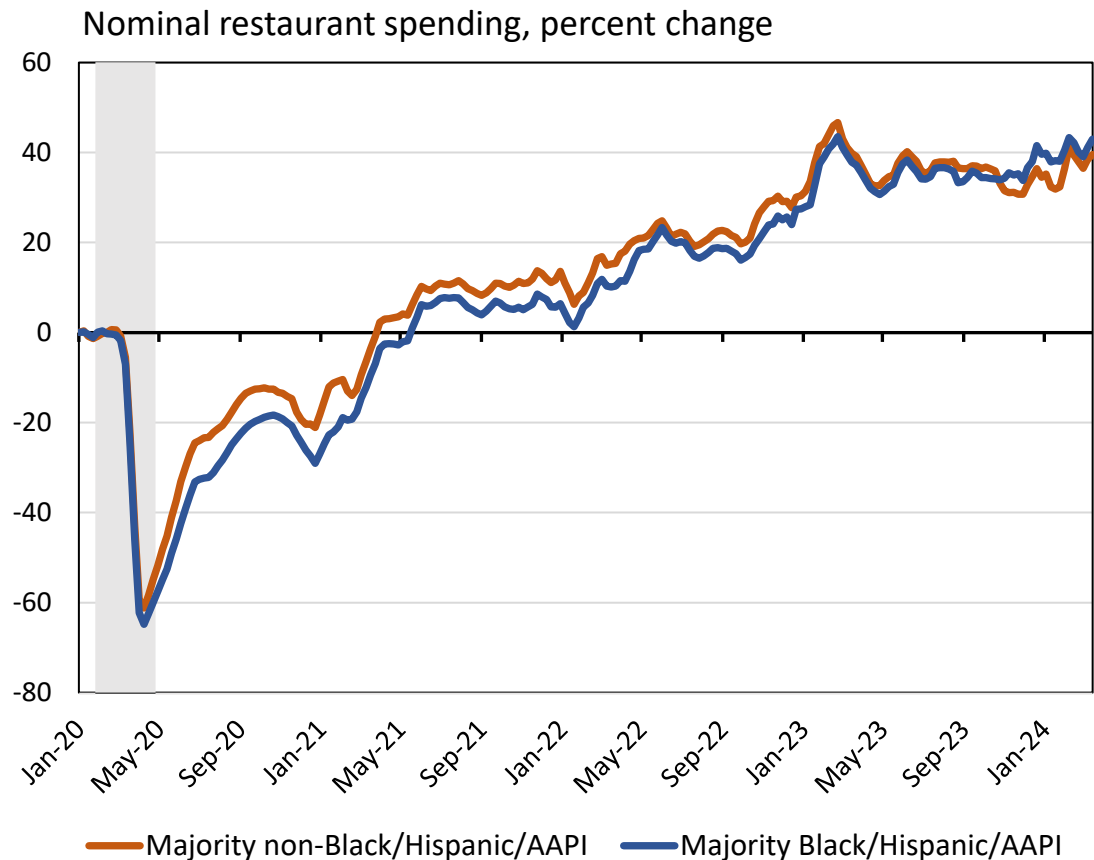
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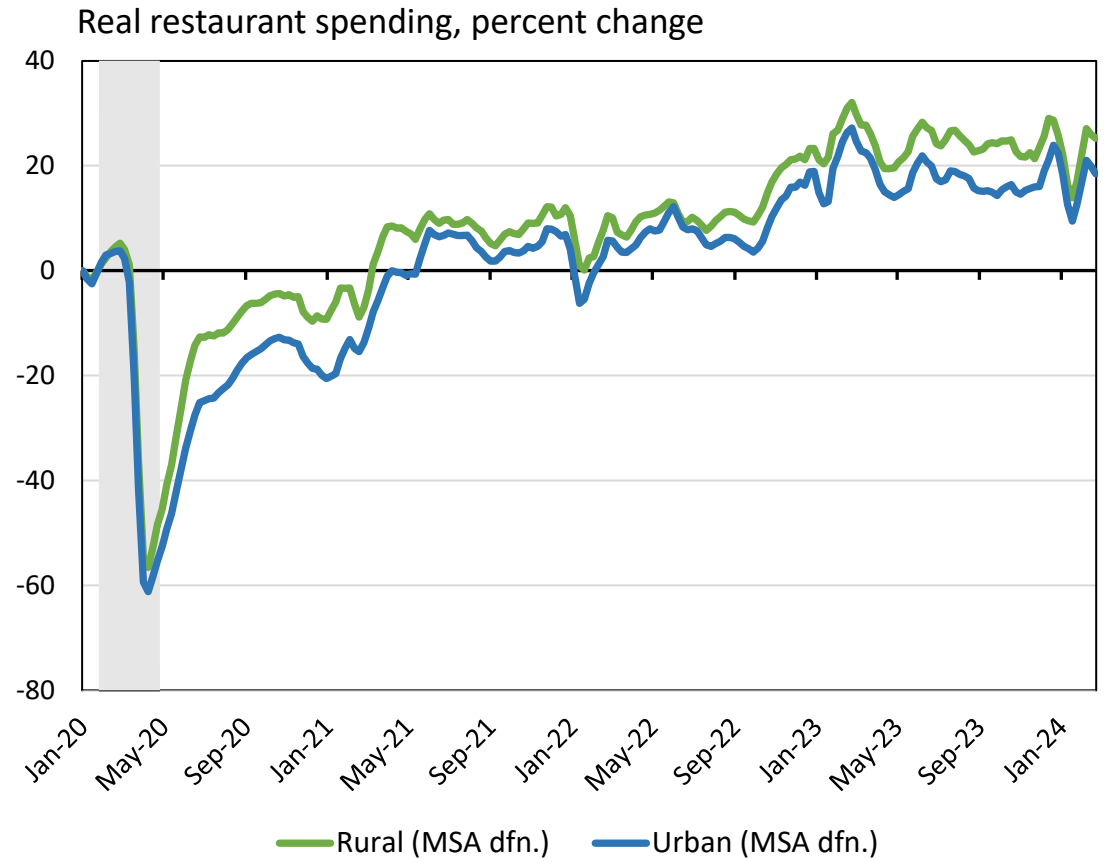
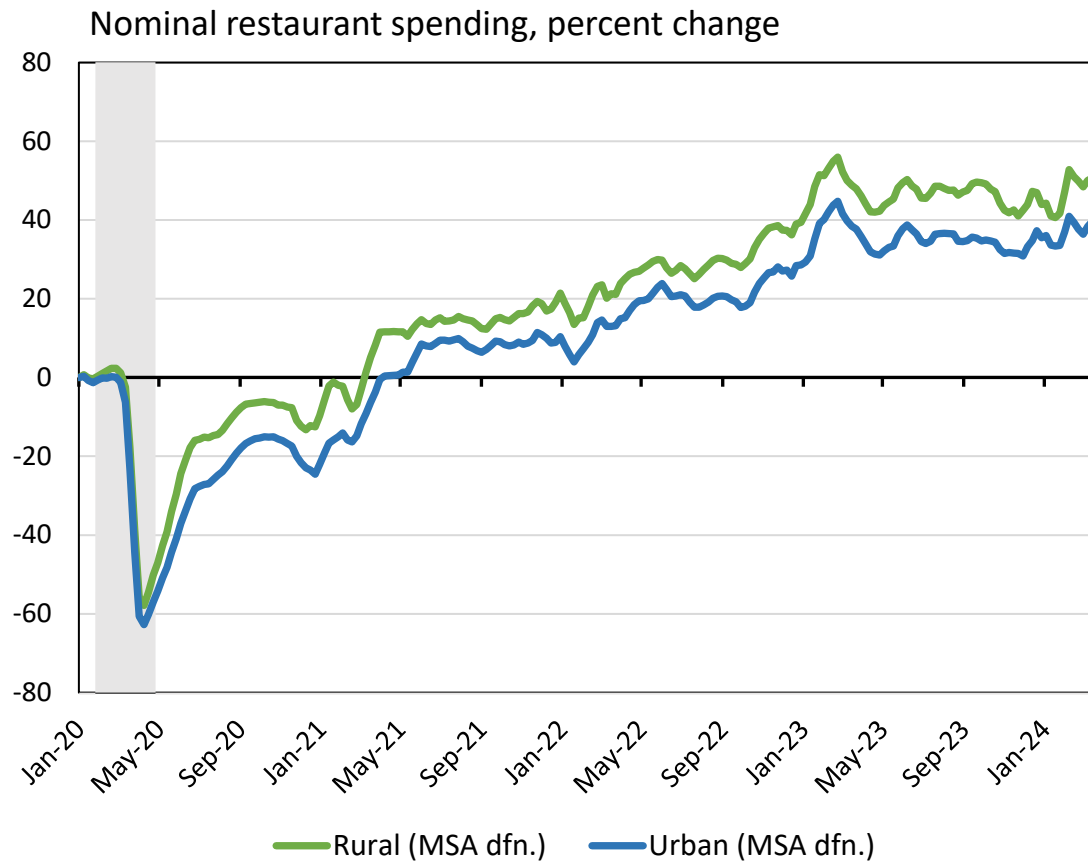
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