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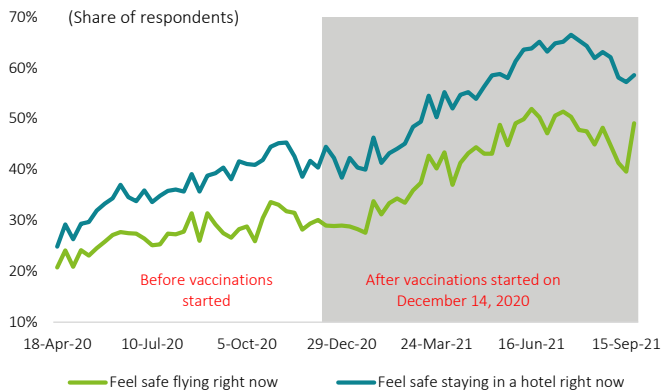
## State of the US consumer: October 2021

We forecast consumer spending to grow 8.1% in 2021, up from a 3.8% fall in 2020

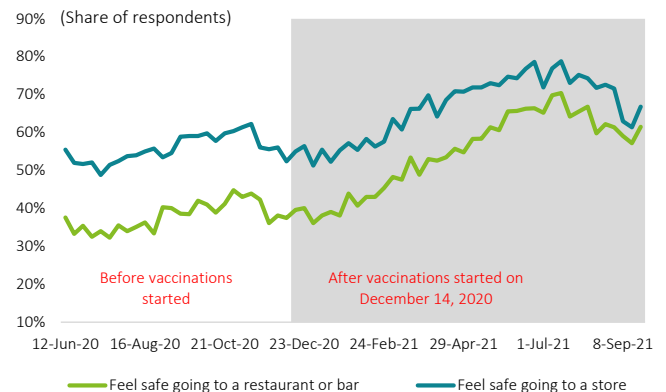
### Key insights about US consumers from Deloitte's State of the Consumer Tracker

- Americans appear increasingly ready to stay in hotels compared to 2020 (figure 1), although the Delta variant has dented a bit of confidence. This, along with elevated safety perceptions about restaurants and pubs (figure 2), will aid real personal consumption expenditure (PCE) on accommodation and food services. Concerns about air travel, however, have not improved as much—only 49% of respondents in Deloitte's latest survey feel safe to take a flight.
- As people feel more confident to visit stores (figure 2), retail ecommerce will likely face headwinds. For example, growth in retail ecommerce sales (excluding food services), fell to 3.3% in Q2 2021 from 7.8% in Q1; sales had grown a massive 31.9% in Q2 2020 due to the initial impact of the pandemic.
- A rise in preference for in-person events (figure 3) augurs well for recreation services, like theatres and sporting events. The workplace, however, is an area of concern for many, particularly since the Delta variant appeared. Nearly half of respondents said that they work from home at least two days in a week.
- Overall, as health concerns ease, consumers seem increasingly eager to spend on food services, travel, and leisure activities—things they likely missed out in 2020. Hence, we forecast that PCE on durable goods—a hallmark of the pandemic—will give way to services spending (figure 4) over the next few years.

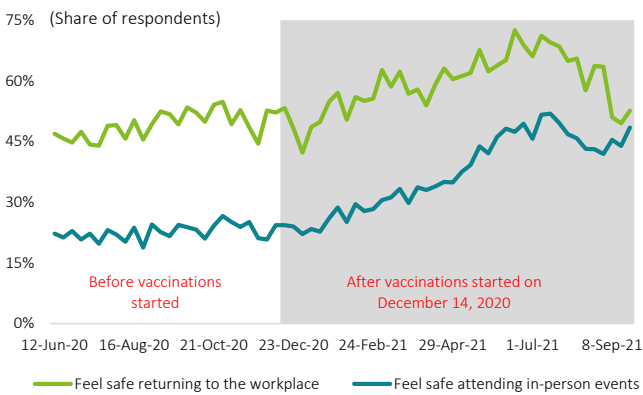
**Figure 1. Delta may have dented safety perceptions about travel and hotels a bit, but confidence is much higher compared to 2020**



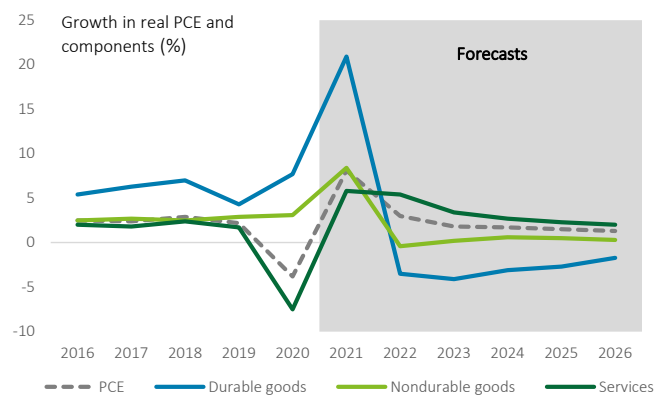
**Figure 2. As more people feel safe to visit stores, ecommerce will face headwinds; elevated safety perceptions will aid food services**



**Figure 3. In-person events may be increasing in favor, but people have become more concerned about returning to their workplaces**



**Figure 4. While durable goods led consumer spending in 2020 and 2021, services will likely drive growth in 2022–2026**



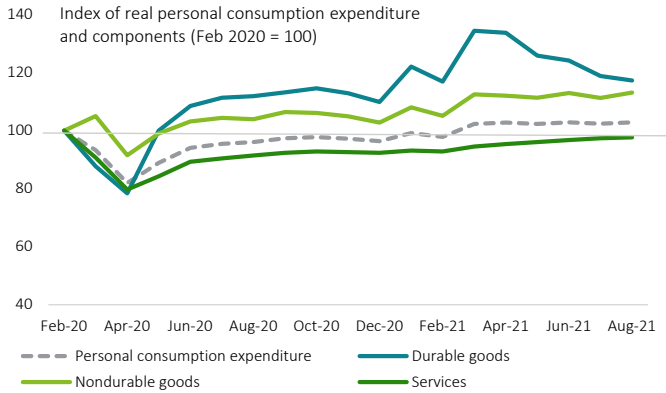
Sources: Deloitte State of the Consumer Tracker, Haver Analytics, Our World in Data, Deloitte Services LP economic analysis.

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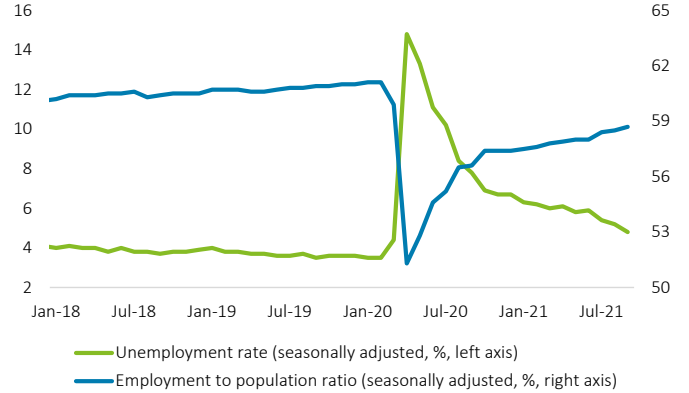
## Services spending rose for the sixth straight month in August

### A roundup of key consumer-related economic data

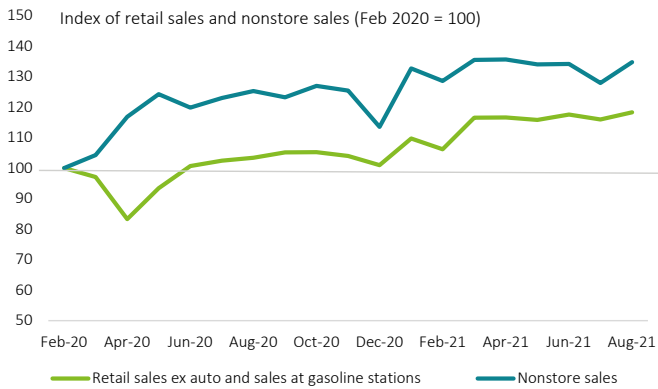
**Figure 5. Consumer spending on durables in August is 12.7% below its March peak, but still 17.3% higher than prepandemic levels**



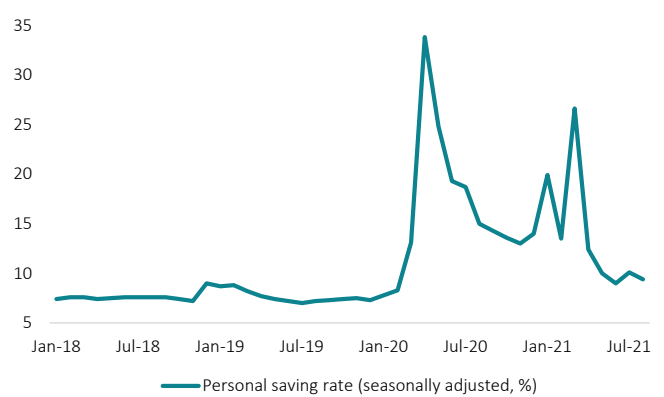
**Figure 6. The labor market recovery continues, although employment and its ratio to the population remain below prepandemic levels**



**Figure 7. Retail sales grew 2.0% in August after a 1.4% decline in July; sales are now 18.3% higher than prepandemic levels**



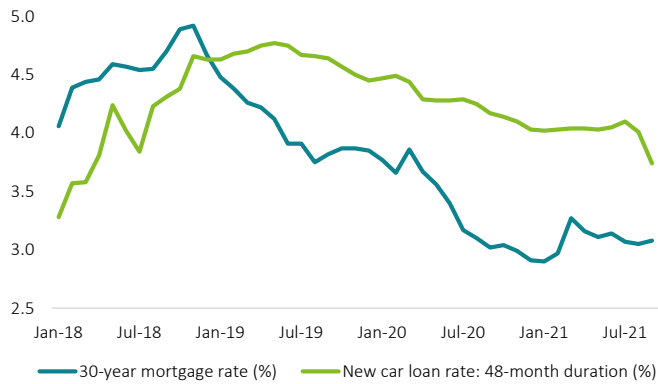
**Figure 8. The saving rate fell to 9.4% in August and is likely to go down over the next year, thereby aiding consumer spending**



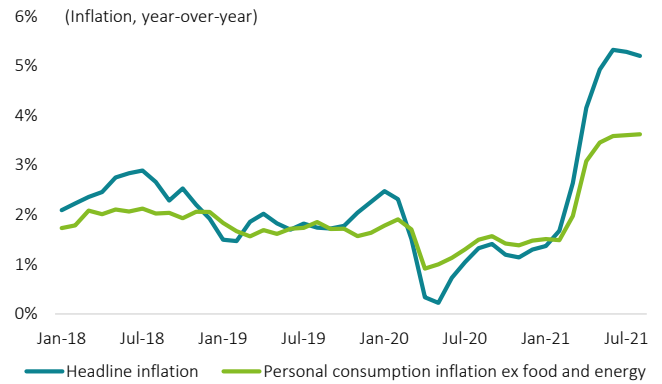
Note: SA denotes seasonally adjusted.

Sources: US Department of Commerce, US Bureau of Labor Statistics, *Wall Street Journal* (all sourced through Haver Analytics); Deloitte Services LP analysis.

**Figure 9. Auto loan rates fell in September for the second straight month; mortgage rates remained lower than prepandemic levels**



**Figure 10. Headline and core inflation remained elevated in August, but will likely drop over the near-to-medium term**



Note: SA denotes seasonally adjusted.

Sources: US Department of Commerce, US Bureau of Labor Statistics, *Wall Street Journal* (all sourced through Haver Analytics); Deloitte Services LP economic analysis.

For more on Deloitte’s Global State of the Consumer Tracker, refer to this [link](#).

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