State of the US consumer: March 2023

Improved financial sentiment struggles to boost spending confidence

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

- The percentage of Americans surveyed concerned about their level of savings (44%) and those delaying large purchases (43%) has decreased significantly since the summer of 2022, when inflation had touched record highs (figure 1).
- As inflation continues to ease, slightly fewer consumers surveyed have reported feeling anxious about the direction of the economy (figure 2).
- However, Americans surveyed remain cautious as concerns around rising prices remain elevated (figure 3).
- Spending intentions for the month ahead remain relatively weak compared to 2021. Savings intentions have rebounded recently, suggesting consumers are prioritizing replenishing savings over spending more (figure 4).

Figure 1. Roughly four in 10 Americans surveyed cited concerns about their level of savings in February—down from six in 10 in February 2022

Figure 2. The percentage of Americans surveyed who are anxious about the direction of the economy has come down slightly in recent months

Figure 3. Concerns around rising prices remain elevated

Figure 4. In recent months, consumers surveyed have signaled intentions to save more and spend less

Notes for figure 4: Less discretionary categories include housing, groceries, transportation, health care, clothing, household goods, personal care, childcare, education, and internet/data. More discretionary categories include recreation and entertainment, leisure travel, restaurants/takeout, electronics, and home furnishings.

Sources: Deloitte’s State of the Consumer Tracker; Haver Analytics; United States Department of Transportation; Deloitte economic analysis.
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Consumer spending bounced back in January after two straight months of decline

A roundup of key consumer-related economic data

Figure 5. Consumer spending grew 1.1% month on month in January, with spending on durables rising 5.2% during this period

![Graph showing index of real personal consumption expenditure and components (Feb 2020 = 100)]

Figure 6. The labor market remains strong, with nonfarm payrolls rising by 311,000 in February and unemployment running low at 3.6%

![Graph showing unemployment rate (seasonally adjusted, %, left axis) and labor force participation rate (seasonally adjusted, %, right axis)]

Figure 7. Retail sales were flat in February after a sharp rise in January compared to a year back; sales were up 7.9%

![Graph showing index of retail sales and nonstore sales (Feb 2020 = 100)]

Figure 8. The personal savings rate has been steadily going up since June 2022 but is still short of pre-pandemic levels

![Graph showing personal saving rate (SA, %)]

Figure 9. Mortgage rates remain high despite some easing since Q2 2022, thereby denting housing demand

Figure 10. Headline inflation fell for the eighth straight month in February to 6%; inflation, however, remains above the Fed’s target


For more on Deloitte’s State of the Consumer Tracker, see this link.
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