State of the US consumer: October 2023

Financial well-being sentiment slips to 12-month low

Key insights about US consumers from Deloitte’s ConsumerSignals

- The boost from months of easing inflation appears to have run its course. While financial well-being remains higher than the low seen in June 2022, Deloitte’s financial well-being index* remained flat throughout 2023 and slipped to a 12-month low of 93.7 in September (figure 1).
- Anxiety over personal finances (43%) increased in September, while concern over the economy’s direction (37%) has decreased (figure 2).
- Consumer spending intentions continue to struggle since the inflation-driven lows witnessed in 2022 (figure 3).
- Leisure travel remains an optimistic outlier. September spending intentions for leisure trips remain higher year over year and aren’t showing a typical postsummer pullback (figure 4).

Figure 1. Deloitte’s financial well-being index slipped to 93.7 in September, down from 98.3 in August

Figure 2. The percentage of US respondents feeling anxious about their personal finances increased to 43% in September, up from 32% in July

Figure 3. Spending intentions have struggled to recover from inflation-driven lows seen in 2022

Figure 4. September saw higher year-over-year spending intentions for leisure travel

Source: Deloitte ConsumerSignals.

*Deloitte’s financial well-being index in figure 1 is measured across six dimensions of financial health: (1) confidence in the ability to meet current financial obligations, (2) comfort with level of savings, (3) income relative to spending, (4) delays in making large purchases, (5) assessment of current personal financial situation compared to prior year, and (6) expectations of personal financial situation for the year ahead. Higher index values represent strong financial well-being and vice versa. In figure 4, total spending intentions include housing (including utilities and maintenance), transportation, groceries, health care, clothing, household goods, personal care, education, internet and data, recreation and entertainment, leisure travel, restaurants, electronics, and home furnishings.
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Consumer spending on services is growing steadily and is up 1.9% so far this year

A roundup of key consumer-related economic data

Figure 5. Consumer spending grew 0.1% month on month in August, as goods spending fell while services spending went up by 0.2%

Figure 6. Job creation in the economy remains strong with nonfarm payrolls rising 336,000 in September, the highest since January

Figure 7. Retail sales grew 0.2% in August from July; overall, sales are up 3.6% compared to a year back

Figure 8. Consumers are dipping into their savings to spend more; the savings rate fell to 3.9% in August from 4.1% in July

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Figure 9. Cost of borrowing for consumers remains elevated, with mortgage and car loan rates rising further in September

Figure 10. Consumer prices grew 0.4% month on month in September, slower than the 0.6% rise in August


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