

State of the US consumer: May 2024

Key insights about US consumers from Deloitte's ConsumerSignals

Despite persisting inflation, Deloitte's financial well-being index showed little change in recent months, but forward-looking spending intentions still point to robust consumer focus on saving instead of overspending.

- Deloitte's financial well-being index fell slightly to 97.5 in April from 98.7 in March. The index has generally held steady since early 2023 (figure 1).
- Monthly spending intentions (that is, the amount respondents estimate spending in the month ahead) remain below the index's 2021 baseline for the last 23 months, driven by weakness in planned discretionary spending (figure 2). Savings intentions show more resilience.
- Spending intentions for housing continue to climb while groceries and most discretionary categories decrease (figure 3).
- Leisure travel spending intentions remain an exception (figure 4). While down slightly compared to last May, the category remains strong.

Figure 1. Deloitte's financial well-being index continues in a tight range near the 2020 baseline

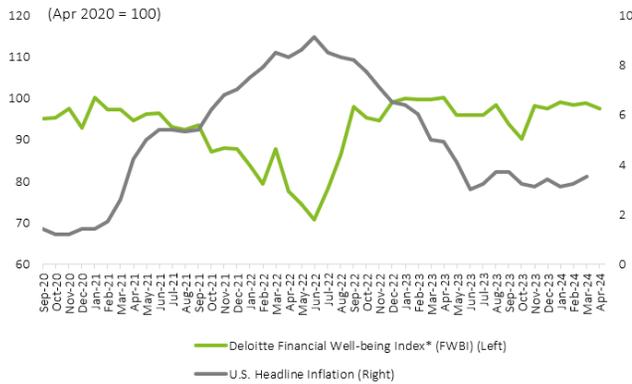


Figure 2. Total spending intentions stay idle near two-year lows, weighed down by relatively weak discretionary spending intentions

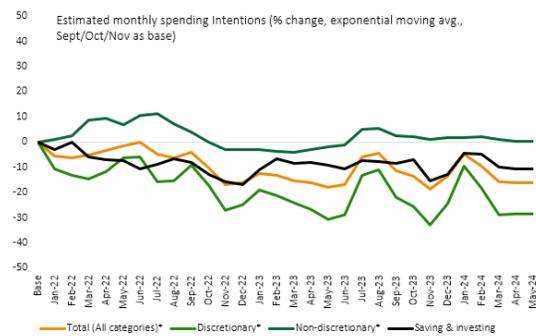


Figure 3. Monthly spending intentions for housing continued climbing in April as other categories see long-term decreases

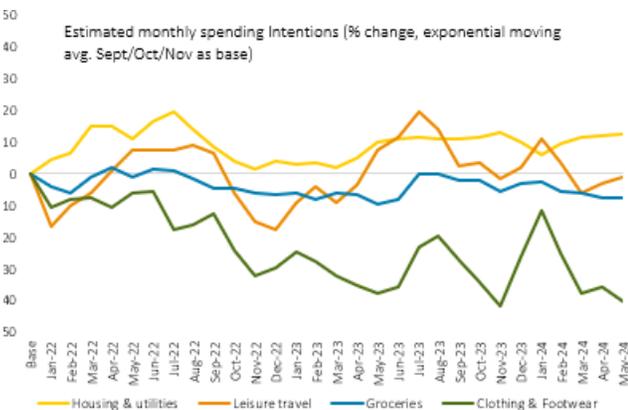
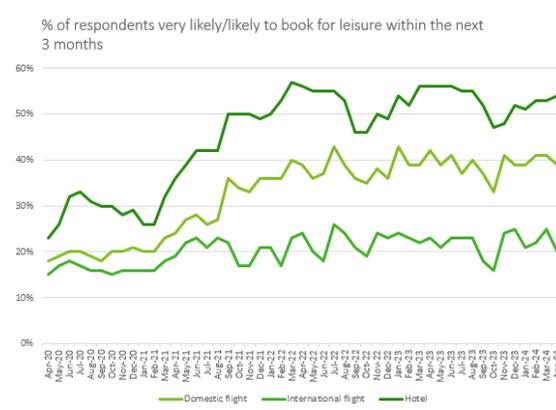


Figure 4. More than half of respondents (54%) plan to book hotels for leisure travel within the next three months



Notes: In figure 1, Deloitte's financial well-being index 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 stronger financial well-being. 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. Non-discretionary categories include housing, transportation, groceries, and health care. Starting March 2024, spending intentions index values are represented by a three-month exponential moving average (EMA).

Sources: Deloitte ConsumerSignals; US Bureau of Labor Statistics.

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The labor market is still strong despite a slight slowdown in payrolls growth in April

A roundup of key consumer-related economic data

Figure 5. Consumer spending grew 0.5% in March from the previous month; compared with year-ago levels, spending was up 3.1%

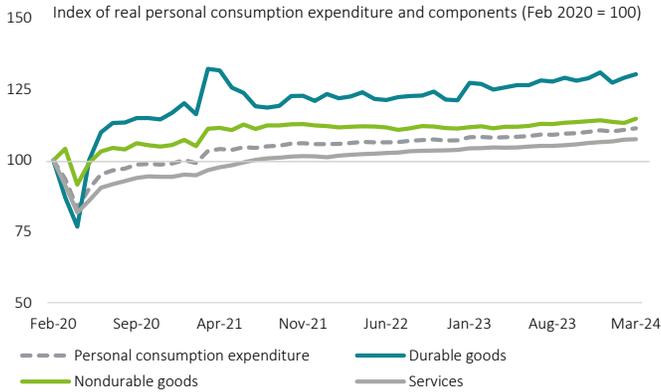


Figure 6. The unemployment rate rose marginally in April, but at 3.9%, it is still indicative of a strong labor market

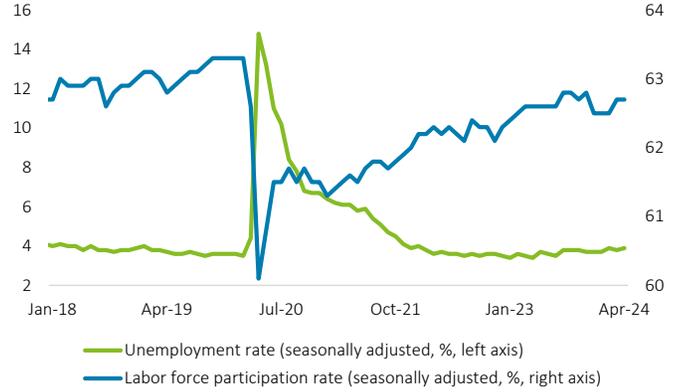
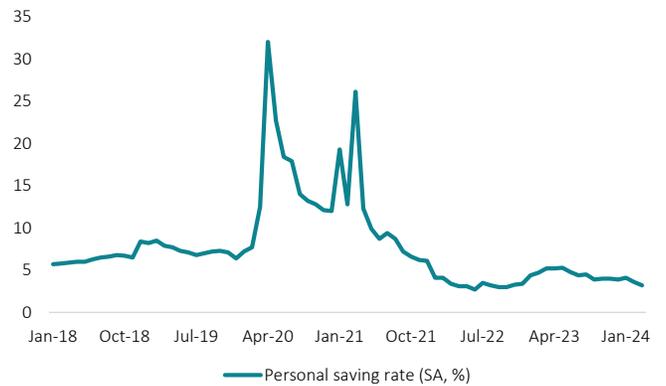


Figure 7. Non-store retail sales fell 1.2% in April from March—the third such monthly decline this year



Figure 8. The personal savings rate fell to 3.2% in March from 3.6% in February as consumers continue to dip into their savings

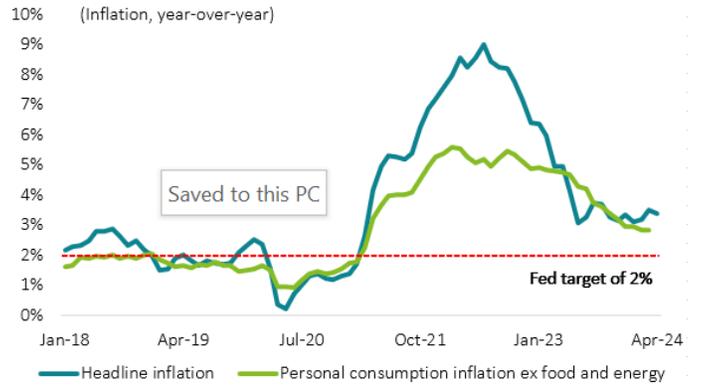


Sources: US Department of Commerce; US Bureau of Labor Statistics; *The Wall Street Journal* (all sourced through Haver Analytics); Deloitte analysis.

Figure 9. Borrowing costs for consumers remained elevated in April; high mortgage rates are likely weighing on housing demand



Figure 10. Consumer prices grew 0.3% in April, lower than the 0.4% rise in March; growth in core prices also slowed during this period



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

Follow this [link](#) for more on Deloitte’s ConsumerSignals.

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