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# State of the US consumer: August 2024

## Key insights about US consumers from Deloitte's ConsumerSignals

Rising optimism about personal finances is yet to boost spending confidence

- Deloitte's financial well-being index rose for a third consecutive month, reaching a four-year high of 102.6 in July 2024 (figure 1).
- Higher-income Americans appear to be driving the recent improvements in financial sentiment. Since September 2022, the percentage of higher-income respondents who say their financial situation improved over the past year increased by 13 percentage points to 77%; however, sentiment remains lower or relatively unchanged among middle- and lower-income respondents (figure 2).
- Despite rising optimism about personal finances, discretionary spending intentions remain subdued, while non-discretionary categories surpassed 2021 levels with savings intentions nearing them (figure 3).
- Spending intentions for housing continue to climb and consumers may be in search of potential cost-saving opportunities in other categories (figure 4).
- Respondents continue to prioritize leisure travel (figure 4).

Figure 1. Deloitte's financial well-being index reached a four-year high of 102.6 in July 2024, up from 95.9 a year ago

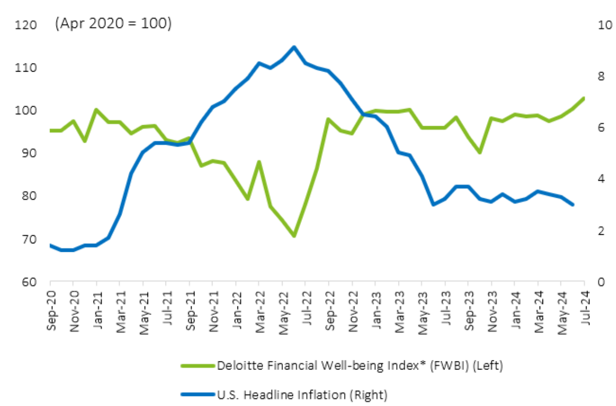



Figure 2. Higher-income households have seen the strongest improvements in financial sentiment since 2022

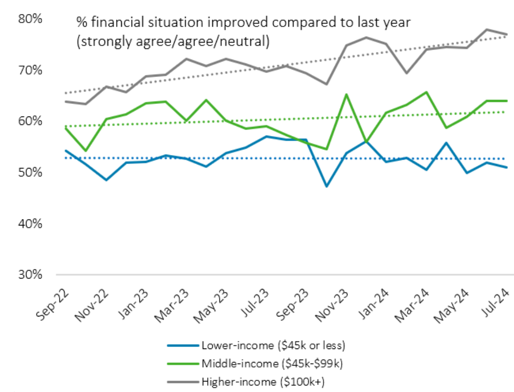



Figure 3. Discretionary spending intentions remain subdued as respondents continue to focus household budgets on savings

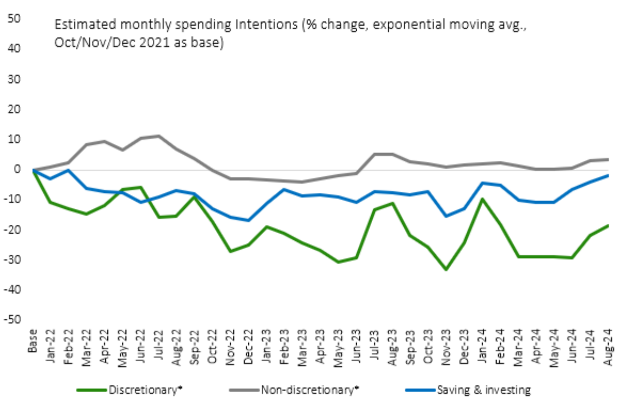
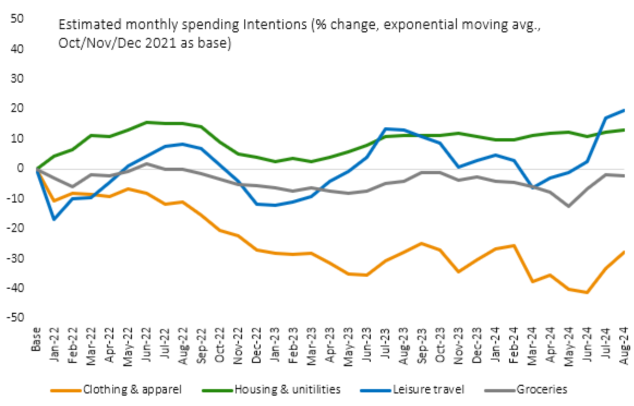



Figure 4. Spending intentions for housing are steadily climbing, creating potential cost-saving pressures for other spending categories




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 regarding personal financial situation for the year ahead. Higher index values represent stronger financial well-being. Spending intentions represent respondent's estimated spending for the next four weeks. In figure 3, discretionary categories include leisure travel, restaurants, recreation and entertainment, electronics, clothing, personal care, household goods, education, child care, and home furnishing. Non-discretionary categories include housing and utilities, transportation, groceries, and health care. Spending intention–related index values are represented by a three-month exponential moving average.

Sources: Deloitte ConsumerSignals; US Bureau of Labor Statistics.

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Households have likely exhausted their pandemic-era savings

## A roundup of key consumer-related economic data

**Figure 5. Real consumer spending on services has been going up steadily—services spending is up by 1.2% so far this year**

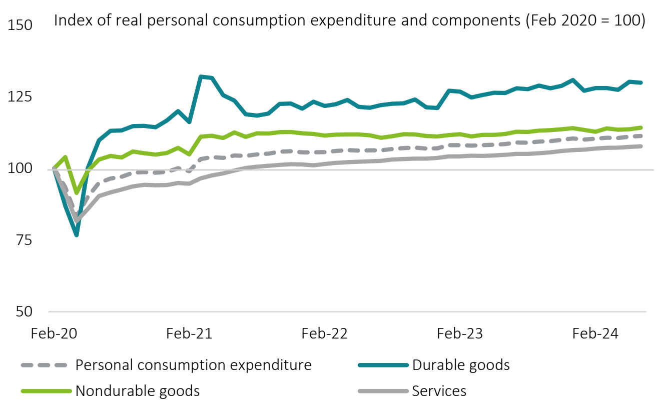



**Figure 6. The unemployment rate rose to 4.3% in July, primarily due to a rise in labor force participation**

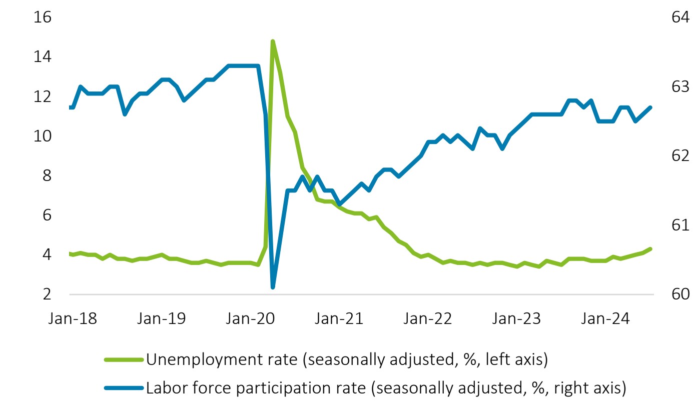



**Figure 7. Retail sales have risen by 1% so far this year—much less than the 3% growth seen over the first half of 2023**

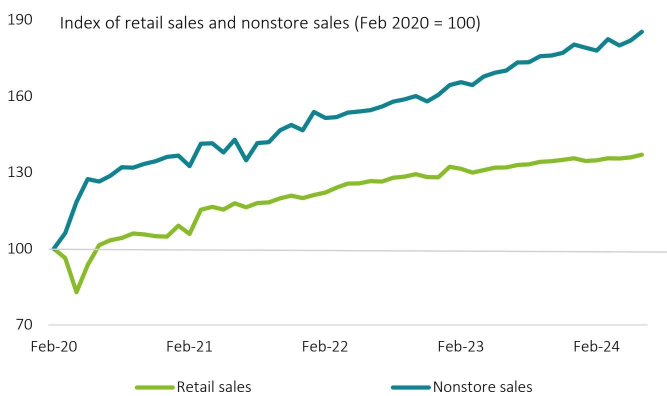
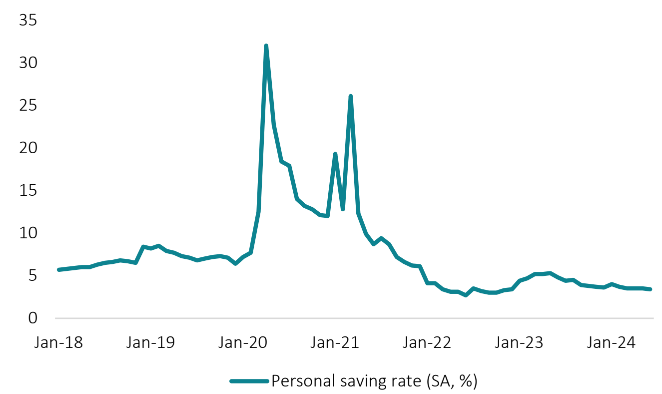



**Figure 8. The saving rate fell to 3.4% in June and is now half of what it was right before the pandemic**




Sources: Federal Reserve Bank of San Francisco (for pandemic-era savings estimate); US Department of Commerce; US Bureau of Labor Statistics (all sourced through Haver Analytics); Deloitte analysis.

**Figure 9. High mortgage rates and elevated home prices are likely weighing on housing demand**

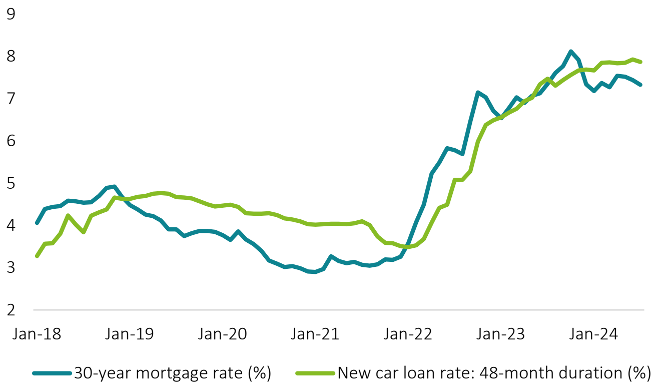
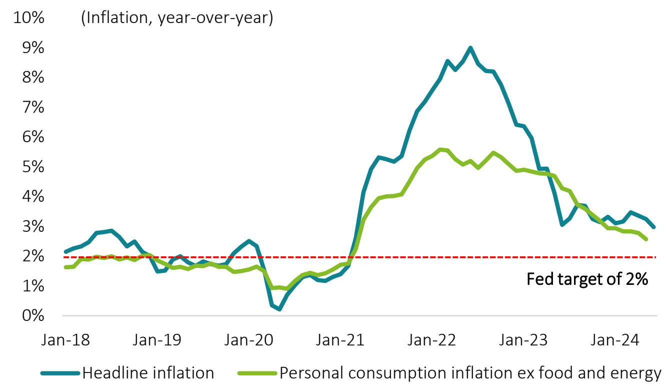



**Figure 10. Inflation edged down to 2.9% in July; excluding shelters, inflation was just 1.7% in the month**




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

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