

State of the US consumer: July 2024

Key insights about US consumers from Deloitte's ConsumerSignals

Deloitte's financial well-being index reached a four-year high as discretionary spending intentions see some recovery

- Deloitte's financial well-being index increased to 100.3 in June, up by nearly five points over the past year (figure 1).
- Higher-income Americans appear to be driving the recent improvements seen in financial sentiment. Since September 2022, the percentage of higher-income respondents that say their financial situations improved over the past year increased by 12 points to 74%; however, sentiment remained significantly lower and relatively unchanged among middle- and lower-income respondents (figure 2).
- July spending intentions also climbed higher, particularly the discretionary category average (figure 3). However, discretionary spending intentions remain weak compared to 2021 levels, while nondiscretionary categories have surpassed 2021 levels and savings intentions are nearing them.
- Spending intentions for housing and leisure travel continue to see the strongest increases across the 16 spending categories (figure 4).

Figure 1. Deloitte's financial well-being index rose to 100.3, up from 95.9 a year ago

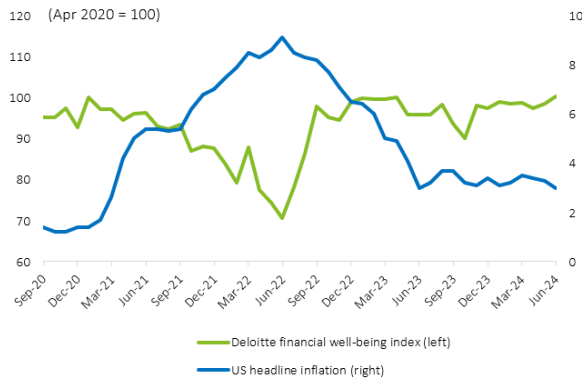


Figure 2. Two in three higher-income respondents say their finances improved year over year, compared to half of lower-income respondents who shared the sentiment

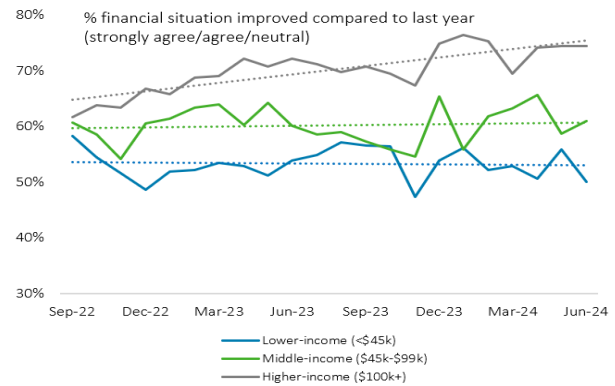


Figure 3. July spending intentions increased compared to June, but discretionary spending remains weak relative to 2021

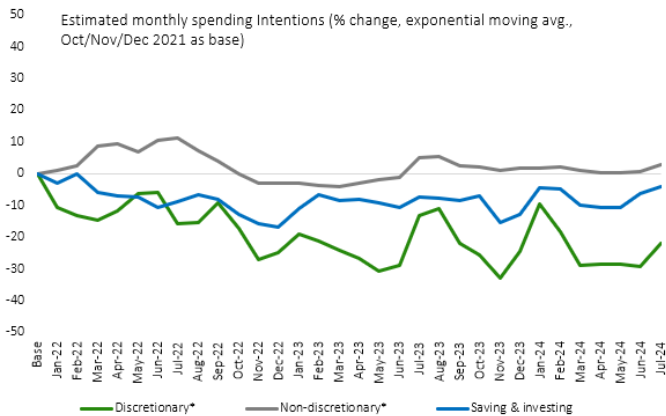
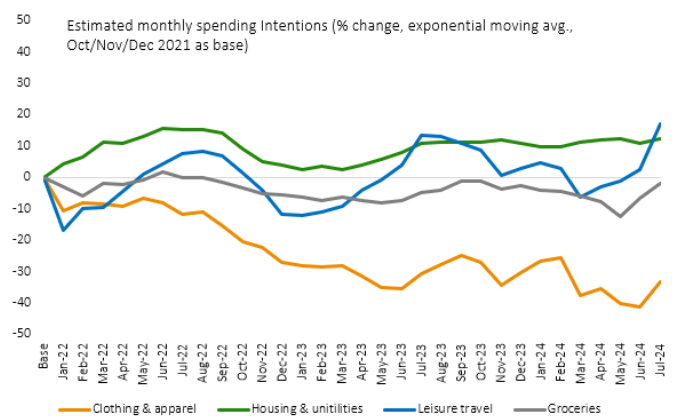


Figure 4. Spending intentions for housing and leisure travel continue to move higher, while other categories see mixed trends



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. Nondiscretionary categories include housing and utilities, transportation, groceries, and health care. Spending intention-related index values are represented by a three-month exponential moving average.

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Consumer spending on durables has been volatile and is down 1.7% this year

A roundup of key consumer-related economic data

Figure 5. Consumer spending has been muted this year due to volatile goods spending, with overall spending going up by just 0.3% since year-end 2023

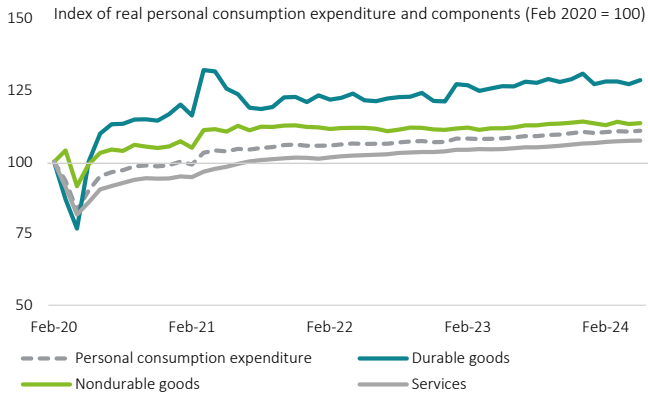


Figure 6. The labor market is healthy as it added 206,000 jobs in June, despite this gain being slightly lower than the monthly average in 2023

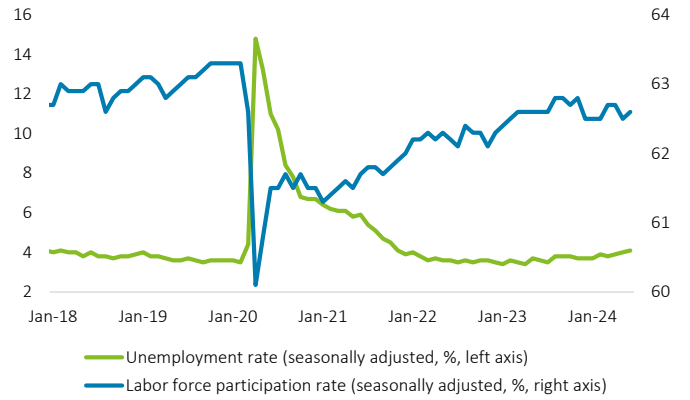


Figure 7. Retail sales rose by 0.1% in May from April, being relatively weak this year and going down by 0.2% since year-end 2023

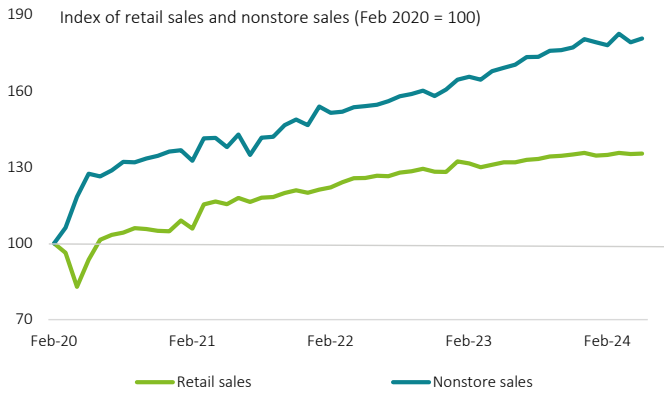
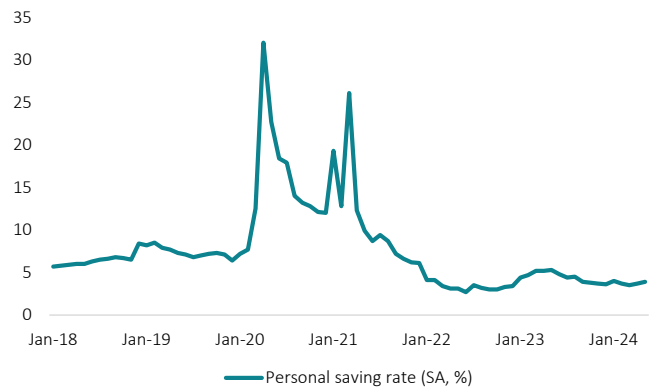


Figure 8. The personal savings rate edged up slightly to 4.1% in May, remaining much lower than the pre-pandemic average



Sources: 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 down on housing demand

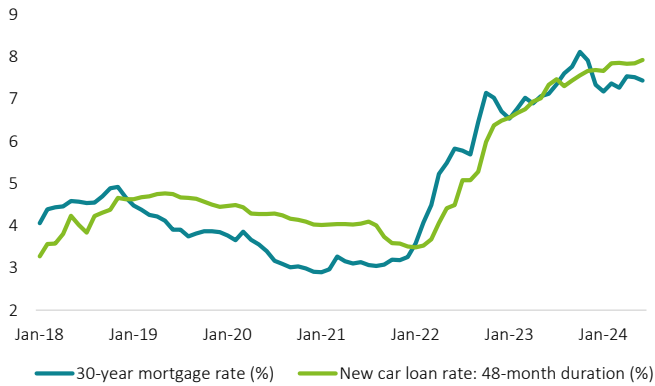
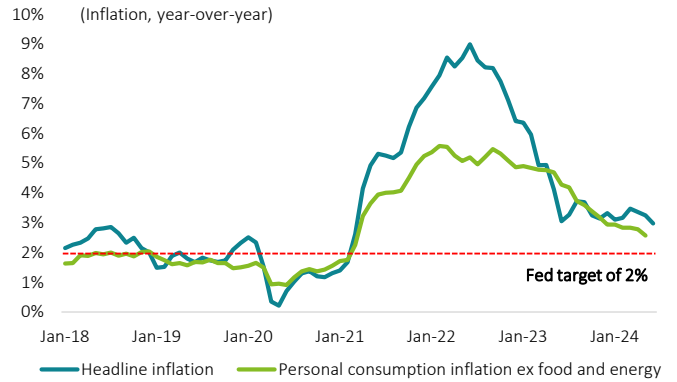


Figure 10. Inflation pressures eased slightly in June as the consumer price index declined by 0.1% after being flat in May



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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