

CONSUMER SPENDING

2.1 Consumer Contribution to the GDP

According to the Bureau of Economic Analysis (www.bea.gov), real gross domestic product (GDP) – the output of goods and services produced by labor and property located in the United States – has been as follows:

- 2019: \$21.43 trillion
- 2020: \$20.93 trillion
- 2021: \$22.99 trillion
- 2022: \$25.46 trillion
- 2023: \$27.36 trillion

Consumer spending comprises about 70% of GDP, or about \$19.2 trillion in 2023.

2.2 Household Spending

According to the *Consumer Expenditure Survey*, published by the Bureau of Labor Statistics (BLS, www.bls.gov) in December 2023, average annual household spending has been as follows:

- | | |
|------------------|------------------|
| • 2000: \$52,303 | • 2016: \$57,311 |
| • 2006: \$56,833 | • 2017: \$60,060 |
| • 2010: \$52,230 | • 2018: \$61,224 |
| • 2011: \$52,312 | • 2019: \$63,036 |
| • 2012: \$53,042 | • 2020: \$61,334 |
| • 2013: \$51,100 | • 2021: \$66,928 |
| • 2014: \$53,495 | • 2022: \$72,967 |
| • 2015: \$55,978 | |

2.3 Spending Assessment

According to the *Consumer Expenditure Survey*, average spending per household was \$72,967 in 2022, a 9.0% increase from the previous year. Spending was distributed as follows (change from previous year in parenthesis):

- Housing, operations, and utilities: \$24,298 (7.4%)
- Transportation: \$12,295 (12.2%)

- Food: \$ 9,343 (12.7%)
 - At home: \$ 5,703 (8.4%)
 - Away from home: \$ 3,639 (20.1%)
- Personal insurance and pensions: \$ 8,742 (11.0%)
- Healthcare (including health insurance): \$ 5,850 (7.3%)
- Entertainment: \$ 3,458 (-3.1%)
- Cash contributions: \$ 2,755 (14.1%)
- Apparel and services: \$ 1,945 (10.9%)
- Education: \$ 1,335 (8.9%)
- Personal care products and services: \$ 866 (12.3%)
- All other expenditures: \$ 2,080 (4.2%)

The BLS provides regional consumer spending surveys for the following metropolitan areas: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas-Fort Worth, Detroit, Houston, Los Angeles, Miami, Minneapolis, New York, Phoenix, Philadelphia, San Diego, San Francisco, Seattle, and Washington, D.C., available online at www.bls.gov/cex/csxregreleases.htm.

2.4 Retail Spending

According to the Census Bureau (www.census.gov) of the U.S. Department of Commerce, total U.S. retail sales (including motor vehicles, parts, and gasoline stations) were \$8.32 trillion in 2023, a 3.1% increase from 2022.

Sales at GAFO (general merchandise, apparel, furnishings, and other) stores were \$1.54 trillion in 2023, virtually unchanged from the prior year.

Total retail and GAFO sales have been as follows:

	Total Retail	GAFO
• 2014:	\$5.21 trillion	\$1.24 trillion
• 2015:	\$5.35 trillion	\$1.26 trillion
• 2016:	\$5.52 trillion	\$1.26 trillion
• 2017:	\$5.75 trillion	\$1.28 trillion
• 2018:	\$6.02 trillion	\$1.30 trillion
• 2019:	\$6.18 trillion	\$1.30 trillion
• 2020:	\$6.22 trillion	\$1.24 trillion
• 2021:	\$7.37 trillion	\$1.51 trillion
• 2022:	\$8.07 trillion	\$1.53 trillion
• 2023	\$8.32 trillion	\$1.54 trillion

Retail sales in 2023 for stores in the GAFO categories were as follows:

- General merchandise stores, including leased departments (NAICS 452): \$874.0 billion
 - Superstores and warehouse clubs (NAICS 45291): \$635.7 billion
 - Discount department stores (NAICS 452112): \$102.3 billion
 - Variety stores and miscellaneous (NAICS 45299): \$105.5 billion

- Conventional and national chain department stores, excluding leased departments (NAICS 452111): \$ 30.5 billion
- Apparel and accessories stores (NAICS 448): \$312.5 billion
 - Family clothing (NAICS 44814): \$130.7 billion
 - Jewelry stores (NAICS 44831): \$ 58.1 billion
 - Shoe stores (NAICS 4482): \$ 38.9 billion
 - Women's ready-to-wear (NAICS 44812): \$ 40.3 billion
- Furniture and home furnishings (NAICS 442): \$133.6 billion
- Electronics and appliance stores (NAICS 443): \$ 91.4 billion
- Sporting goods stores (NAICS 45111): \$ 63.8 billion
- Hobby, toy, and game stores (NAICS 45112): \$ 21.2 billion
- Used merchandise stores (NAICS 4533): \$ 25.8 billion
- Gift, novelty, and souvenir stores (NAICS 45322): \$ 20.5 billion
- Office supplies and stationary stores (NAICS 45321): \$ 9.7 billion
- Book stores (NAICS 451211): \$ 8.3 billion

Retail sales in non-GAFO retail categories in 2023 were as follows:

- Motor vehicles and parts stores (NAICS 441): \$1.59 trillion
 - Automotive parts and tire stores (NAICS 4413): \$ 134.0 billion
- Non-store retailers (NAICS 454): \$1.38 trillion
- Restaurants and drinking places (NAICS 722): \$1.09 trillion
- Food and beverage stores, not including restaurants (NAICS 445): \$ 985.3 billion
- Gasoline stations (NAICS 447): \$ 654.0 billion
- Building materials, home improvement and gardening equipment, and supplies dealers (NAICS 444): \$ 499.0 billion
- Health and personal care stores, including pharmacies and drug stores (NAICS 446): \$ 433.4 billion

2.5 Market Resources

Consumer Expenditures, Bureau of Labor Statistics.
(www.bls.gov/news.release/cesan.nr0.htm)

Consumer Price Index Summary, Bureau of Labor Statistics (www.bls.gov/cpi)

Estimates Of Monthly Retail and Food Services Sales By Kind Of Business, U.S.
Department of Commerce. (www.census.gov/retail/marts/www/marts_current.pdf)

Monthly and Annual Retail Trade, U.S. Department of Commerce.
(www.census.gov/retail)

PERSONAL FINANCES

3.1 Household Income

Income In The United States: 2022, published in September 2023 by the U.S. Census Bureau (www.census.gov), reported U.S. median household income at \$74,580, a 2.3% decline from the prior year.

Median household income, adjusted for inflation, has been as follows:

• 2010:	\$64,300	• 2017:	\$72,370
• 2011:	\$63,350	• 2018:	\$73,030
• 2012:	\$63,350	• 2019:	\$78,250
• 2013:	\$63,720	• 2020:	\$76,660
• 2014:	\$64,900	• 2021:	\$76,330
• 2015:	\$68,410	• 2022:	\$74,580
• 2016:	\$70,840		

By demographic, median income was as follows:

Household

• Family households:	\$ 95,450
- Married-couple:	\$110,800
- Female householder, no spouse present:	\$ 56,030
- Male householder, no spouse present:	\$ 73,630
• Non-family households:	\$ 45,440
- Female householder:	\$ 40,200
- Male householder:	\$ 51,930

Race/Ethnicity

• White, non-Hispanic	\$ 81,060
• Black:	\$ 52,860
• Asian:	\$108,700
• Hispanic (any race):	\$ 62,800

Age of Householder

• 15 to 24 years:	\$ 52,460
• 25 to 34 years:	\$ 80,240
• 35 to 44 years:	\$ 96,630
• 45 to 54 years:	\$101,500
• 55 to 64 years:	\$ 81,240
• 65 years and older:	\$ 50,290

Nativity of Householder

• Native-born:	\$ 75,210
• Foreign-born:	\$ 71,350
- Naturalized citizen:	\$ 80,760
- Not a citizen:	\$ 62,030

Region

• Northeast:	\$ 80,360
• Midwest:	\$ 73,070
• South:	\$ 68,230
• West:	\$ 82,890

Residence

• Inside metropolitan statistical areas:	\$ 77,500
- Inside principal cities:	\$ 69,940
- Outside principal cities:	\$ 83,230
• Outside metropolitan statistical areas:	\$ 55,960

Educational Attainment

• No high school diploma:	\$ 34,850
• High school, no college:	\$ 51,470
• Some college:	\$ 68,690
• Bachelor's degree or higher:	\$118,300

All households:	\$ 74,580
------------------------	-----------

The income bracket of each quintile of households was as follows:

• Bottom quintile:	\$27,026 or less
• Second quintile:	\$27,027 to \$52,179
• Third quintile:	\$52,180 to \$85,076
• Fourth quintile:	\$85,077 to \$141,110
• Highest quintile:	\$141,111 or more
• Top 5 percent:	\$273,739 or more

The share of aggregate household income accruing to each quintile was as follows:

• Bottom quintile:	3.0%
• Second quintile:	8.2%
• Third quintile:	14.0%
• Fourth quintile:	22.5%
• Highest quintile:	52.1%
• Top 5 percent:	23.5%

3.2 Income By State

Median income by state was as follows (source: Federal Reserve Bank of

St. Louis):

• Alabama:	\$56,929	• Montana:	\$64,999
• Alaska:	\$81,133	• Nebraska:	\$78,109
• Arizona:	\$70,821	• Nevada:	\$64,340
• Arkansas:	\$50,784	• New Hampshire:	\$88,841
• California:	\$81,575	• New Jersey:	\$88,559
• Colorado:	\$84,954	• New Mexico:	\$53,463
• Connecticut:	\$80,958	• New York:	\$72,920
• Delaware:	\$68,687	• North Carolina:	\$62,891
• District of Columbia:	\$90,640	• North Dakota:	\$68,882
• Florida:	\$59,734	• Ohio:	\$62,689
• Georgia:	\$61,497	• Oklahoma:	\$60,096
• Hawaii:	\$82,199	• Oregon:	\$81,855
• Idaho:	\$76,918	• Pennsylvania:	\$72,627
• Illinois:	\$79,253	• Rhode Island:	\$74,982
• Indiana:	\$70,190	• South Carolina:	\$62,542
• Iowa:	\$72,429	• South Dakota:	\$73,893
• Kansas:	\$75,979	• Tennessee:	\$62,166
• Kentucky:	\$55,629	• Texas:	\$67,404
• Louisiana:	\$57,206	• Utah:	\$87,649
• Maine:	\$71,139	• Vermont:	\$76,079
• Maryland:	\$97,332	• Virginia:	\$80,268
• Massachusetts:	\$86,566	• Washington:	\$87,648
• Michigan:	\$64,488	• West Virginia:	\$46,836
• Minnesota:	\$80,441	• Wisconsin:	\$69,943
• Mississippi:	\$46,637	• Wyoming:	\$71,052
• Missouri:	\$63,594		

3.3 Household Wealth/Net Worth

The *Survey of Consumer Finances* is published every three years by the Federal Reserve Board, most recently in 2023.

In 2023, the Federal Reserve (www.federalreserve.gov) reported total consumer wealth as follows:

• Assets:	\$156.0 trillion
• Liabilities:	\$ 18.4 trillion
• Net worth:	\$137.6 trillion

The distribution by generation is as follows:

	Assets	Liabilities	Net Worth
• Seniors:	\$18.6 trillion	\$0.8 trillion	\$17.8 trillion
• Baby Boomers:	\$78.1 trillion	\$5.1 trillion	\$73.0 trillion
• Generation X:	\$46.0 trillion	\$7.0 trillion	\$39.0 trillion
• Millennials:	\$13.3 trillion	\$5.5 trillion	\$ 7.8 trillion

The distribution of assets and liabilities is as follows:

Assets

• Real estate:	\$41.8 trillion
• Equities and mutual funds:	\$33.8 trillion
• Durable and other assets:	\$33.3 trillion
• Pensions:	\$30.1 trillion
• Private businesses:	\$17.1 trillion

Liabilities

• Mortgages:	\$12.5 trillion
• Consumer credit:	\$ 4.9 trillion
• Other:	\$ 1.1 trillion

The median household net worth in 2022 was \$192,900, a 37% increase from \$141,100 (adjusted for inflation) in 2019.

The median net worth of households by age of householder in 2022 was as follows (change from 2019 in parenthesis):

Age

• Under 35:	\$ 39,000
• 35 to 44:	\$135,600
• 45 to 54:	\$247,200
• 55 to 64:	\$364,500
• 65 to 74:	\$409,900
• 75 and older:	\$335,600

Race/Ethnicity

• White, non-Hispanic	\$285,000
• Black:	\$ 44,900
• Asian:	\$536,000
• Hispanic (any race):	\$ 61,600

Education

• No high school diploma:	\$ 38,100
• High school graduate:	\$106,800
• Some college:	\$136,500
• College degree:	\$464,600

Community

- Metropolitan: \$199,200
- Non-metropolitan: \$146,400

Housing Status

- Homeowner: \$396,200
- Renter or other: \$ 10,400

Among households in the top 10% of net worth, median net worth was \$3.8 million and average net worth was \$7.8 million.

3.4 Consumer Debt

According to the *Quarterly Report On Household Debt and Credit*, by the Federal Reserve Bank of New York (www.newyorkfed.org), total U.S. household debt in Third Quarter 2023 was \$17.29 trillion, distributed as follows:

- Mortgages: \$12.14 trillion
- Student loans: \$ 1.60 trillion
- Motor vehicle loans: \$ 1.60 trillion
- Credit cards/revolving credit: \$ 1.08 trillion
- Other: \$ 530 billion

There are 133.4 million households in the United States. The average debt per household in Third Quarter 2023 was \$129,610, distributed as follows:

- Mortgages: \$91,000
- Student loans: \$11,990
- Motor vehicle loans: \$11,990
- Credit cards/revolving credit: \$ 8,100
- Other: \$ 3,970

3.5 Personal Financial Situation

In surveys by Gallup (www.gallup.com), U.S. adults reported their personal financial situation as follows (percentage of respondents):

	Pre-Covid	2022	2023
--	-----------	------	------

Adults compared their financial situation in 2023 with one year prior as follows (source: Gallup):

- Better off: 35%
- Same: 50%
- Worse: 14%

The *General Social Survey*, by the National Opinion Research Center at the University of Chicago (<https://gss.norc.org/>), asked adults how easy or difficult it is for their household to make ends meet. Responses were as follows:

- Very easy: 18%
- Fairly easy: 33%
- Neither difficult or easy: 27%
- Fairly difficult: 17%
- Very difficult: 6%

3.6 Economic Well-Being

The *Report on the Economic Well-Being of U.S. Households in 2022*, published in May 2023 by the Federal Reserve (www.federalreserve.gov), assessed financial well-being of U.S. households as follows:

- Seventy-three percent (73%) of adults were either doing okay or living comfortably financially, down 5 percentage points from the prior year.
- The share of adults who said they were worse off financially than a year earlier rose to 35%, the highest level since the question was first asked in 2014.

3.7 Financial Literacy

The State Of Financial Literacy In The United States, published in 2023 by CivicScience (www.civicscience.com), reported financial literacy among U.S. adults as follows:

- Not financially literate: 10%
- Somewhat financially literate: 60%
- Very financially literate: 29%

3.8 Financial Challenges

According to AARP (www.aarp.org), 47% of households headed by people ages 30 and older typically experience an unexpected financial challenge each year. AARP defines an unexpected financial challenge as one that caused a significant strain in the household budget or the ability to pay bills.

Medical expenses are the top cause of financial challenges; 33% of households encountered this challenge.

The median cost of a financial challenge is between \$3,000 and \$3,999. Fifty-one percent (51%) of those who experienced an unexpected financial challenge manage to get their finances back under control in less than 6 months.

3.9 Market Resources

Household Income Trends, Sentier Research. (www.sentierresearch.com)

BACK-TO-SCHOOL SHOPPING

17.1 Back-to-School Spending

According to the National Retail Federation (NRF, www.nrf.com), back-to-school (K-12) and back-to-college spending have been as follows:

	Back-to-School	Back-to-College	Total
• 2018-2019:	\$27.5 billion	\$55.3 billion	\$ 82.8 billion
• 2019-2020:	\$26.2 billion	\$54.5 billion	\$ 80.7 billion
• 2020-2021:	\$33.9 billion	\$67.7 billion	\$101.6 billion
• 2021-2022:	\$37.1 billion	\$71.0 billion	\$108.1 billion
• 2020-2021:	\$33.9 billion	\$67.7 billion	\$101.6 billion
• 2021-2022:	\$37.1 billion	\$71.0 billion	\$108.1 billion
• 2022-2023:	\$36.9 billion	\$73.9 billion	\$110.8 billion
• 2023-2024:	\$41.5 billion	\$94.0 billion	\$135.5 billion

Back-to-school and back-to-college spending per household have been as follows:

	Back-to-School	Back-to-College
• 2018-2019:	\$685	\$ 942
• 2019-2020:	\$697	\$ 977
• 2020-2021:	\$789	\$1,059
• 2021-2022:	\$849	\$1,200
• 2022-2023:	\$864	\$1,199
• 2023-2024:	\$890	\$1,367

Emarketer (www.emarketer.com) estimates that about 34% of back-to-school/college retail spending is via e-commerce.

17.2 What People Buy

According to the National Retail Federation, back-to-school spending for the 2023-2024 academic year was distributed by category as follows:

• Electronics and computer-related equipment:	\$326
• Clothing and accessories:	\$257
• Shoes:	\$167
• School supplies:	\$140

By category, back-to-college spending per student was as follows:

- Electronics or computer-related equipment: \$337
- Dorm or apartment furnishings: \$191
- Clothing and accessories (excluding shoes): \$182
- Food items: \$152
- Shoes: \$105
- Personal care items: \$114
- Gift cards: \$105
- School supplies: \$ 95
- Collegiate branded gear: \$ 78

17.3 Where People Shop

Students and their parents reported purchases for the 2023-2024 academic year from the following retail channels (percentage of shoppers):

	Back-to-School	Back-to-College
• Online:	55%	49%
• Department store:	45%	35%
• Discount store:	45%	33%
• Clothing store:	41%	25%
• Electronics store:	23%	18%
• Office supply store:	21%	25%
• Local/small business:	15%	13%
• Thrift/resale store:	7%	9%
• Drug store:	6%	12%
• Catalog:	6%	7%
• College book store:	n/a	26%
• Home furnishings/decor:	n/a	14%

17.4 When People Shop

While the majority of back-to-school shopping generally occurs three-to-four weeks before school starts, some parents and students wait longer with their spending. According to a survey by CivicScience (www.civicscience.com), 65% of families do not start their shopping until after July; 9% complete their shopping by July.

Many shoppers plan back-to-school purchases around major sale events. Sixty-one percent (61)% of families plan their back-to-class shopping around Prime Day, Fourth of July or Labor Day retailer sale events.

17.5 Market Resources

Back-to-Class Data Center, National Retail Federation.

(www.nrf.com/insights/holiday-and-seasonal-trends/back-school/back-class-data-center)

BRAND COMMUNICATIONS

18.1 Preferred Communications By Age

The *2023 State of Digital Customer Experience Report*, by Verint (www.verint.com) reported that U.S. adults prefer to contact a company to ask a product- or service-related question as follows (percentage of respondents):

	18-to-44	45-to-75
• Digital:	53%	35%
• Phone:	47%	64%
• Other:	0%	1%

“Older adults prefer phone calls to digital customer service.”

Emarketer, 9/8/23

18.2 Preferred Communications By Sector

Consumers responded as follows when asked by Principal Financial Group their preferred method of contact by brands in various sectors (percentage of respondents):

Financial Institutions

- Email: 43%
- In person: 22%
- Postal mail: 15%
- Telephone: 11%
- Online chat: 5%
- Text message: 3%
- Social media: 2%

Insurance Companies

- Email: 42%
- Telephone: 19%
- In person: 14%
- Postal mail: 13%
- Online chat: 5%
- Social media: 4%
- Text message: 4%

Retailers

- Email: 47%
- In person: 28%
- Postal mail: 8%
- Social media: 6%
- Telephone: 5%
- Online chat: 5%
- Text message: 2%

Wellness Centers

- Email: 43%
- In person: 28%
- Postal mail: 9%
- Social media: 9%
- Telephone: 6%
- Text message: 3%
- Online chat: 2%

18.3 Promotions

CrossView (www.crossview.com) found shoppers' preference for delivery of retail promotions as follows:

- Email: 37%
- Mailer: 23%
- Text message: 18%
- In-store: 11%
- Social media: 9%
- Other: 3%

18.4 Customer Service

According to the *Customer Service Barometer*, by American Express (www.americanexpress.com), the preferred channel for making customer service inquiries is as follows:

Simple Inquiry

- Email or company website: 36%
- Speaking with a person by telephone: 14%
- Telephone automated voice-response system: 12%
- Face-to-face: 9%
- Online chat/instant messaging: 9%
- Smartphone app: 9%
- Text message: 6%
- Social network: 5%

More Complex Inquiry

- Speaking with a person by telephone: 37%
- Face-to-face: 19%
- Email or company website: 17%
- Online chat/instant messaging: 12%
- Telephone automated voice-response system: 5%
- Social network: 4%
- Smartphone app: 3%
- Text message: 3%

Difficult Inquiry

- Speaking with a person by telephone: 48%
- Face-to-face: 24%
- Email or company website: 10%
- Telephone automated voice-response system: 5%
- Online chat/instant messaging: 4%
- Smartphone app: 3%
- Social network: 3%
- Text message: 2%

18.5 Email Communications

Thirty-six percent (36%) of Internet users have opened separate email accounts solely for brand communication, according to a survey by Yes Lifecycle Marketing (www.yeslifecyclemarketing.com). Fifty-eight percent (58%) of Millennials have opened an emailbox for brand communications; 26% of Baby Boomers have done so.

By generation, those who feel email communications are important for their purchase decision-making are as follows:

- Baby Boomers: 59%
- Generation X: 59%
- Millennials: 67%
- Generation Z: 46%

Email communications are effective. Sixty-eight percent (68%) of Internet users say that they have made a purchase after receiving a brand email in the three months prior to the survey. By generation, those that have done so are as follows:

- Baby Boomers: 62%
- Generation X: 77%
- Millennials: 83%
- Generation Z: 60%

The survey found that most consumers check their email for brand promotions at home. Thirty-two percent (32%) do so in the morning, 31% check in the evening, and 25% look for brand emails throughout the day. Generation Z is most likely to check email on the go and to pass time; 6% check for marketing emails while commuting and 14% do so while waiting in line.

18.6 Text Message Communications

While consumers generally do not like receiving unsolicited text messages from brands, they often prefer texting when they initiate the communications.

In a survey by Ovum (www.ovum.com), respondents said they would prefer to send a text rather than call a company for the following reasons (percentage of respondents):

- Less time consuming: 44%
- More convenient: 42%
- Less frustrating: 30%
- Enables me to ask the company to text: 26%
- To have a record of the communication: 19%
- Less expensive way of contacting a company: 17%

Mobile Ecosystem Forum (<https://mobileecosystemforum.com>) found that 65% of mobile users have communicated with businesses via mobile apps; 76% have done so via SMS. Messaging with businesses was reported as follows (percentage of respondents):

	SMS	App
• Bank or financial institution:	33%	22%
• Consumer goods provider:	26%	15%
• Website/email service provider:	24%	17%
• Order information communication:	23%	16%
• School or university:	17%	14%
• Appointment confirmation:	16%	11%
• Healthcare professional:	15%	12%
• Employer:	15%	15%
• Social or sports club:	11%	9%
• Airline:	11%	9%
• Utility:	10%	5%
• Government department/local authority:	9%	6%

18.7 Social Media Communications

Morning Consult (www.morningconsult.com) found adult Internet users' attitudes toward brands that interact with people on social media as follows (percentage of respondents):

- Like it and think it's genuine: 12%
- Like it but don't think it's genuine: 21%
- Don't like it but think it's genuine: 12%
- Don't like it and don't think it's genuine: 28%
- No opinion: 28%

“Be wary of how far you tilt your customer service toward social media. Even among Millennials, Internet users still prefer more old-fashioned types of communication – including digital ones, of course. Email is Millennials’ channel of choice for communicating with retailers.”

Emarketer
