

State of the US consumer: August 2022

Consumer inflation perceptions ease slightly—but the impact on financial sentiment remains mixed

Key insights about US consumers from Deloitte's State of the Consumer Tracker

- The percentage of Americans citing higher prices for gas fell from 87% in June to 74% in July, while the percentage of Americans citing higher prices for groceries decreased slightly from 81% to 77% (figure 1).
- Perceptions of easing inflation could possibly be having an impact on financial sentiment. The percentage of Americans concerned about their level of savings fell from 61% in June to 52% in July, but it has remained elevated since March 2021 (figure 2).
- Recent changes in discretionary-spending intentions have been mixed—improving slightly since February among middle- and higher-income Americans but weakening among lower-income Americans (figure 3).
- The percentage of lower-income Americans concerned about making upcoming payments has remained elevated since April 2020 (figure 4).

Figure 1. The percentage of Americans who perceived higher prices for gas fell from 87% in June to 74% in July

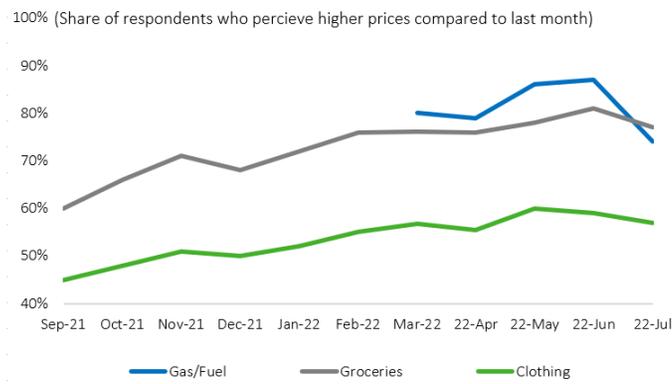


Figure 2. The percentage of Americans concerned about their level of savings fell in July—but remains on an uptrend

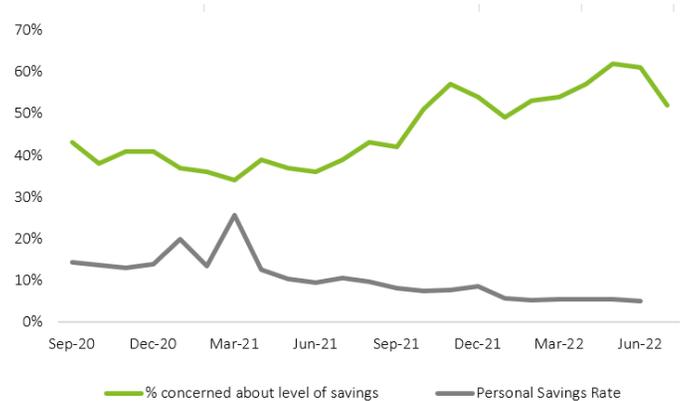


Figure 3. Discretionary-spending intentions have improved slightly among middle- and higher-income Americans since May

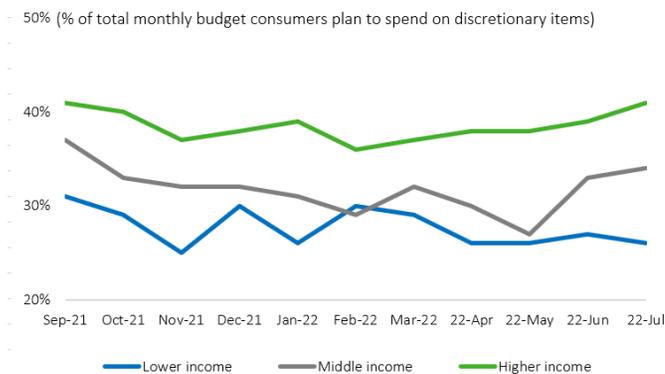
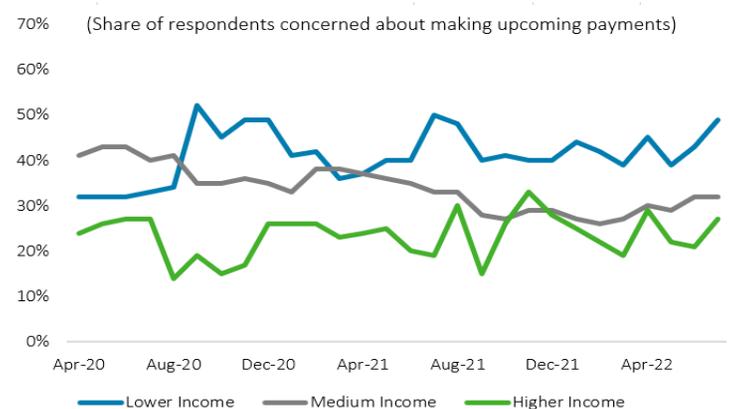


Figure 4. The percentage of lower-income Americans concerned about making upcoming payments remains elevated



Sources: Deloitte's State of the Consumer Tracker; Haver Analytics; United States Department of Transportation; Deloitte economic analysis.

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High inflation continues to be a significant risk for consumer spending

A roundup of key consumer-related economic data

Figure 5. Consumer spending has grown by 1.7% in 2022, with spending on services rising steadily while spending on goods remaining volatile

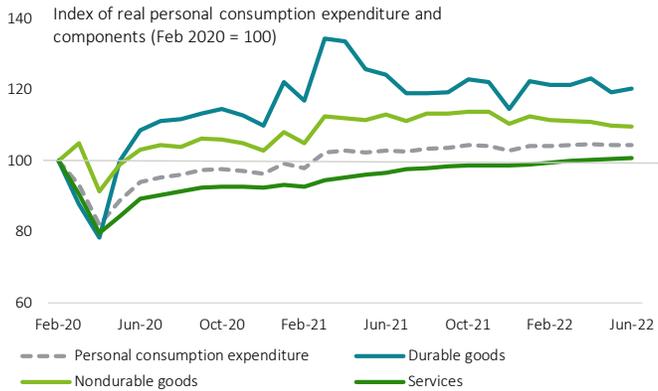


Figure 6. Despite concerns about inflation's impact on economic growth, the labor market remains strong with unemployment at 3.5%

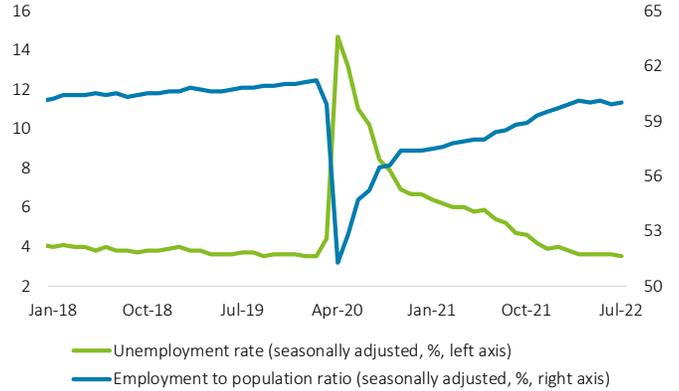


Figure 7. Retail sales, after declining in May, grew 0.7% in June

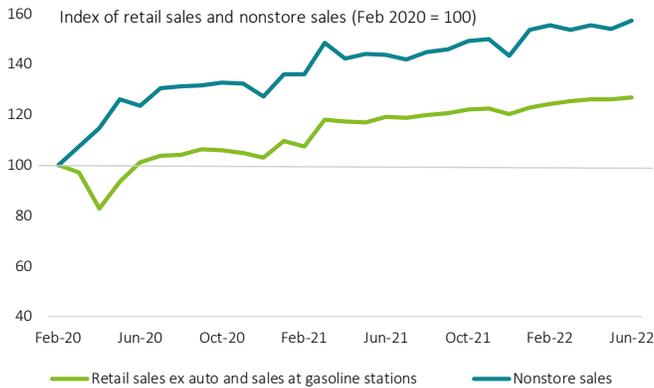


Figure 8. The personal savings rate fell to 5.1% in June, which is lower than even prepandemic levels



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

Figure 9. The cost of borrowing for consumers continues to remain high, with monetary tightening likely to weigh on demand

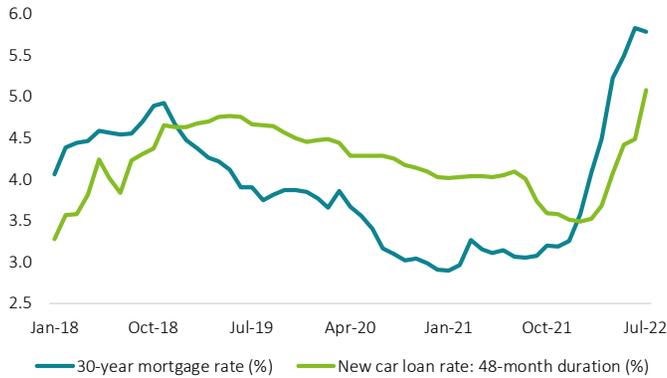
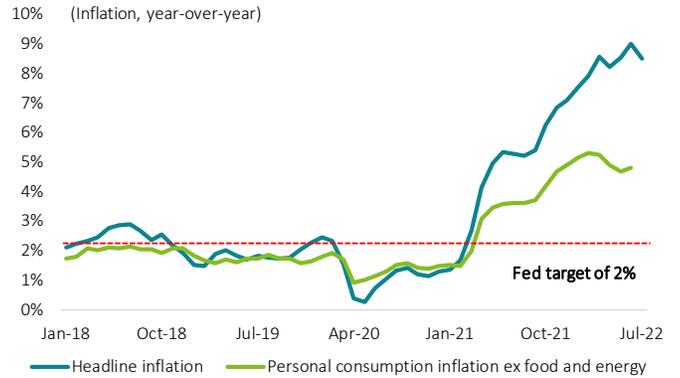


Figure 10. Inflation fell to 8.5% in July from 9.1% in June but remains high compared to the Fed’s target and prepandemic levels



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

For more on Deloitte’s State of the Consumer Tracker, see this [link](#).

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