



GLOBAL STATE OF THE CONSUMER TRACKER

Global Highlights: Wave 40 – February 23 – March 01, 2023

Top Takeaways

Global Wave 40

February 23 – March 1, 2023

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Economic confidence improves. But consumers lean towards saving over spending—potentially signaling lingering caution

Less anxiety about the direction of the economy

Global anxiety has remained subdued in recent months, primarily driven by decreasing anxiety around the economy's direction.

Saving over spending

Despite the uptick in economic confidence, spending intentions have not materially improved. Relative to September 2021, spending intentions remain significantly weaker in all but 3 of the 11 categories tracked—housing, transportation, and groceries (i.e., the essentials).

Savings intentions, however, have been increasing in recent months, signaling consumers are attempting to replenish their reserves.

Financial wellbeing in holding pattern

Comparable to six months ago, the percentage of consumers concerned about their level of savings (45%), delaying large purchases (45%), and feeling their personal financial situations worsened over the past year (41%) remains elevated.

Despite improved economic confidence, spending confidence may struggle to improve until sentiment around financial wellbeing strengthens.

Sentiment within sectors:

Travel & Hospitality: Leisure travel remains a bright spot. Booking intentions continue to show resilience, with most segments even (or stronger) year-on-year (see slide 17).

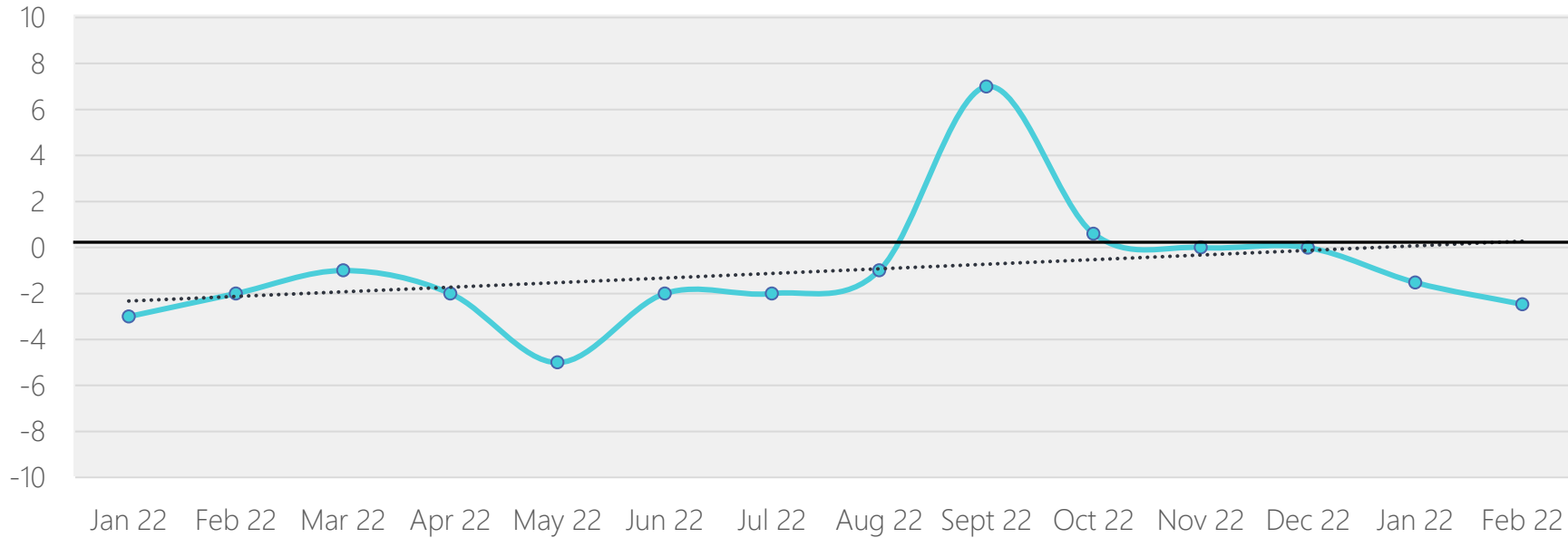
Retail & Consumer Products: Food frugality continues spiking in countries with hot food inflation such as the U.K. (see slide 15).

Automotive: Vehicle purchase intentions show slight improvement in recent months; however, the long-term trend line remains subdued and points to softening demand (see slide 22).

WHAT'S MAKING THE WORLD ANXIOUS?

NET ANXIETY

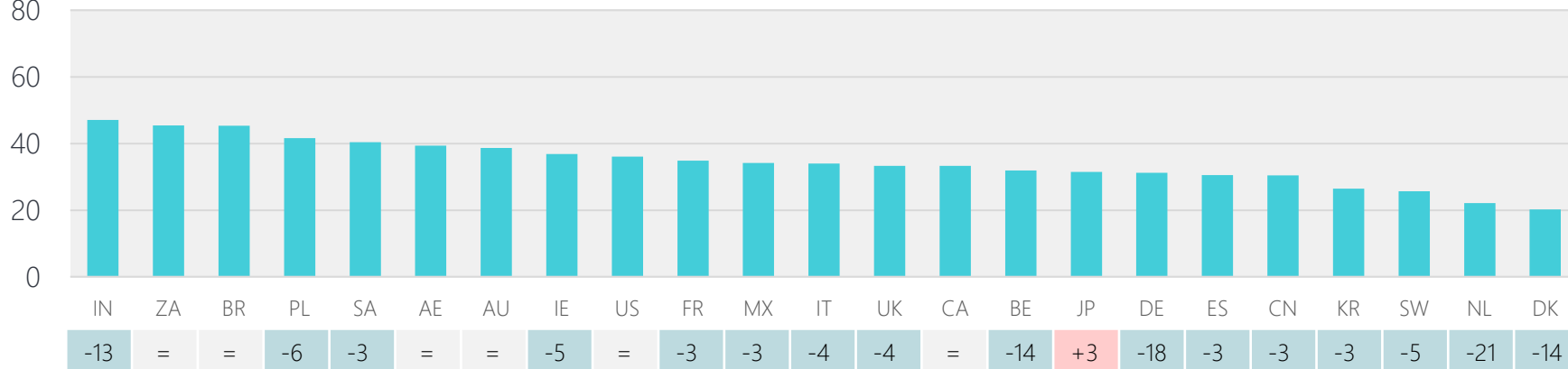
"I'm more anxious than I was last week"



Global anxiety remains subdued relative to September 2022 spike

Japan remains the only country moving in the opposite direction.

% feeling more anxious than last week (% Strongly Agree/Agree)



Vs. Sept. 2022

Methodology

5-point agreement scale



Agree Disagree

NET ANXIETY =
(% Agree) - (% Disagree)

ANXIETY DRIVERS

Have you felt worried about any of the following over the past week?



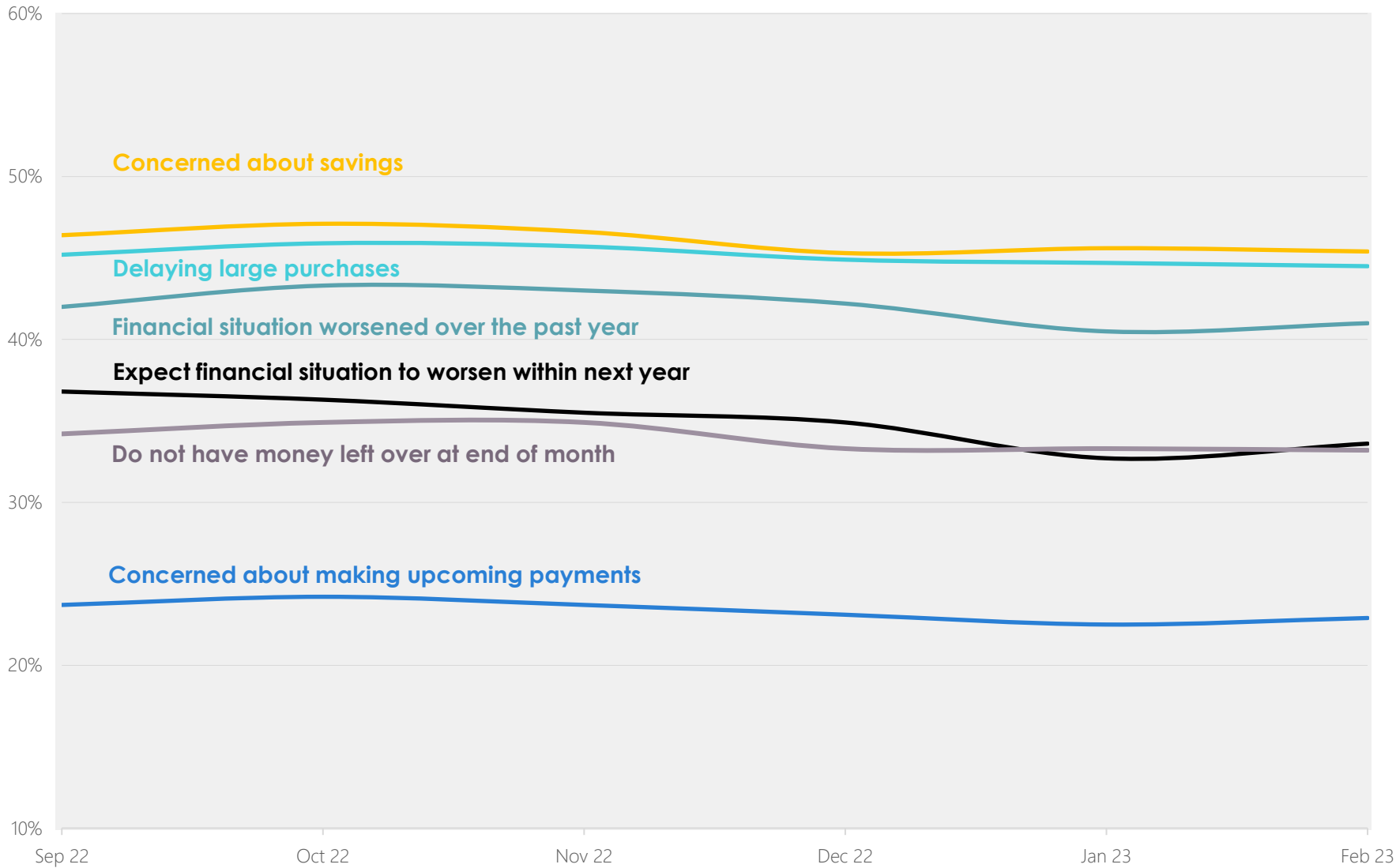
Improving sentiment around the direction of the economy and political uncertainty are likely contributing to easing anxiety

FINANCIAL WELLBEING



FINANCIAL WELLBEING

% of respondents



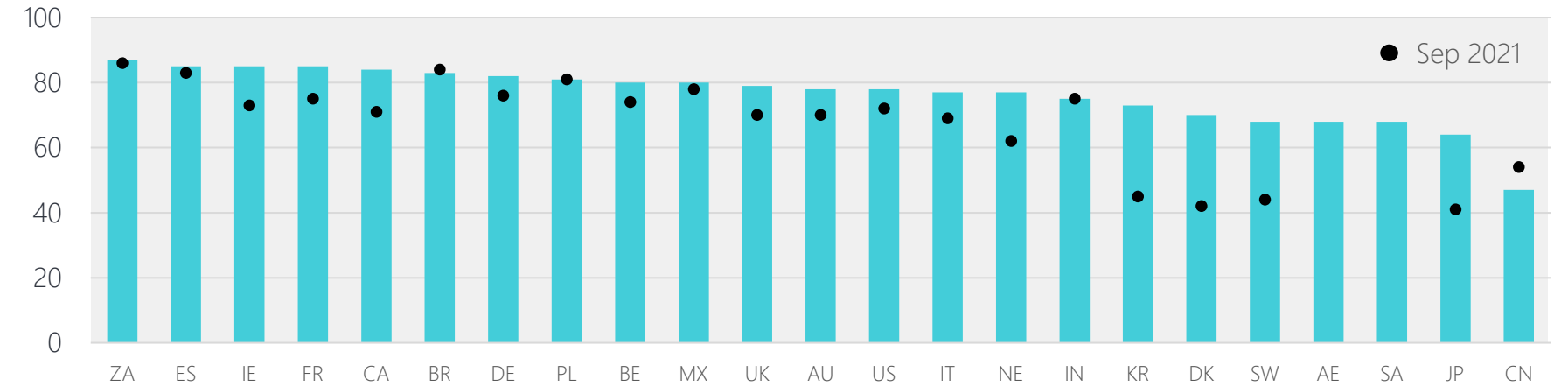
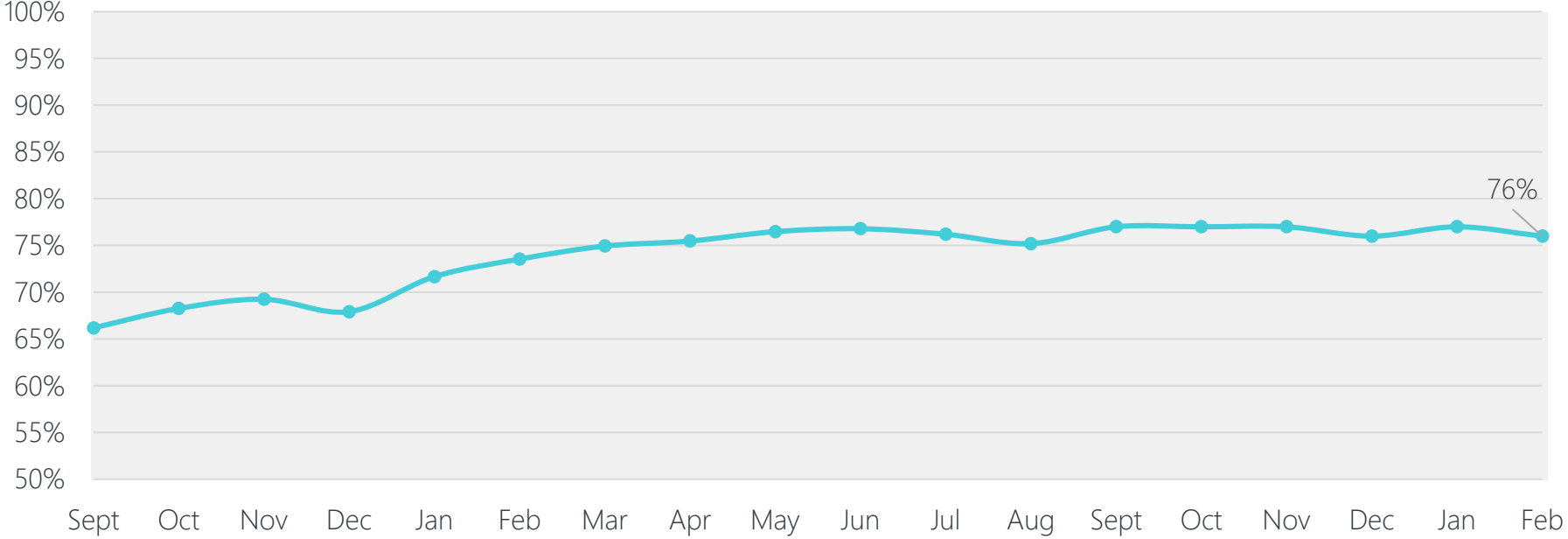
Globally, financial wellbeing has remained stable over the past 6 months

Improving economic confidence has likely contributed to a slight boost in consumers' optimism about their financial futures.

See Appendix for data by country

INFLATION CONCERN

% concerned about rising prices for everyday purchases

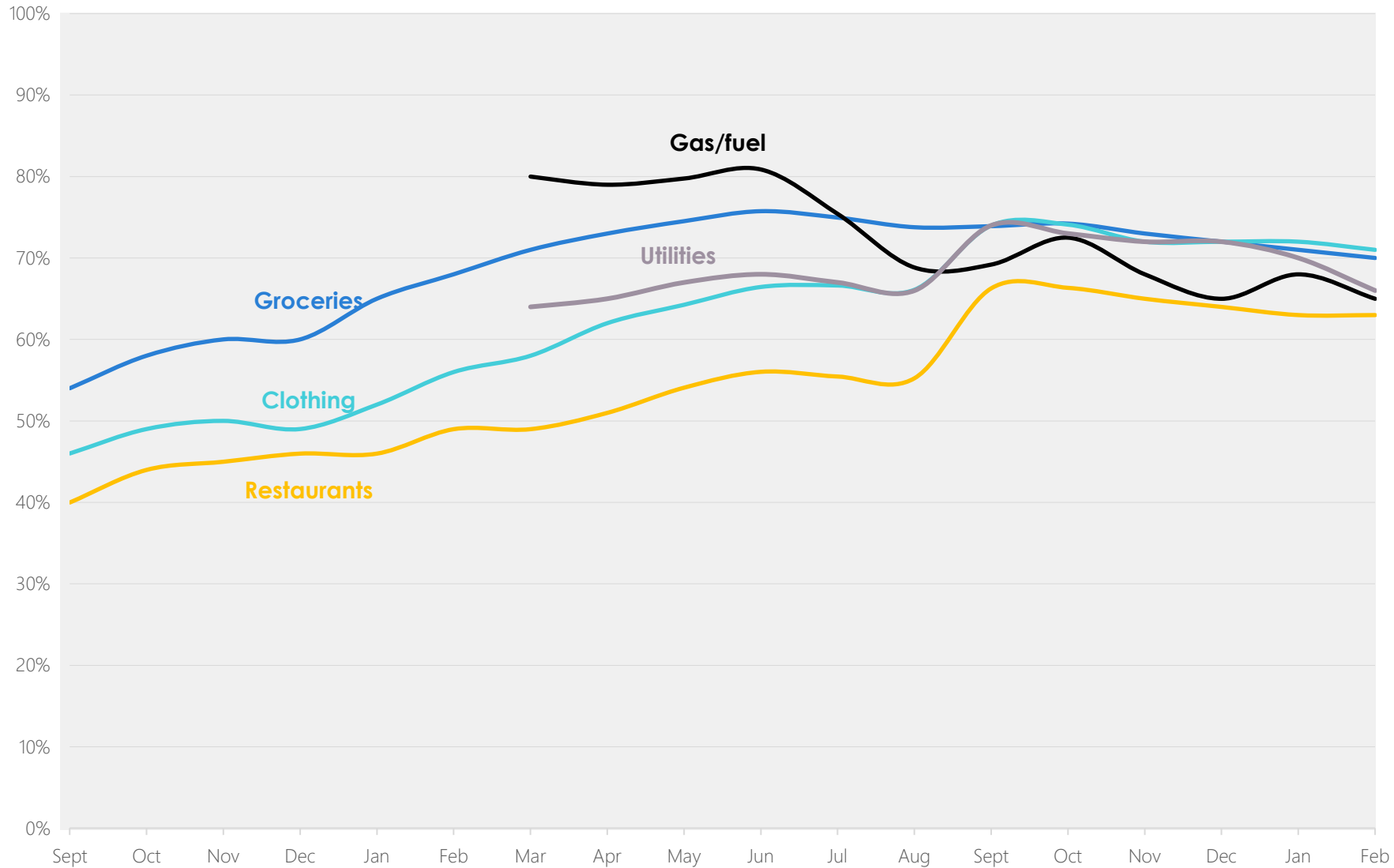


Inflation concerns yet to materially ease

The percent of respondents concerned about rising prices remains the same or higher in nearly all study countries compared to September 2021.

PRICE PERCEPTIONS

% that expect higher prices next month



Most respondents expect prices to continue rising across major categories

Coinciding with easing economic concern, expectations around gas prices do show some signs of waning.

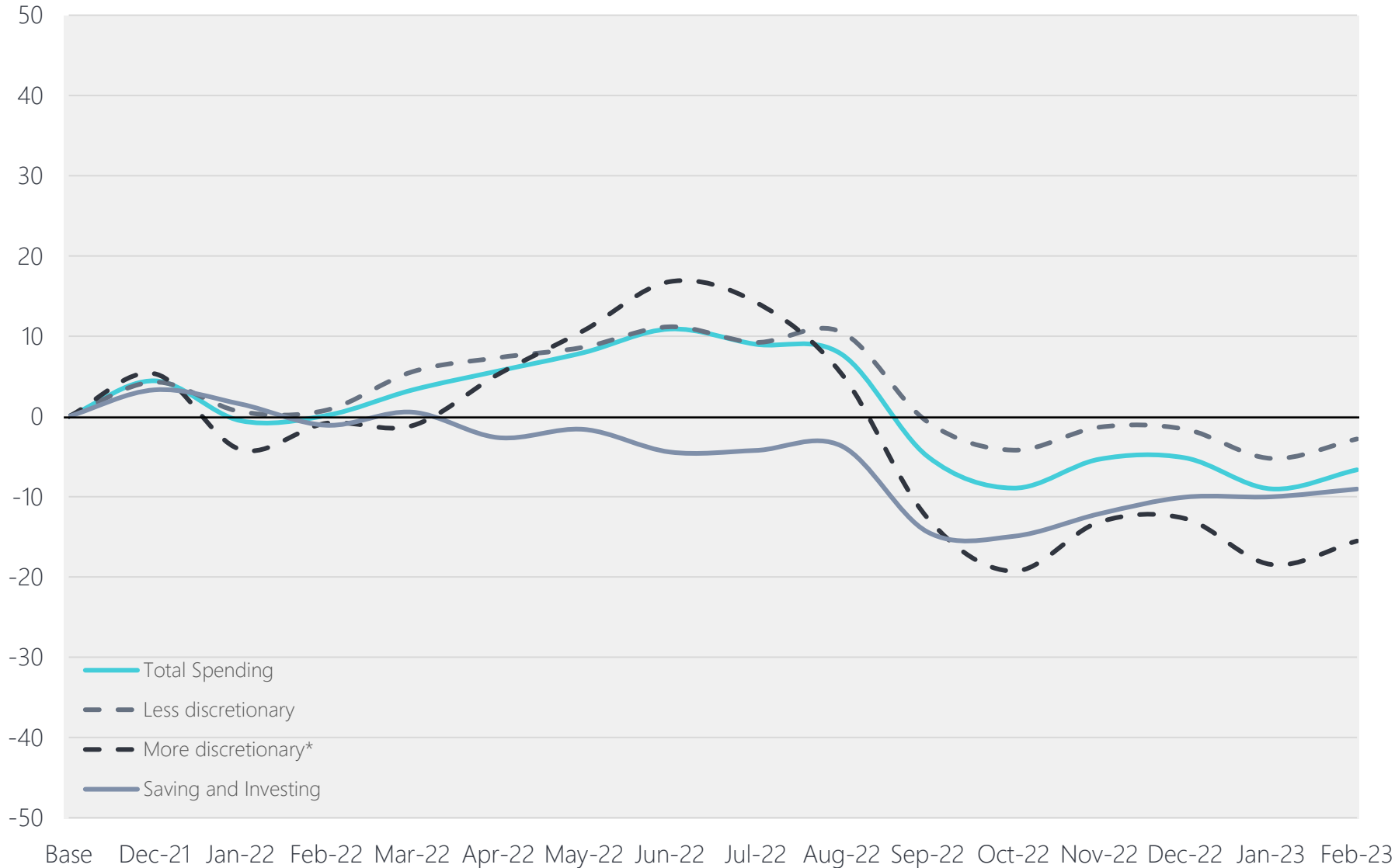
Methodology Note: From Sept. 21-Aug. 22, Respondents cited their perception of current prices compared to the prior month. Starting in Sept 22, respondents cited their expectations of prices in the upcoming month.

SPENDING INTENTIONS

An aerial, high-angle photograph of London, England, showing the River Thames winding through the city. The Tower Bridge is prominent in the lower center, spanning the river. The city's dense urban landscape, including numerous buildings and green spaces, is visible in the background and foreground. The image is overlaid with a semi-transparent dark grey filter.

SPENDING INTENTIONS

Estimated spending amount, next 4 weeks (% change)



Mirroring financial wellbeing, spending intentions continue holding steady

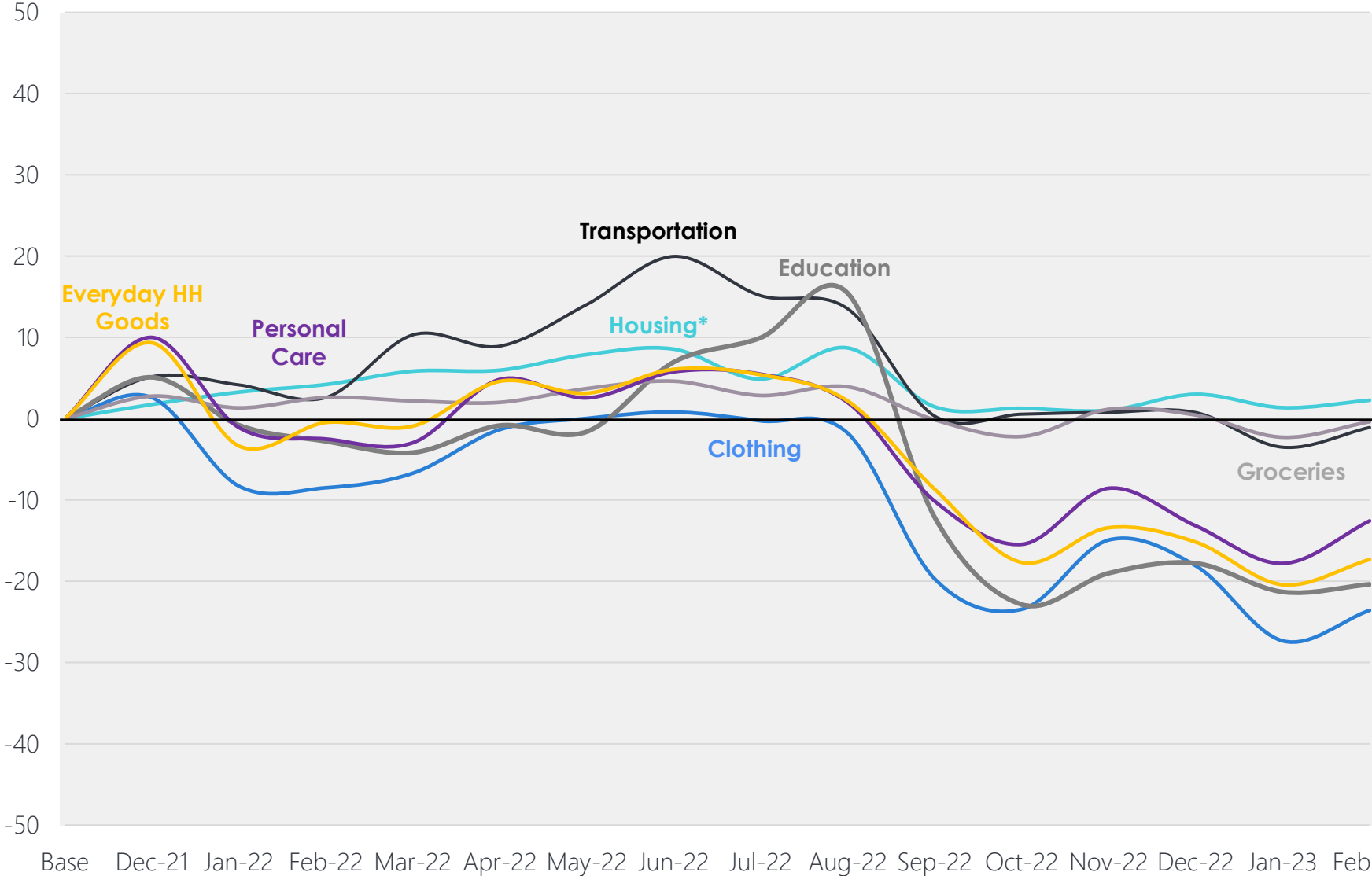
Savings intentions are on a slight uptrend since September 2022—suggesting more disposable income, but lingering uncertainty around spending it.

Methodology Note: Sept, Oct, and Nov 2021 values as a base (i.e., 0%). Subsequent months show % change from base.

Average of Sept/Oct/Nov '21

SPENDING INTENTIONS (LESS DISCRETIONARY CATEGORIES)

Estimated spending amount, next 4 weeks (% change)



Housing, groceries, and transportation are the only categories that remain even year on year

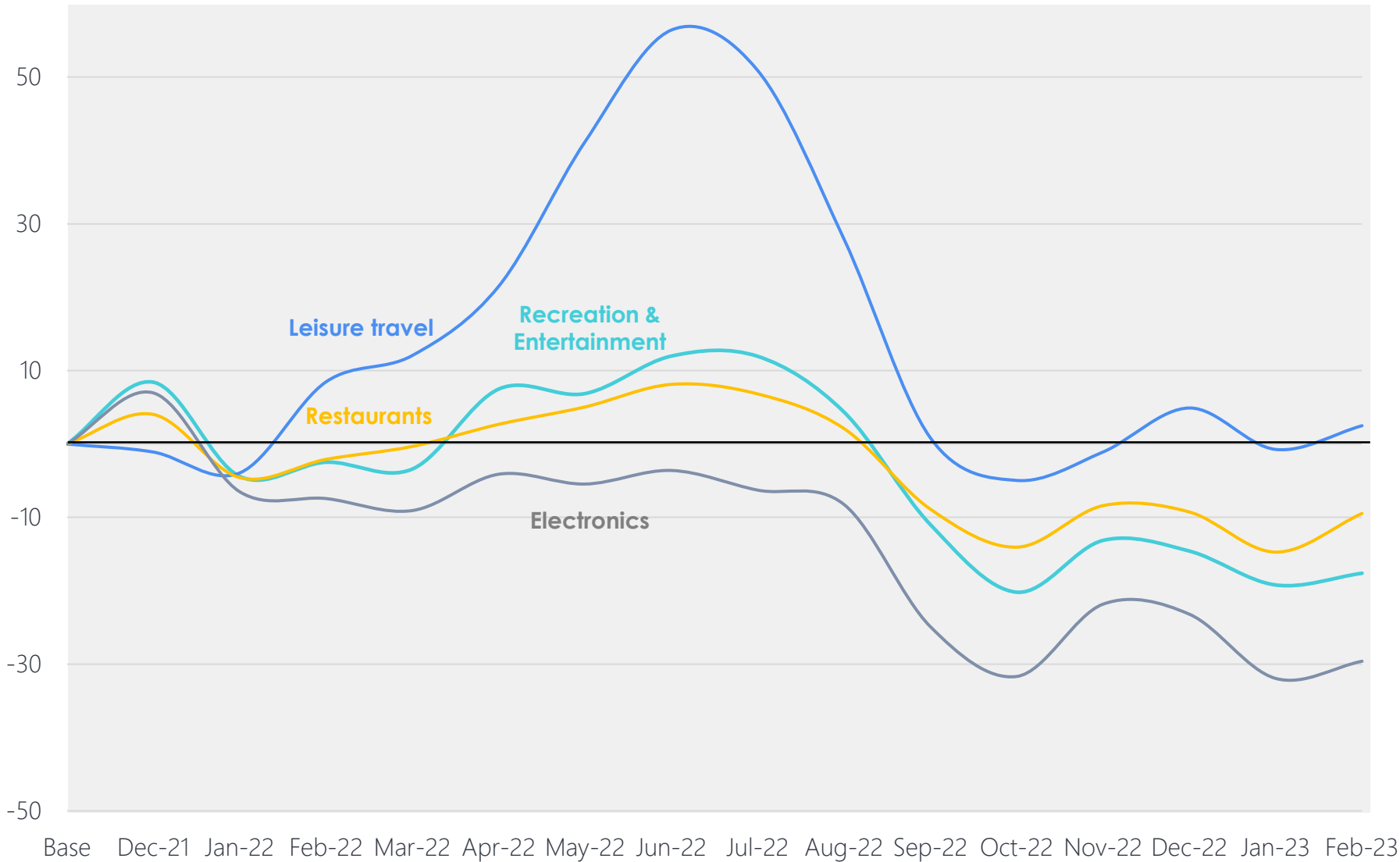
*Housing includes utilities, maintenance, and renovations

Methodology Note: Sept, Oct, and Nov 2021 values as a base (i.e., 0%). Subsequent months show % change from base.

Base Dec-21 Jan-22 Feb-22 Mar-22 Apr-22 May-22 Jun-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23
Average of Sept/Oct/Nov '21

SPENDING INTENTIONS (MORE DISCRETIONARY CATEGORIES)

Estimated spending amount, next 4 weeks (% change)



Discretionary spending intentions remain weak relative to 2021

Leisure travel, however, has shown a bit more resilience.

Methodology Note: Sept, Oct, and Nov 2021 values as a base (i.e., 0%). Subsequent months show % change from base.

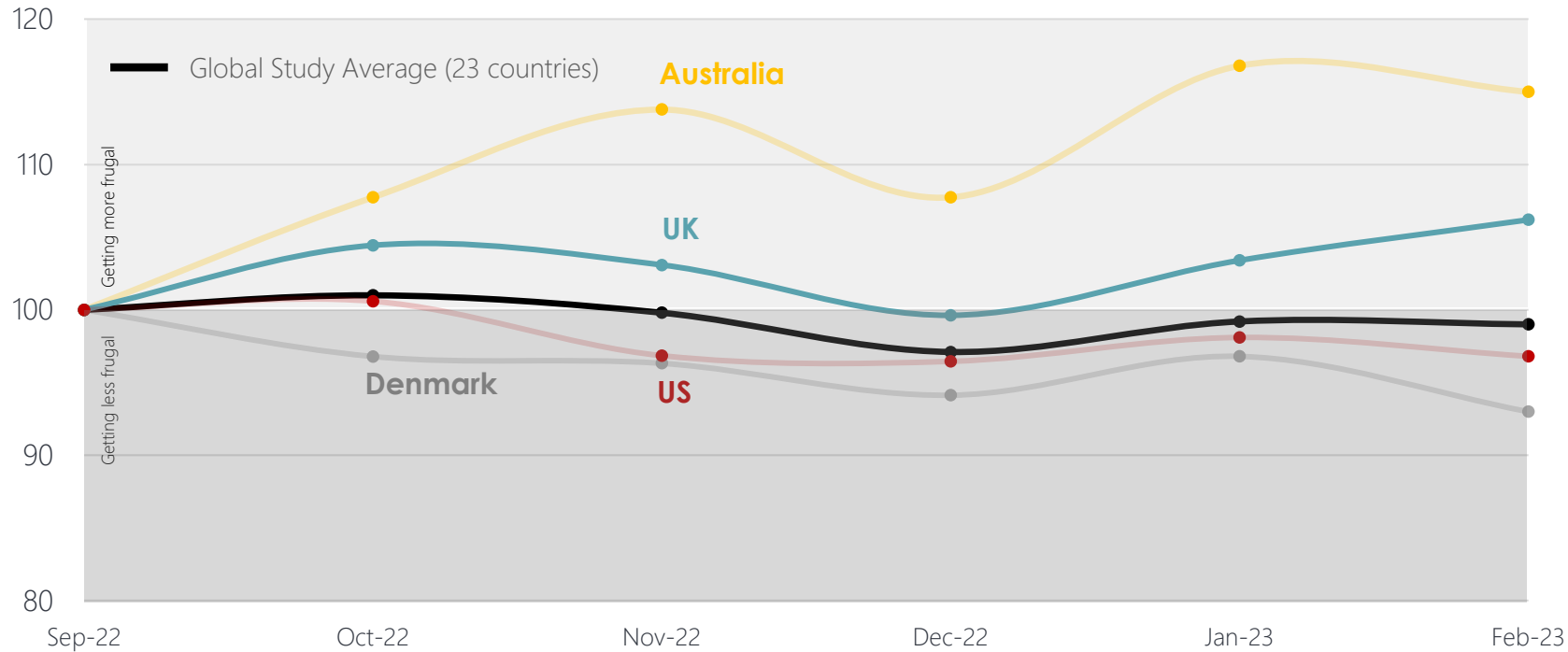
Average of Sept/Oct/Nov '21

RETAIL AND CONSUMER PRODUCTS



FOOD FRUGALITY INDEX

Food Frugality Index, relative change for each country from September 2022 (Base=100)



Global food frugality holding steady. Country level frugality differs.

Aside from an expected easing during the end-of-year holidays, food frugality shows few signs of significantly abating in most countries—including the US.

Other countries see frugality on the rise, for example, in the U.K. and Australia, where high and generally rising food inflation appears to be driving consumers to more frugality.

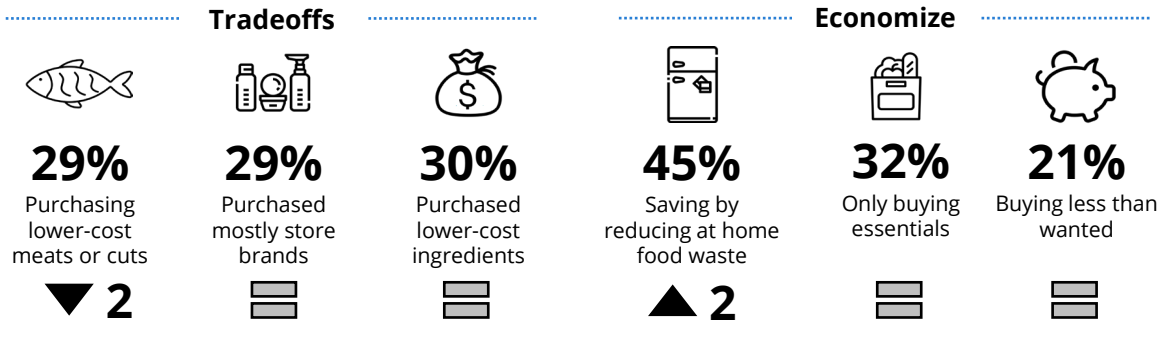
When the index started in September, consumers in Denmark were already quite frugal—having faced several prior months of high inflation. Though drifting slightly lower, Denmark still rates as one of the most frugal countries based on number of consumers making tradeoffs and economizing.

Everyone needs to eat, but food is becoming less affordable for some.

The Deloitte Food Frugality Index (FFI) is a monthly, proprietary measure of behaviors associated with financial stress at the grocery store—and how they may be shaping the way consumers shop for food.

Underlying Food Frugality Index Behaviors

Vs. Prior Month



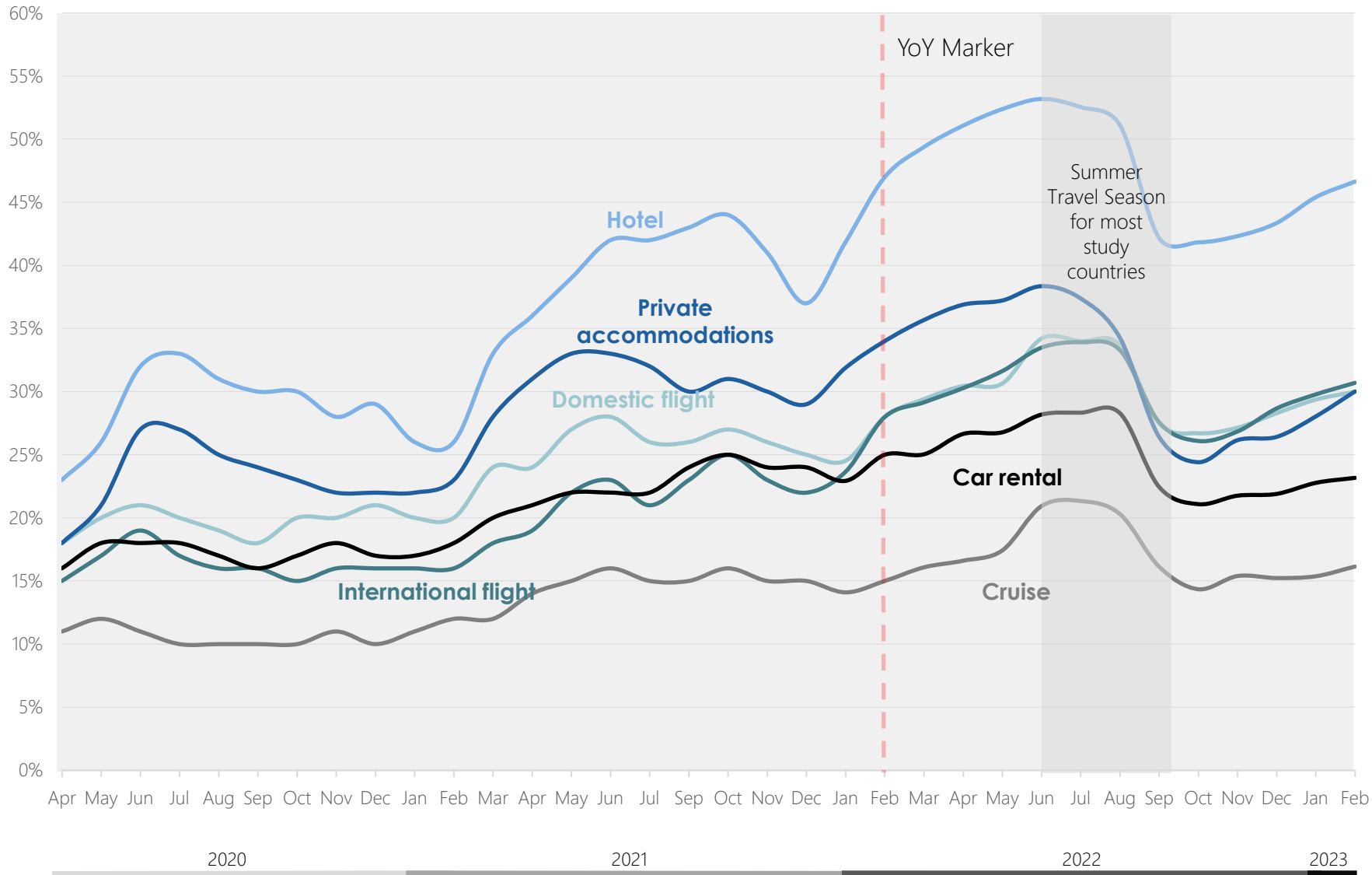
Methodology: The Deloitte Food Frugality Index measures longitudinal change in the percent of respondents engaging in the six cost-saving grocery behaviors featured on Slide 16.

TRAVEL & HOSPITALITY

An aerial, high-angle photograph of Paris, France, centered on the Eiffel Tower. The tower stands prominently in the middle ground, surrounded by a dense urban landscape of buildings and streets. In the background, the modern skyscrapers of the La Défense district are visible against a hazy, overcast sky. The entire image is rendered in a dark, monochromatic grey scale.

LEISURE TRAVEL INTENTIONS

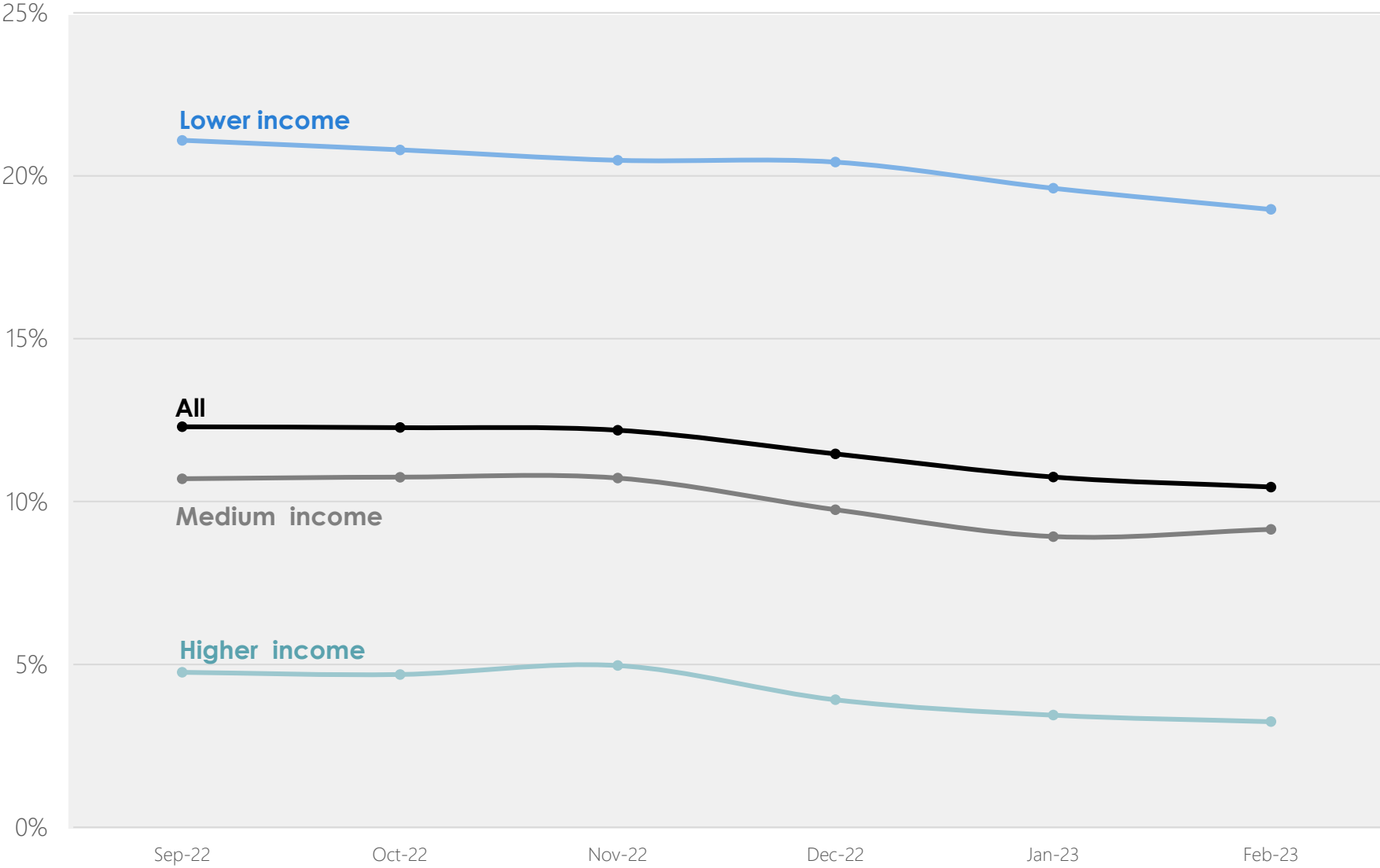
% that plan to book within the next 3 months



Leisure travel booking intentions continue to show resilience, with most segments even (or stronger) year-on-year

LEISURE TRAVEL AFFORDABILITY

% of respondents not planning to leisure travel due to affordability



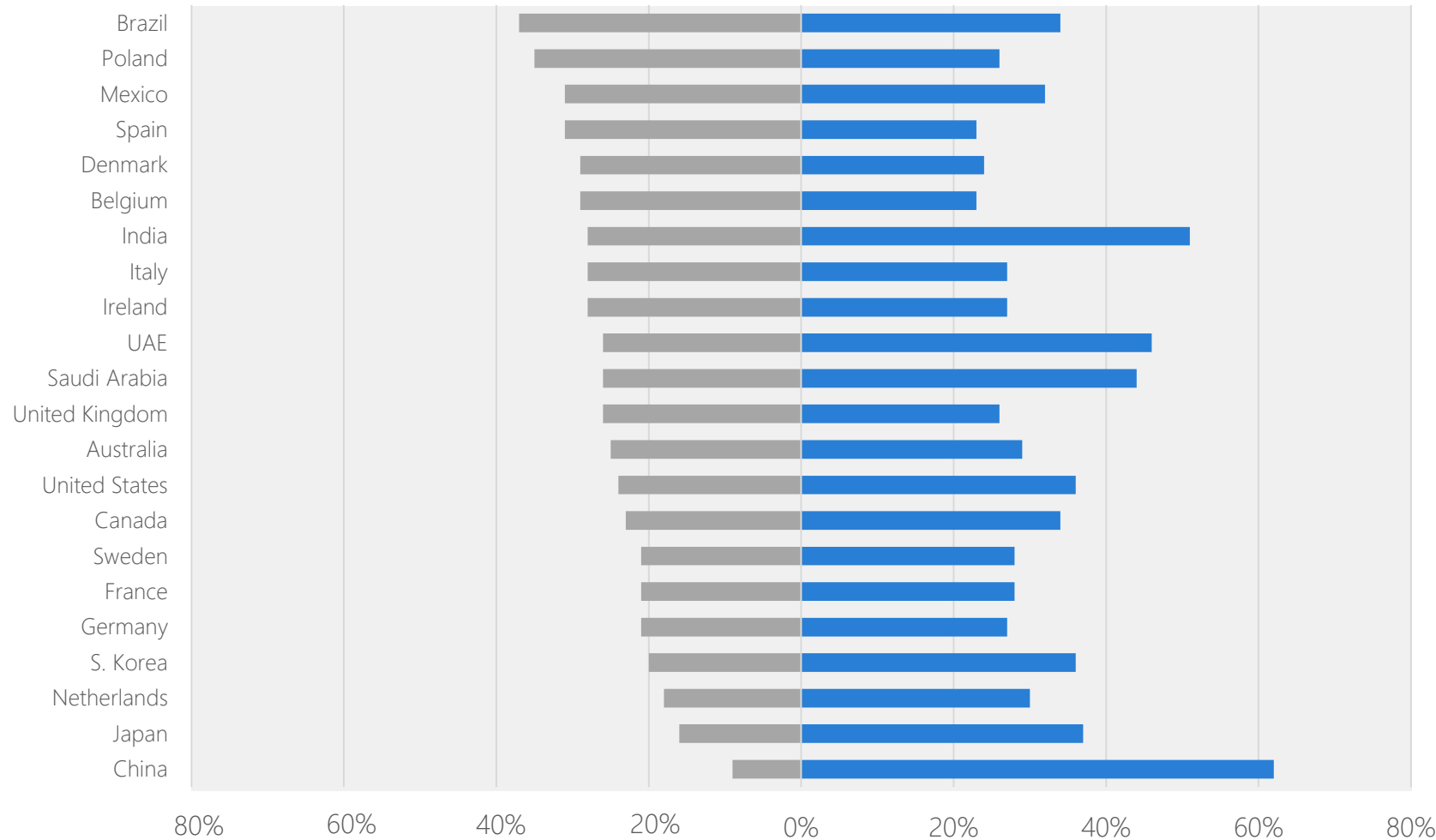
Roughly 1 in 10 are not planning to travel due to affordability

TRAVEL SPENDING SENTIMENT

Among survey respondents likely to travel for leisure within the next 3 months

Which statement best describes how you are thinking about your next leisure trip?

- Spend more to treat myself to an upgraded travel experience
- Sacrifice some of my travel preferences to save as much money as possible



Despite some resilience around travel booking intentions, many are looking to sacrifice some travel preferences to make trips happen

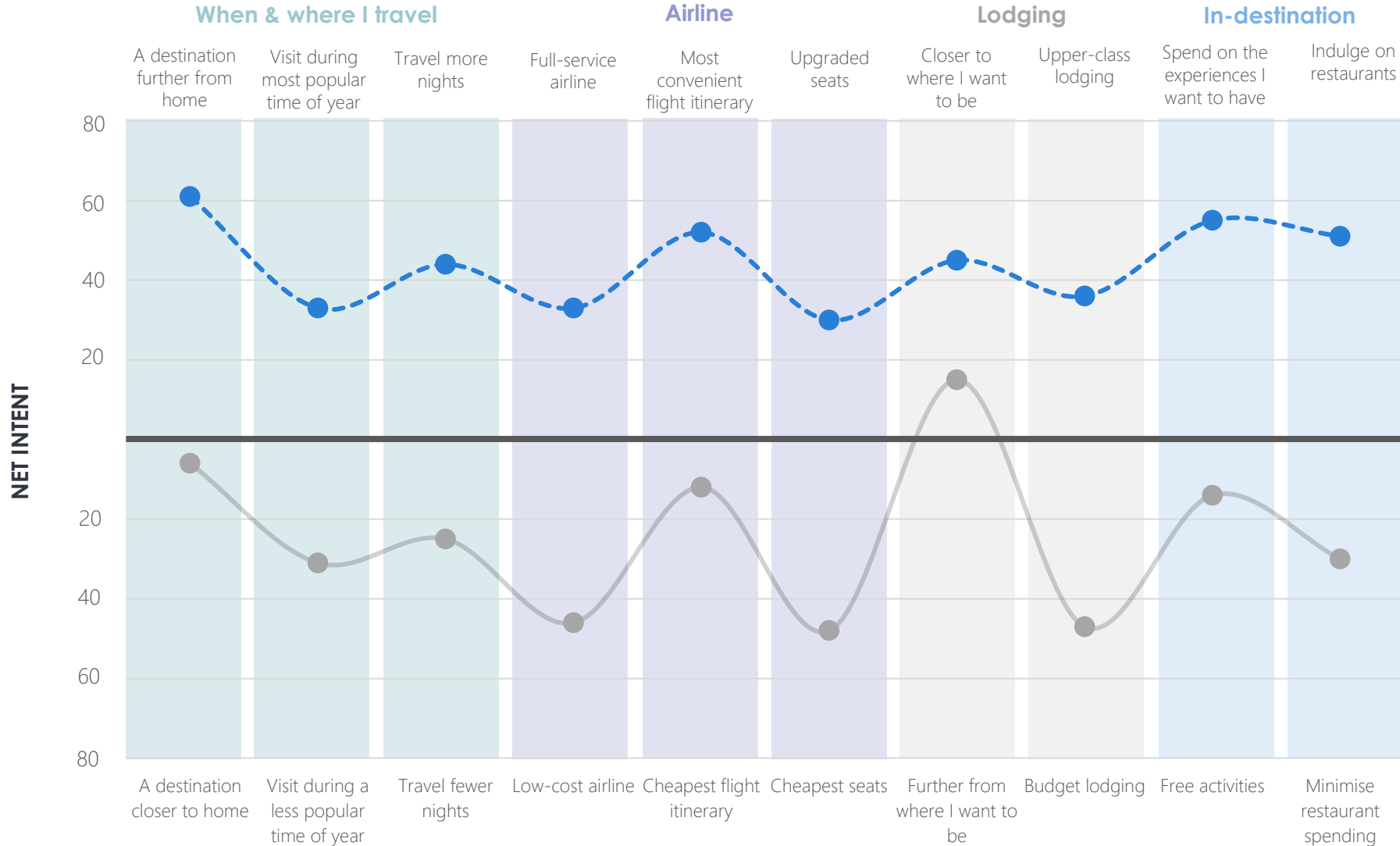
The balance between travel 'savers' and 'spenders' varies significantly across countries.

TRAVEL PLANNING (NET INTENT)

Among US survey respondents likely to travel for leisure within the next 3 months

Which statement best describes how you are thinking about different aspects of your next trip?

- US consumers willing to spend more for an upgraded travel experience
- US consumers looking to make sacrifices and save



When thinking about their next trip, travel 'savers' are likely to look toward hotel class and airfare class decisions, rather than when, where, and how long they travel, and the experiences they have in destination.

Methodology

Paired, opposing statements (6-point scale)

Example:



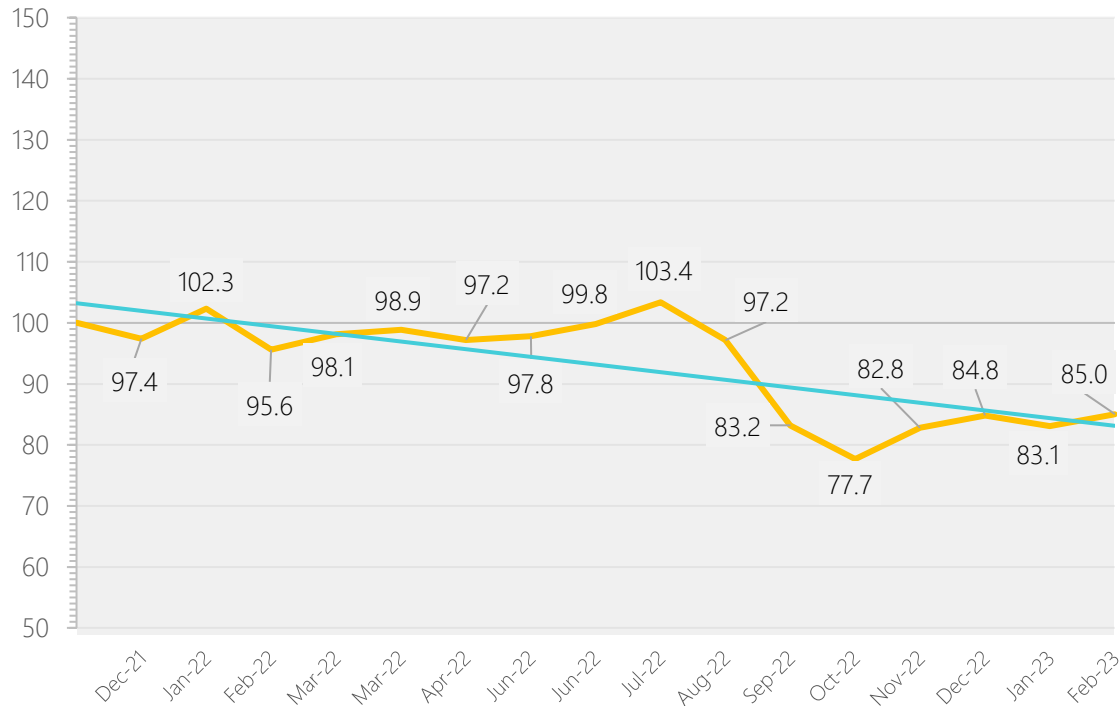
$$\text{NET INTENT} = (\% \text{ Full-service airline}) - (\% \text{ Low-cost airline})$$

Automotive



DELOITTE VEHICLE PURCHASE INTENT (VPI) INDEX

(October, 2021 = 100)



The Deloitte Vehicle Purchase Intent (VPI) Index is a monthly proprietary measure of forward vehicle demand intent calculated based on the percentage of consumers that indicate they are planning to acquire a vehicle in the next six months.

Vehicle purchase intentions show a slight improvement in recent months; however, the long-term trend line remains subdued and points to softening demand

Key factors influencing VPI trending

Positive	Negative
<ul style="list-style-type: none"> Some pent-up demand created by prolonged inventory shortages 	<ul style="list-style-type: none"> Lingering effects of chip shortage limiting vehicle supply
<ul style="list-style-type: none"> Increasing consumer interest in new wave of EVs sparked by elevated fossil fuel prices 	<ul style="list-style-type: none"> Increasing transaction prices contributing to inflation, sparking interest rate hikes (exacerbating affordability concerns)
<ul style="list-style-type: none"> Continued weakness in public/shared mobility usage 	<ul style="list-style-type: none"> Consumer concern focused on financial capacity and growing risk of demand destruction
<ul style="list-style-type: none"> Longer finance terms keeping monthly payments in check 	<ul style="list-style-type: none"> Geopolitical instability, trade tensions & global supply chain disruptions affecting input costs
<ul style="list-style-type: none"> Aging vehicle fleet requiring renewal 	

Top five drivers of forward vehicle purchase intent (% of respondents)

New vehicles on the market have features I want now	24%
Current vehicle is not worth the cost to maintain it	17%
I am just ready to drive something different	17%
My driving needs have changed	13%
I want a more fuel-efficient vehicle	9%



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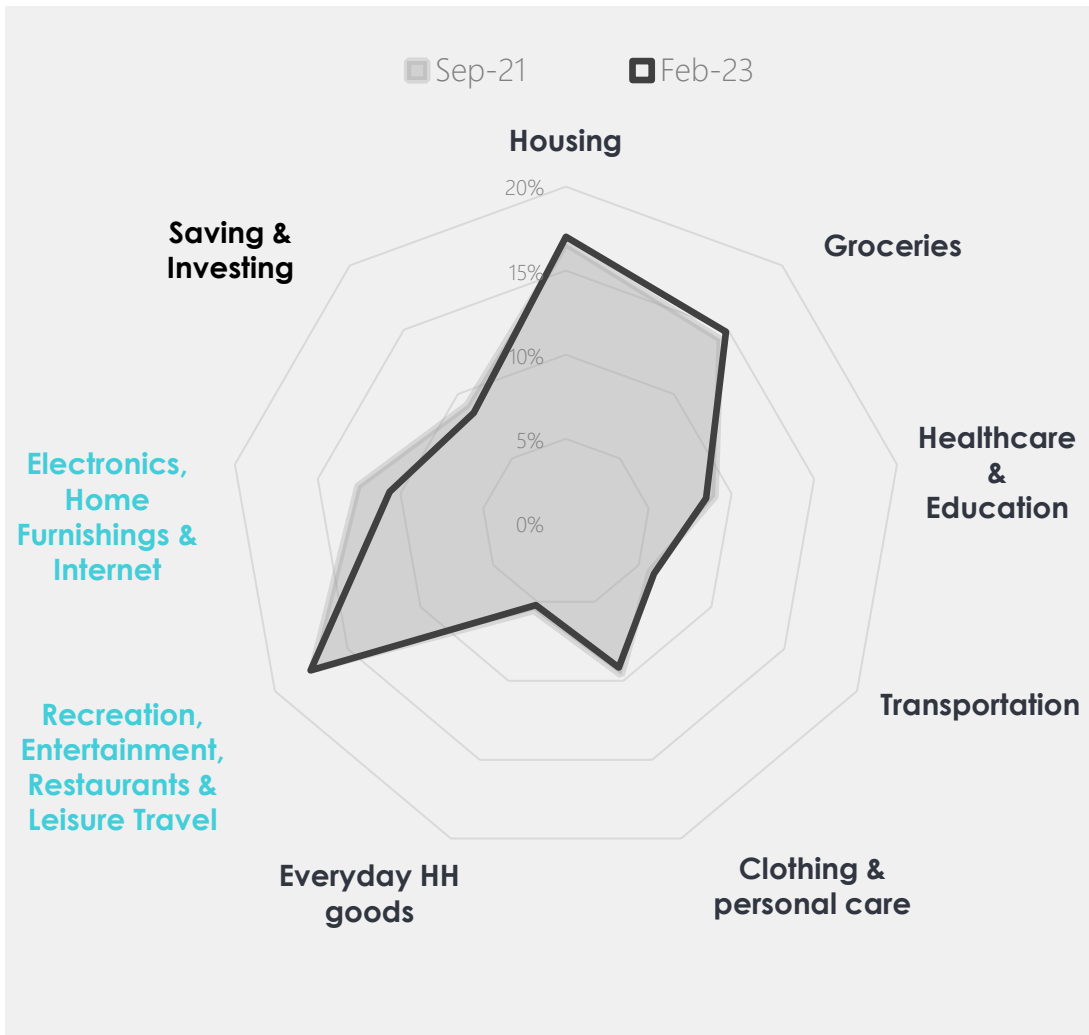
Deloitte Consumer Industry Center



Appendix

SHARE OF WALLET

Spending intentions, next 4 weeks



Note: Childcare added Wave 29, March 2022. Saving/Investing excluded from more discretionary spending in all longitudinal analysis.

Less discretionary

	Vs. prior wave	vs Sept 2021
Housing	=	=
Groceries	=	1
Transportation	=	=
Health care	=	=
Clothing	=	=
HH goods	=	=
Personal care	=	=
Childcare*	=	=
Education	=	=
Internet & Data	=	=

More discretionary

	Vs. prior wave	vs Sept 2021
Rec/Entertainment	=	=
Leisure travel	=	=
Restaurants	=	=
Electronics	=	-1
Home Furnishing	=	-1
Saving/Investing*	=	-1

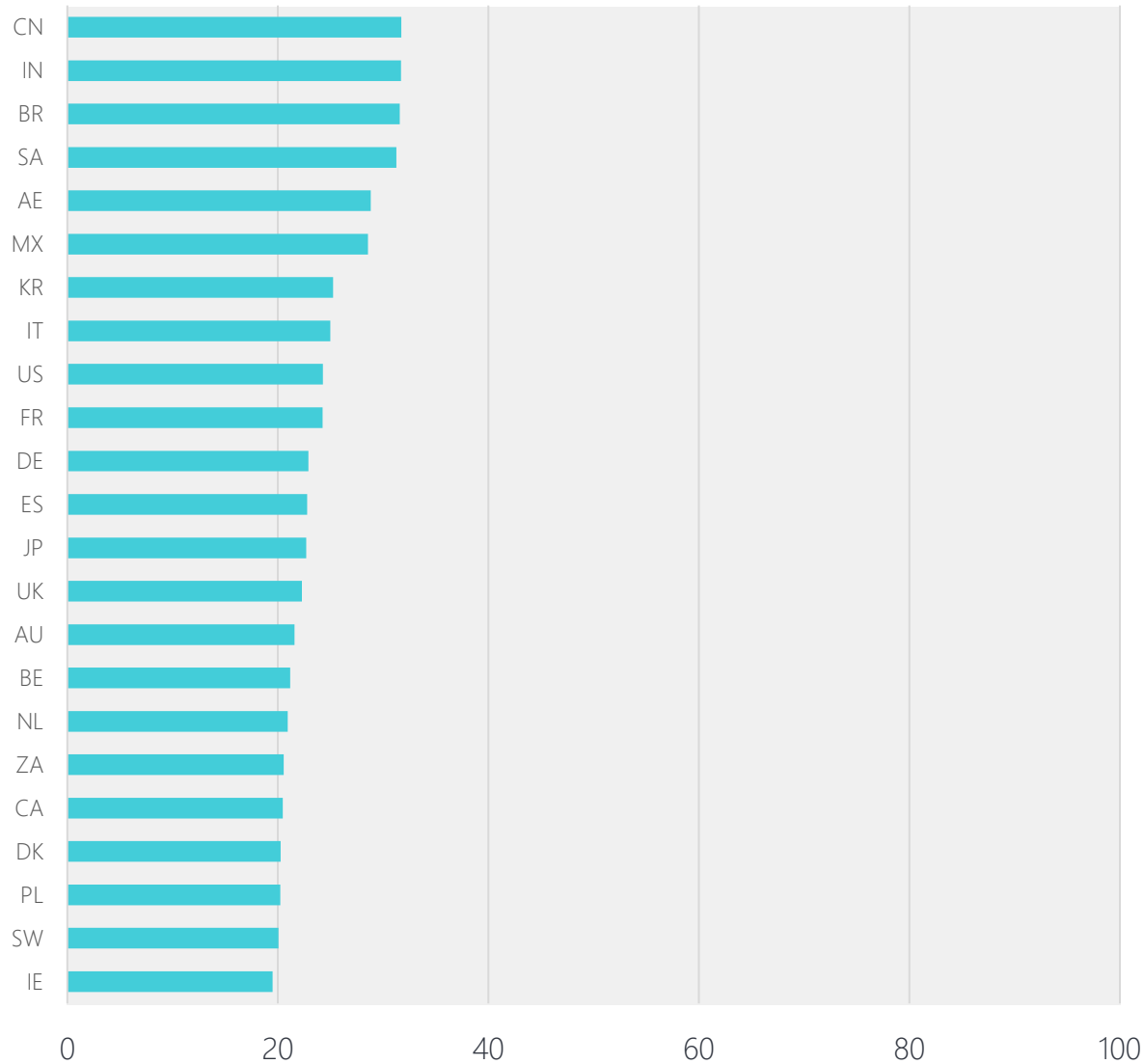
*Saving/Investing excluded from more discretionary spending in all longitudinal analysis.

Spending intentions as a share of wallet have generally remained steady over the past year

At the global level, there's been a clear pullback across more discretionary categories over the past year.

MORE DISCRETIONARY SHARE OF WALLET

Spending intentions, next 4 weeks



	Vs. prior wave	vs Sept 2021
CN	1	-1
IN	=	-2
BR	1	-1
SA	-1	
AE	=	
MX	-1	-3
KR	=	1
IT	=	-4
US	=	-5
FR	-1	-2
DE	1	-4
ES	-1	-3
JP	1	1
UK	=	-4
AU	2	-5
BE	1	-3
NL	-1	-1
ZA	-1	-2
CA	=	-1
DK	=	-3
PL	2	-2
SW	1	-3
IE	=	-2

Share of wallet trends vary significantly at the country level.

Ten of 23 study countries show meaningful drops in more discretionary share of wallet (3 points or greater) compared to last year.

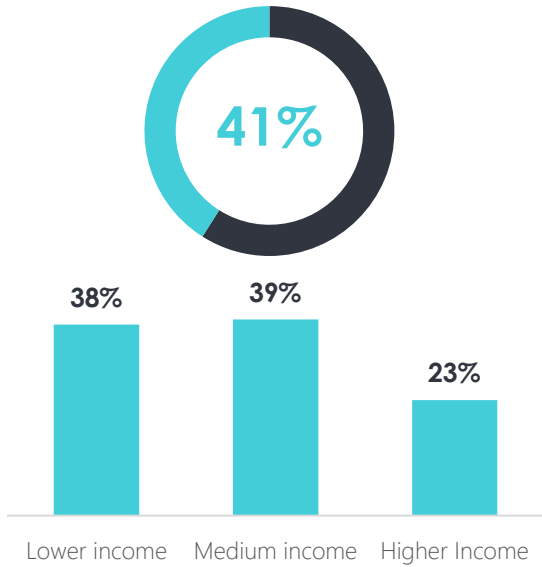
Drops in more discretionary share of wallet have been the sharpest in Australia, UK, and Germany.

Methodology Note: Savings/Investing not included in more discretionary share of wallet.

Note: UAE and Saudi Arabia countries are added from wave 32 (June 01) survey

FINANCIAL WELL-BEING

Feel their financial situation worsened over the past year



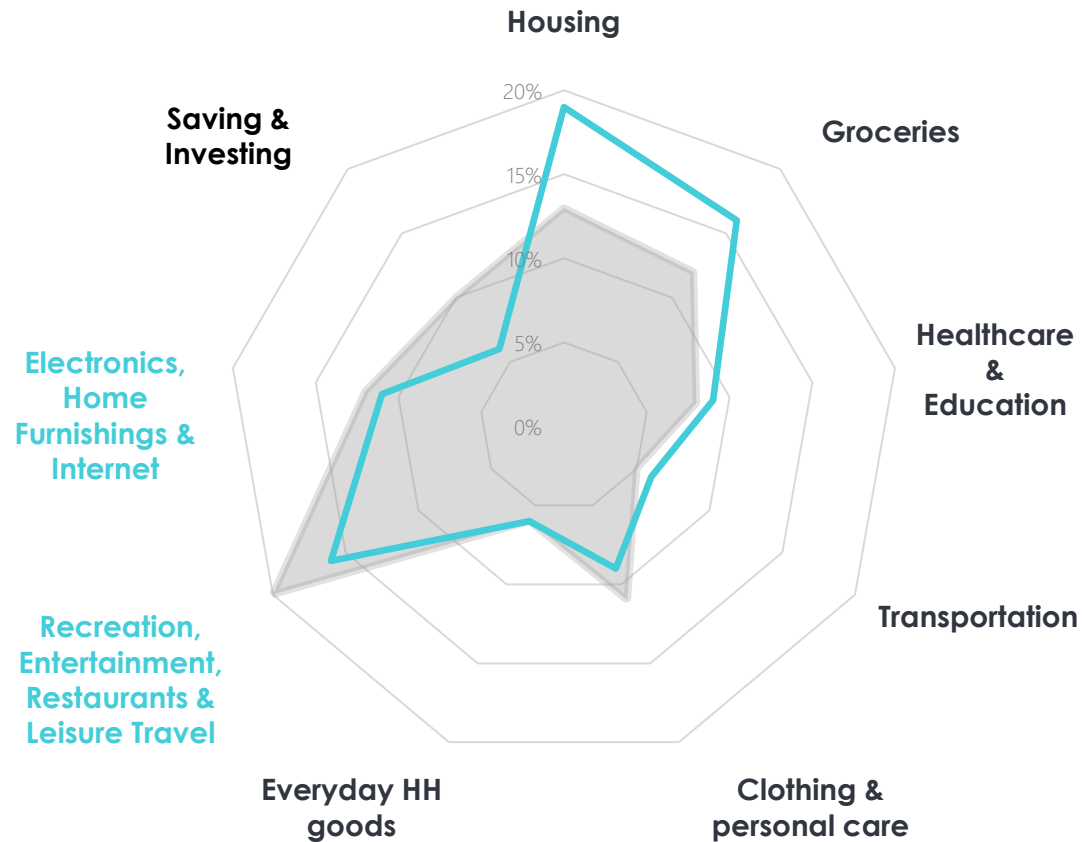
Those who feel their financial situation worsened are...

- 3.0X** more concerned about level of savings (69% vs. 23%)*
- 2.8X** more likely to delay large purchases (71% vs. 25%)*
- 1.3X** more concerned about upcoming payments (22% vs. 29%)*

SHARE OF WALLET

Spending intentions, next 4 weeks

- Financial situation same/better
- Financial situation worsened



Four in ten surveyed feel their financial situation worsened over the past year

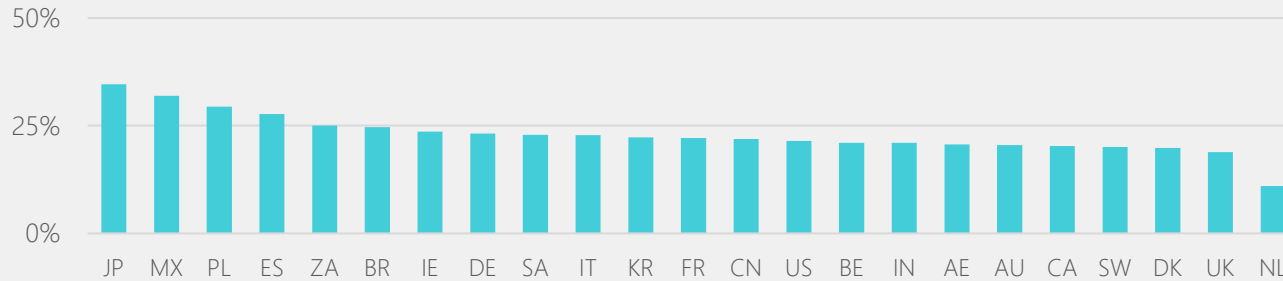
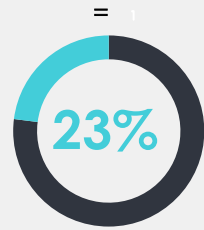
This sentiment is prevalent across income groups and connected to significant shifts in spending intentions.

GLOBAL FINANCIAL WELL-BEING METRICS

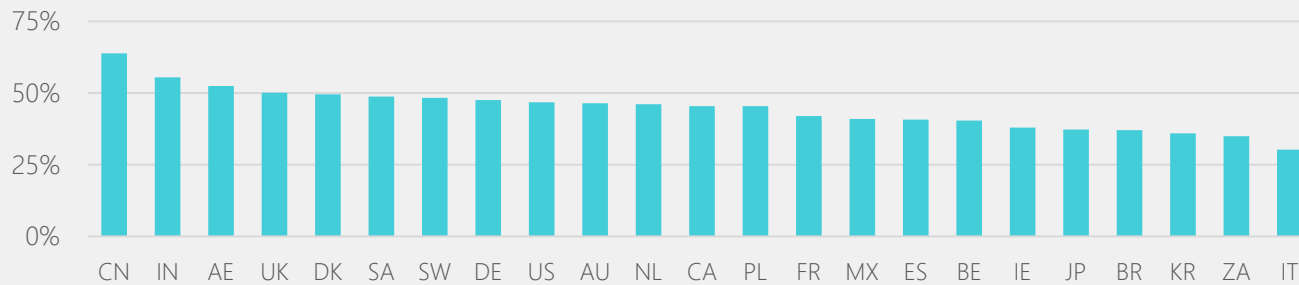
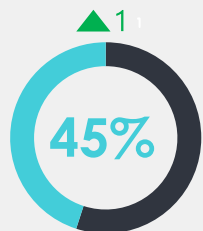
% of respondents

▼▲ Vs. Prior Wave

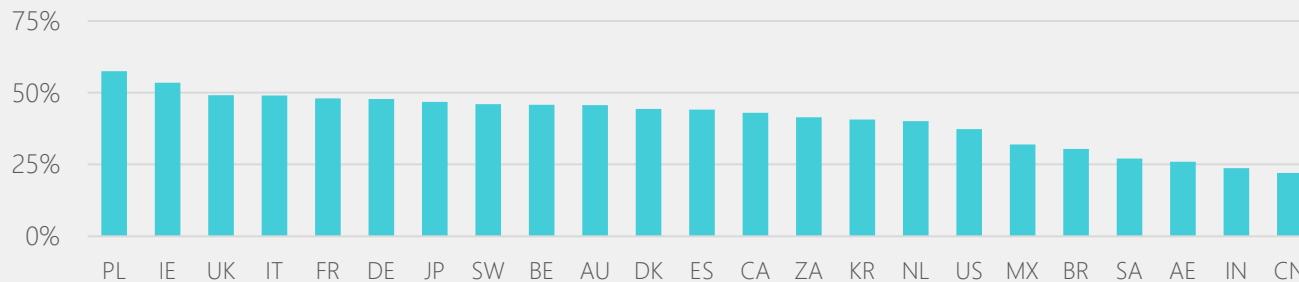
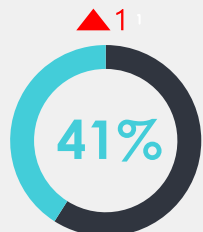
Concerned about making upcoming payments



Have money left over at end of month



Financial situation worsened over the past year



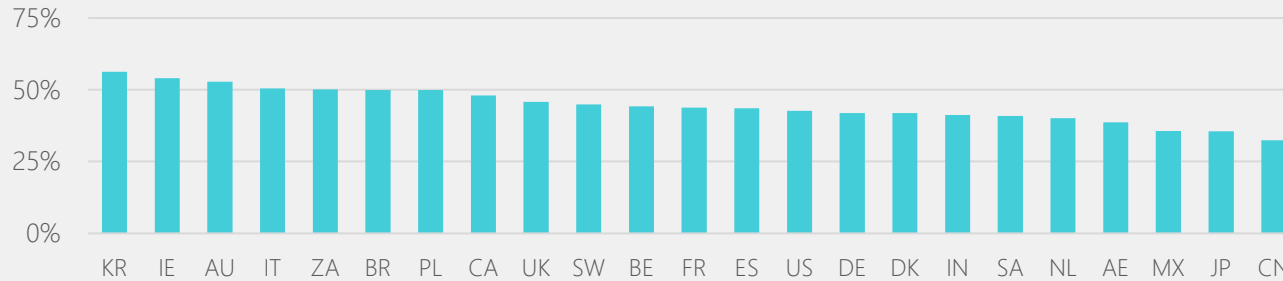
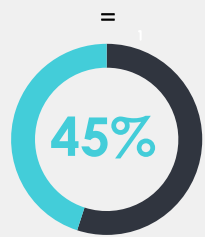
PRESENT, SECURITY	FUTURE, SECURITY
PRESENT, FREEDOM OF CHOICE	FUTURE, FREEDOM OF CHOICE

GLOBAL FINANCIAL WELL-BEING METRICS

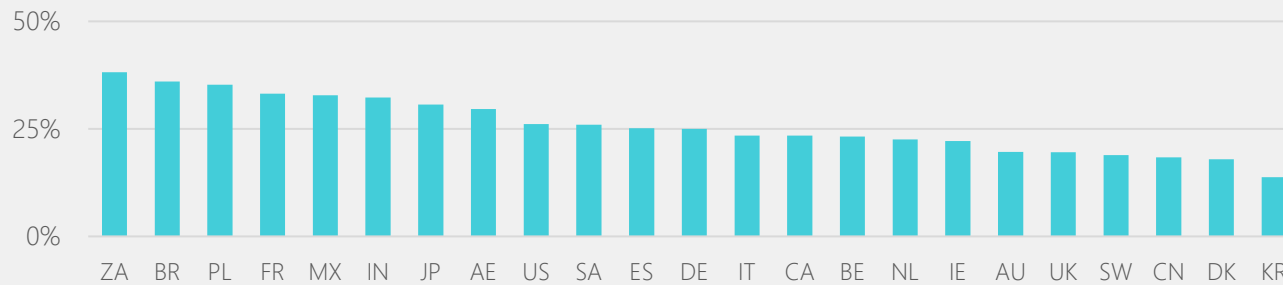
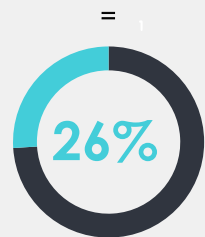
% of respondents

▼▲ Vs. Prior Wave

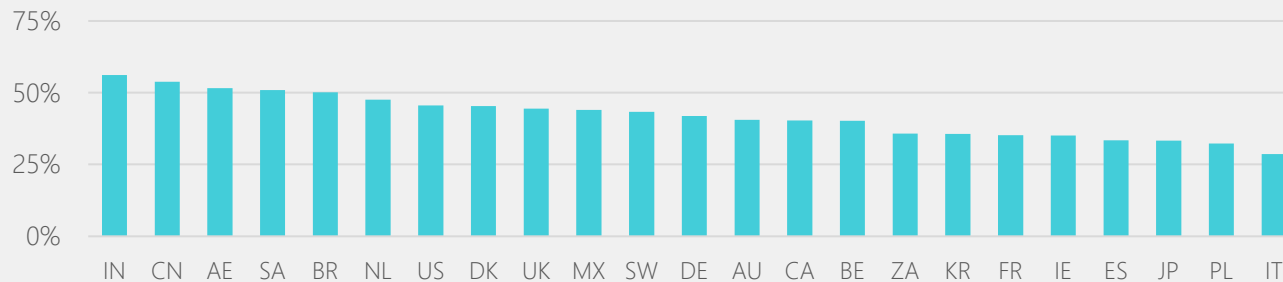
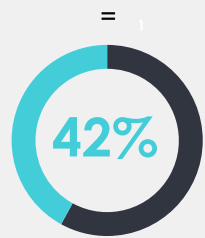
Delaying large purchases



Concerned about credit card debt



Can afford to spend on things that bring me joy



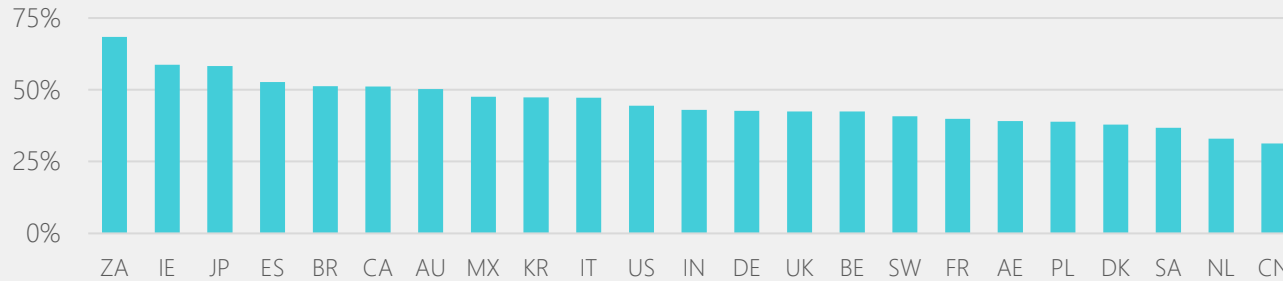
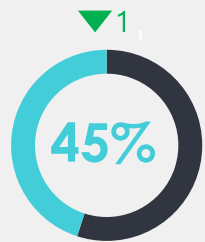
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GLOBAL FINANCIAL WELL-BEING METRICS

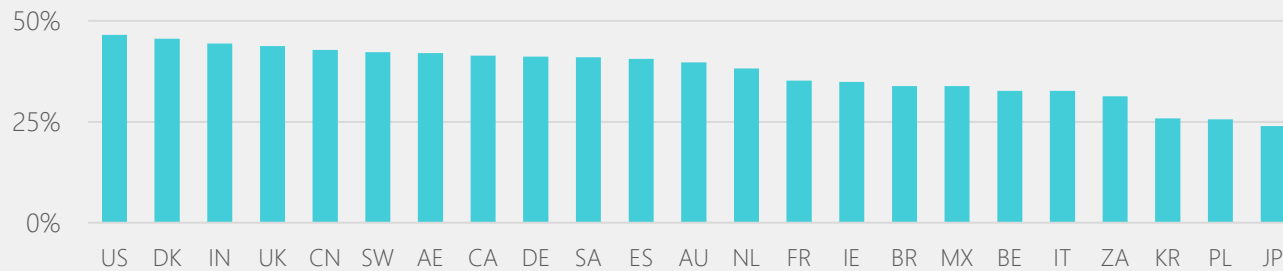
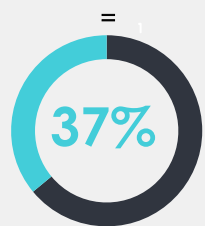
% of respondents

▼▲ Vs. Prior Wave

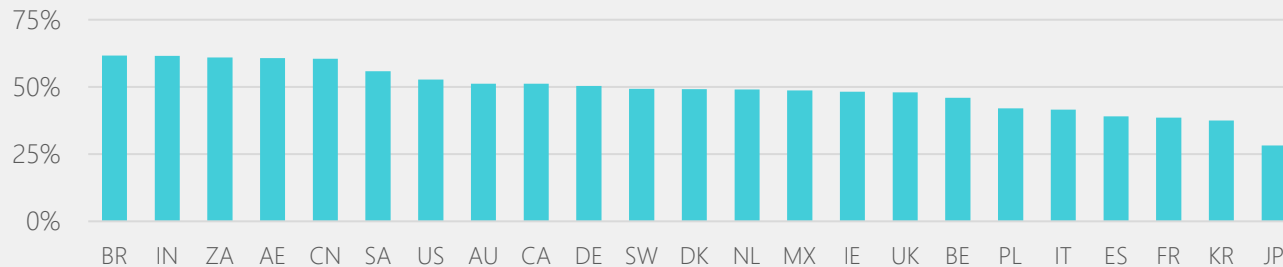
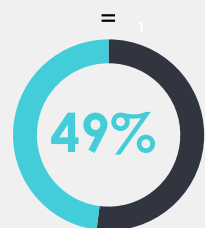
Concerned about level of savings



Able to pay a large, unexpected expense



Expect income to be same or higher in 1 year



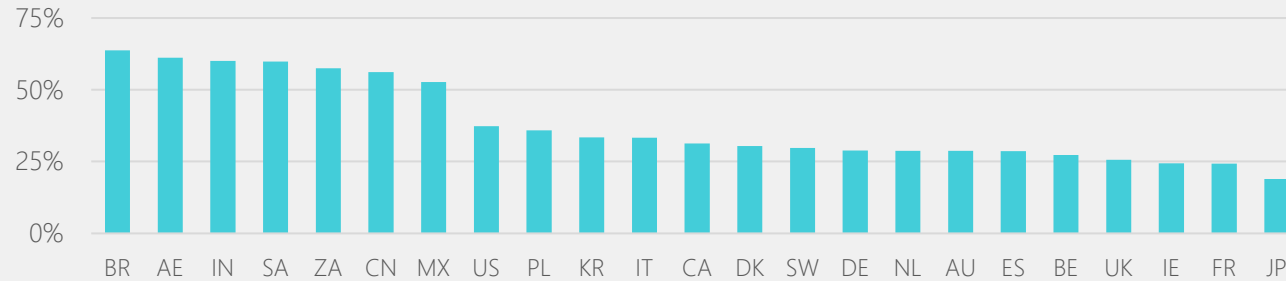
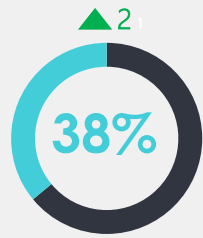
PRESENT, SECURITY	FUTURE, SECURITY
PRESENT, FREEDOM OF CHOICE	FUTURE, FREEDOM OF CHOICE

GLOBAL FINANCIAL WELL-BEING METRICS

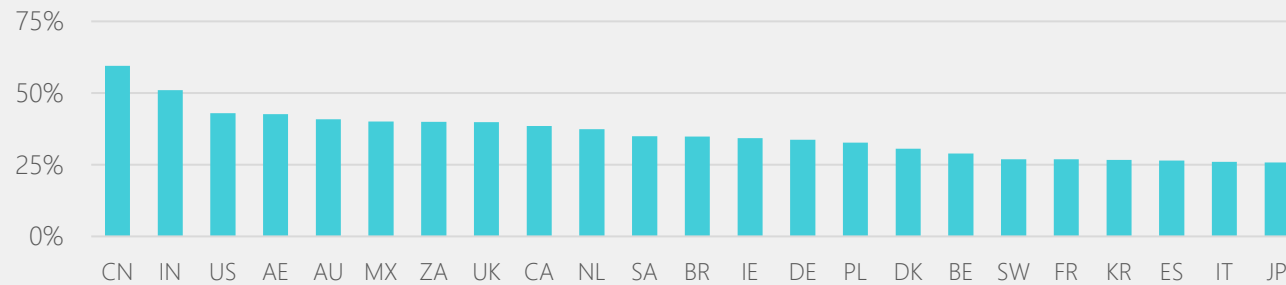
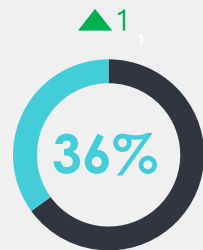
% of respondents

▼ ▲ Vs. Prior Wave

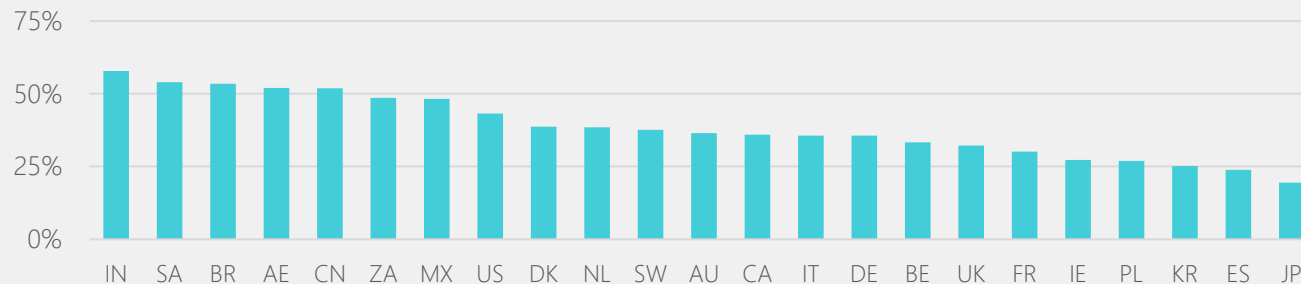
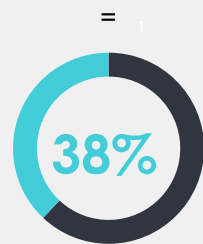
Expect financial situation to improve (1 year)



Progressing towards financial goals



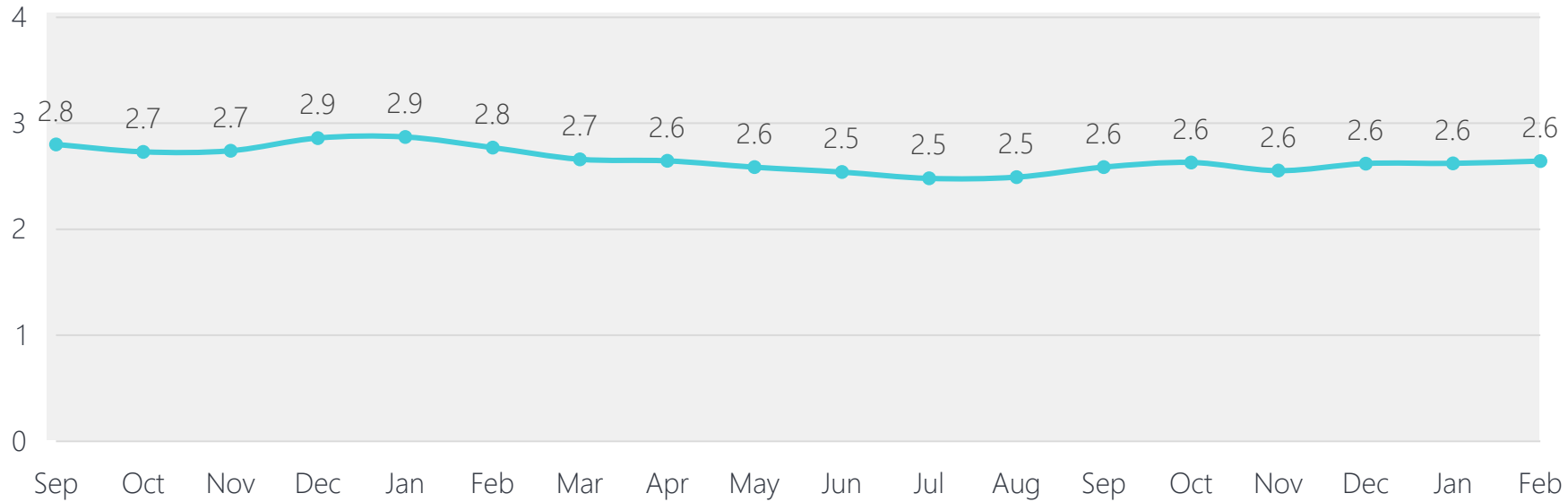
Believe they will have financial means to live best life



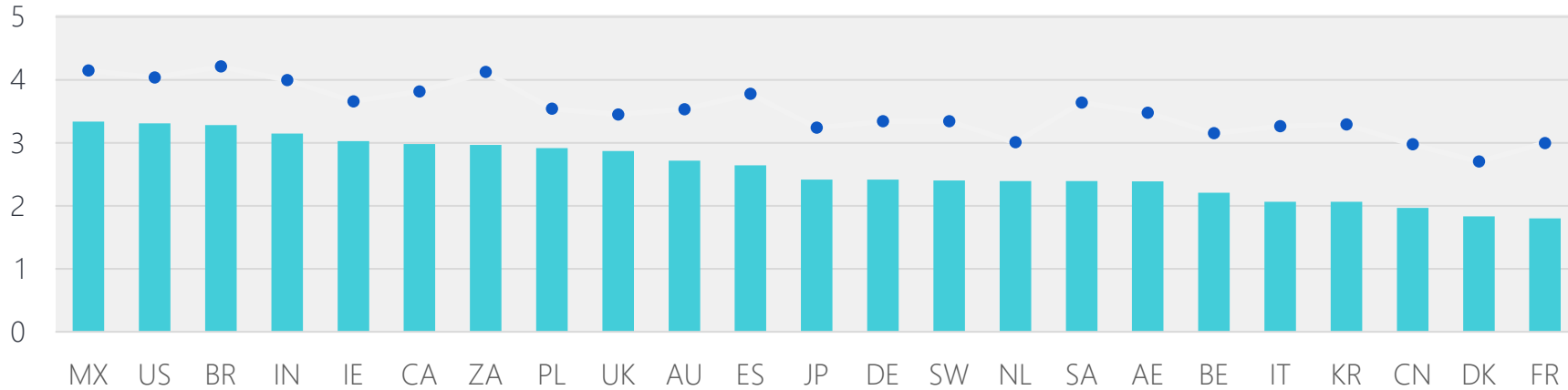
PRESENT, SECURITY	FUTURE, SECURITY
PRESENT, FREEDOM OF CHOICE	FUTURE, FREEDOM OF CHOICE

AVERAGE NUMBER OF DAYS PER WEEK WORKING FROM HOME

Among respondents able to do their job from home



Current WFH vs WFH Preference



Methodology

Current WFH = How many days per week do you typically work from home?

WFH Preference = How many days per week would you prefer to work from home, if your employer allowed it?

Let's talk.



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