

State of the US consumer: November 2023

Financial well-being sentiment and spending intentions weaken in tandem

Key insights about US consumers from Deloitte's ConsumerSignals

- Deloitte's consumer financial well-being index dropped to 90.1 in October, continuing its clear downtrend since April (figure 1).
- The percentage of U.S. respondents feeling anxious about their personal finances reached 45%, up 13 percentage points since July 2023 (figure 2).
- Total monthly spending intentions (or the amount consumers expect to spend in the month ahead) reached a new two-year low (figure 3).
- Relatively stronger spending intentions for some services such as leisure travel and restaurants suggest consumers are prioritizing services over goods (figure 4).

Figure 1. Financial well-being sentiment fell to a new annual low of 90.1 in October

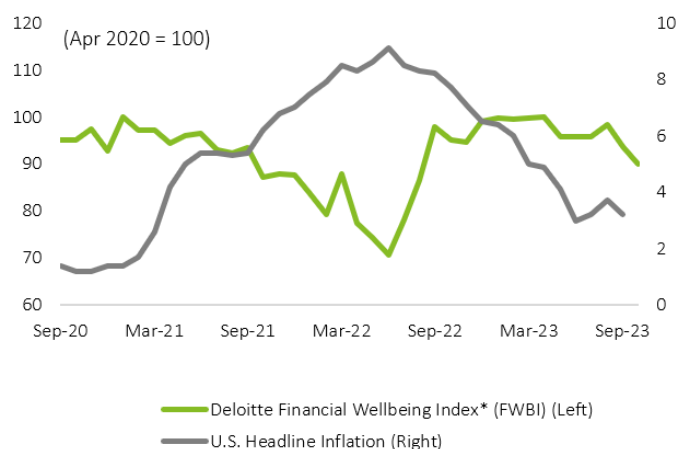


Figure 2. The percentage of Americans feeling anxious about their personal finances increased to 45% in October, up from 32% in July

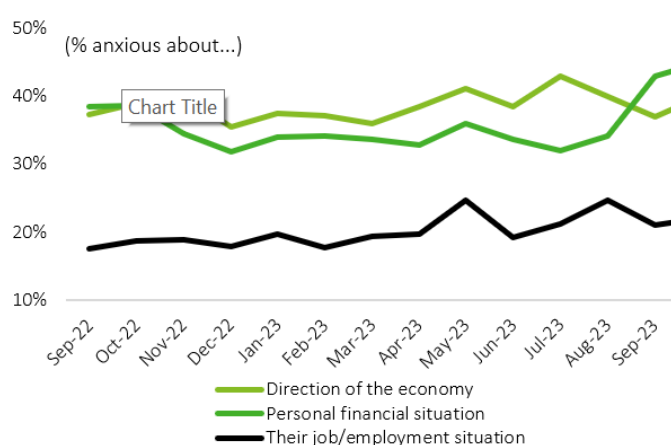


Figure 3. Monthly spending intentions continue to weaken, particularly across more discretionary categories

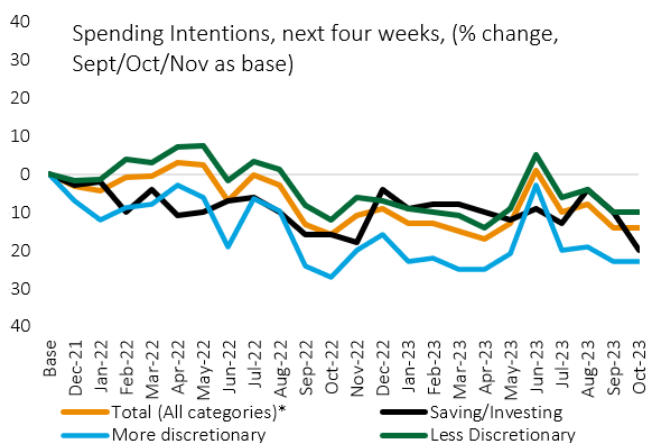
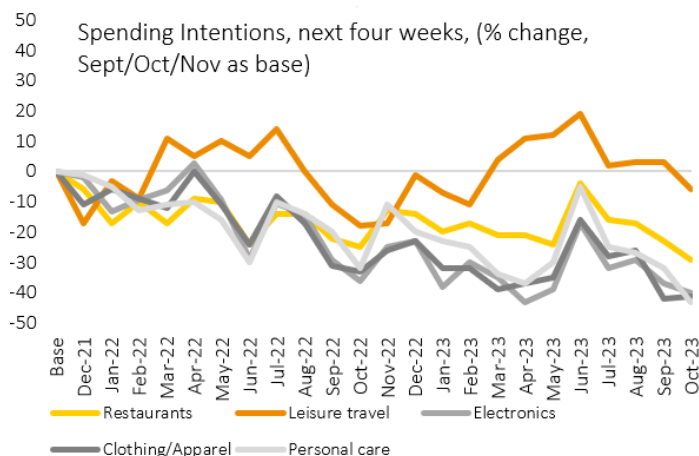


Figure 4. Stronger spending intentions for categories like leisure travel and restaurants suggest consumers are prioritizing services over goods



Sources: Deloitte's ConsumerSignals; Haver Analytics; United States Department of Transportation; Deloitte Services LP economic analysis.

*Deloitte's financial well-being index in figure 1 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 of personal financial situation for the year ahead. Higher index values represent strong financial well-being and vice versa. In figure 4, total spending intentions include housing (including utilities and maintenance), transportation, groceries, health care, clothing, household goods, personal care, education, internet and data, recreation and entertainment, leisure travel, restaurants, electronics, and home furnishings.

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Retail sales continue to benefit from strong growth in consumer spending on goods

A roundup of key consumer-related economic data

Figure 5. Consumer spending is up 2.5% so far this year, led by strong growth in spending on durables goods (6.9%) and services (2%)

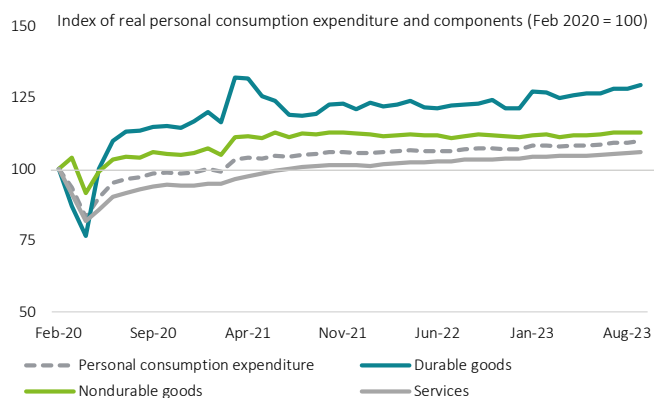


Figure 6. Consumers have benefited from a strong labor market with average nonfarm payroll gains of 239,000 per month so far this year

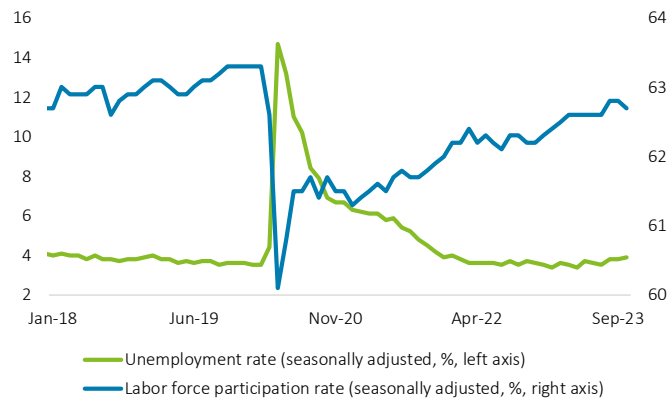


Figure 7. Online retail sales continue to grow at a steady pace, with nonstore sales now up nearly 78% from prepandemic levels

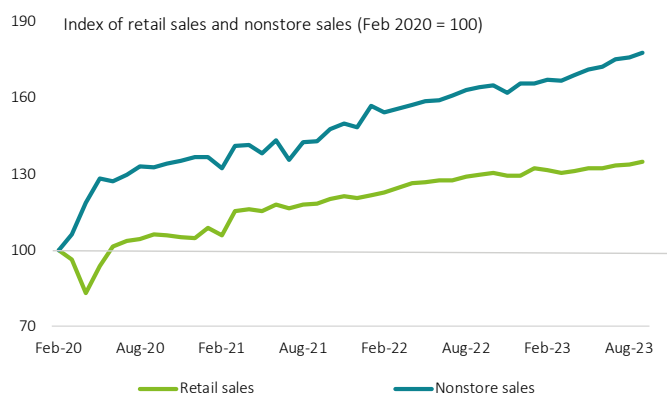
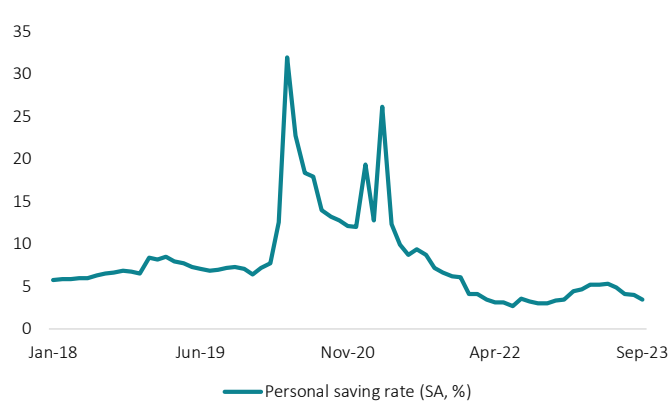


Figure 8. As consumers continue to dip into their savings to spend more, the personal savings rate fell further in September to 3.4%



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

Figure 9. Borrowing costs continue to rise, with the 30-year fixed mortgage rate rising to its highest level on record in October to 8.3%

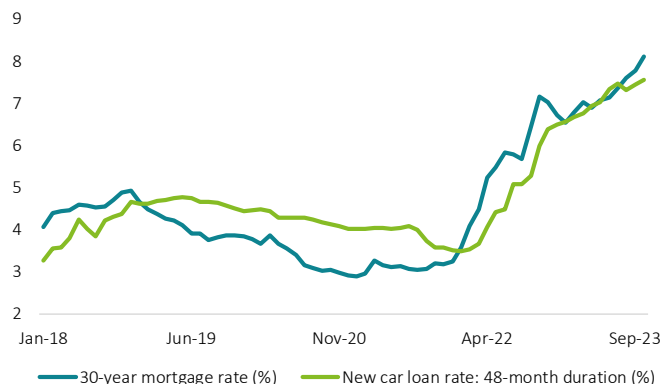
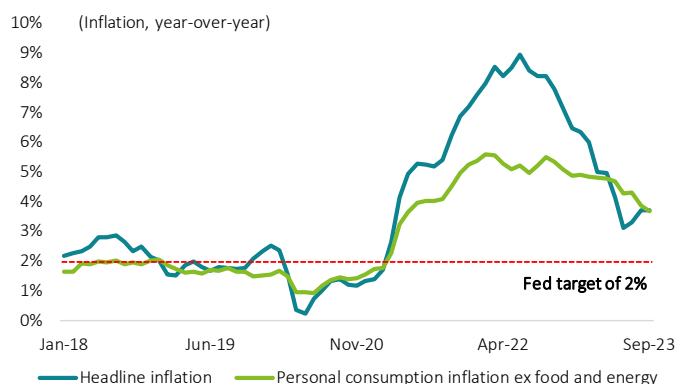


Figure 10. Inflation has eased this year but with core inflation still above the target, the Fed likely won't ease policy rates in the near term



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

For more on Deloitte's ConsumerSignals, see this [link](#).

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