

State of the US consumer: March 2025

Key insights about US consumers from Deloitte's ConsumerSignals

- Deloitte's financial well-being index declined further in February, hitting 99.9 from 105.5 in December (figure 1).
- More respondents are expecting rising prices in major categories such as gas and food (figure 2).
- Discretionary spending intentions continue to slip further below 2021 levels while nondiscretionary categories remain elevated (figure 3).
- Increasing nondiscretionary spending intentions continue to be driven by housing and utilities (figure 4).

Figure 1. Deloitte's financial well-being index dropped 5.6 points to 99.9 since December 2024



Figure 2. The percentage of respondents expecting higher prices in major categories like gas and groceries has trended higher since November 2024



Figure 3. Discretionary spending intentions have decreased for a third consecutive month while nondiscretionary categories remain elevated

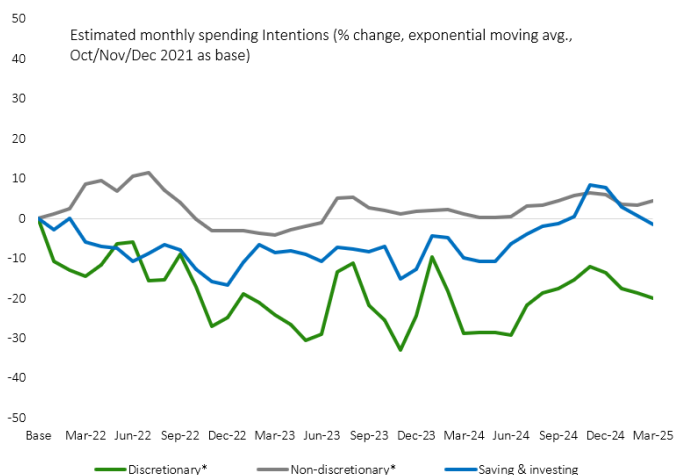
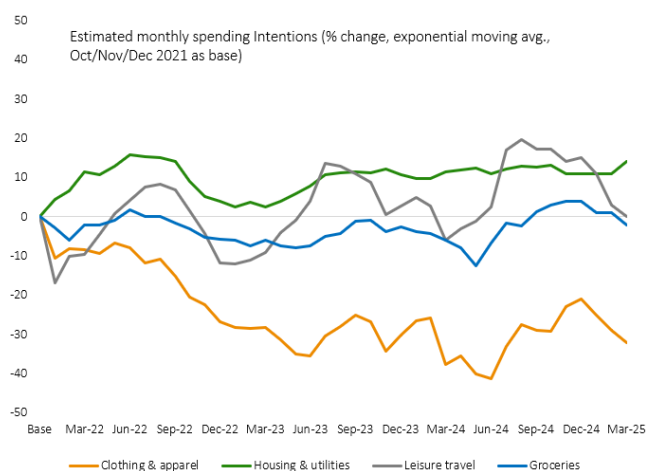


Figure 4. Spending intentions for housing and utilities continue to climb



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 last year; and (6) expectations regarding personal financial situation for the year ahead. Higher index values represent stronger financial well-being. Spending intentions represent respondents' 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.

Sources: Deloitte ConsumerSignals; US Bureau of Labor Statistics.

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Inflation remains elevated relative to the Fed's 2% target

A roundup of some key consumer-related economic data

Figure 5. Real consumer spending fell 0.5% in January, due in part to a 3.3% decline in spending on durable goods

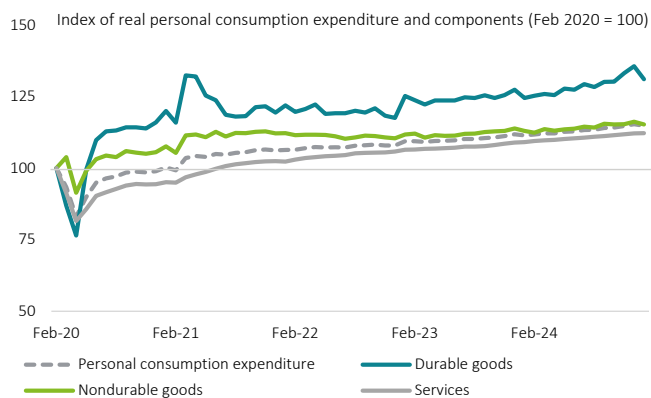


Figure 6. Jobs growth has been steady with nonfarm payrolls rising by 151,000 in February, up from an increase of 125,000 in January

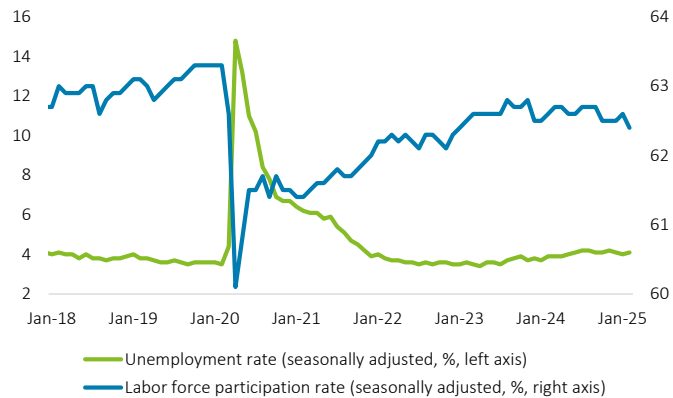


Figure 7. Retail sales fell 0.5% in January, the first contraction in nine months; sales were up 3.9% compared to a year ago

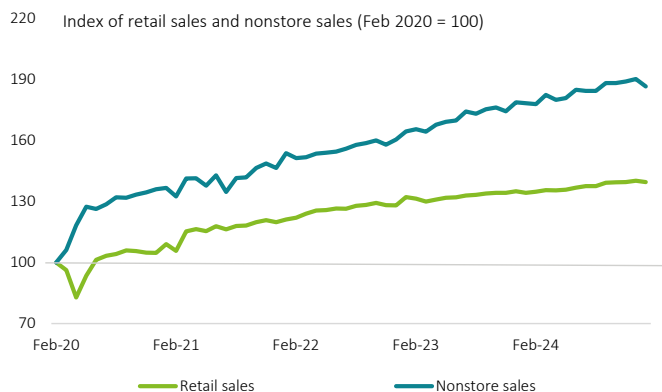


Figure 8. As consumer spending fell in January amid growing disposable personal income, the savings rate rose to 4.6%

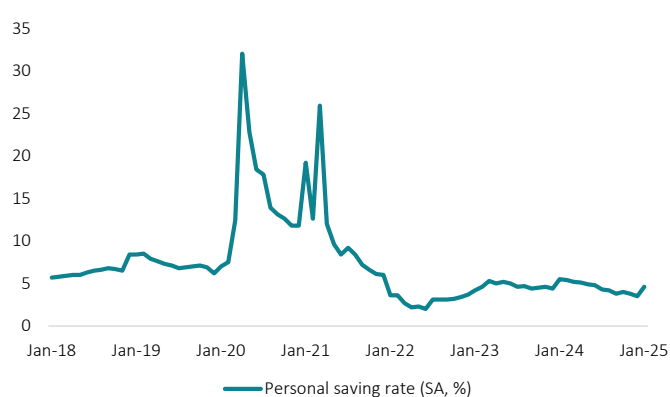


Figure 9. With the 30-year fixed mortgage rate still elevated, mortgage demand—and hence, housing—will likely remain under pressure

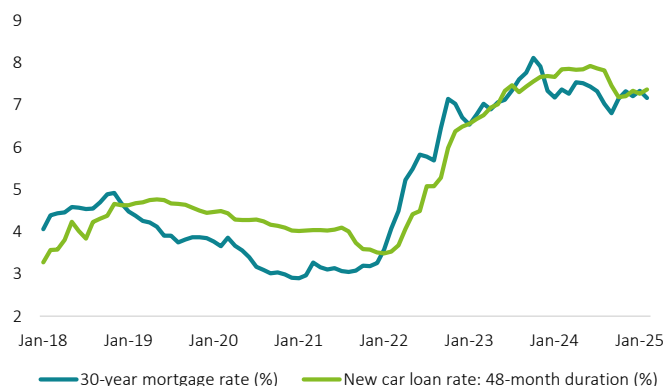
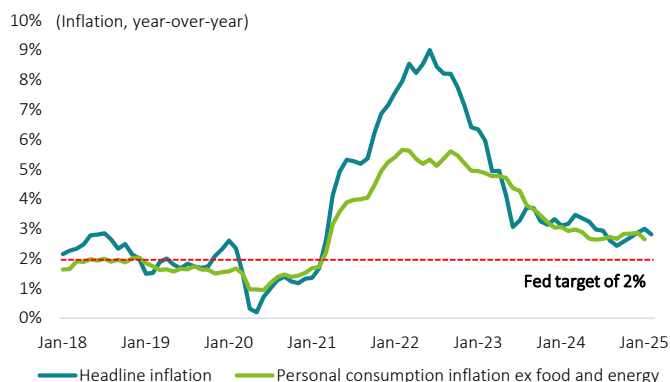


Figure 10. Headline inflation eased to 2.8% in February from 3% in January, the first decline in inflation in five months



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

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

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Insights

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