

State of the US consumer: May 2025

Key insights about US consumers from Deloitte's ConsumerSignals

- Down six points, Deloitte's financial well-being index saw its strongest monthly drop since 2023 a month ago in April (figure 1).
- Higher price expectations are holding their uptrend. Three in 4 respondents expect higher grocery prices next month (figure 2).
- Monthly spending intentions for nondiscretionary categories and savings remain on a gradual, long-term uptrend, while discretionary categories continue to weaken (figures 3).
- Rising year on year, spending intentions for leisure travel remain strong, despite respondents saying they're spending more on housing and groceries (figure 4).

Figure 1. Deloitte's financial well-being index fell to 96.4—down 6 points from last month and 9 points from December 2024

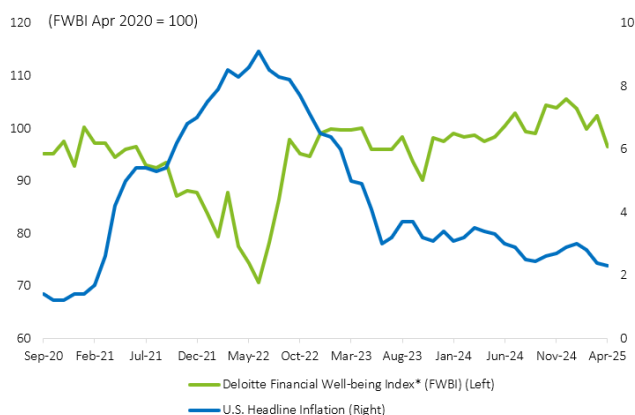


Figure 2. Three in 4 respondents expect higher grocery prices next month—up 17 points from November 2024

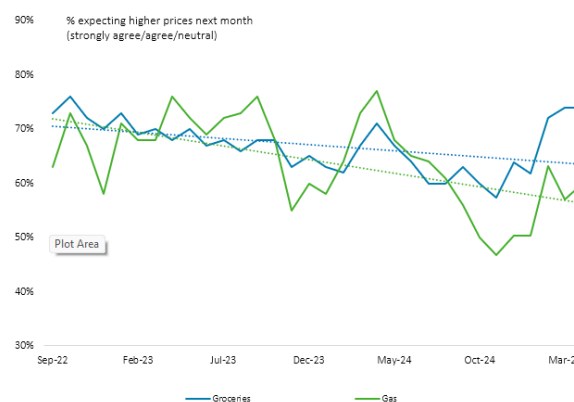


Figure 3. Spending intentions for nondiscretionary categories continue a long-term uptrend, while discretionary categories remain below 2021 levels

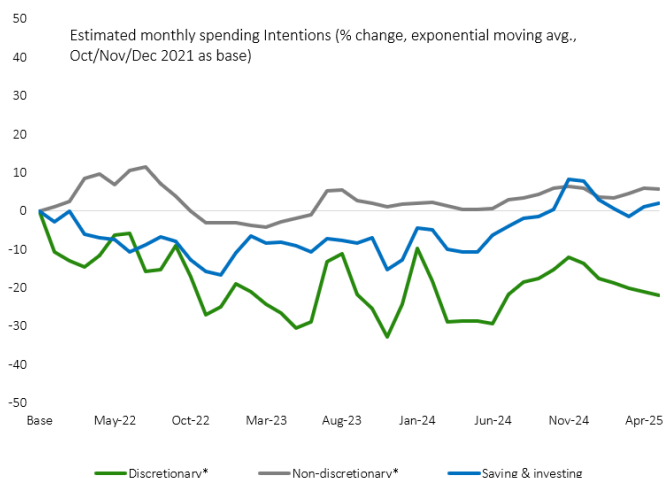
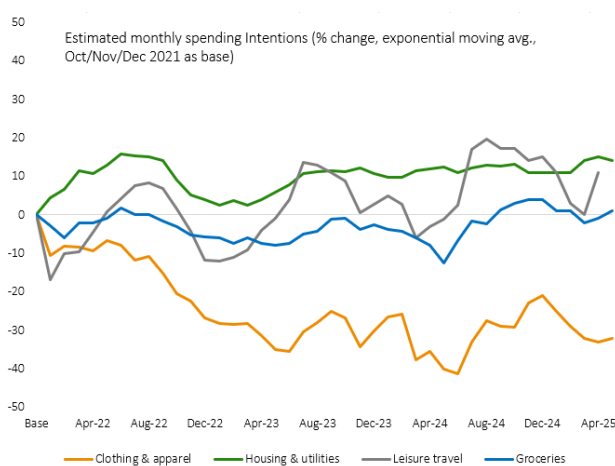


Figure 4. Spending intentions for leisure travel are up year on year, despite a gradual climb in essential categories like housing and groceries



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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Durables spending grew in March, potentially driven by consumers front-loading purchases

A roundup of some consumer-related economic data

Figure 5. Real consumer spending rose 0.7% in March as durables spending grew 3.2%

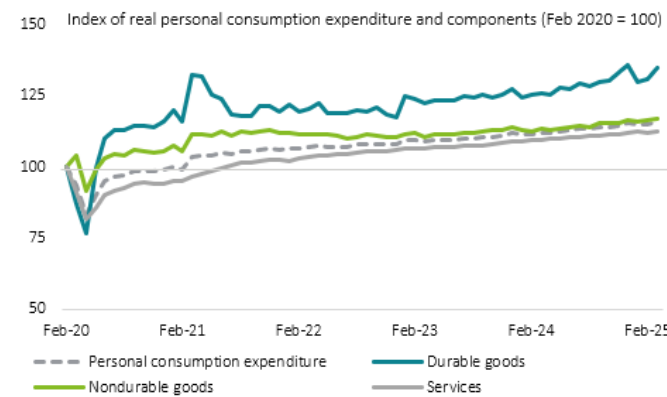


Figure 6. The labor market has appeared resilient, with unemployment relatively low at 4.2%

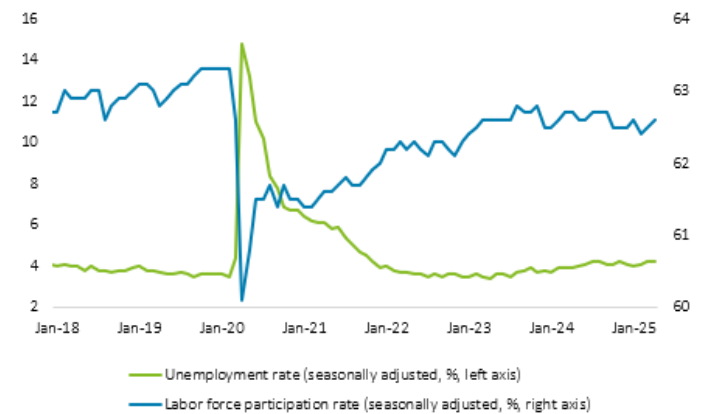


Figure 7. Retail sales grew 0.2% in April, down from a 1.1% increase in March; sales were up 5.4% in April compared to a year ago

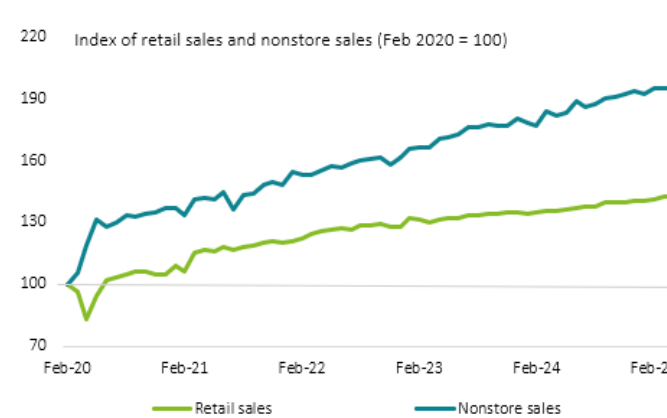


Figure 8. Despite broadly edging up since end-2024, the personal savings rate fell to 3.9% in March from 4.1% in February

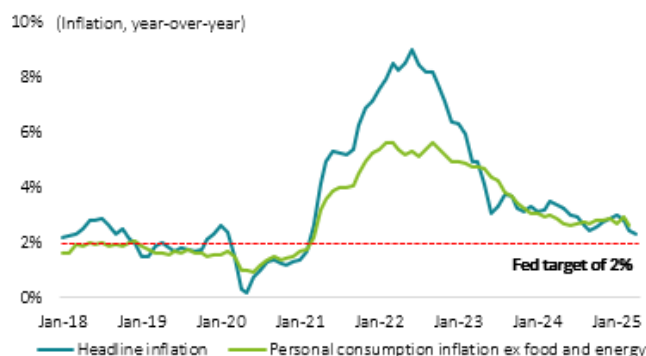


Sources: Deloitte's State of the Consumer tracker; Haver Analytics; United States Department of Transportation; Deloitte analysis.

Figure 9. Interest rates remain elevated compared with levels three years back, keeping cost of borrowing high for consumers



Figure 10. Headline inflation fell slightly to 2.3% in April from 2.4% in March; inflation may, however, edge up in the near term



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](#).

To know more about the state of the US consumer, reach out to:

Stephen Rogers (Consumer Industry) at stephenrogers@deloitte.com

Akrur Barua (Economics) at abarua@deloitte.com

David Levin (Data Science) at davlevin@deloitte.com

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Insights

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