

## State of the US consumer: July 2025

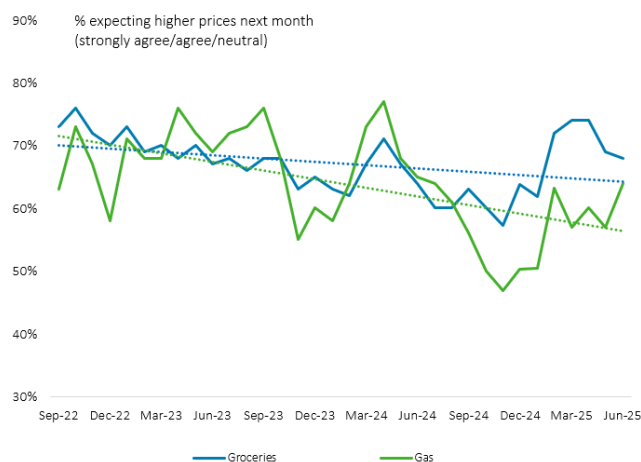
### Key insights about US consumers from Deloitte's ConsumerSignals

- Deloitte's financial well-being index remains on a steady downward slide since December 2024 (figure 1).
- Consumers remain braced for higher prices, with grocery inflation expectations remaining elevated and gas inflation expectations rising (figure 2).
- Some optimism emerged as discretionary spending intentions rose for the second consecutive month; however, spending on nondiscretionary categories is also rising, hinting at persisting cost pressures that could contribute to consumers' cautious outlook overall (figure 3).
- The recent growth in spending intentions is playing out across most major categories, with groceries being a clear exception (figure 4).
- Notably, spending intentions for leisure travel hit a new four-year high, even as monthly planned spending on big-ticket expenses like housing and transportation increased (figure 4).

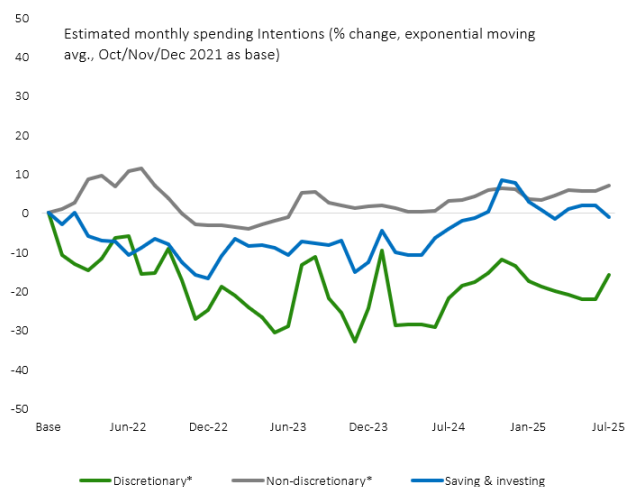
**Figure 1. Deloitte's financial well-being index dipped to 98.6 in June 2025—down nearly 2 points from a year ago and 7 points since December**



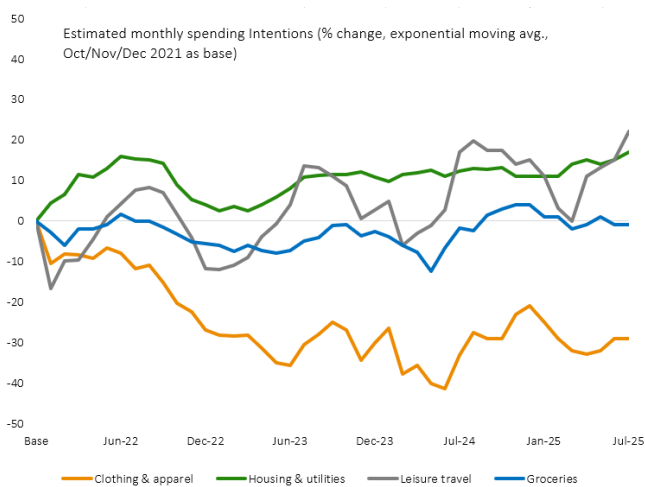
**Figure 2. The percentage of respondents expecting higher grocery prices held steady at 68% in June 2025; but for gas, the number climbed 7 points to 64%**



**Figure 3. Both nondiscretionary and discretionary spending intentions have climbed in recent months, potentially at the expense of savings**



**Figure 4. Monthly spending intentions for leisure travel hit a new four-year high, even as planned spending on big-ticket categories like housing continues to rise**



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

are, 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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Labor-market strains emerge as just a few sectors drive overall job growth

A roundup of some consumer-related economic data

Figure 5. Real consumer spending on durables fell 1.8% in May 2025; consumers had front-loaded purchases in March this year, fearing rising tariffs

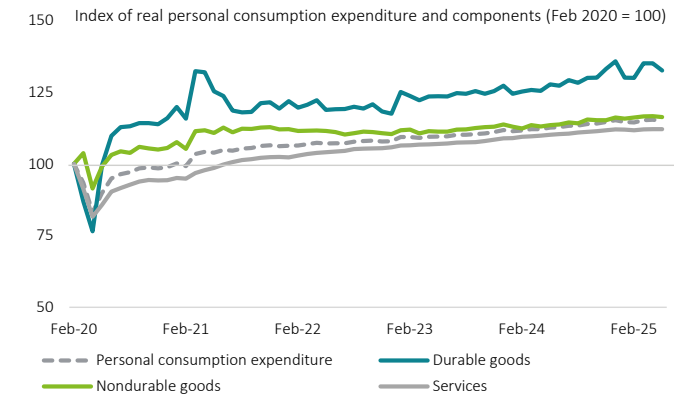


Figure 6. The labor force participation rate has been edging down this year, and is now a percentage point lower than pre-pandemic levels

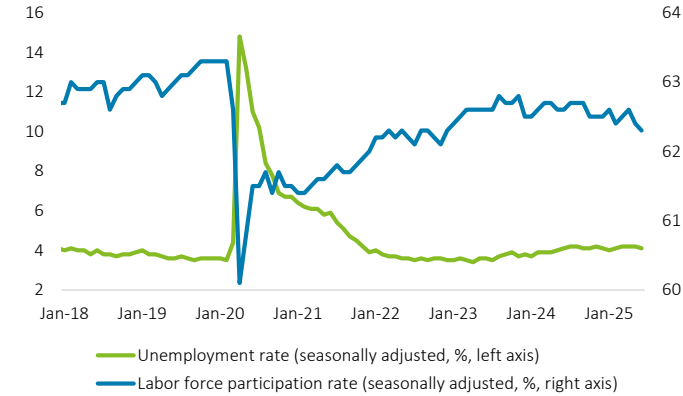


Figure 7. Retail sales fell 0.1% in May 2025, reversing from a 0.1% rise a month ago; sales were up 4.6% in May compared to a year ago

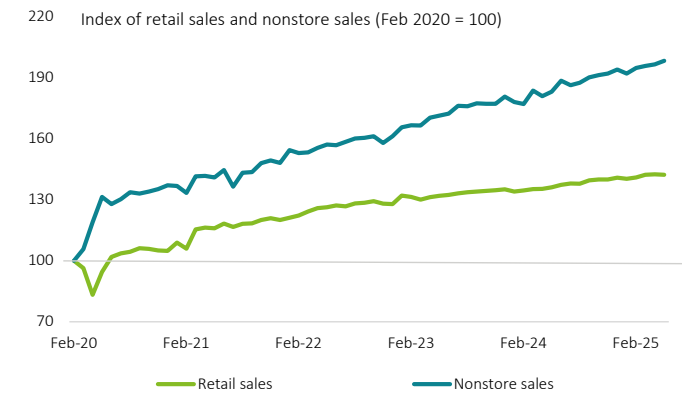
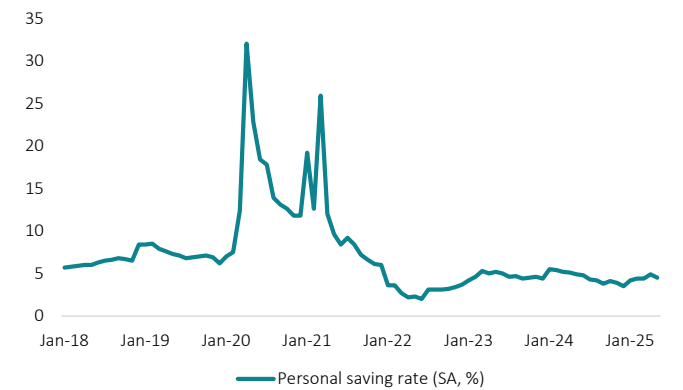
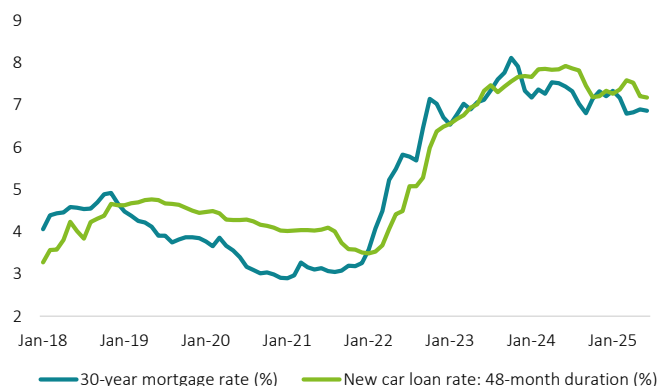


Figure 8. As consumers stepped back from making more durables purchases, the personal savings rate rose to 4.9% in April 2025

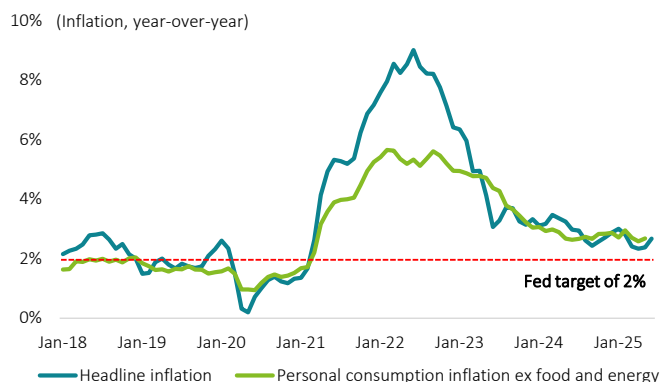


Sources: Deloitte's State of the Consumer tracker; Haver Analytics; United States Department of Transportation; Deloitte analysis.

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



**Figure 10. Headline inflation rose slightly to 2.4% in May 2025 from 2.3% a month ago, while core inflation remained unchanged at 2.8% over the same period**



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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