

CONSUMERS & THE ECONOMIC OUTLOOK – US – 2024

Over a year removed from the worst bout of inflation the country has seen in four decades, the US economy has continued to defy expectations.



Amr Hamdi, Senior Analyst - Financial Services



Consumers & The Economic Outlook - US - 2024

This report looks at the following areas:

- Change in consumer finances within the past year
- Consumers' outlook on their finances
- Consumers' past spending behaviors
- Consumers' future spending expectations

Overview

The US economy currently sits in an encouraging position. Annual inflation is rising at its slowest pace in over two years, the labor market has sustained its post-pandemic resilience, and real GDP growth has continued to see healthy gains quarter-to-quarter.

As such, households have seemingly turned the corner and are feeling more optimistic about the economy and their personal finances as well – with half of consumers expecting to be financially better off over the course of this year. Expectations that prices will further cool down, coupled with robust wage growth to go along with unemployment near historic lows are most likely the fuel behind this surge in optimism. Historically, a confident consumer is one that is willing to put their money to work – as a slew of discretionary spending outlets – from travel to home improvements – remain areas households are looking to engage with in the coming months.



Over a year removed from the worst bout of inflation the country has seen in four decades, the US economy has continued to defy expectations.

BUY THIS REPORT NOW

€4400.00 | £3695.00 | \$4995.00*

store.mintel.com | store@intel.com

Americas: +1 (312) 932 0400
China: +86 (21) 6032 7300
Germany: +49 (0) 211 3399 7411
India: +91 22 4445 1045
Singapore: +65 6653 3600
Thailand: +66 2 821 5122
UK: +44 (0) 20 7606 4533

*These prices are correct at time of publication, but are subject to change due to currency fluctuations.

MINTEL

Report Content



EXECUTIVE SUMMARY

- What you need to know

Consumer trends: key takeaways

- Consumers' financial outlooks are more upbeat off the back of cooling inflation
 - Graph 1: opinions on financial future, 2024
- Wages have outpaced prices since last May – the first time in over two years
 - Graph 2: wages and CPI, percent change from year ago, 2021-23
- Student loan repayments remain a pain point for younger consumers
 - Graph 3: % of consumers concerned about student loan repayments, by generation, 2024
- Consumers' appetite for travel remains strong early in the year
 - Graph 4: planned financial behaviors over the next three months, by household income, 2024

Opportunities

- Greater engagement is needed between FIs and those impacted by the student loan payment restart
- NetCredit and Fidelity reached out to impacted customers to remind them of the wellness tools they have at their disposal
- High-earners' travel voracity presents golden retention and acquisition windows for issuers
- High annual fee cards touted the elevated travel experience and perks that come with being a member
- Consumers of all ages are planning to add to their savings coming off the holidays
 - Graph 5: planned financial behaviors over the next three months, by age, 2024
- Households' saving intentions present significant acquisition opportunities for FIs' high-yield offerings
- Laurel Road and Barclays went beyond standard rate-callouts – highlighting the lack of fees as well as showcasing their other high-yield products

CONSUMER INSIGHTS

Consumer fast facts

Consumers' financial outlooks

- Consumers' financial optimism is drawn out across most income brackets
 - Graph 6: opinions on financial future, by household income, 2024
- FIs must offer up more support to their financially struggling customers
- Financial services brands spotlight debt repayment resources to help customers heading into the new year

Change in financial situation

- 34% of consumers have seen their financial situations improve off the back of a solid economic climate

Consumers & the Economic Outlook – US – 2024

- Graph 7: change in financial situation over the past 12 months, 2024
- Consumers not currently seeking work are least likely to feel financially worse off
 - Graph 8: % of consumers that are financially worse off, by employment status, 2024
- Married consumers are the most likely to have seen positive gains across their finances
 - Graph 9: % of consumers that are financially better off, by marital status, 2024
- Student loan repayments are likely to have hampered the financial progress of younger generations
 - Graph 10: % of consumers that are financially worse off, by generation, 2024

Economic concerns

- Inflation is households' top ranking concern, especially among those financially struggling
 - Graph 11: top economic concerns ranked, 2024
- Financially struggling households are the most concerned about inflation
 - Graph 12: % of consumers most concerned about inflation, by financial situation, 2024

Financial behaviors

- While discretionary spending tends to rise in time for the holidays, many households still found room to add to their savings late last year
 - Graph 13: financial behaviors over the past year, 2024
- High-earners expect to spend more of their money improving their homes in the near term
 - Graph 14: planned financial behaviors over the next three months, by household income, 2024
- Discover balances quantitative and experience-driven factors in its home equity loan messaging

Changes consumers would make in their budgets

- Cheaper grocery alternatives and spending less on clothes and dining out are how most consumers are stretching their dollars
 - Graph 15: changes consumers have made and would make to their budgets, 2024
- Lower-earning consumers will naturally pursue the more cost-effective options
 - Graph 16: changes consumers would make if forced to restrict their budgets, by financial situation, 2024
- Financially struggling households compromise the most when it comes to their budgets
 - Graph 17: changes consumers have made to their budgets in the past six months, by financial situation, 2024
- Younger consumers would lean more on credit products if they needed to
 - Graph 18: changes consumers would make if forced to restrict their budgets, by generation, 2024
- Educating younger consumers about popular credit outlets such as BNPL could mitigate the risk of financial overextension

STATE OF THE ECONOMY

- Market context
- US economic overview
- The US expanded by over 3% in the fourth quarter
 - Graph 19: quarterly real GDP growth, 2020-23

- Annual inflation unexpectedly rose in December, but still sits at its lowest levels in over two years
 - Graph 20: headline CPI, core CPI, and shelter CPI, 2021-23
- Unemployment continues to sit near historic lows
 - Graph 21: unemployment rate, 2019-23
- Consumer confidence is at its highest point in over two years
 - Graph 22: consumer sentiment index, 2021-24

APPENDIX

- Consumer research methodology
- Generations
- Abbreviations and terms

Disclaimer

This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by Kantar Profiles ([See Research Methodology for more information](#)).

Terms and Conditions of use

Any use and/or copying of this document is subject to Mintel's standard terms and conditions, which are available at <http://www.mintel.com/terms>

If you have any questions regarding usage of this document please contact your account manager or call your local helpdesk.

Published by Mintel Group Ltd

www.mintel.com

email: store@mintel.com

Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850