

## BORROWING AND DEBT

- In the first quarter of 2022, consumers added \$266 billion of debt, the largest increase since 2006.
- In March, consumer borrowing increased by the **most on record**, according to the Federal Reserve.
- Revolving credit (credit cards and lines of credit) increased by 19.6 percent from the previous year to \$1.103 trillion, according to a recent report from the Federal Reserve. This number is **an all-time high**, breaking the pre-COVID-19 record of \$1.092 trillion in 2019.
- Americans received 11.5 million new bank credit cards through February 2022, a 31.4 percent increase from the previous year. The total limits for these credit cards were \$55.5 billion, a 59.2 percent increase from the previous year.
- Fourteen percent of Con Edison's 3.4 million customers are more than two months behind on their bills, a 42 percent increase from 2019.
- In February, delinquencies on subprime car loans and leases hit an all-time high, based on Equifax's tracking that goes back to 2007.

*(Fortune, 3/18/22; Wall Street Journal, 5/19/22; USA Today, 6/29/22)*



## RESOURCEFUL SPENDING

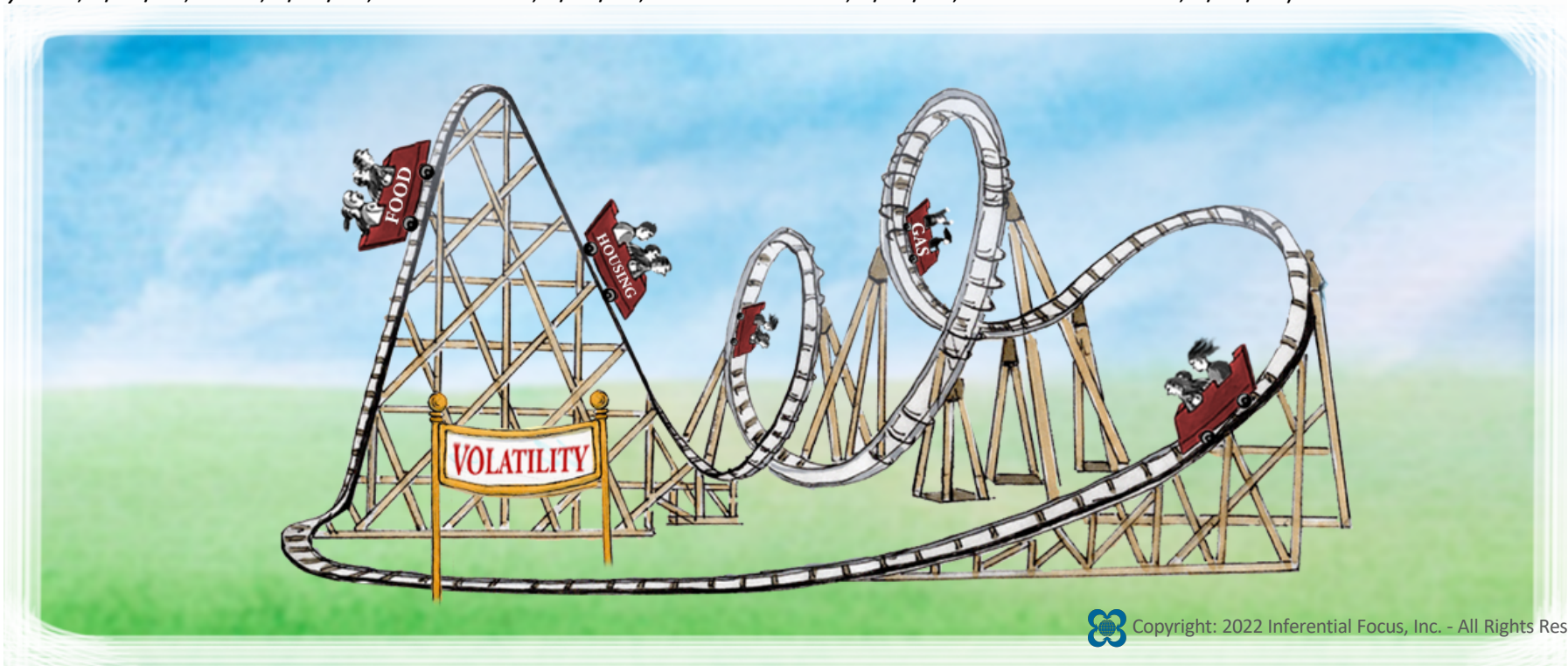
### GAS

- In the first full week of June, gasoline sales at U.S. stations were down about 8.2 percent compared with the same week last year. It was the 14th consecutive week that sales have lagged behind 2021 levels. (*Wall Street Journal*, 6/22/22)

### FOOD/GROCERIES/GOODS

- Over the four weeks that ended July 10, store-branded food and beverages gained one percentage point of market share in terms of sales. Store brands, which are now 30 percent less expensive on average than their branded counterparts, have a 21.6 percent share of spending, surpassing 2019 levels.
- Walmart and Target said consumers shifted spending toward groceries and away from general merchandise in the fiscal first quarter.
- At the Houston Food Bank, the largest food bank in the U.S., an average of 610,000 pounds is now being given out daily, up from 500,000 pounds before the pandemic.
- More than half of consumers say they have changed their eating and drinking habits to manage the rising cost of living, according to Morning Consult. Among those changing behavior, 80 percent said they cut back on trips to restaurants and bars. About 72 percent of people have cut their meat purchases.
- About 61 percent of all U.S. consumers say they are shopping mostly for essentials.

(*Pymnts*, 4/29/22; *CNBC*, 5/18/22; *Marketwatch*, 6/25/22; *Associated Press*, 7/14/22; *Wall Street Journal*, 7/23/22)







## HOUSING RELATED: COSTS/GOODS/IMPROVEMENT

- Sales of previously owned homes in June fell 5.4 percent from May. Sales were 14.2 percent lower compared with June 2021 and the slowest sales pace since the same month in 2020.
- In March 2022, new mortgage applicants were paying 42 percent of their income for a mortgage, up from 34 percent in March 2021.
- In the second week of July, mortgage demand fell by more than six percent, compared to the previous week, hitting the lowest level since 2000. Applications for a mortgage to purchase a home dropped by seven percent for the week and were 19 percent lower than the same week last year.
- In April, visits to home improvement stores dropped by 12 percent year-over-year, while total spending at such locations dropped by 25 percent. For furniture and décor retailers, visits were down two percent and spending declined by 27 percent.

*(Modern Retail, 6/21/22; CNBC, 7/20/22)*

## TRAVEL

- Of would-be travelers, 28 percent chose a “staycation” because of inflation worries according to Bankrate.
- About 62 percent of travelers have cancelled at least some of their summer travel plans because of inflation, according to consumer insights tracker Zeta.
- Drivers are spending less money at convenience stores and restaurants owned by TravelCenters of America.

*(Skift, 4/25/22; CNBC, 6/15/22; Wall Street Journal, 6/22/22)*

## ENTERTAINMENT

- Thirty-four percent of U.S. consumers said they would prefer a free streaming service with 12 minutes of ads per hour, while 25 percent said they would prefer a service that cost \$6 a month but had six minutes of ads per hour, according to Deloitte.
- In the most recent quarter, 970,000 subscribers cancelled their Netflix accounts - the worst subscriber loss in the company’s history. In the first half of the year, nearly 2 million people in the U.S. and Canada have cancelled their accounts.

*(Hollywood Reporter, 5/10/22; Financial Times, 7/20/22)*