

JUNE 2023
(Released August 2023)

EQUITABLE GROWTH INDICATORS

Raji Chakrabarti, Dan Garcia, and Maxim Pinkovskiy

Summary

- **INFLATION**

Inflation is declining overall, as well as in the high-inflation categories of food and housing. Households headed by young people and college-educated people continue to experience higher inflation rates at 0.4 and 0.2 percentage point higher than the national average, respectively.

- **EARNINGS**

The gender earnings gap has appeared to stabilize around 20%, while the urban-rural gap continues to fall, with rural workers now earning roughly 22% less than their urban counterparts.

- **EMPLOYMENT**

The labor force participation and employment gaps between men and women are at their lowest levels in more than four years. Men are now 11 percentage points more likely to participate in the labor force, while the unemployment gap remains very small.

- **CONSUMER SPENDING**

Real spending of the young (aged 25-34) continues to fall with a decline of nearly 60% between March and June 2023, while other groups have begun to recover since bottoming out in May 2023.

A blue-tinted photograph of a family at a checkout counter. A man is holding a young child with curly hair who is using a card payment terminal. A woman is standing next to them, and another child is visible in the background. The scene is set outdoors, possibly at a market or fair.

CONSUMER SPENDING

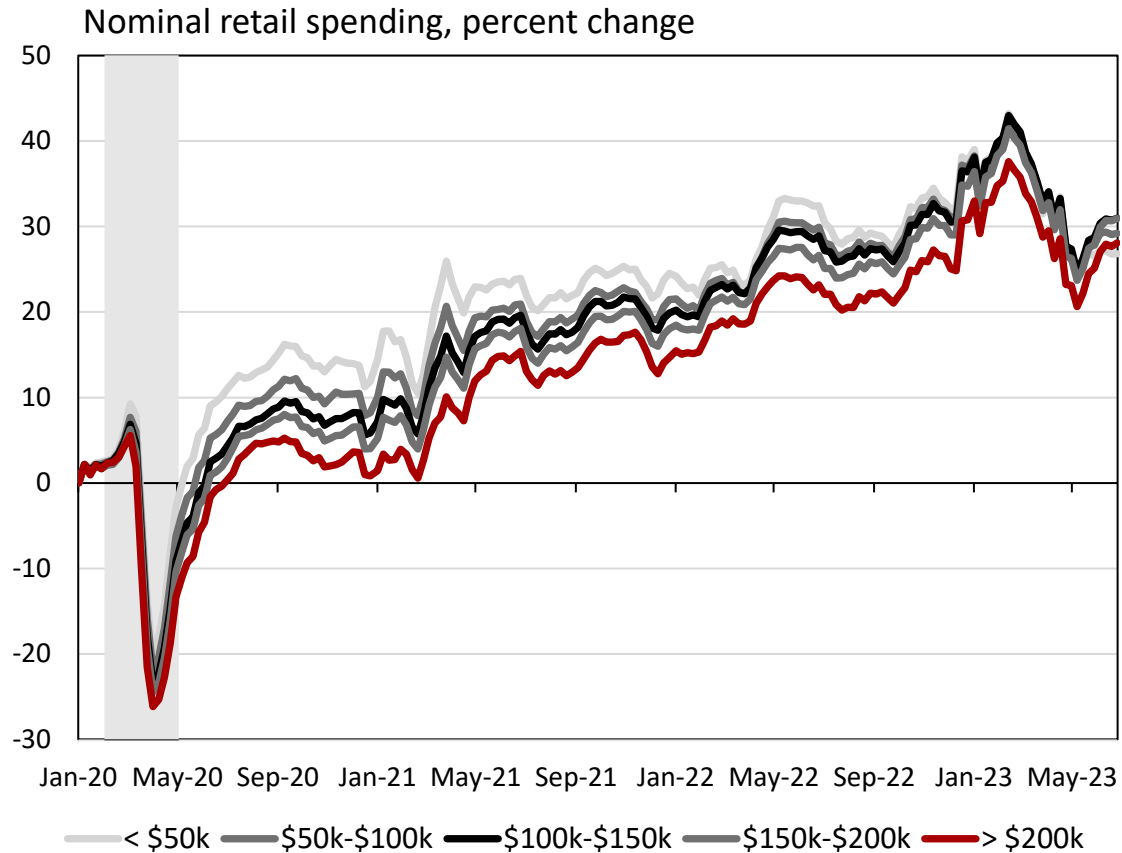
Takeaways | Consumer Spending

- The lower income, the less educated, and the young experienced a significantly faster recovery in spending since the pandemic. There are some signs, however, that the spending recovery among the young and less educated is weakening.
- Consumer spending recovery gaps are largest for age and smallest for income, with education gaps in the middle.
- Recovery gaps are slightly smaller for gas spending than for retail and restaurant spending but follow a similar pattern.
- Real retail spending of the young (25-34 years) continues to fall with a decline of nearly 60% between March and June 2023, while that for other age groups have bottomed out in May 2023, showing increases since then.

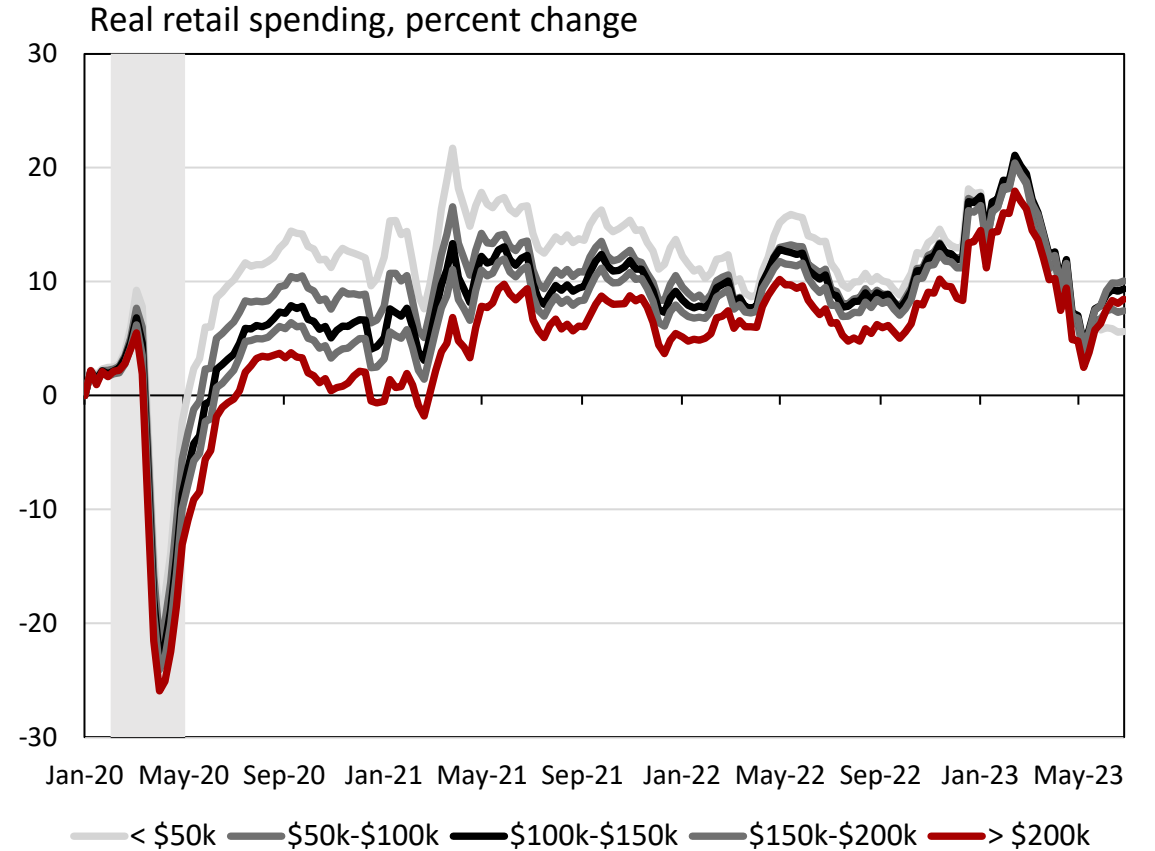
Data & Methods

- We leverage a permissioned panel of around 40 million U.S. households' debit and credit card spending from Commerce Signals, a TransUnion company.
- Commerce Signals data correlate well with U.S. Census Bureau data in measuring aggregate trends in retail, restaurants, and gas station spending, but is released at high frequency (weekly).
- Data are seasonally adjusted by first considering a week in the year and dividing over the 52-week moving average centered at that week. The mean of these ratios across years is used as that week's denominator for seasonal adjustment.
- Real consumer spending trends use the demographic inflation price indexes from the Inflation section when possible. For county demographic spending (besides urban vs. rural), regional price indexes are used.

Retail Spending by Income

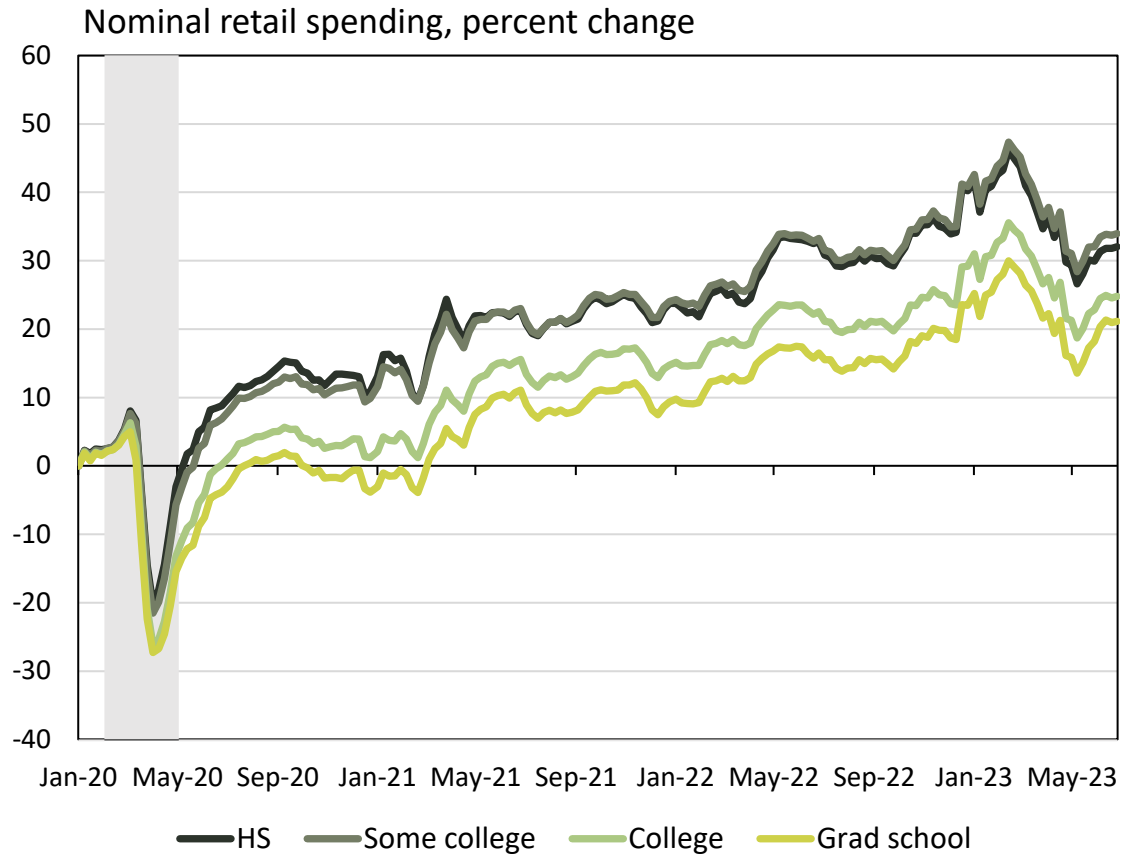


Source: Commerce Signals – Three-week moving averages.
 Notes: Real spending uses corresponding demographic prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

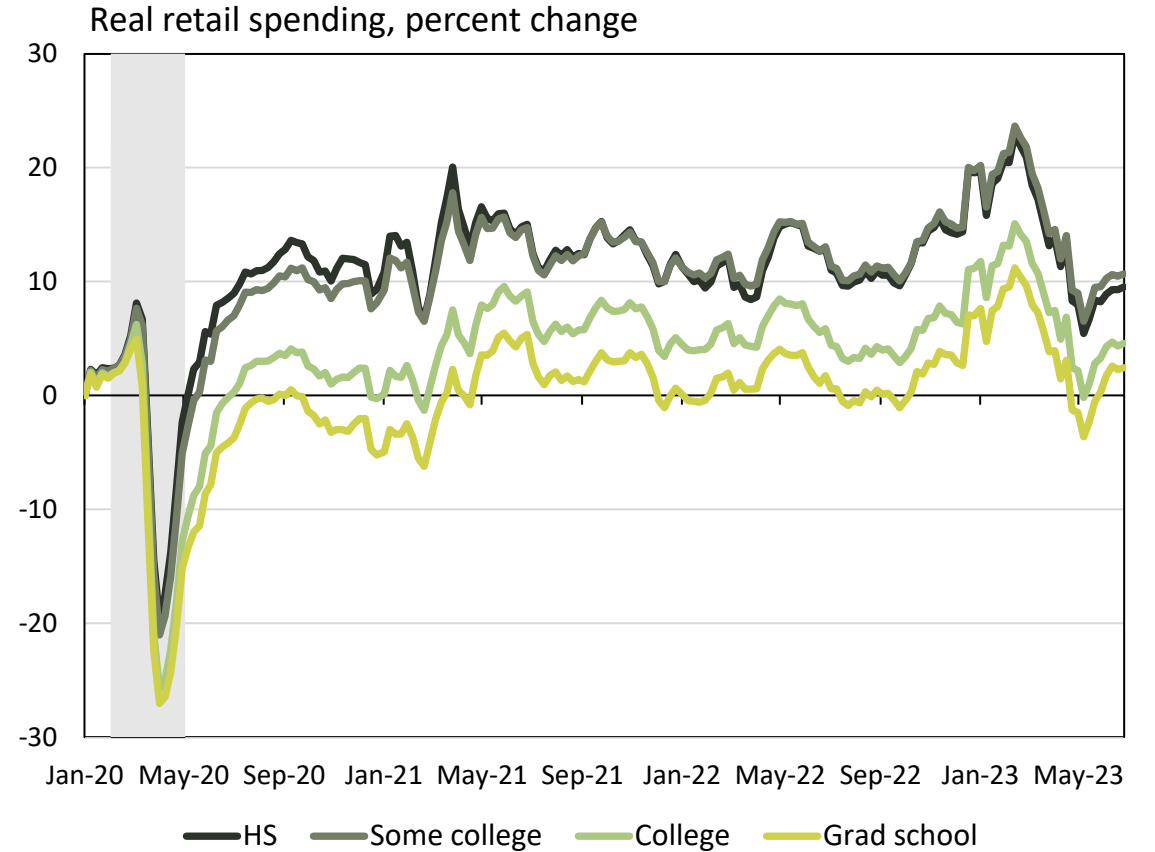


Nominal spending ranges from January 1, 2020, to July 1, 2023. Real spending ranges from January 1, 2020, to July 1, 2023.

Retail Spending by Education

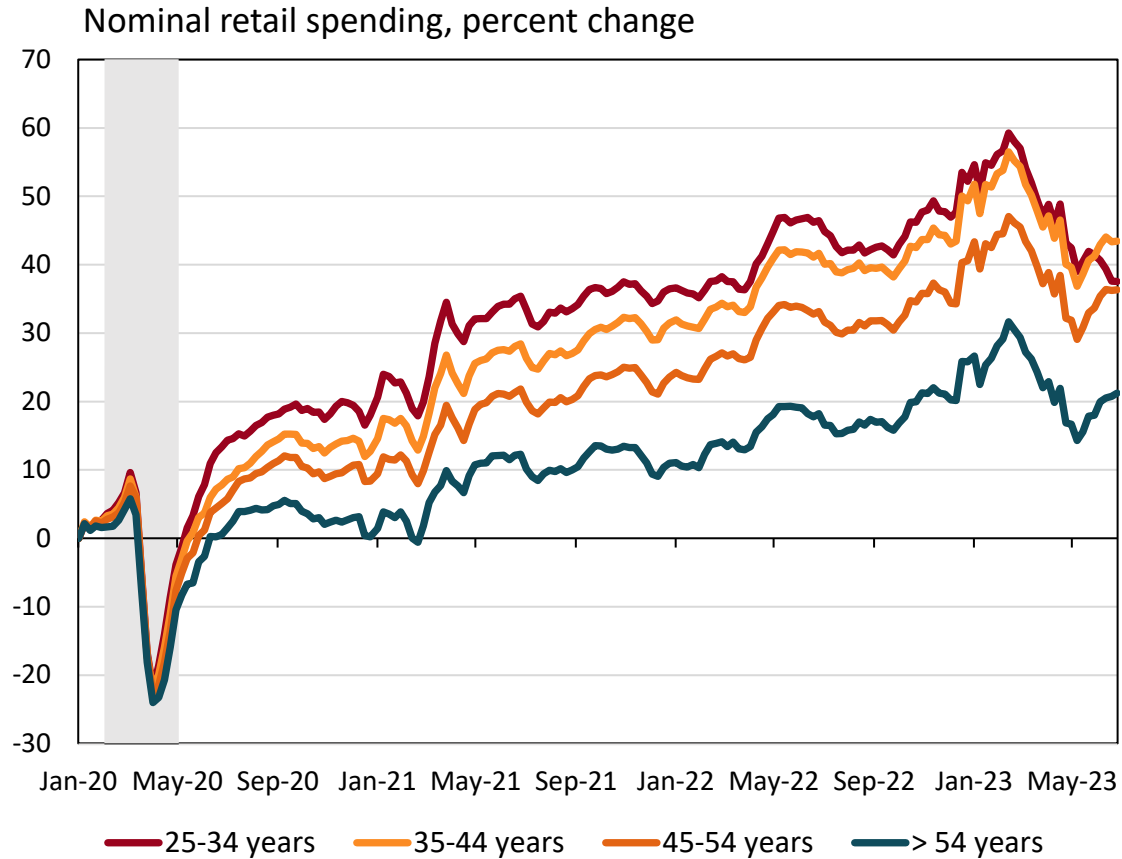


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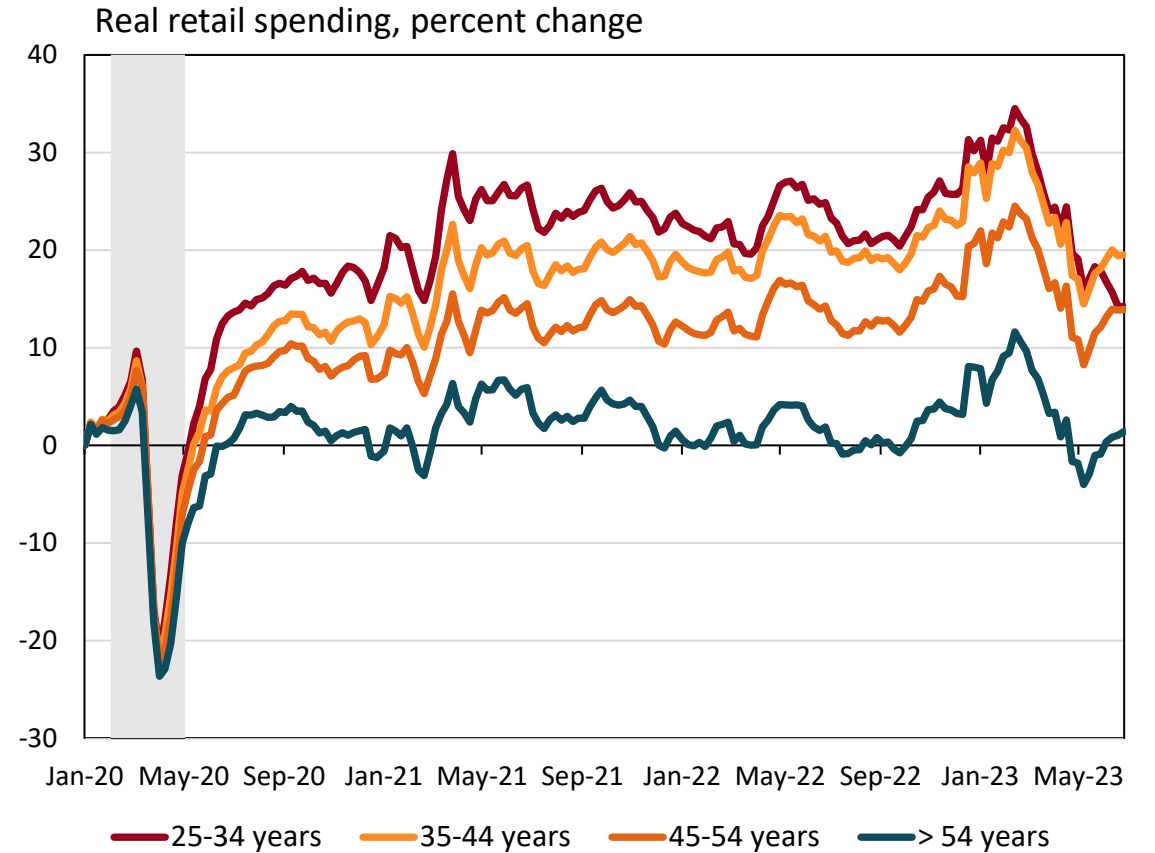


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Retail Spending by Age

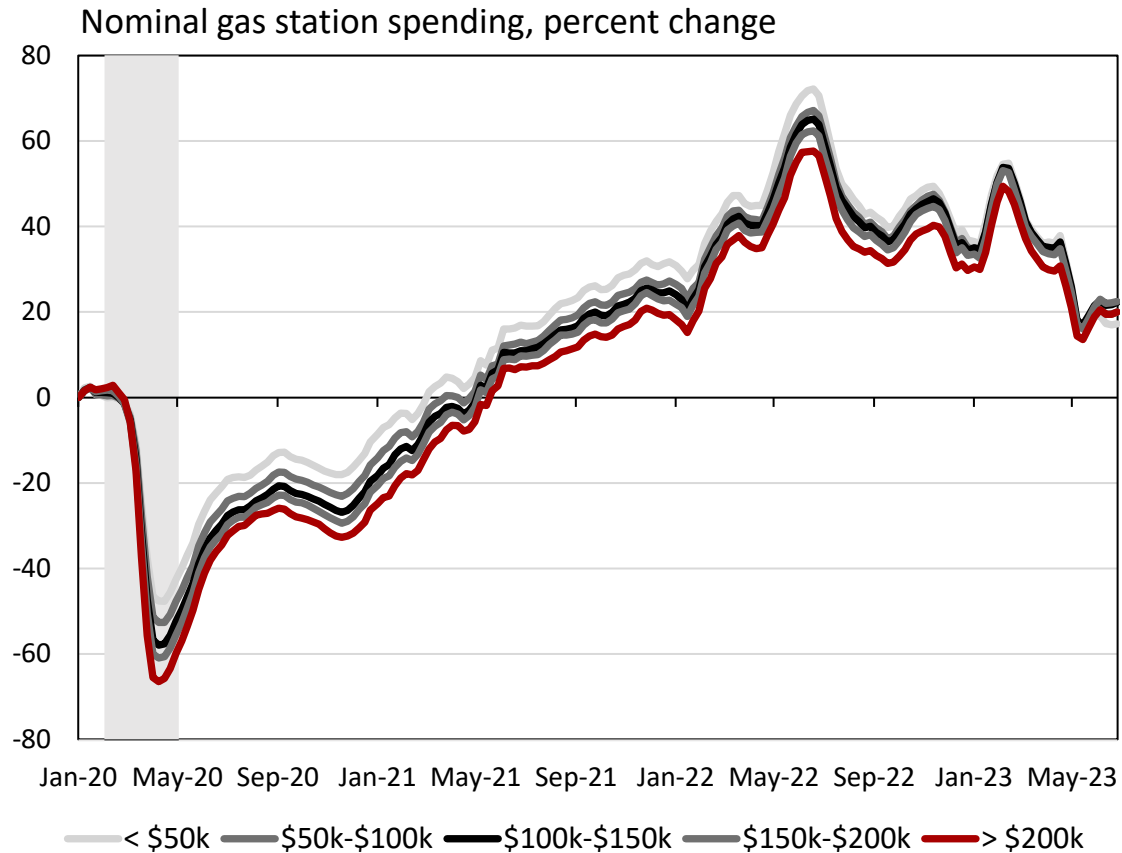


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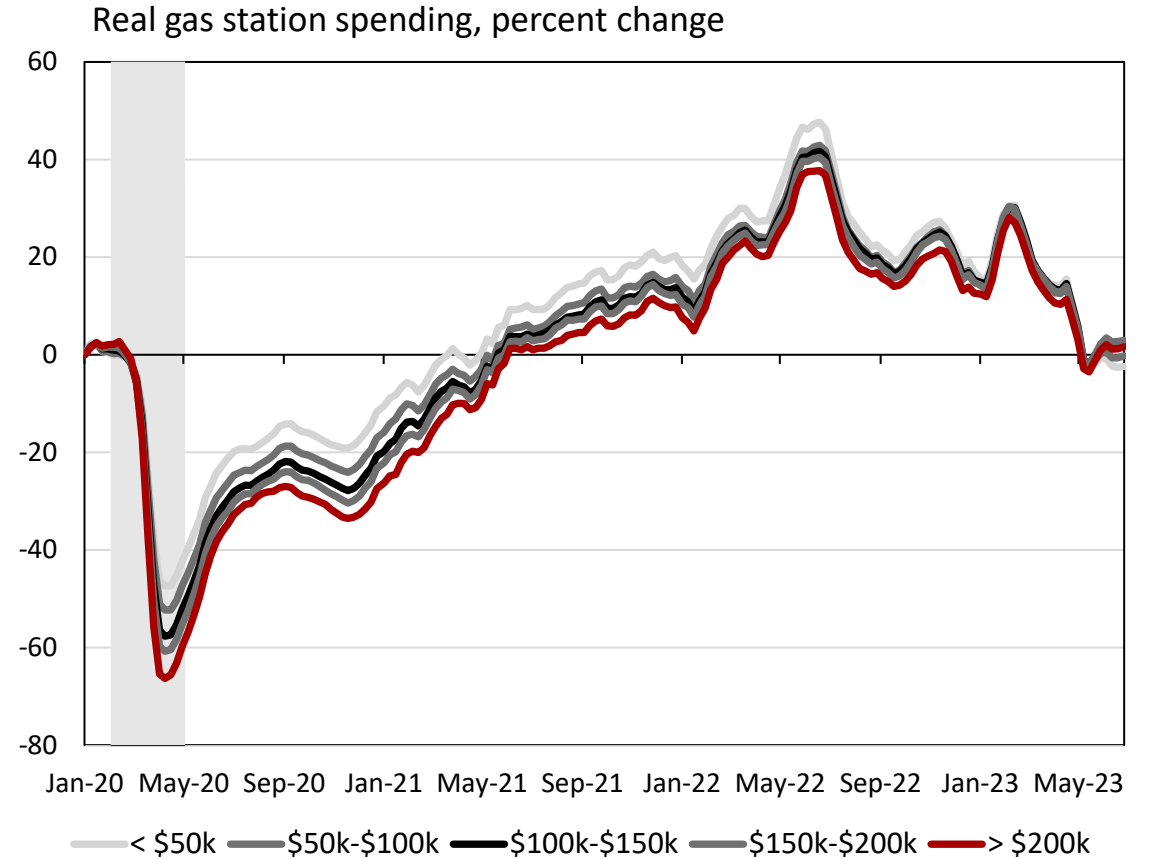


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Gas Station Spending by Income

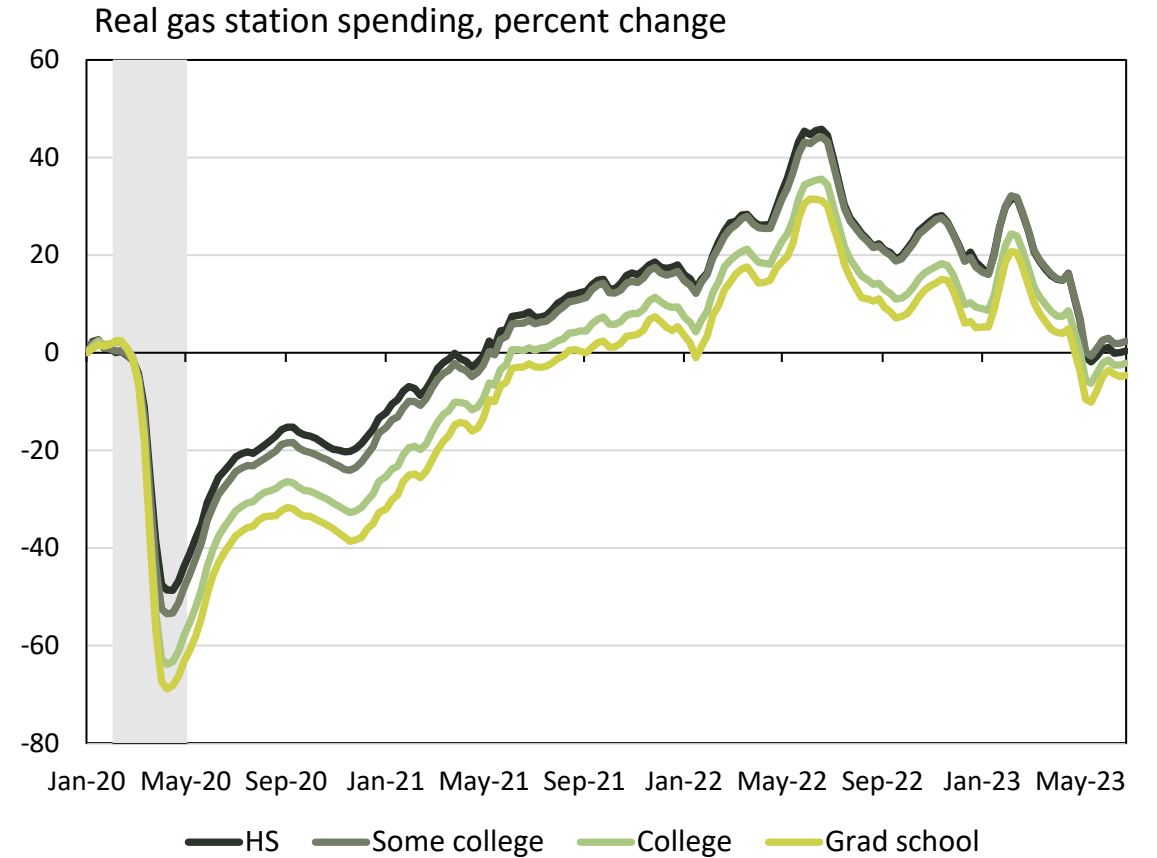
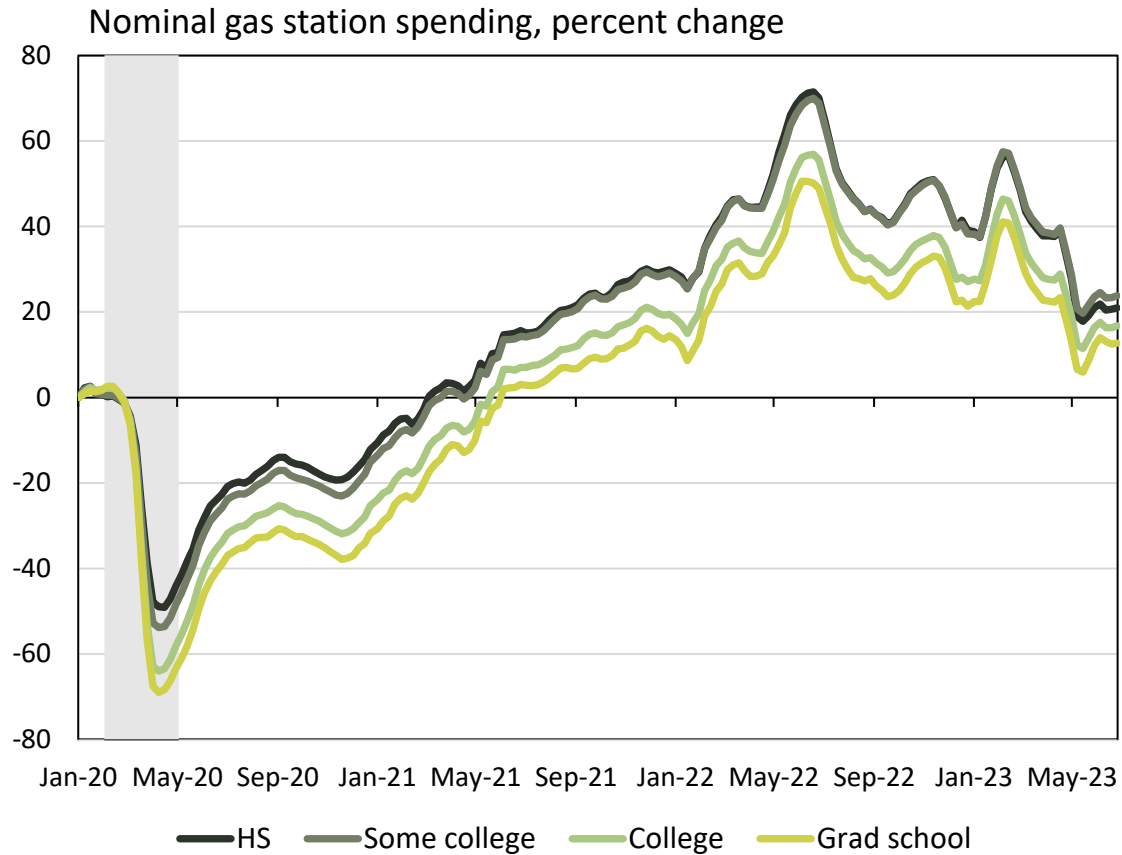


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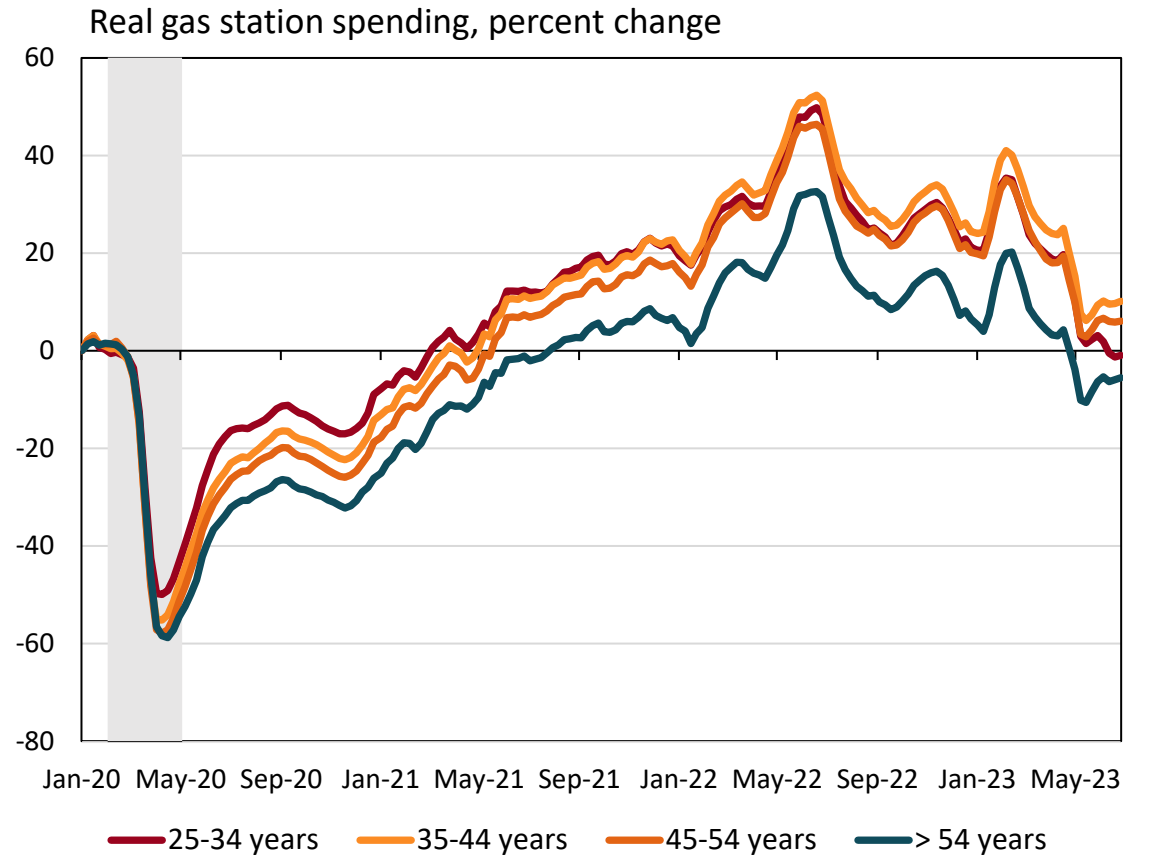
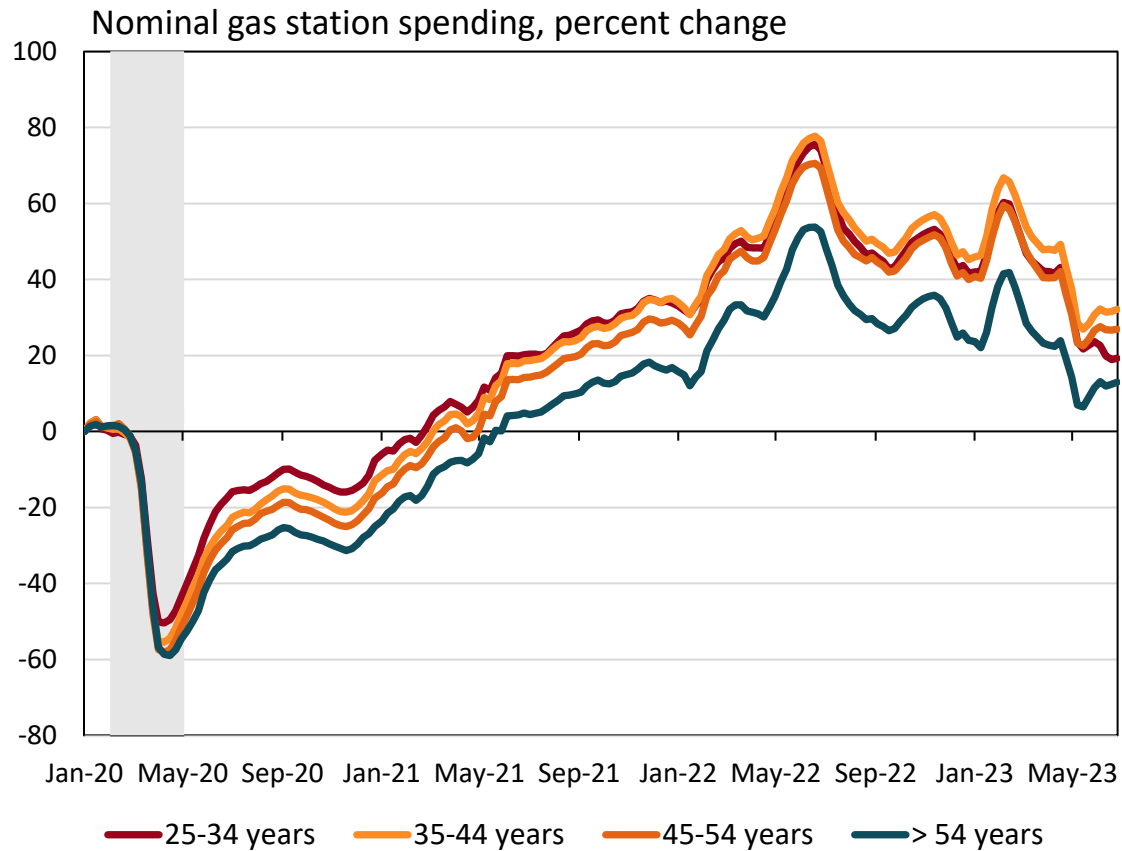
Gas Station Spending by Education



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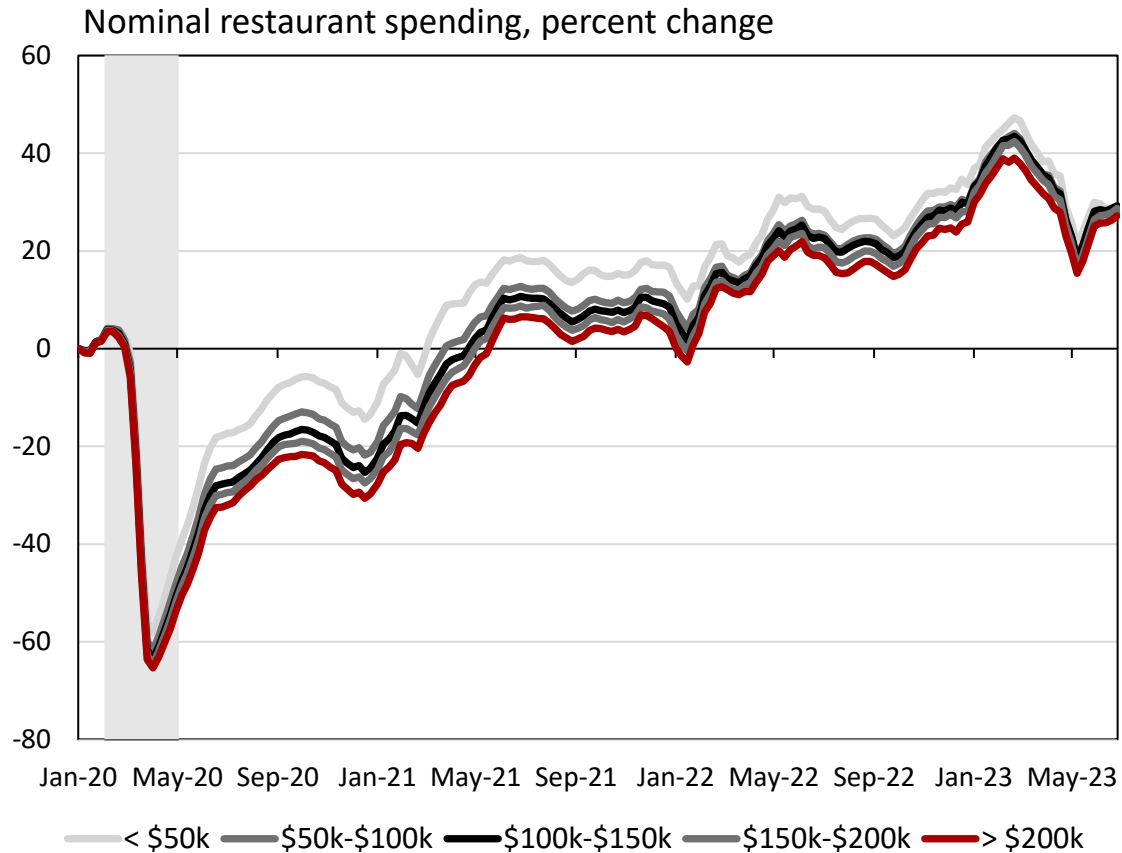
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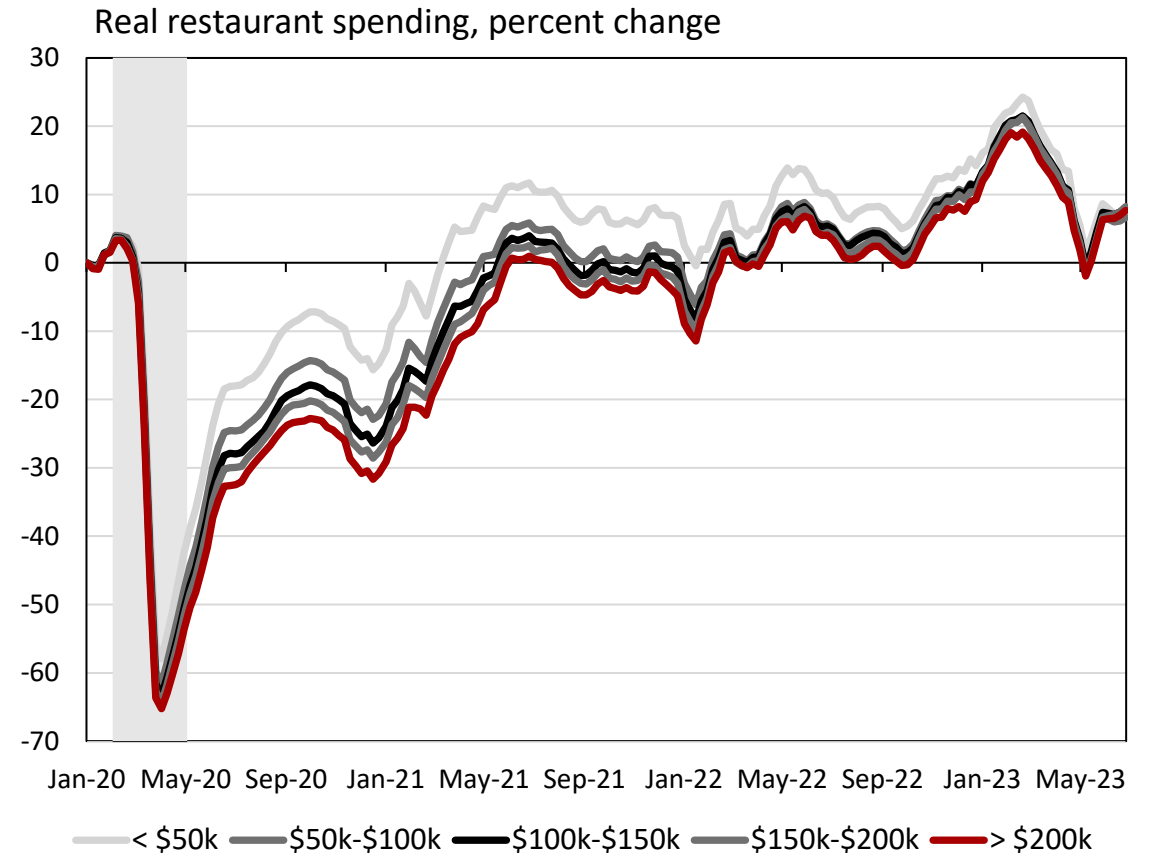
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Restaurant Spending by Income

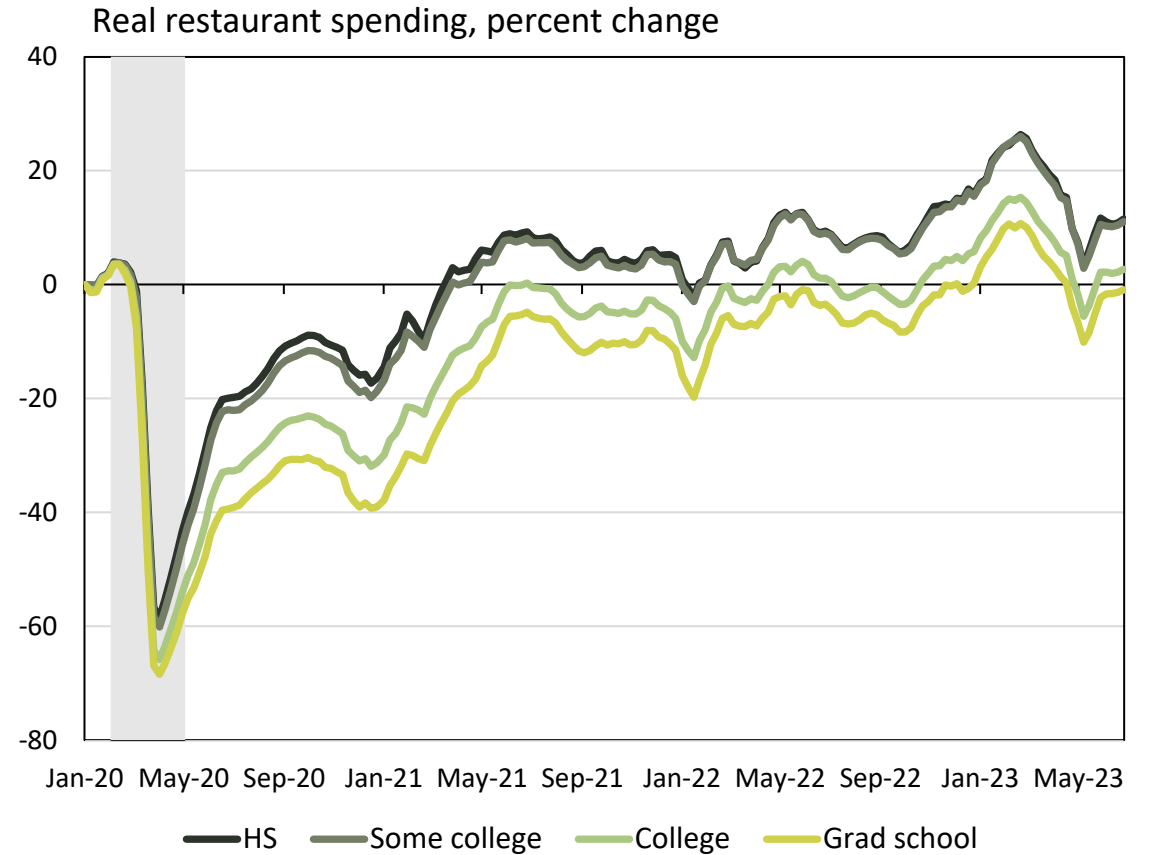
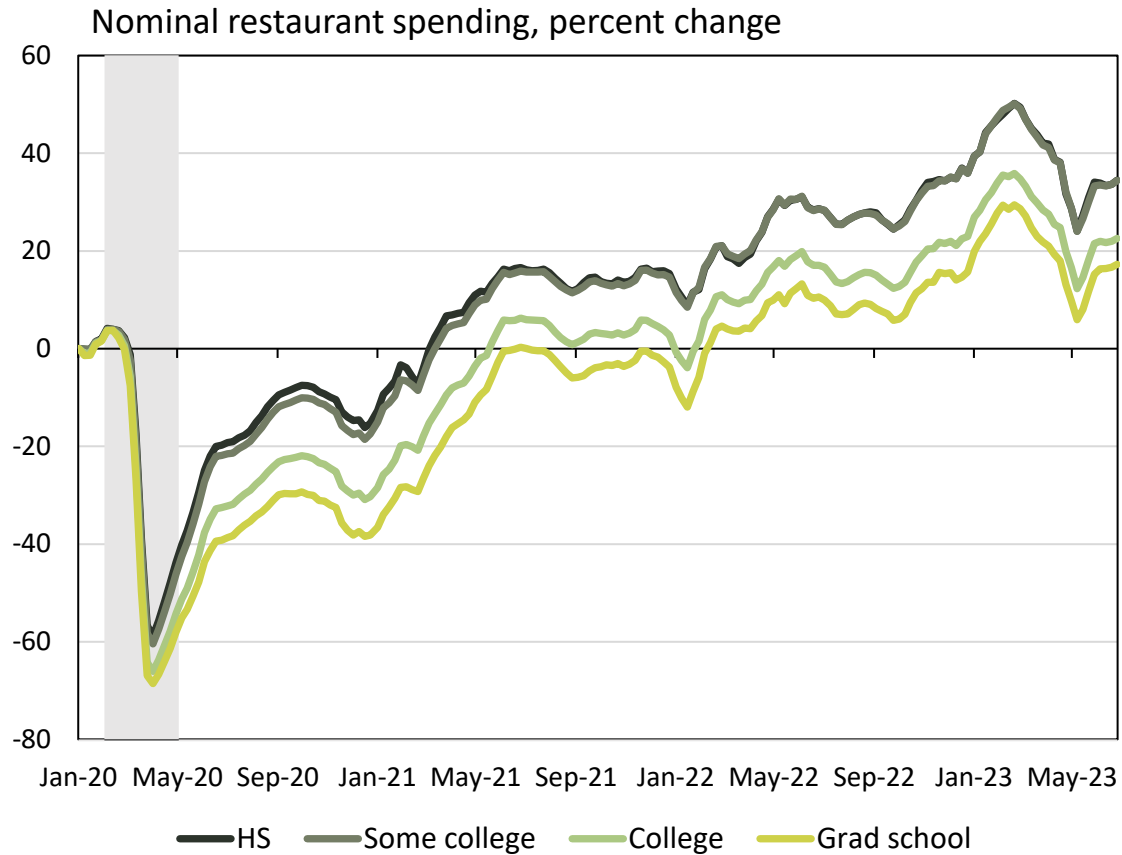


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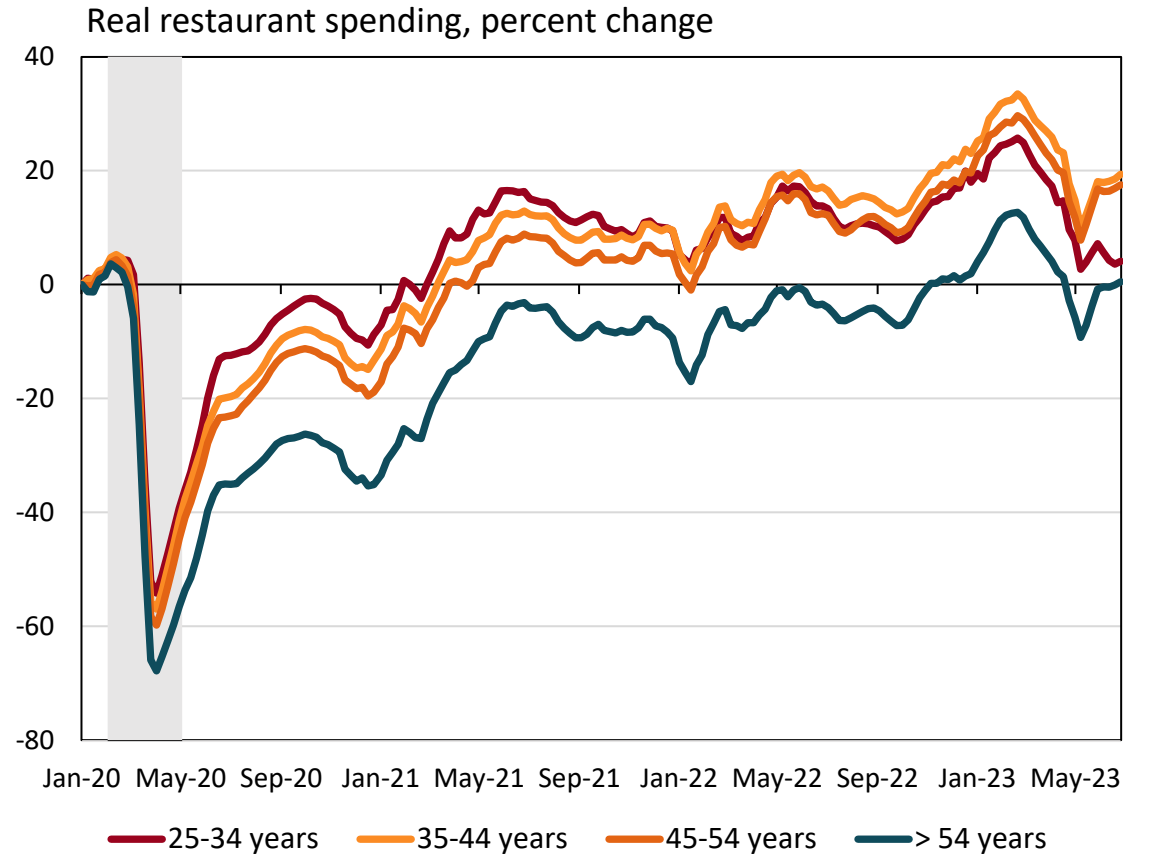
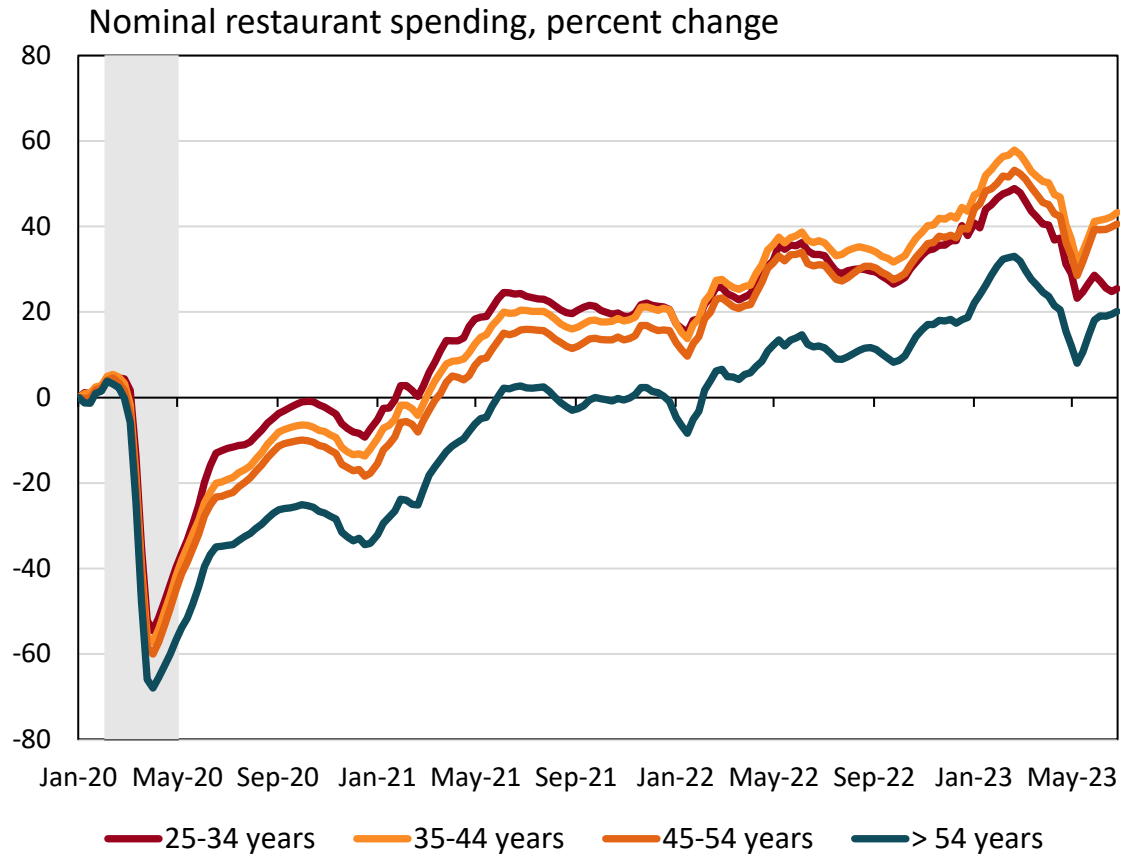
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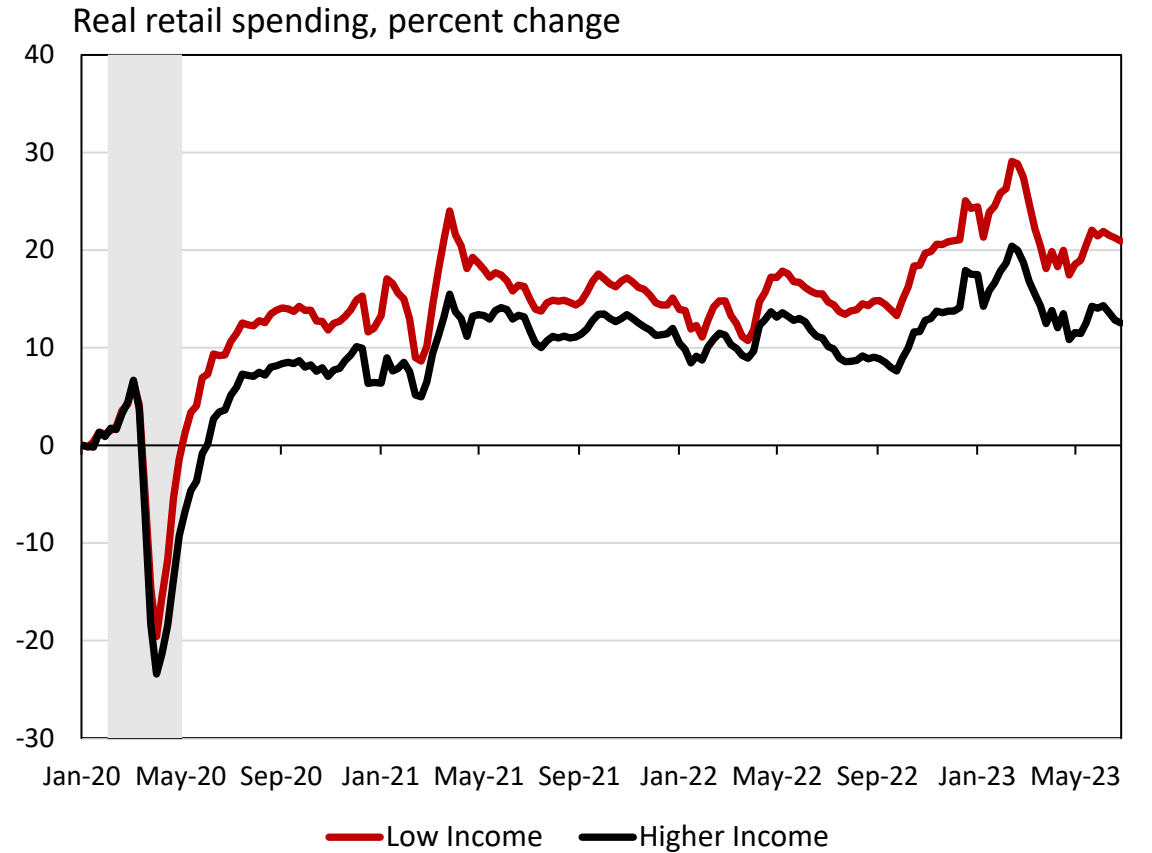
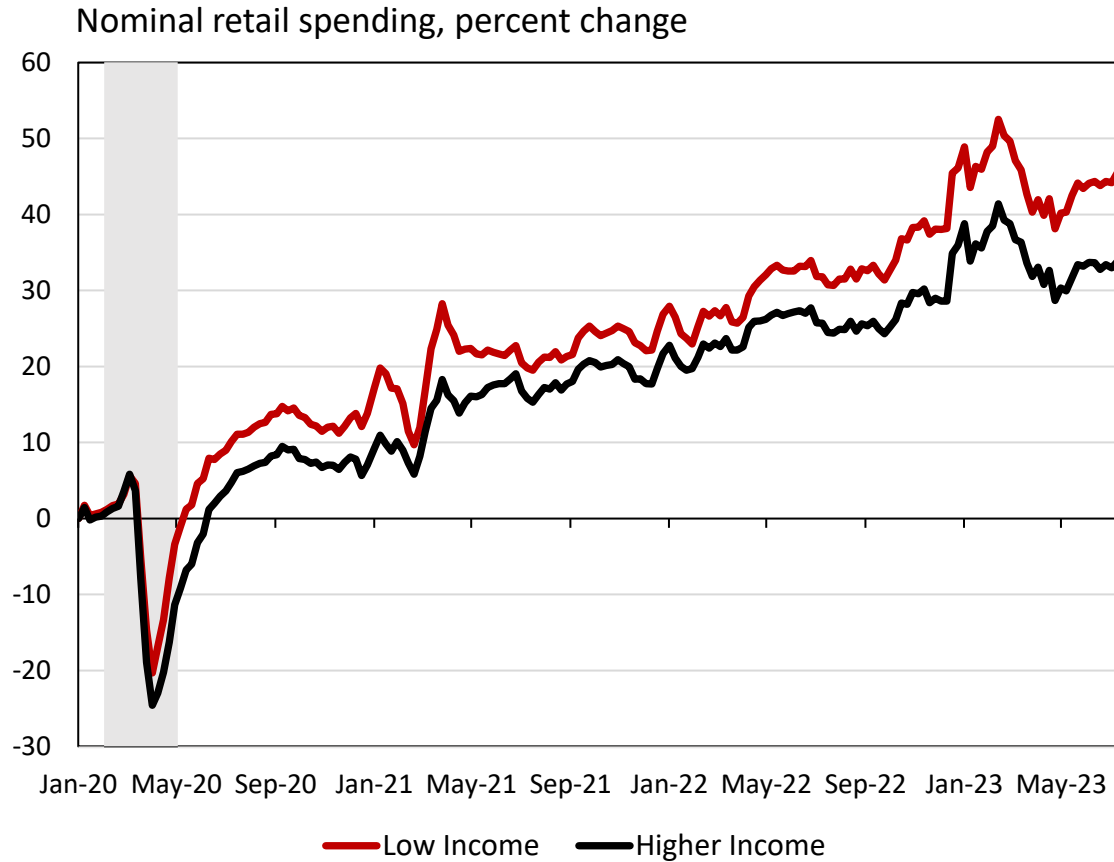


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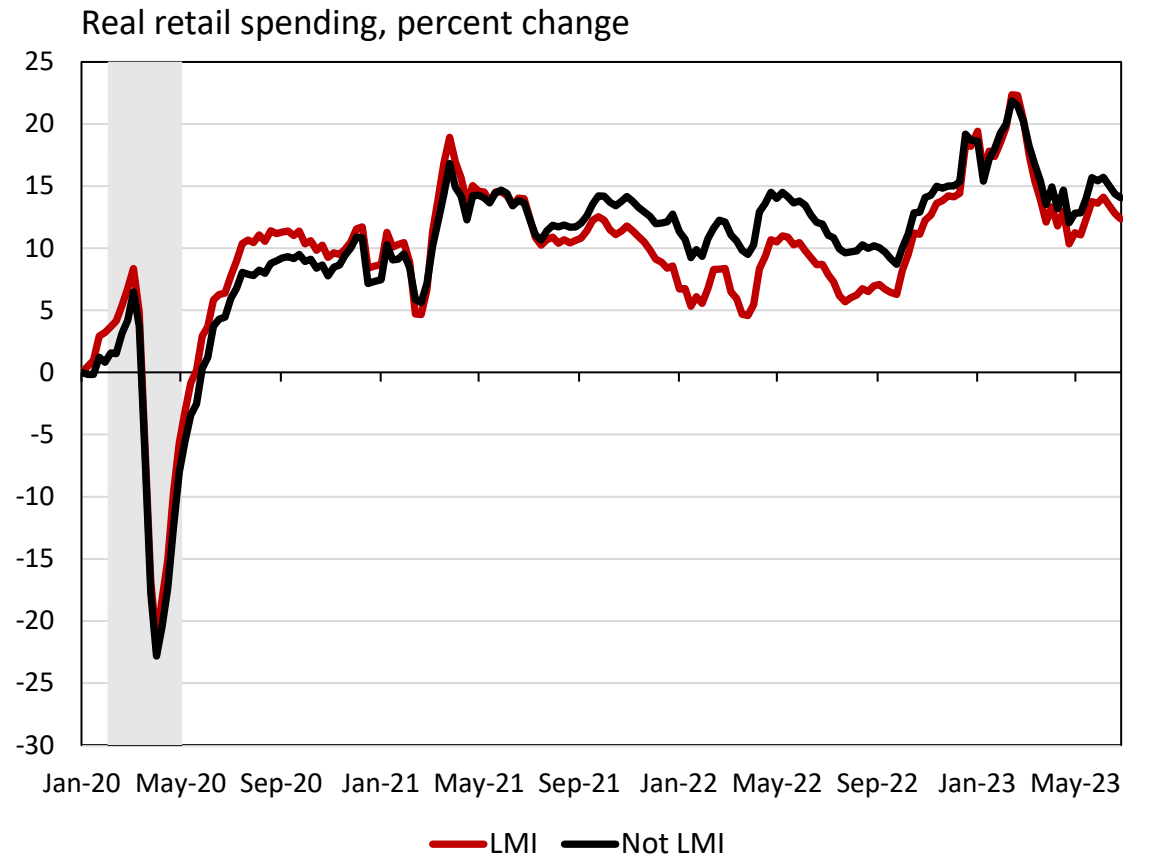
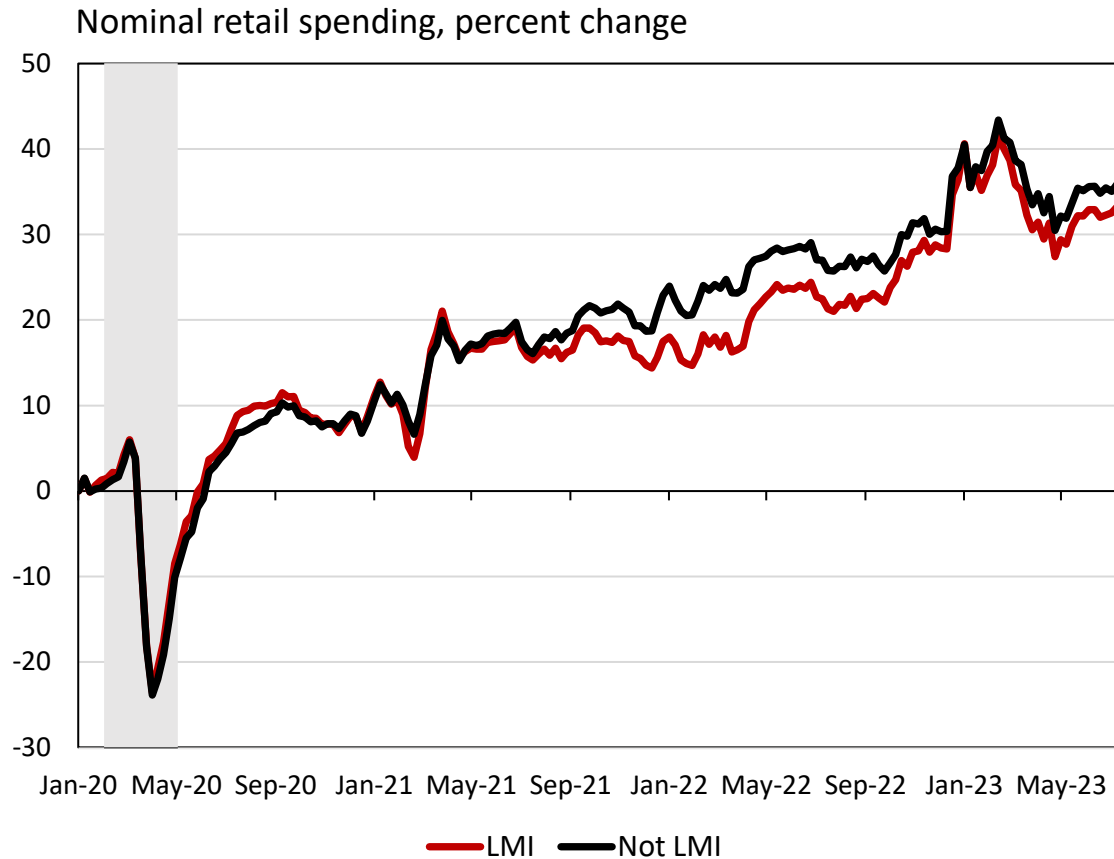
Retail Spending by County Household Income



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-income counties are defined as those with household incomes below the 25th percentile of national household income. Real spending uses corresponding regional prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

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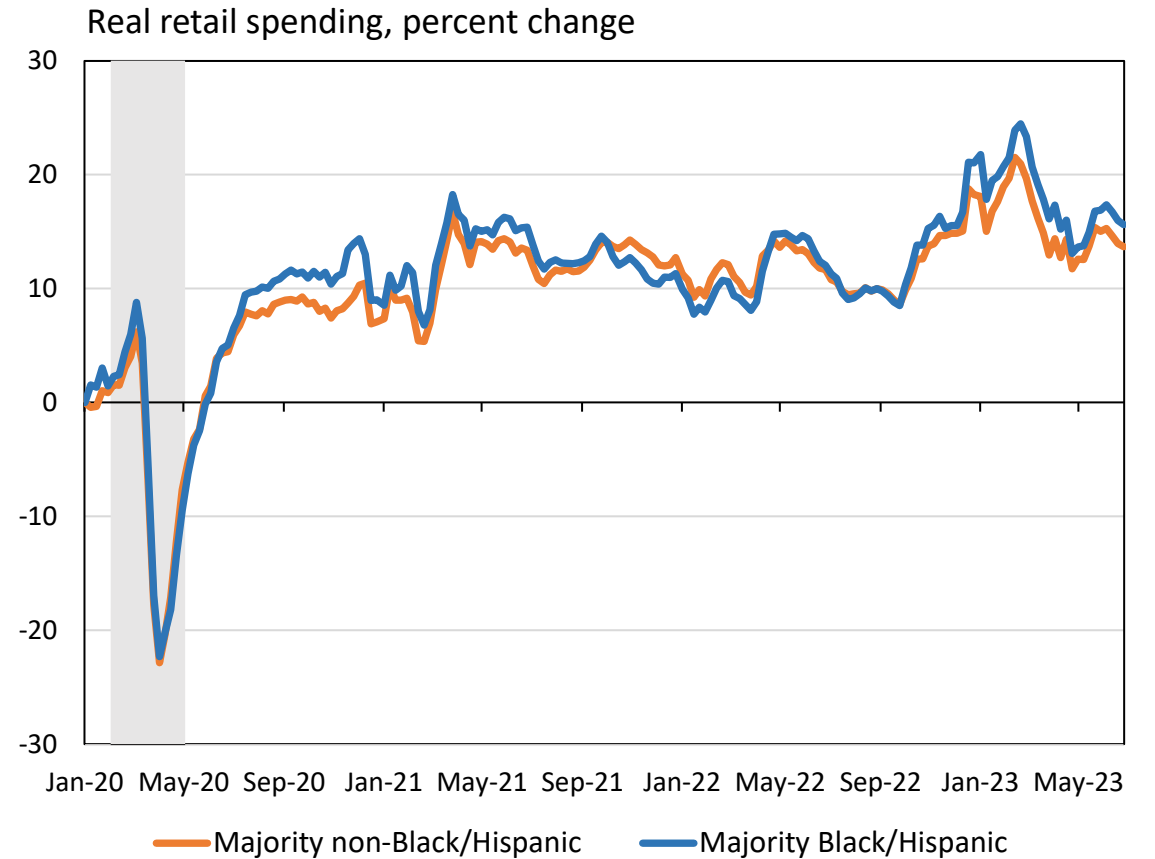
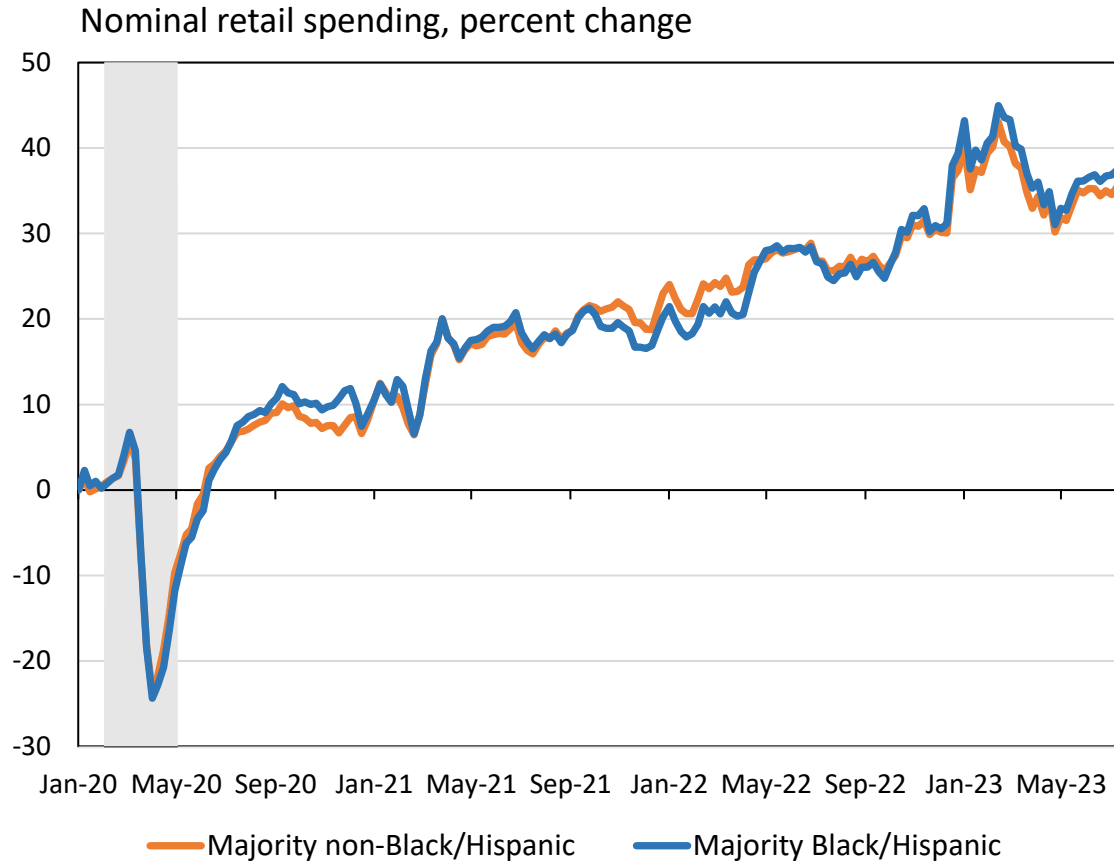
Retail Spending by Low to Moderate Income (LMI) Status



Source: Commerce Signals – Three-week moving averages.
 Notes: Low-to-moderate income (LMI) counties are defined as those where the majority of households earn below 80% of the metro area median. Real spending uses corresponding urban/rural prices, indexed to January 2020. Shaded region indicates the COVID-19 recession.

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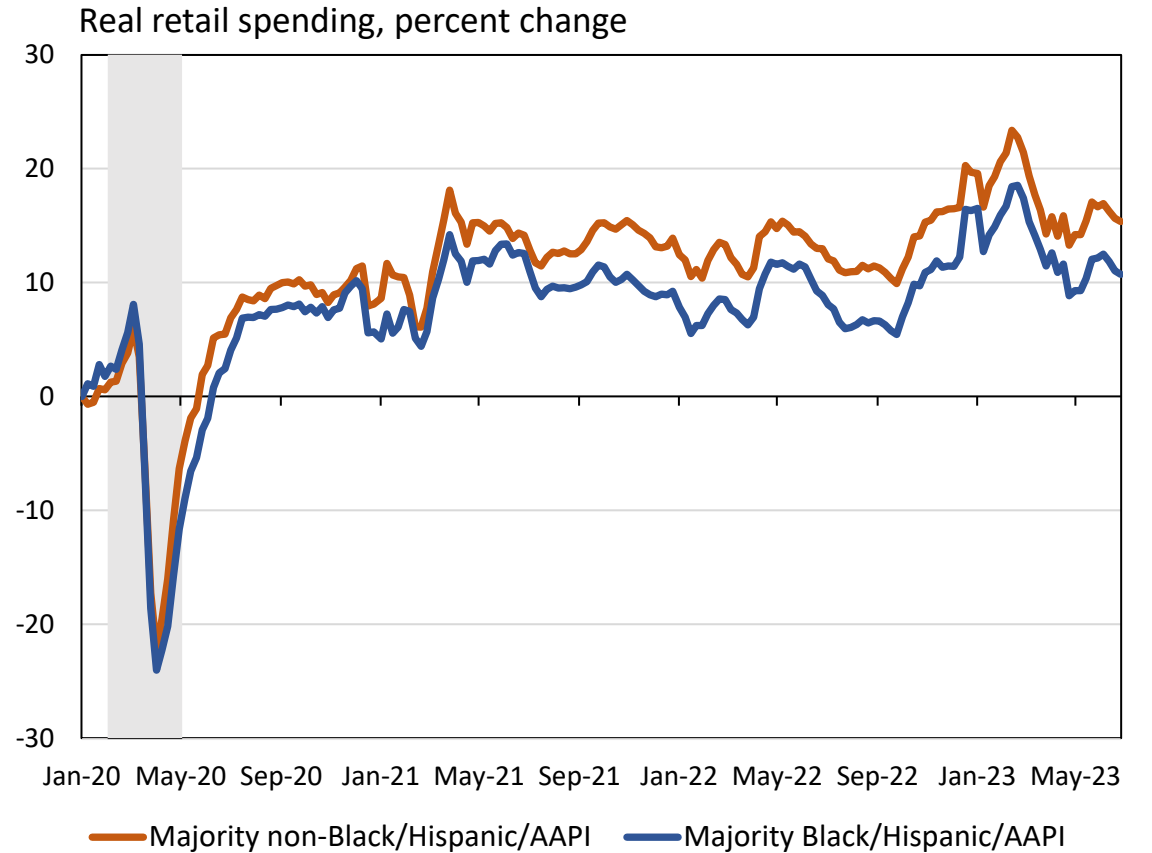
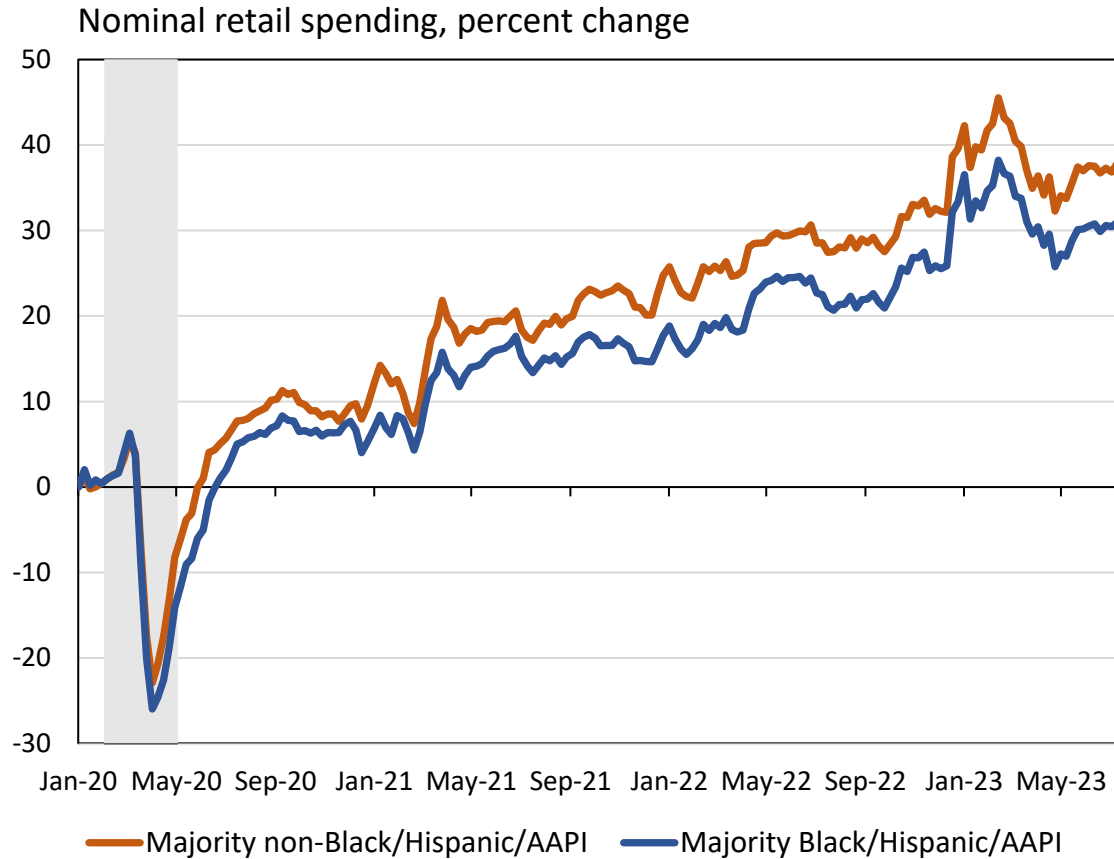
Retail Spending by County Demographics



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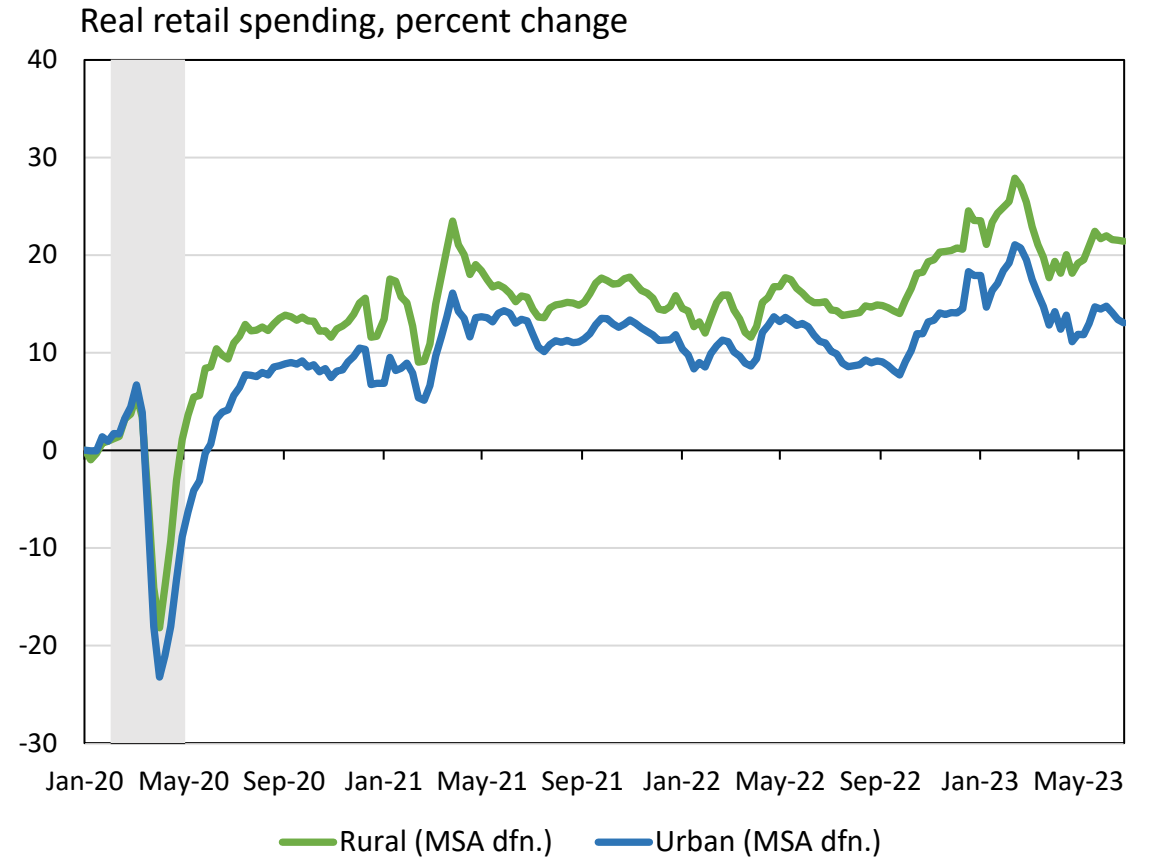
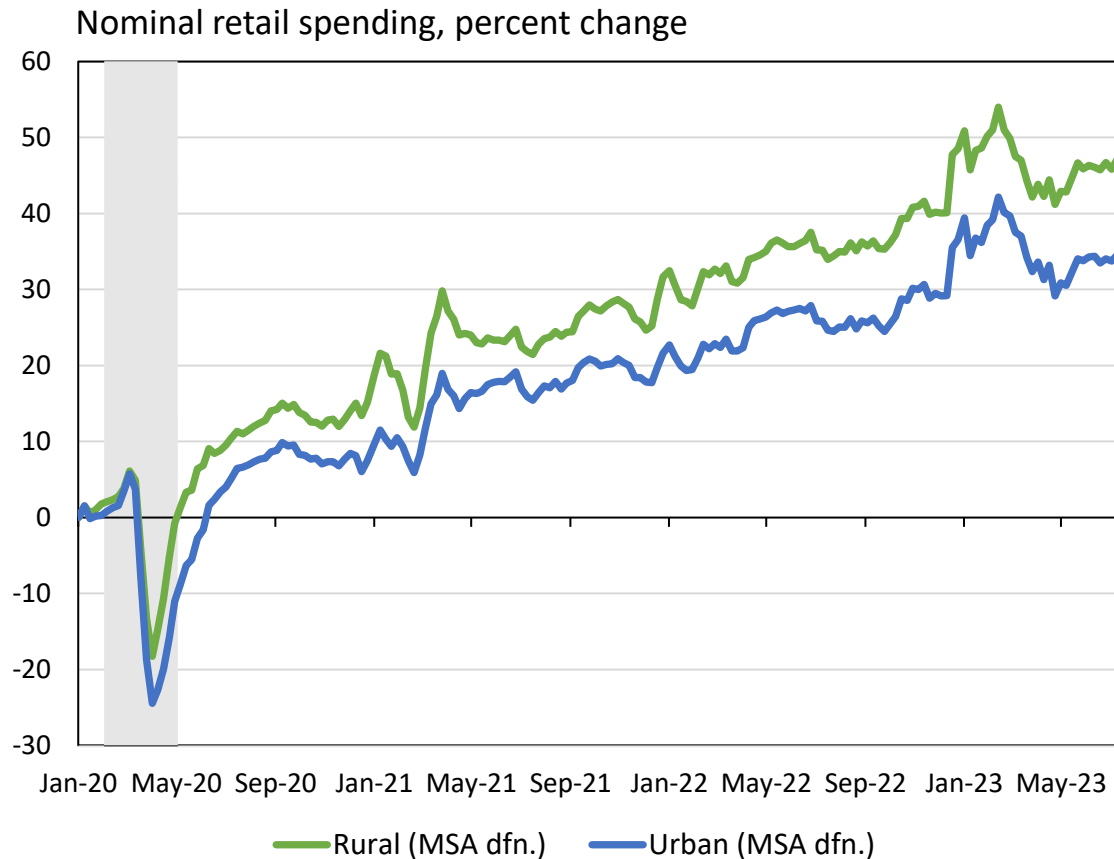
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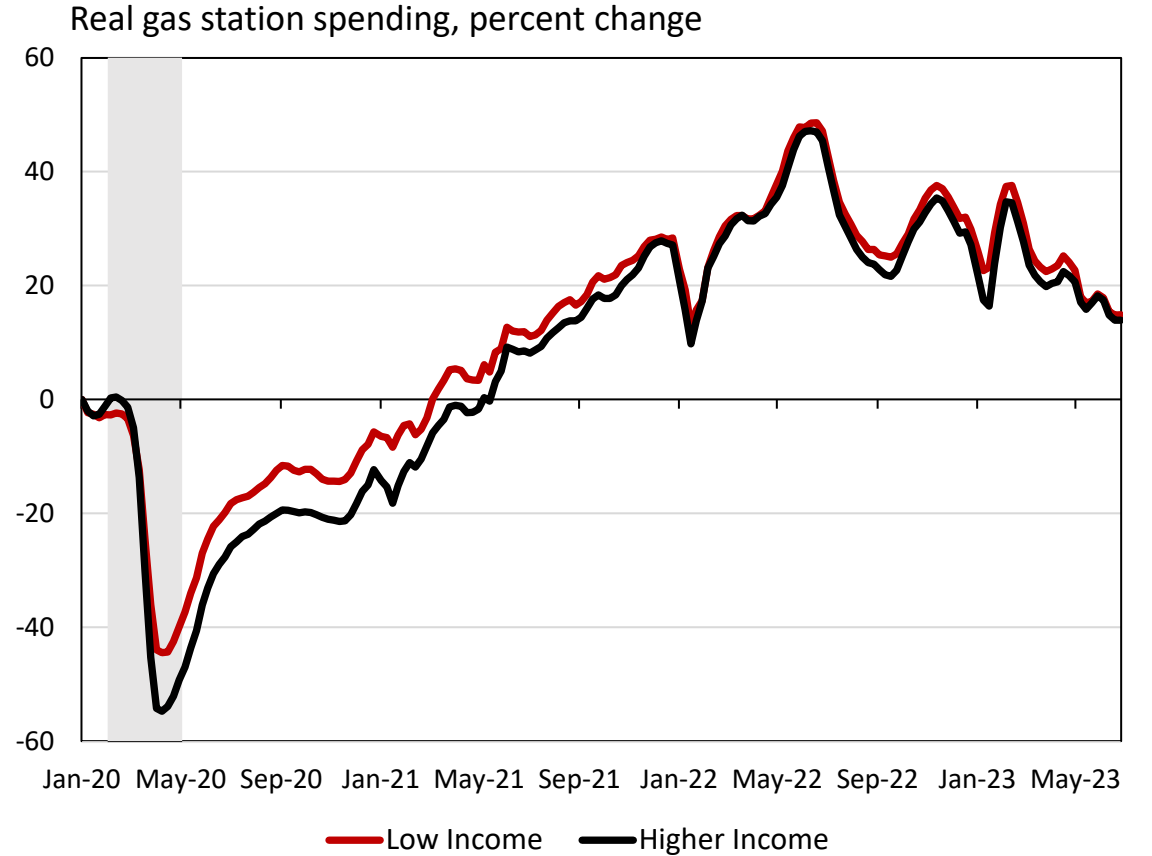
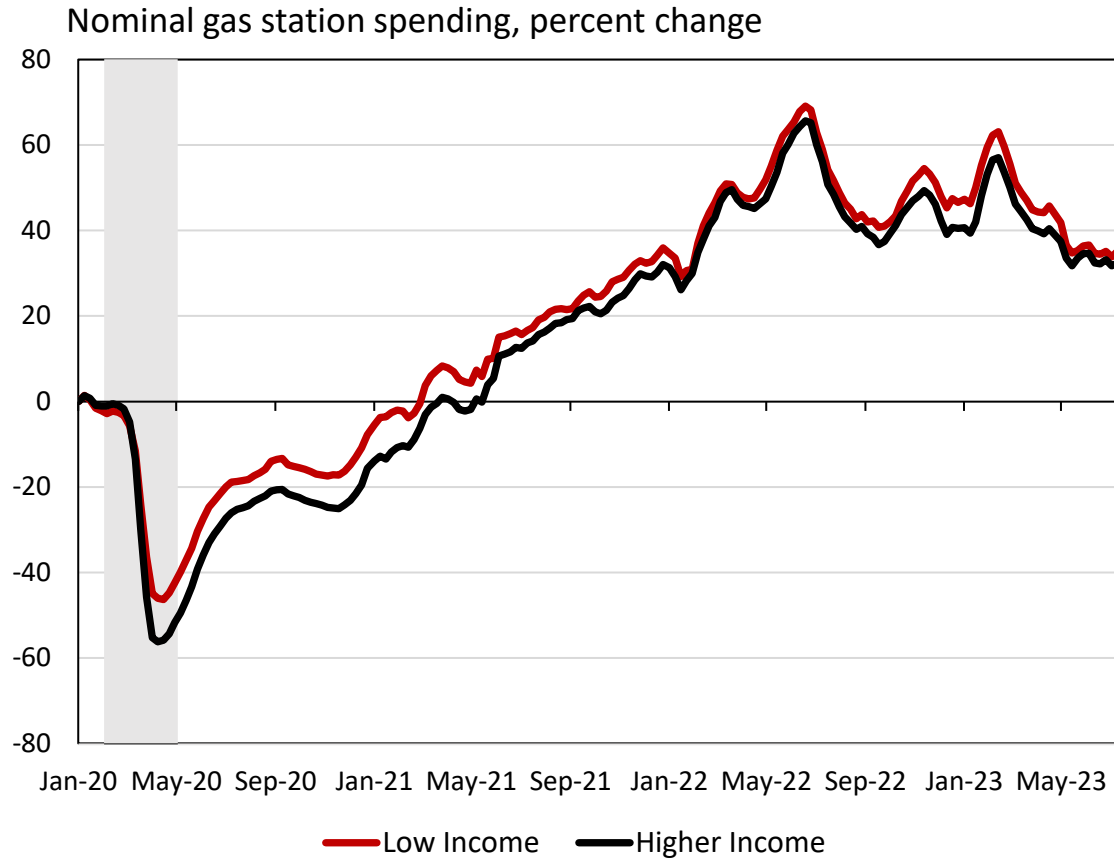
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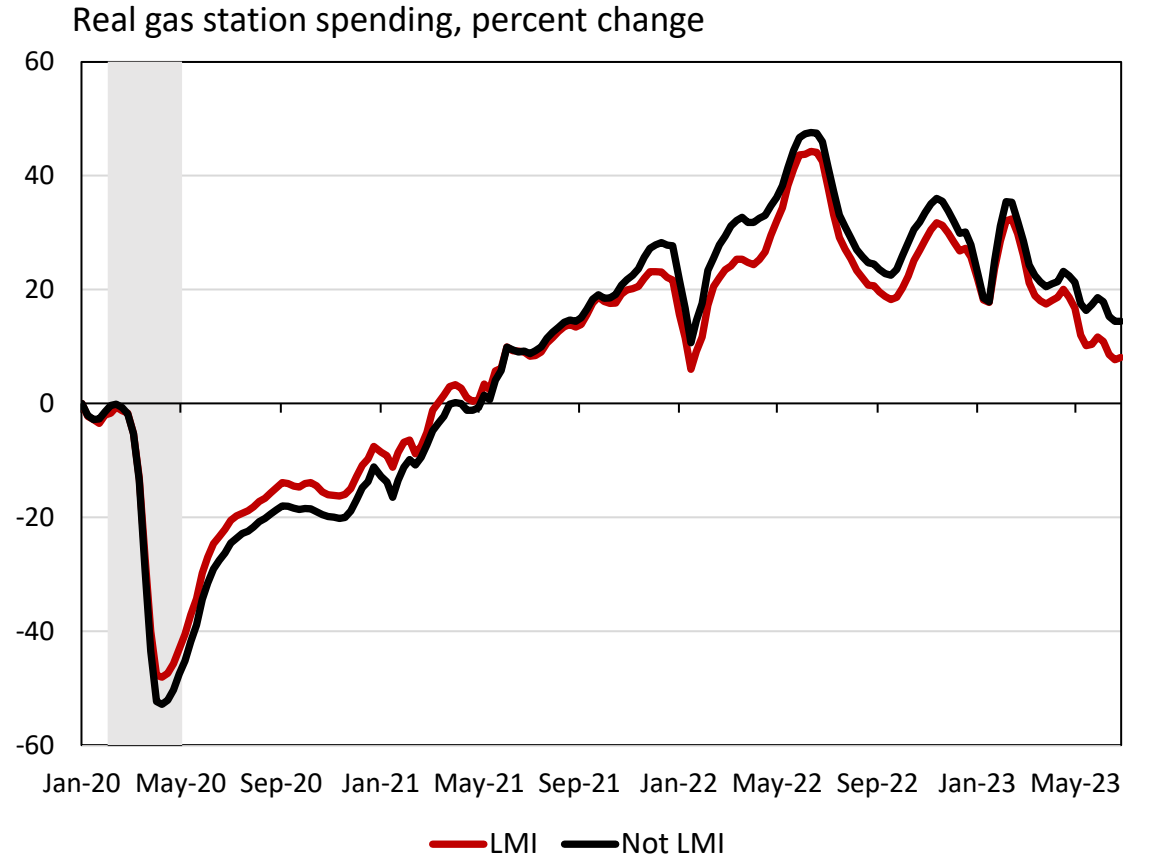
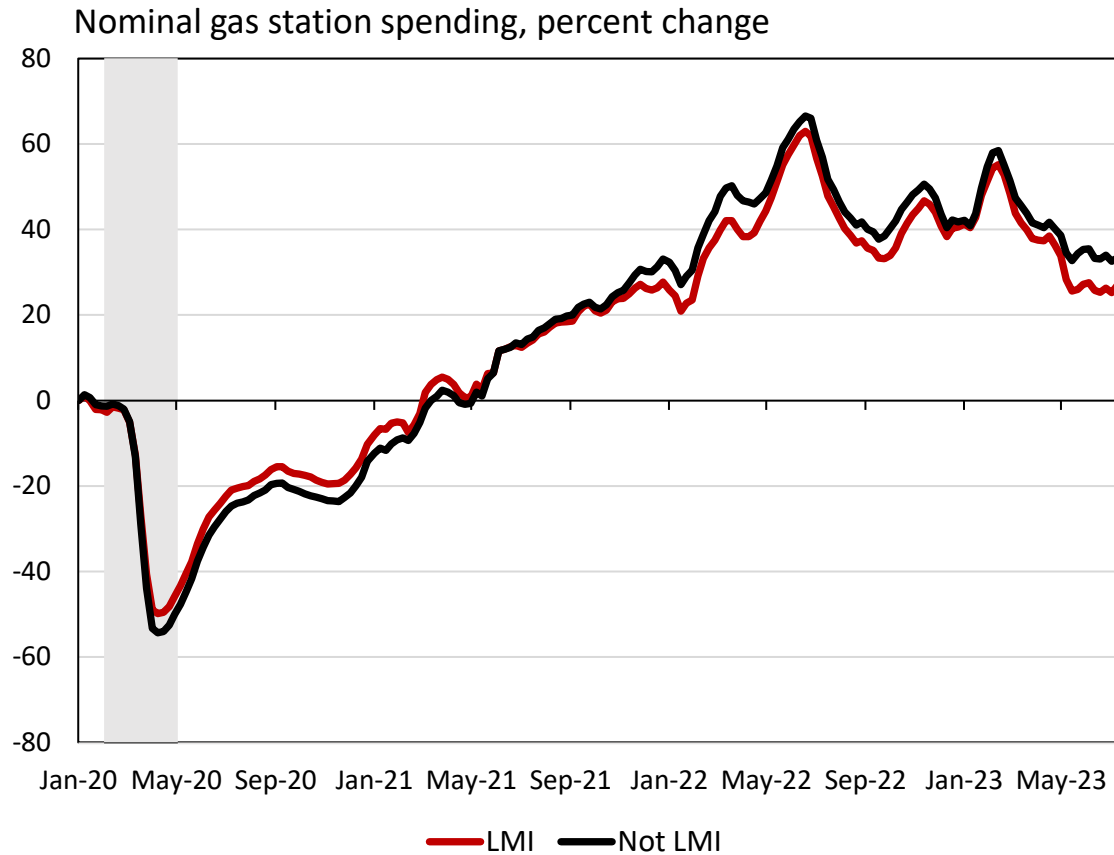
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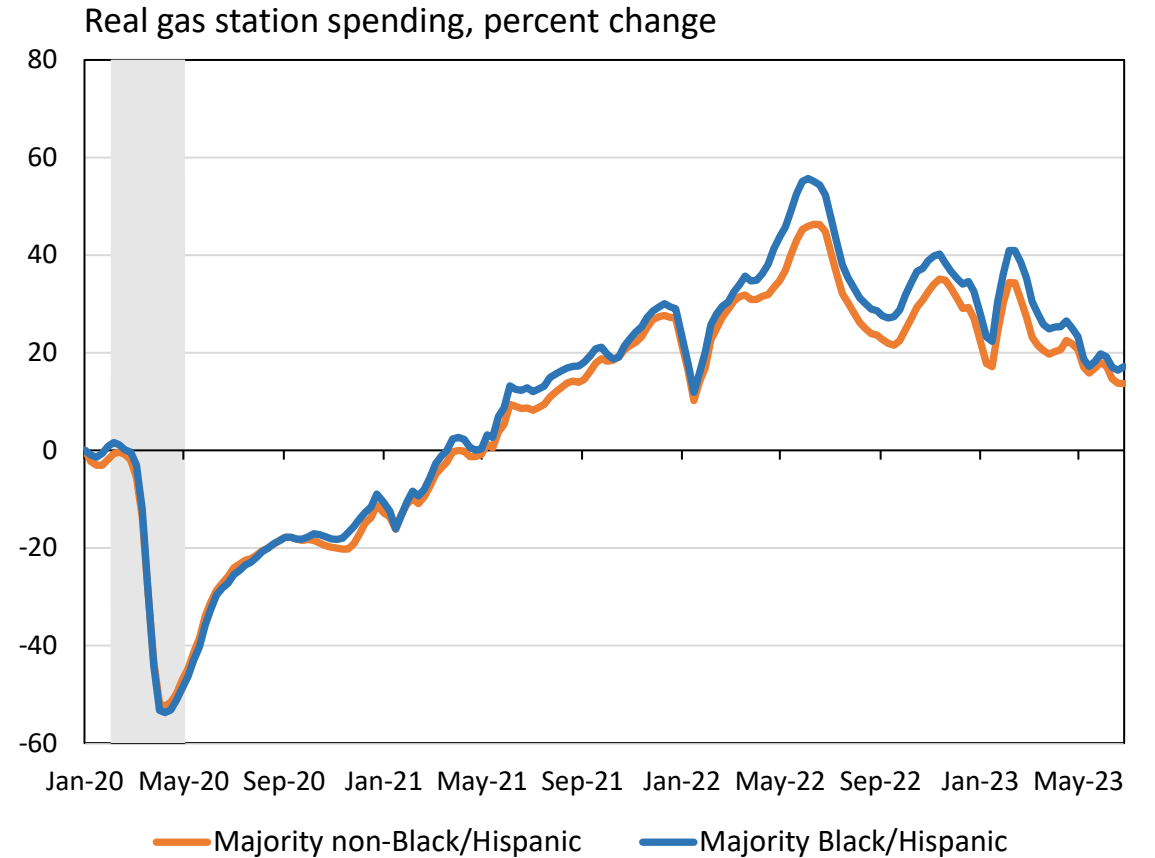
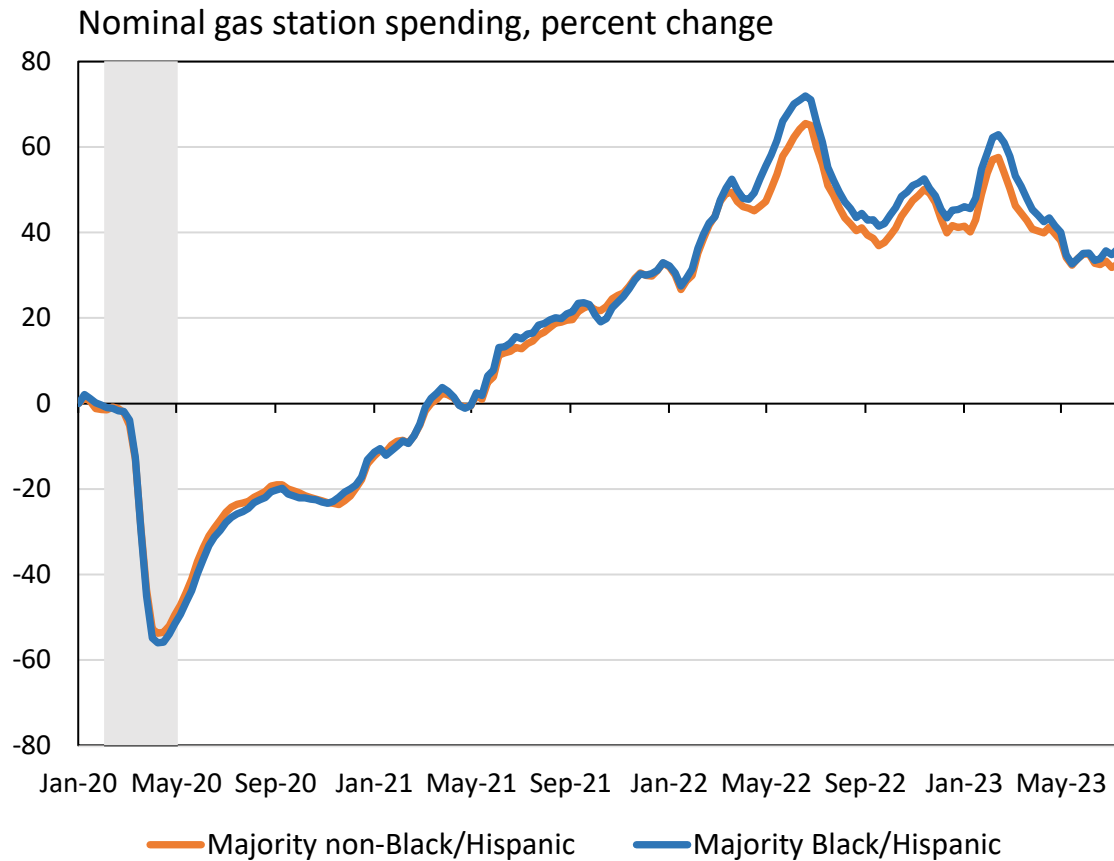
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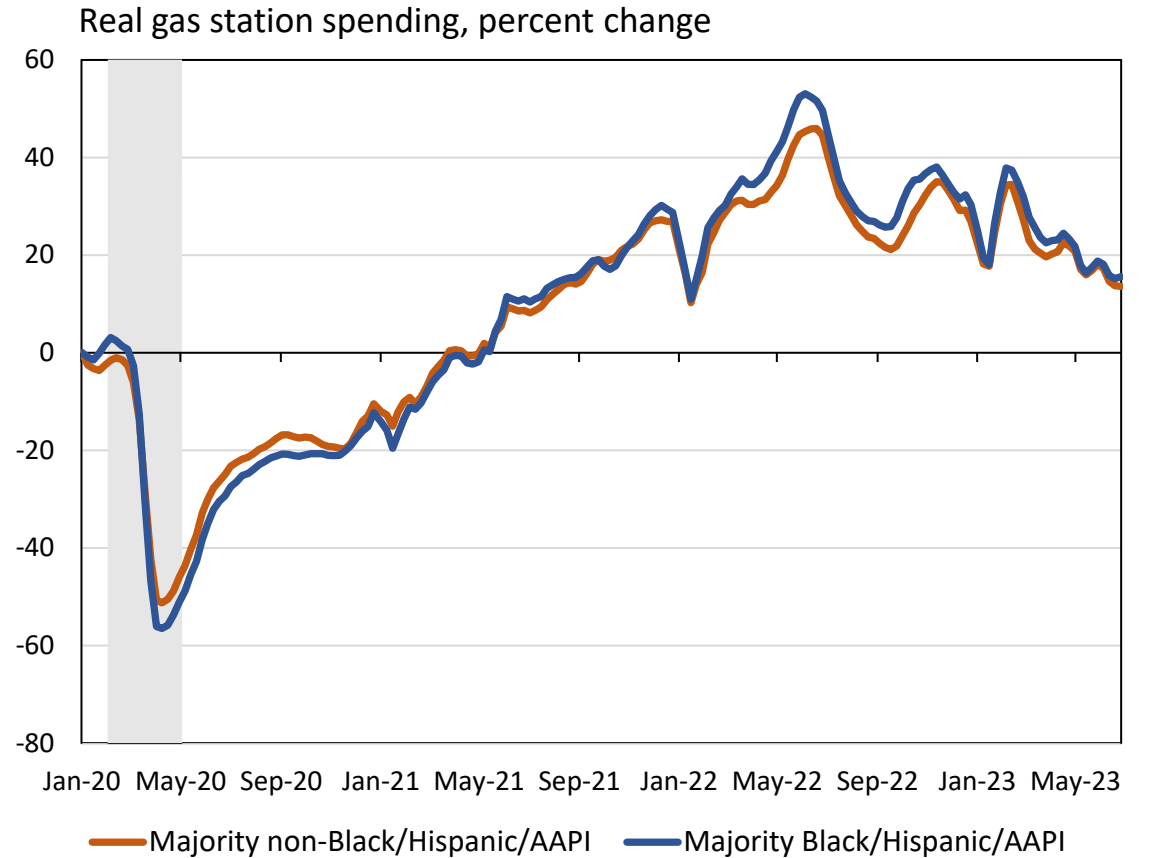
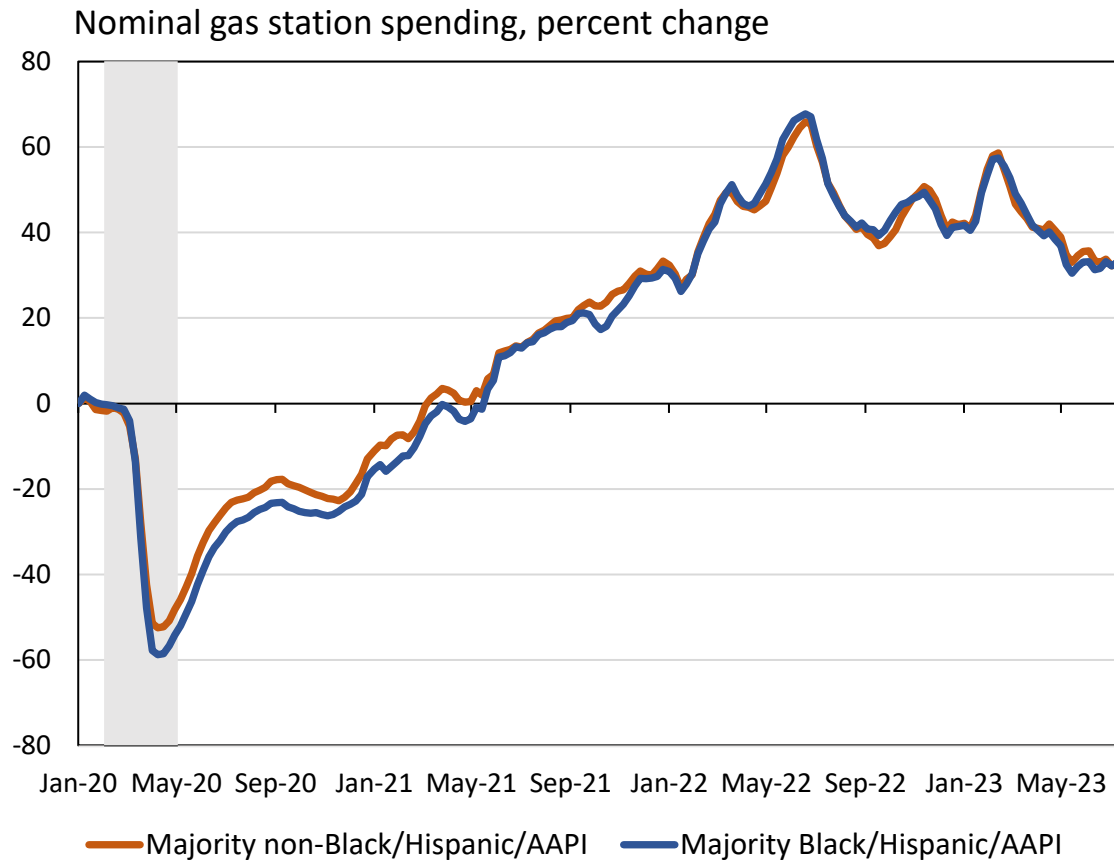
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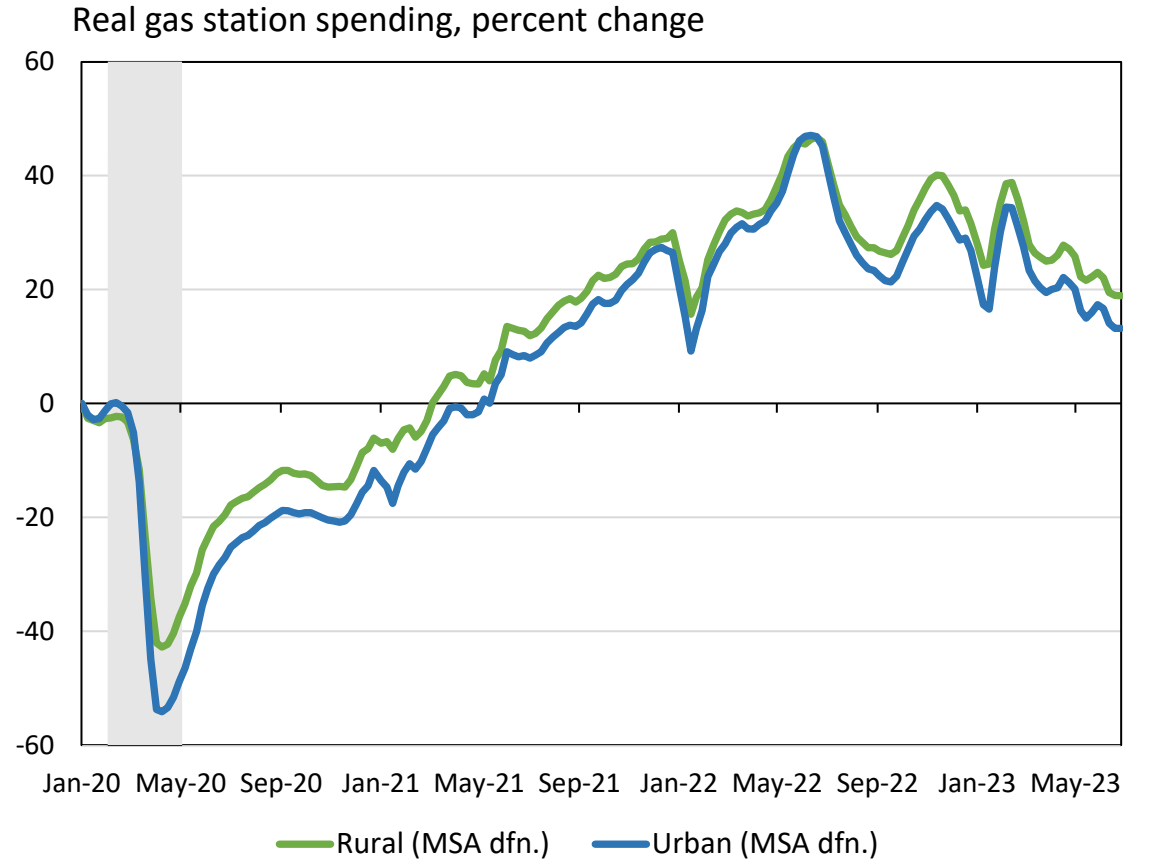
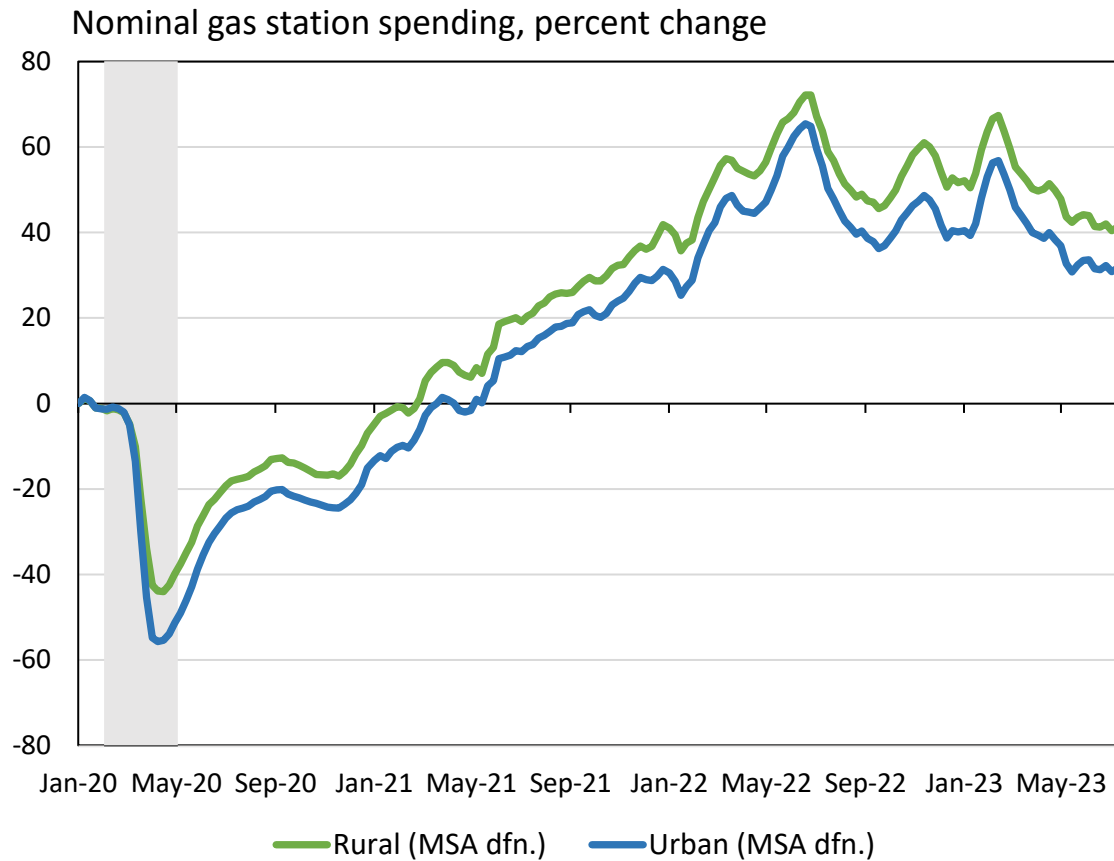


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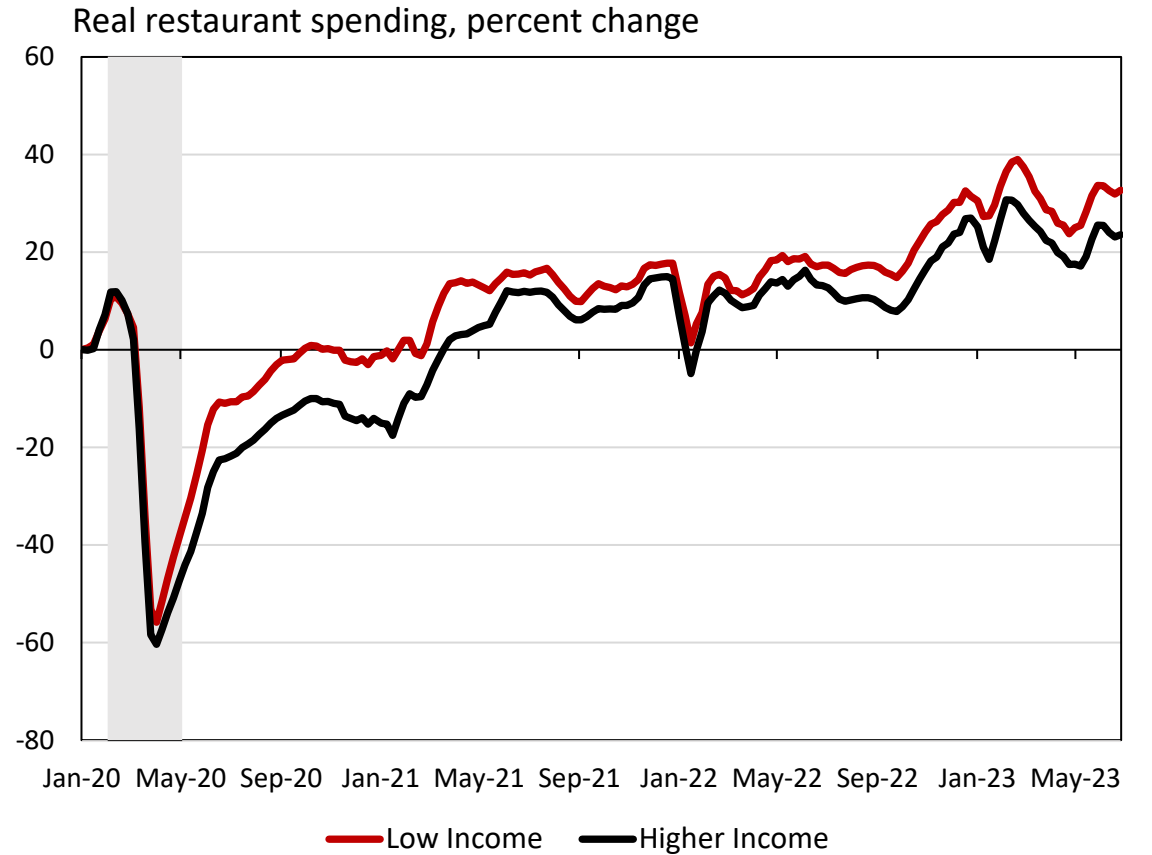
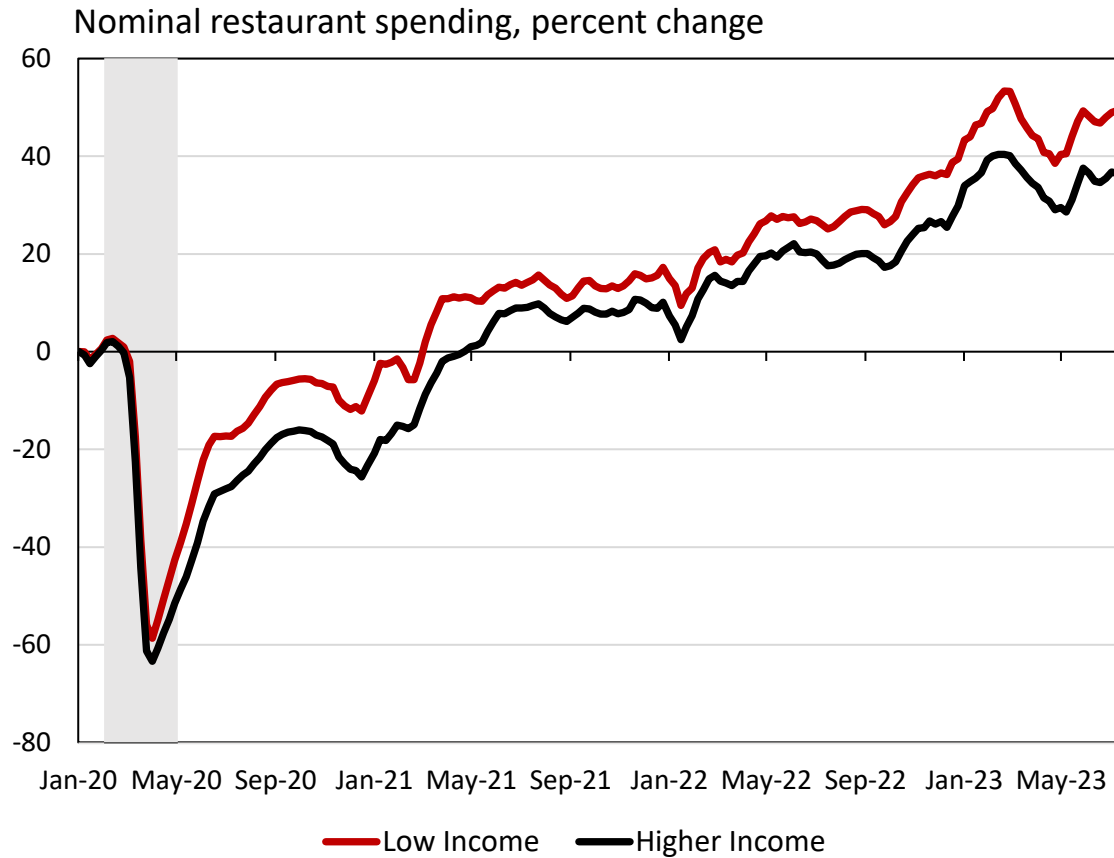
Gas Station Spending by County Urban/Rural Status



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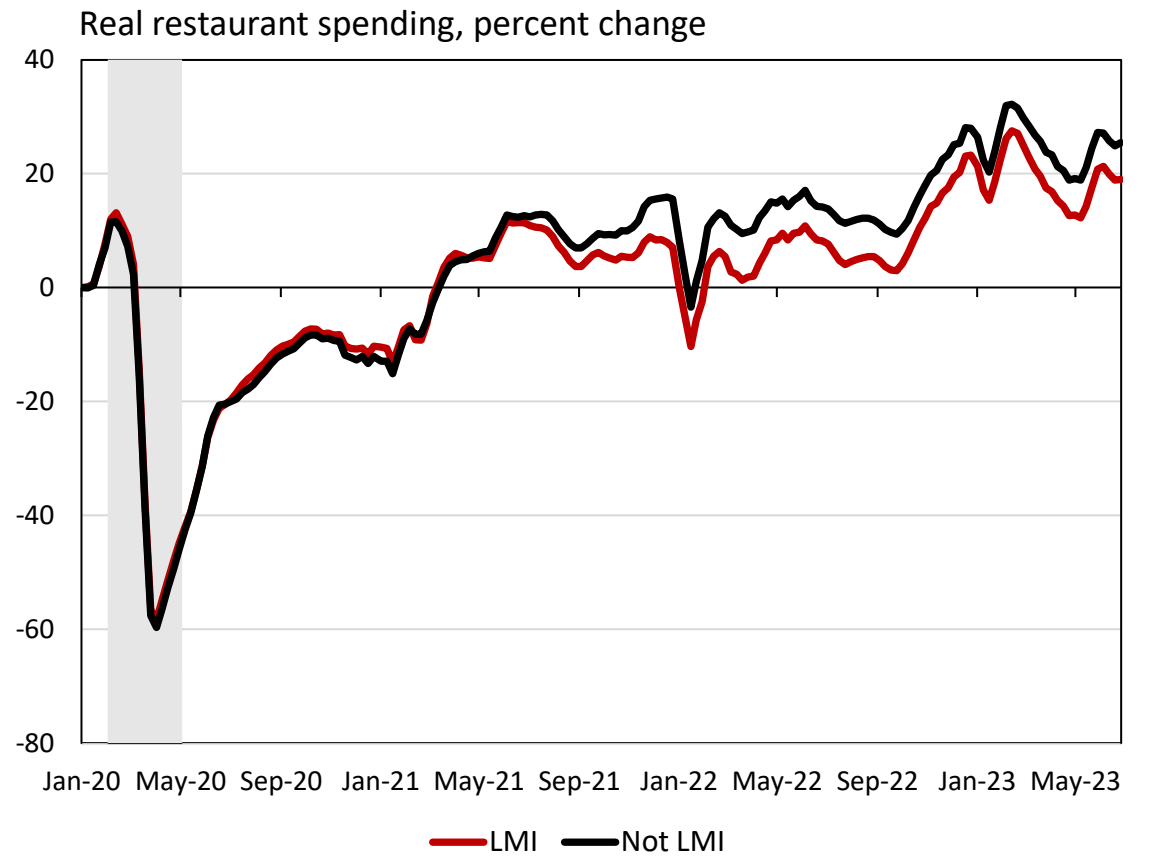
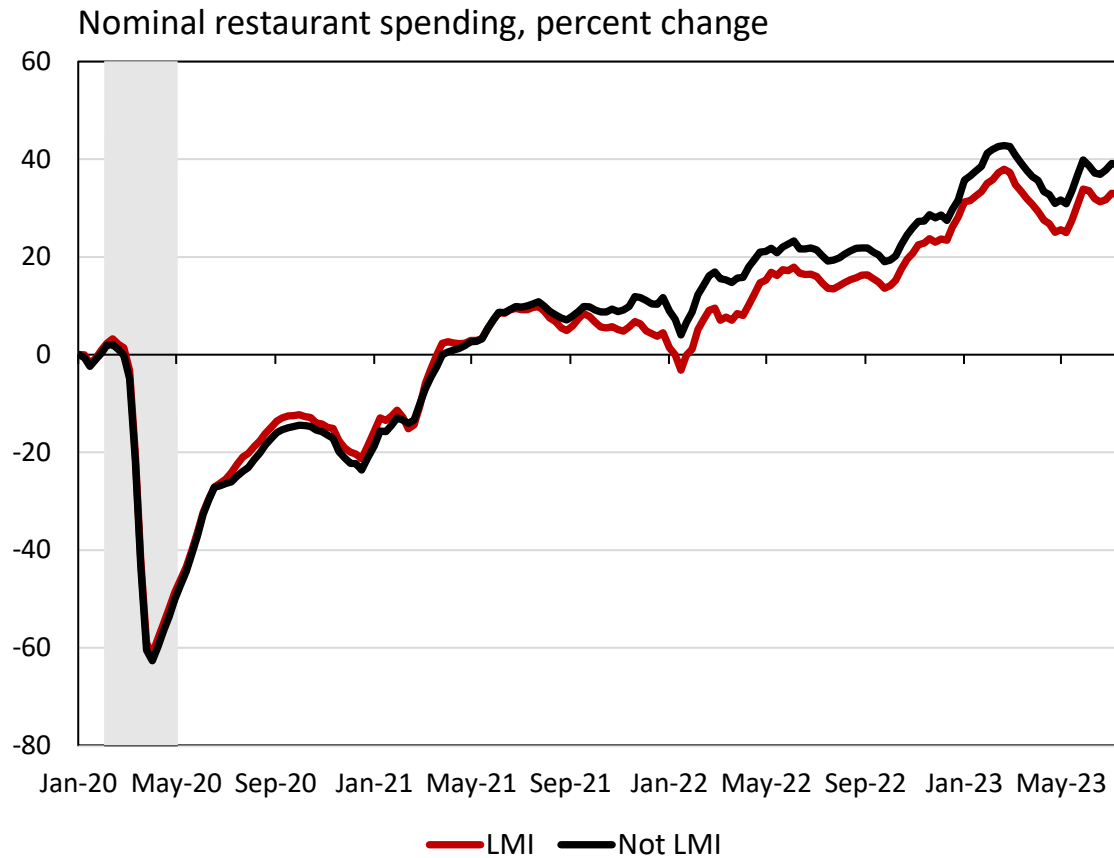
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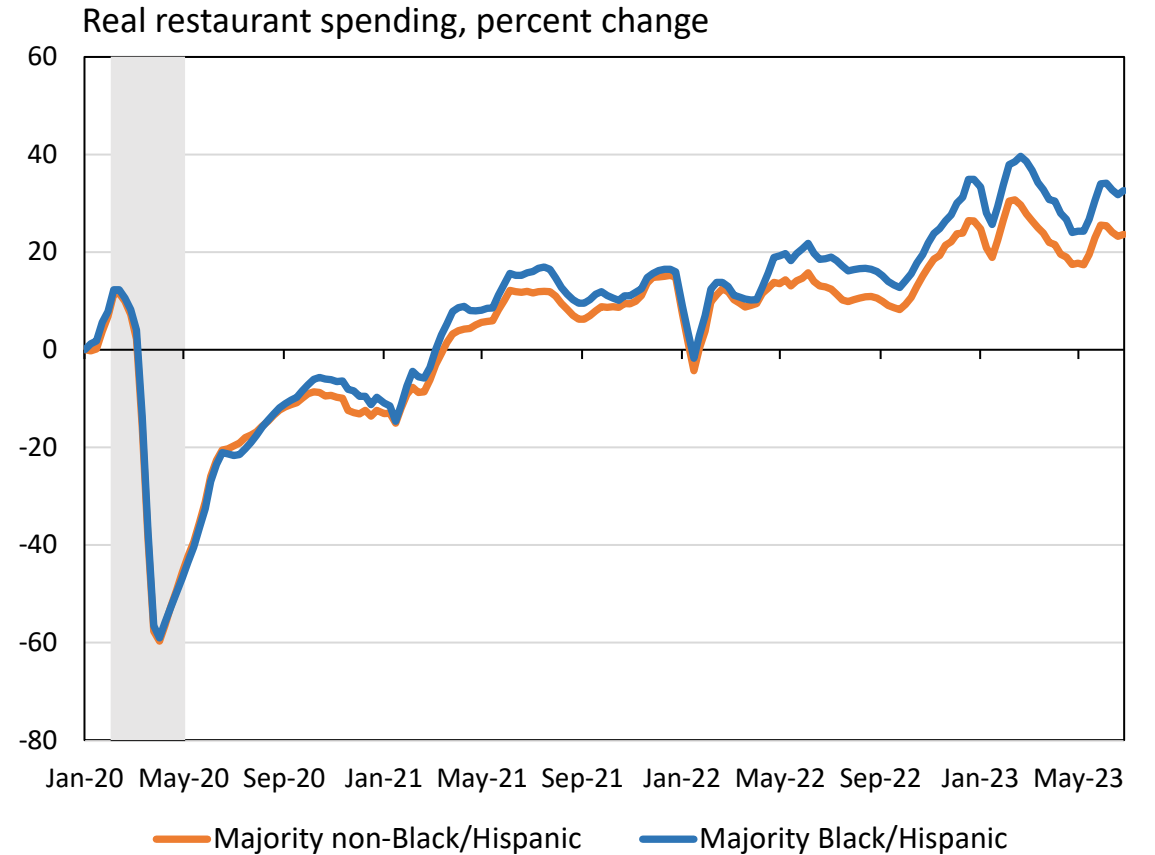
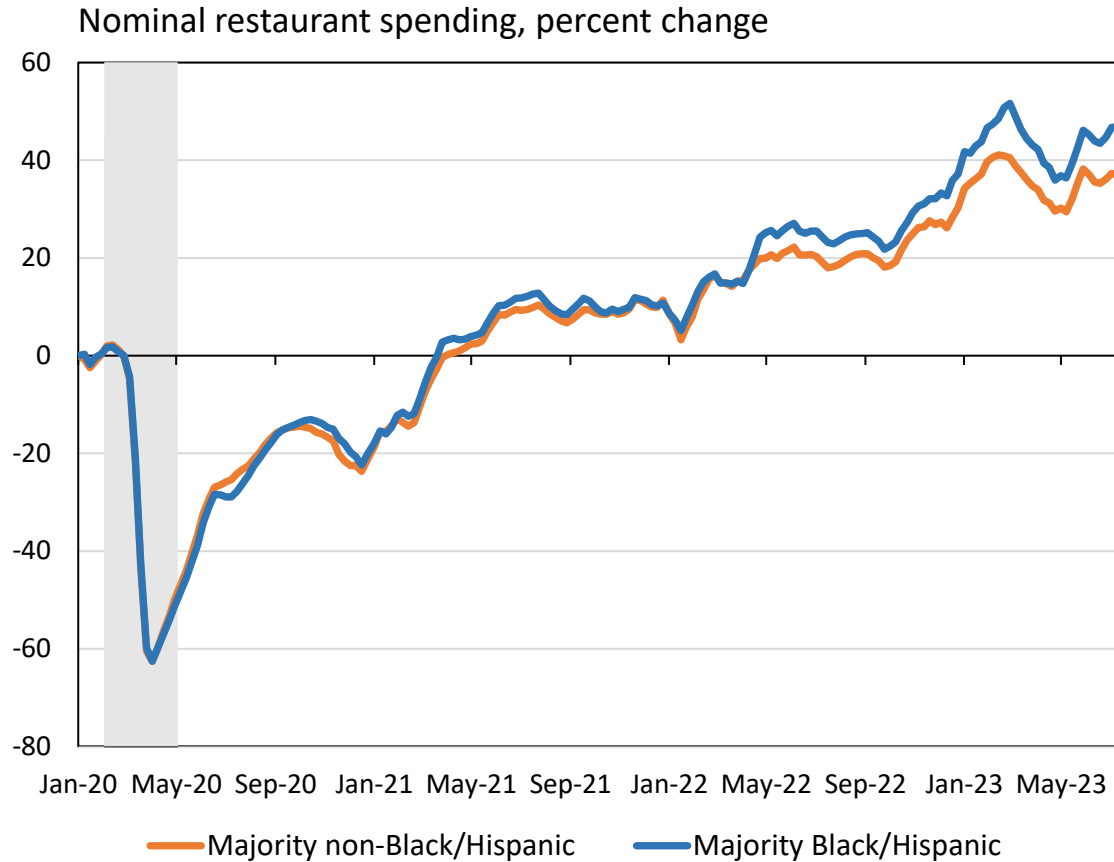
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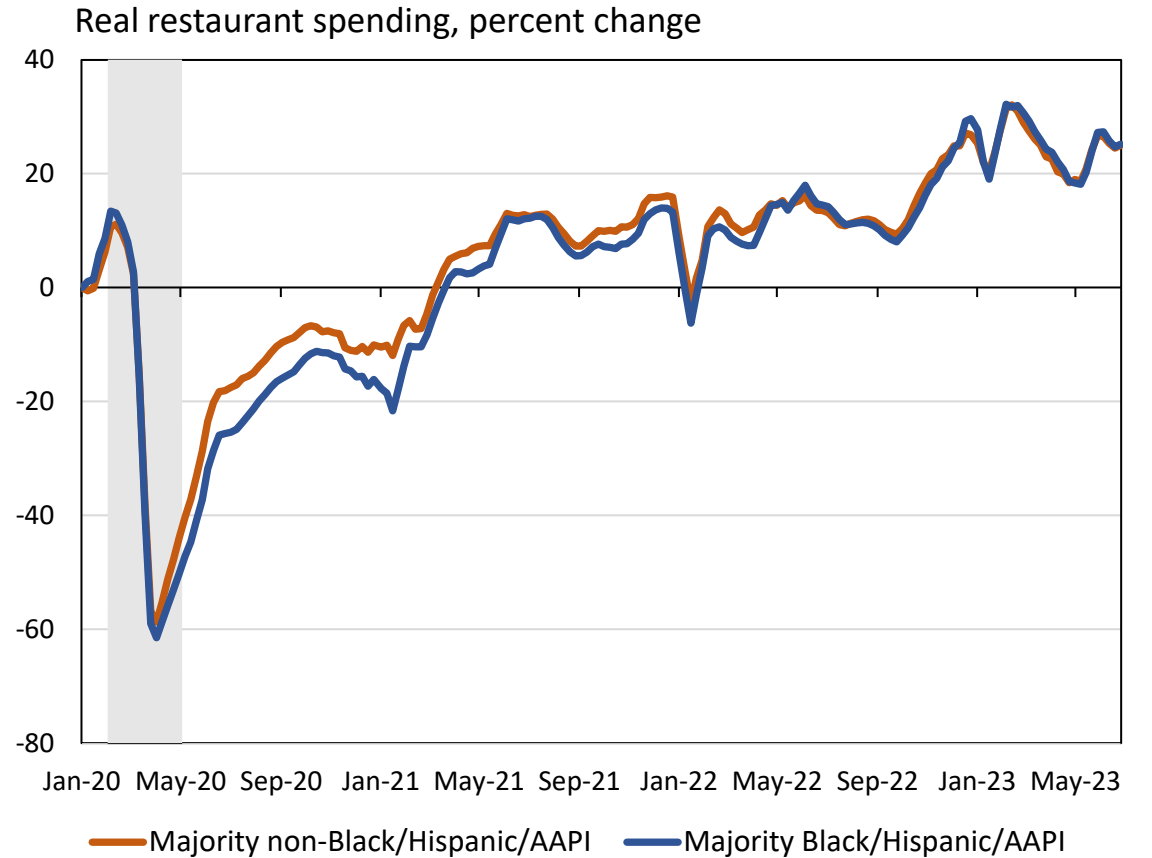
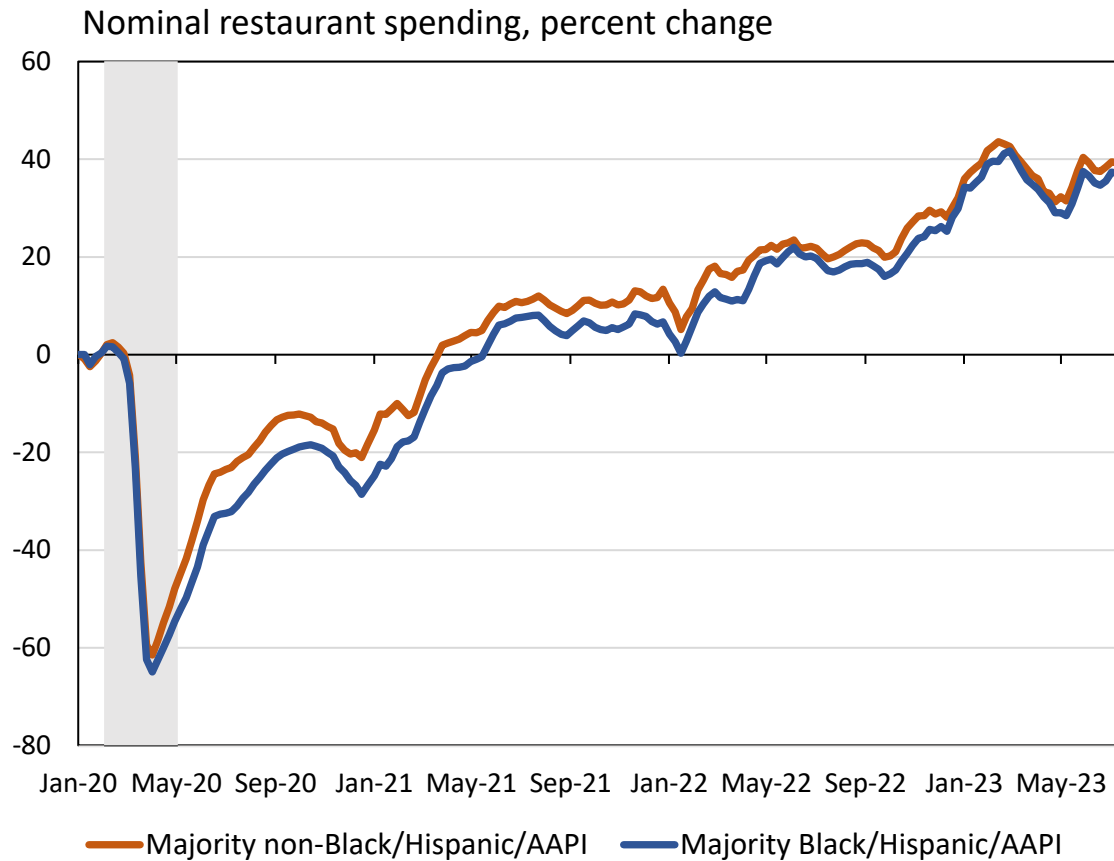
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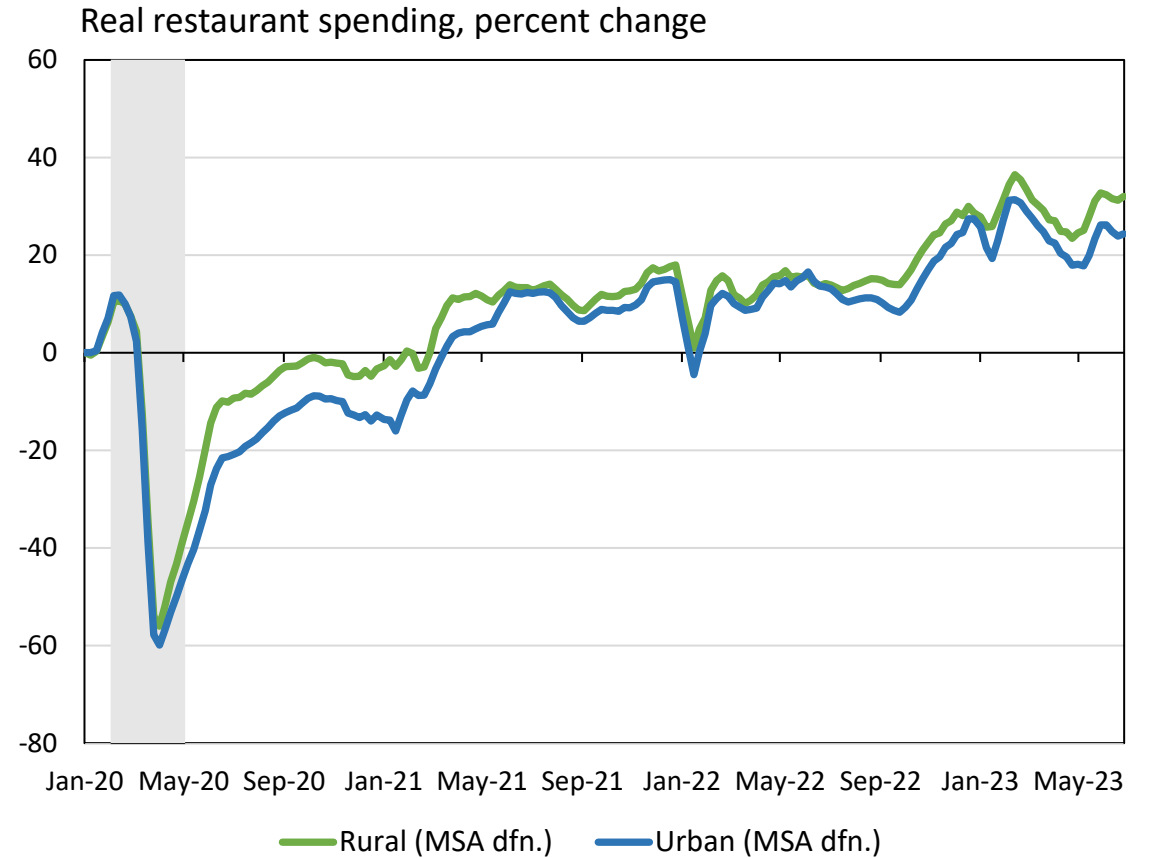
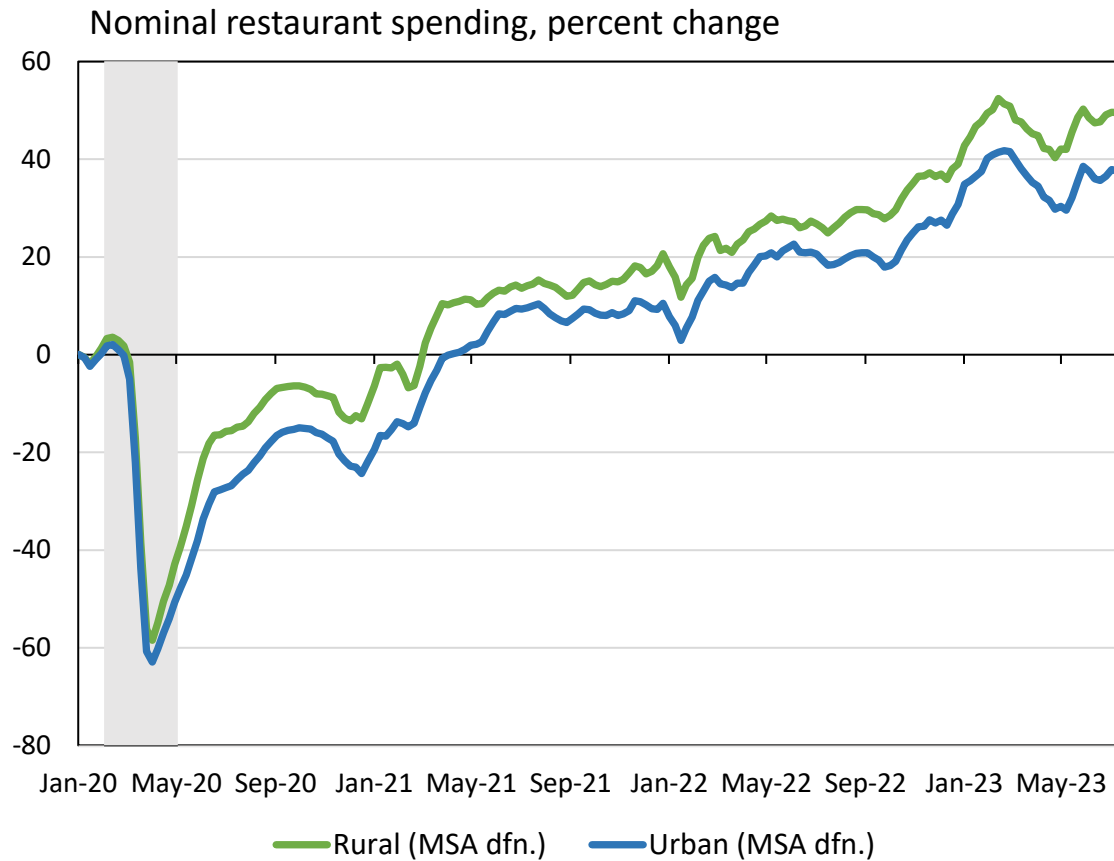
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