

BESPOKE INTEL

Monthly Macro

July 2023



Key Takeaways – Heat Map

JULY 2023

Bespoke Intel surveys 1,500 to 2,000 Americans each month, with geographic distributions in-line with the US Census. The survey always takes place during the week containing the 12th of the month and poses 100 questions that we group into six sections: Sentiment, Labor Markets, Personal Finances, Housing, Activity, and Investors. By breaking down *Consumer Pulse* into these sections, we can show, not only top-down sentiment trends and their drivers, but individual areas of strength or weakness with respect to demand, budget, and trends.

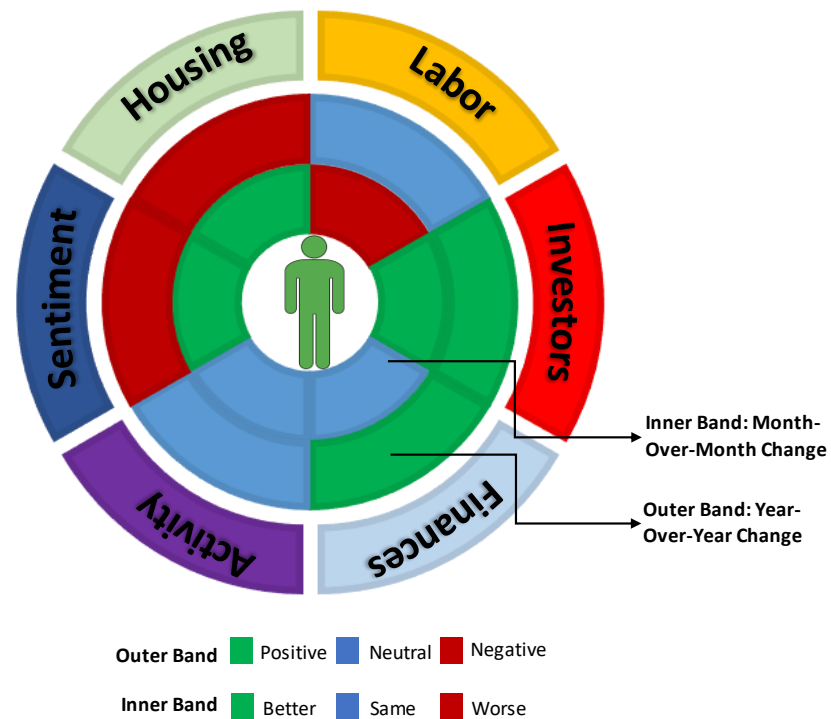
The next seven pages break down key trends we saw for each of the major categories covered in our monthly survey. Following our category summaries, we delve into a detailed analysis of individual questions, broken up by section.

Monthly results were generally positive compared to June, with three of six categories improved month-over-month.

Changes in Heat Map Versus Last Month

- **Labor Market:** This was the only major category that was weaker MoM and continues to run at unimpressive levels.
- **Housing:** All five major metrics improved versus July, offsetting much of the weakness for the longer-term declines in housing activity.
- **Consumer Sentiment:** A 14-month high for net economic sentiment and improved financial confidence as well.
- **Consumer Activity:** While respondents report weak spending plans, actual activity has been more mixed outside of the weak auto market.
- **Personal Finances:** Reported income growth remains very weak versus history, which is the primary reason personal finances have not been stronger.
- **Investor Sentiment:** All metrics covering investors in this section were sharply improved relative to recent history, which is a negative if you view sentiment as contrarian.

Bespoke Consumer Heat Map





Key Takeaways: Sentiment

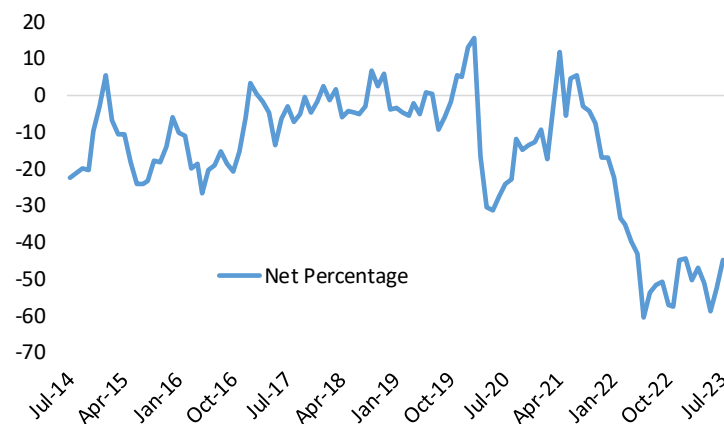
Key Takeaways

- Net economic sentiment rose to a 14-month high.
- Respondents who report living paycheck-to-paycheck have seen weaker confidence of late.

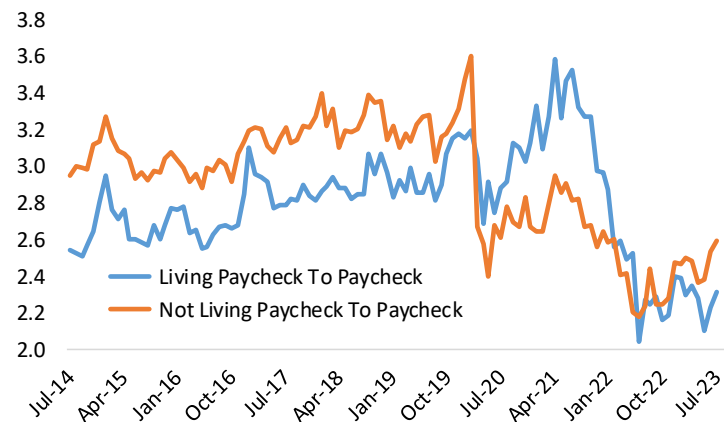
The net percentage of respondents reporting positive economic sentiment is the best single indicator in our data for how our respondents feel about the economy. As shown, the metric absolutely collapsed in 2021 and 2022 as inflation soared and interest rates rose. Over the past year, sentiment has been in a bottoming process. As shown, net sentiment is now the highest in 14 months. While still extremely low by historical standards, at least it's rising again.

As for what's driving the rebound in economic sentiment, our data shows an interesting evolution of the relative economic sentiment for respondents who report living paycheck-to-paycheck and those who do not. As shown in the chart, prior to the COVID shock, those who reported living paycheck-to-paycheck also reported consistently lower economic sentiment. But during the COVID pandemic, the opposite was true: those reporting that they *do not* live paycheck-to-paycheck reported weaker economic sentiment compared to those that do live paycheck-to-paycheck. That's likely thanks to the numerous economic support programs which did so much to support households through the pandemic. But now, the old pattern is reasserting itself, as those who report *not* living paycheck-to-paycheck are reasserting themselves as the more confident bunch.

Economic Sentiment: Net % Positive



Economic Sentiment: Tracker





Key Takeaways: Labor Market

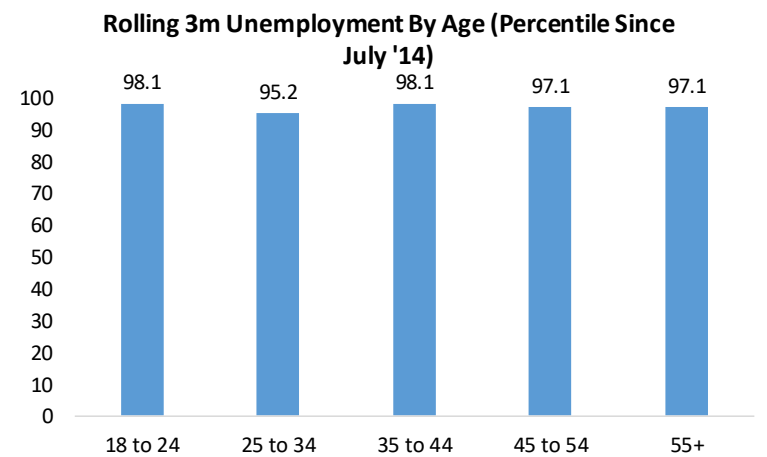
JULY 2023

Key Takeaways

- The share of respondents who are not employed and looking for work is near series highs.
- Unemployment is elevated across demographics to a uniform degree.

Despite a strong overall economic backdrop, our respondents report among the highest joblessness in our survey's history. As shown in the chart at right, 13.2% of respondents classify themselves as both not employed and looking for work. That compares with mid-single-digits during the 2010s, and much lower readings as recently as late 2021. Only one month (October of last year) had a higher share of respondents reporting joblessness.

The same is true for all age groups too. In the second chart at right, we show the percentile ranking for unemployment rate by age. Each is taken as a three month rolling percentage before being converted into a percentile, to increase the number of people that are captured. As shown, in all cases, unemployment is in the top few percent of all readings, indicating high joblessness across the age spectrum.





Key Takeaways: Finances

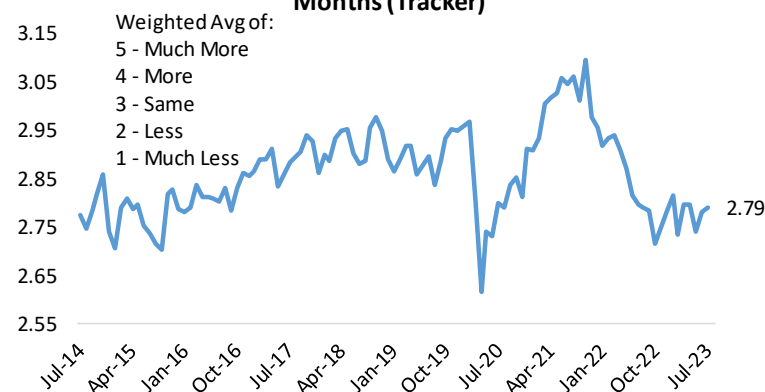
Key Takeaways

- Expected discretionary spending has stabilized...but isn't rising either.
- Long-term inflation expectations are stable relative to history.

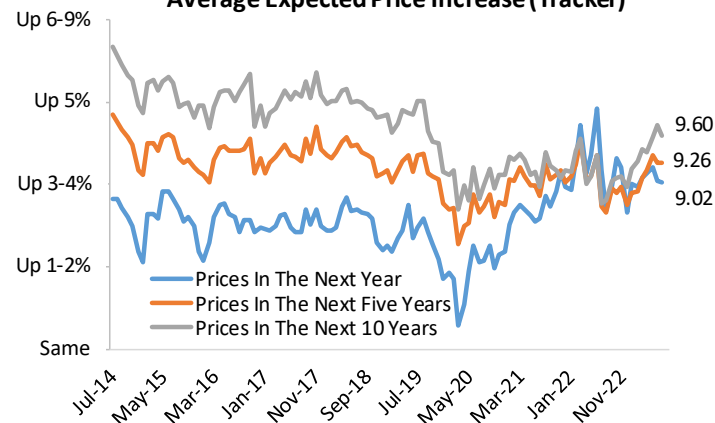
Our respondents' expected spending over the next several months remains very low relative to history, but the good news is that like so many series we track in our data, the declines of 2021 and 2022 are not continuing. Over the past year, discretionary spending plans have been basically stable. Of course, they aren't yet rising either, so clearly the combination of inflation and interest rates are not having a positive effect on perception of finances to fuel spending.

The good news is that while *short-term* inflation expectations rose to elevated levels during the period of the highest inflation last year, *long-term* inflation expectations remain below the highest levels in our survey's history. In other words, consumers expect inflation to return to historic norms.

Expected Spending On Discretionary Items, Next Few Months (Tracker)



Average Expected Price Increase (Tracker)





Key Takeaways: Activity

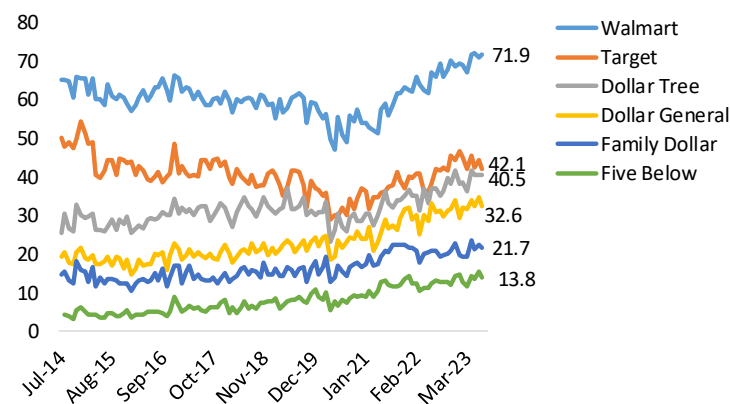
Key Takeaways

- Wal-Mart has seen a surge in popularity over the past couple of years.
- That massive uptick in interest is visible across all income levels.

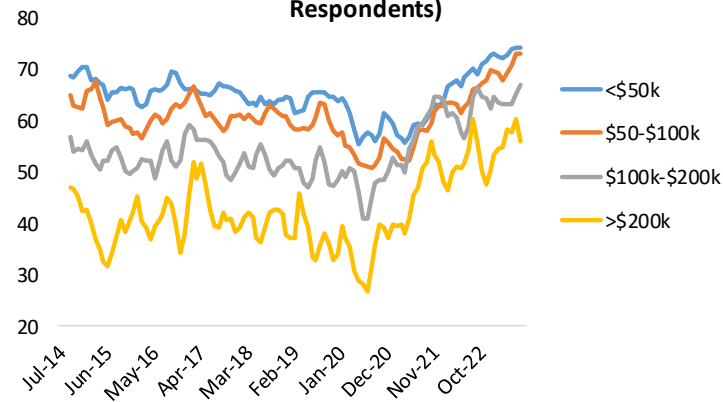
More than 70% of our respondents report visiting Wal-Mart in the past month. No other retailer comes close; Target and the major dollar store brands are also widely visited but are well below half of our respondents. Other big box and dollar store retailers have similarly seen increases in visit percentage, but again less than the huge uptick in Wal-Mart visits.

What's remarkable is that *all demographics* visit Wal-Mart at an elevated rate. As might be expected, the lowest-income respondents are the most likely to visit the retailer. But more than half of respondents who carry an income greater than \$200k per year report recent visits. That's a truly remarkable testament to the universal popularity of America's largest retailer.

Have Visited In The Past Month (% Respondents)



Wal-Mart Visits: Past Month (Rolling 3m % Respondents)





Key Takeaways: Investors

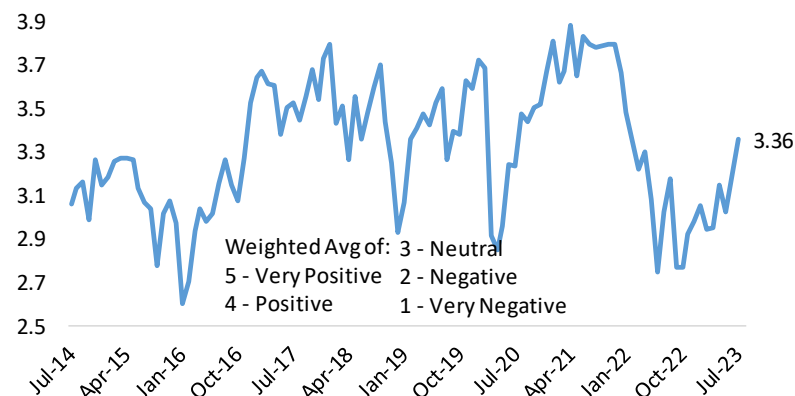
Key Takeaways

- Investors are increasingly bullish, joining the clarion call of stock market gains.
- Respondents report a relatively balanced outlook for interest rates.

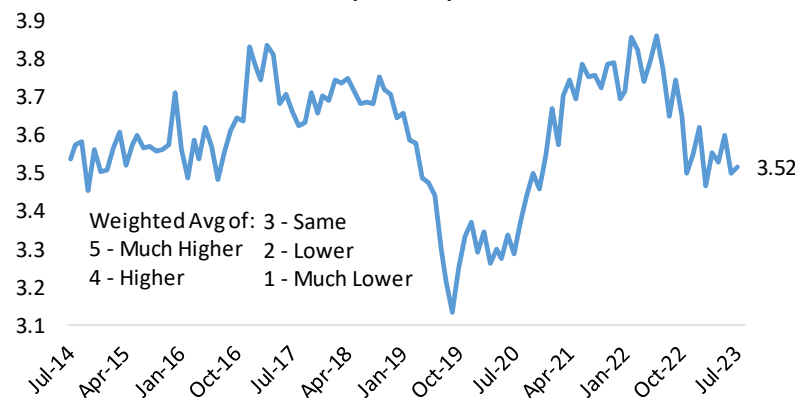
As always seems to be the case, there’s nothing like price to change sentiment. Our respondents report the strongest equity market sentiment since the start of 2022 in our latest data, reflecting the dramatic rebound in stocks that is tempting bulls off the sidelines. Whenever price moves, sentiment surveys are lagging indicators, and the johnny-come-lately surge in sentiment as this rally has progressed is only the latest example. The good news for respondents is that sentiment has a ways to go before it gets to a level that would be consistent with excessive bullishness and therefore set up a big drop in stocks.

Unlike stocks, respondents have pretty balanced perspectives on interest rates. As shown in the chart at right, expectations for rates are right in the middle of the historic range for this indicator. Those who report holding financial assets see interest rates higher a year from now, but only to a modest degree.

Current View of the Stock Market (Tracker)

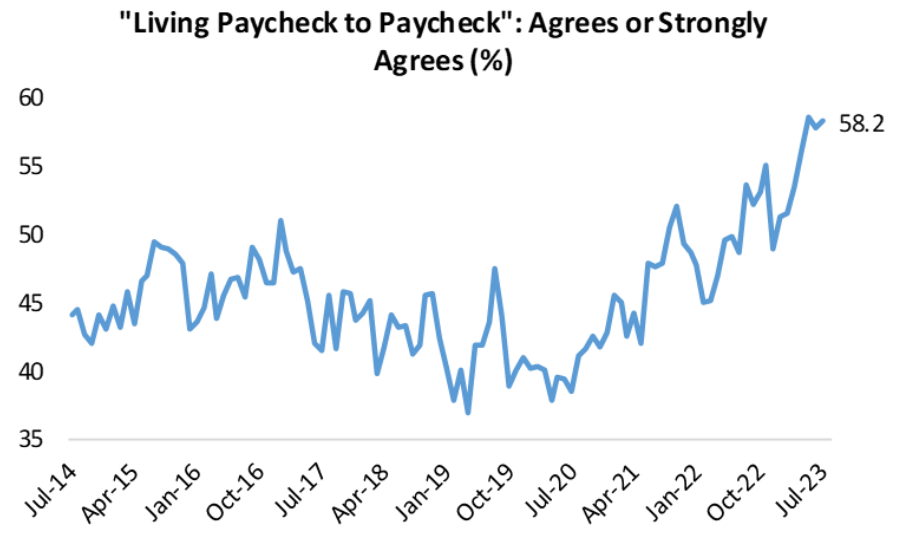
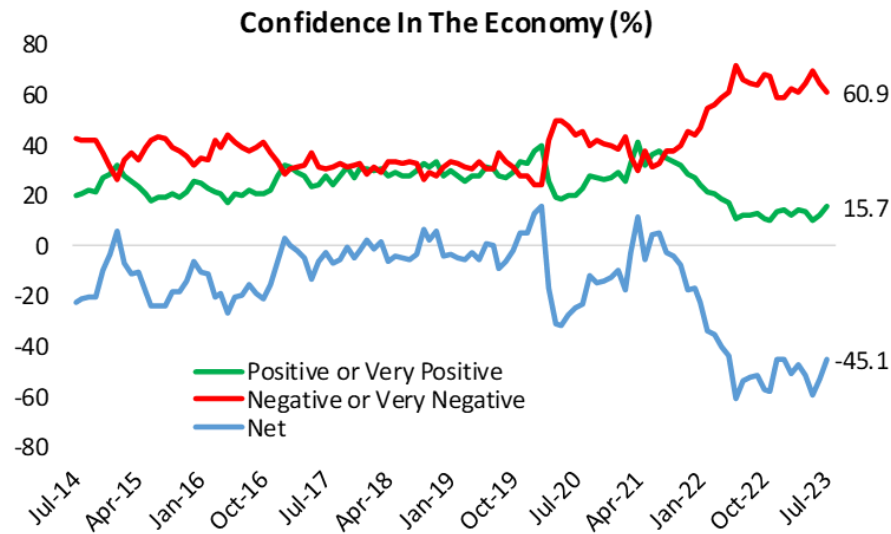
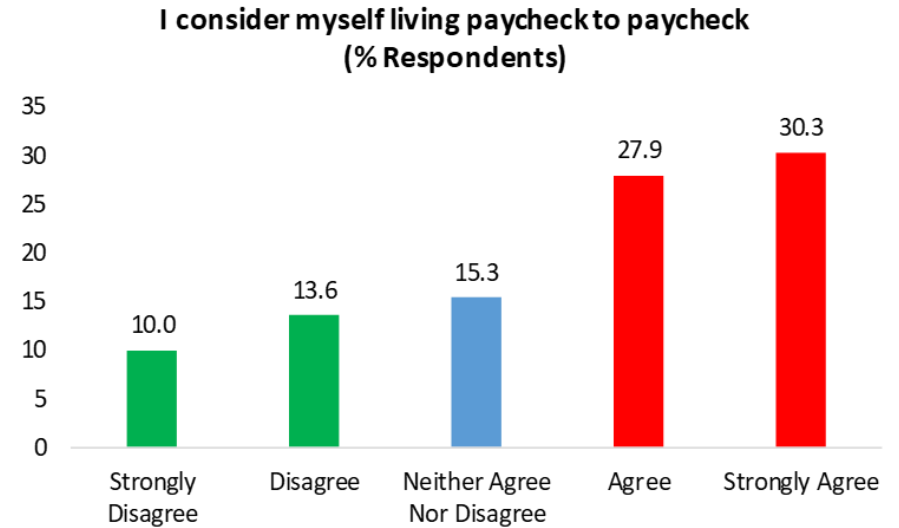
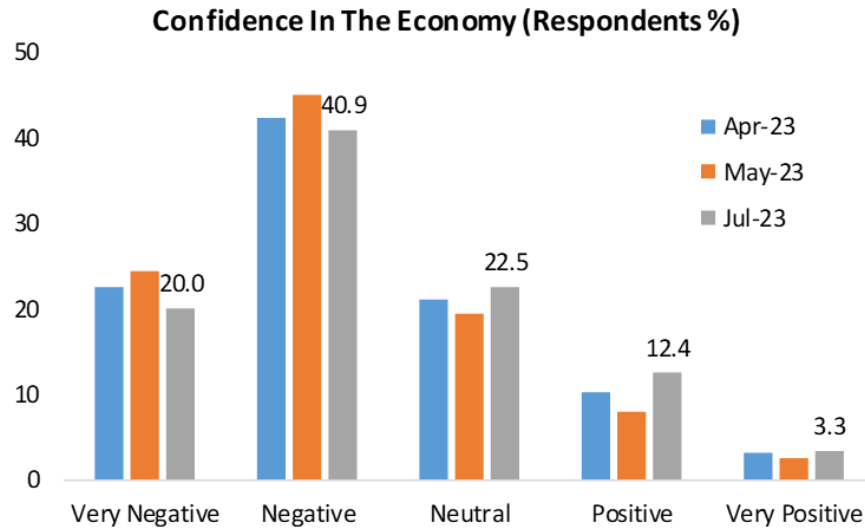


Expectations for Interest Rates One Year From Now (Tracker)



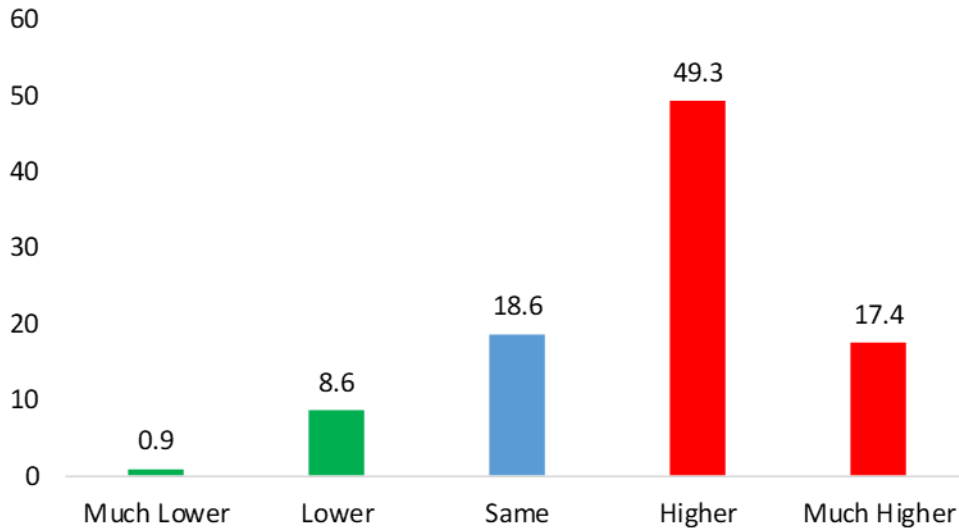
Charts

Confidence in the economy

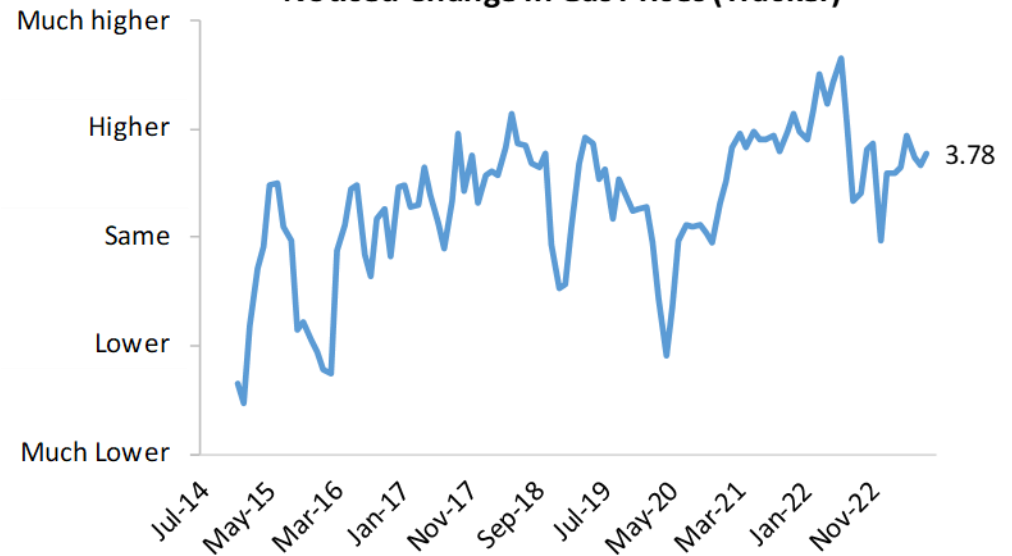


Gas and Broad Prices

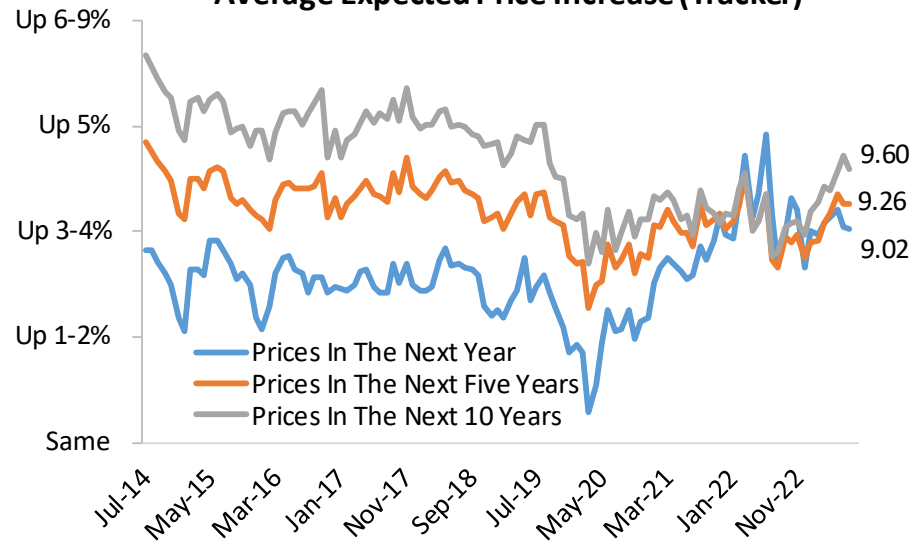
Noticed Change In Gas Prices (% Respondents)



Noticed Change In Gas Prices (Tracker)



Average Expected Price Increase (Tracker)

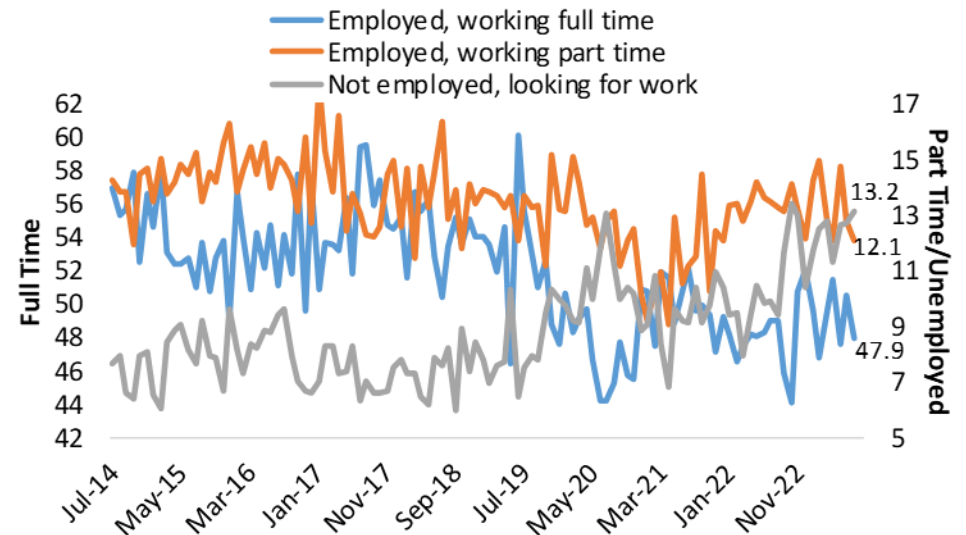


Employment

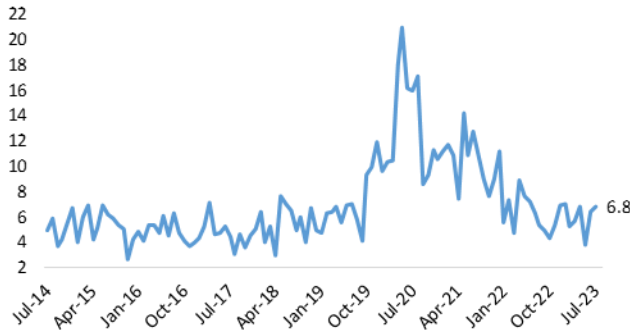
Employment Status (% Respondents)



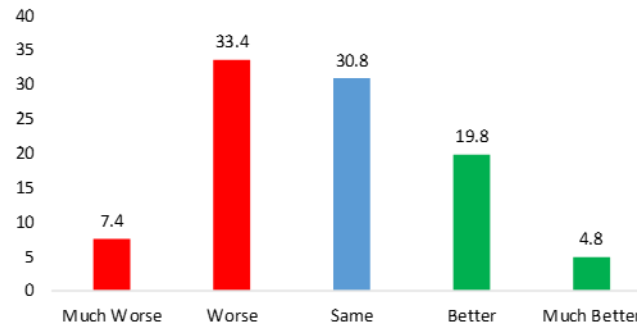
Employment Status (% Respondents)



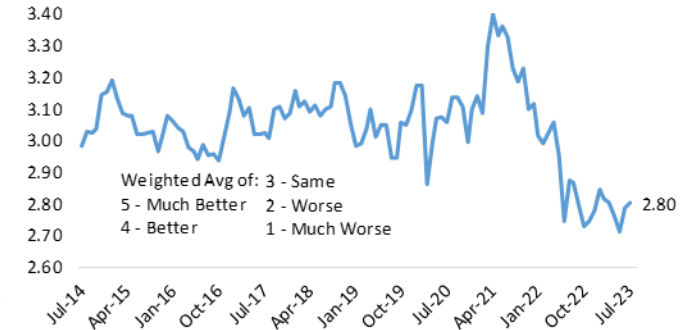
Filed For Unemployment Assistance In Past Month (% Not Employed)



Expectations For US Unemployment Level One Year From Now (% Respondents)

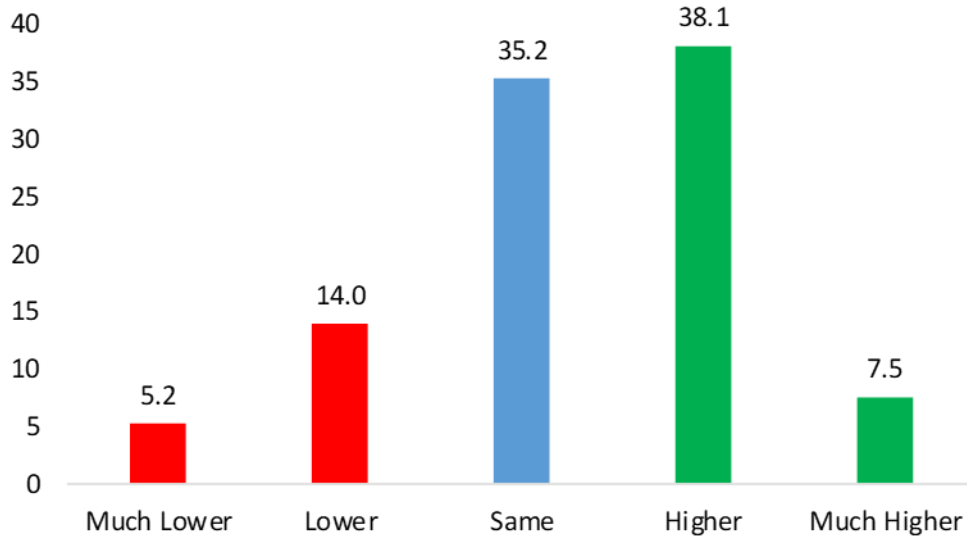


Expectations For US Unemployment Level One Year From Now (Tracker)

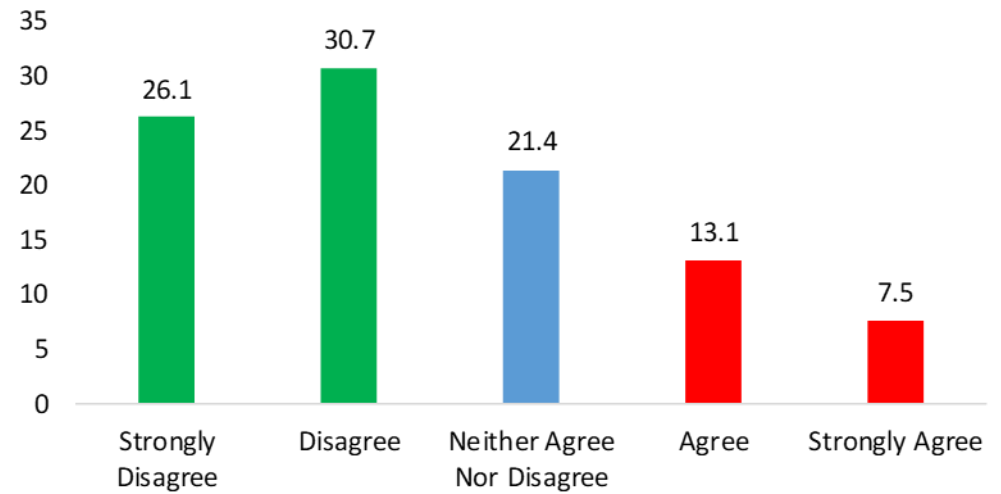


Income and Job Security

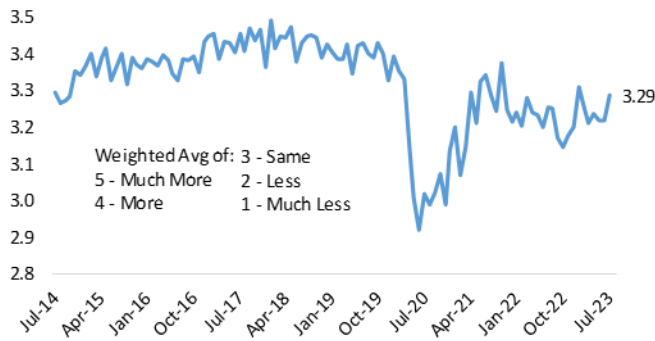
Current Income vs 1 Year Ago (% Respondents)



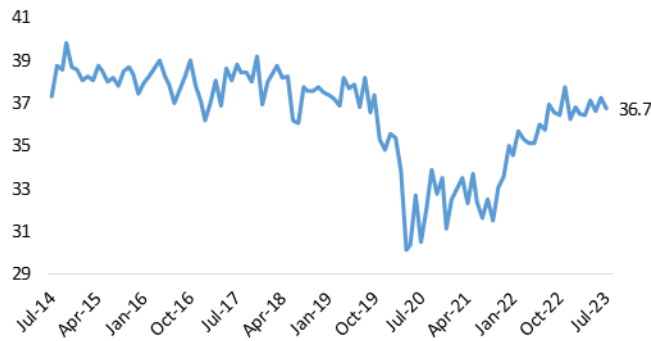
"I am concerned that I will lose my job" (% Respondents)



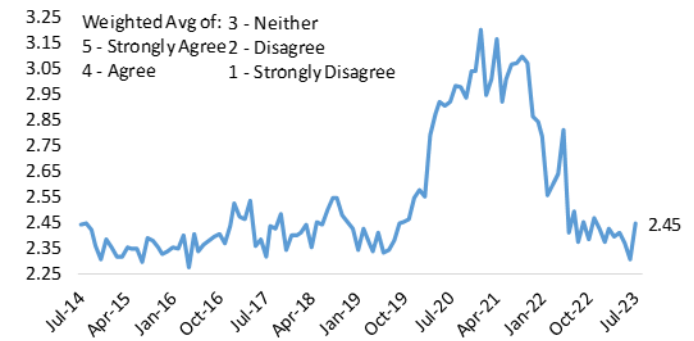
Current Income vs Year Ago (Tracker)



Hours Worked (Average)



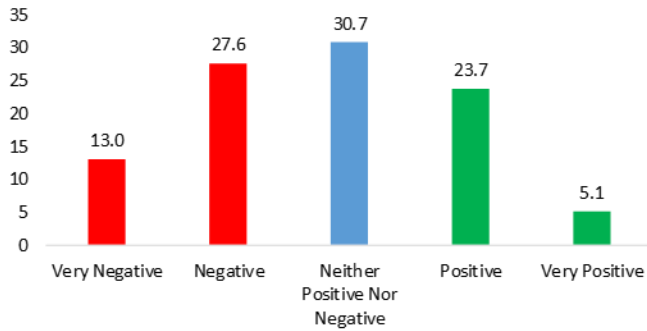
"I am concerned that I will lose my job" (Tracker)



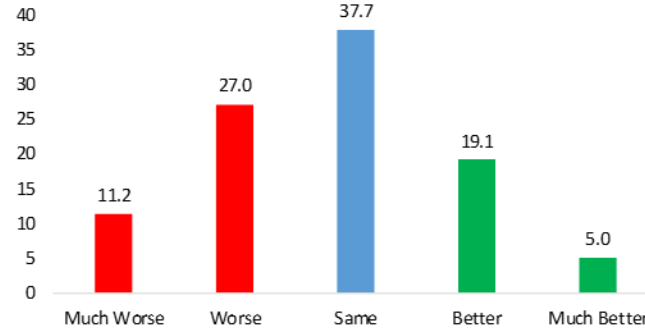
Note: Latest Datapoint is July 2023

Personal Finances

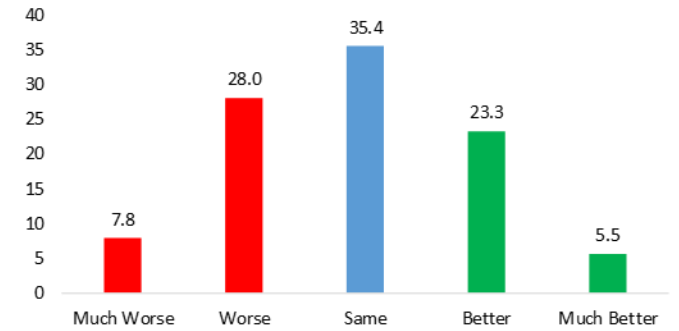
Current Feelings Towards Personal Finances (% Respondents)



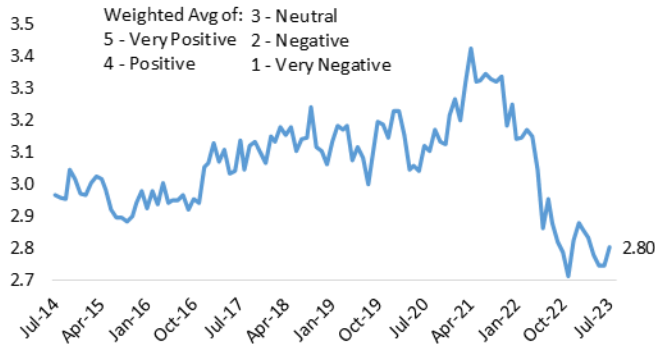
Feelings Towards Personal Finances vs Year Ago (% Respondents)



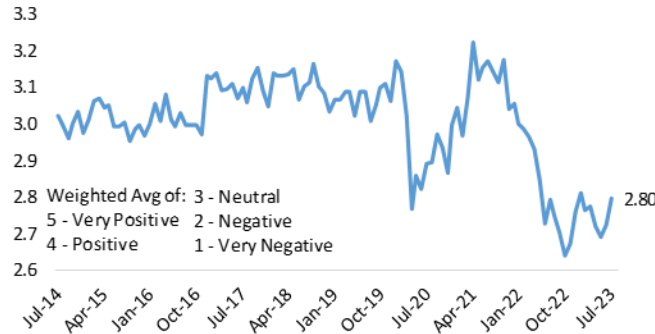
Financial Condition Compared to the Average Person (% Respondents)



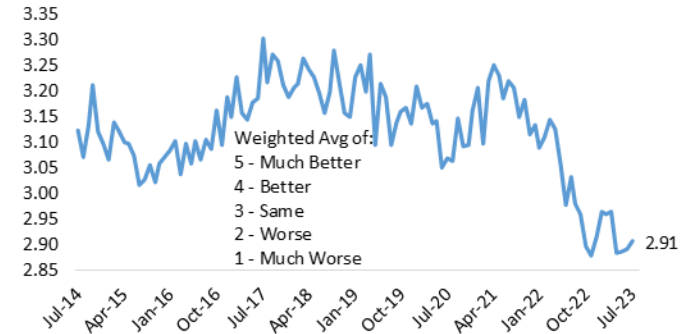
Current Feelings Towards Personal Finances (Tracker)



Feelings Towards Personal Finances vs Year Ago (Tracker)



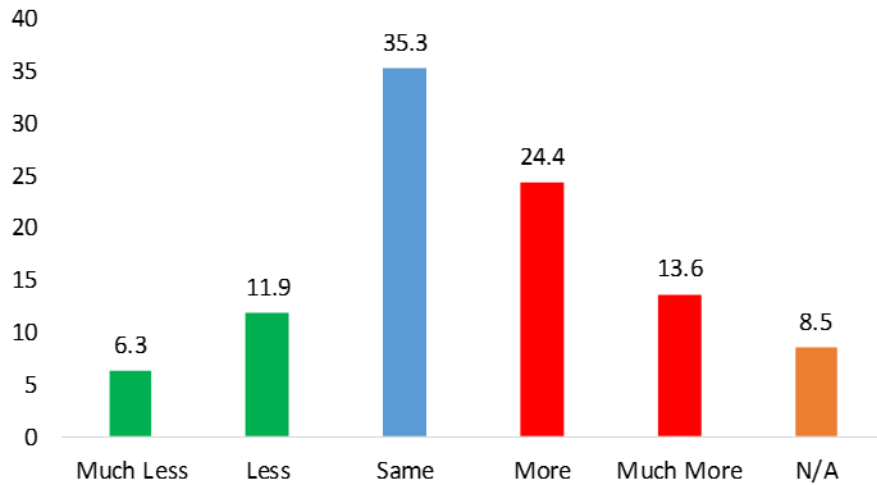
Financial Condition Compared to the Average Person (Tracker)



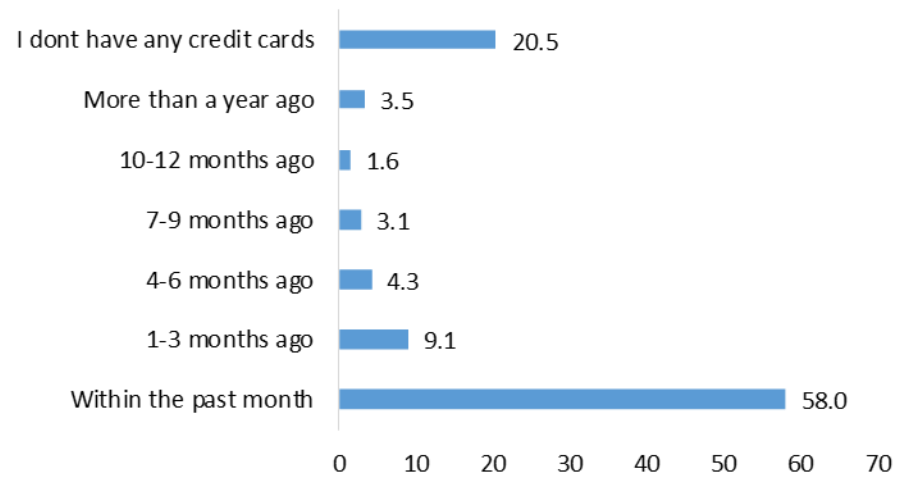
Note: Latest Datapoint is July 2023

Current credit card debt

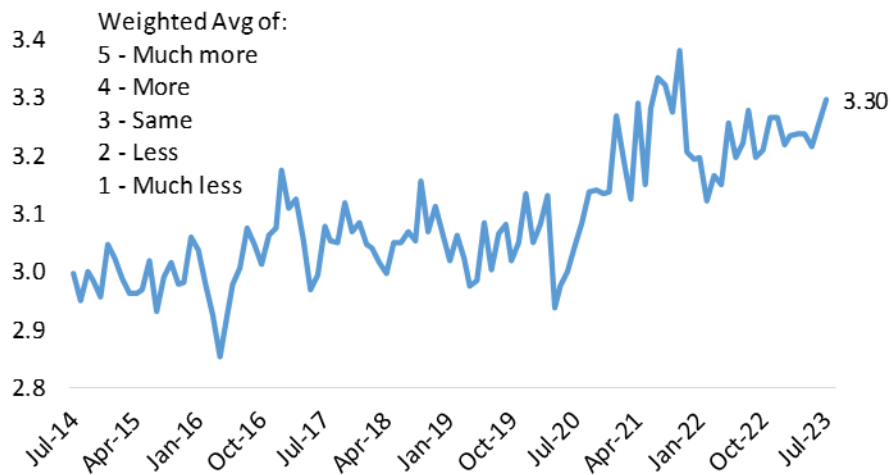
Credit Card Debt vs Year Ago (% Respondents)



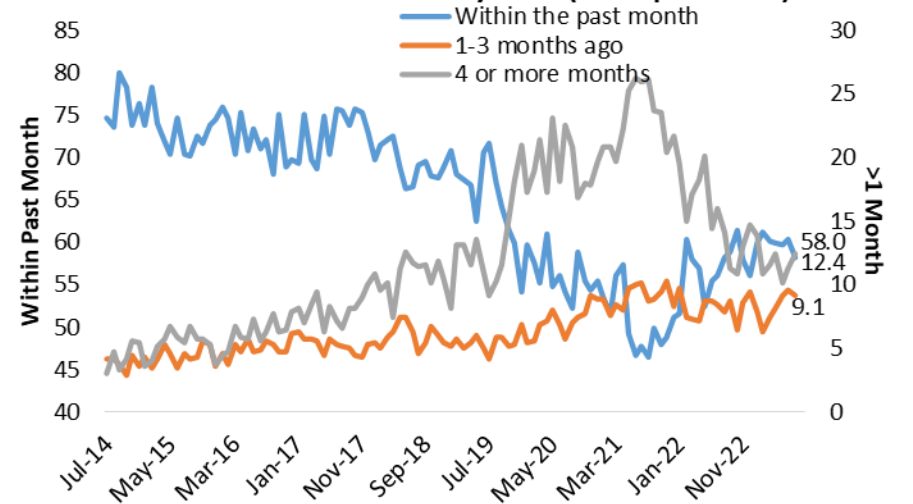
Date of Last Credit Card Payment (% Respondents)



Credit Card Debt vs Year Ago (Tracker)

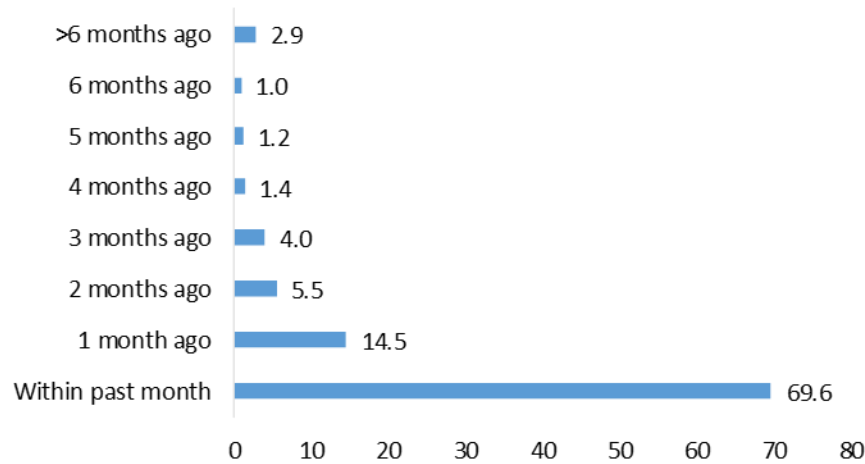


Date of Last Credit Card Payment (% Respondents)

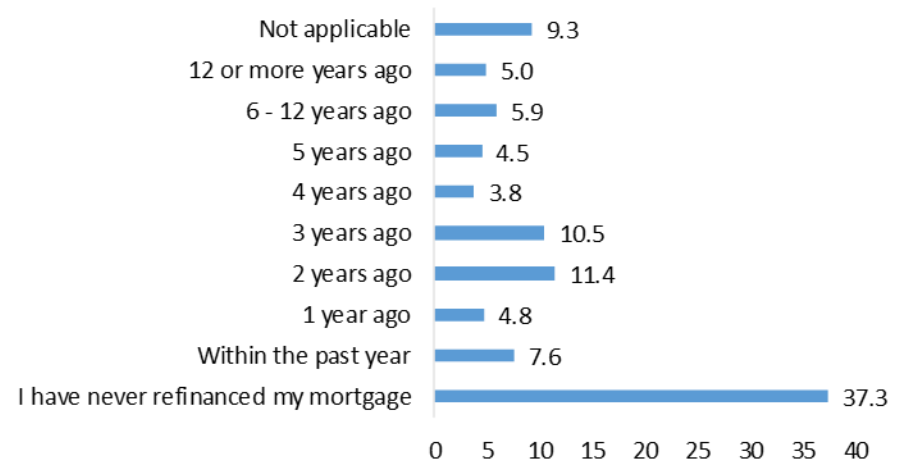


Mortgage Payments

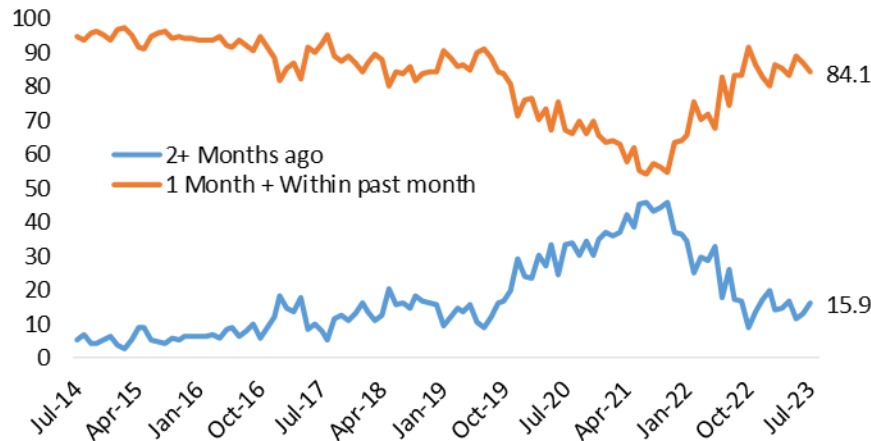
Last Mortgage Payment (% Homeowners)



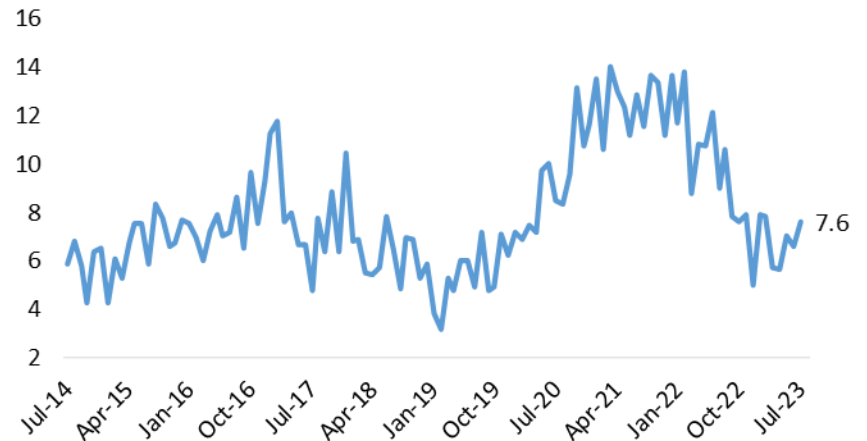
Last Time Refinanced Mortgage (% Homeowners)



Last Mortgage Payment (% Homeowners)

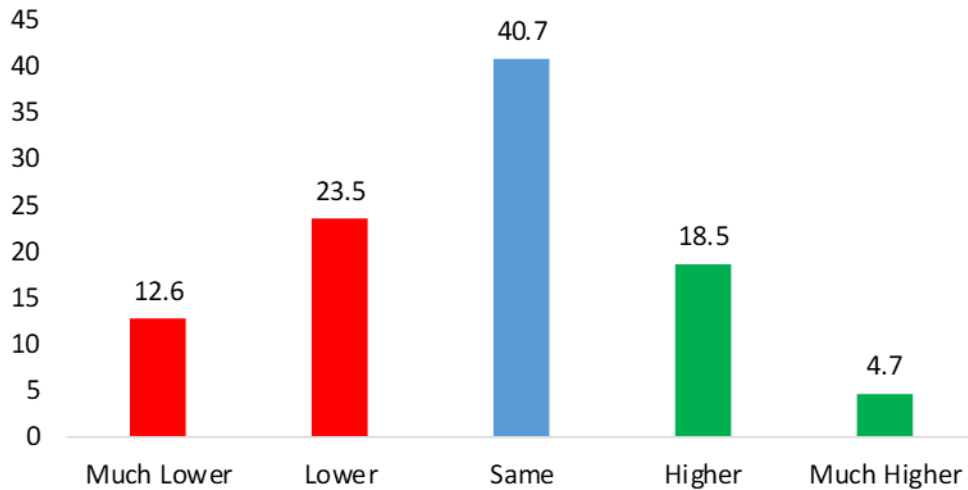


Last Time Refinanced Mortgage: Within past year (% Homeowners)

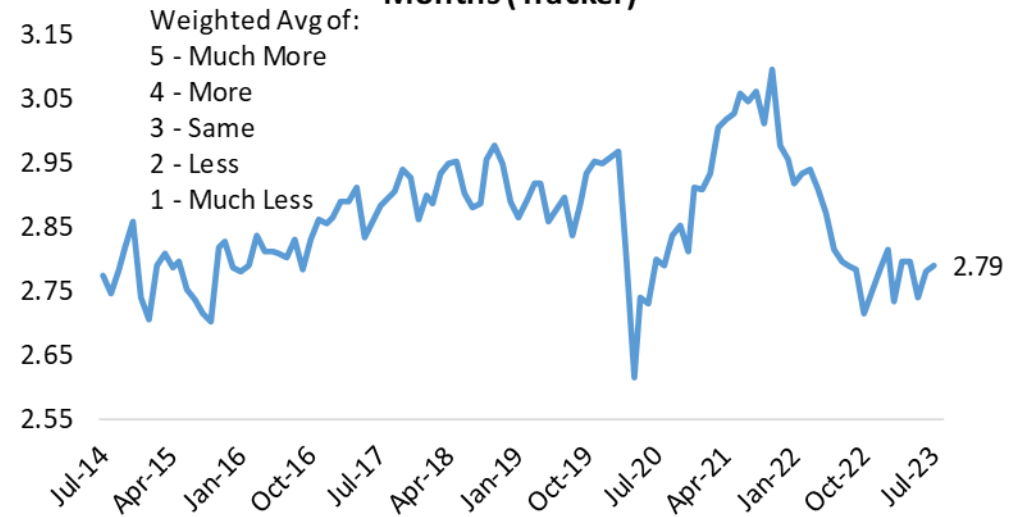


Expected spending over the next few months

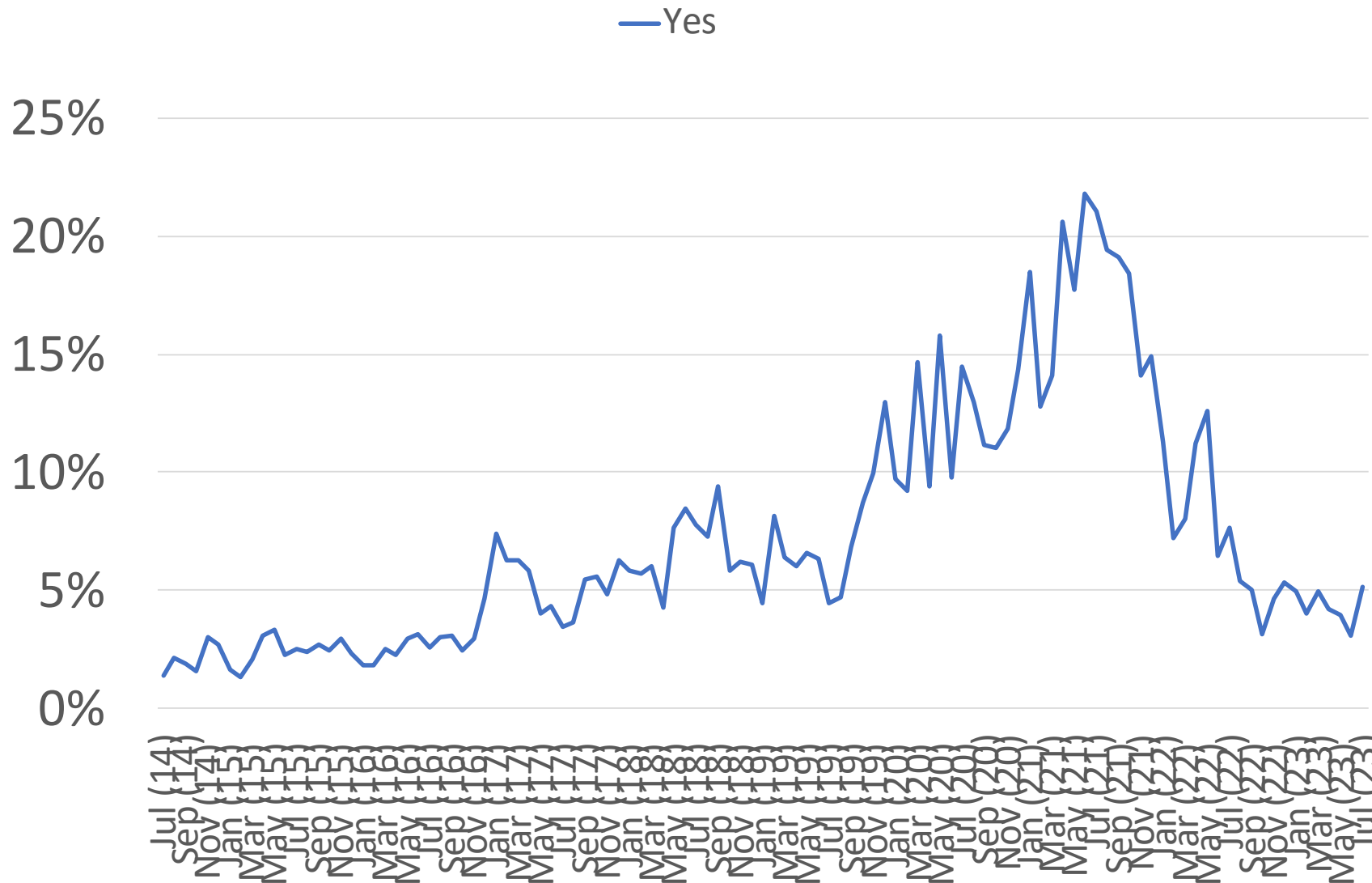
Expected Spending On Discretionary Items, Next Few Months (% Respondents)



Expected Spending On Discretionary Items, Next Few Months (Tracker)

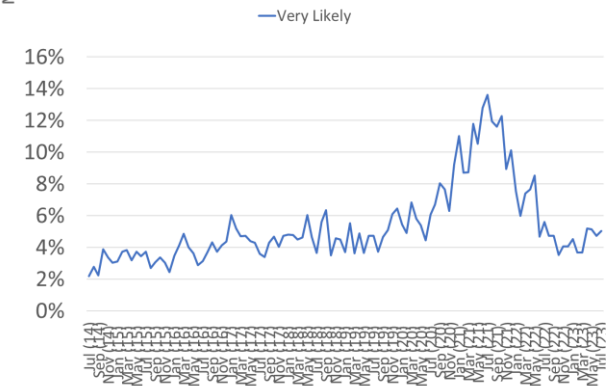
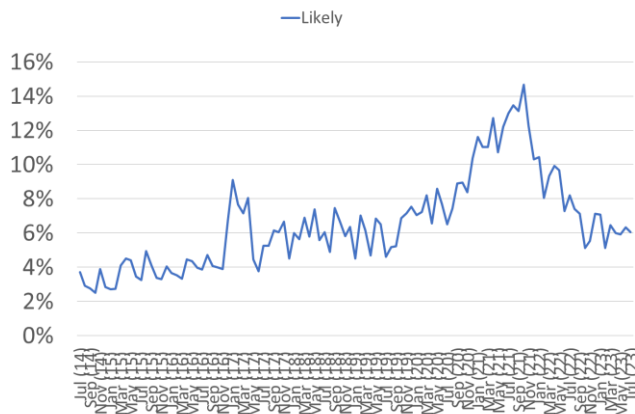
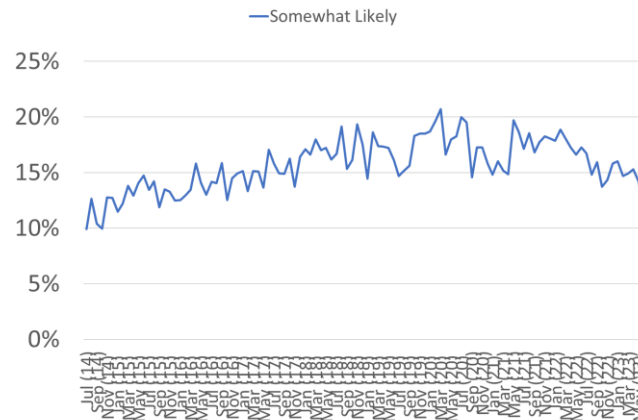
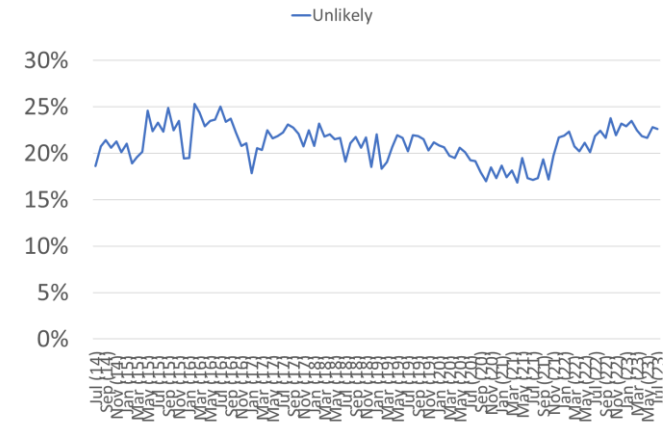
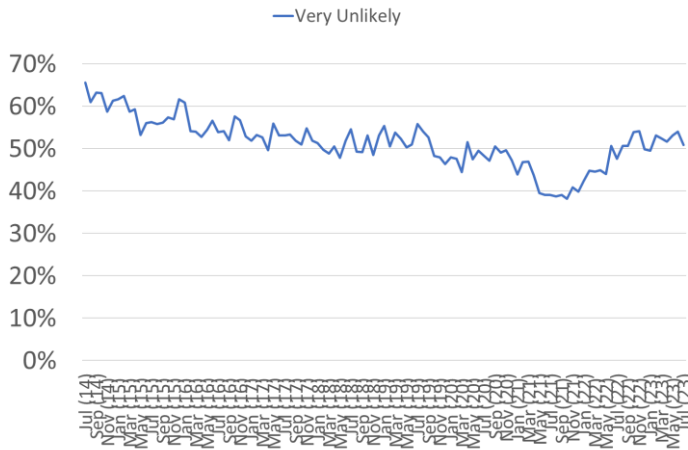


Have you applied for a building permit in the past month?



Note: Latest Datapoint is July 2023

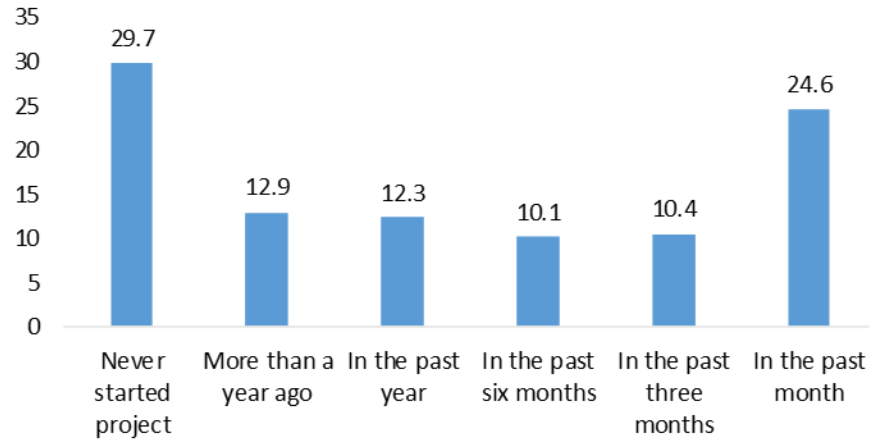
Likelihood of purchasing a house in the next year



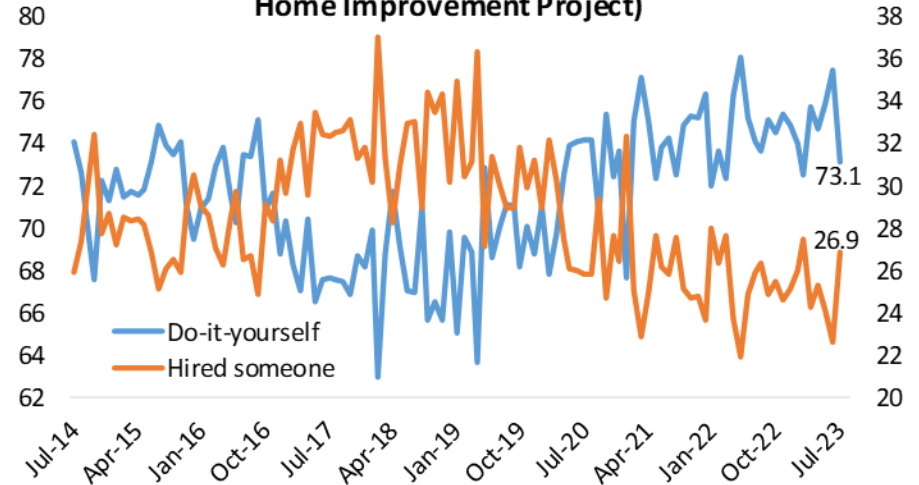
Note: Latest Datapoint is July 2023

Home Improvement

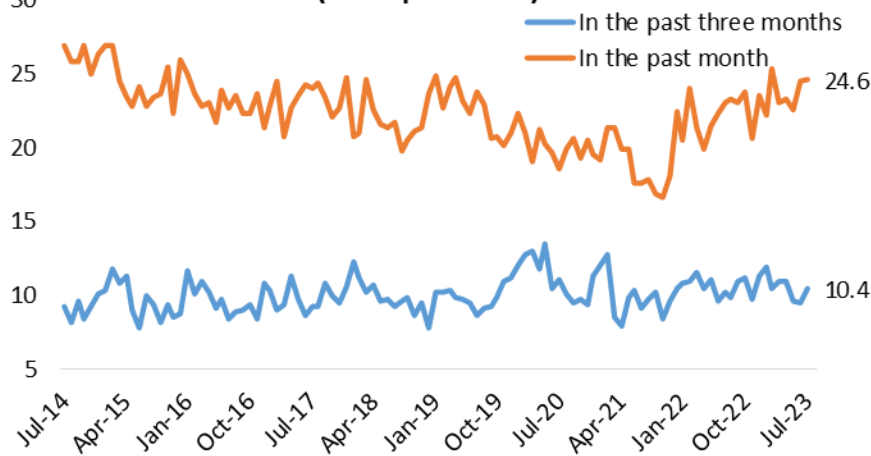
Last Time Starting A Home Improvement Project (% Respondents)



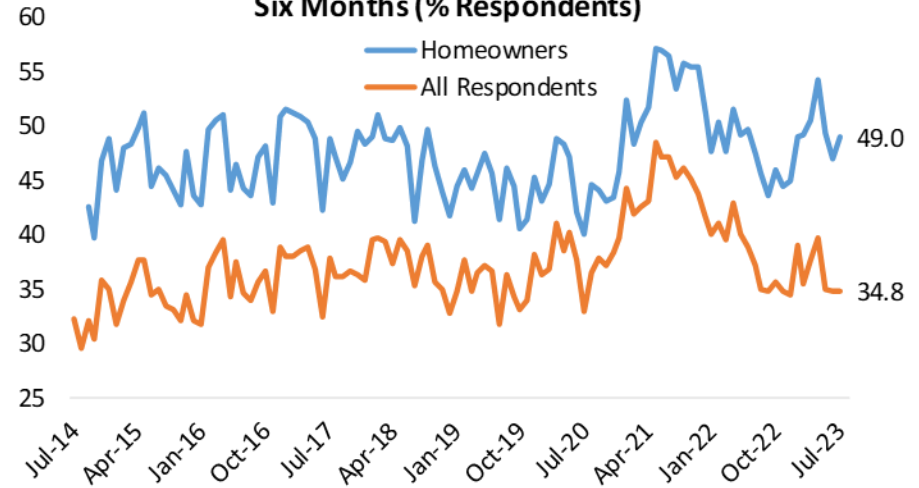
DIY vs Hired Help (% of Respondents Who Have Done Home Improvement Project)



Last Time Starting A Home Improvement Project (% Respondents)



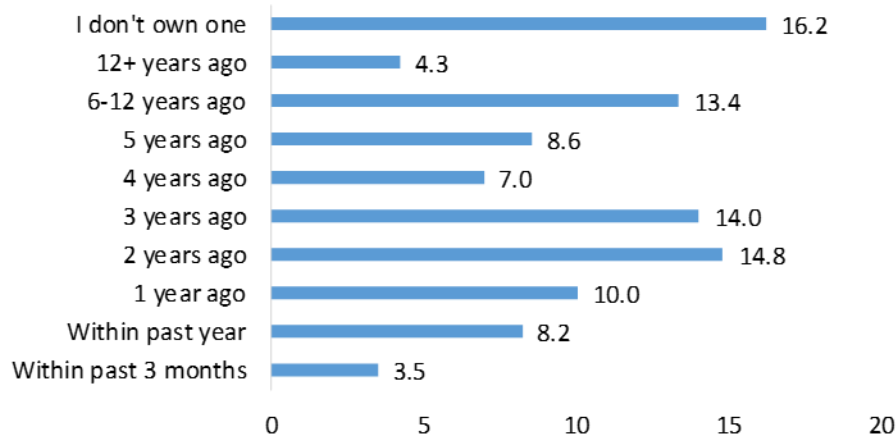
Plans To Start A Home Improvement Project In Next Six Months (% Respondents)



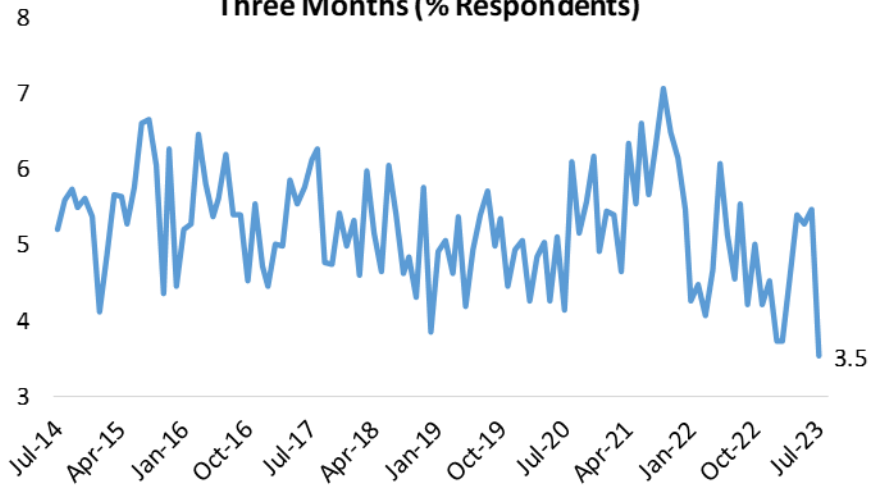
Note: Latest Datapoint is July 2023

Auto Purchases

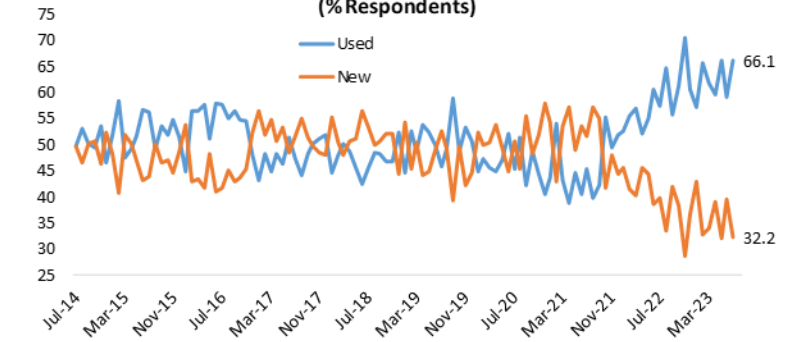
**When Did You Purchase Your Primary Automobile
(% Respondents)**



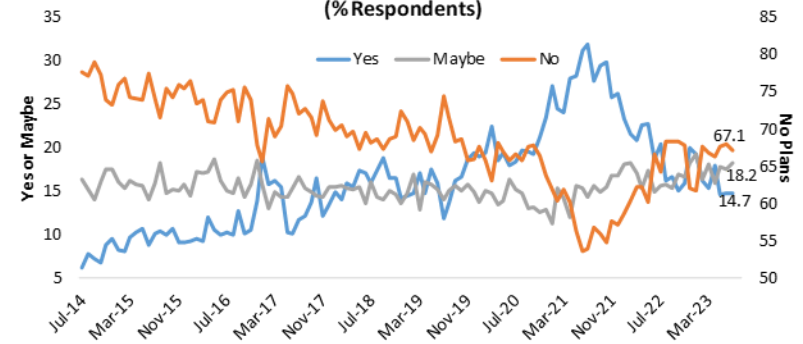
**Purchased or Leased Primary Automobile In Past
Three Months (% Respondents)**



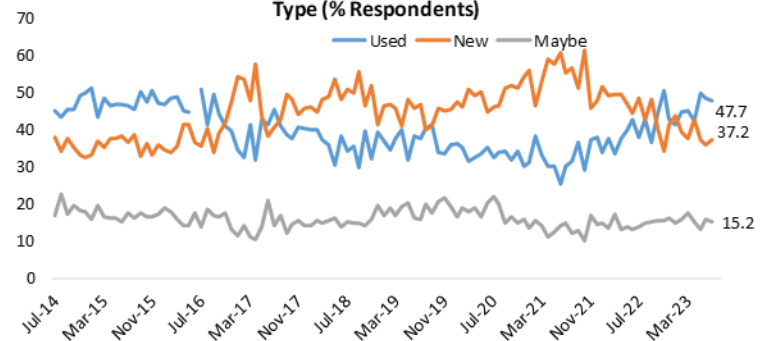
**Purchased Car During Past Three Months: Used vs New
(% Respondents)**



**Plans to Purchase/Lease Vehicle In The Next Six Months
(% Respondents)**

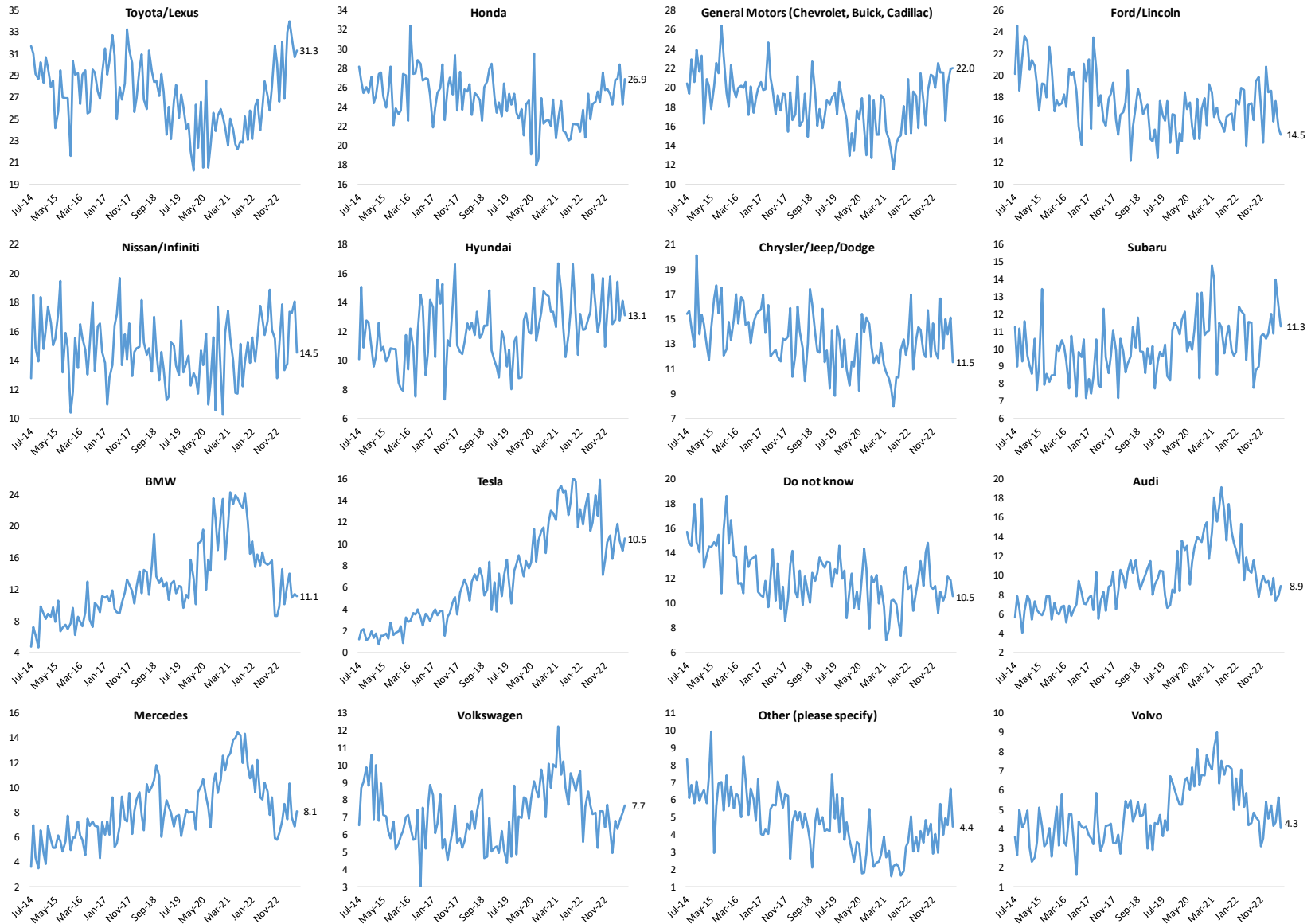


**Plans To Purchase/Lease Vehicle In The Next Six Months By Sales
Type (% Respondents)**



Note: Latest Datapoint is July 2023

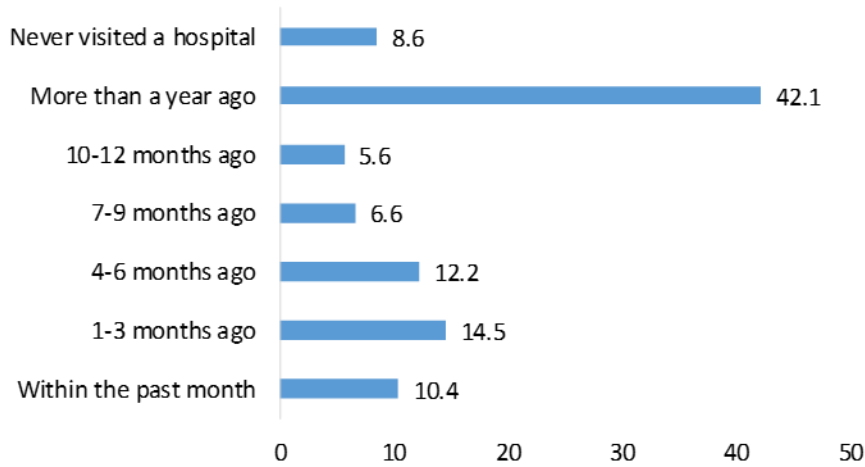
Expected Auto Purchases (Most Likely to Choose)



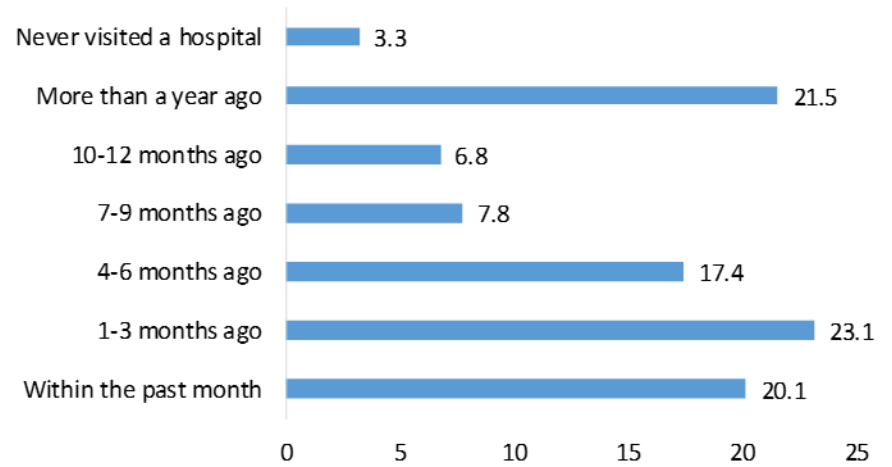
Note: Latest Datapoint is July 2023

Healthcare Utilization

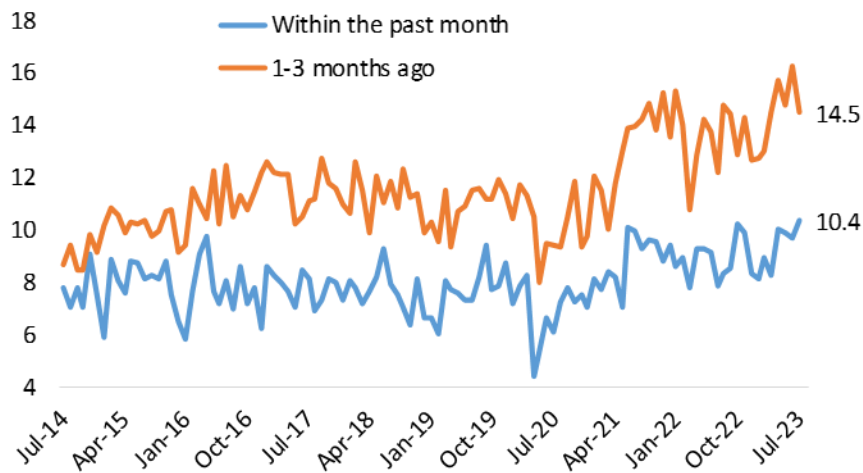
Last Hospital Visit (% Respondents)



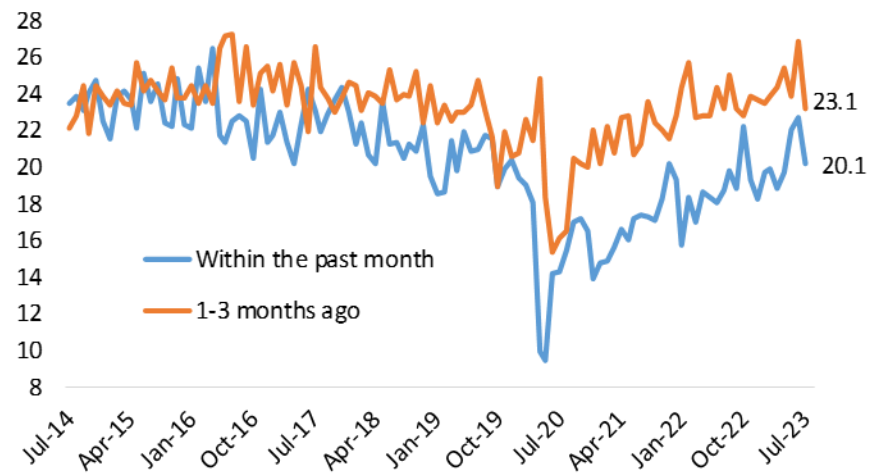
Last Doctor's Visit (% Respondents)



Last Hospital Visit (% Respondents)



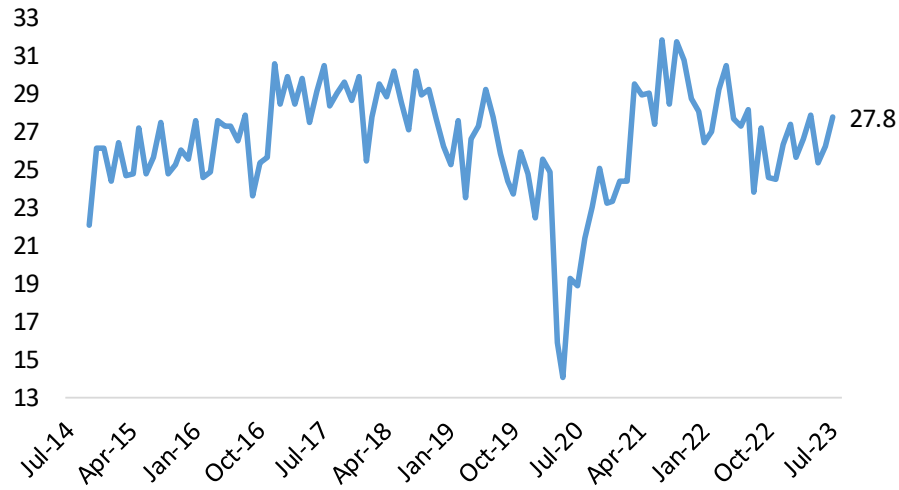
Last Doctor's Visit (% Respondents)



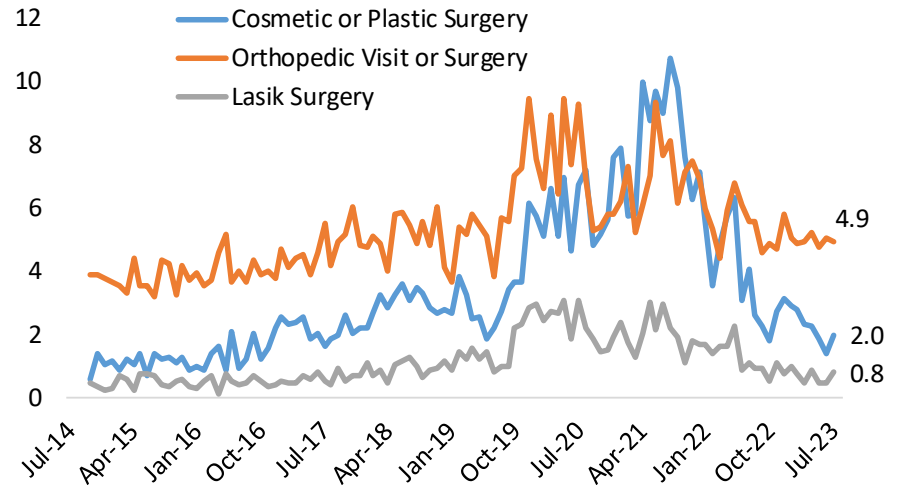
Note: Latest Datapoint is July 2023

Healthcare Procedures

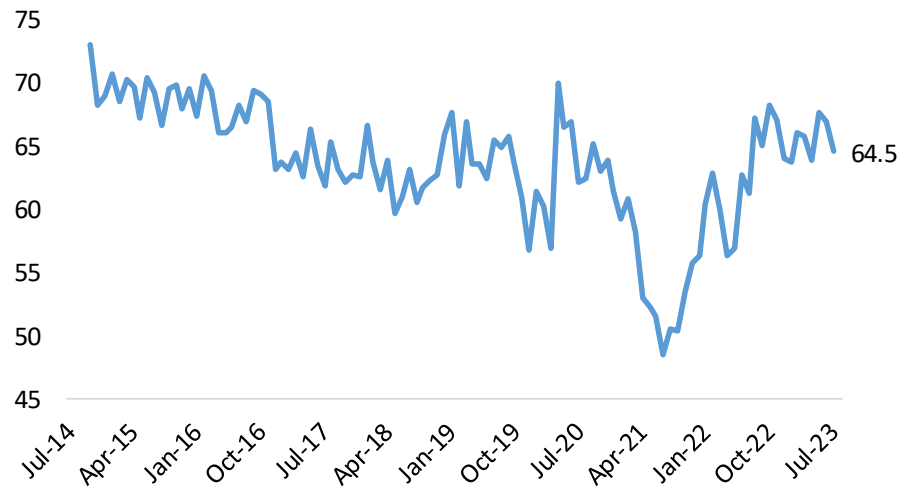
Dental Visit: Past Month (% Respondents)



Elective Surgery: Past Month (% Respondents)

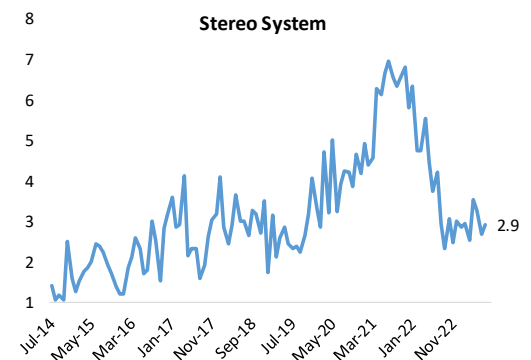
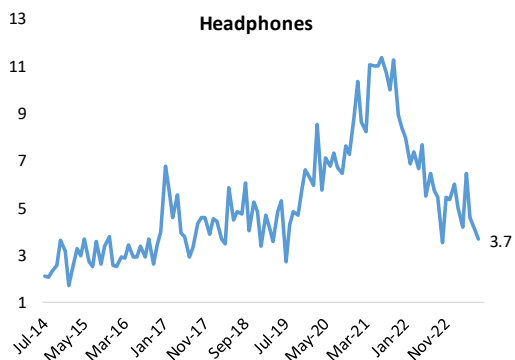
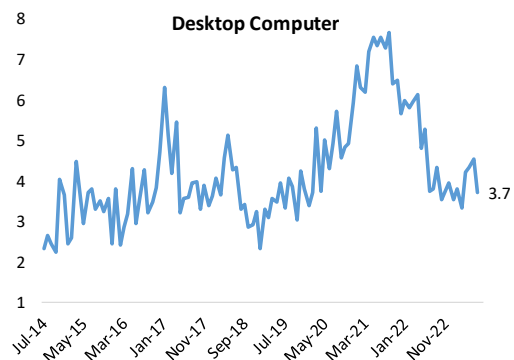
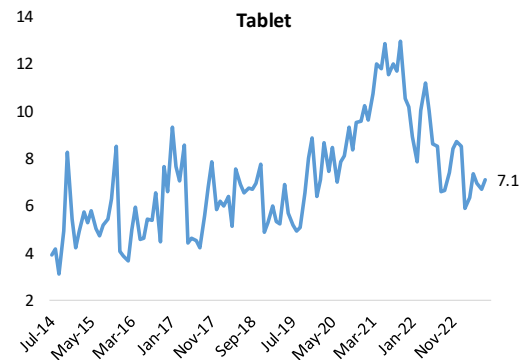
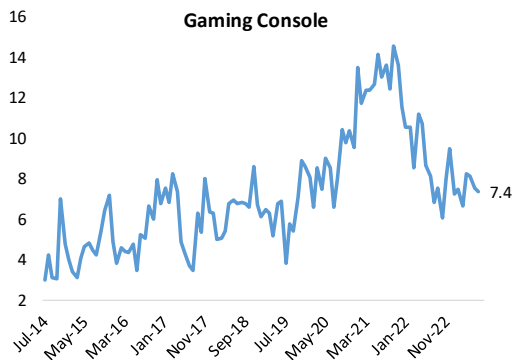
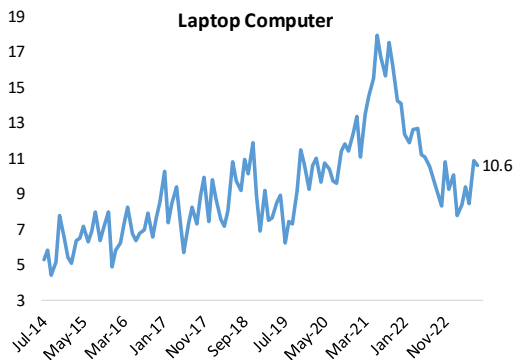
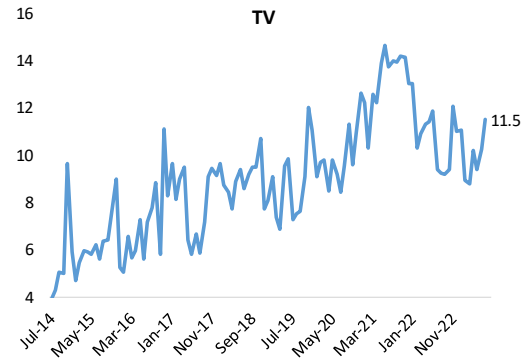
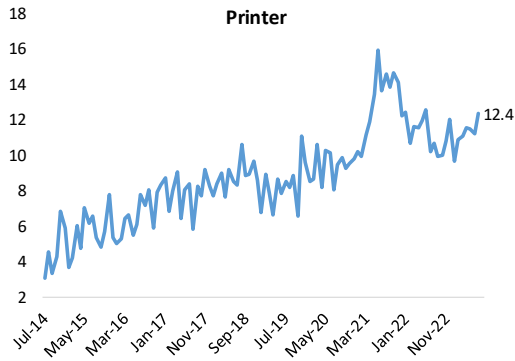
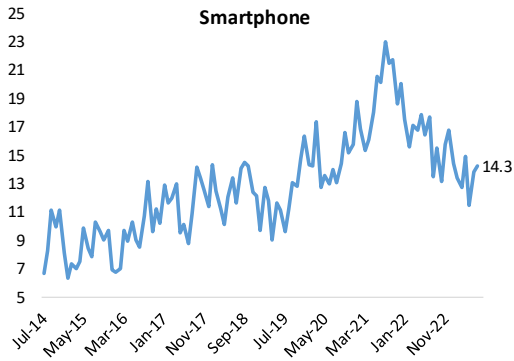


None Of The Above: Past Month (% Respondents)



Note: Latest Datapoint is July 2023

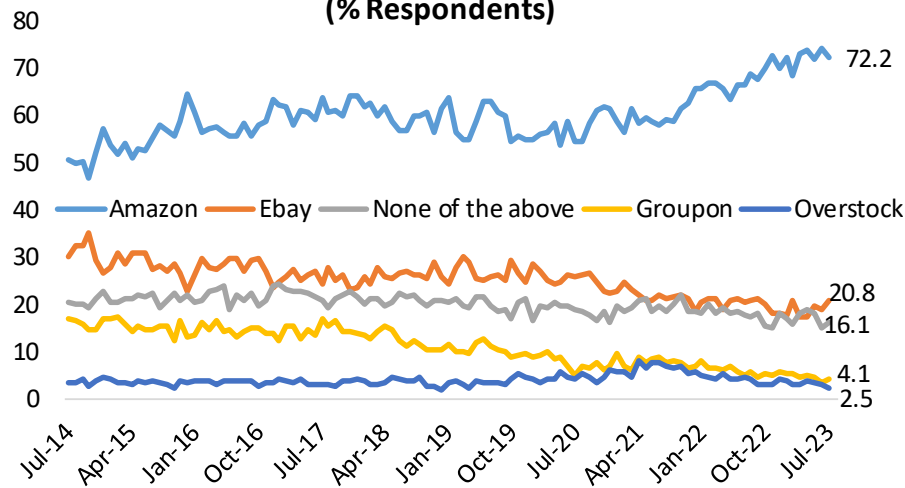
Electronics – Plans to Purchase



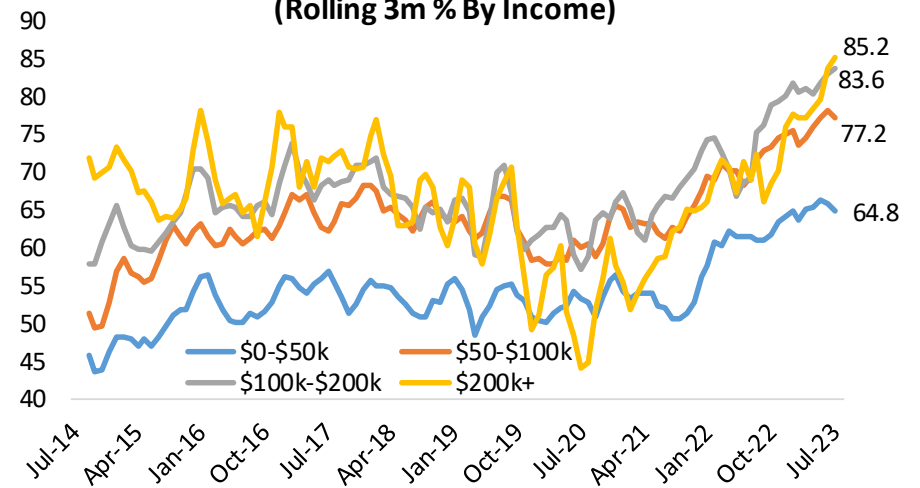
Note: Latest Datapoint is July 2023

eCommerce

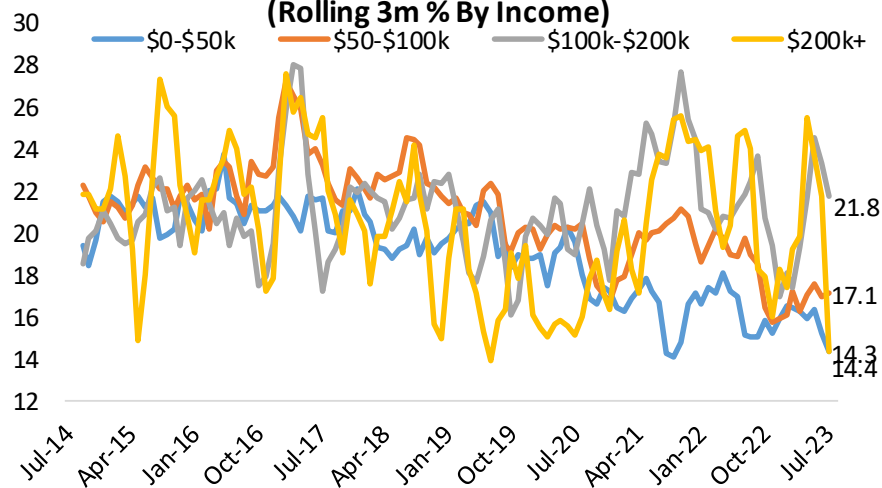
Have Purchased Items During Past Month
(% Respondents)



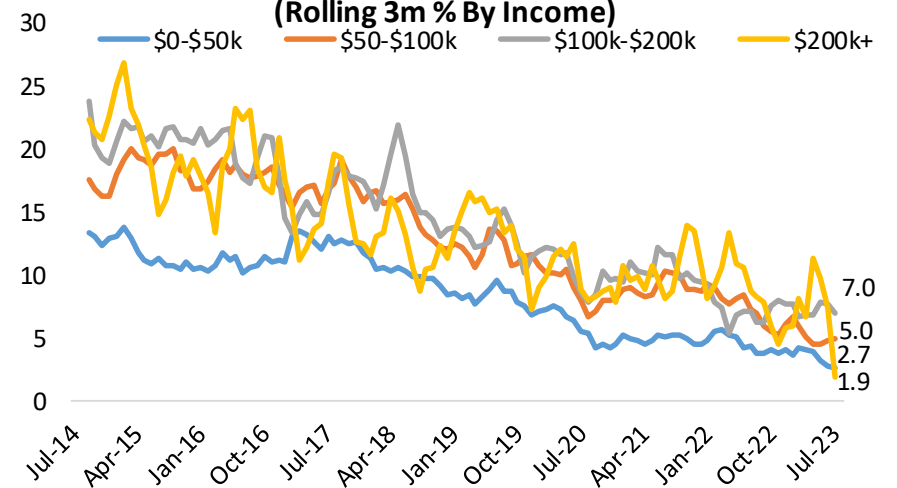
Purchased From Amazon In Past Month
(Rolling 3m % By Income)



Purchased From Ebay In Past Month
(Rolling 3m % By Income)



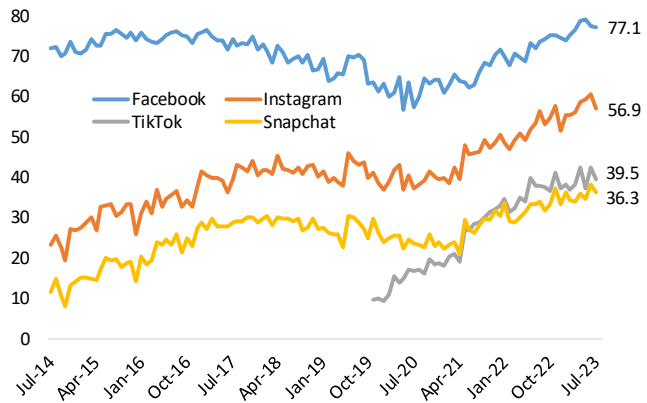
Purchased From Groupon In Past Month
(Rolling 3m % By Income)



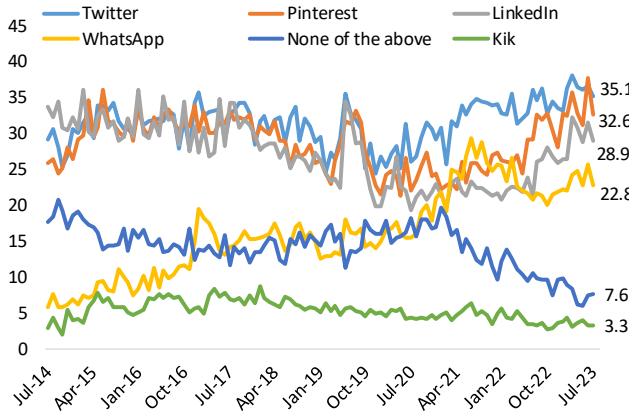
Note: Latest Datapoint is July 2023

Social Media

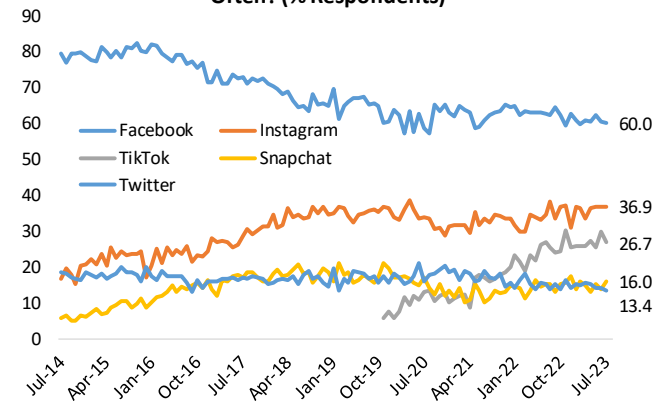
Social Media: Has Account, Majors (% Respondents)



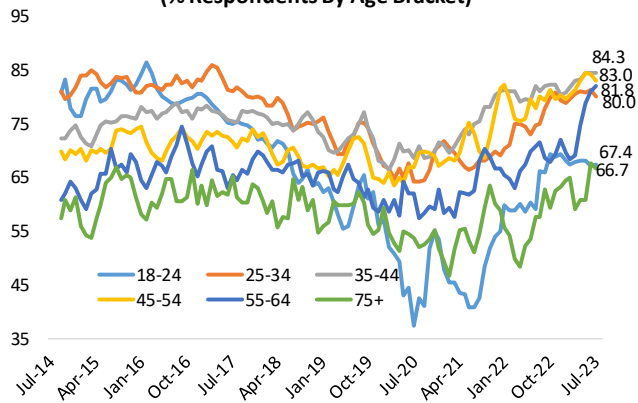
Social Media: Has Account, Minors (% Respondents)



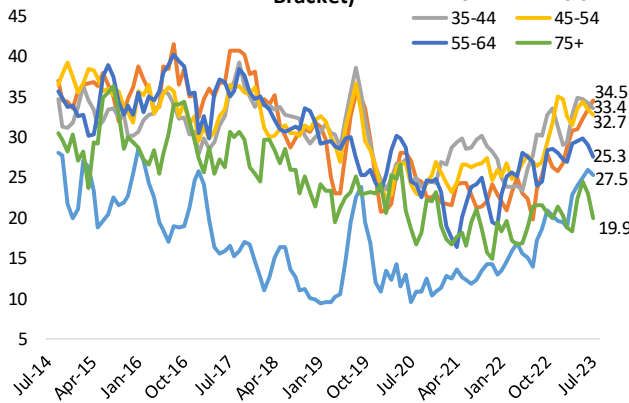
Social Media Websites: Which Two Do You Use Most Often? (% Respondents)



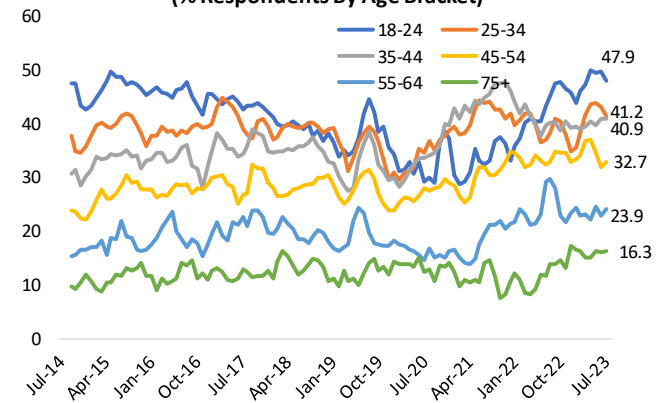
Has Facebook Account (% Respondents By Age Bracket)



Has LinkedIn Account (% Respondents By Age Bracket)

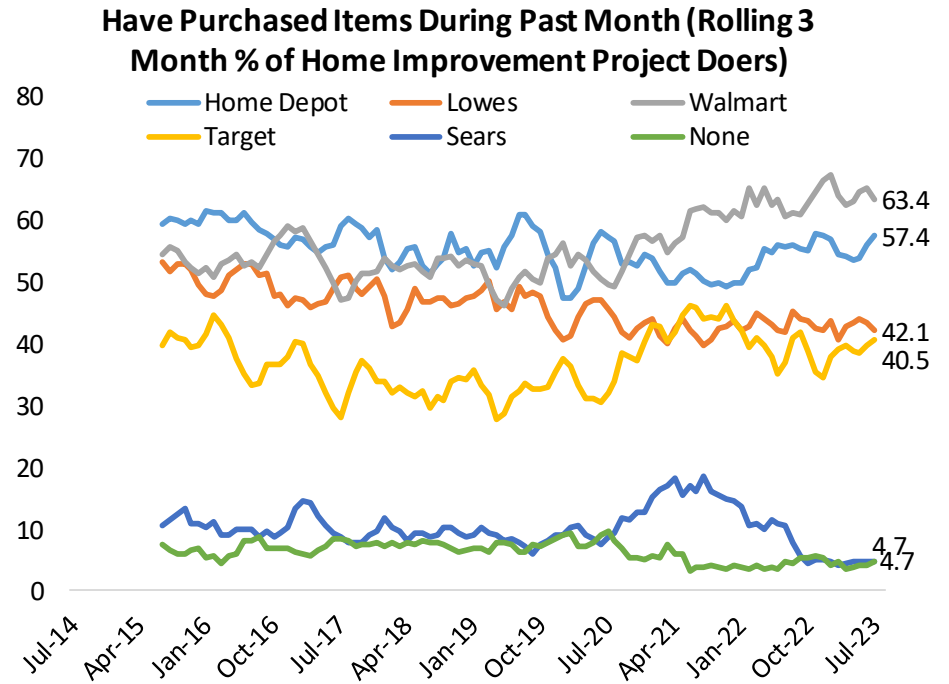
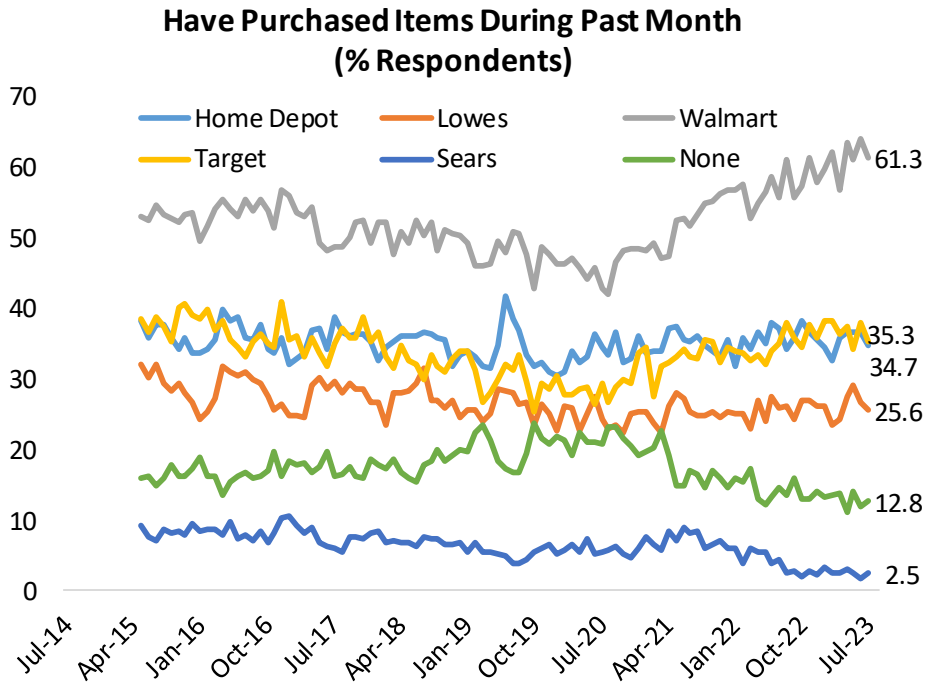


Has Twitter Account (% Respondents By Age Bracket)



Note: Latest Datapoint is July 2023

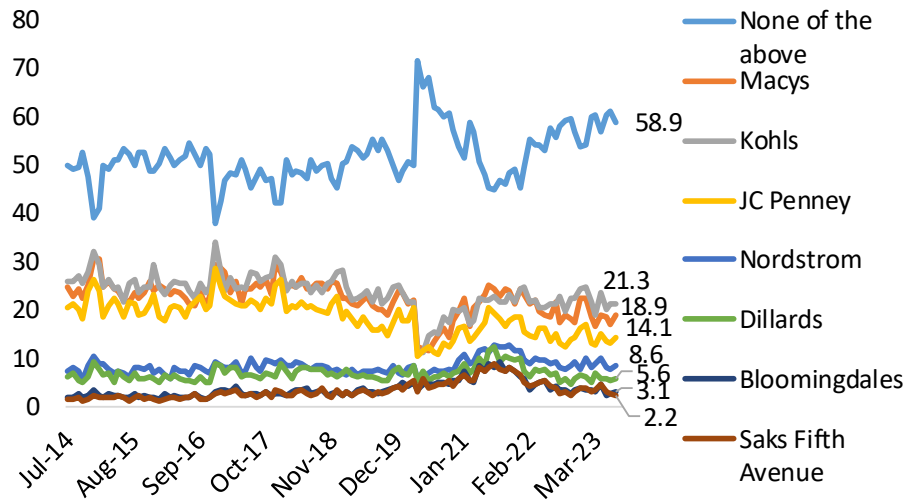
Home Improvement Retail



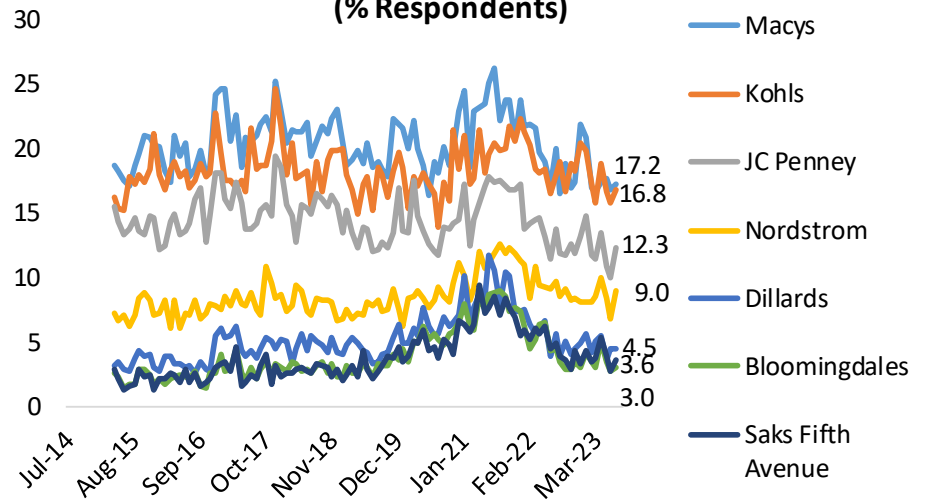
Note: Latest Datapoint is July 2023

Department Stores

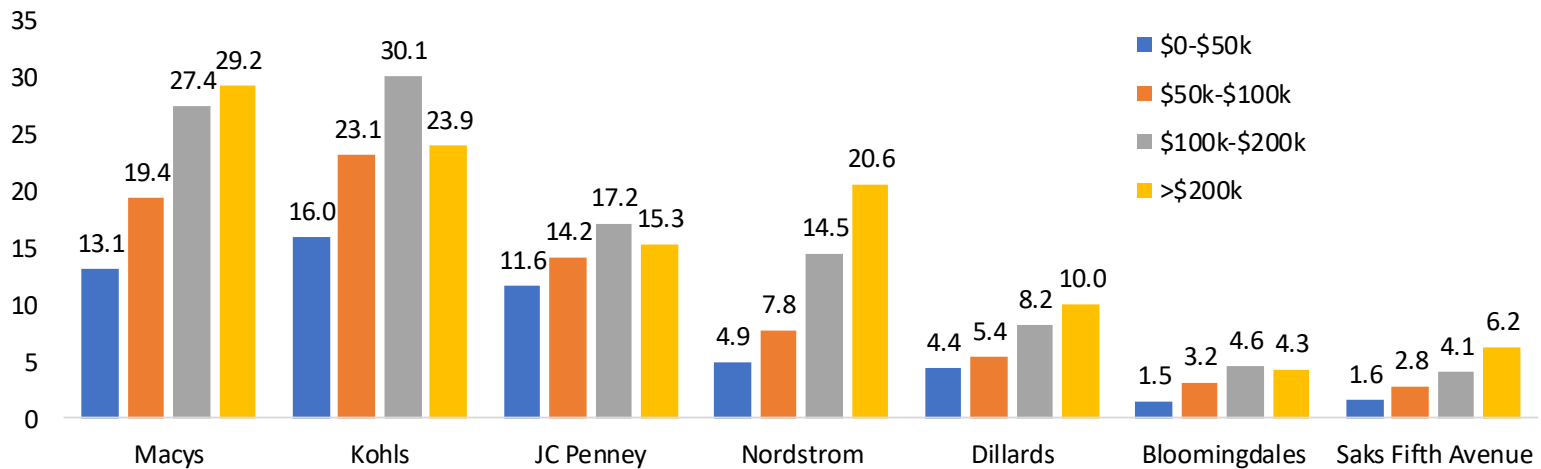
Department Store Visits: Past Month (% Respondents)



Department Store Website Visits: Past Month (% Respondents)

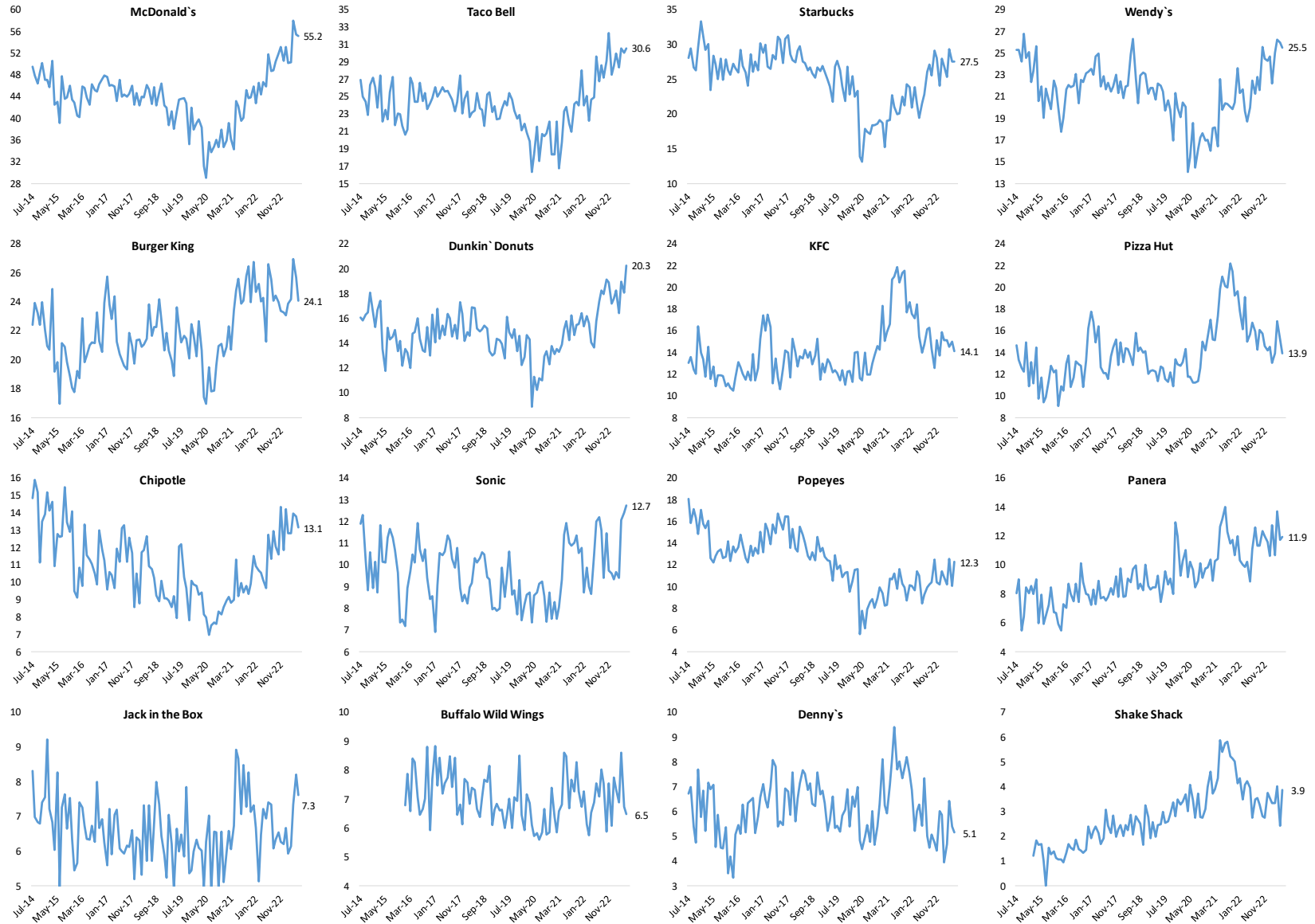


Department Store Visits This Month (3 Month Rolling % Respondents By Income)



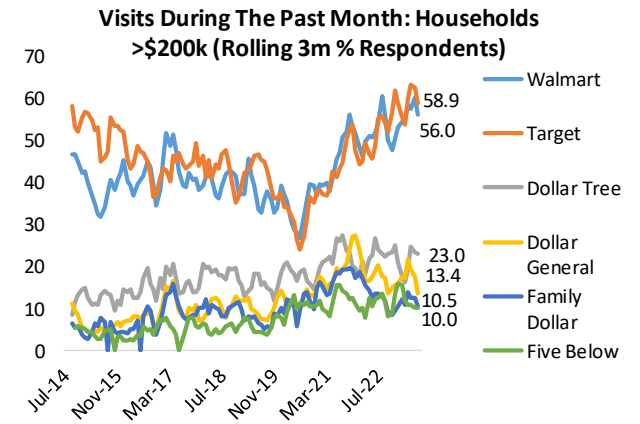
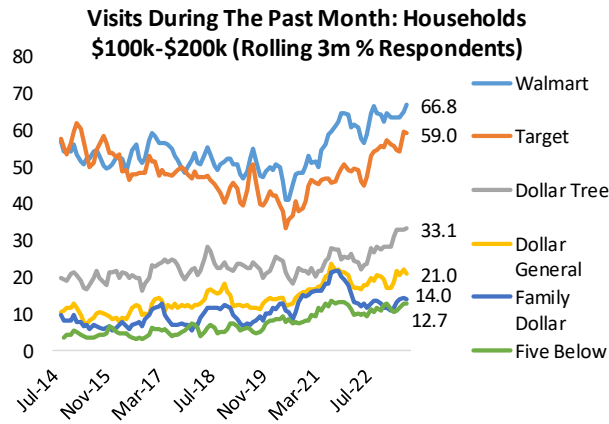
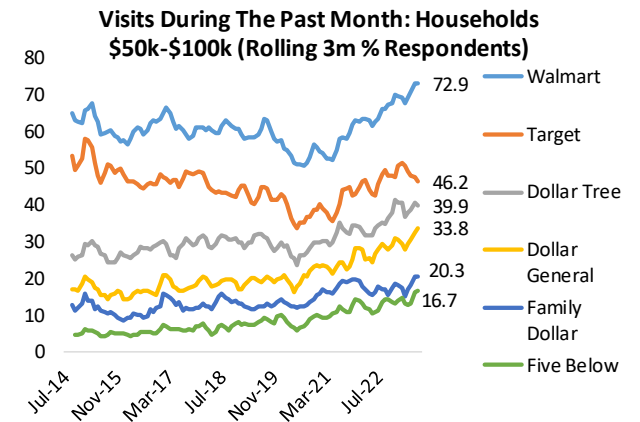
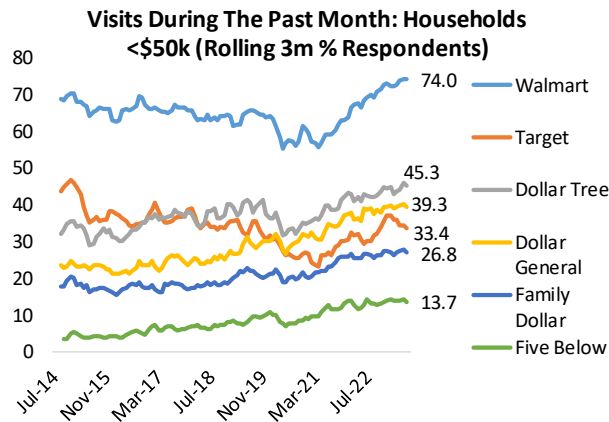
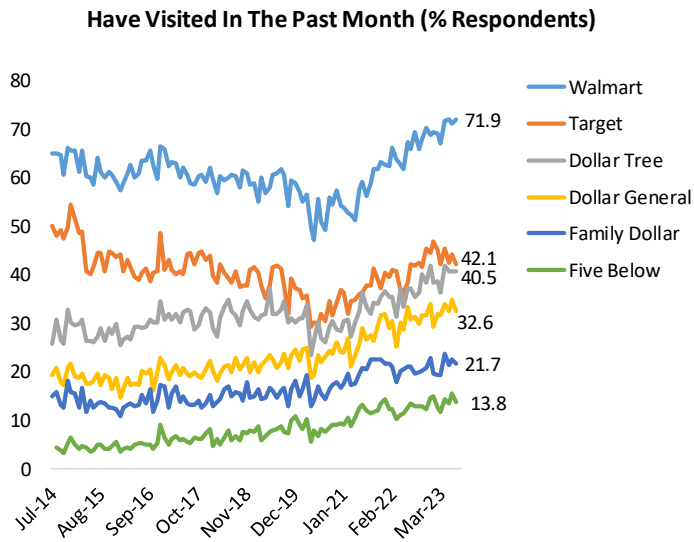
Note: Latest Datapoint is July 2023

Restaurants – Visited in Past Month



Note: Latest Datapoint is July 2023

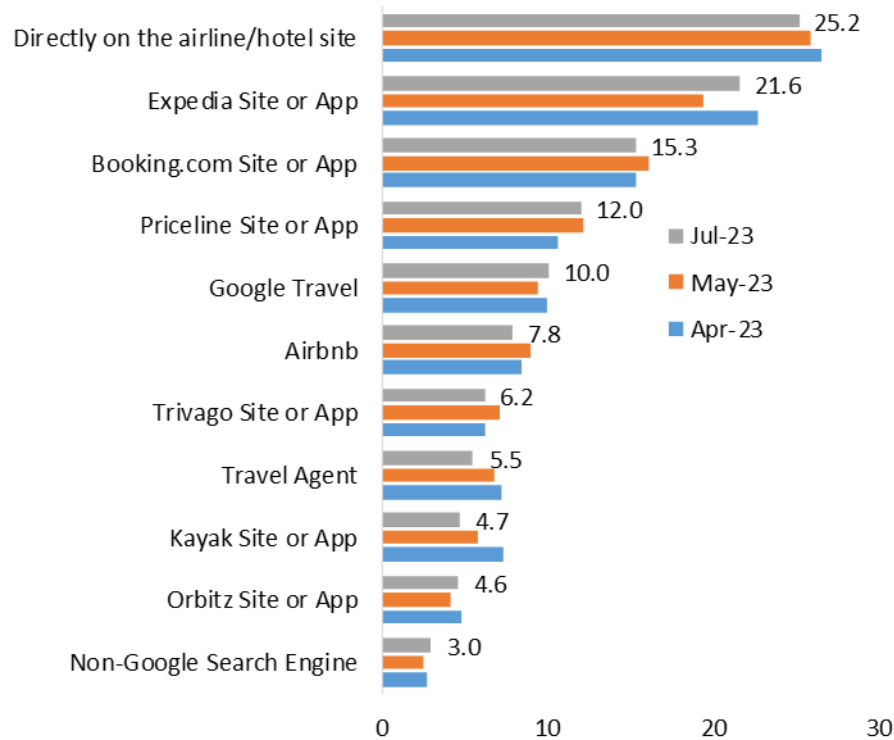
Big Box Retail



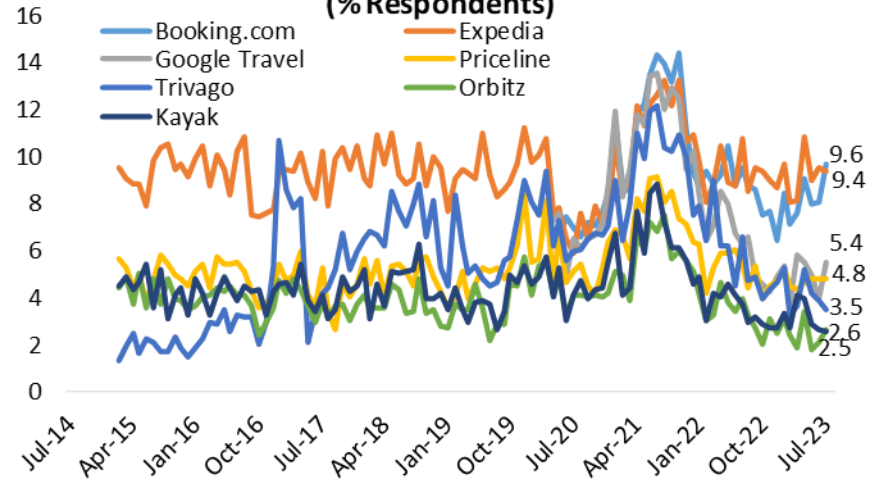
Note: Latest Datapoint is July 2023

OTAs

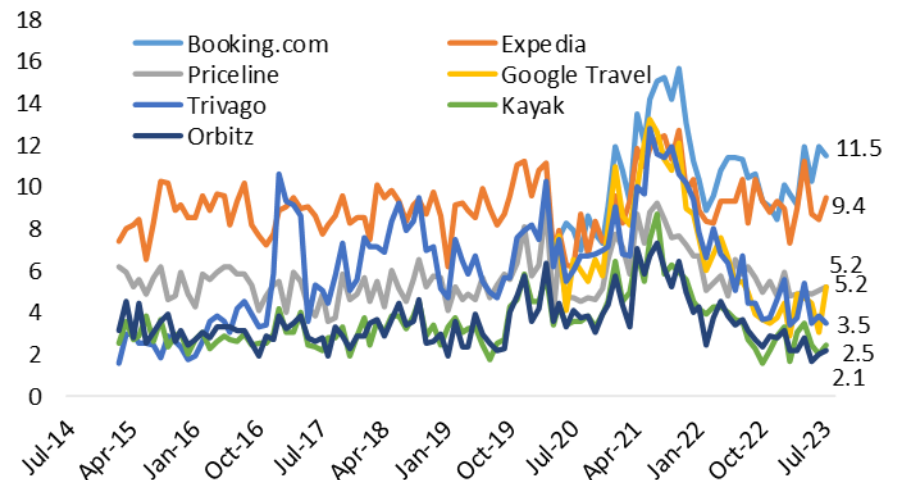
If You Were Looking To Book Travel Today, Where Would You Start Your Search? (% Respondents)



Booked A Flight In Past Three Months (% Respondents)

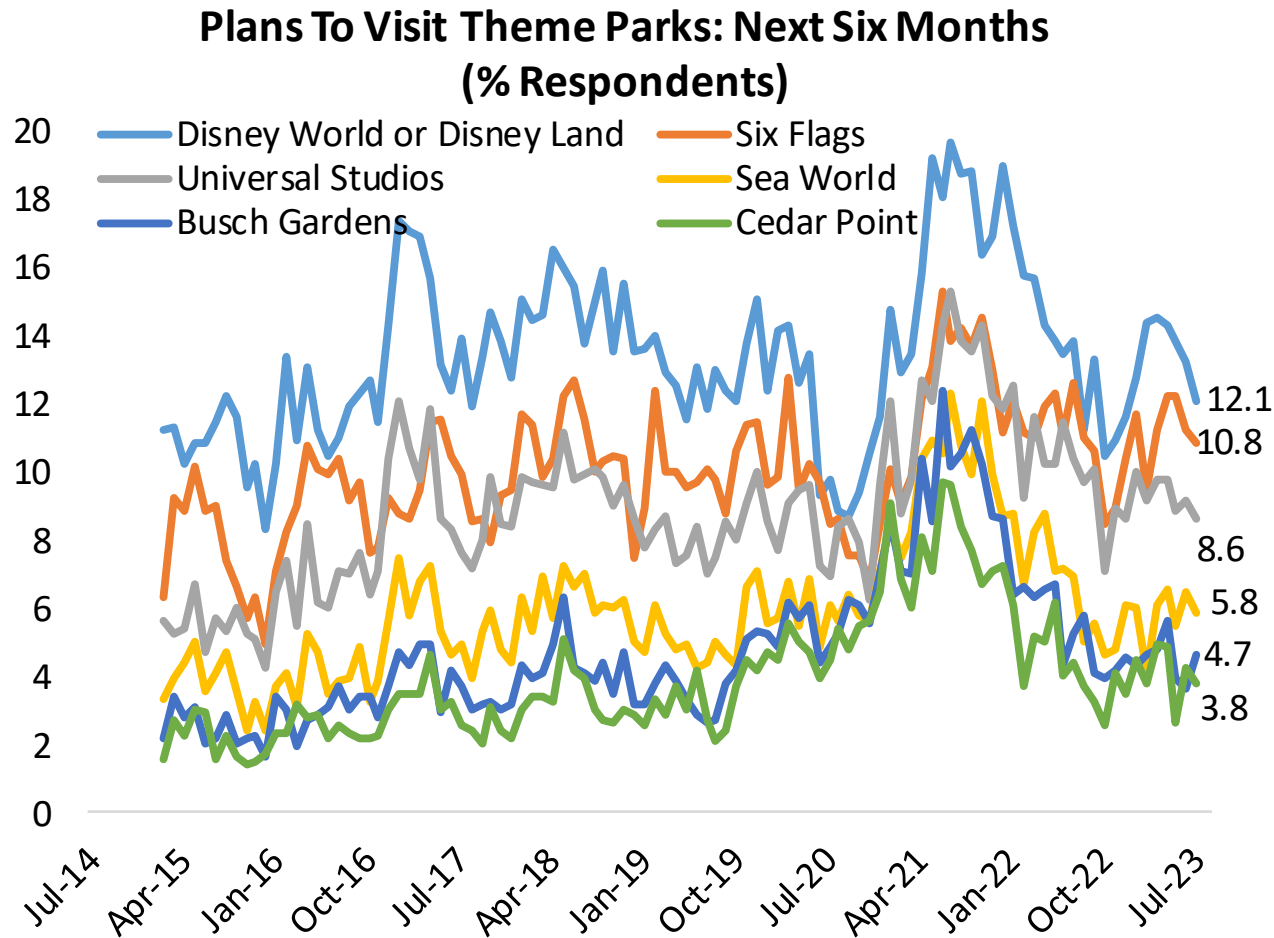


Booked Hotel In Past Three Months (% Respondents)



Note: Latest Datapoint is July 2023

Theme Parks

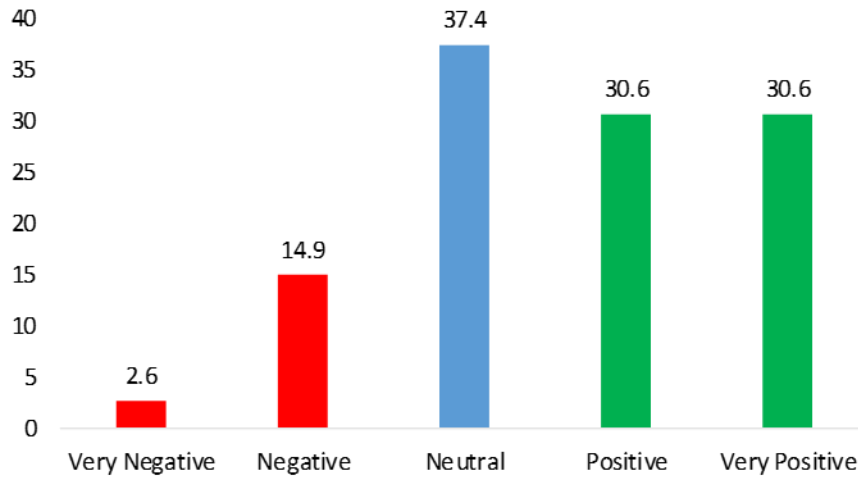


Note: Latest Datapoint is July 2023

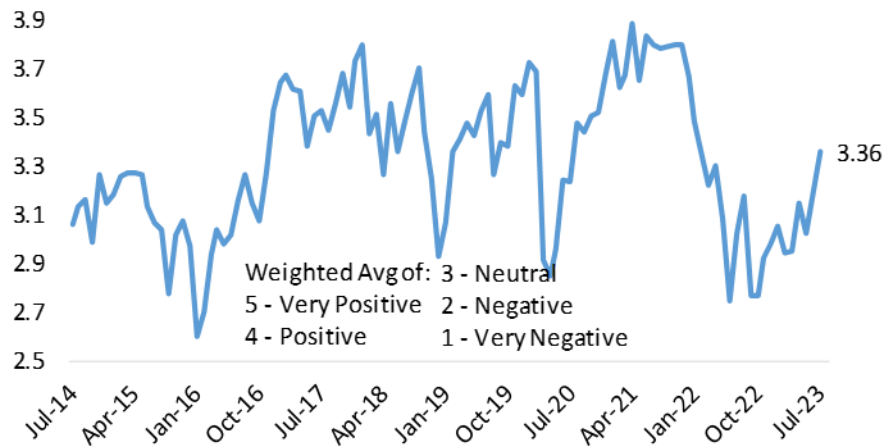
Investors

Investor Stock Market View

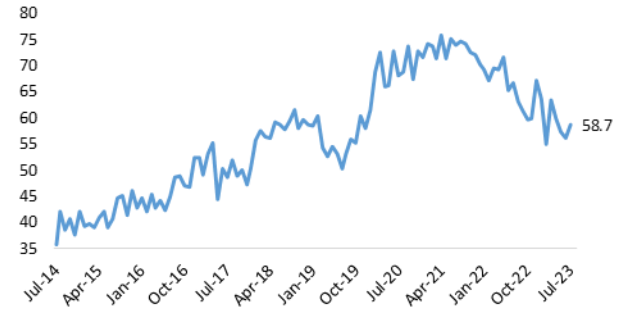
Current View of Stock Market (%)



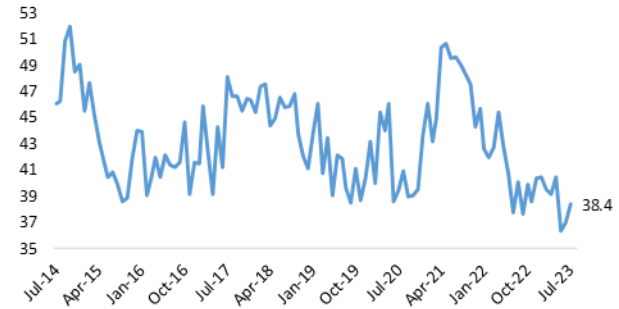
Current View of the Stock Market (Tracker)



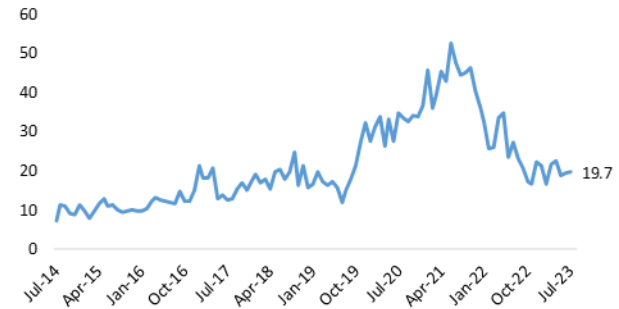
Do You Follow The Stock Market On A Regular Basis? (% Respondents)



Invest In Stocks, Bonds, Commodities, Real Estate, or Other Financial Product? (% Respondents)



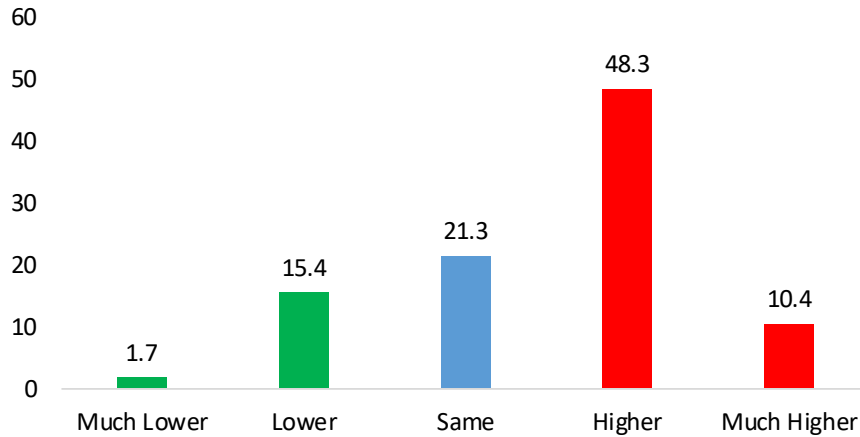
Do You Currently Have Any Investments In Gold (% Respondents)



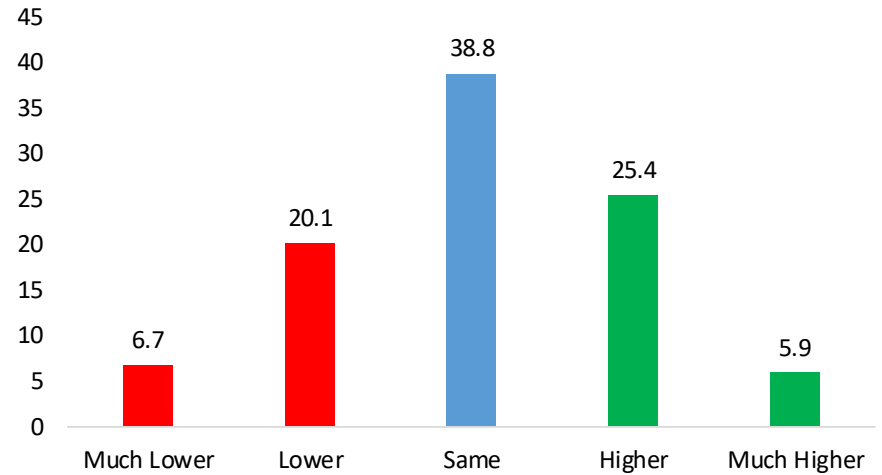
Note: Latest Datapoint is July 2023

Investors: Interest Rates and Risk

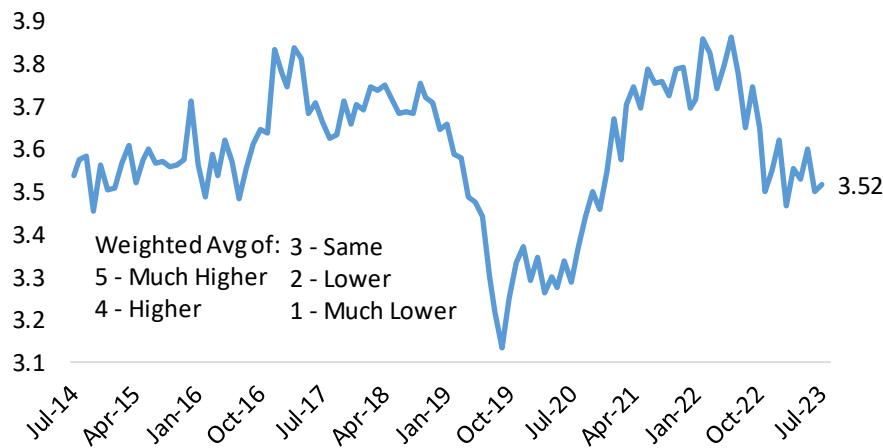
Expectations For Interest Rates One Year From Now (%)



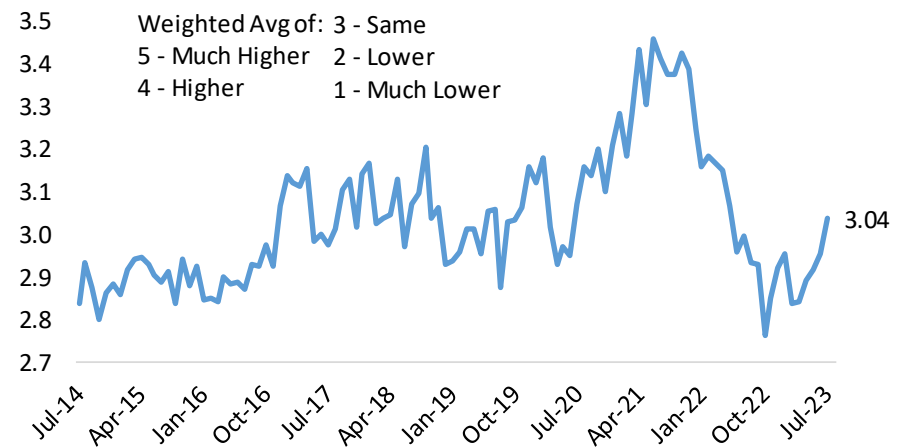
General Risk Tolerance Versus One Year Ago (%)



Expectations for Interest Rates One Year From Now (Tracker)

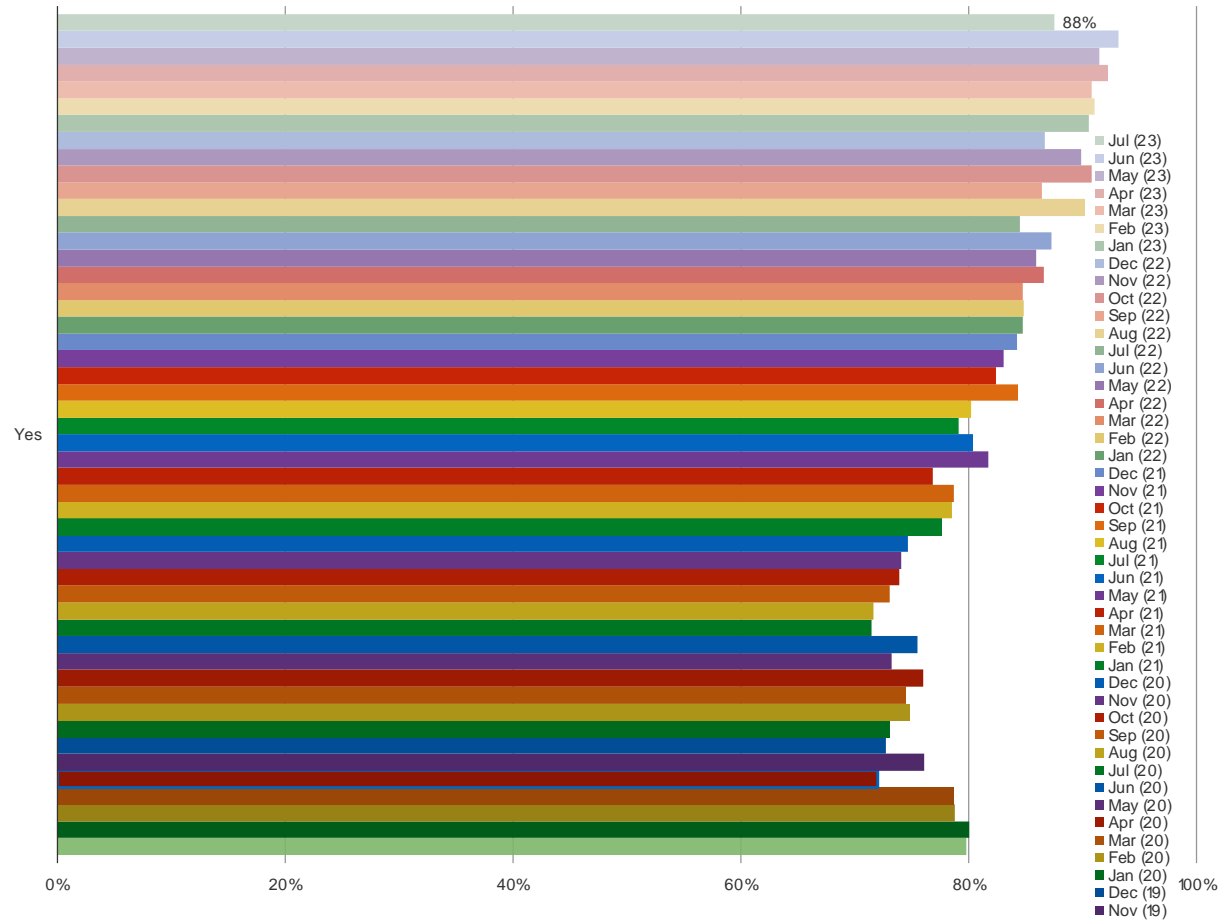


General Risk Tolerance Versus One Year Ago (Tracker)



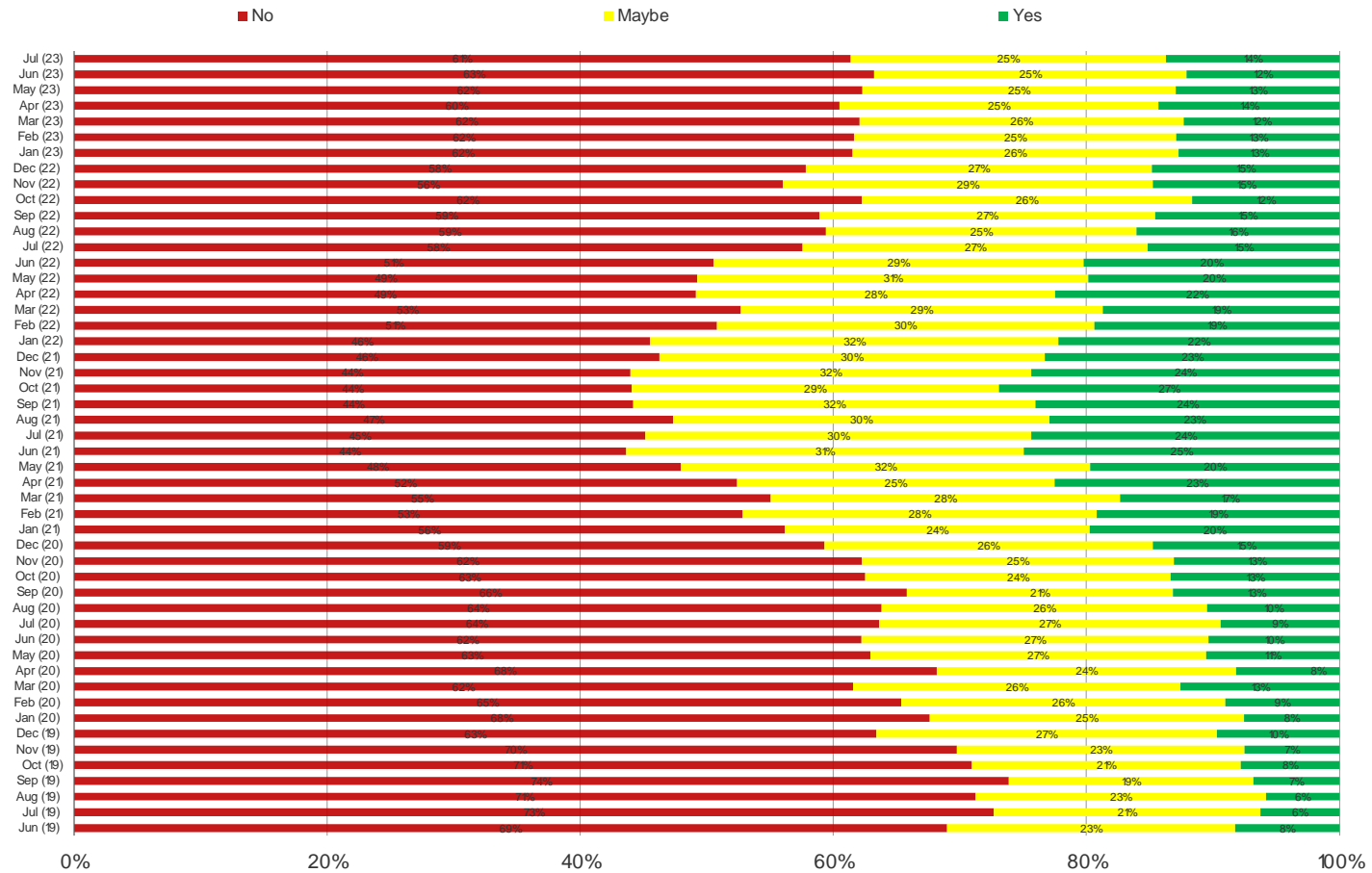
Bitcoin

Percentage of Consumers Aware of Bitcoin



Note: Latest Datapoint is July 2023

Among those aware of Bitcoin: Are you interested in buying Bitcoin?



Note: Latest Datapoint is July 2023

Among those aware of Bitcoin: Do you think Bitcoin would be a good or bad investment right now?

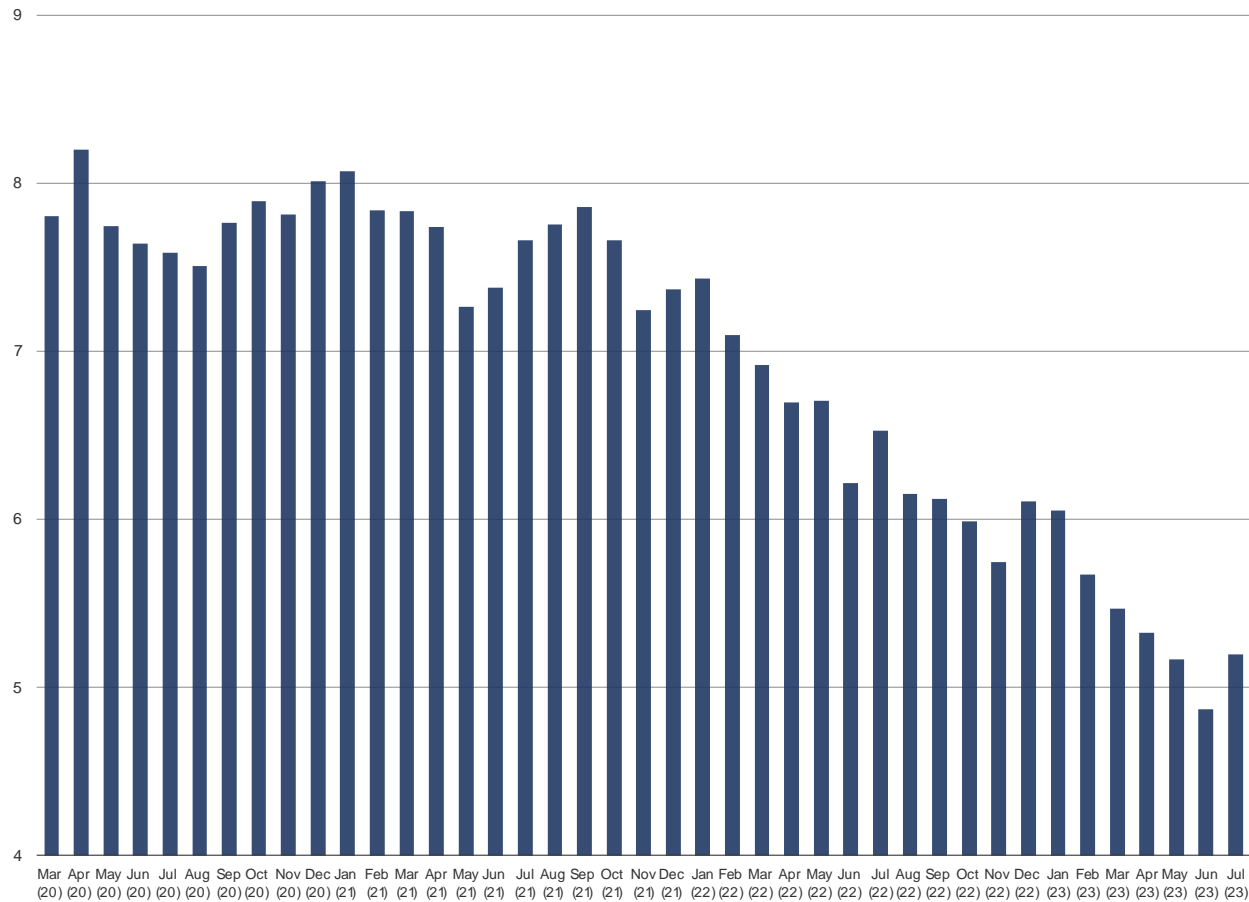


Note: Latest Datapoint is July 2023

Covid

Please rate your level of concern with the Coronavirus (also being referred to as Covid-19 or the Novel Coronavirus).

POSED TO ALL RESPONDENTS



Note: Latest Datapoint is July 2023