

BESPOKE INTEL

Monthly Macro

August 2023



BESPOKE

Key Takeaways – Heat Map

AUGUST 2023

Bespoke surveys 1,500+ 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.

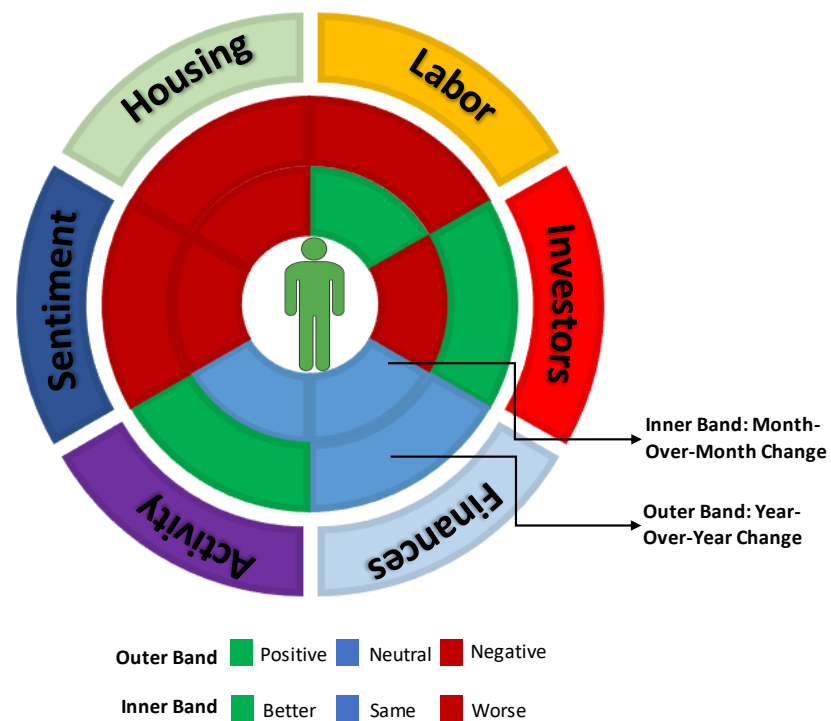
The next seven pages break down key trends we saw for each of the major categories covered in our monthly survey. Following our category summaries, we delve into a detailed analysis of individual questions, broken up by section.

August was a much weaker month for our various categories of consumer health, with Housing and Sentiment by far the weakest.

Changes in Heat Map Versus Last Month

- **Labor Market:** While most of the survey weakened markedly in August, labor markets were basically resilient with improved readings across almost all categories.
- **Housing:** Housing indicators were weaker across the board in August, with demand continuing to collapse alongside supply.
- **Consumer Sentiment:** With gas prices up and stock prices down, sentiment took a huge hit in late summer.
- **Consumer Activity:** As has been the case for most of this expansion, weak sentiment readings haven't translated directly to slower consumer spending.
- **Investor Sentiment:** While investors we surveys are feeling much better than a year ago, bulls have pulled in their horns sharply over the last month thanks to the pullback in stocks and higher interest rates.

Bespoke Consumer Heat Map





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Key Takeaways: Sentiment

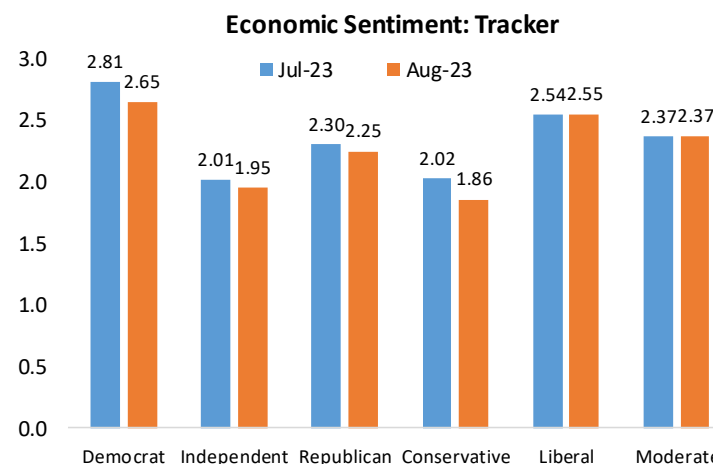
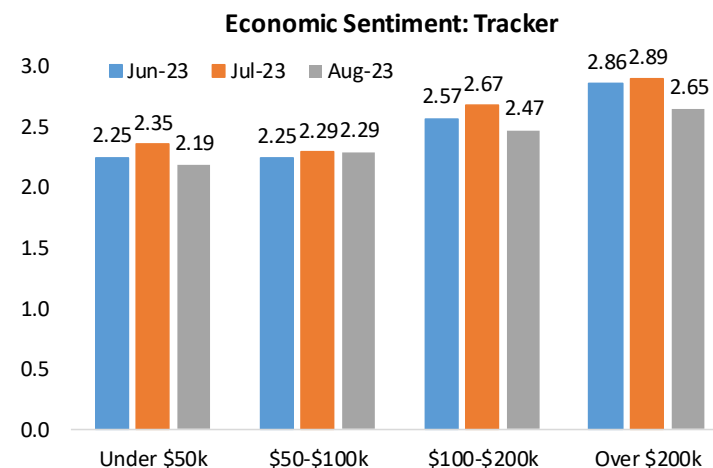
AUGUST 2023

Key Takeaways

- Economic sentiment retreated sharply, with most income levels reporting sharp drops.
- By political affiliation, Democrats suffered a far larger drop in economic sentiment than others.

In the chart at right we show economic sentiment as a tracker, with readings above 3.0 indicating net positive sentiment and readings below 3.0 indicating net negative sentiment. As shown, this month saw material declines in consumer sentiment towards the economy across all income groups save the \$50k-\$100k bucket. The lowest-income (under \$50k) and highest-income (over \$200k) brackets both saw significant declines. The \$100k-\$200k bracket did as well. The drop in sentiment was broad-based with respect to income.

The same can be said for political categories. In the chart we show economic sentiment as reported by each of the six political categories we allow our respondents to sort themselves in to. As shown, the steepest declines came from self-identified Democrats and Conservatives. Liberals and Moderates didn't change on the month while Independents and Republicans dropped but by more modest amounts. This pattern doesn't suggest any political valence to the drop in sentiment.





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Key Takeaways: Labor Market

AUGUST 2023

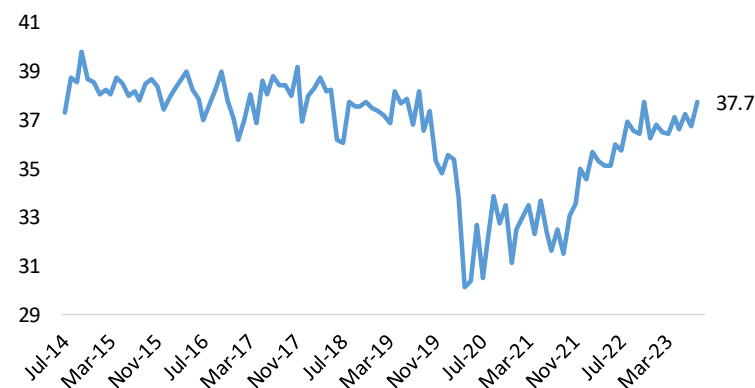
Key Takeaways

- Average hours worked per respondent have continued to climb throughout this cycle.
- Expectations for the unemployment rate are near record bearish levels.

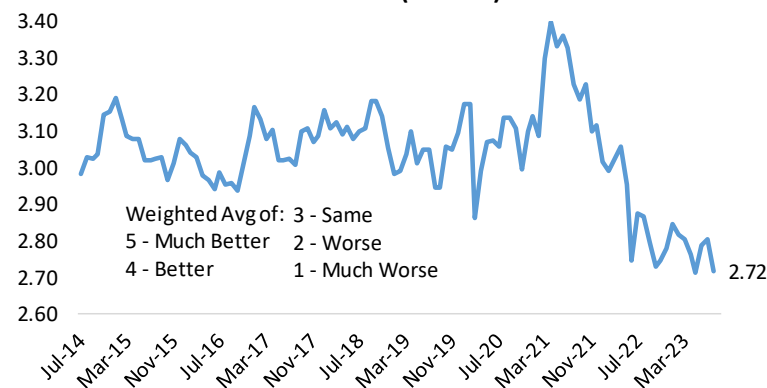
One piece of evidence for the strengthening of the labor market is the persistent increase in the number of hours worked by our respondents. As shown, our employed respondents worked 37.7 hours each in August, which is near the highest level since the COVID recession drove a decline in hours worked during 2020. That's a good sign that there is lots of work available for respondents and that they are choosing to engage with it, matching strong labor supply with strong labor demand.

As for soft labor market indicators, this month expectations for the unemployment rate fell to just above a record low. When this series falls, it indicates weaker expectations for the labor market or a higher unemployment rate, and vice versa. As shown, pessimism has been widespread for sometime despite the fact that the extremely low unemployment rate has been stable over the past year or so.

Hours Worked (Average)



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





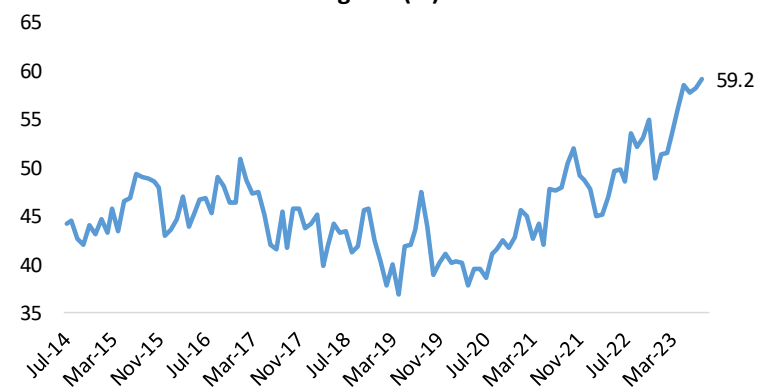
Key Takeaways

- A new record share of respondents report they are living paycheck to paycheck.
- Expected discretionary spending declined across almost all bands of economic sentiment.

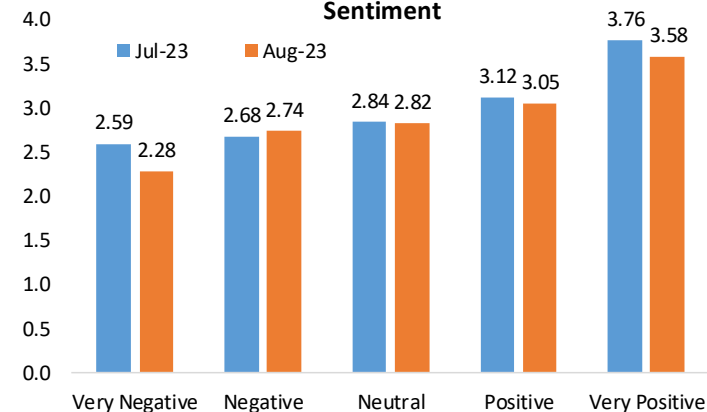
Just shy of 60% of our respondents report that they are living “paycheck to paycheck”. That term is intentionally subjective, and should capture most people; very few Americans are totally free of any need to earn labor income regularly. That said, it’s a loaded term, and usually means “just getting by” in common parlance. As shown, this is the highest share of respondents on record to say they are living paycheck to paycheck. That’s a sign that a large share of our respondents are barely keeping up with their expenses, or are facing cost of living pressure.

We were also curious how recent changes in economic sentiment might be driving declines in expected spending. In the chart at right we show expected spending on average for respondents by the bucket of economic sentiment they report. As shown, those with the lowest economic sentiment have the weakest spending plans, and vice-versa. That’s to-be expected. But we also note that there were sharp declines in expected spending *within* sentiment buckets. That’s especially true of the most-positive and least-positive groups.

"Living Paycheck to Paycheck": Agrees or Strongly Agrees (%)



Expected Discretionary Spending: By Economic Sentiment





Key Takeaways

- A broad proxy for consumer electronics demand has stabilized over the past year.
- Auto demand has also started to stabilize after retreating over the past year and a half.

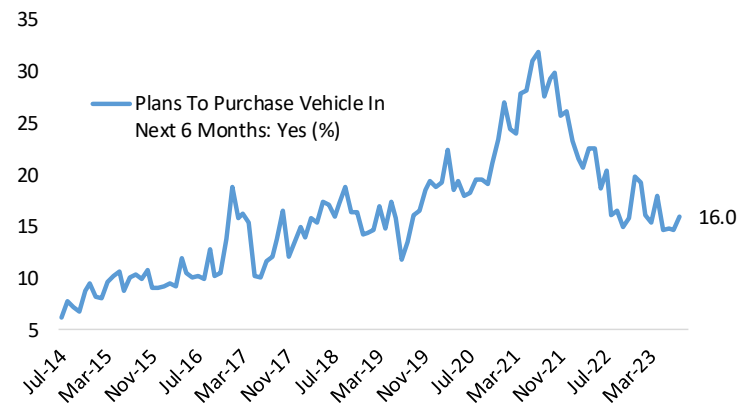
We survey respondents on their buying intentions for a broad swathe of consumer electronics categories including TVs, computers, mobile phones, and others. It can sometimes prove useful to aggregate these various categories into a single comprehensive gauge for demand in the category. As shown, taking the average across specific types, the sharp declines in demand from 2021 through 2022 have stopped and yielded to a slow sideways trend.

As for cars (and trucks), declines in vehicle demand have similarly moderated over the past year. As shown at right, concrete buying plans over the next six months haven't made a new low in about a year. The same sort of rapid decline in demand that came with improving supply conditions during 2021 and 2022 has now phased out for the auto market as for the consumer electronics space.

Stabilization of Consumer Electronics Demand



Auto Demand Also Stabilizing





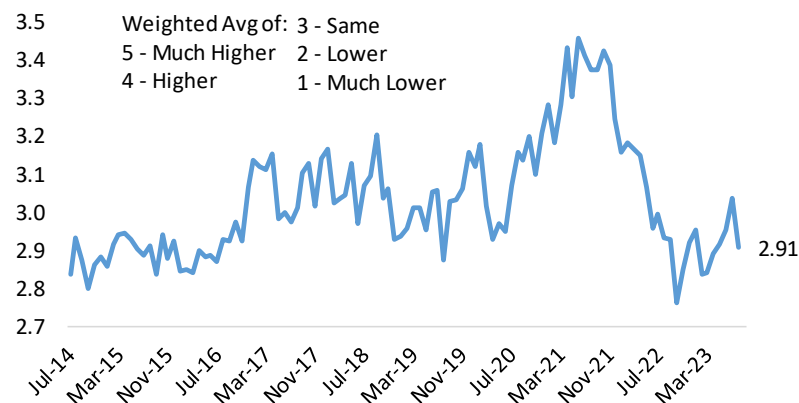
Key Takeaways

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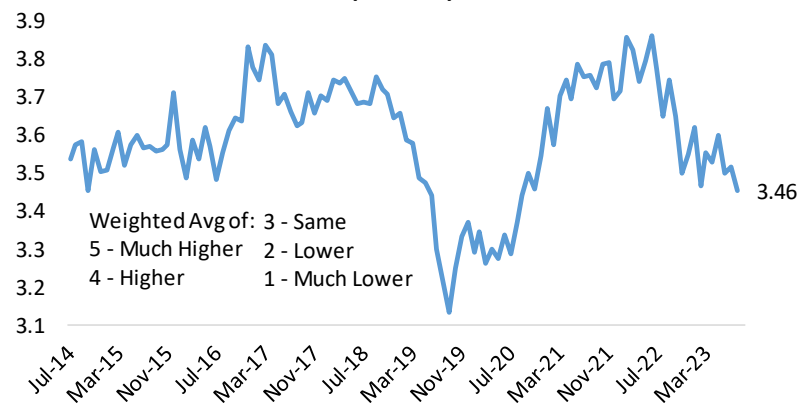
With equity markets sagging in August after a huge run through the middle of the year, our respondents' sentiment has also taken a bit of a hit. Believe it or not, that's actually good news from a contrarian perspective. What would be more concerning would be respondents *staying* bullish as markets deteriorate. Instead, they're pulling back and getting less optimistic. That creates fuel for the next leg higher in prices once markets can work off their funk.

As for market expectations of interest rates, respondents' estimates for rate changes going forward hit their lowest level since the fall of 2020. That's a pretty hefty expectation for interest rate declines. As shown, the current expectation of declines is lower than almost any period in our data other than the expectation of rate cuts that built during the fall of 2019.

General Risk Tolerance Versus One Year Ago (Tracker)



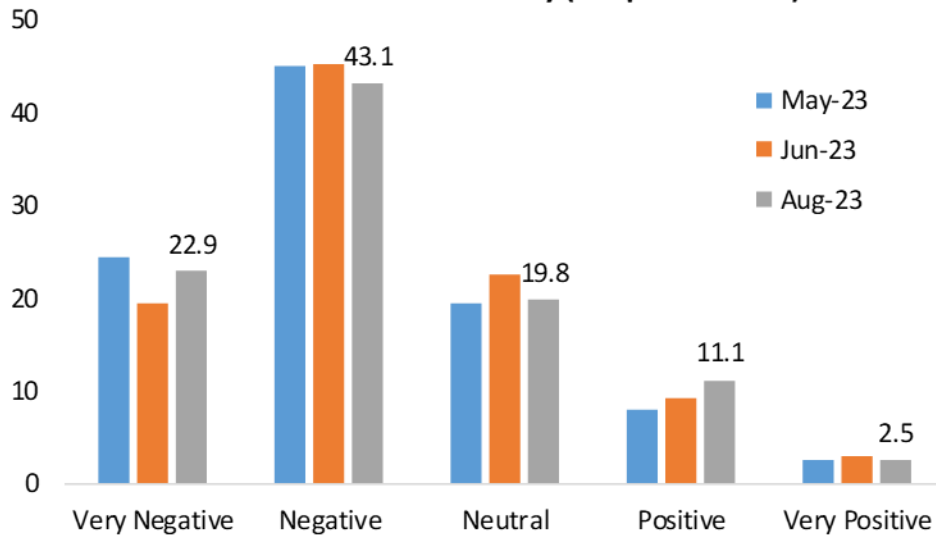
Expectations for Interest Rates One Year From Now (Tracker)



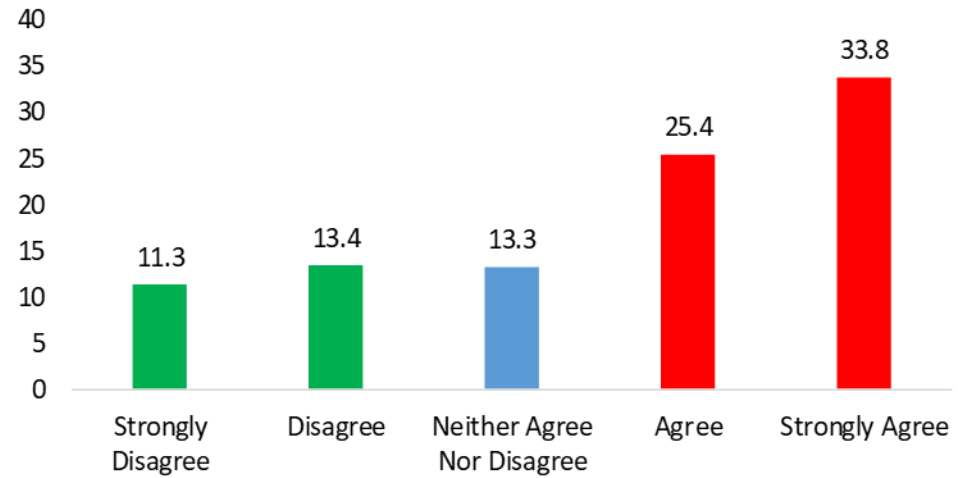
Charts

Confidence in the economy

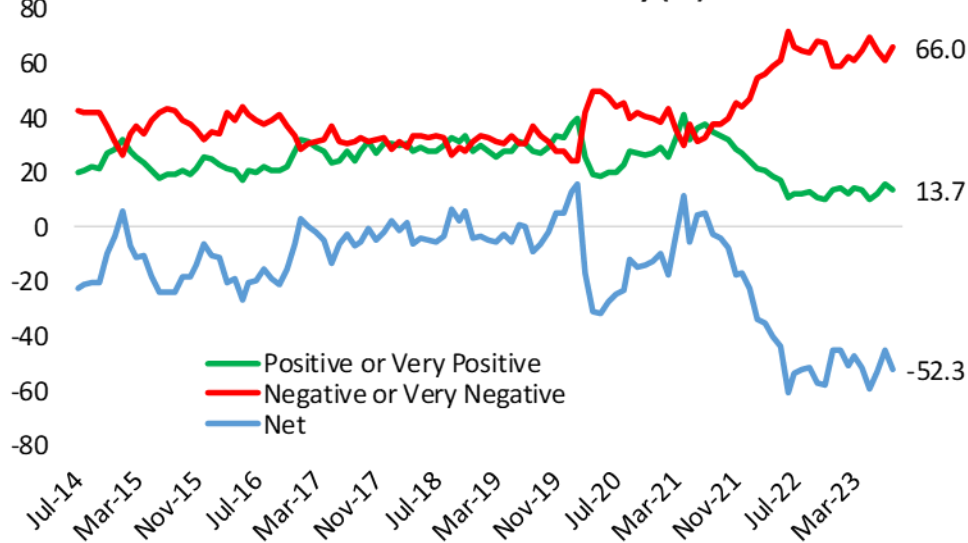
Confidence In The Economy (Respondents %)



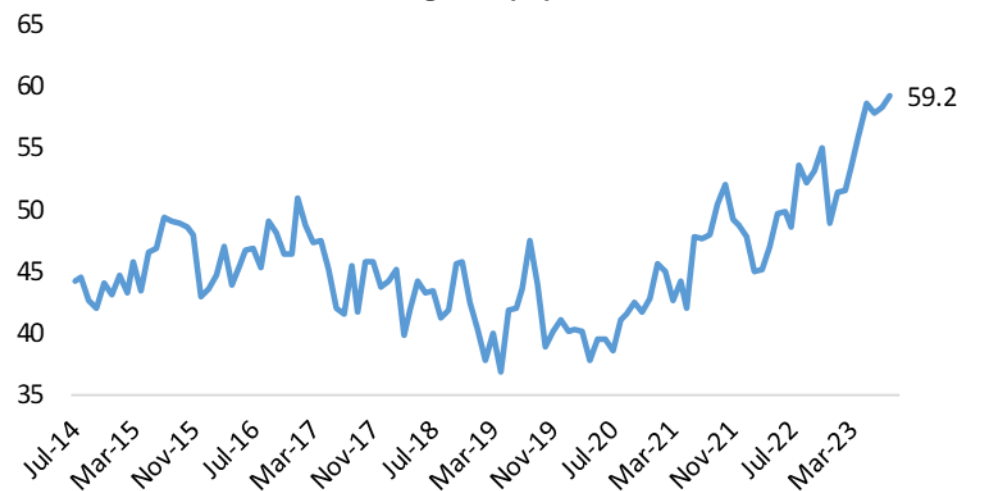
I consider myself living paycheck to paycheck (% Respondents)



Confidence In The Economy (%)

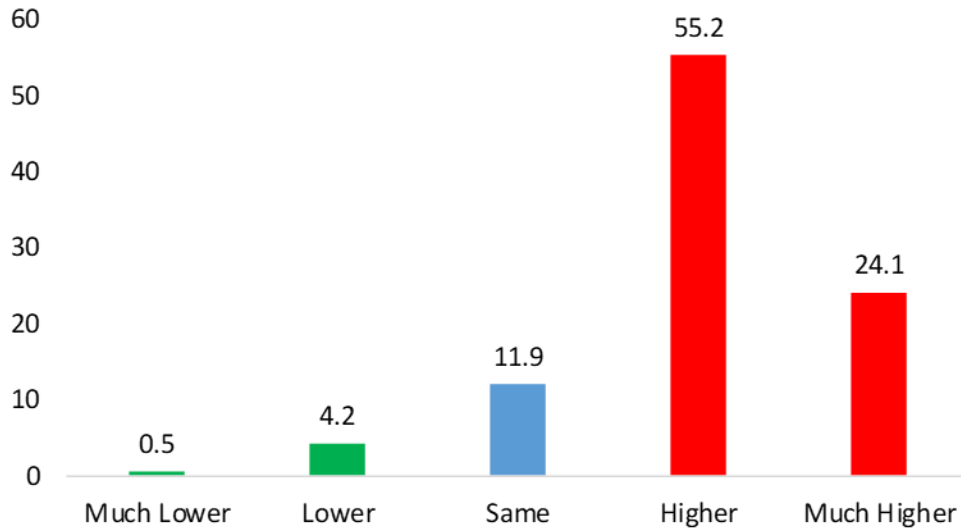


"Living Paycheck to Paycheck": Agrees or Strongly Agrees (%)

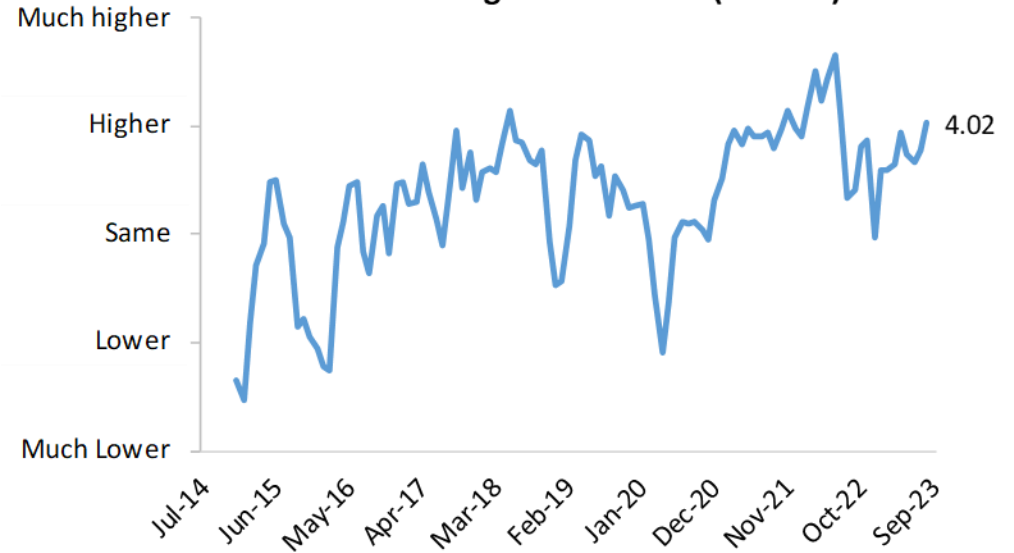


Gas and Broad Prices

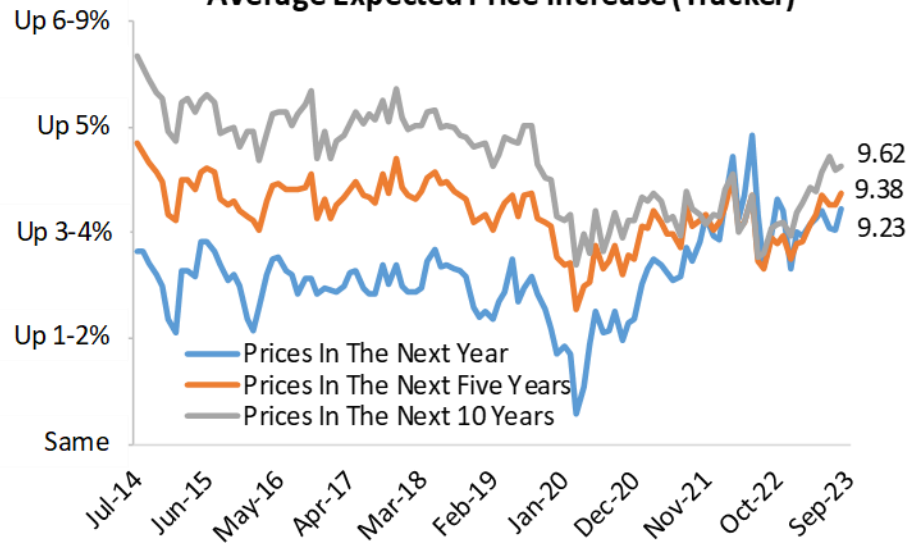
Noticed Change In Gas Prices (% Respondents)



Noticed Change In Gas Prices (Tracker)

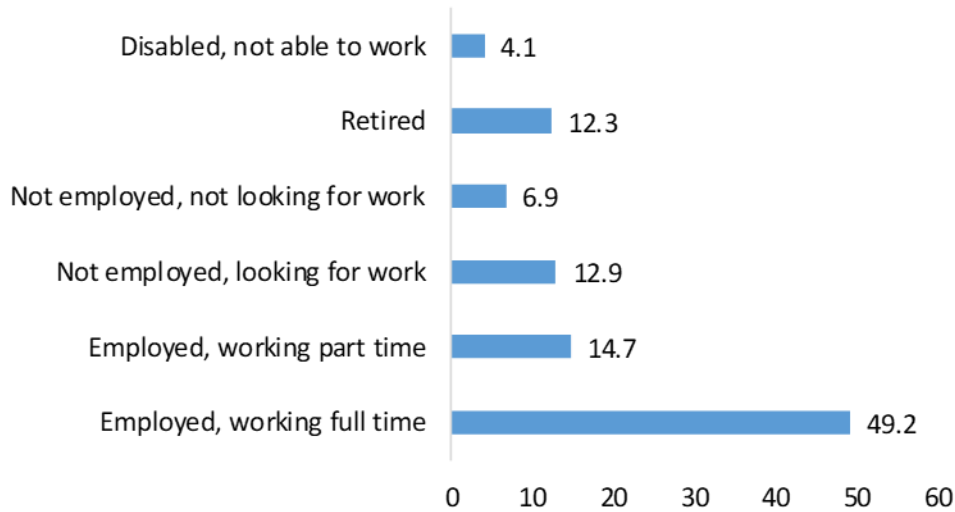


Average Expected Price Increase (Tracker)

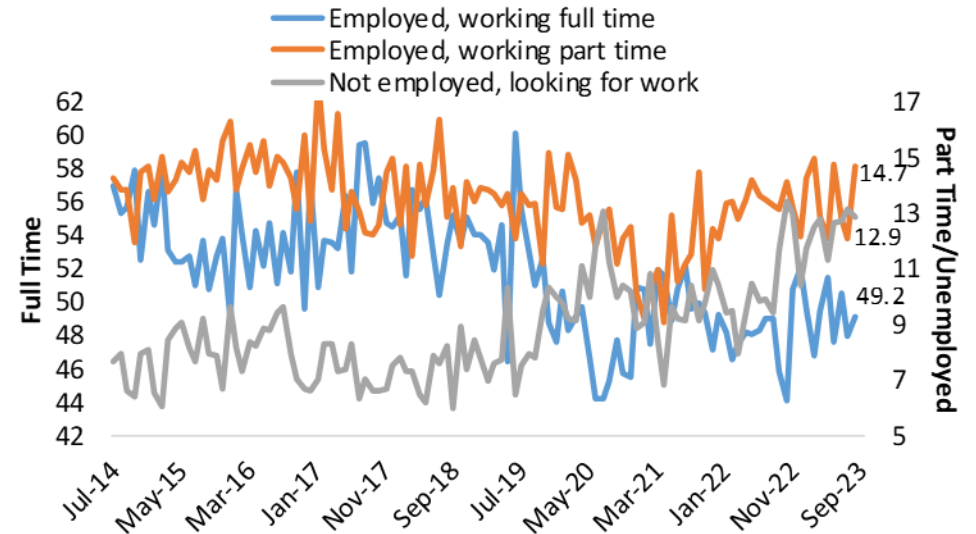


Employment

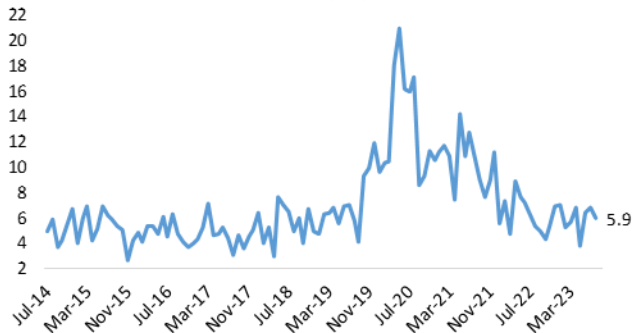
Employment Status (% Respondents)



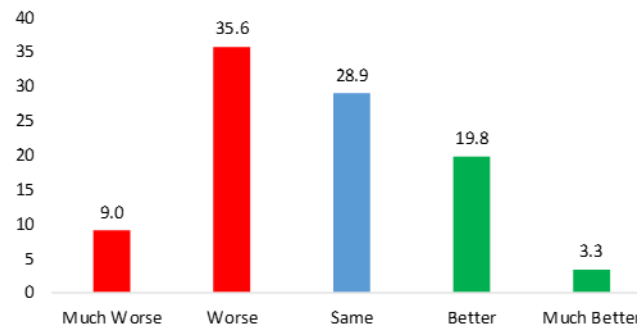
Employment Status (% Respondents)



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



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

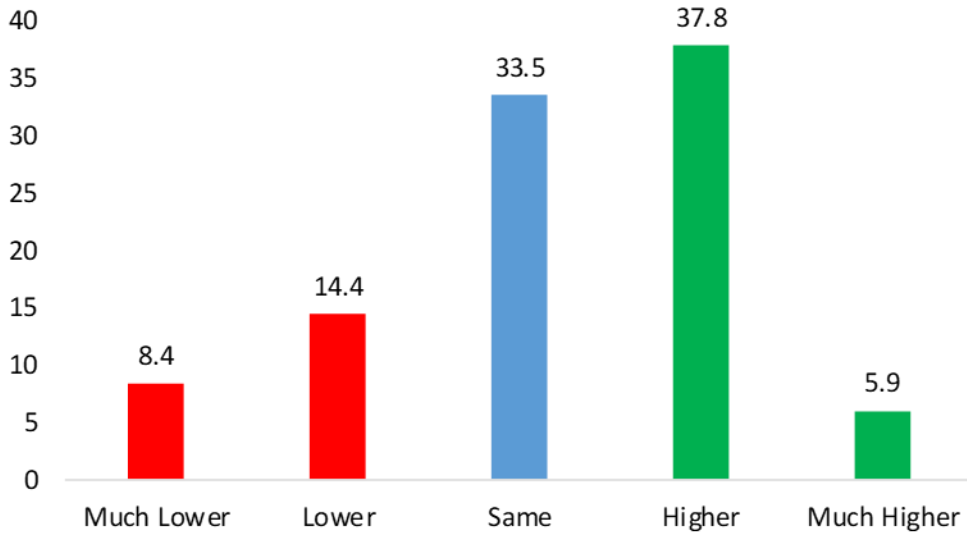


Expectations For US Unemployment Level One Year From Now (Tracker)

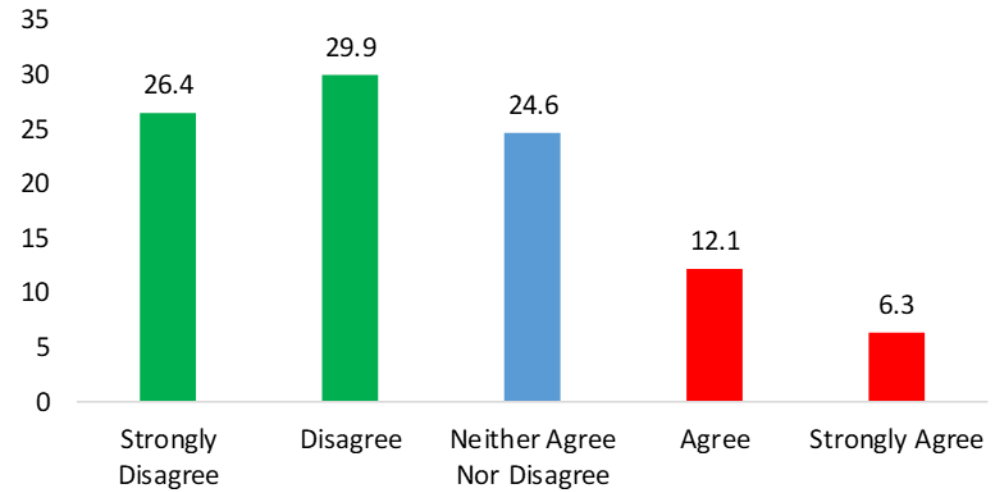


Income and Job Security

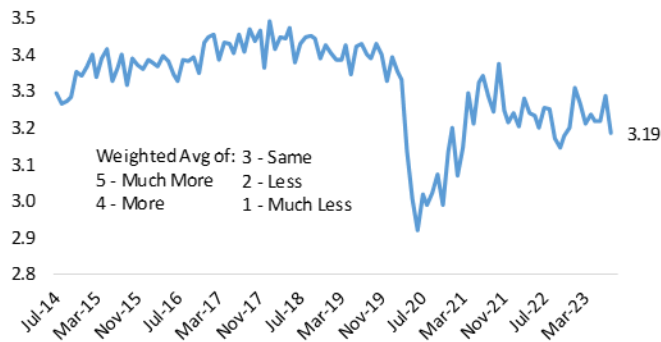
Current Income vs 1 Year Ago (% Respondents)



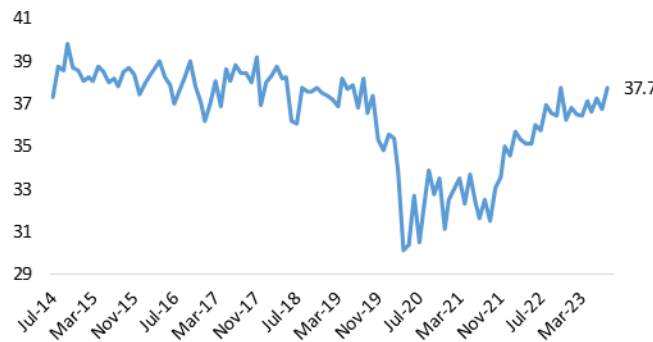
"I am concerned that I will lose my job" (% Respondents)



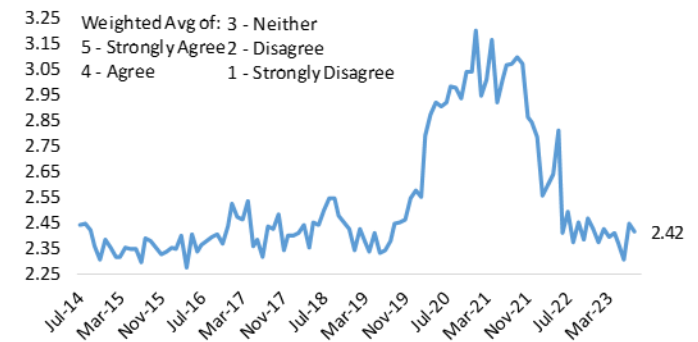
Current Income vs Year Ago (Tracker)



Hours Worked (Average)



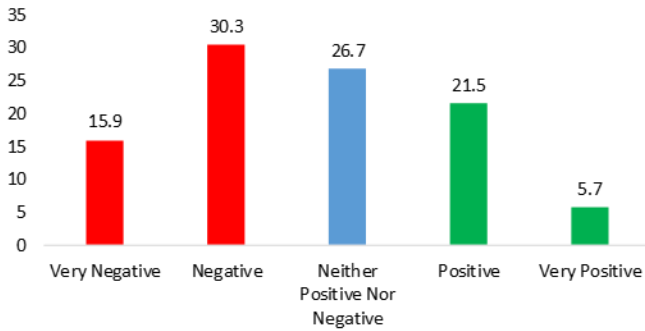
"I am concerned that I will lose my job" (Tracker)



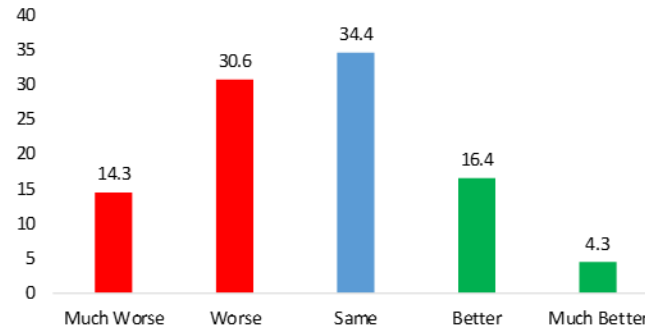
Note: Latest Datapoint is August 2023

Personal Finances

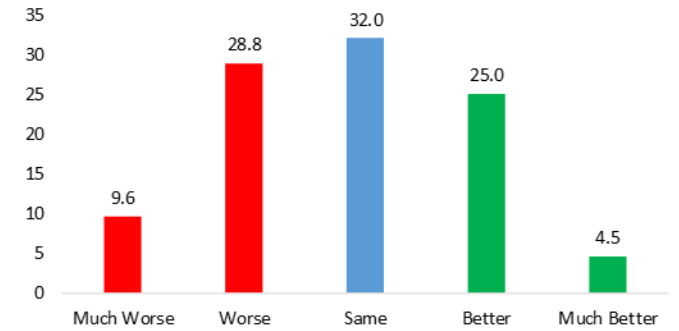
Current Feelings Towards Personal Finances (% Respondents)



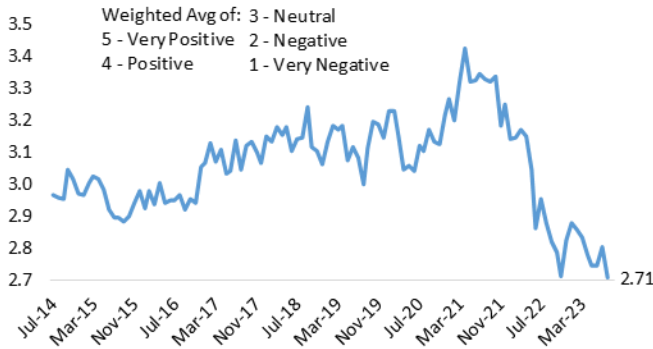
Feelings Towards Personal Finances vs Year Ago (% Respondents)



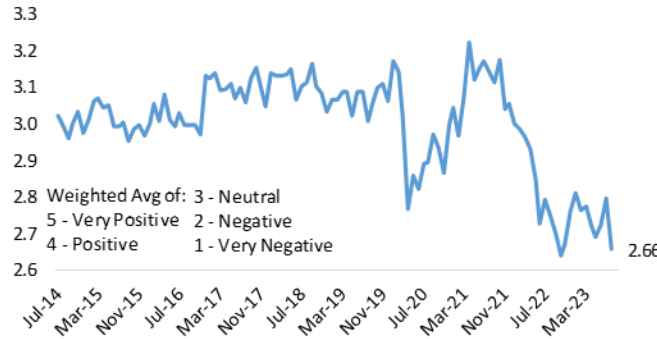
Financial Condition Compared to the Average Person (% Respondents)



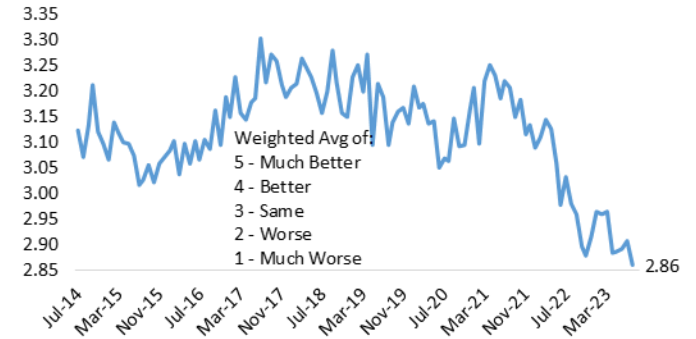
Current Feelings Towards Personal Finances (Tracker)



Feelings Towards Personal Finances vs Year Ago (Tracker)



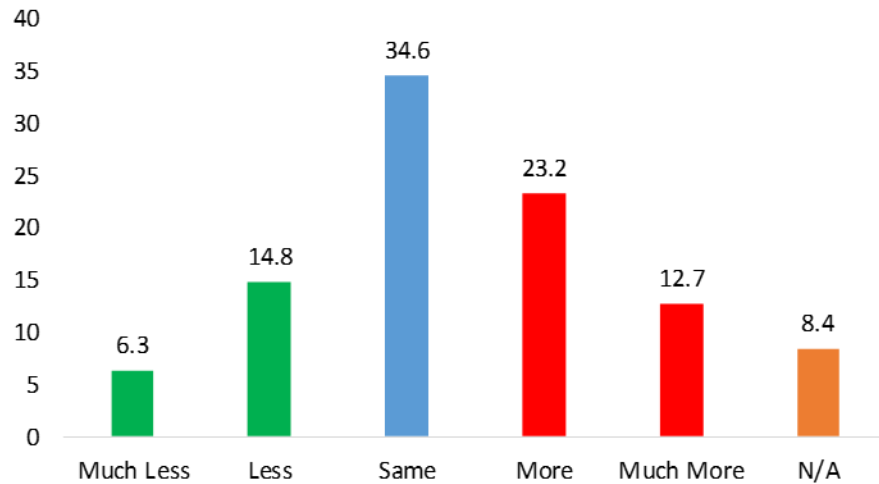
Financial Condition Compared to the Average Person (Tracker)



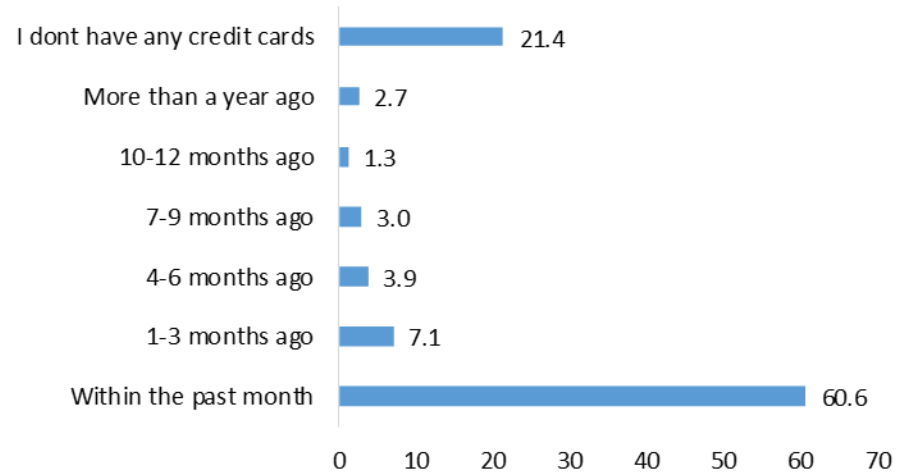
Note: Latest Datapoint is August 2023

Current credit card debt

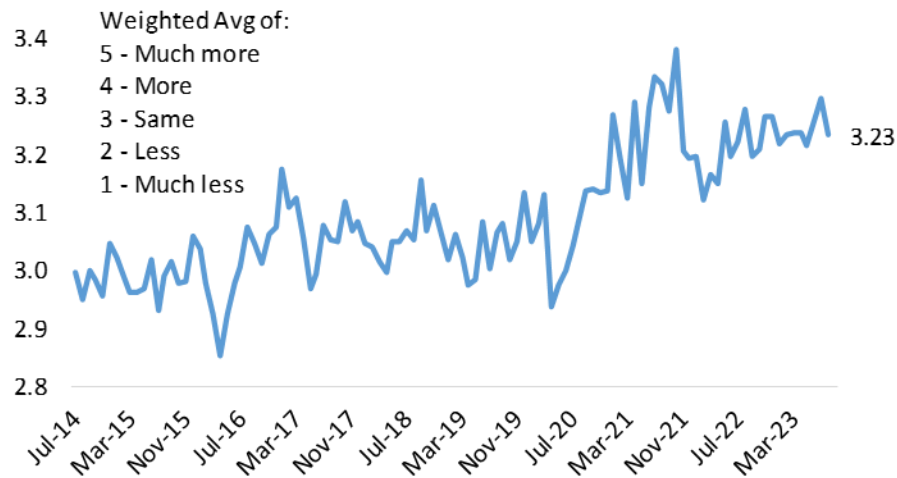
Credit Card Debt vs Year Ago (% Respondents)



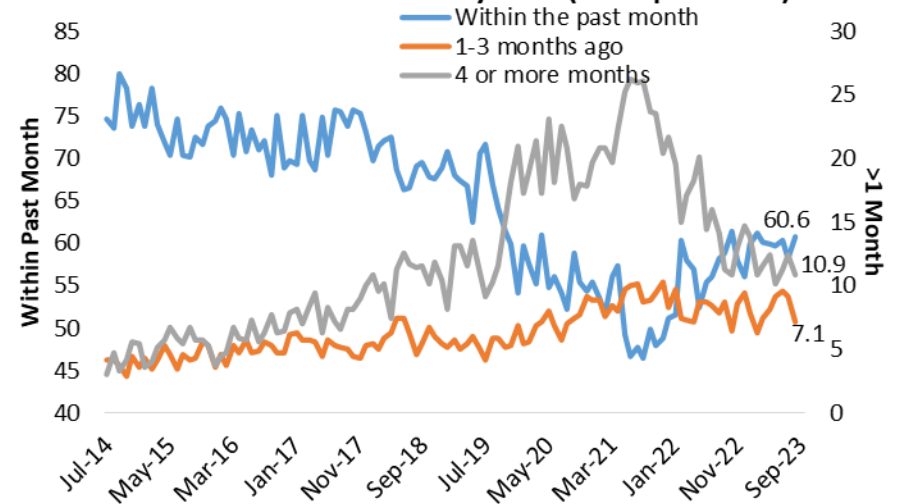
Date of Last Credit Card Payment (% Respondents)



Credit Card Debt vs Year Ago (Tracker)

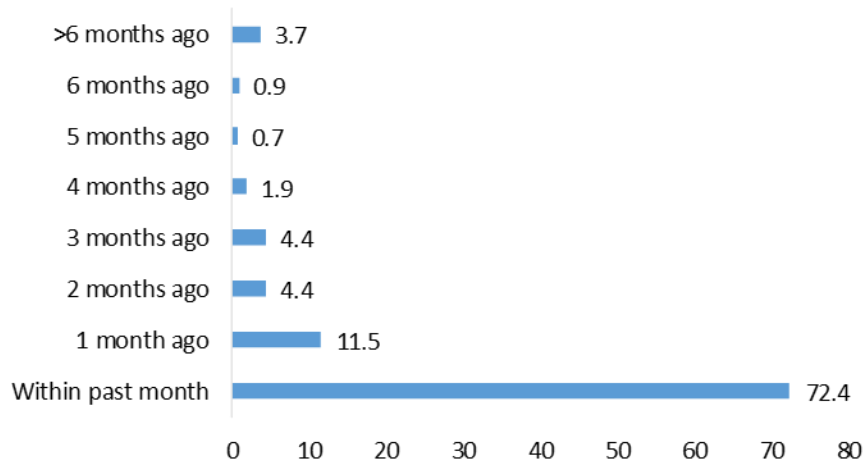


Date of Last Credit Card Payment (% Respondents)

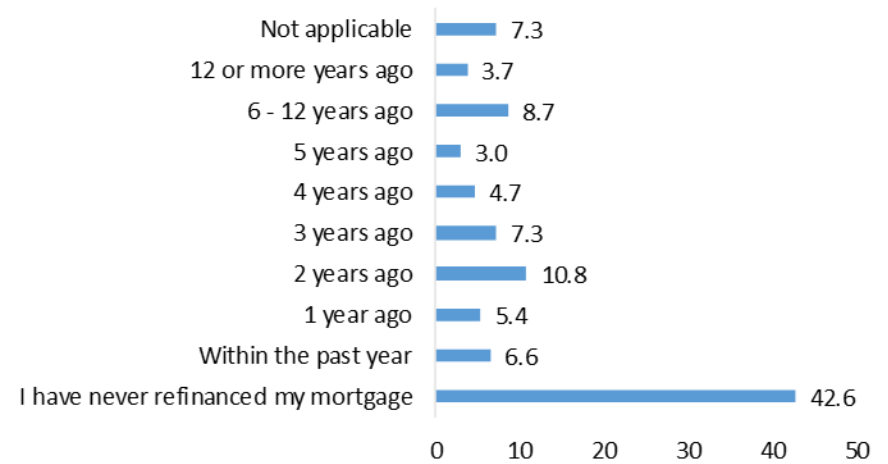


Mortgage Payments

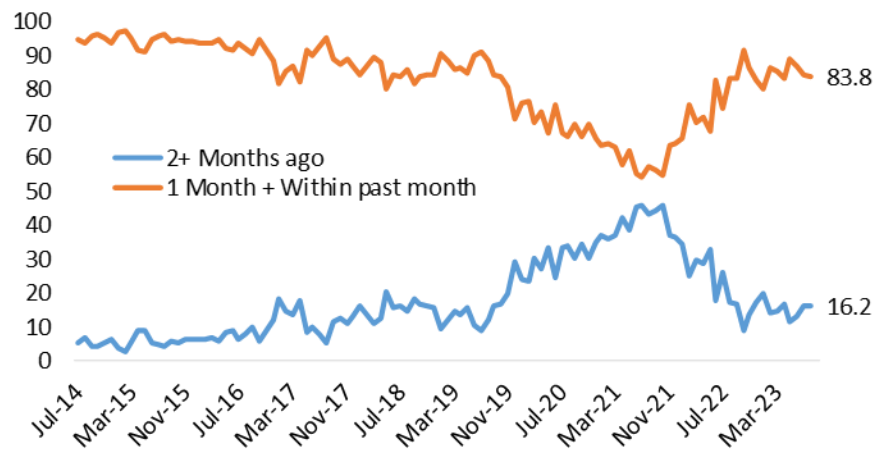
Last Mortgage Payment (% Homeowners)



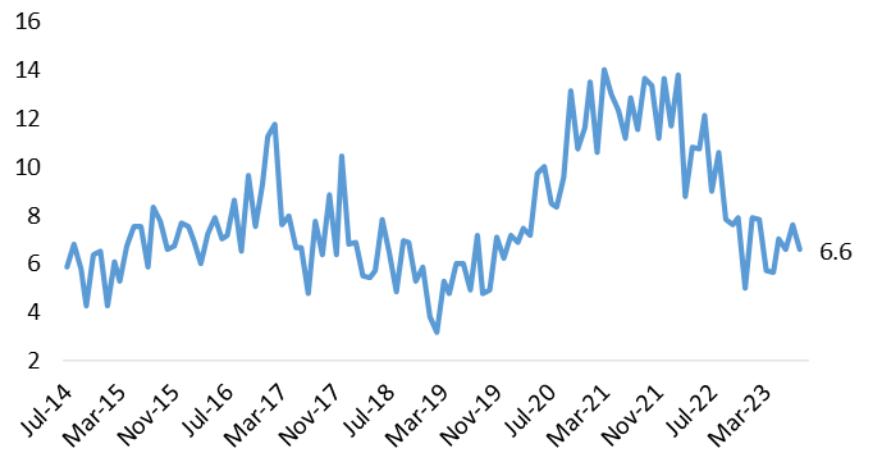
Last Time Refinanced Mortgage (% Homeowners)



Last Mortgage Payment (% Homeowners)

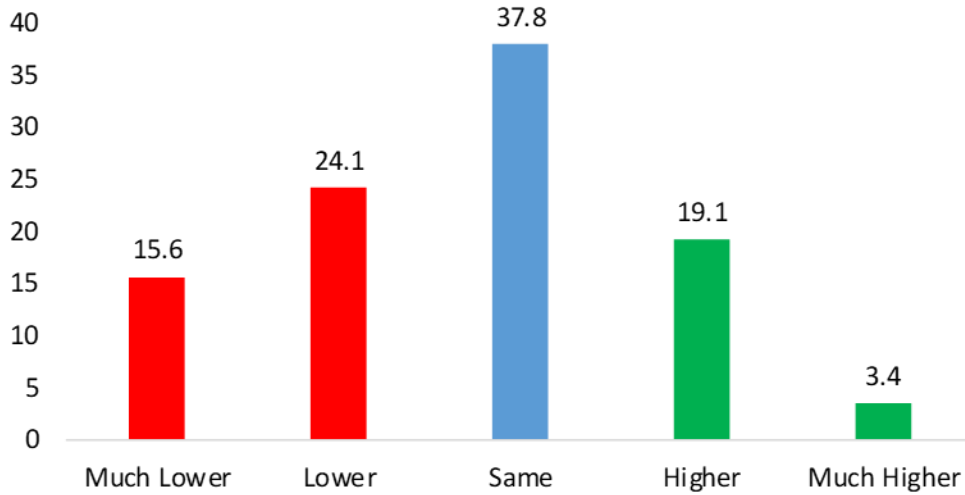


Last Time Refinanced Mortgage: Within past year (% Homeowners)

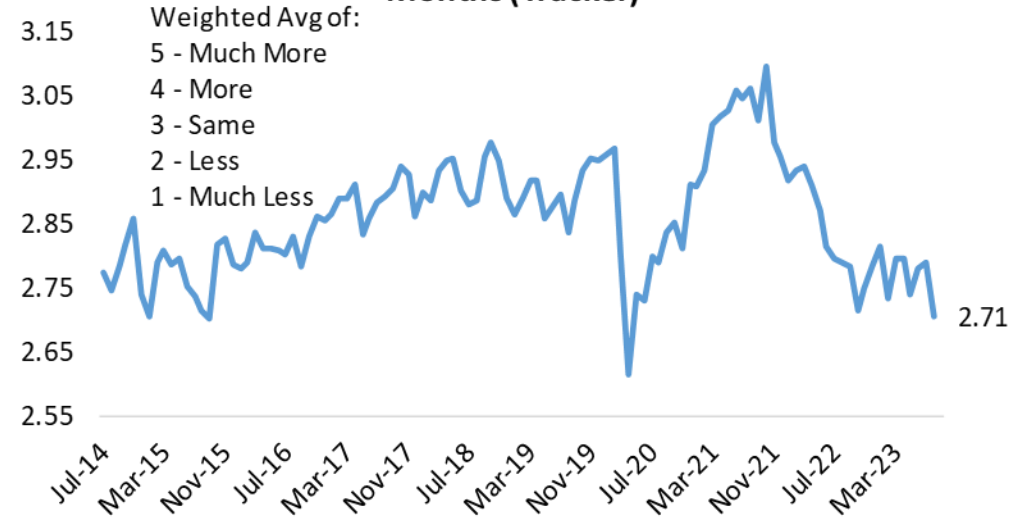


Expected spending over the next few months

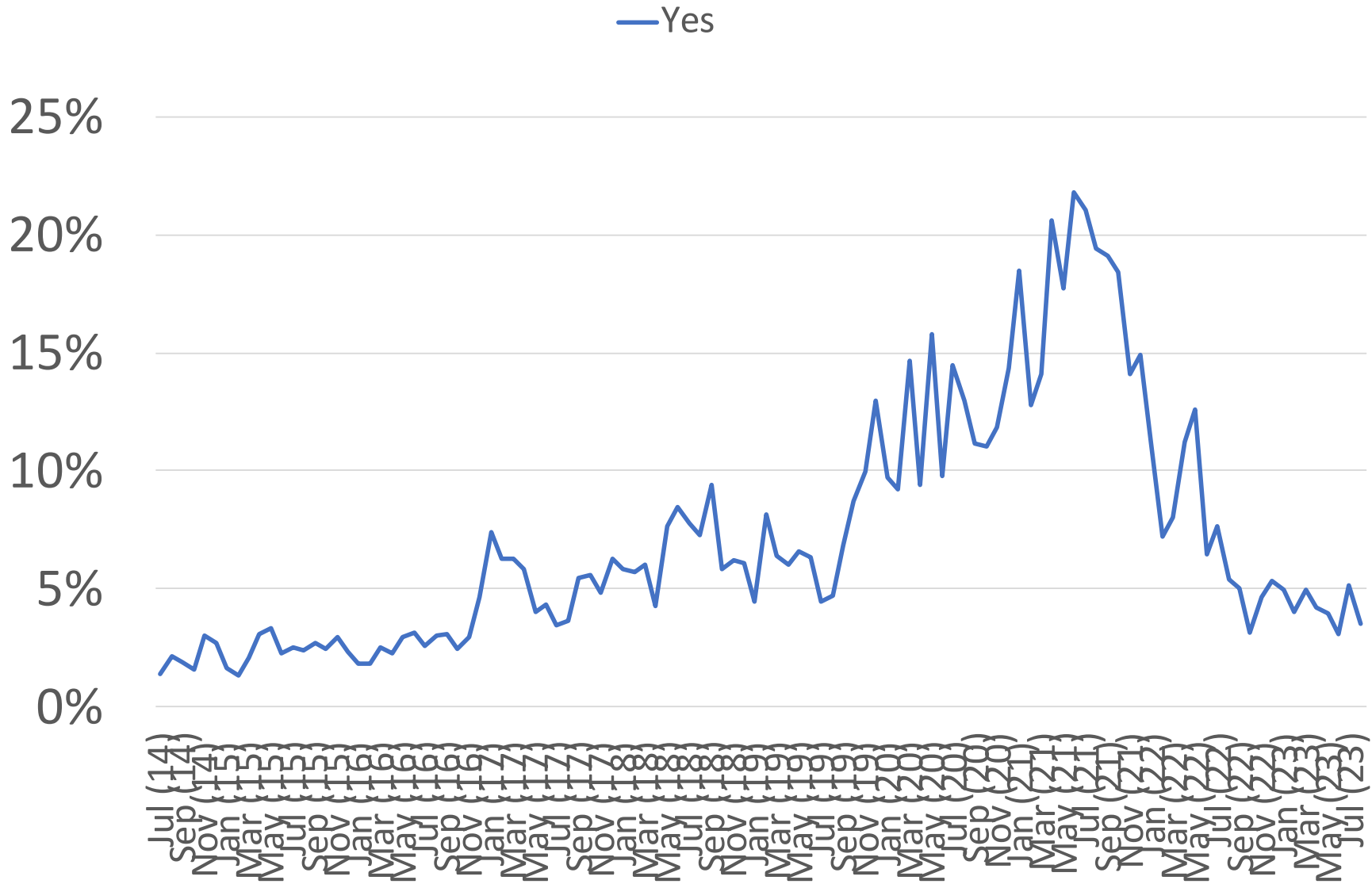
Expected Spending On Discretionary Items, Next Few Months (% Respondents)



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

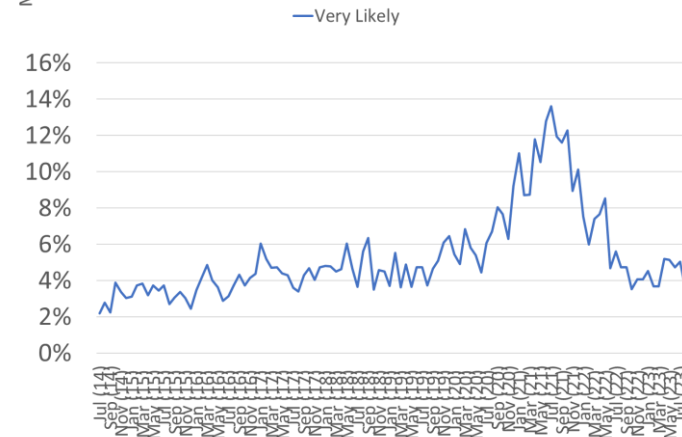
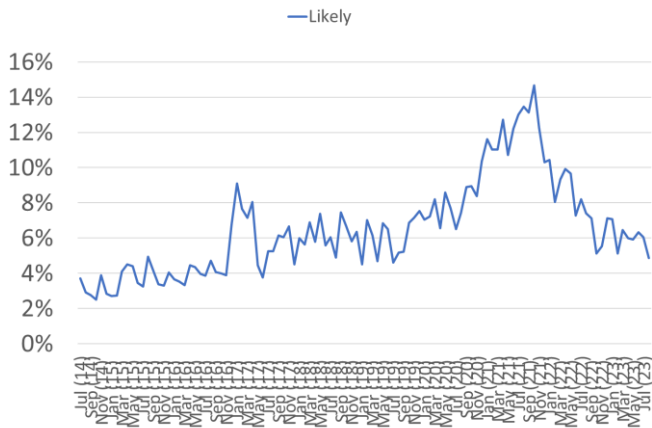
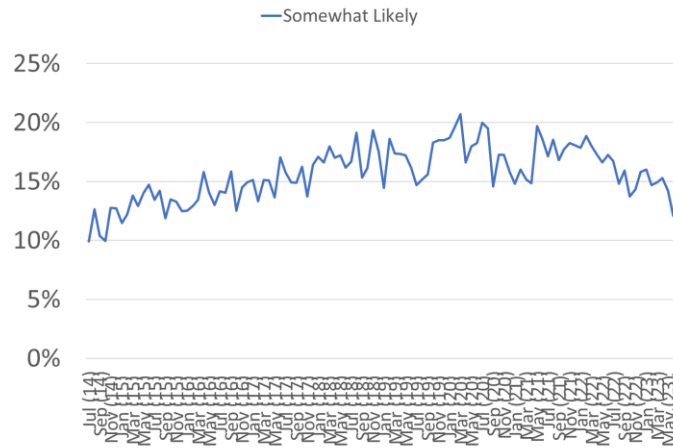
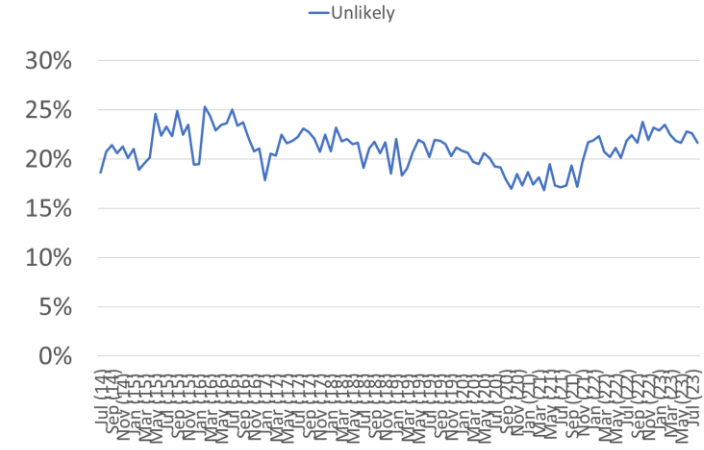
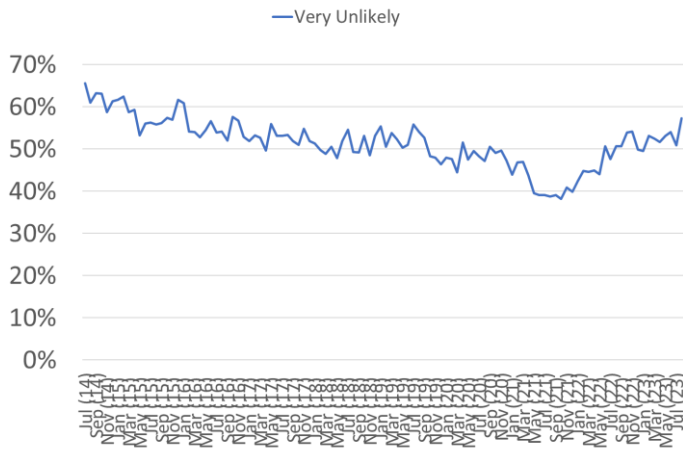


Have you applied for a building permit in the past month?



Note: Latest Datapoint is August 2023

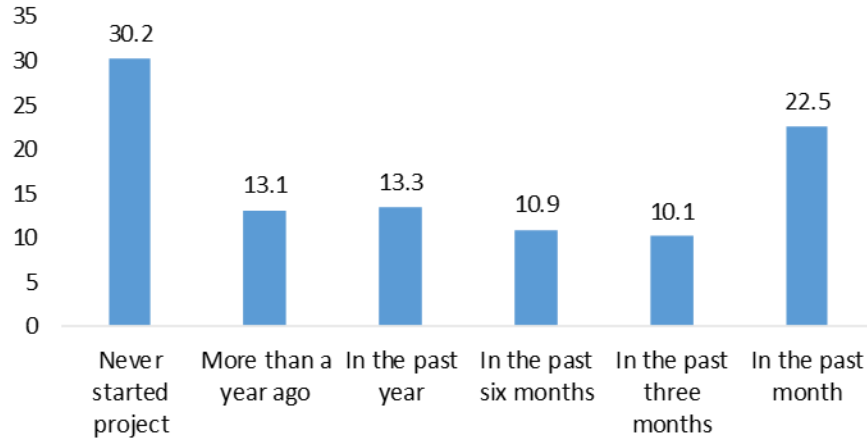
Likelihood of purchasing a house in the next year



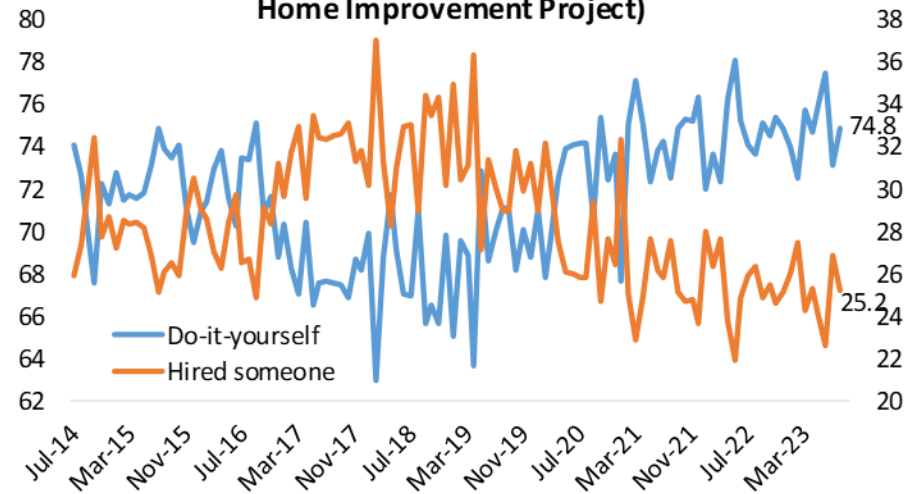
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Home Improvement

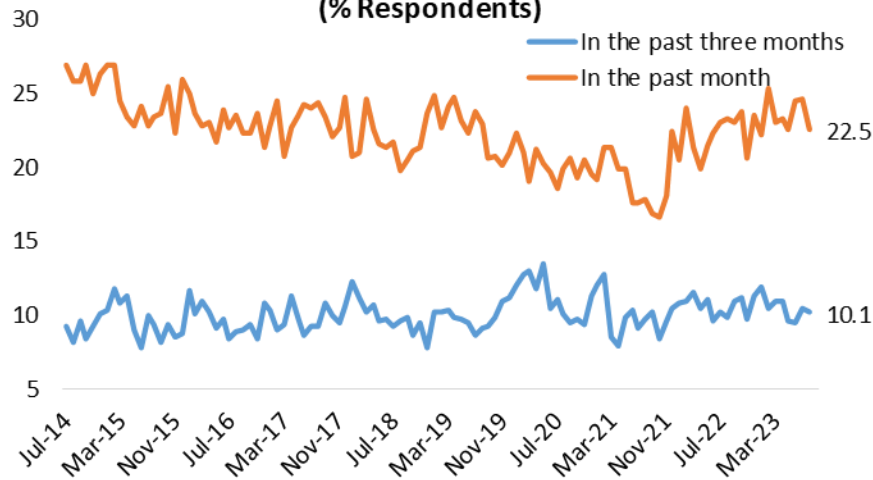
Last Time Starting A Home Improvement Project (% Respondents)



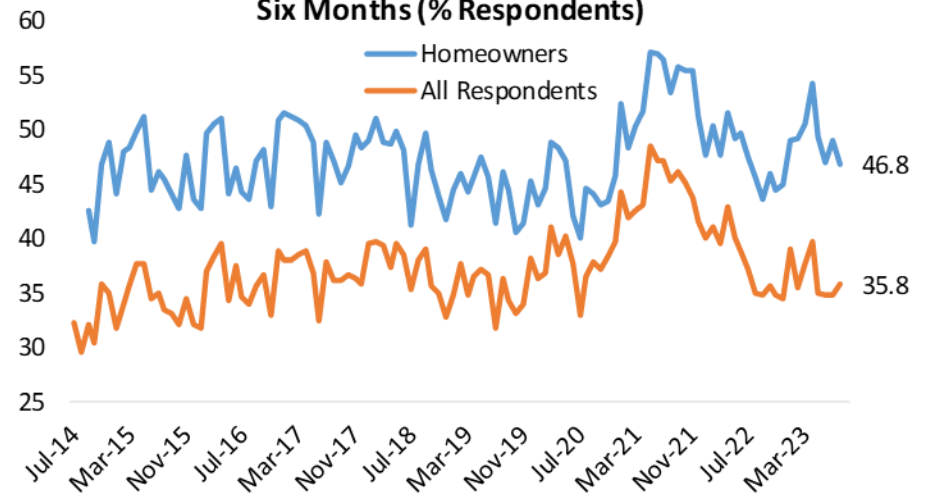
DIY vs Hired Help (% of Respondents Who Have Done Home Improvement Project)



Last Time Starting A Home Improvement Project (% Respondents)



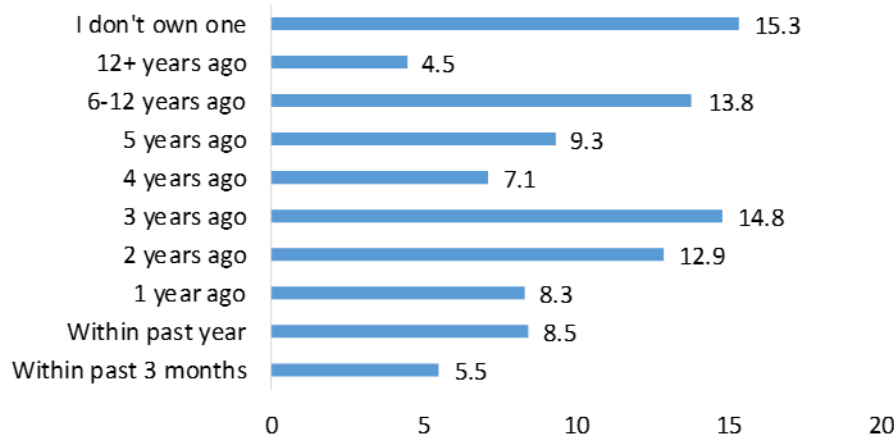
Plans To Start A Home Improvement Project In Next Six Months (% Respondents)



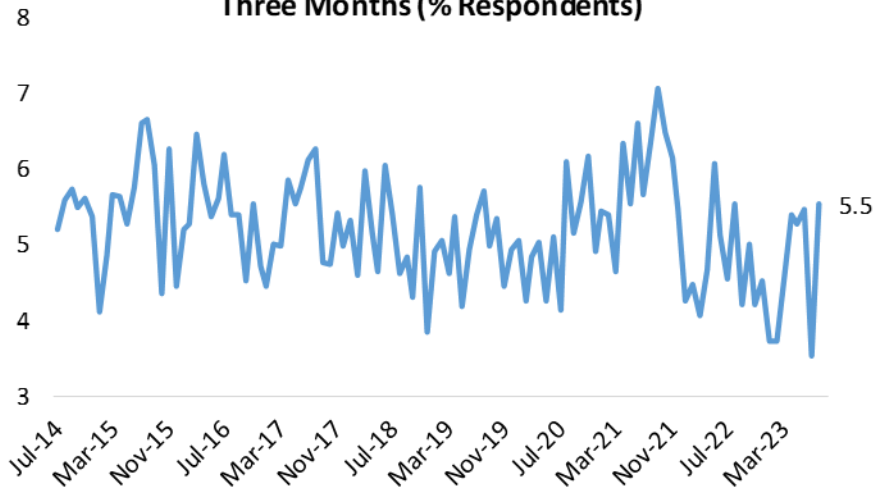
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Auto Purchases

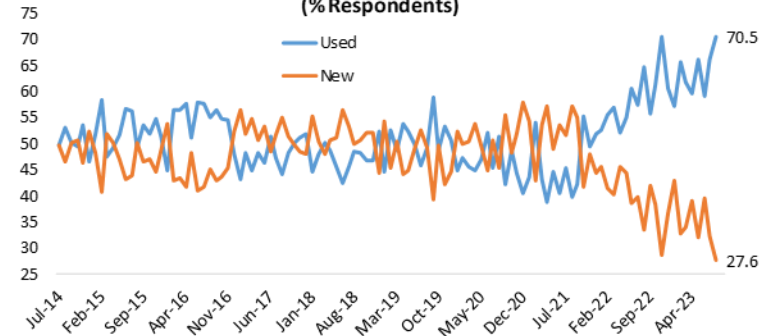
When Did You Purchase Your Primary Automobile (% Respondents)



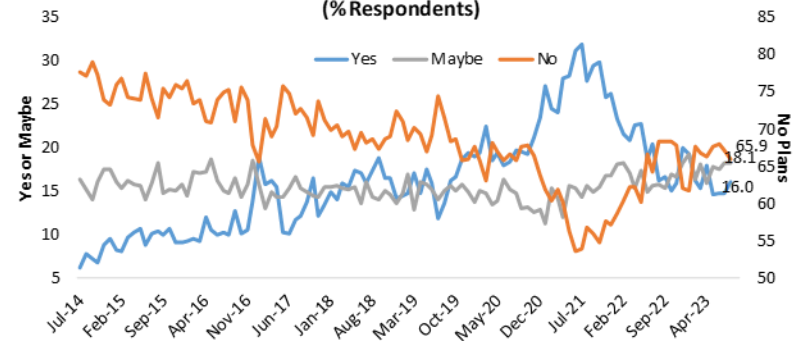
Purchased or Leased Primary Automobile In Past Three Months (% Respondents)



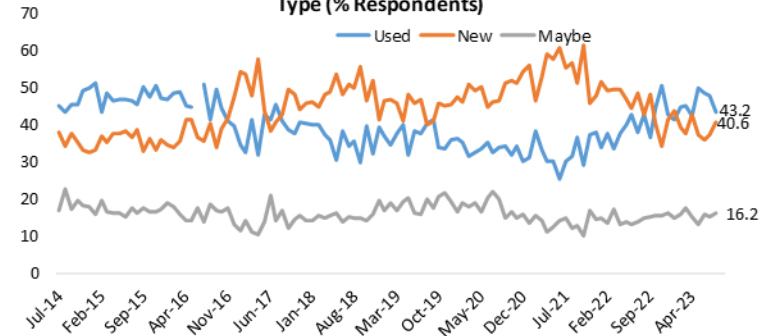
Purchased Car During Past Three Months: Used vs New (% Respondents)



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

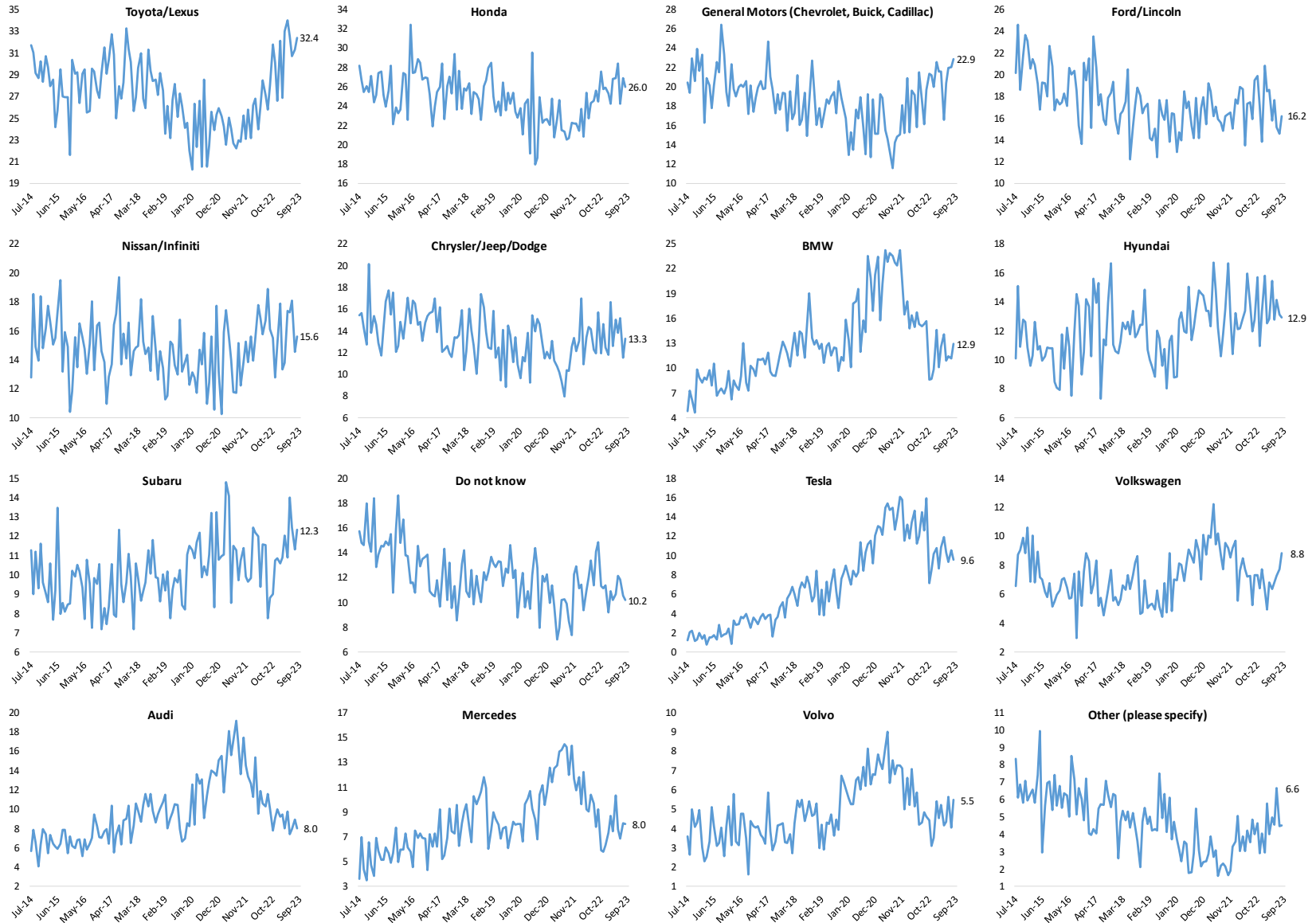


Plans To Purchase/Lease Vehicle In The Next Six Months By Sales Type (% Respondents)



Note: Latest Datapoint is August 2023

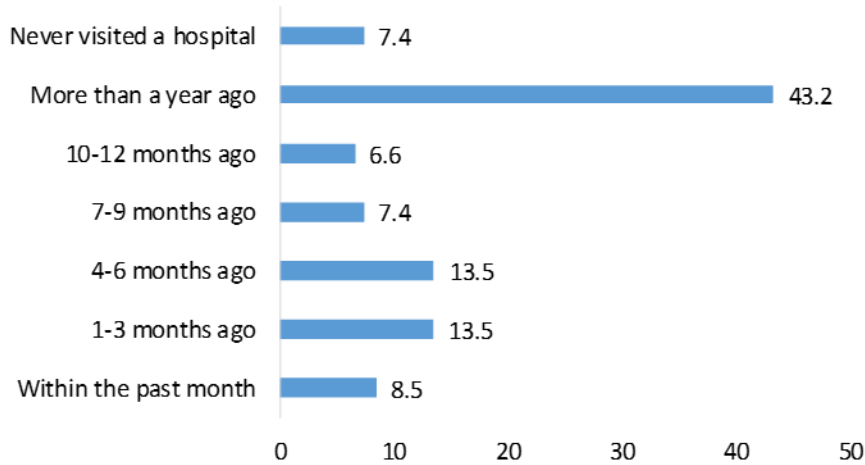
Expected Auto Purchases (Most Likely to Choose)



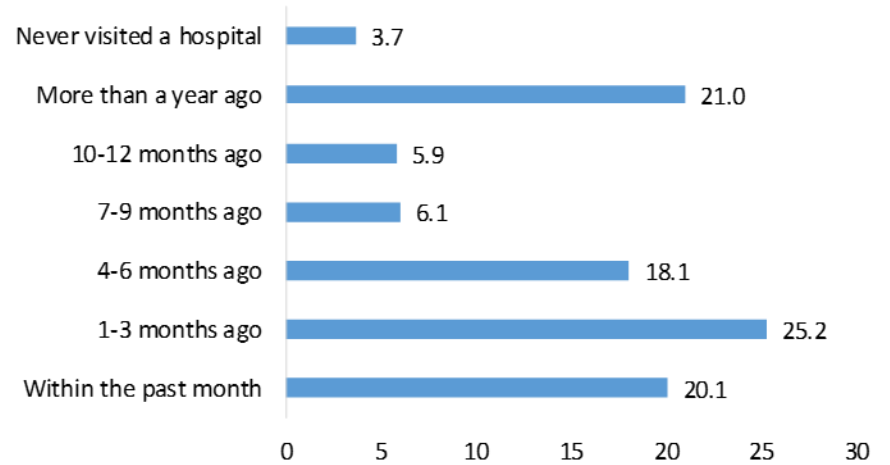
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Healthcare Utilization

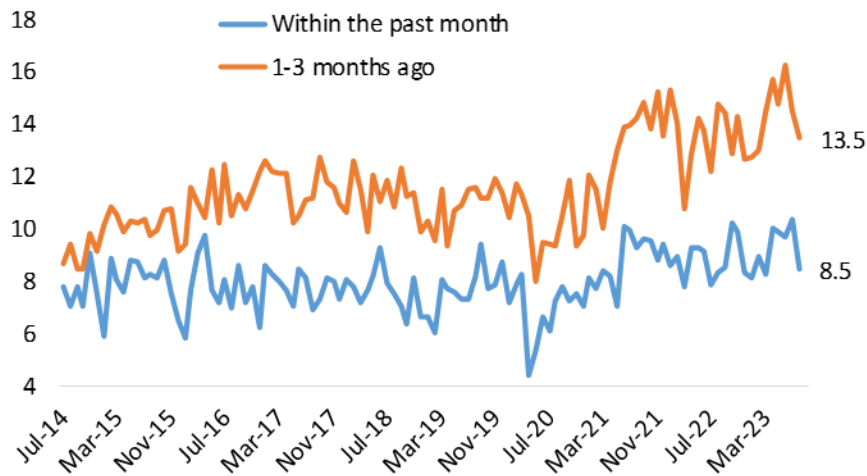
Last Hospital Visit (% Respondents)



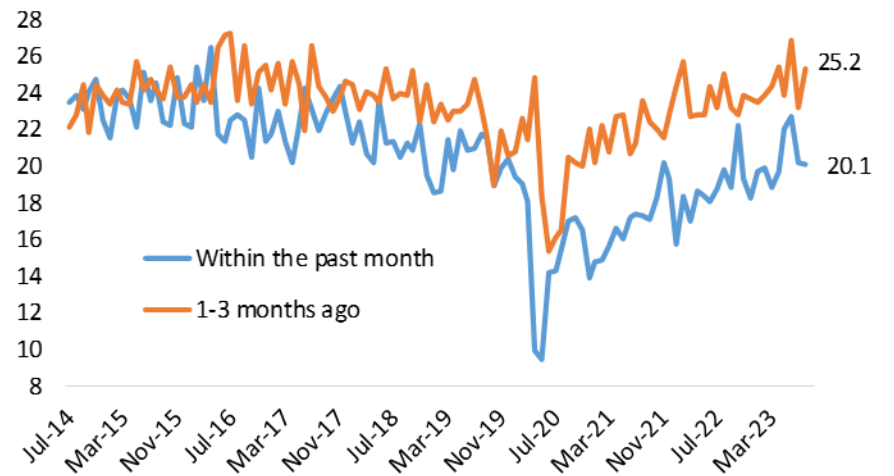
Last Doctor's Visit (% Respondents)



Last Hospital Visit (% Respondents)



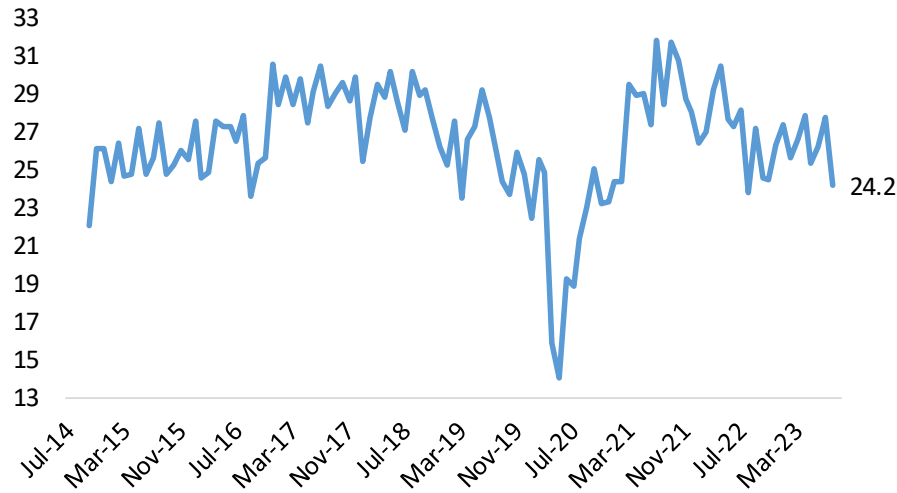
Last Doctor's Visit (% Respondents)



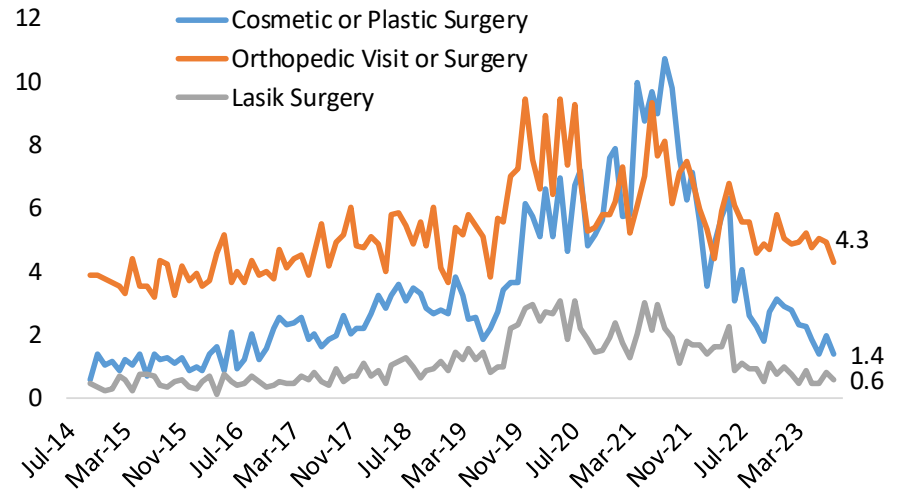
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Healthcare Procedures

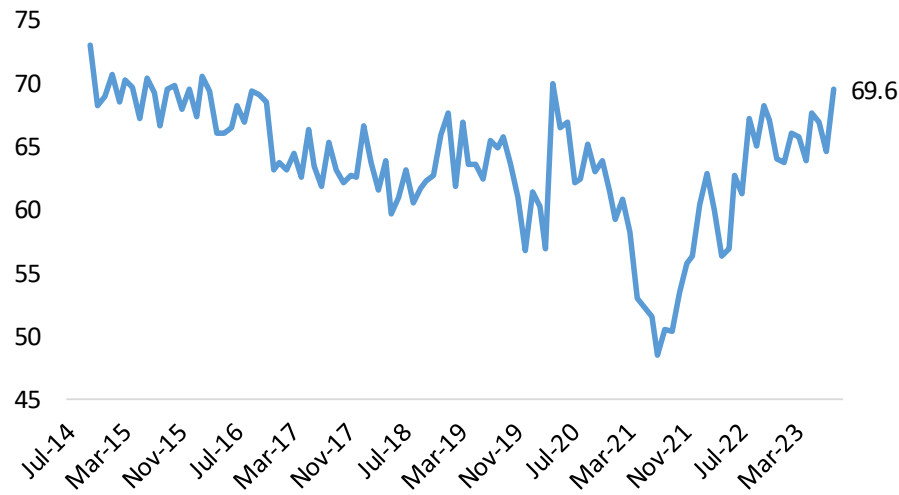
Dental Visit: Past Month (% Respondents)



Elective Surgery: Past Month (% Respondents)

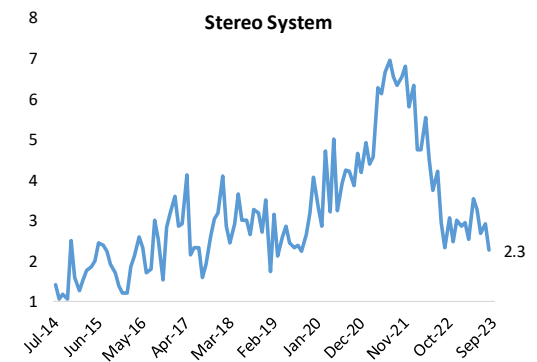
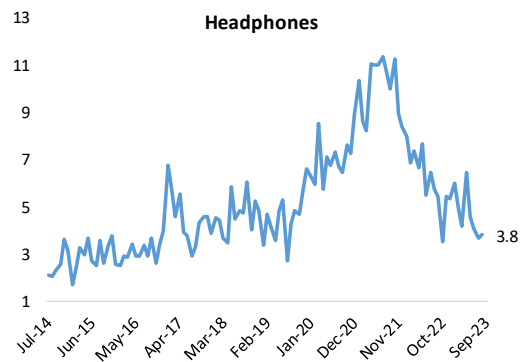
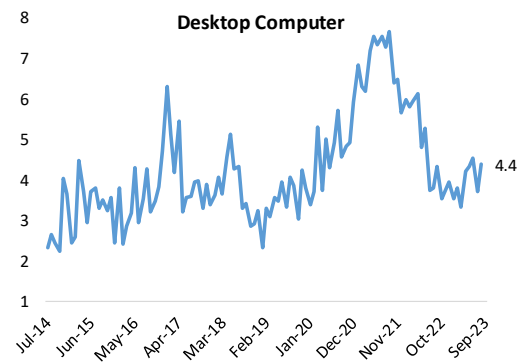
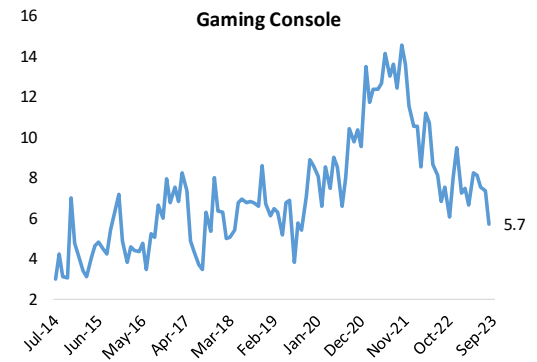
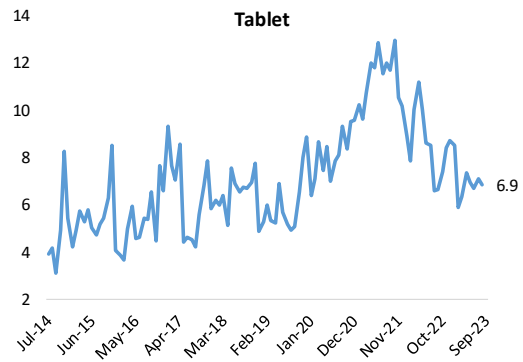
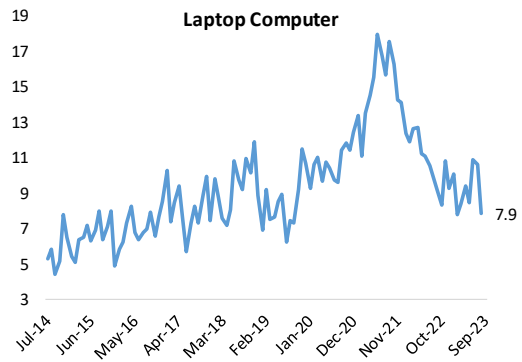
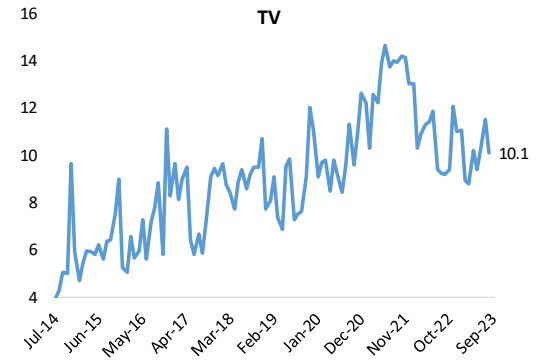
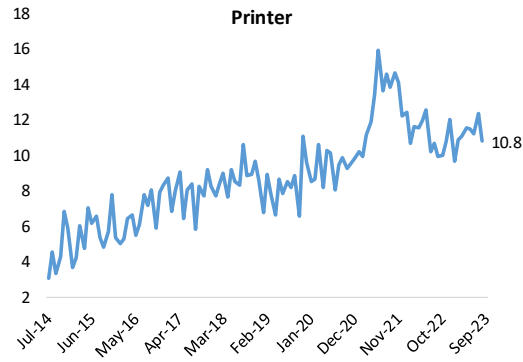
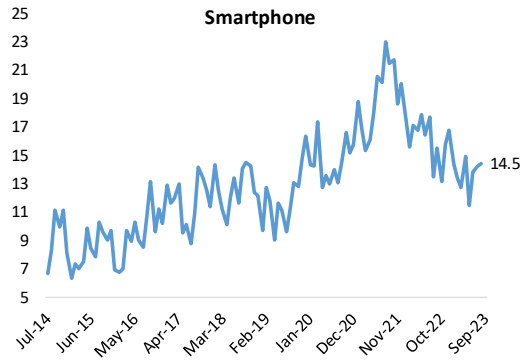


None Of The Above: Past Month (% Respondents)



Note: Latest Datapoint is August 2023

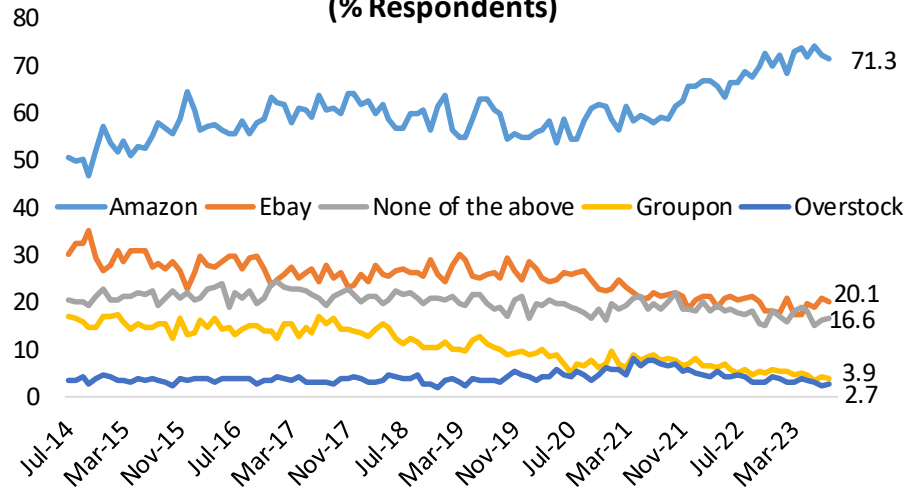
Electronics – Plans to Purchase



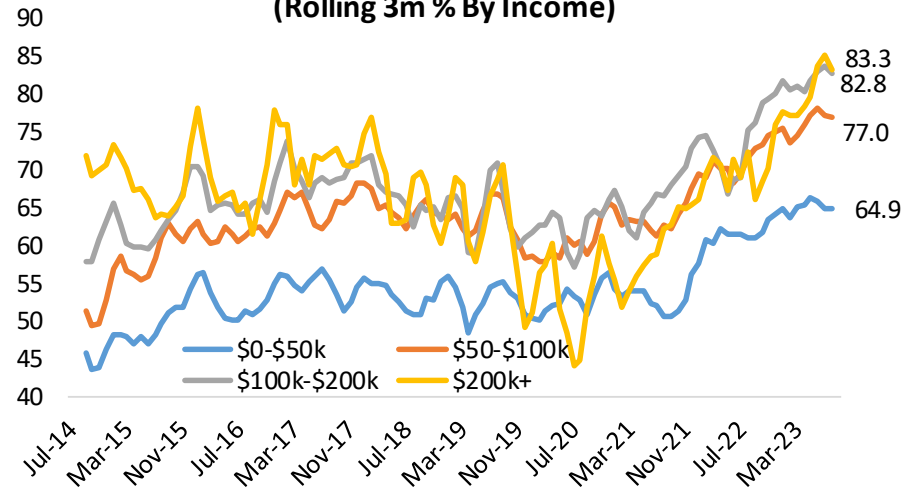
Note: Latest Datapoint is August 2023

eCommerce

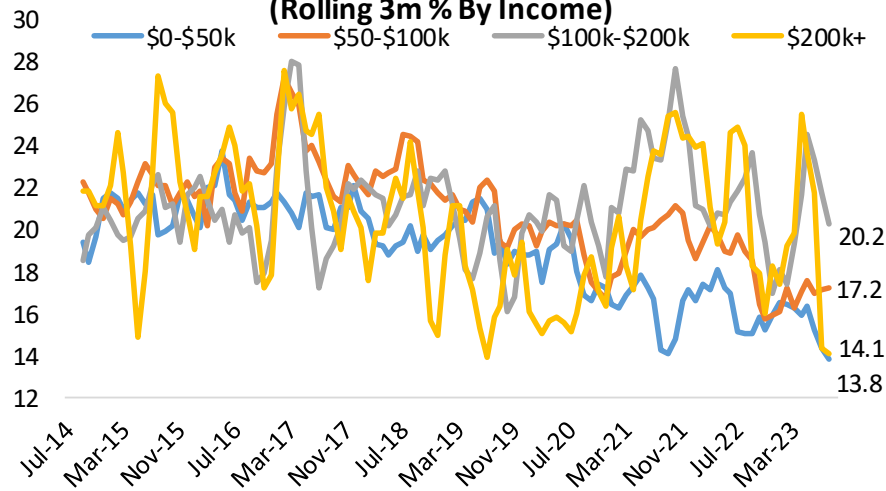
Have Purchased Items During Past Month
(% Respondents)



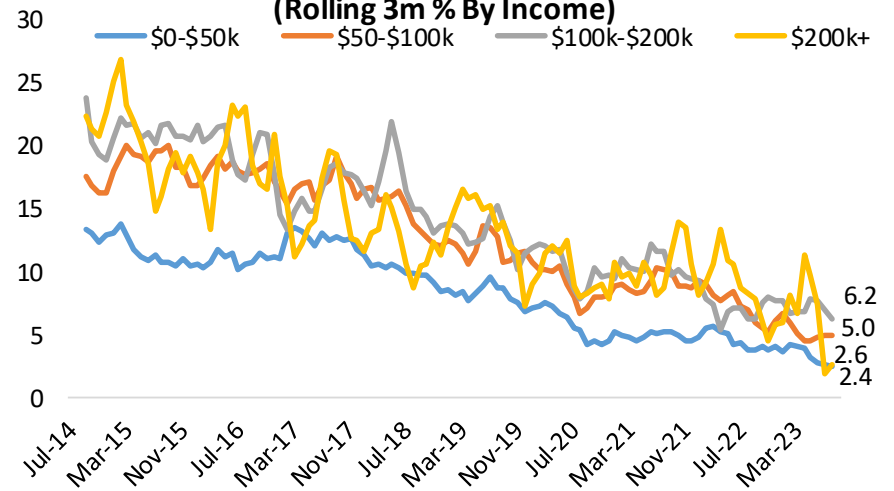
Purchased From Amazon In Past Month
(Rolling 3m % By Income)



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



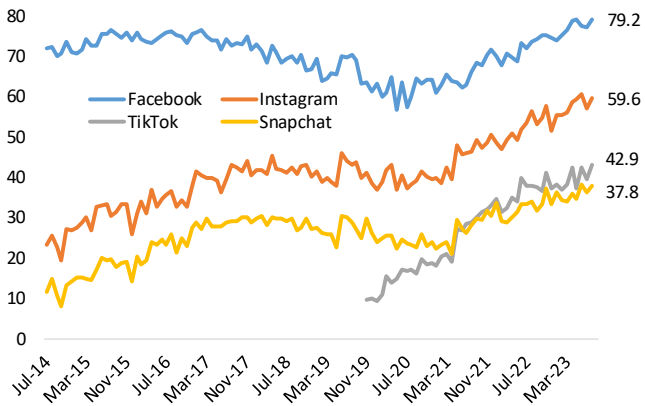
Purchased From Groupon In Past Month
(Rolling 3m % By Income)



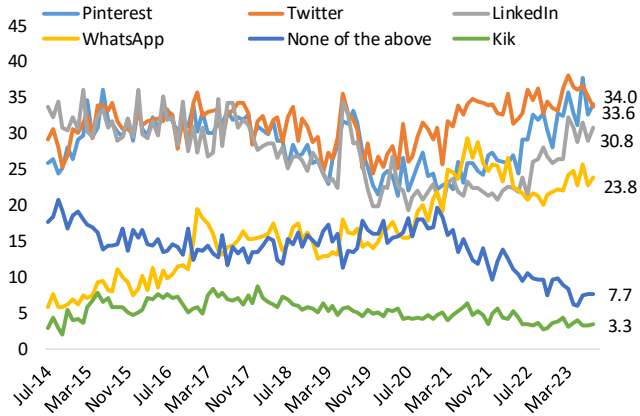
Note: Latest Datapoint is August 2023

Social Media

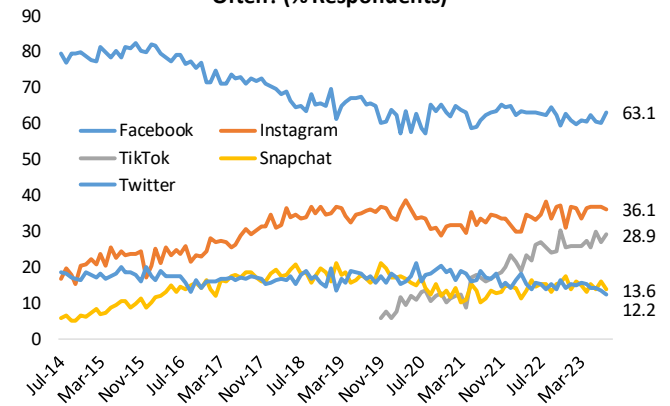
Social Media: Has Account, Majors (% Respondents)



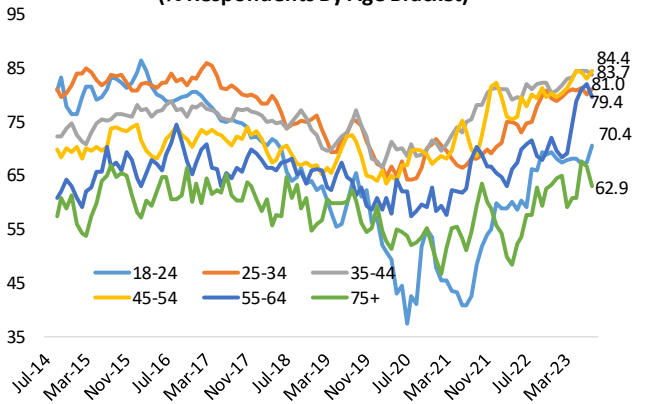
Social Media: Has Account, Minors (% Respondents)



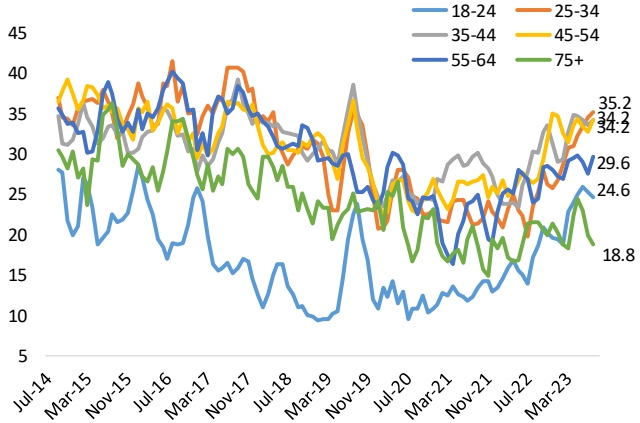
Social Media Websites: Which Two Do You Use Most Often? (% Respondents)



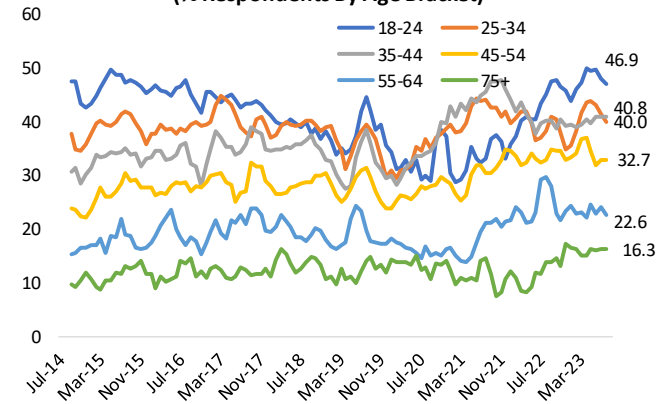
Has Facebook Account (% Respondents By Age Bracket)



Has LinkedIn Account (% Respondents By Age Bracket)

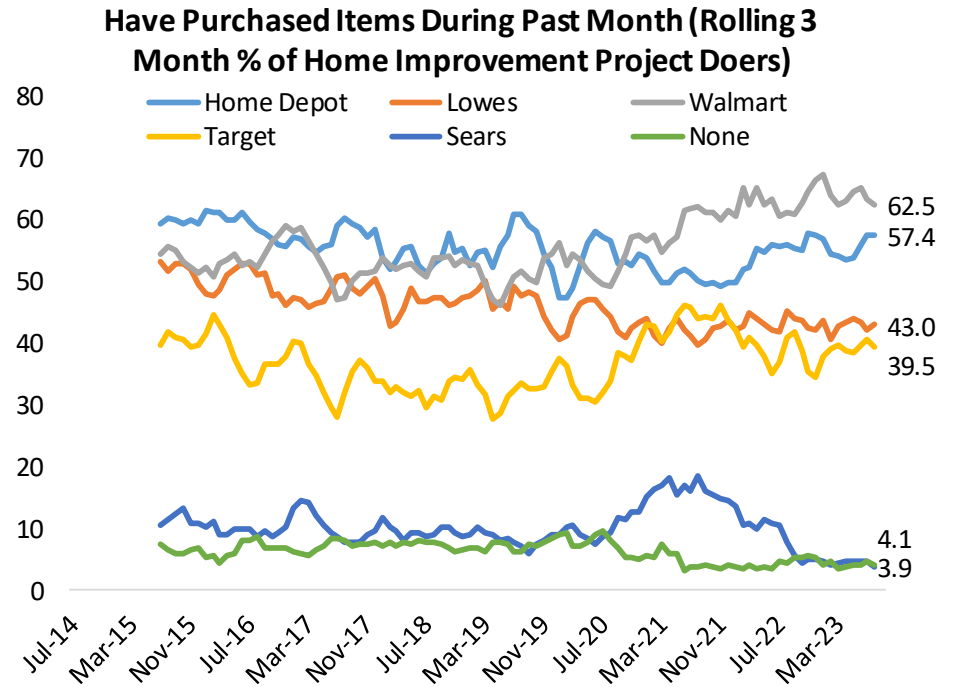
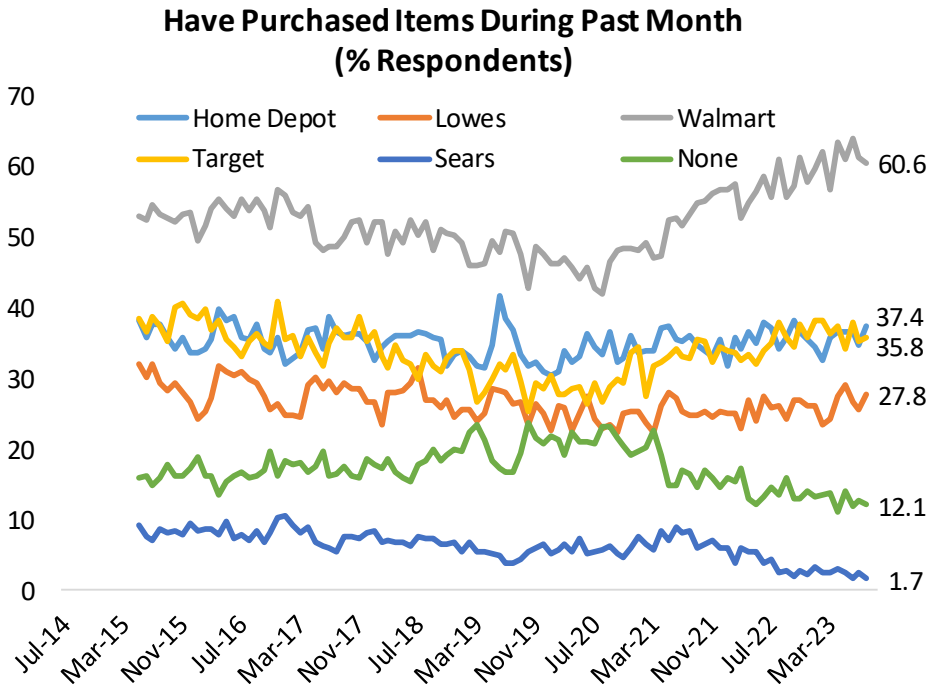


Has Twitter Account (% Respondents By Age Bracket)



Note: Latest Datapoint is August 2023

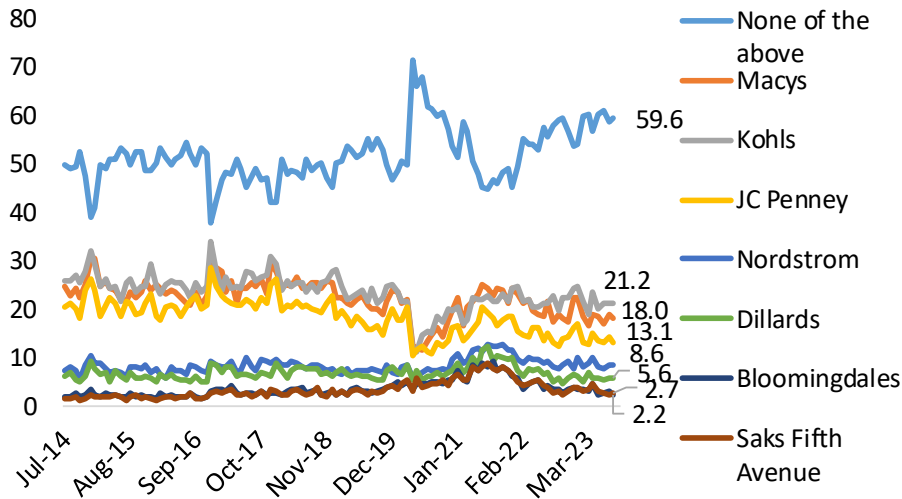
Home Improvement Retail



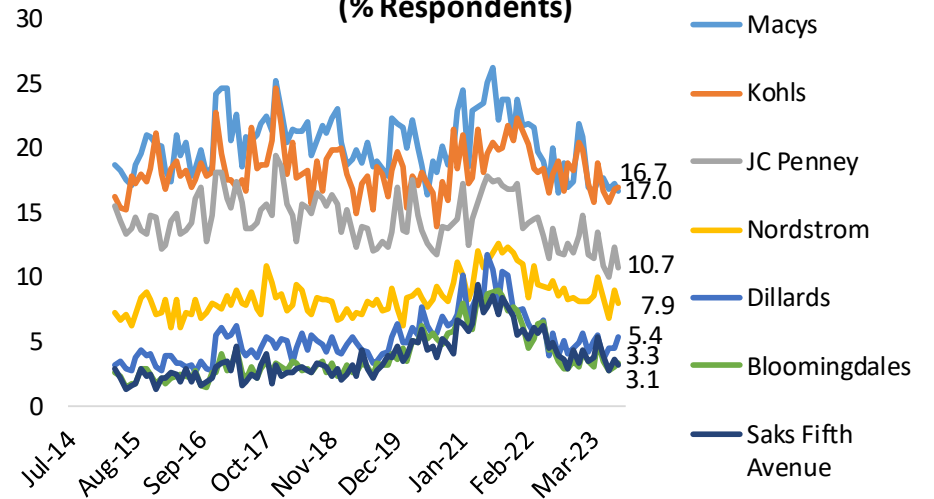
Note: Latest Datapoint is August 2023

Department Stores

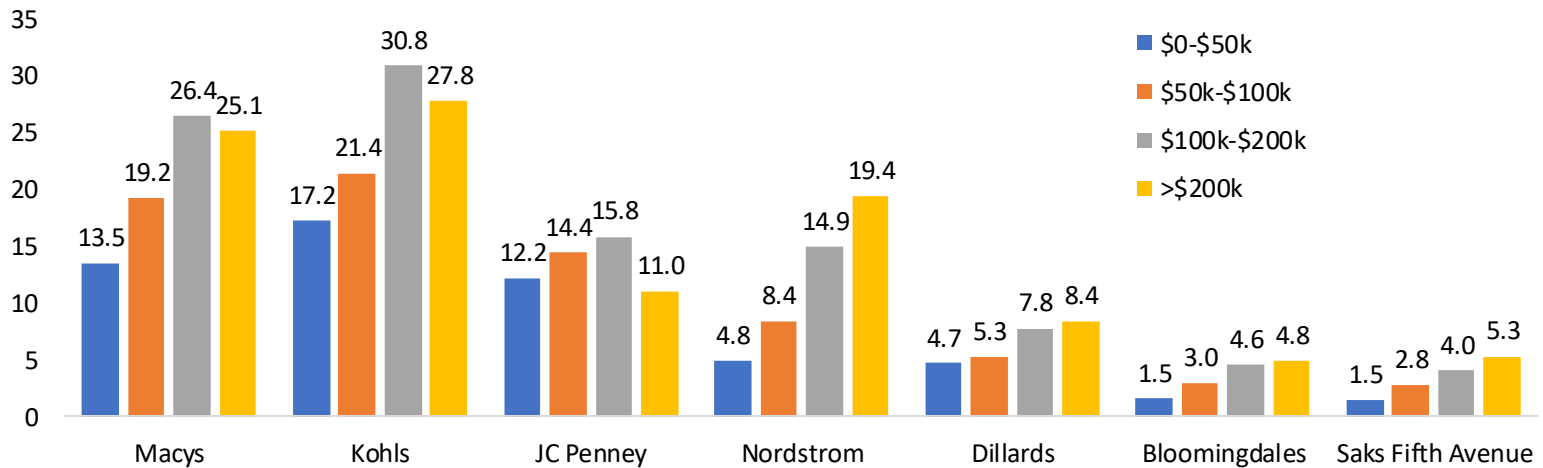
Department Store Visits: Past Month (% Respondents)



Department Store Website Visits: Past Month (% Respondents)

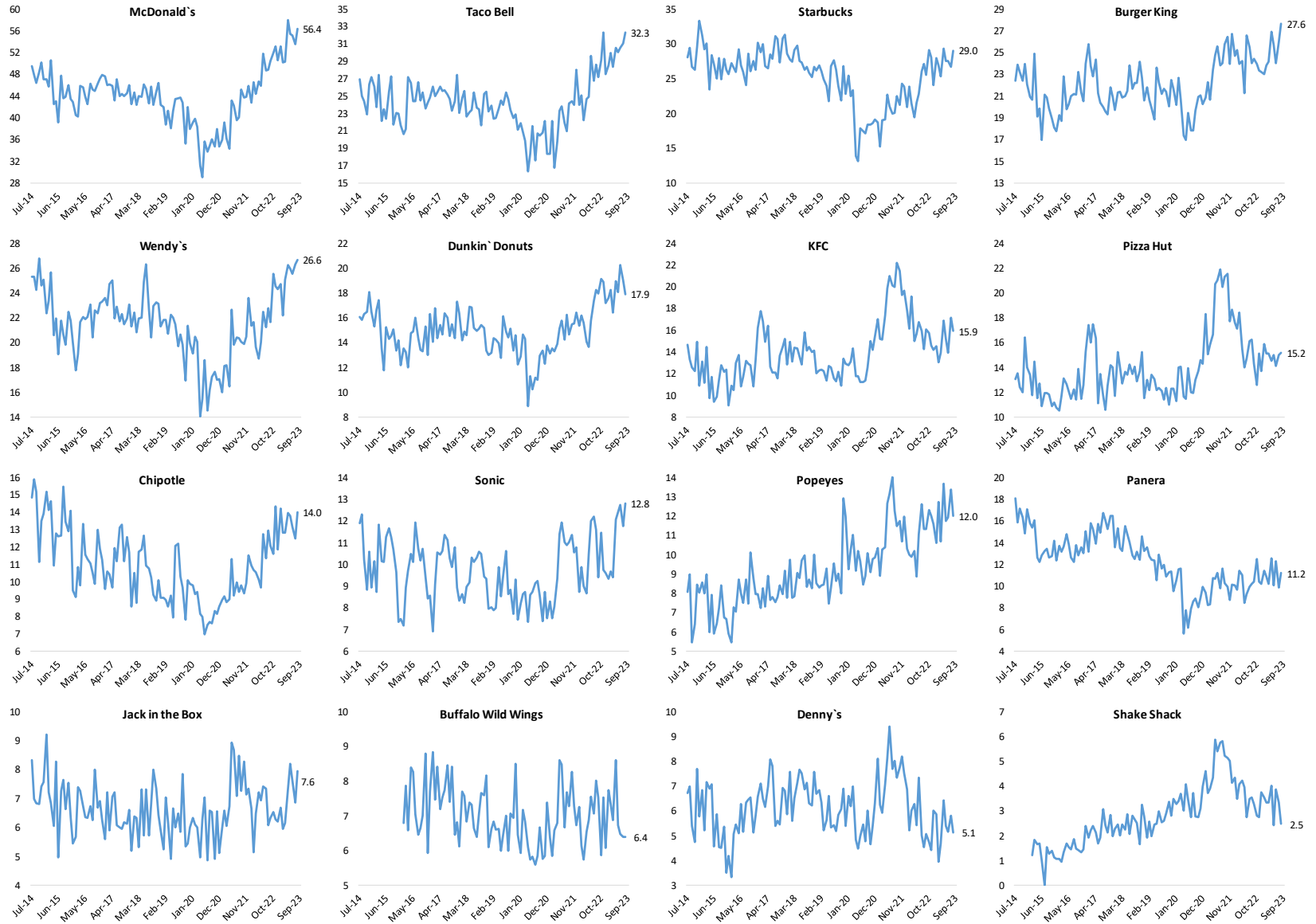


Department Store Visits This Month (3 Month Rolling % Respondents By Income)



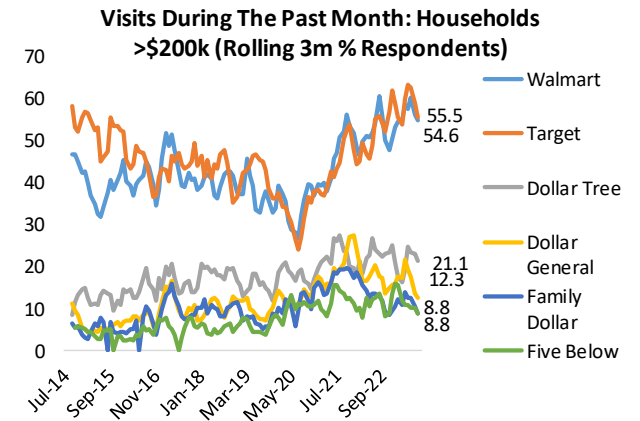
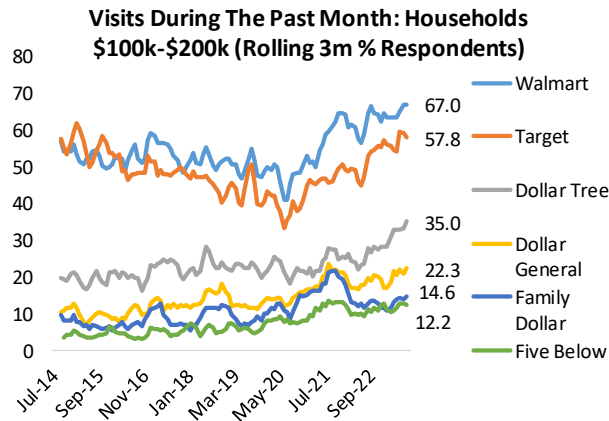
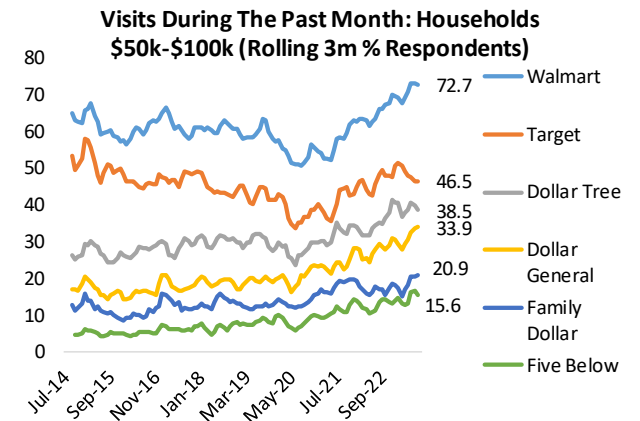
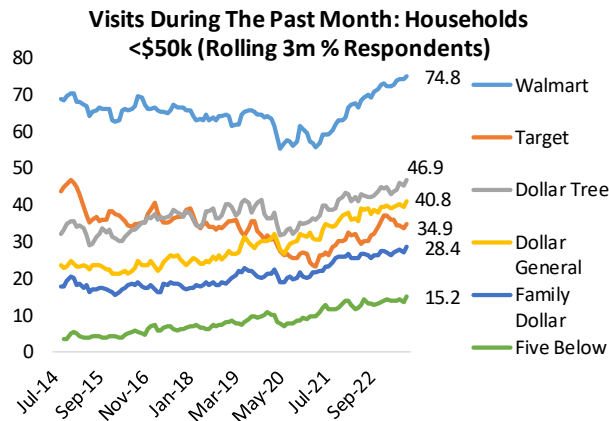
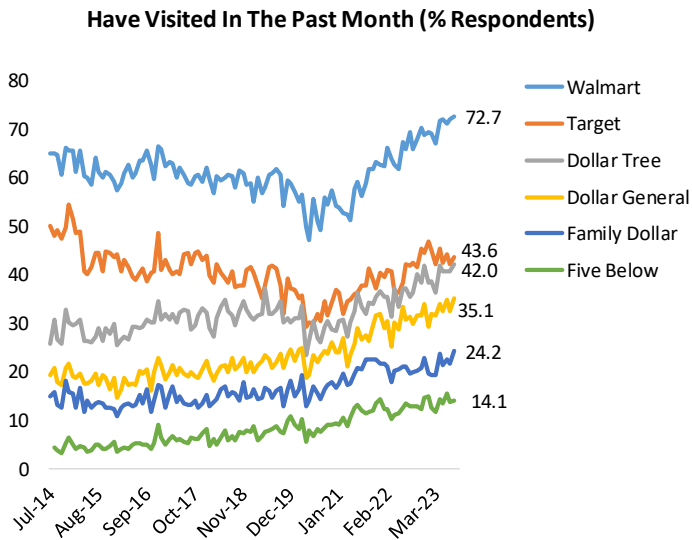
Note: Latest Datapoint is August 2023

Restaurants – Visited in Past Month



Note: Latest Datapoint is August 2023

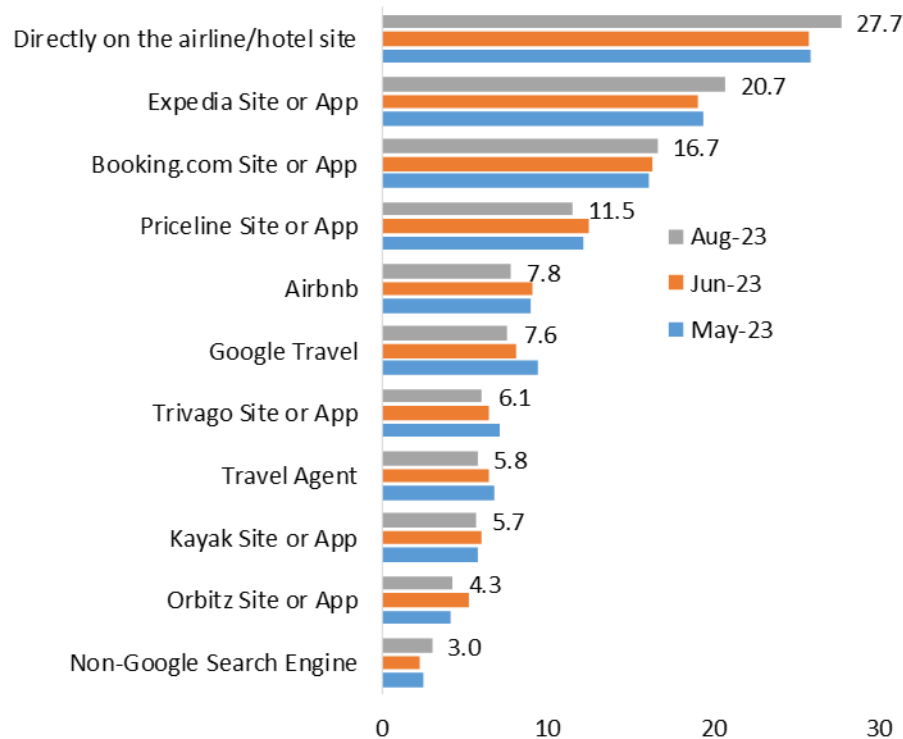
Big Box Retail



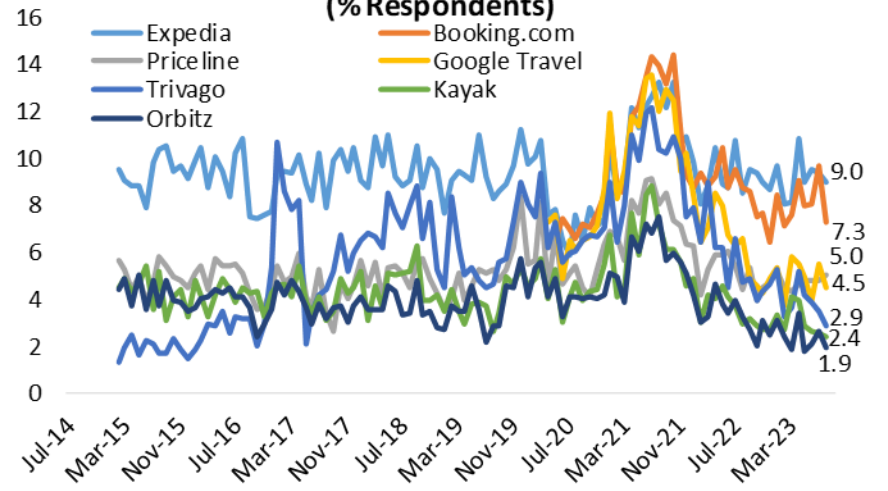
Note: Latest Datapoint is August 2023

OTAs

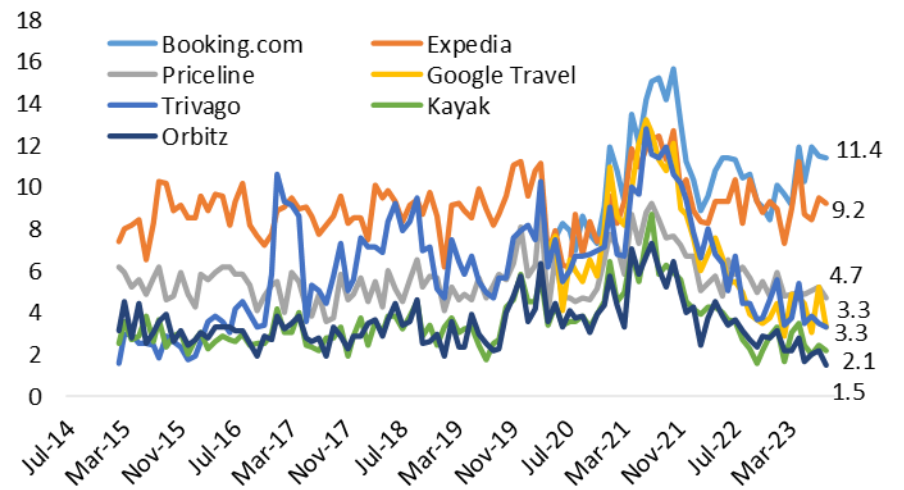
If You Were Looking To Book Travel Today, Where Would You Start Your Search? (% Respondents)



Booked A Flight In Past Three Months (% Respondents)



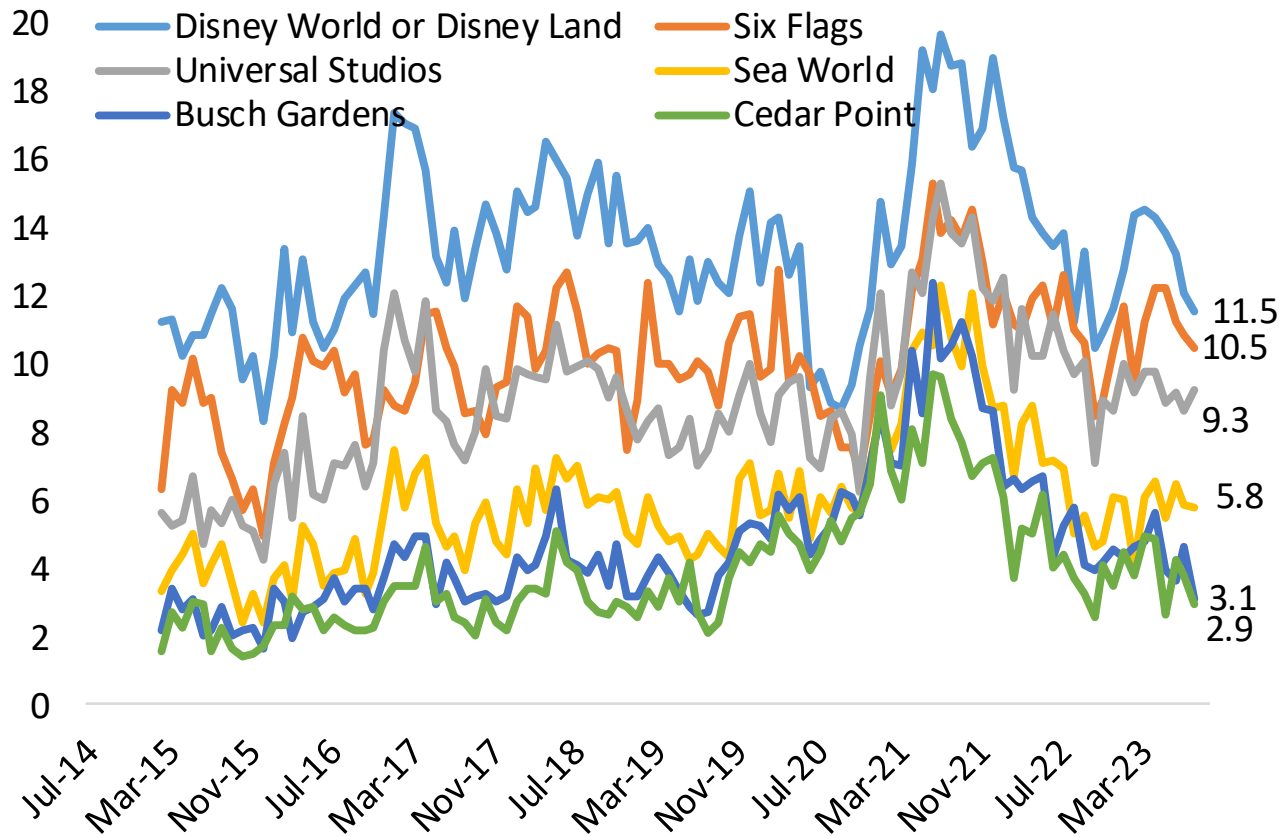
Booked Hotel In Past Three Months (% Respondents)



Note: Latest Datapoint is August 2023

Theme Parks

**Plans To Visit Theme Parks: Next Six Months
(% Respondents)**

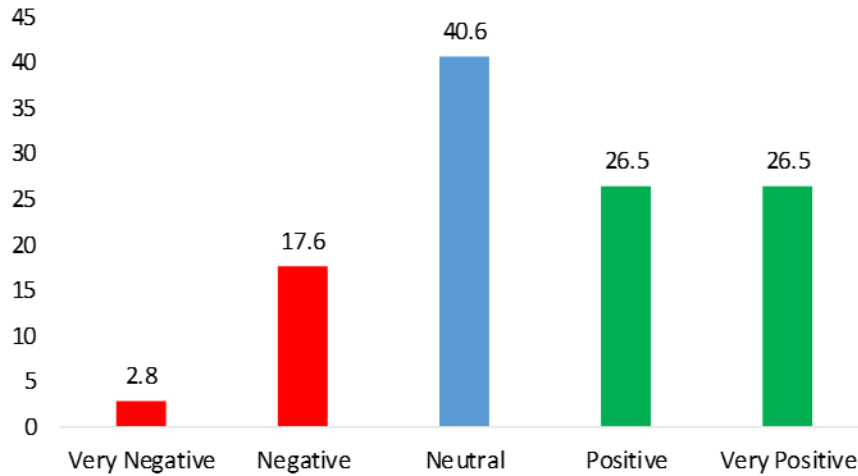


Note: Latest Datapoint is August 2023

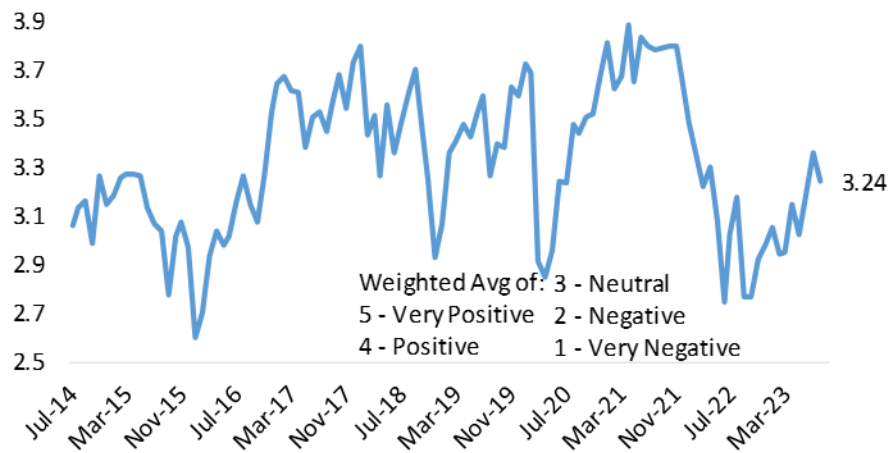
Investors

Investor Stock Market View

Current View of Stock Market (%)



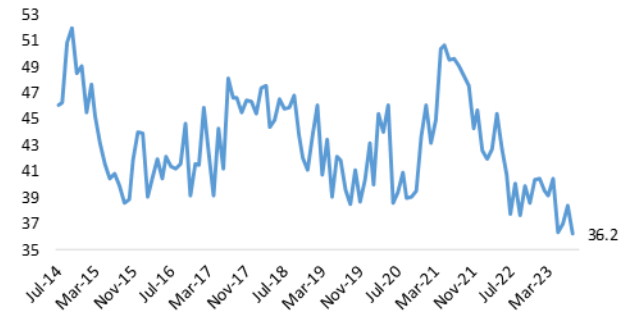
Current View of the Stock Market (Tracker)



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



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



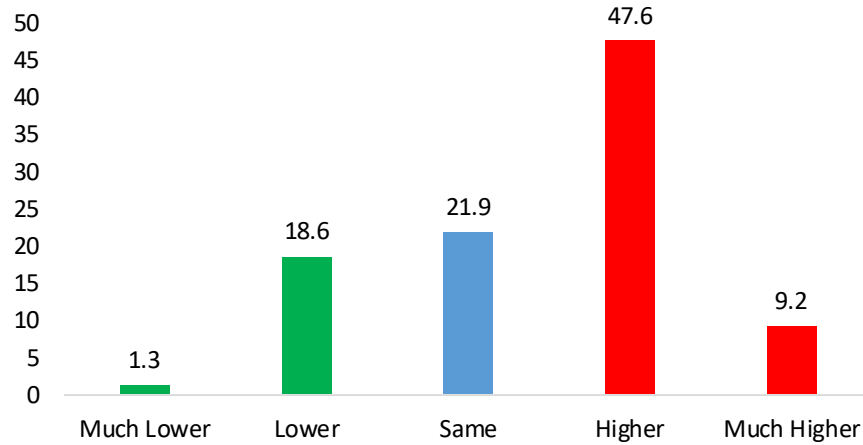
Do You Currently Have Any Investments In Gold (% Respondents)



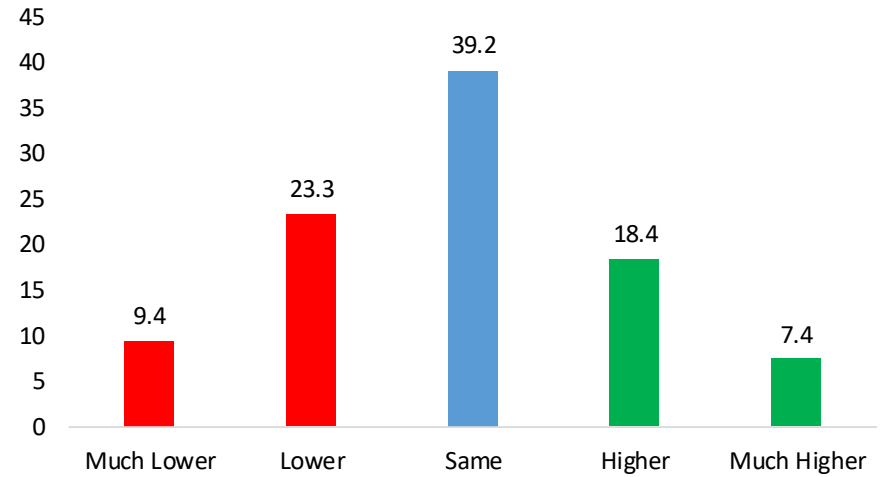
Note: Latest Datapoint is August 2023

Investors: Interest Rates and Risk

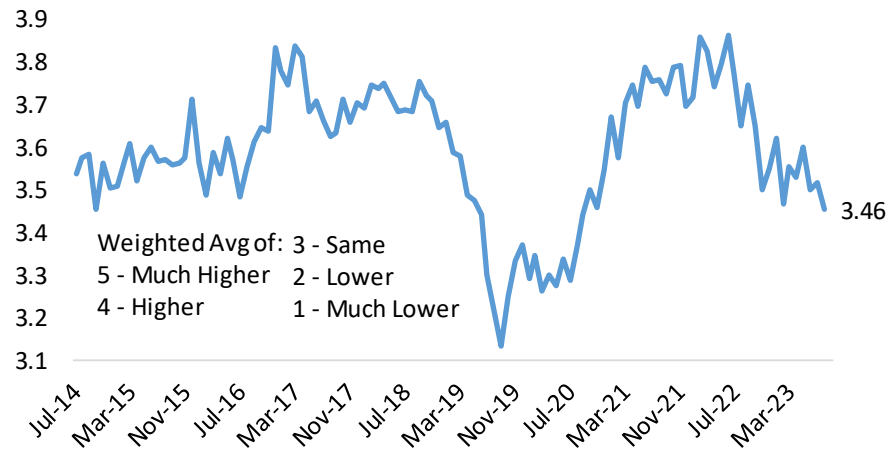
Expectations For Interest Rates One Year From Now (%)



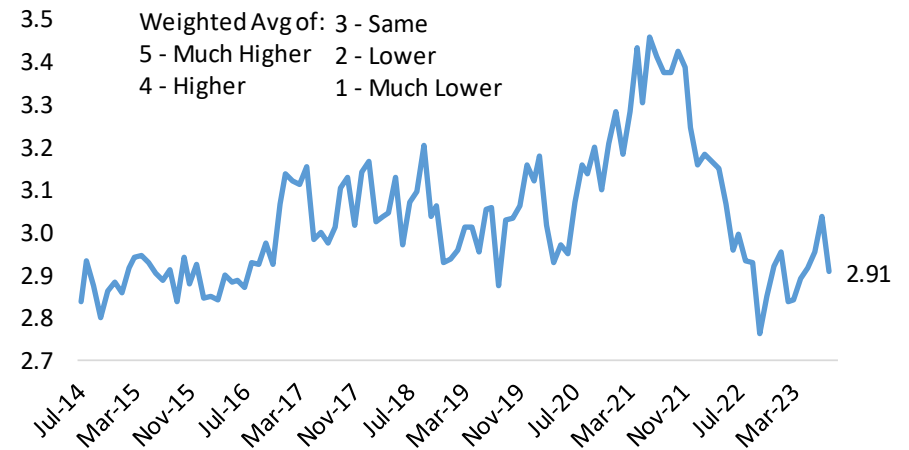
General Risk Tolerance Versus One Year Ago (%)



Expectations for Interest Rates One Year From Now (Tracker)

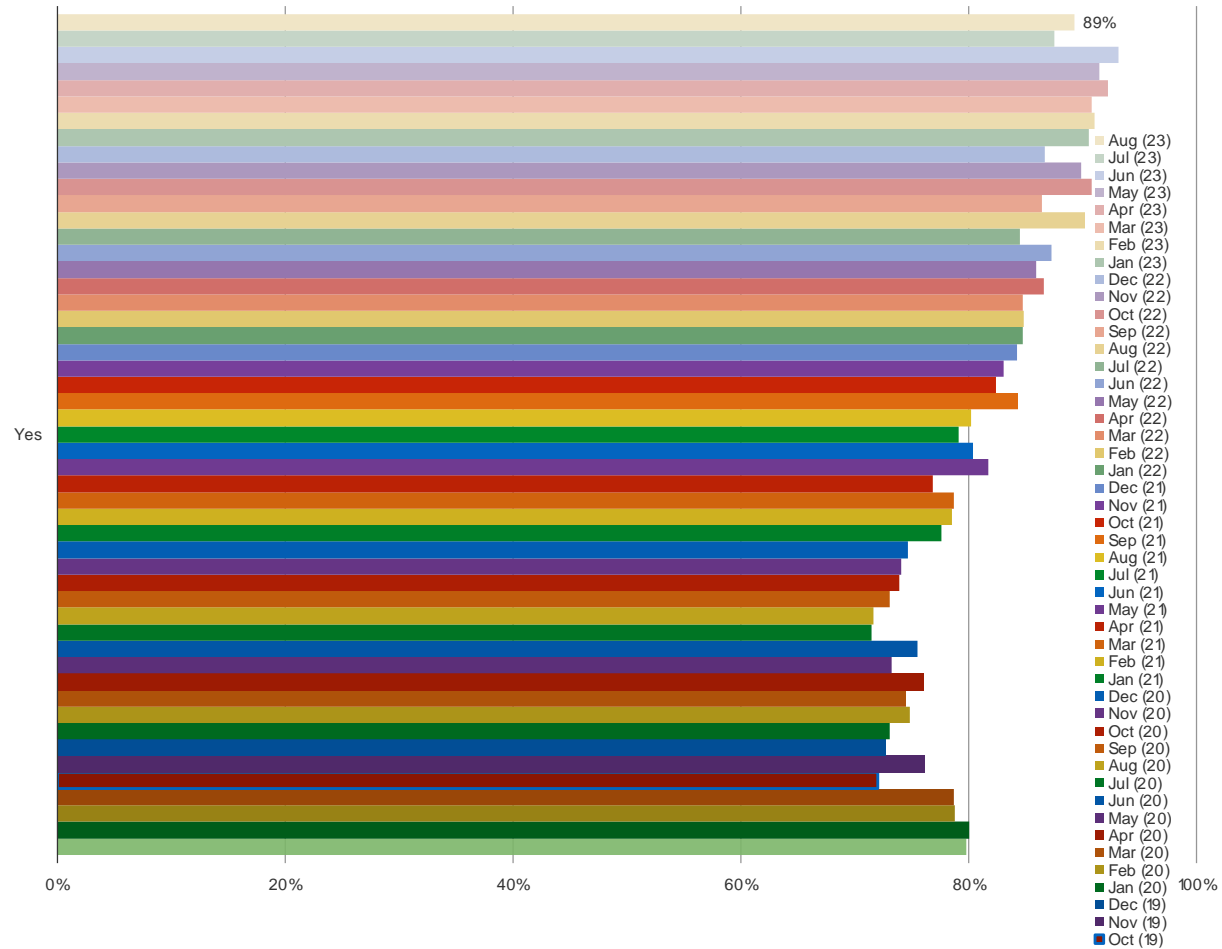


General Risk Tolerance Versus One Year Ago (Tracker)



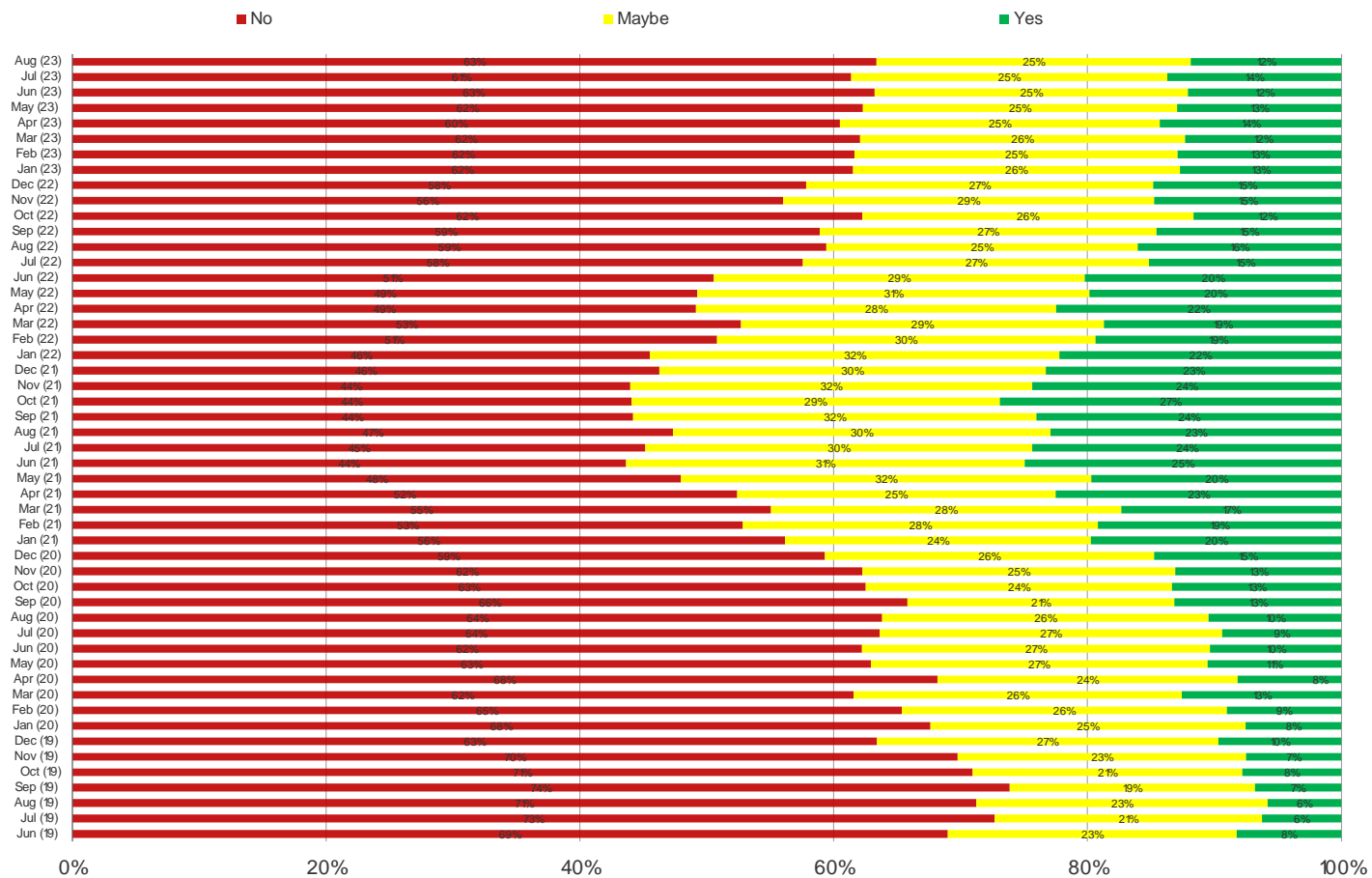
Bitcoin

Percentage of Consumers Aware of Bitcoin



Note: Latest Datapoint is August 2023

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



Note: Latest Datapoint is August 2023

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

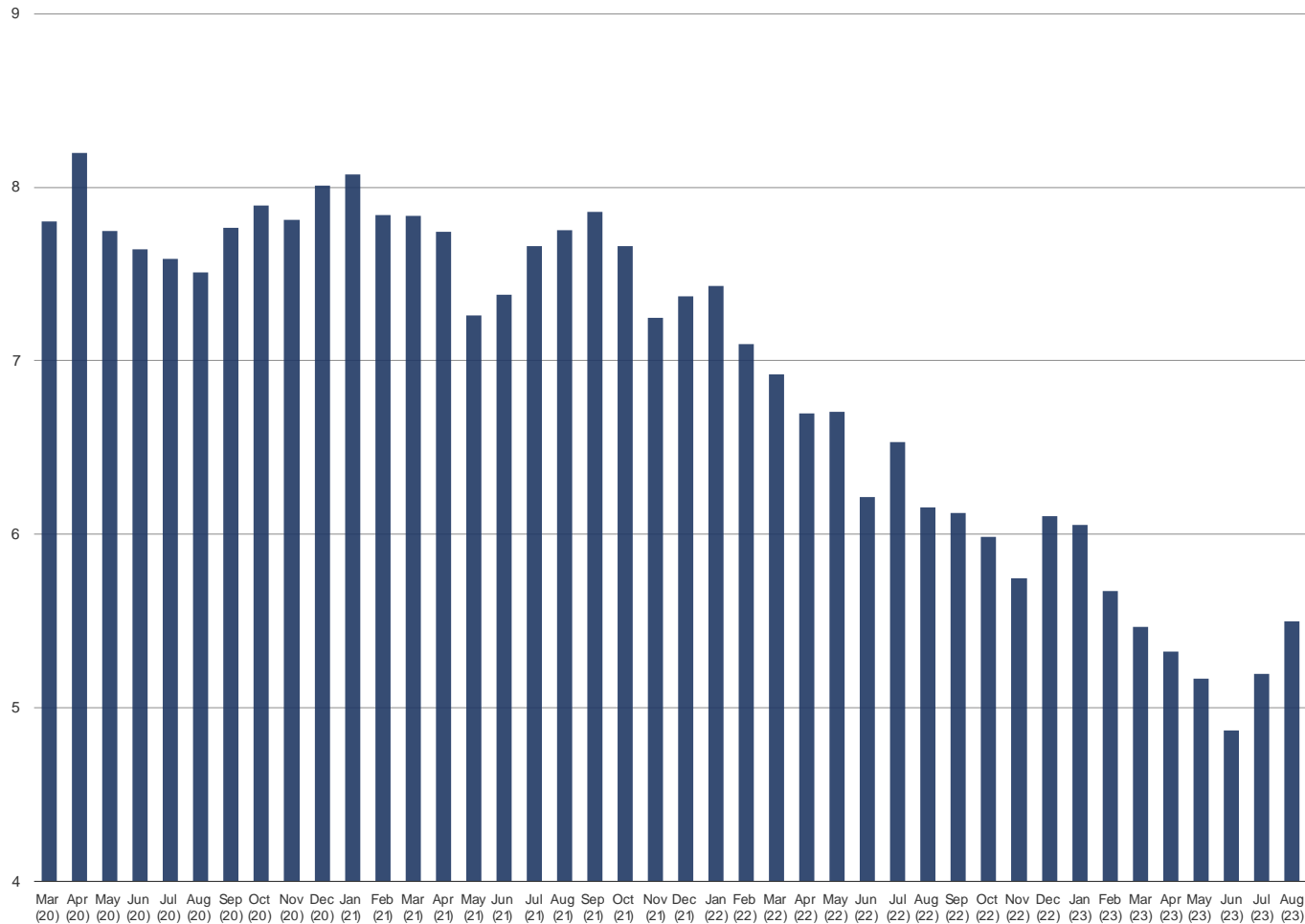


Note: Latest Datapoint is August 2023

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 August 2023