BESPOKE INTEL

Monthly Macro

October 2023

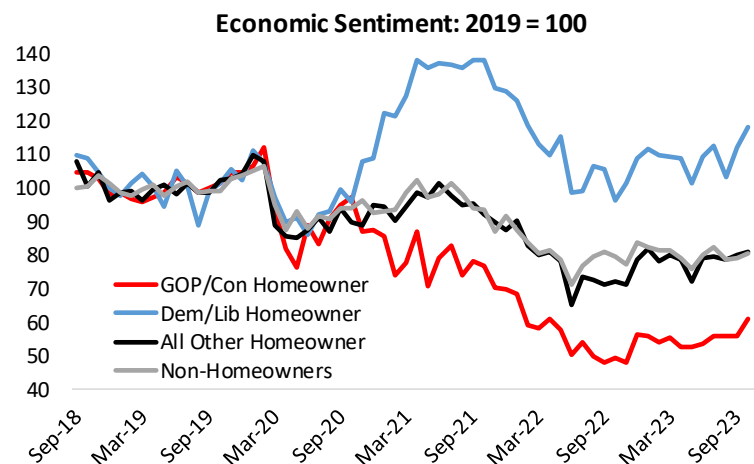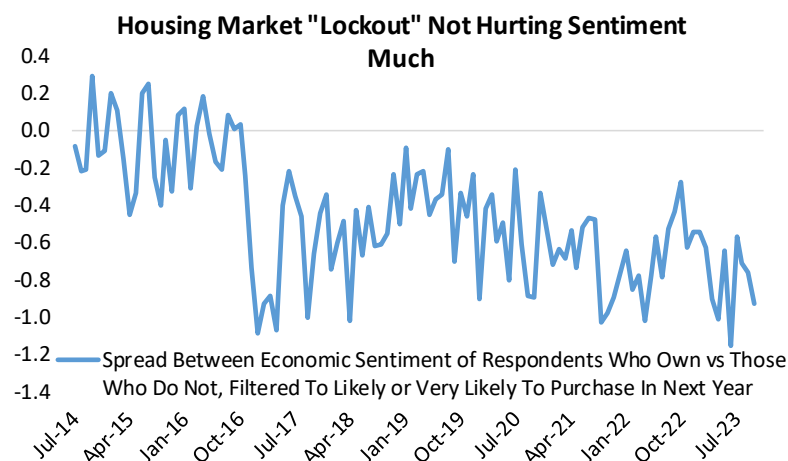**Key Takeaways**

- *Blaming weak economic sentiment on a tight housing market is not consistent with our data.*

- *Political affiliation shifts matter far more than the housing market.*

One narrative explaining very weak consumer sentiment that we have heard lately is that it is thanks to the extraordinarily tight housing market that is "locking out" first time buyers. We are skeptical. To test that theory, we compared economic sentiment among non-homeowners reporting they are likely or very likely to purchase in the next year with sentiment among homeowners that are reporting the same. First-time buyers must contend with high prices and brutal affordability *without* the cushion of existing home equity, while homeowners have presumably ridden the wave of home price appreciation in recent years to build up equity levels. Both of these groups are exposed to high mortgage rates by virtue of their plan to buy a home in the next year. To be sure, first-time buyers are more pessimistic than existing homeowners who are shopping for a different home, but as shown at right, the spread is not historically unremarkable. In our view, the housing market is a poor explainer of weak consumer sentiment.

What makes slightly more sense is political affiliation. As shown in the chart at right, homeowners who identify as "moderate", "independent", or offer no political valence tend to have *identical* swings in economic sentiment as non-homeowners. Conversely, homeowners affiliated with either end of the political spectrum have *wildly* different economic sentiment. In other words, material condition is less important for perceptions of the economy than politics, a troubling result given increasing polarization. The good news, at least, is that homeowners on both sides of the political spectrum report the highest economic sentiment in over a year with our latest monthly data.
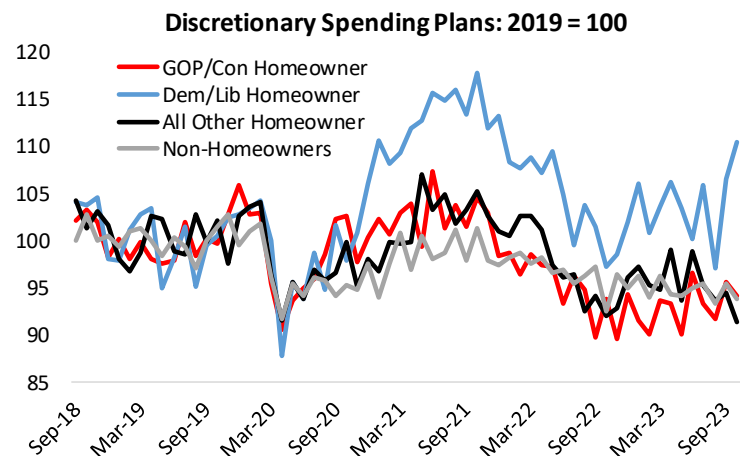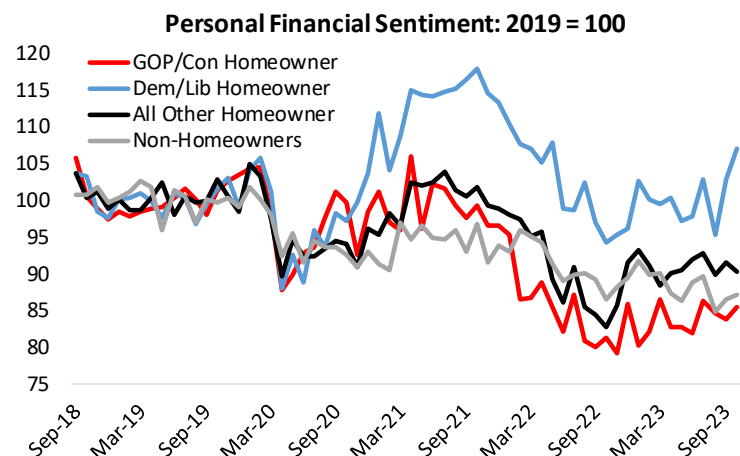
Housing Market "Lockout" Not Hurting Sentiment Much

Spread Between Economic Sentiment of Respondents Who Own vs Those Who Do Not, Filtered To Likely or Very Likely To Purchase In Next Year

Economic Sentiment: 2019 = 100

- GOP/Con Homeowner
- Dem/Lib Homeowner
- All Other Homeowner
- Non-Homeowners

Key Takeaways

- *Political sentiment is also a clear driver of financial sentiment.*

- *Discretionary spending plans seem far less sensitive to political dynamics than other sentiment metrics.*

In the first chart at right, we conduct the same analysis on personal financial sentiment as we did for personal sentiment towards the economy on page 4. Here again we can see a specific divergence between political segments. Immediately after the Presidential Election in 2020, respondents identifying as Democrats or liberals saw sentiment take off, while those identifying as Republicans or conservatives sagged. The spread is notable for both, especially relative to "neutrals". That group looks almost identical to non-homeowners.

Finally, we wanted to illustrate the exact same analysis with respect to discretionary spending. Here, we can see that Democrats/liberal homeowners have seen an outperformance of discretionary spending plans since the fall of 2020. But here the differences between them and Republicans/conservatives, "neutrals", and non-homeowners are all very similar. Across these three metrics, we would argue that as valence moves from "general" (i.e., perceptions of a big, abstract thing we call "the economy") to specific (first to specific personal experience of financial condition, and then to specific spending plans), ideology and political mood become noticeably less important.

Personal Financial Sentiment: 2019 = 100

GOP/Con Homeowner
Dem/Lib Homeowner
All Other Homeowner
Non-Homeowners

Discretionary Spending Plans: 2019 = 100

GOP/Con Homeowner
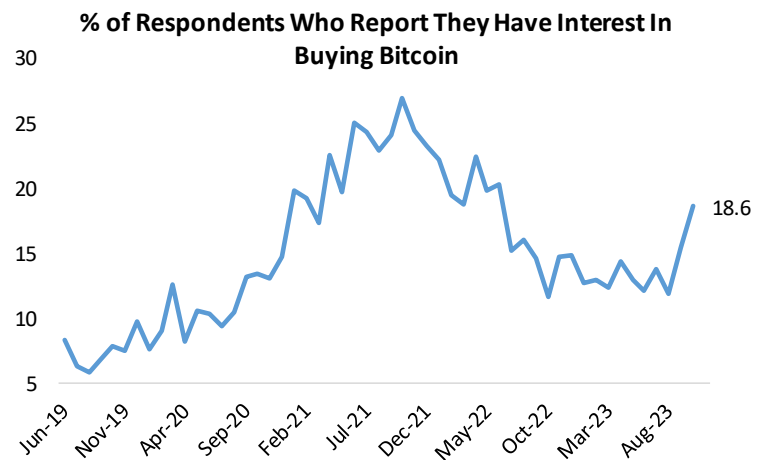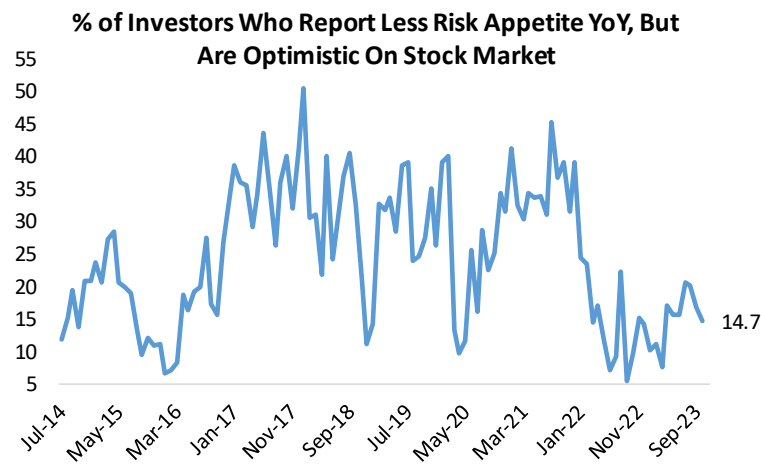Dem/Lib Homeowner
All Other Homeowner
Non-Homeowners

Key Takeaways

- Roughly 15% of respondents who report lower risk appetite than a year ago are bullish stocks.

- Bitcoin interest has picked back up amidst the trial of crypto billionaire Sam Bankman-Fried.
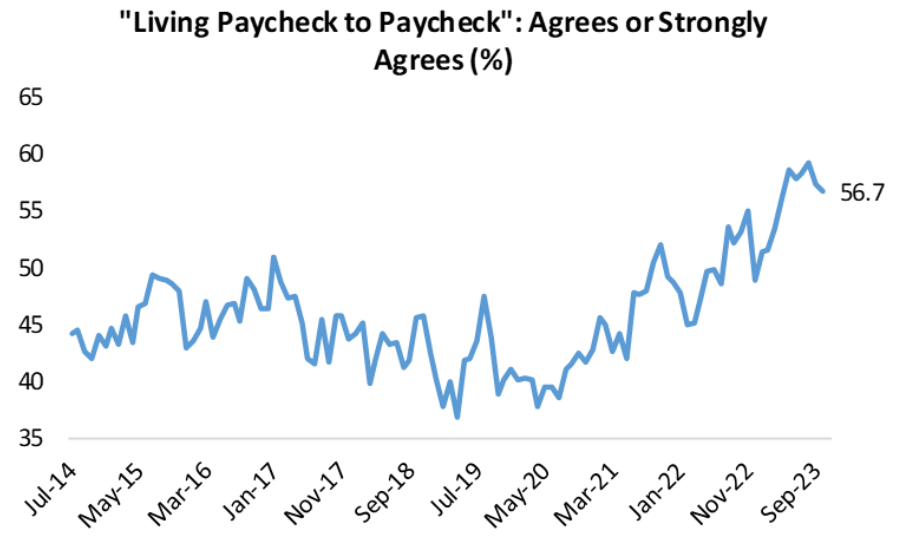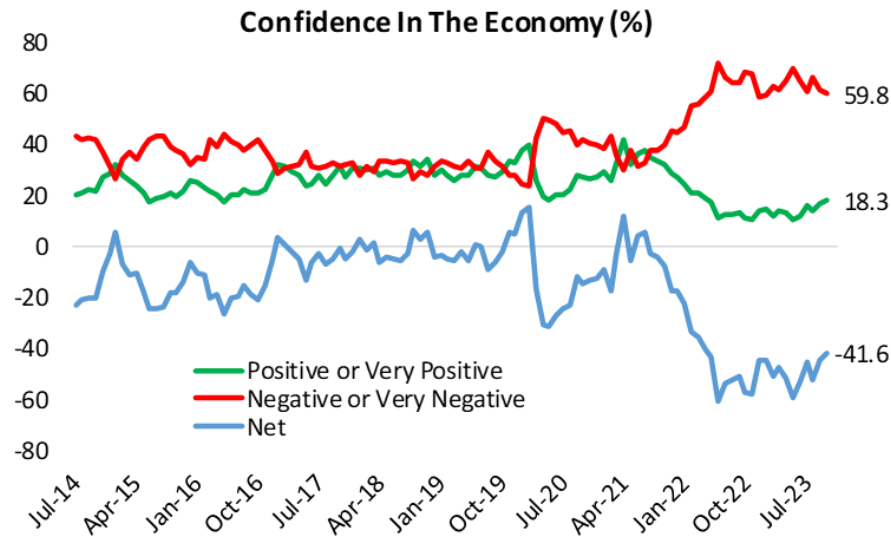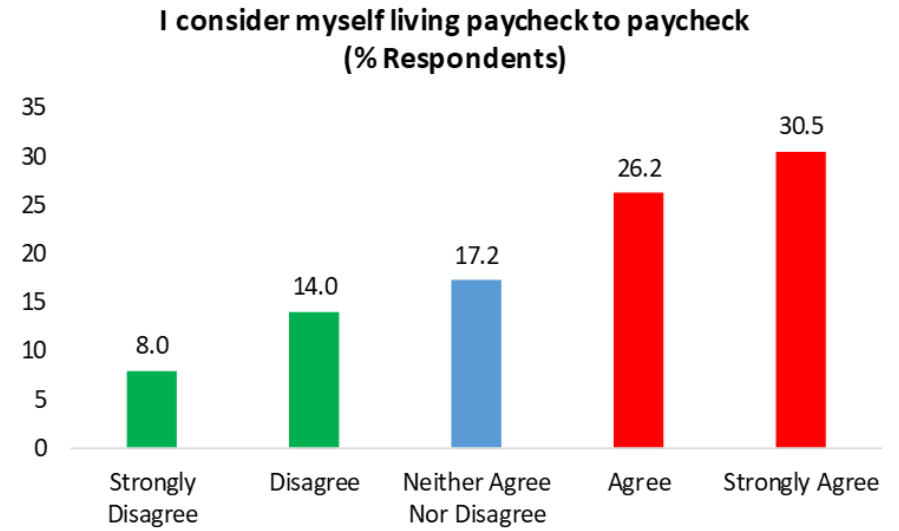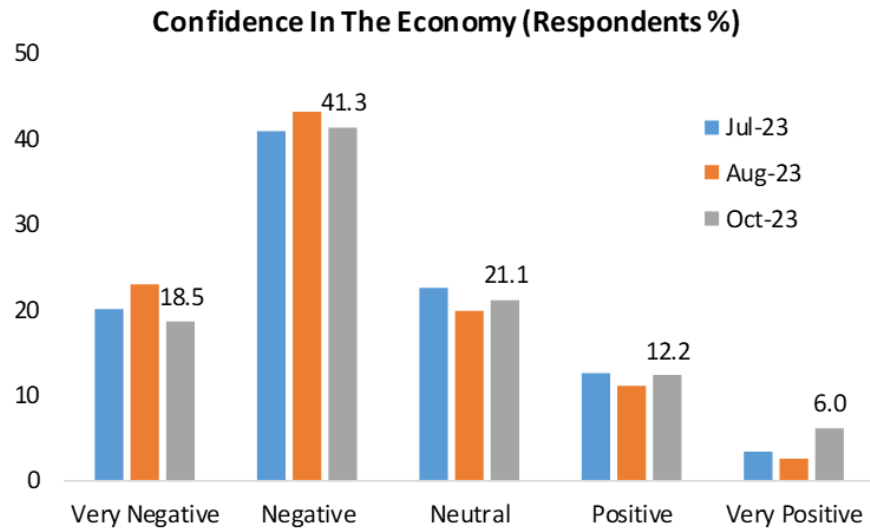
Even our investors who are pulling their horns in are sometimes optimistic about the market. In the first chart at right, we show the share of respondents who report lower risk appetite than a year ago, but who are still optimistic about the stock market. It's fascinating to see that during "normal" times, almost half of the respondents who report lower risk appetite are still bullish towards the equity market at large.

Speaking of risk appetite, crypto prices at 52-week highs and the publicity of the Sam Bankman-Fried trial appears to be drawing our respondents into crypto bullishness. As shown at right, the share of respondents who report an interest in purchasing crypto hit the highest levels in 18 months.
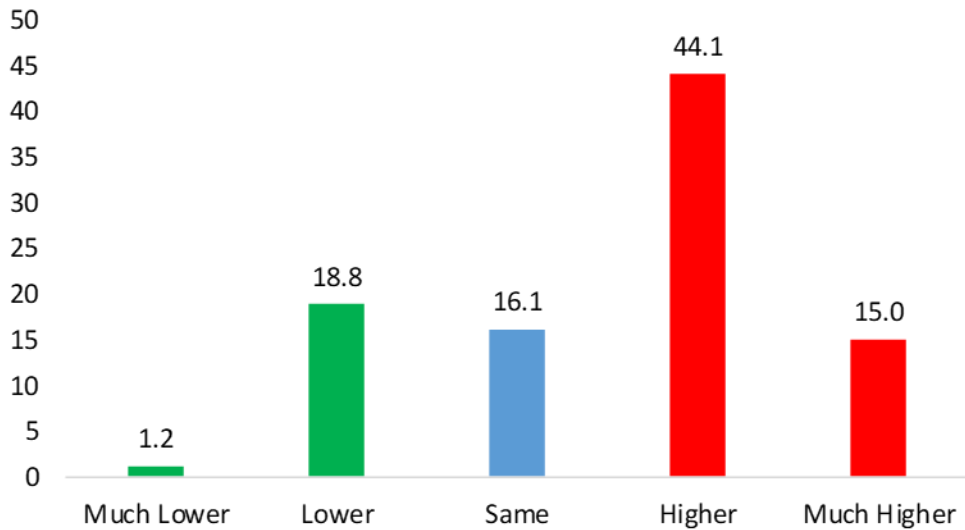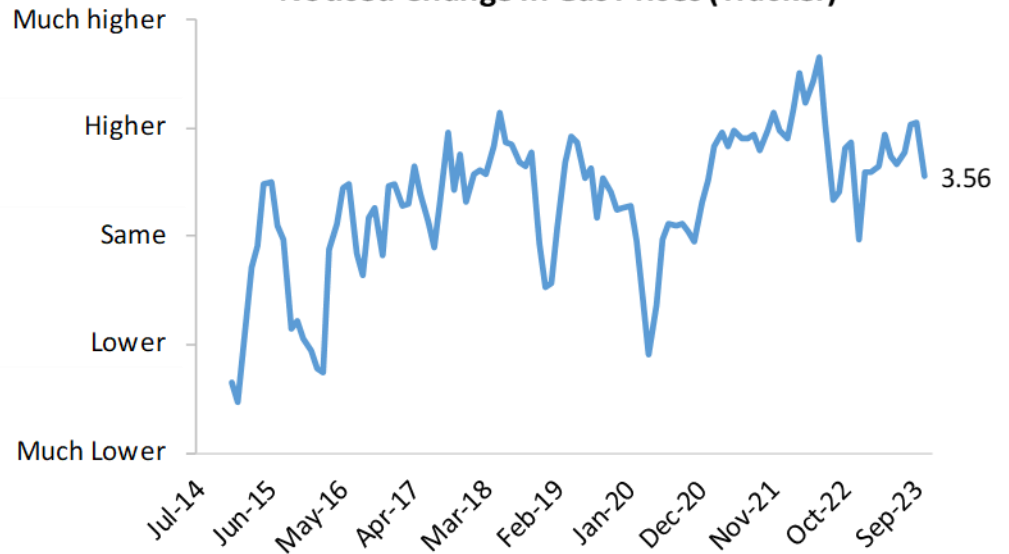
% of Investors Who Report Less Risk Appetite YoY, But Are Optimistic On Stock Market

14.7

% of Respondents Who Report They Have Interest In Buying Bitcoin

18.6

Charts

Confidence in the economy

Confidence In The Economy (Respondents %)

Jul-23, Aug-23, Oct-23

- Very Negative: 18.5
- Negative: 41.3
- Neutral: 21.1
- Positive: 12.2
- Very Positive: 6.0

I consider myself living paycheck to paycheck (% Respondents)

- Strongly Disagree: 8.0
- Disagree: 14.0
- Neither Agree Nor Disagree: 17.2
- Agree: 26.2
- Strongly Agree: 30.5

Confidence In The Economy (%)

- Positive or Very Positive: 18.3
- Negative or Very Negative: 59.8
- Net: -41.6

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

56.7

Gas and Broad Prices

Noticed Change In Gas Prices (% Respondents)

Noticed Change In Gas Prices (Tracker)

3.56

Average Expected Price Increase (Tracker)

9.41
9.13
8.98

- Prices In The Next Year
- Prices In The Next Five Years
- Prices In The Next 10 Years

Employment

Employment Status (% Respondents)

Category	Value
Disabled, not able to work	6.0
Retired	16.4
Not employed, not looking for work	7.0
Not employed, looking for work	10.9
Employed, working part time	12.7
Employed, working full time	47.0

Employment Status (% Respondents)

- Employed, working full time
- Employed, working part time
- Not employed, looking for work
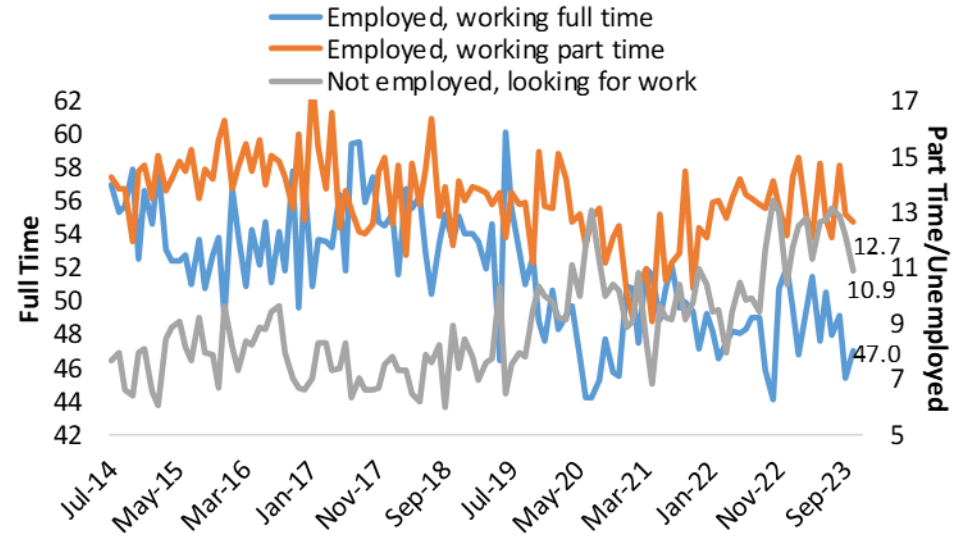
Filed For Unemployment Assistance In Past Month (% Not Employed)
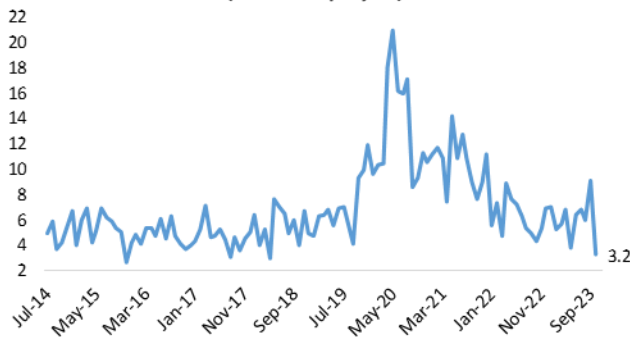
Expectations For US Unemployment Level One Year From Now (% Respondents)

Much Worse	Worse	Same	Better	Much Better
7.7	31.5	29.6	20.9	6.8

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

Weighted Avg of: 3 - Same
5 - Much Better   2 - Worse
4 - Better   1 - Much Worse

2.87
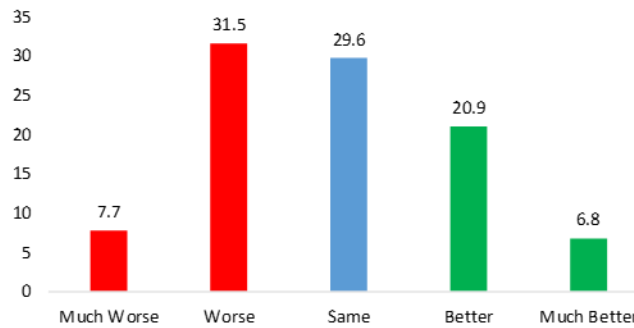
Income and Job Security

Current Income vs 1 Year Ago (% Respondents)

Much Lower	Lower	Same	Higher	Much Higher
6.2	12.8	33.7	35.5	11.8
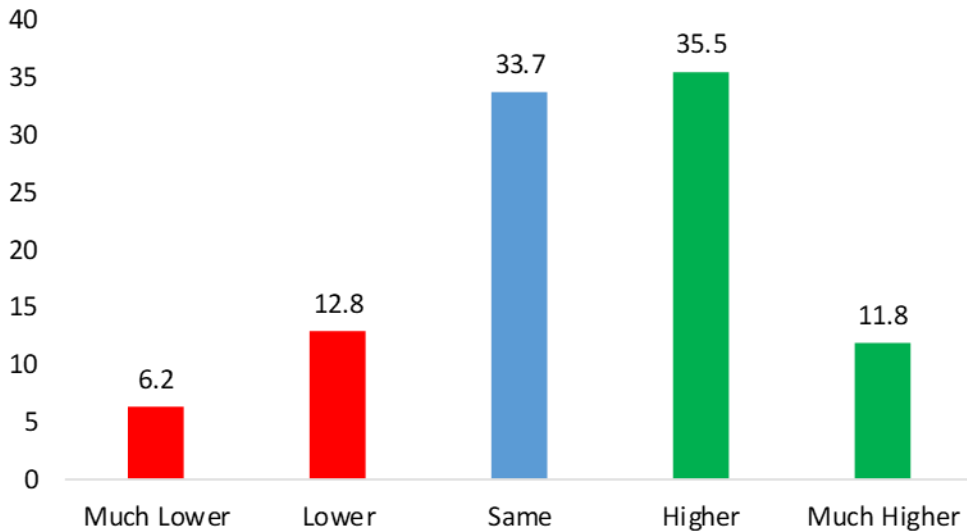
"I am concerned that I will lose my job" (% Respondents)

Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
26.6	27.6	20.6	15.2	9.4
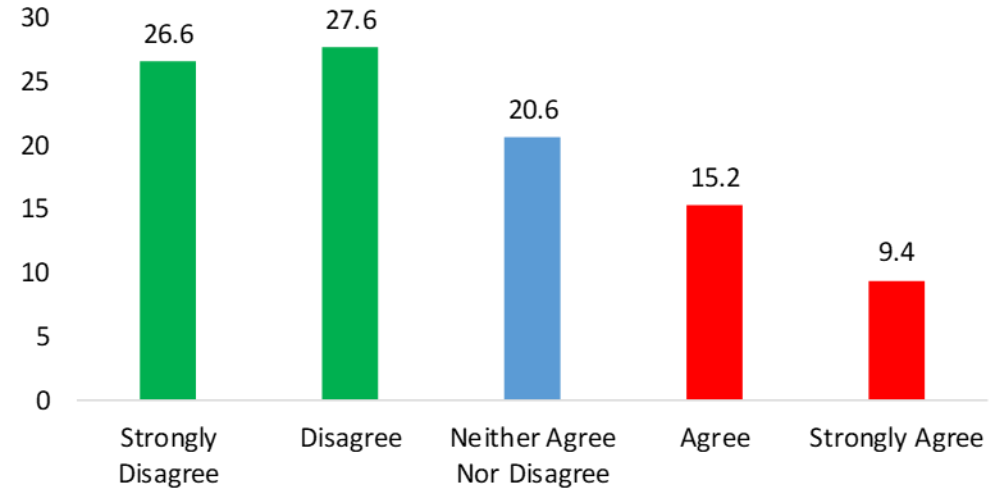
Current Income vs Year Ago (Tracker)

Weighted Avg of: 3 - Same
5 - Much More   2 - Less
4 - More   1 - Much Less

3.34
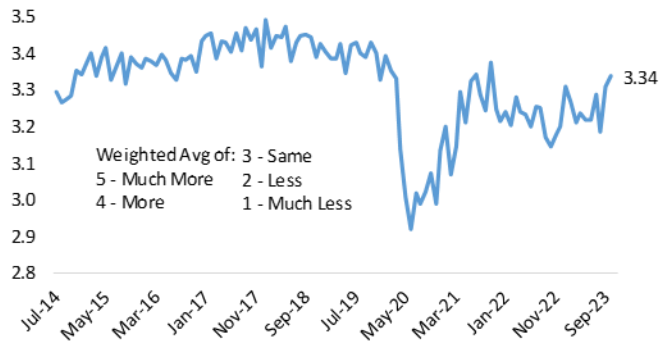
Hours Worked (Average)

36.2
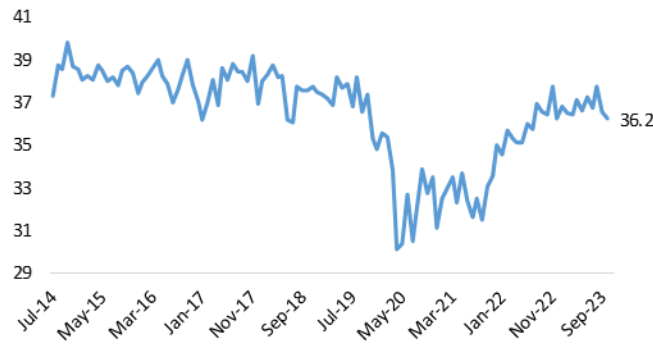
"I am concerned that I will lose my job" (Tracker)

Weighted Avg of: 3 - Neither
5 - Strongly Agree 2 - Disagree
4 - Agree   1 - Strongly Disagree

2.53
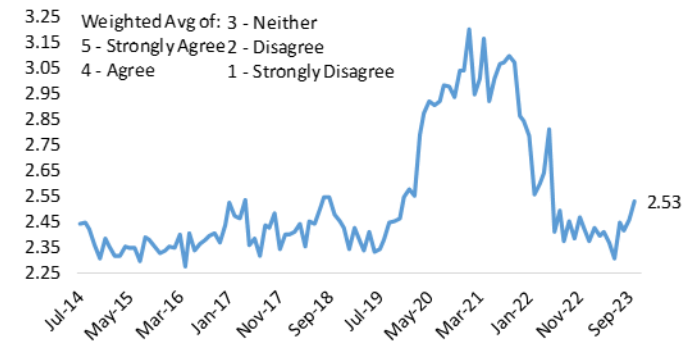
Note: Latest Datapoint is October 2023

Personal Finances

Current Feelings Towards Personal Finances (% Respondents)
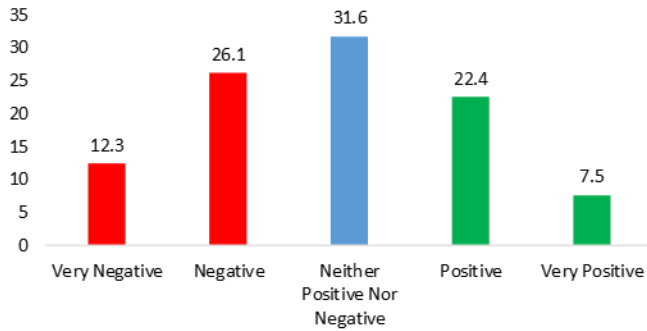
Feelings Towards Personal Finances vs Year Ago (% Respondents)
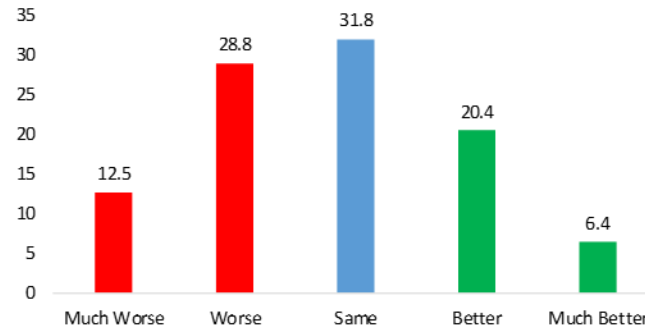
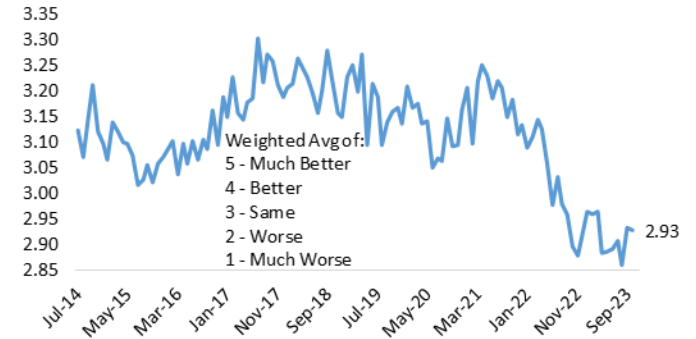**Financial Condition Compared to the Average Person (% Respondents)**
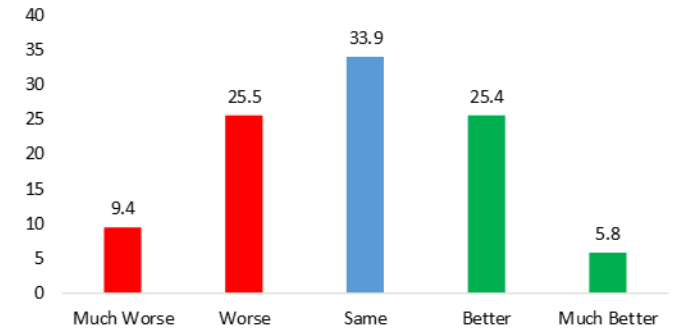
Current Feelings Towards Personal Finances (Tracker)
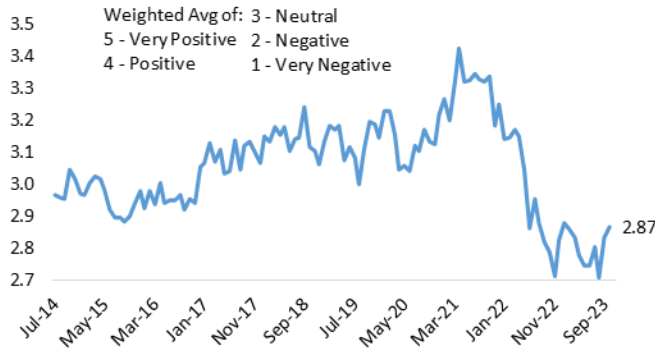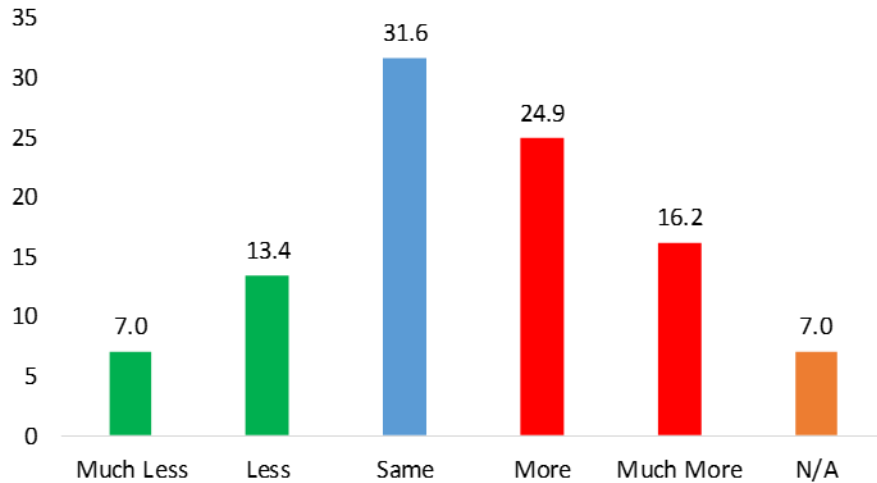
Feelings Towards Personal Finances vs Year Ago (Tracker)
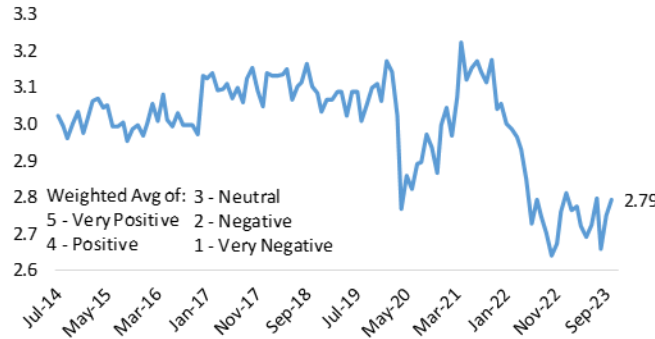
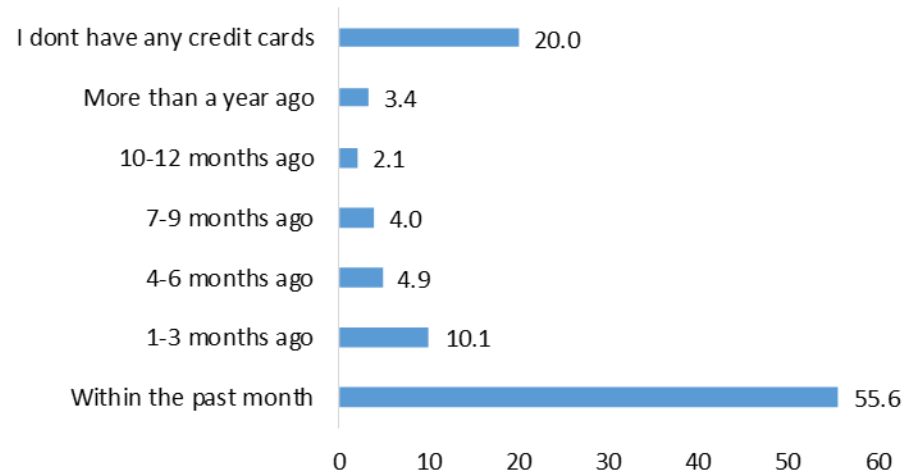**Financial Condition Compared to the Average Person (Tracker)**
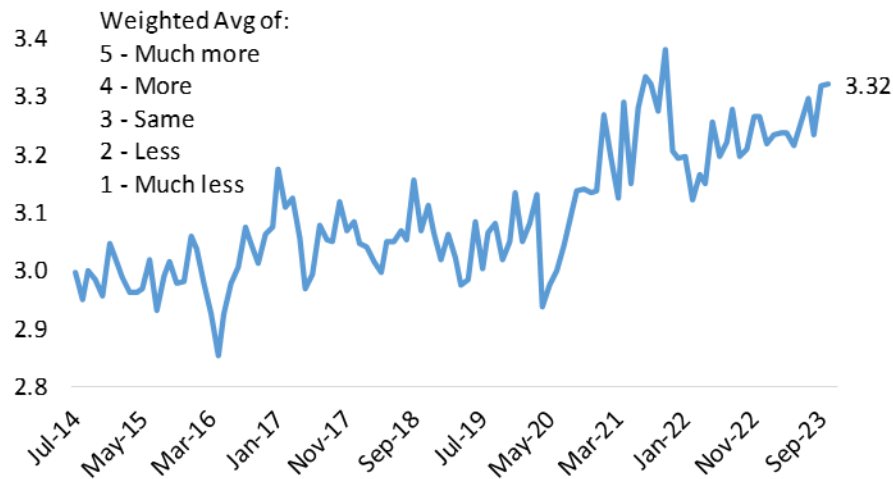
Note: Latest Datapoint is October 2023

Source: Bespoke Market Intelligence Analysis

Current credit card debt

Credit Card Debt vs Year Ago (% Respondents)

Category	Value
Much Less	7.0
Less	13.4
Same	31.6
More	24.9
Much More	16.2
N/A	7.0

Date of Last Credit Card Payment (% Respondents)

Category	Value
I dont have any credit cards	20.0
More than a year ago	3.4
10-12 months ago	2.1
7-9 months ago	4.0
4-6 months ago	4.9
1-3 months ago	10.1
Within the past month	55.6

Credit Card Debt vs Year Ago (Tracker)

Weighted Avg of:
5 - Much more
4 - More
3 - Same
2 - Less
1 - Much less

3.32

Date of Last Credit Card Payment (% Respondents)

- Within the past month
- 1-3 months ago
- 4 or more months

14.3
10.1
55.6

Source: Bespoke Market Intelligence Analysis
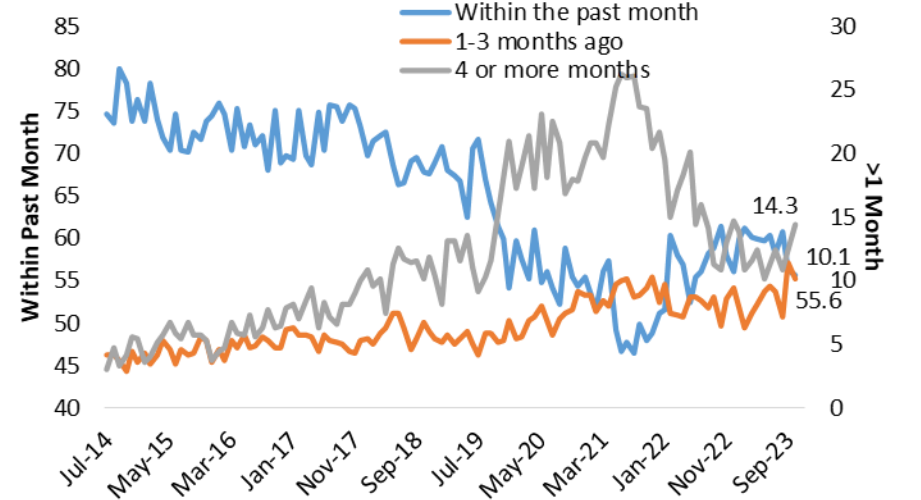
Mortgage Payments

Last Mortgage Payment (% Homeowners)

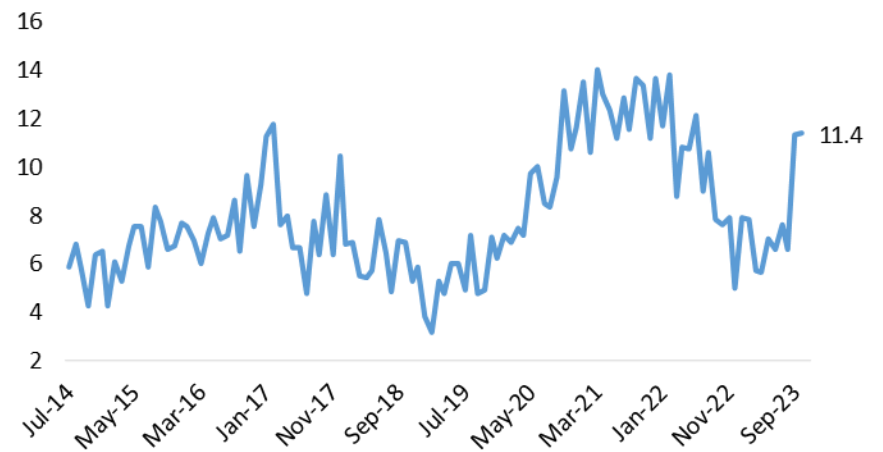| Category	Value
>6 months ago	4.1
6 months ago	0.6
5 months ago	0.8
4 months ago	4.5
3 months ago	6.3
2 months ago	8.2
1 month ago	16.5
Within past month	59.0
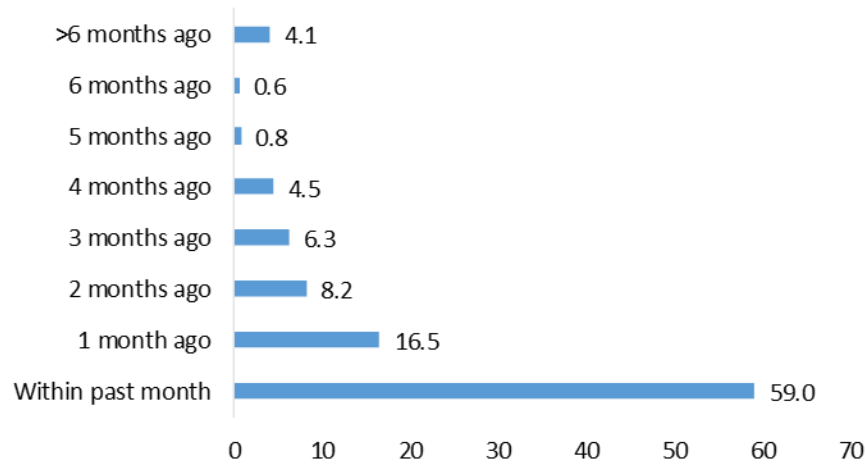
Last Time Refinanced Mortgage (% Homeowners)

Category	Value
Not applicable	5.9
12 or more years ago	3.7
6 - 12 years ago	5.1
5 years ago	5.3
4 years ago	2.4
3 years ago	11.4
2 years ago	15.3
1 year ago	7.1
Within the past year	11.4
I have never refinanced my mortgage	32.5

Last Mortgage Payment (% Homeowners)

2+ Months ago — 24.5
1 Month + Within past month — 75.5
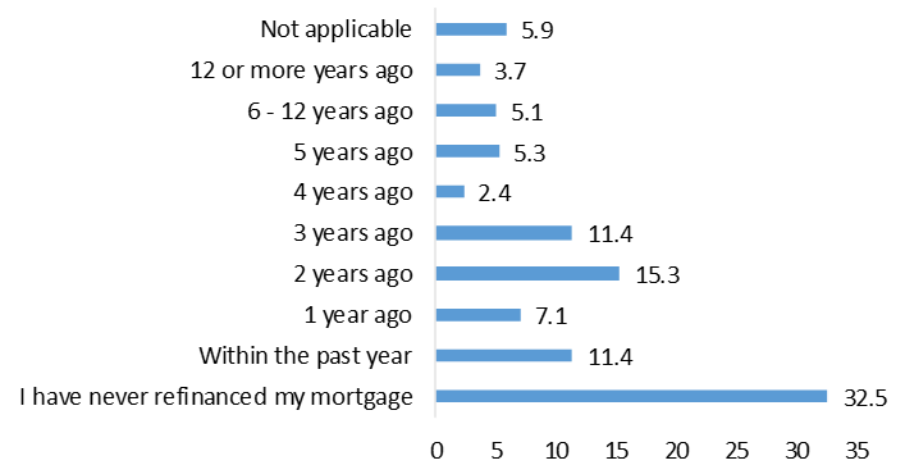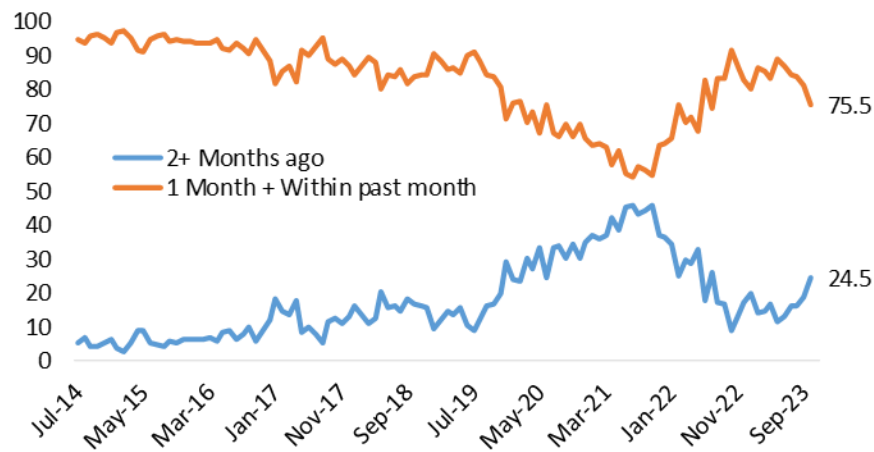
Last Time Refinanced Mortgage: Within past year (% Homeowners)

11.4

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

—— Yes

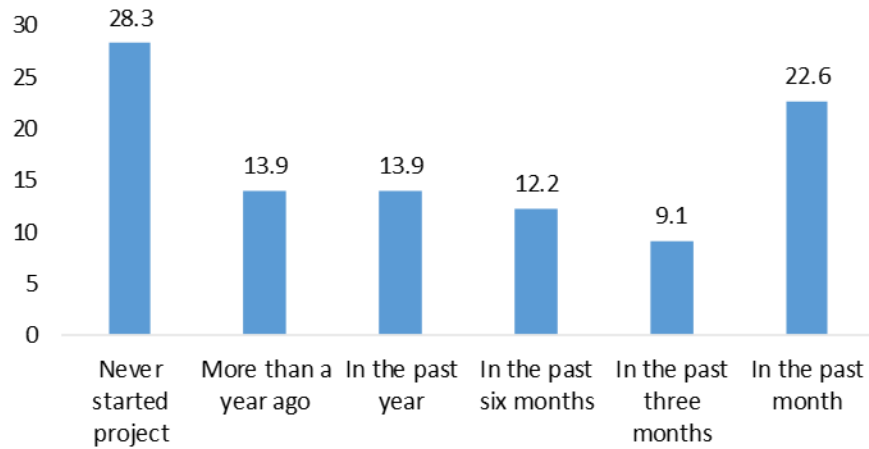Note: Latest Datapoint is October 2023

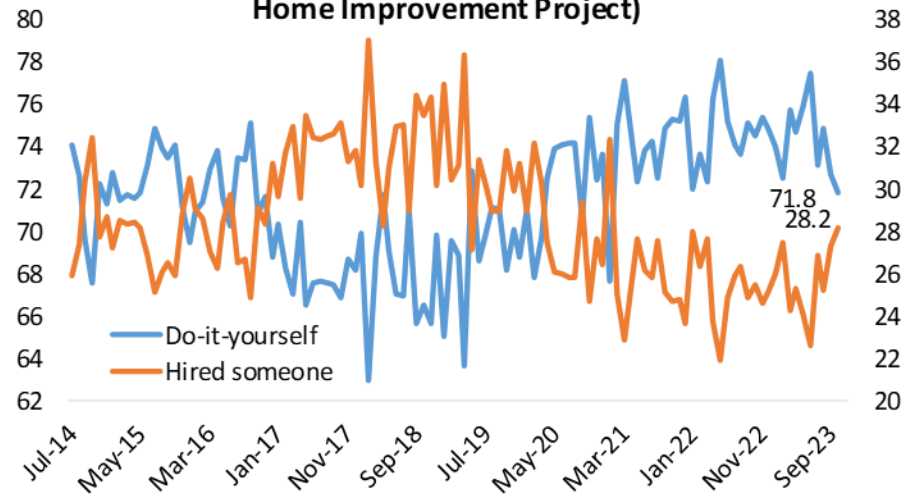## Likelihood of purchasing a house in the next year
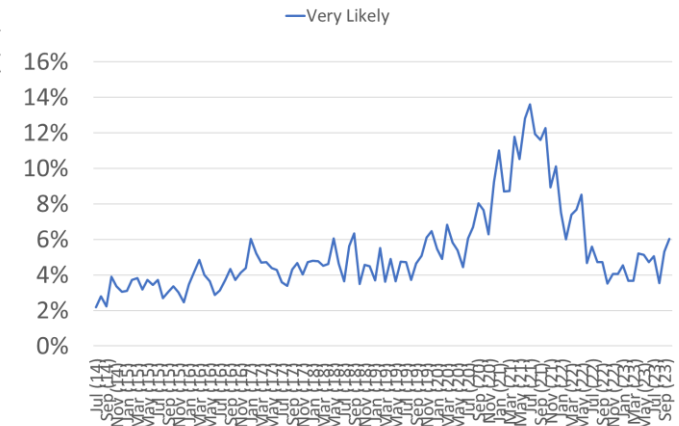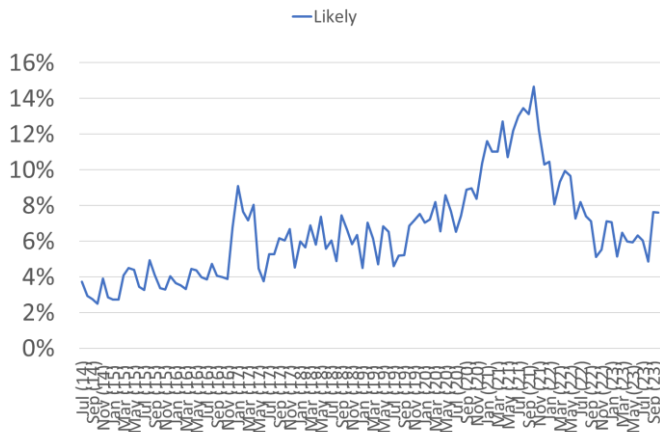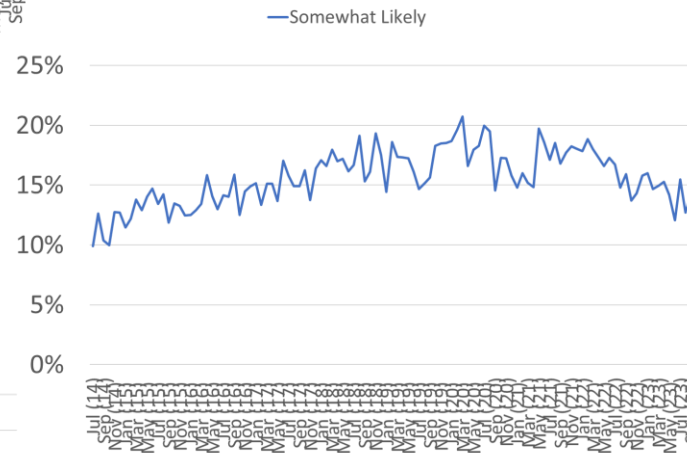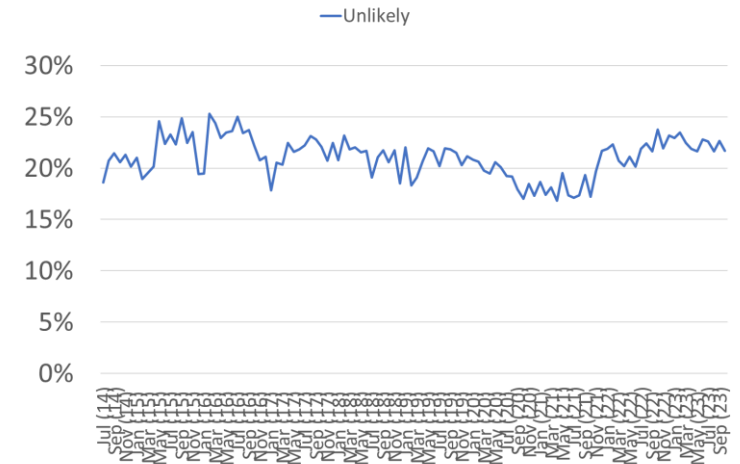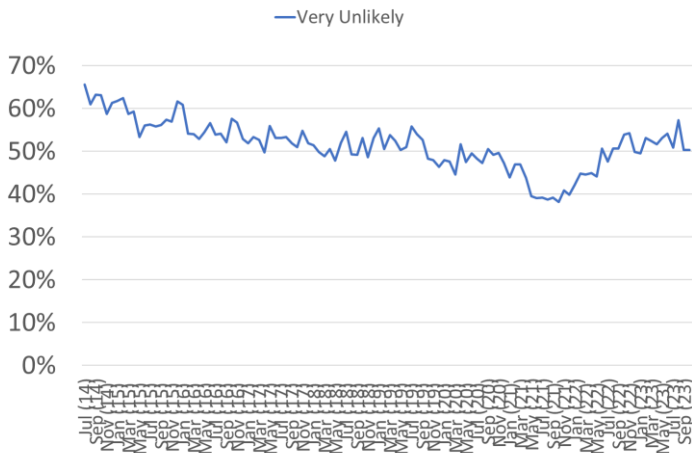
Note: Latest Datapoint is October 2023
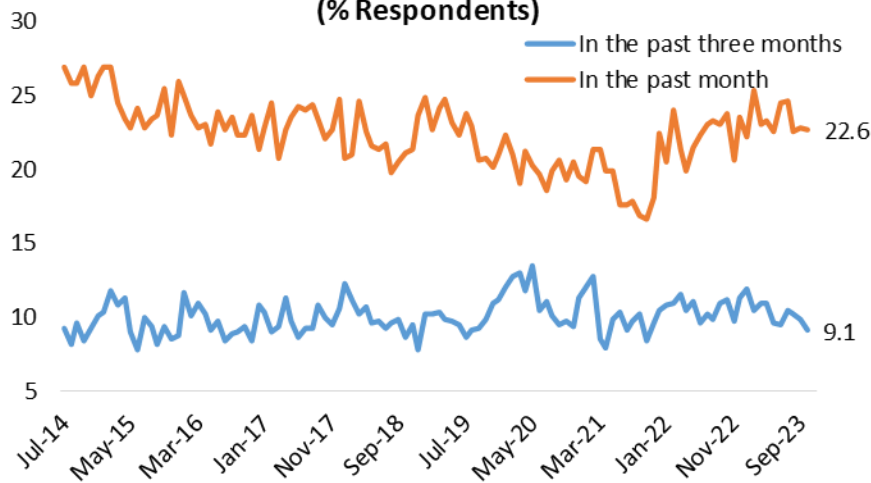
Home Improvement

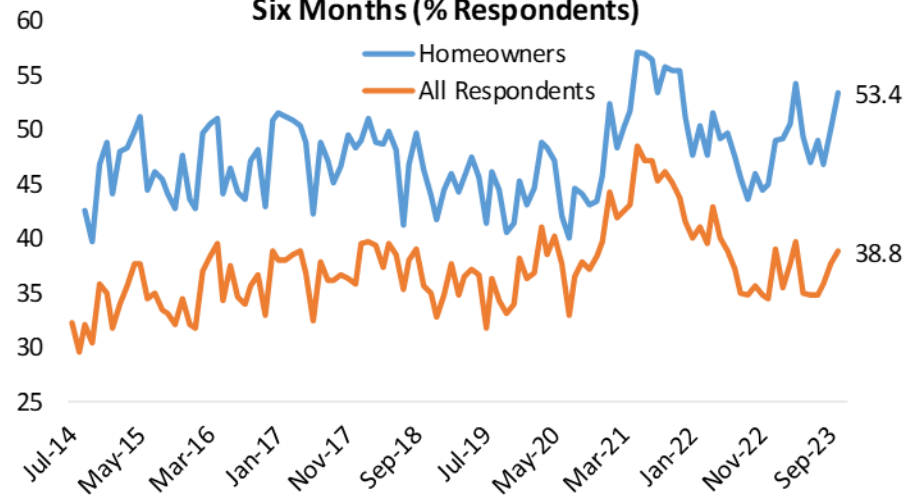### Last Time Starting A Home Improvement Project (% Respondents)

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

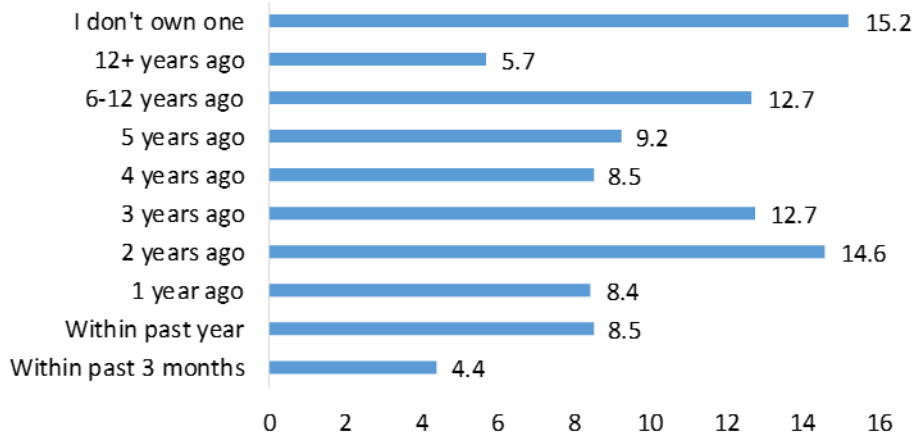### Last Time Starting A Home Improvement Project (% Respondents)

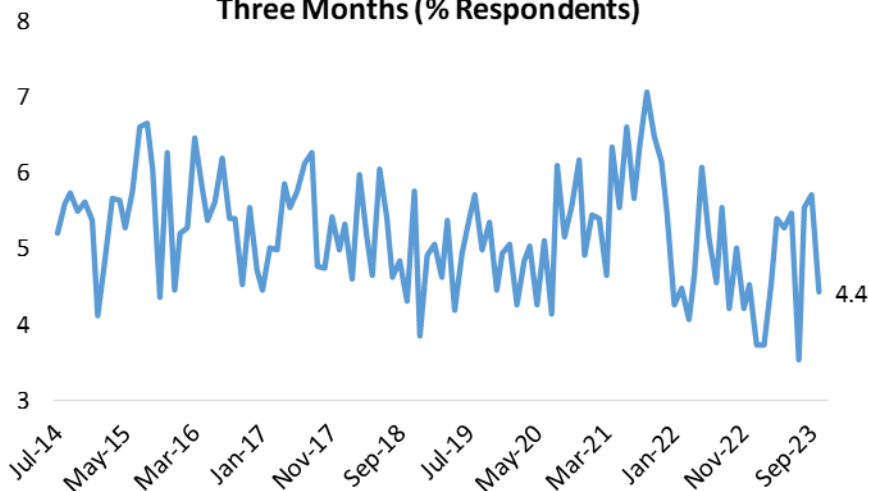### Plans To Start A Home Improvement Project In Next Six Months (% Respondents)
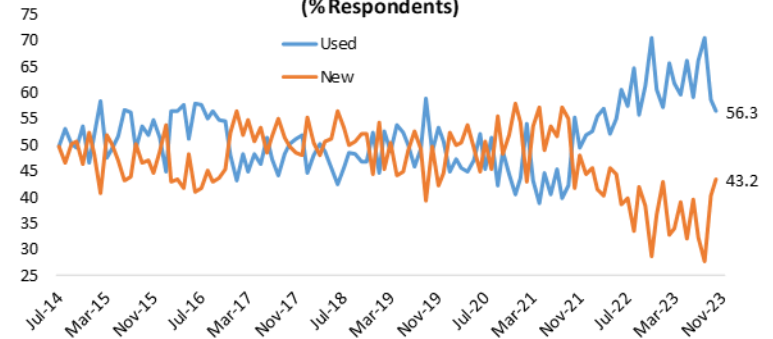

Note: Latest Datapoint is October 2023

Auto Purchases

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

Category	Value
I don't own one	15.2
12+ years ago	5.7
6-12 years ago	12.7
5 years ago	9.2
4 years ago	8.5
3 years ago	12.7
2 years ago	14.6
1 year ago	8.4
Within past year	8.5
Within past 3 months	4.4

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

Used — 56.3
New — 43.2

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

4.4

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

Yes — Maybe — No

21.1
63.7
15.3
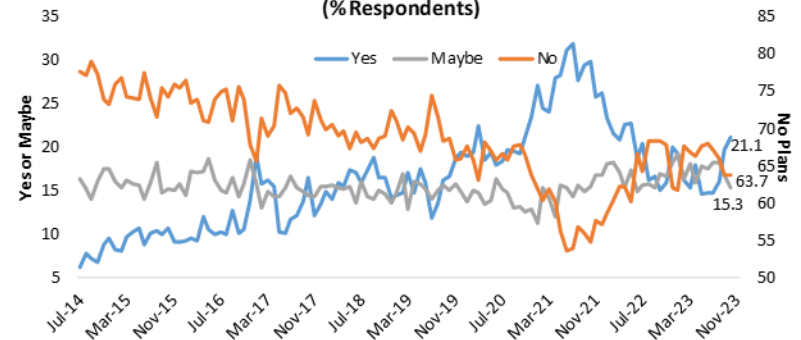
Plans To Purchase/Lease Vehicle In The Next Six Months By Sales Type (% Respondents)

Used — New — Maybe

47.8
40.8
11.4
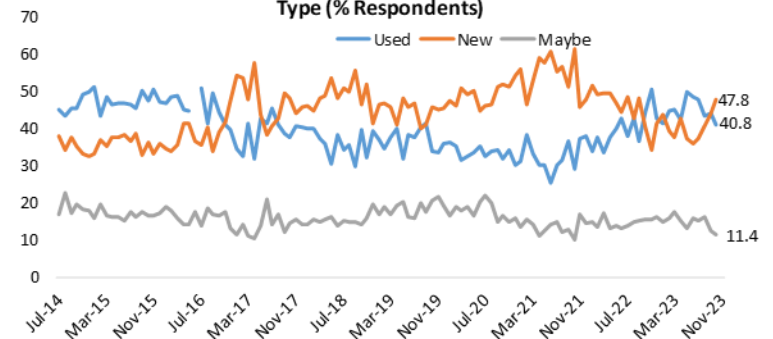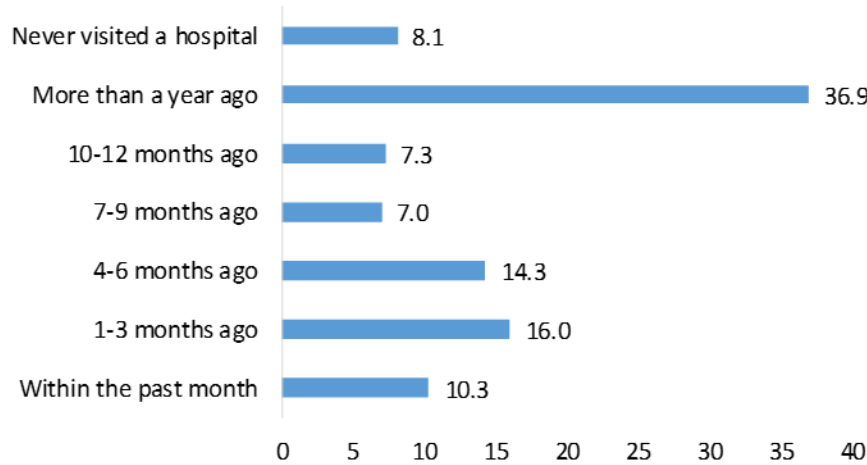
Note: Latest Datapoint is October 2023

Expected Auto Purchases (Most Likely to Choose)
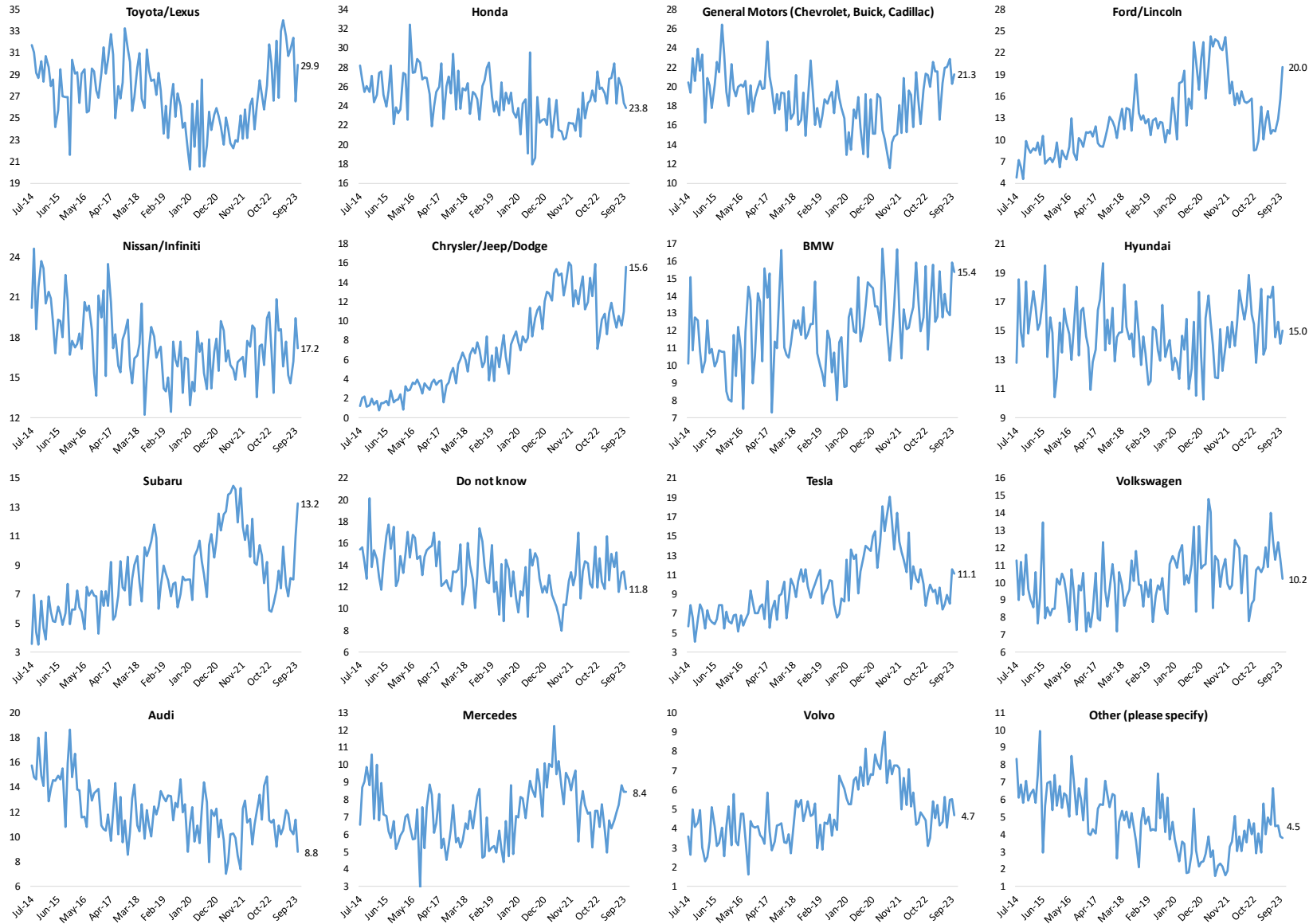
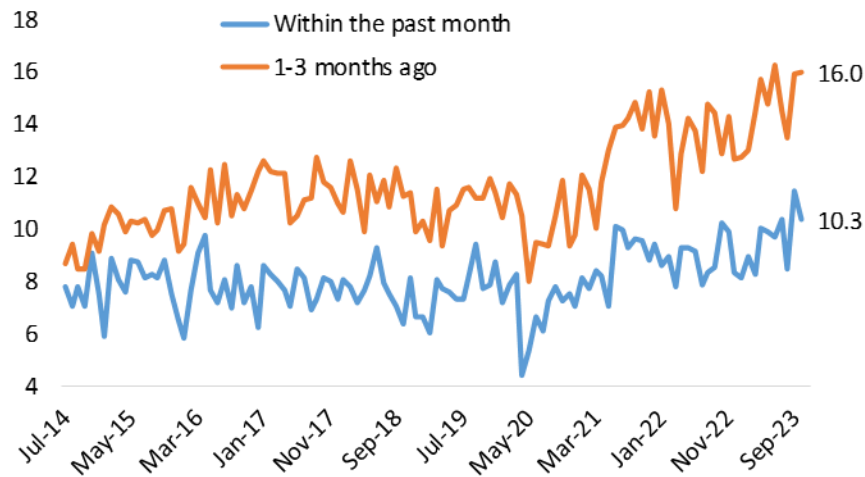Note: Latest Datapoint is October 2023

Healthcare Utilization
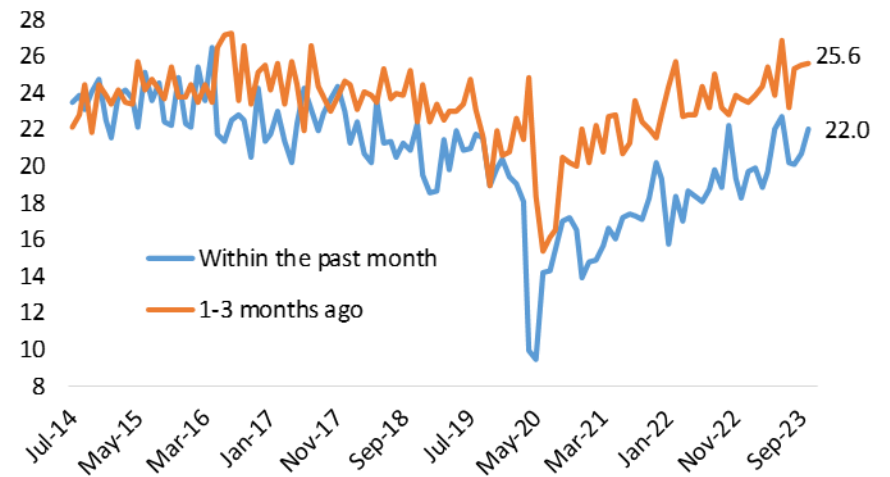
Last Hospital Visit (% Respondents)
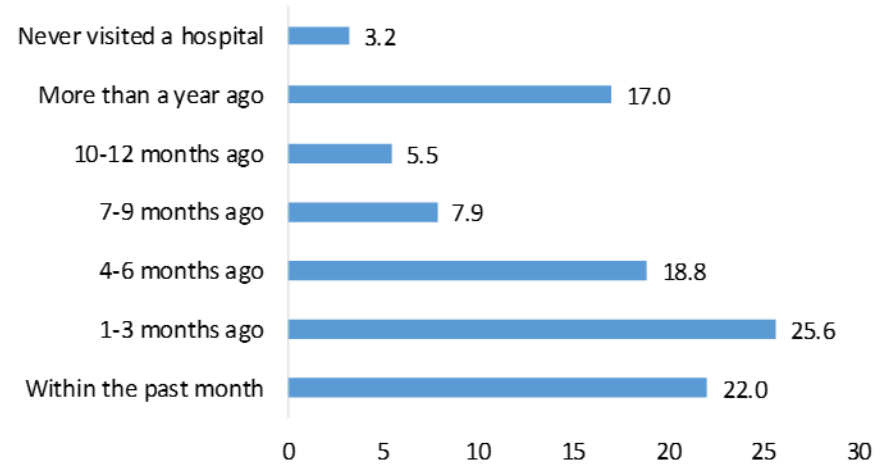
Category	Value
Never visited a hospital	8.1
More than a year ago	36.9
10-12 months ago	7.3
7-9 months ago	7.0
4-6 months ago	14.3
1-3 months ago	16.0
Within the past month	10.3

Last Doctor's Visit (% Respondents)

Category	Value
Never visited a hospital	3.2
More than a year ago	17.0
10-12 months ago	5.5
7-9 months ago	7.9
4-6 months ago	18.8
1-3 months ago	25.6
Within the past month	22.0

Last Hospital Visit (% Respondents)

Within the past month — 10.3
1-3 months ago — 16.0

Last Doctor's Visit (% Respondents)

Within the past month — 22.0
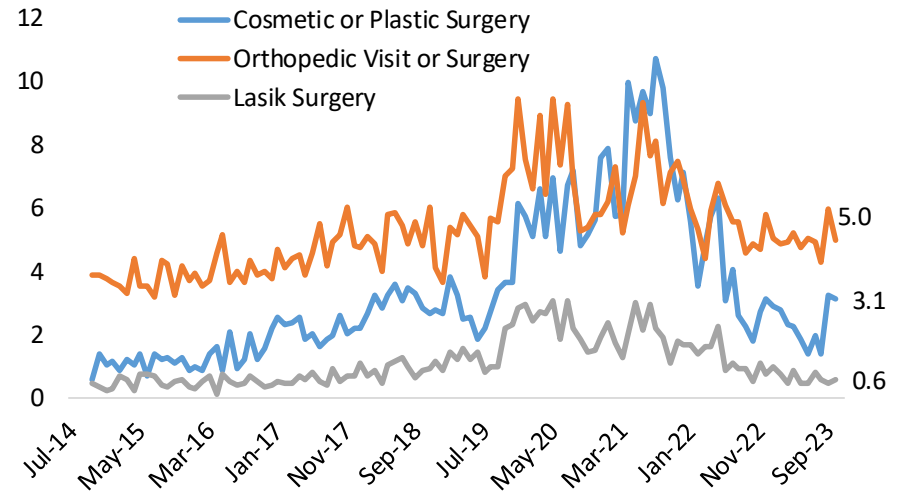1-3 months ago — 25.6

Note: Latest Datapoint is October 2023
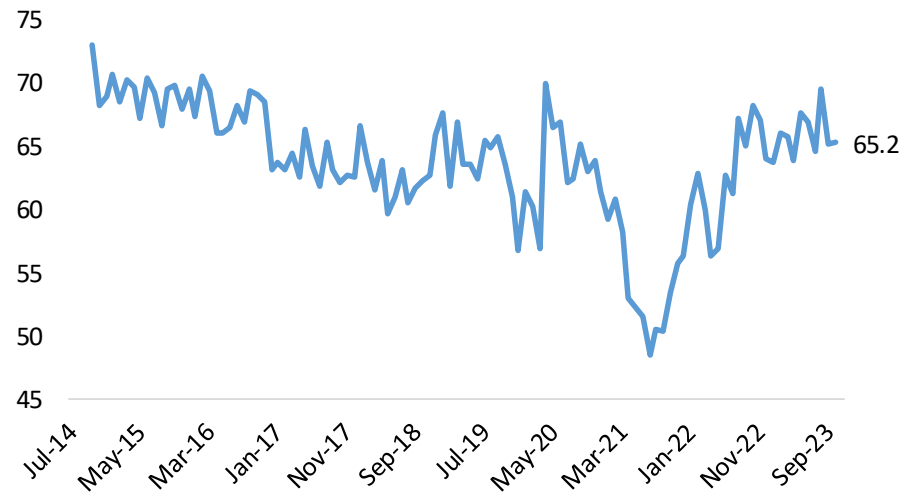
Healthcare Procedures

Dental Visit: Past Month (% Respondents)

26.1
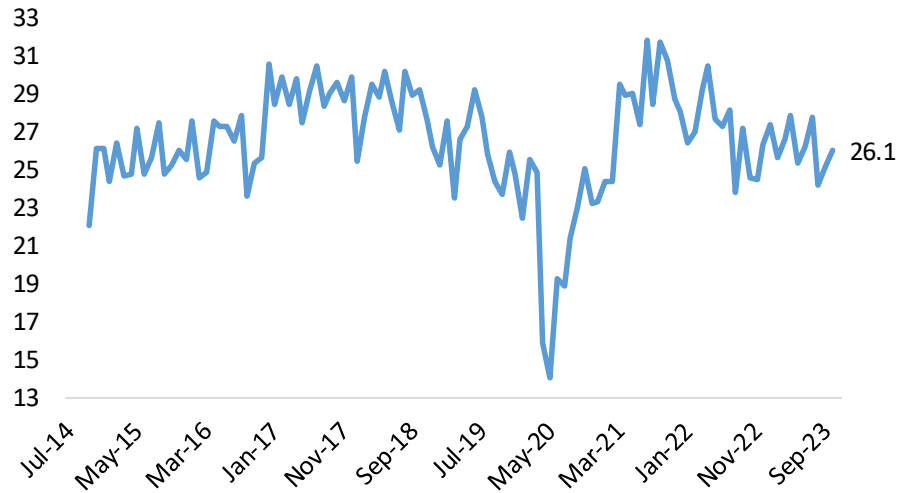
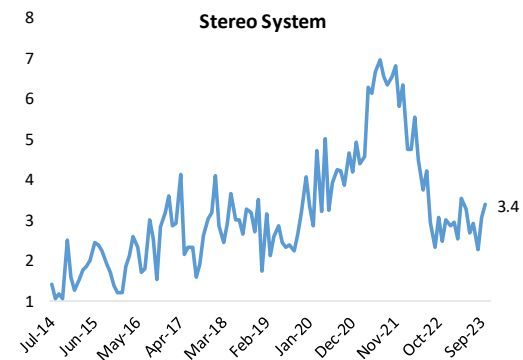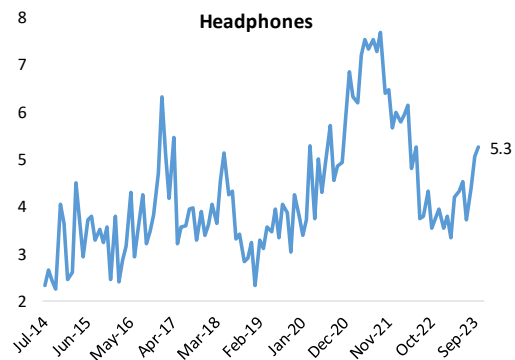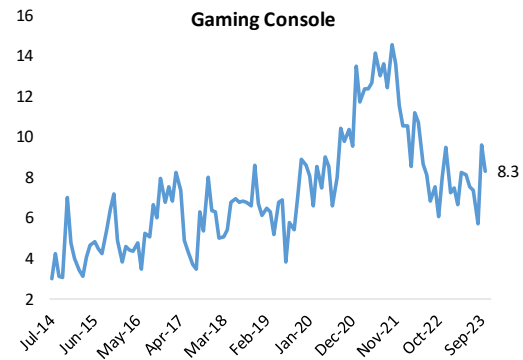### Elective Surgery: Past Month (% Respondents)

- Cosmetic or Plastic Surgery
- Orthopedic Visit or Surgery
- Lasik Surgery

5.0
3.1
0.6

None Of The Above: Past Month (% Respondents)

65.2

Note: Latest Datapoint is October 2023

Electronics – Plans to Purchase
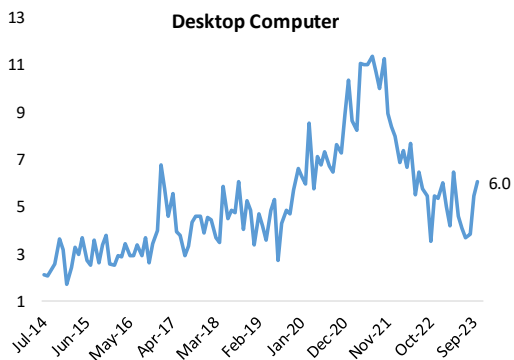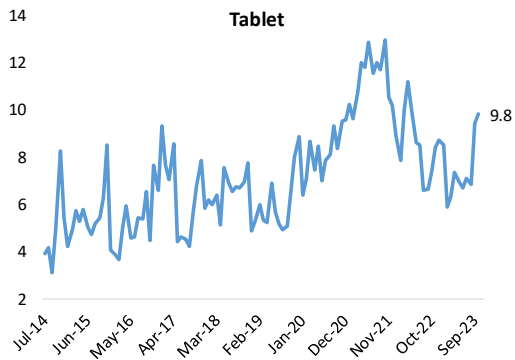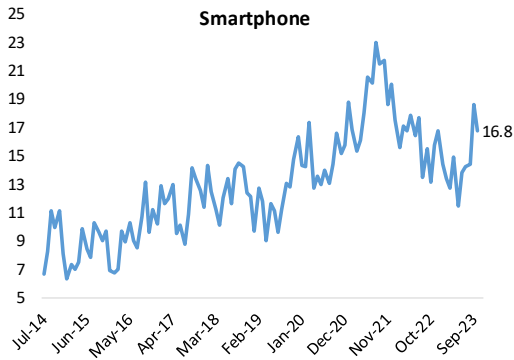
Note: Latest Datapoint is October 2023

eCommerce

Have Purchased Items During Past Month (% Respondents)

Legend: Amazon — Ebay — None of the above — Groupon — Overstock

Latest values: 71.7, 19.9, 17.5, 4.4, 4.2
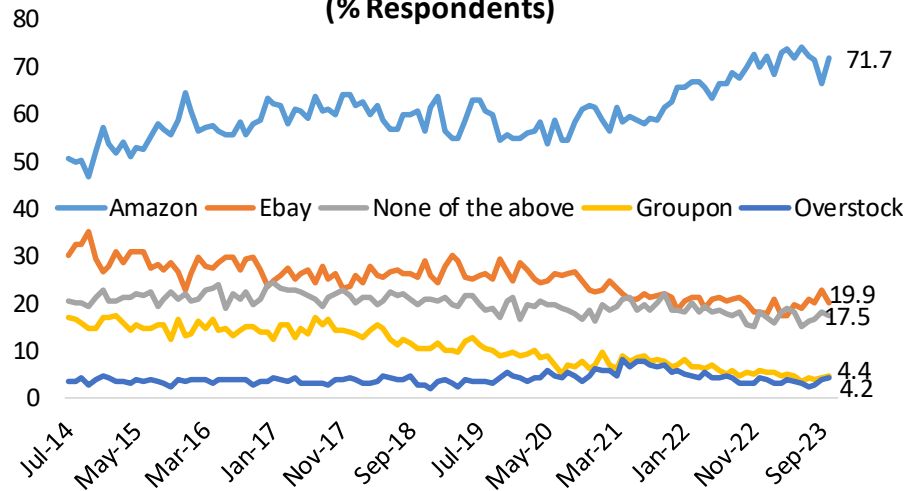
Purchased From Amazon In Past Month (Rolling 3m % By Income)
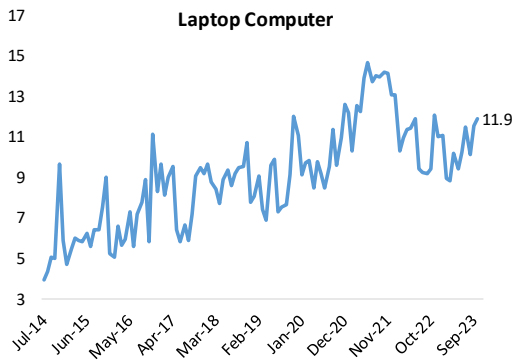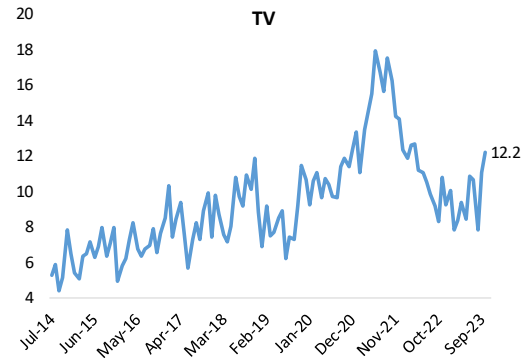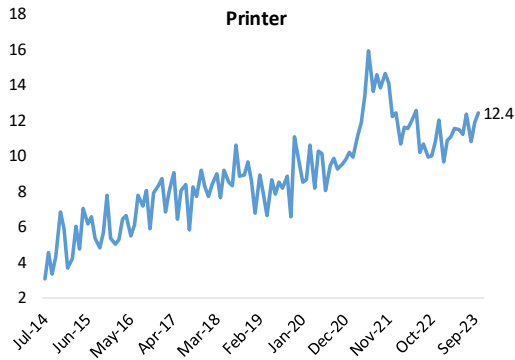
Legend: $0-$50k — $50-$100k — $100k-$200k — $200k+

Latest values: 80.3, 80.5, 74.3, 62.2
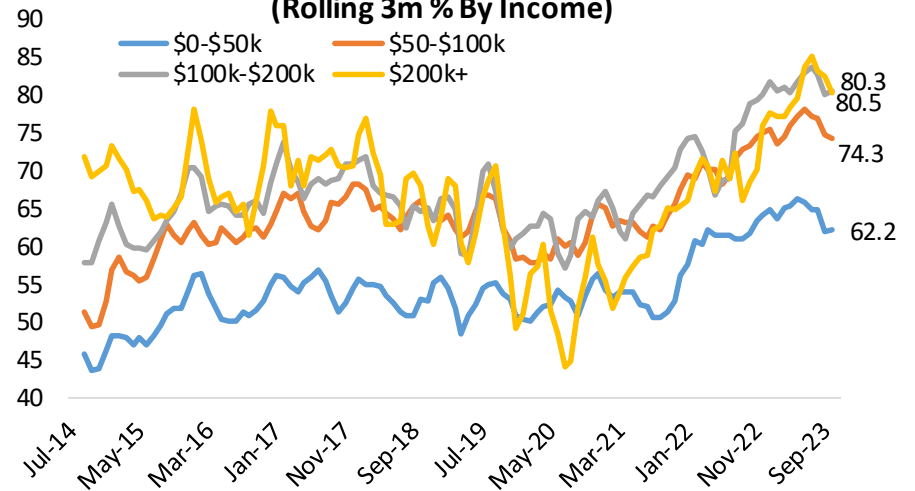
Purchased From Ebay In Past Month (Rolling 3m % By Income)

Legend: $0-$50k — $50-$100k — $100k-$200k — $200k+

Latest values: 25.6, 24.6, 18.1, 13.6
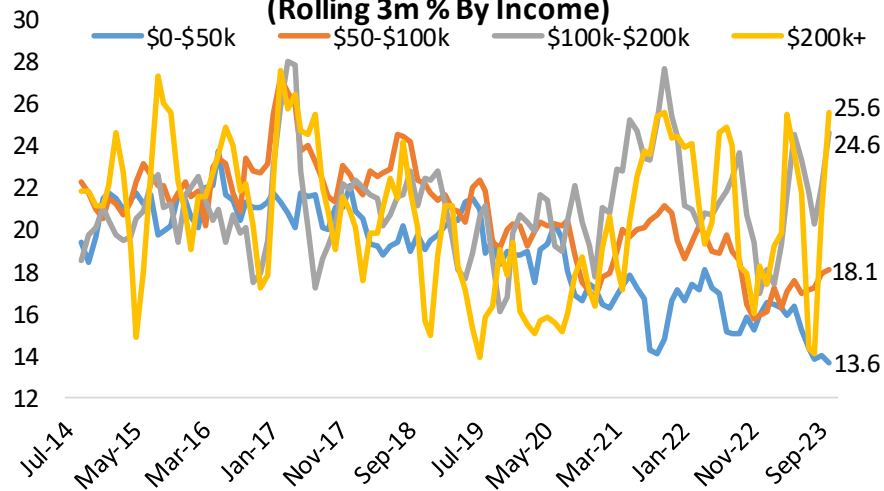
Purchased From Groupon In Past Month (Rolling 3m % By Income)

Legend: $0-$50k — $50-$100k — $100k-$200k — $200k+

Latest values: 9.4, 5.9, 5.5, 2.3
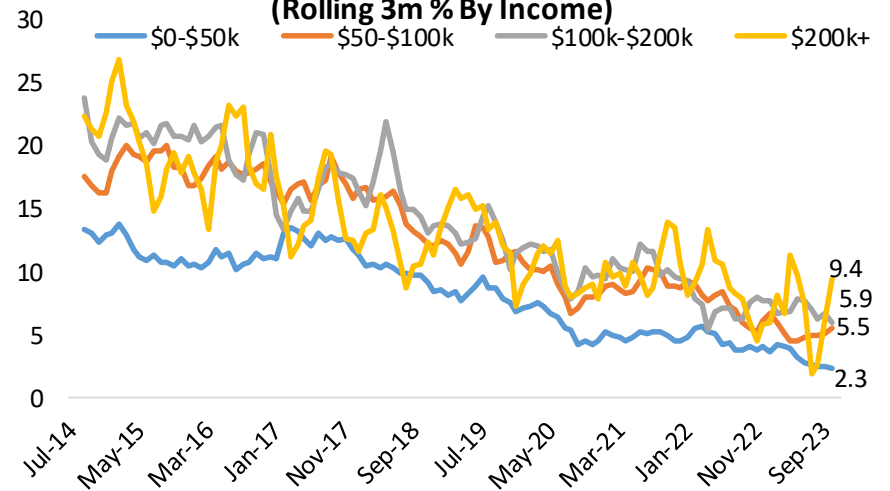
Note: Latest Datapoint is October 2023

Social Media

Social Media: Has Acccount, Majors (% Respondents)

Legend: Facebook, Instagram, TikTok, Snapchat

Values: 77.7, 58.9, 43.4, 36.3
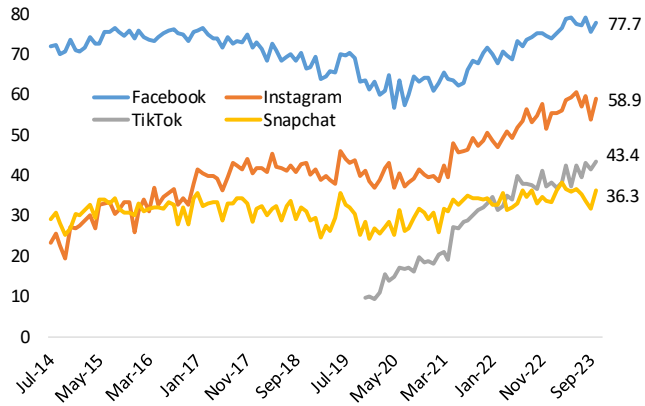
Social Media: Has Acccount, Minors (% Respondents)

Legend: Pinterest, Twitter, LinkedIn, WhatsApp, None of the above, Kik

Values: 35.2, 32.2, 28.4, 26.6, 6.6, 2.9
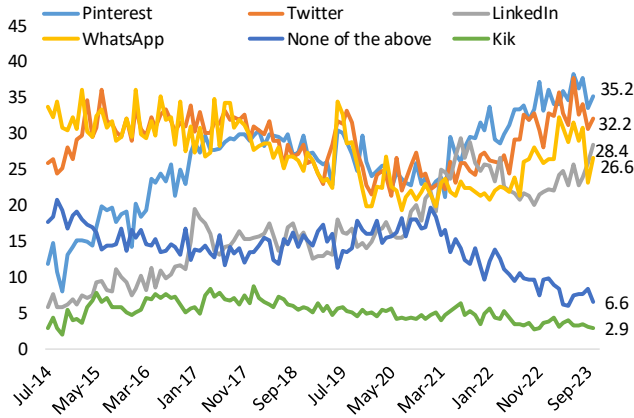
Social Media Websites: Which Two Do You Use Most Often? (% Respondents)

Legend: Facebook, Instagram, TikTok, Snapchat, Twitter

Values: 60.6, 35.0, 26.8, 15.7, 13.6
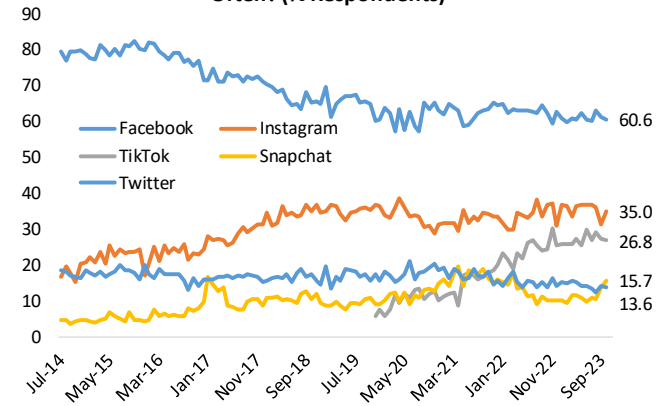
Has Facebook Account (% Respondents By Age Bracket)

Legend: 18-24, 25-34, 35-44, 45-54, 55-64, 75+

Values: 84.8, 83.0, 81.3, 78.0, 67.5, 65.5
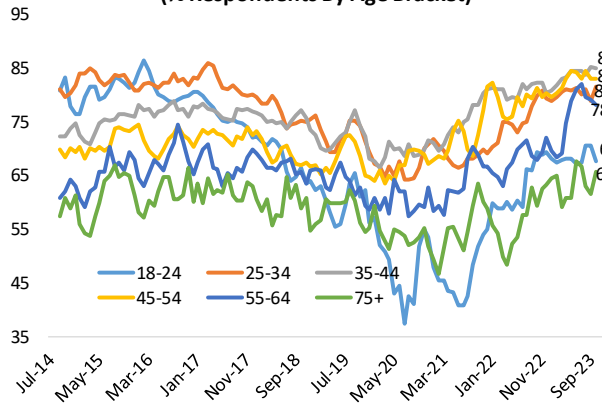
Has LinkedIn Account (% Respondents By Age Bracket)

Legend: 18-24, 25-34, 35-44, 45-54, 55-64, 75+

Values: 32.7, 30.3, 29.3, 29.2, 20.6, 16.6
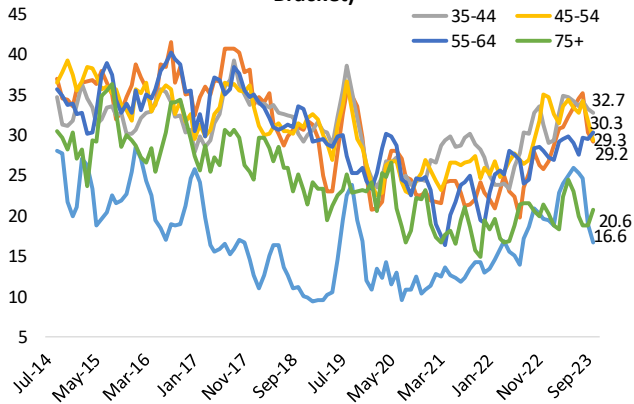
Has Twitter Account (% Respondents By Age Bracket)

Legend: 18-24, 25-34, 35-44, 45-54, 55-64, 75+

Values: 44.3, 41.5, 41.7, 30.6, 21.2, 15.1

Note: Latest Datapoint is October 2023

Source: Bespoke Market Intelligence Analysis
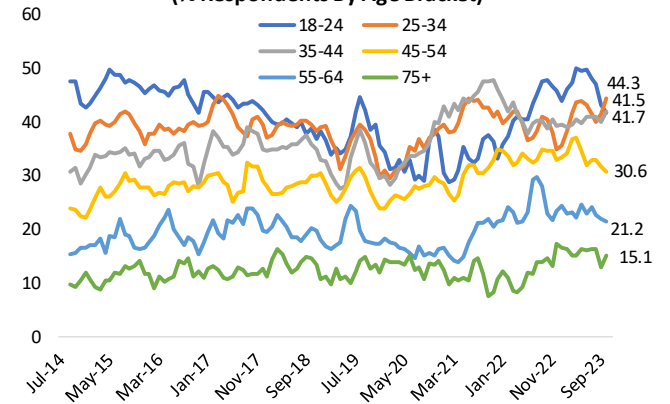
Home Improvement Retail

Have Purchased Items During Past Month (% Respondents)

Home Depot · Lowes · Walmart · Target · Sears · None

63.0
35.1
33.9
24.7
12.8
2.9

Jul-14 · Apr-15 · Jan-16 · Oct-16 · Jul-17 · Apr-18 · Jan-19 · Oct-19 · Jul-20 · Apr-21 · Jan-22 · Oct-22 · Jul-23
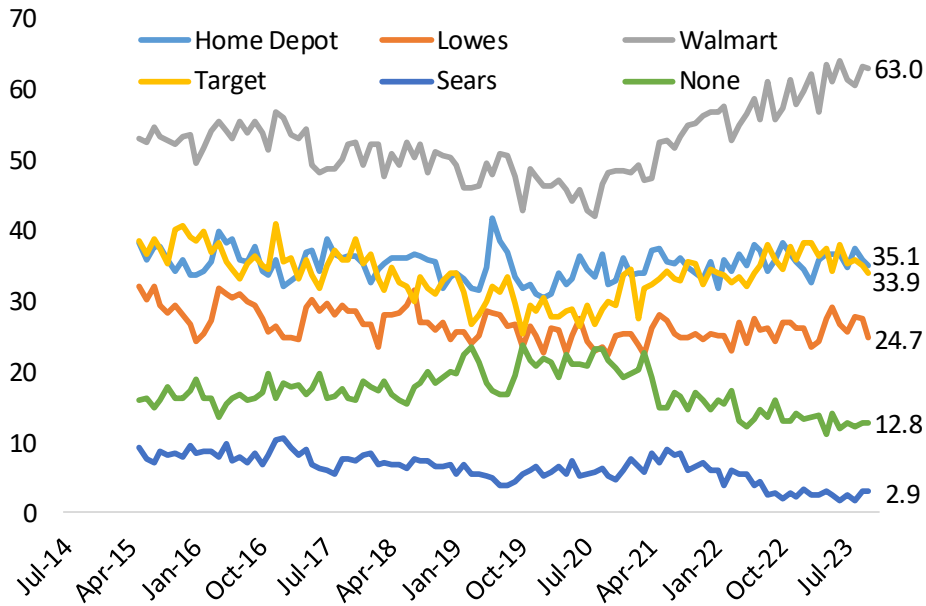
Have Purchased Items During Past Month (Rolling 3 Month % of Home Improvement Project Doers)

Home Depot · Lowes · Walmart · Target · Sears · None

63.8
54.3
44.4
35.1
5.5
3.7

Jul-14 · Apr-15 · Jan-16 · Oct-16 · Jul-17 · Apr-18 · Jan-19 · Oct-19 · Jul-20 · Apr-21 · Jan-22 · Oct-22 · Jul-23
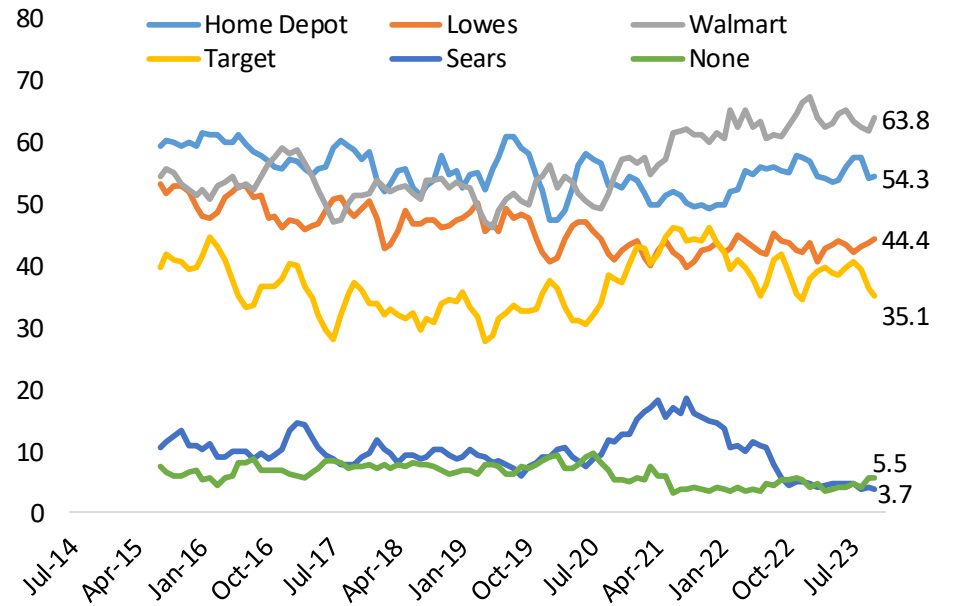
Note: Latest Datapoint is October 2023

Department Stores

Department Store Visits: Past Month (% Respondents)

Legend: None of the above, Macys, Kohls, JC Penney, Nordstrom, Dillards, Bloomingdales, Saks Fifth Avenue

Latest values: 55.3, 23.5, 20.7, 14.6, 10.5, 7.4, 5.4, 5.0
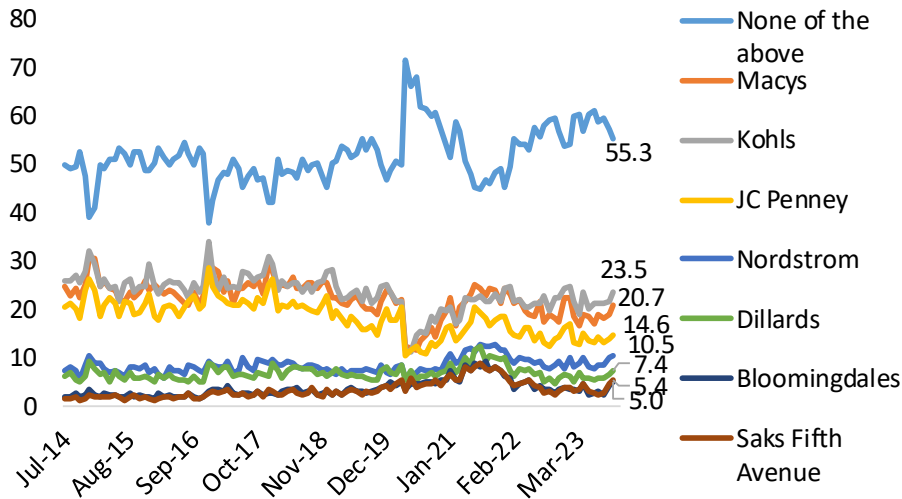
Department Store Website Visits: Past Month (% Respondents)

Legend: Macys, Kohls, JC Penney, Nordstrom, Dillards, Bloomingdales, Saks Fifth Avenue

Latest values: 20.1, 19.0, 15.6, 10.2, 7.2, 5.5, 5.0
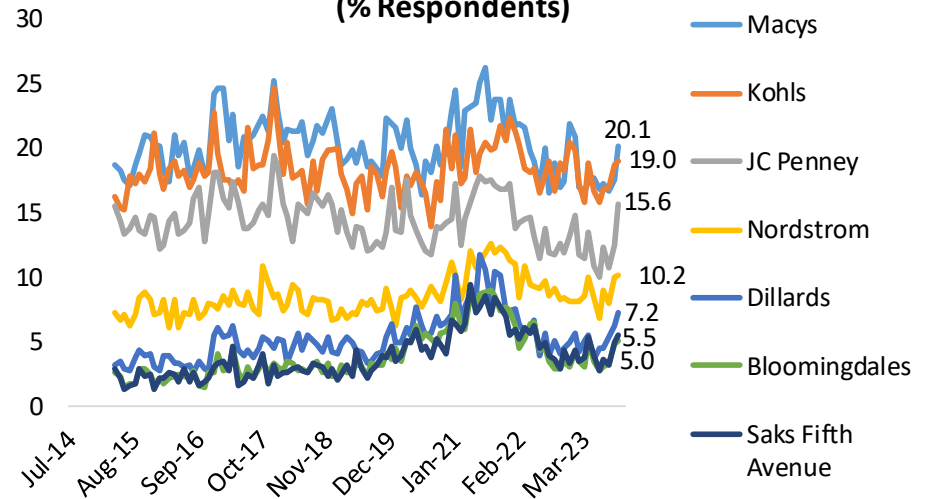
Department Store Visits This Month (3 Month Rolling % Respondents By Income)

	$0-$50k	$50k-$100k	$100k-$200k	>$200k
Macys	12.6	22.1	28.5	35.9
Kohls	16.6	23.7	29.7	39.9
JC Penney	12.1	14.9	16.0	17.9
Nordstrom	4.5	10.4	18.4	26.9
Dillards	4.4	7.3	9.5	11.7
Bloomingdales	1.6	3.9	7.9	10.8
Saks Fifth Avenue	1.8	3.8	9.8	13.0
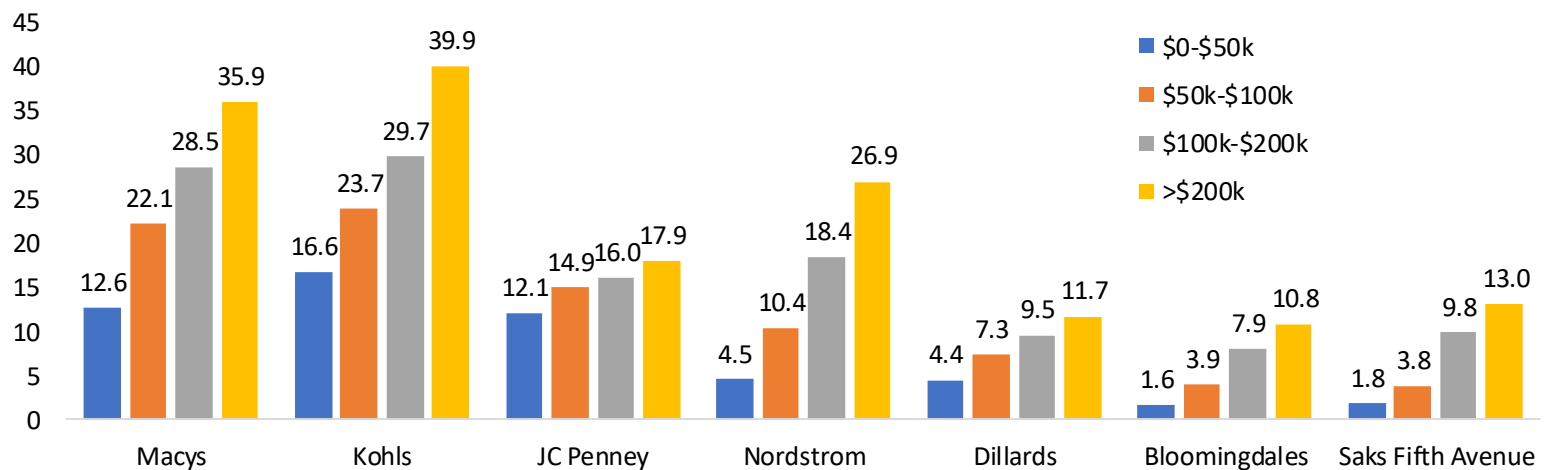
Note: Latest Datapoint is October 2023

Restaurants – Visited in Past Month
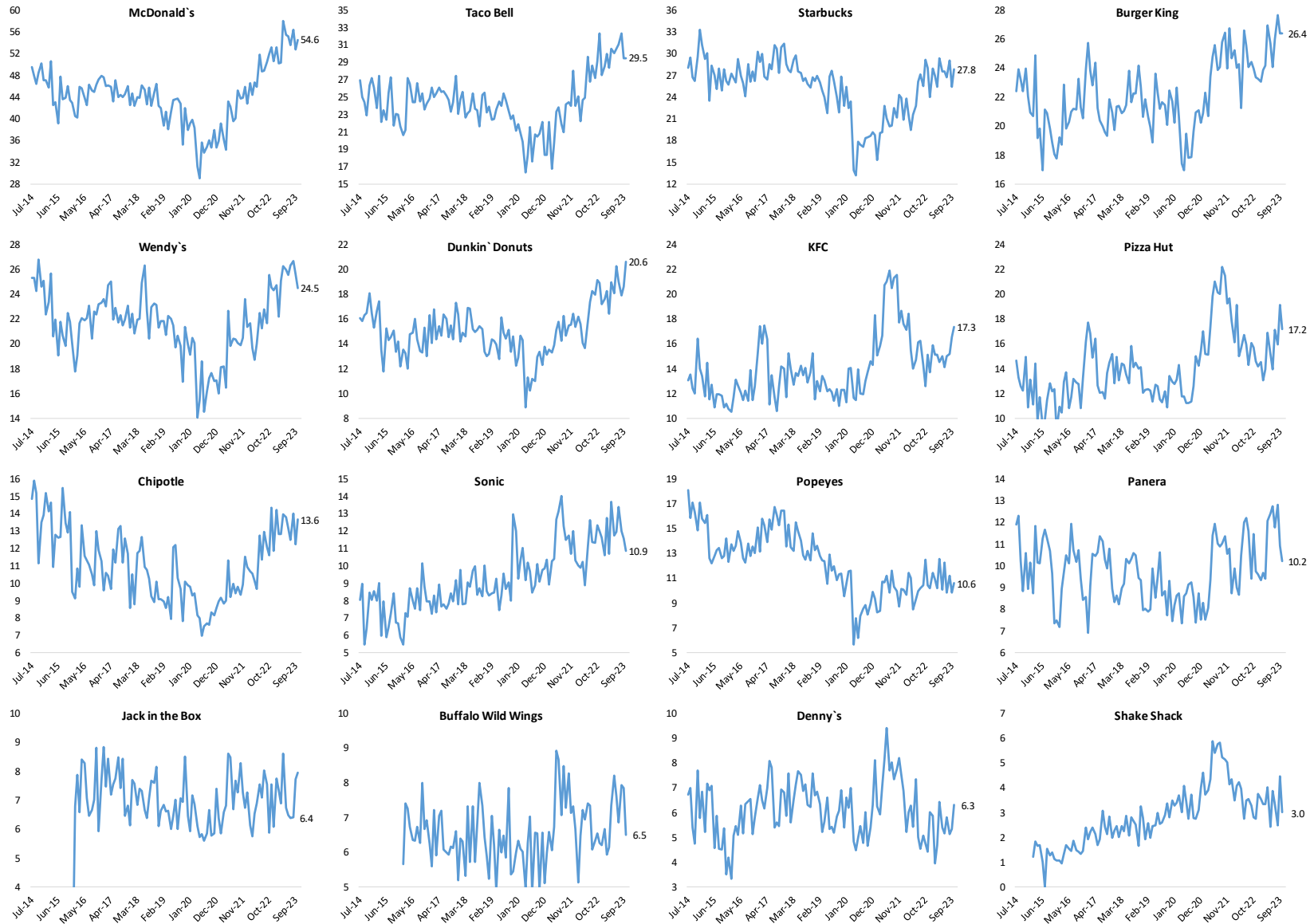
Note: Latest Datapoint is October 2023

Big Box Retail

Have Visited In The Past Month (% Respondents)

- Walmart — 73.9
- Target — 43.3
- Dollar Tree — 41.8
- Dollar General — 37.0
- Family Dollar — 24.3
- Five Below — 15.1

Visits During The Past Month: Households <$50k (Rolling 3m % Respondents)

- Walmart — 75.8
- Target — 48.8
- Dollar Tree — 43.1
- Dollar General — 32.7
- Family Dollar — 30.5
- Five Below — 15.2
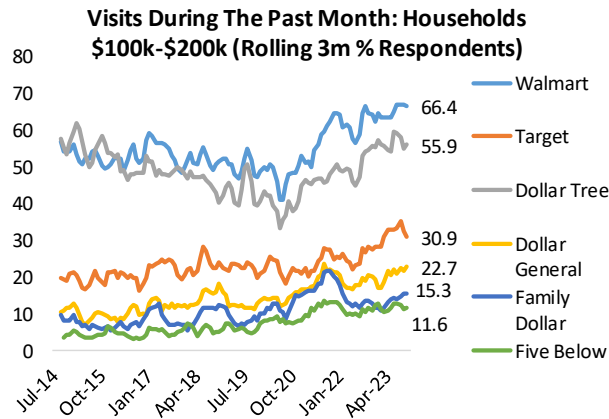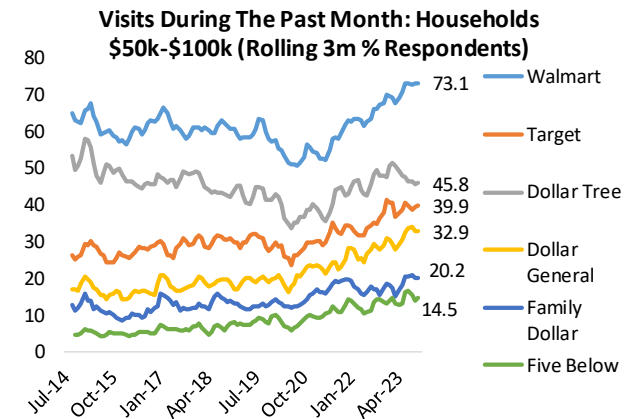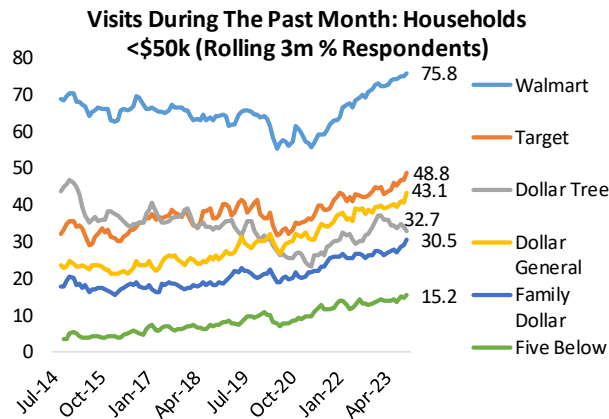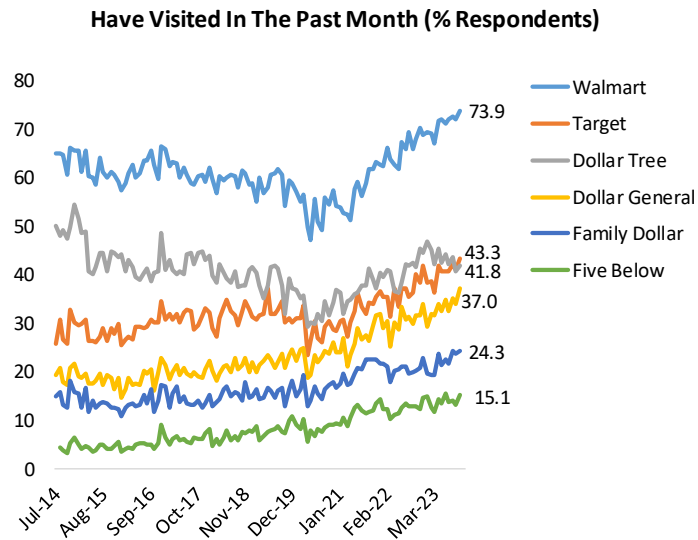
Visits During The Past Month: Households $50k-$100k (Rolling 3m % Respondents)

- Walmart — 73.1
- Target — 45.8
- Dollar Tree — 39.9
- Dollar General — 32.9
- Family Dollar — 20.2
- Five Below — 14.5

Visits During The Past Month: Households $100k-$200k (Rolling 3m % Respondents)

- Walmart — 66.4
- Target — 55.9
- Dollar Tree — 30.9
- Dollar General — 22.7
- Family Dollar — 15.3
- Five Below — 11.6

Visits During The Past Month: Households >$200k (Rolling 3m % Respondents)

- Walmart — 63.2
- Target — 63.2
- Dollar Tree — 29.1
- Dollar General — 18.4
- Family Dollar — 13.5
- Five Below — 9.4
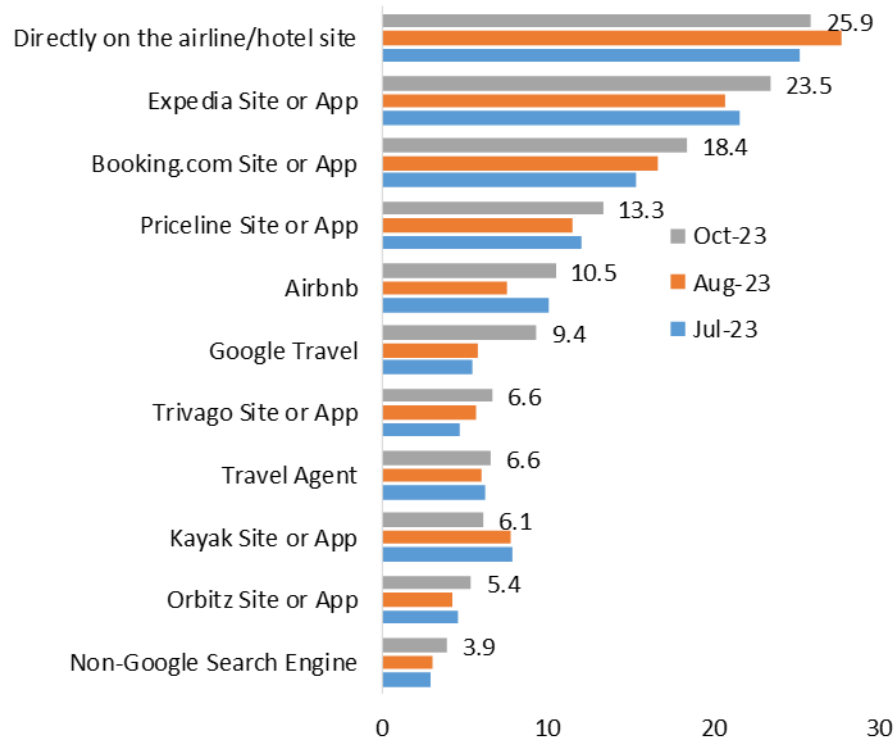
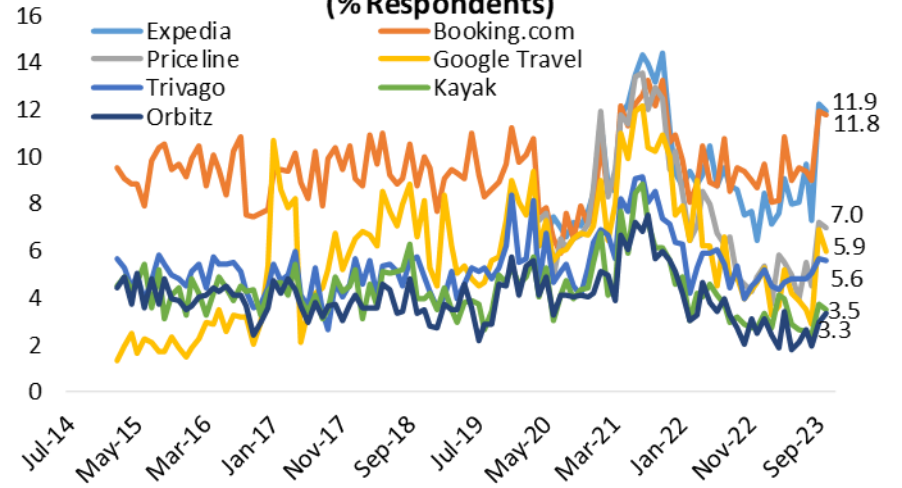Note: Latest Datapoint is October 2023

OTAs

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

Category	Oct-23
Directly on the airline/hotel site	25.9
Expedia Site or App	23.5
Booking.com Site or App	18.4
Priceline Site or App	13.3
Airbnb	10.5
Google Travel	9.4
Trivago Site or App	6.6
Travel Agent	6.6
Kayak Site or App	6.1
Orbitz Site or App	5.4
Non-Google Search Engine	3.9

Legend: Oct-23, Aug-23, Jul-23

Booked A Flight In Past Three Months (% Respondents)

Legend: Expedia, Booking.com, Priceline, Google Travel, Trivago, Kayak, Orbitz

Latest values: 11.9, 11.8, 7.0, 5.9, 5.6, 3.5, 3.3

Booked Hotel In Past Three Months (% Respondents)

Legend: Booking.com, Expedia, Priceline, Google Travel, Trivago, Kayak, Orbitz

Latest values: 13.5, 11.6, 7.3, 6.5, 6.2, 3.1, 3.1
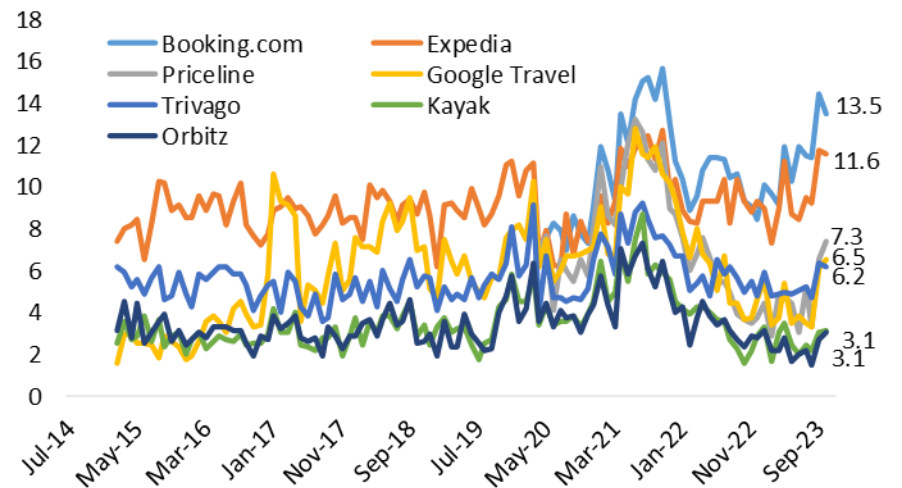
Note: Latest Datapoint is October 2023

Theme Parks

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

Legend:
- Disney World or Disney Land
- Six Flags
- Universal Studios
- Sea World
- Busch Gardens
- Cedar Point

End values: 16.1, 11.4, 10.9, 7.9, 7.2, 5.0

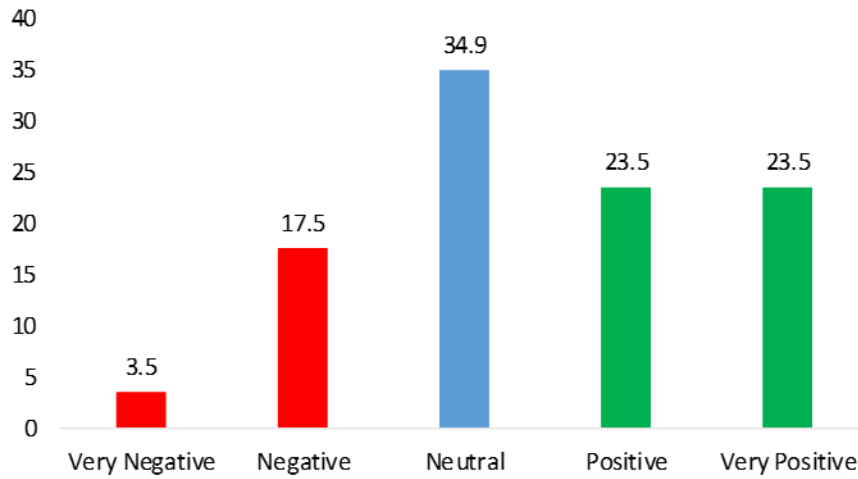X-axis: Jul-14, Apr-15, Jan-16, Oct-16, Jul-17, Apr-18, Jan-19, Oct-19, Jul-20, Apr-21, Jan-22, Oct-22, Jul-23
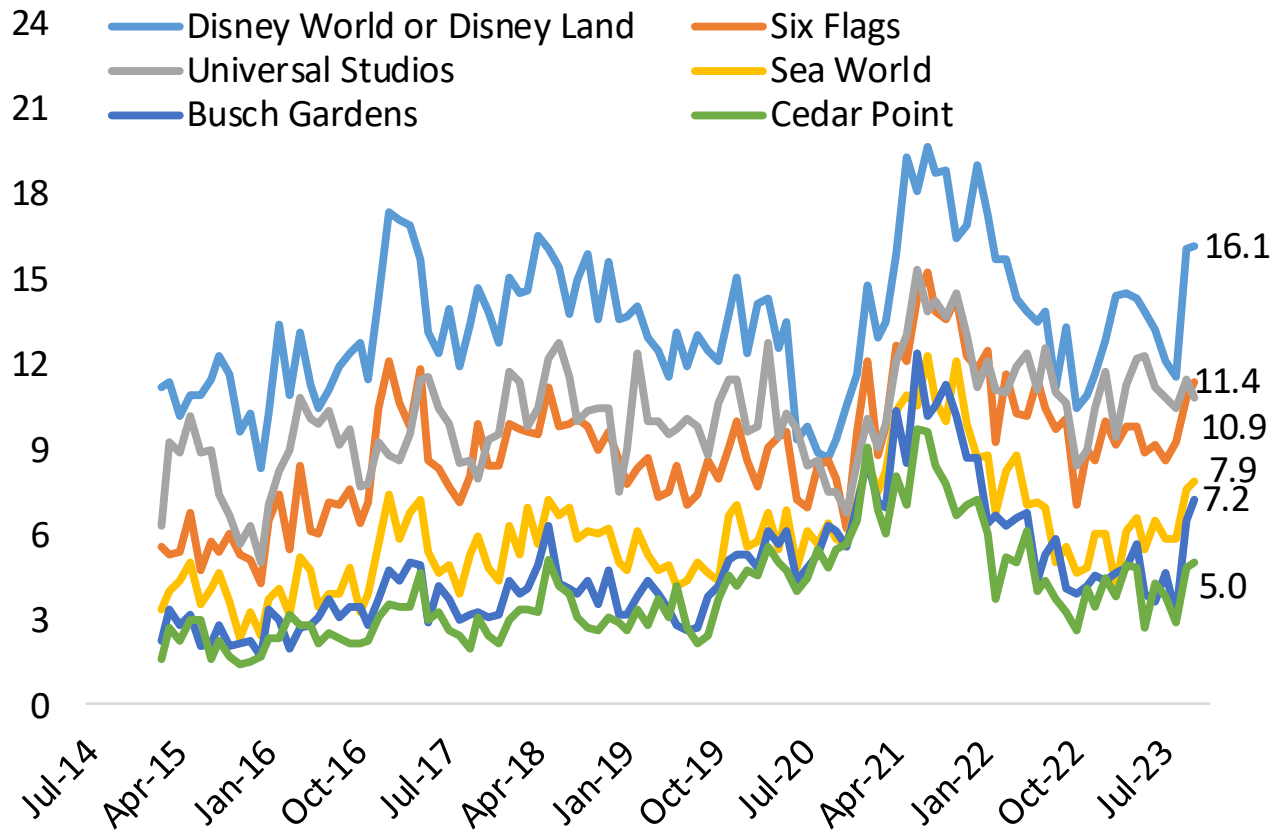
Note: Latest Datapoint is October 2023

Investors

Investor Stock Market View

Current View of Stock Market (%)

Current View of the Stock Market (Tracker)

Weighted Avg of:
5 - Very Positive
4 - Positive
3 - Neutral
2 - Negative
1 - Very Negative

3.38
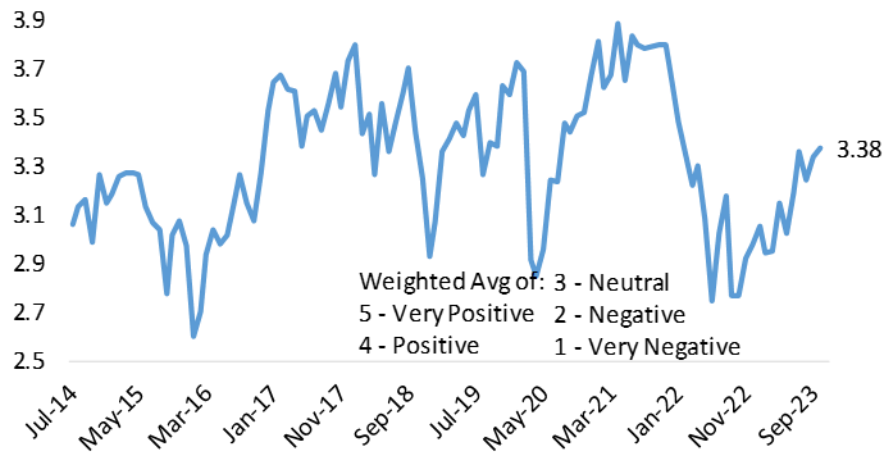
Do You Follow The Stock Market On A Regular Basis? (% Respondents)

63.8
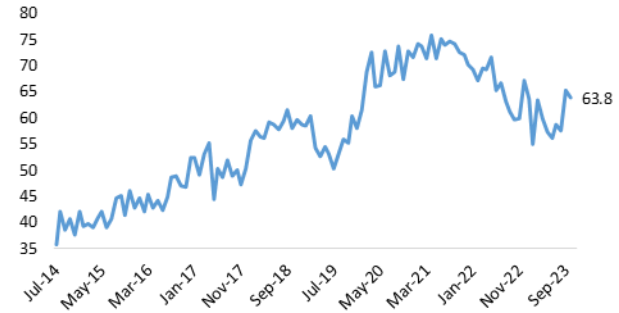
Invest In Stocks, Bonds, Commodities, Real Estate, or Other Financial Product? (% Respondents)
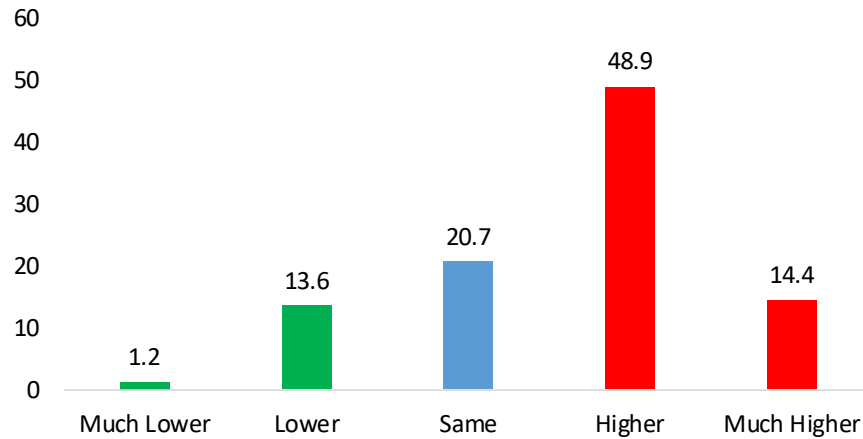

39.3
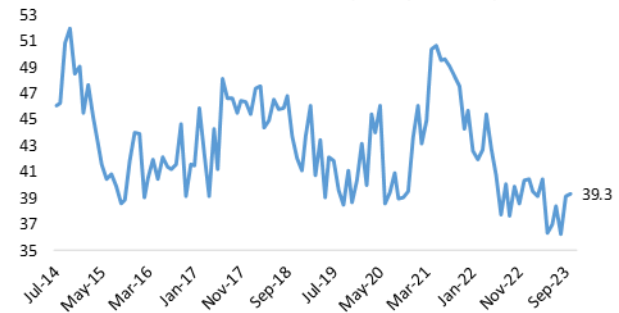
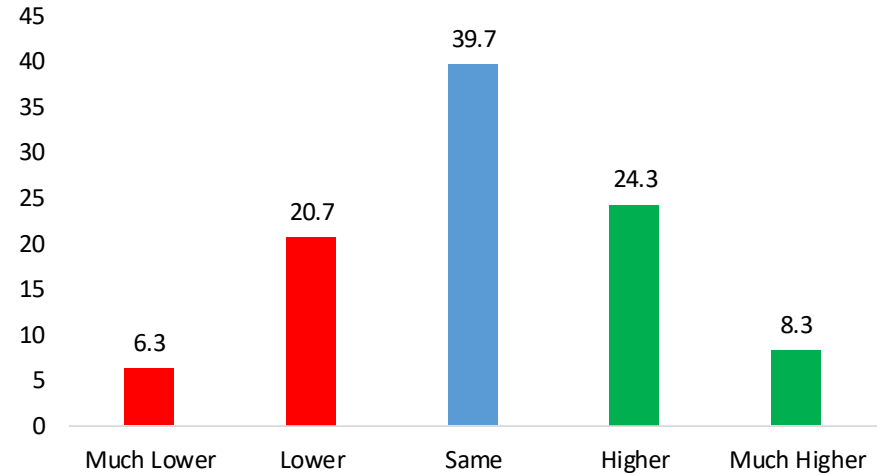**Do You Currently Have Any Investments In Gold (% Respondents)**

26.3

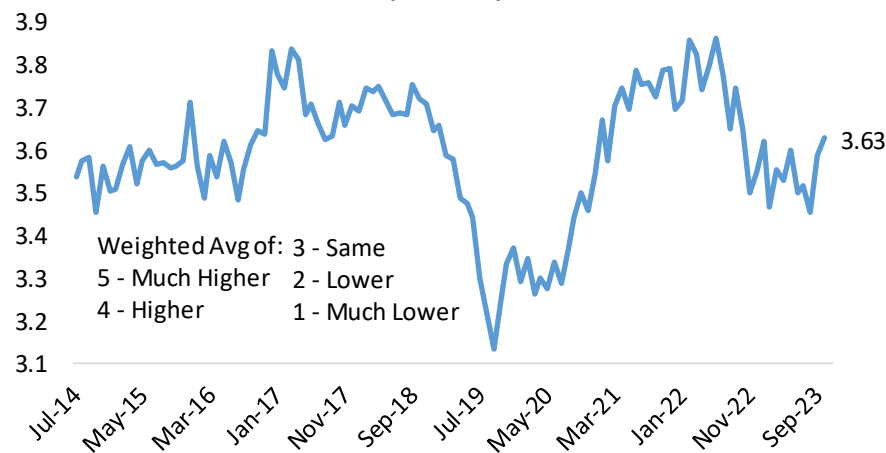Note: Latest Datapoint is October 2023

Investors: Interest Rates and Risk

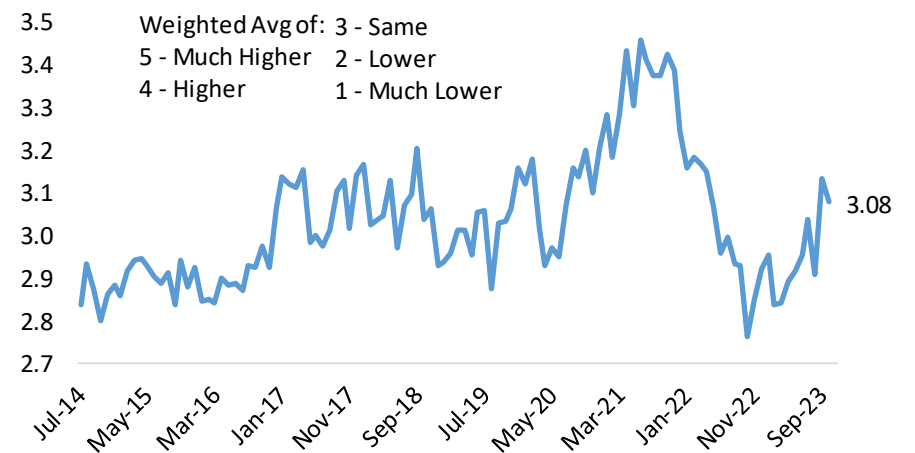### Expectations For Interest Rates One Year From Now (%)

	Much Lower	Lower	Same	Higher	Much Higher
Value	1.2	13.6	20.7	48.9	14.4

General Risk Tolerance Versus One Year Ago (%)

	Much Lower	Lower	Same	Higher	Much Higher
Value	6.3	20.7	39.7	24.3	8.3

Expectations for Interest Rates One Year From Now (Tracker)

Weighted Avg of: 3 - Same
5 - Much Higher   2 - Lower
4 - Higher   1 - Much Lower

3.63

General Risk Tolerance Versus One Year Ago (Tracker)

Weighted Avg of: 3 - Same
5 - Much Higher   2 - Lower
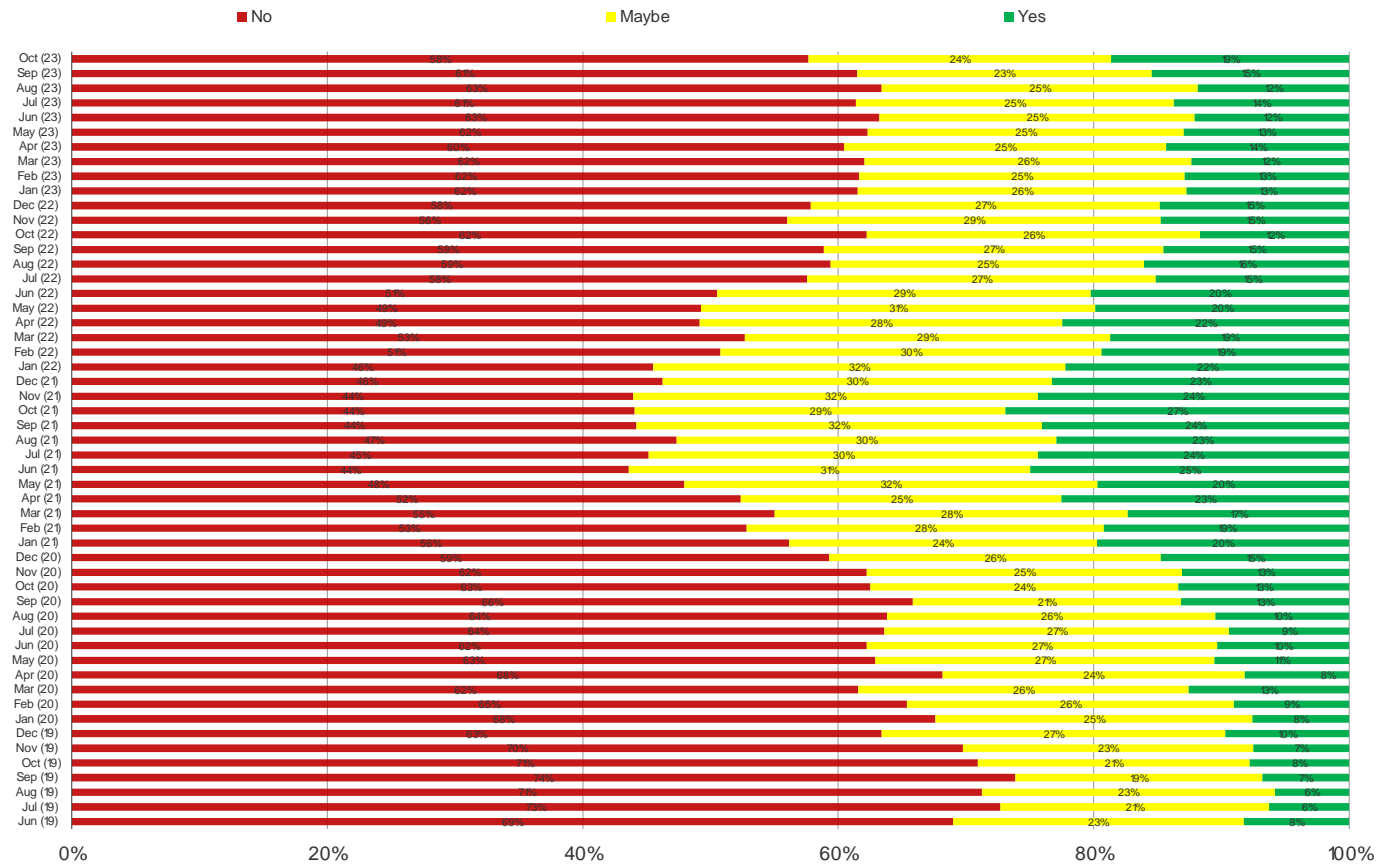4 - Higher   1 - Much Lower

3.08

Bitcoin

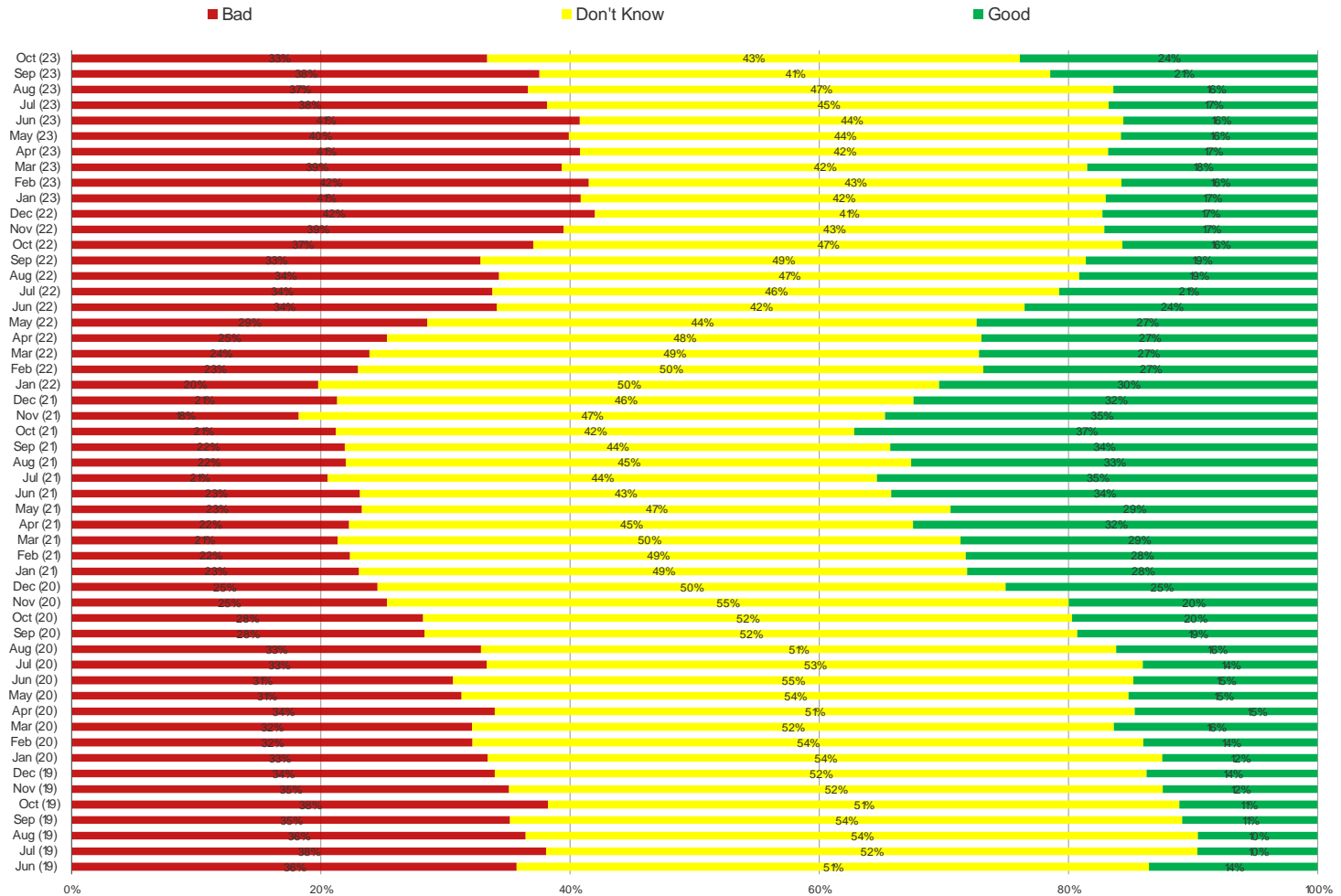## Percentage of Consumers Aware of Bitcoin
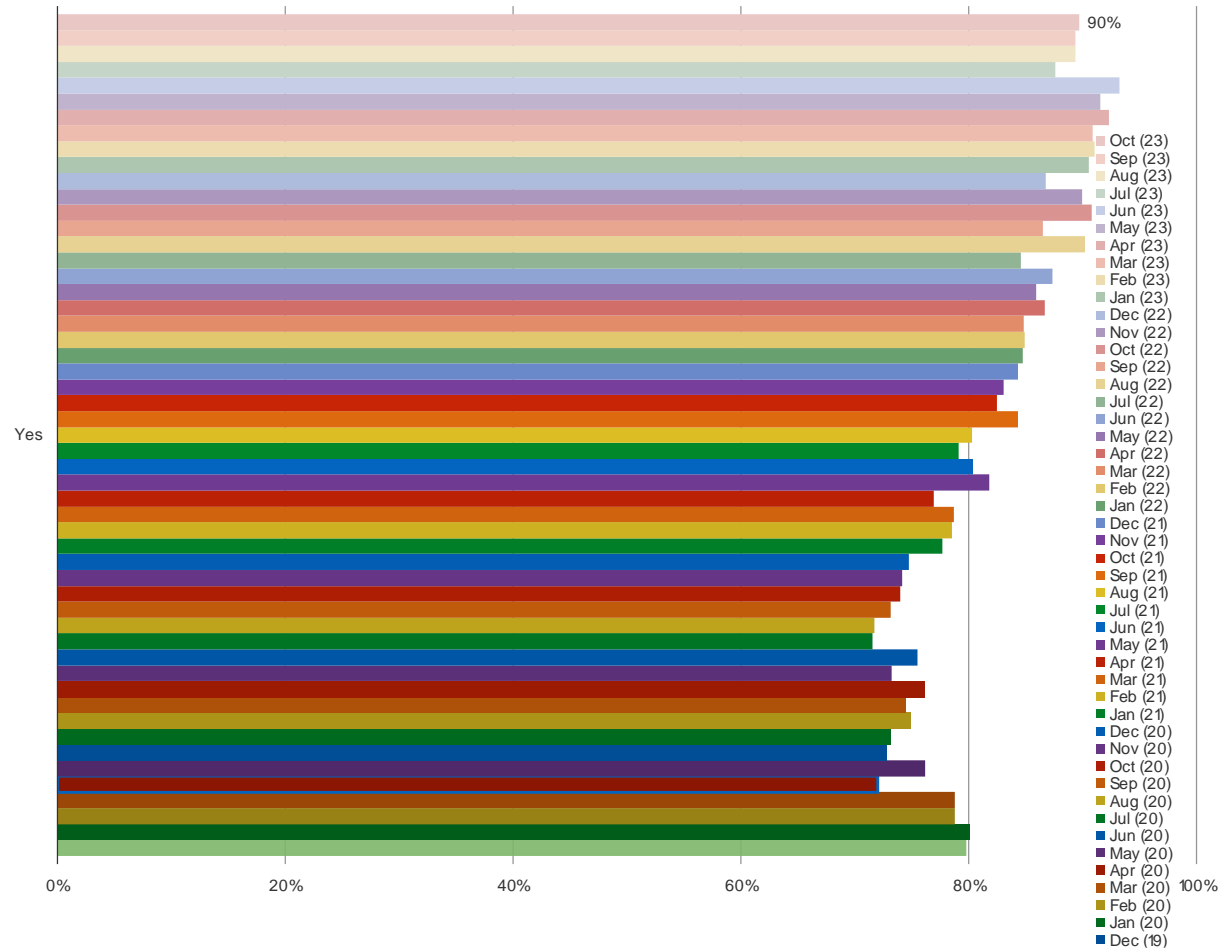
Note: Latest Datapoint is October 2023

Among those aware of Bitcoin: Do you have interest in buying Bitcoin?

■ No　　　　　　　■ Maybe　　　　　　　■ Yes

Note: Latest Datapoint is October 2023

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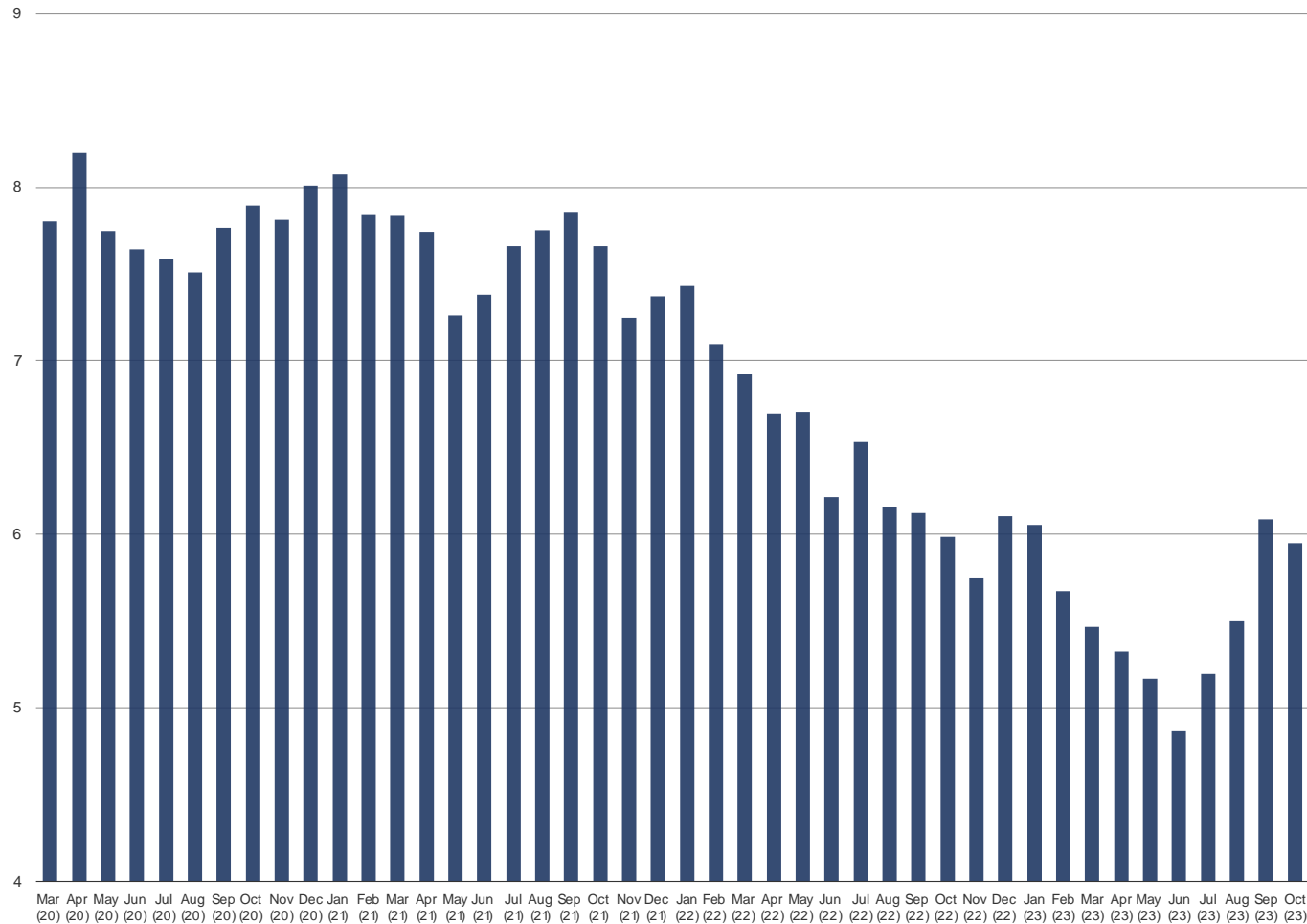

Note: Latest Datapoint is October 2023

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 October 2023