

BANK OF AMERICA SPENDSCAPE: Decoding 2023's Consumer Credit and Debit Card Spending Frontiers and the Road Ahead



In total, Bank of America clients spent the most on **groceries and warehouse club purchases** in 2023, followed by restaurant purchases and gas. December was the top spending month, followed by May and August.¹



Up, up and Away: Travel & Entertainment Spending

Total travel and entertainment spending was **up 7% compared to 2022**.¹

Travel and entertainment spend in 2023 comprised a higher share of Gen X and Boomers' total spending relative to other age groups, while **Gen Z and Millennials** experienced higher growth, with **spending up 10% year-over-year (YoY)**.

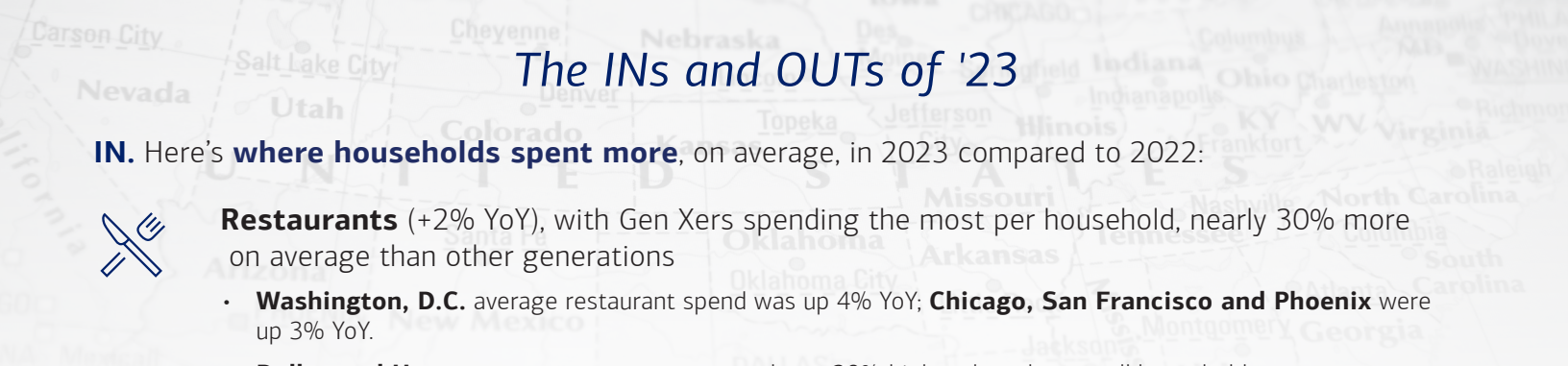


Entertainment: In-person entertainment spend, which includes event tickets and movies, saw a **7% increase compared to 2022**.



Travel: Overall, travel spending peaked in March and June, whereas international in-person spend peaked in June and July – relative to other months in 2023.

- **Europe was a top destination**, representing nearly 42% of all international spending, with **total spend in Europe up ~26% YoY in June and July**.



The INs and OUTs of '23

IN. Here's **where households spent more**, on average, in 2023 compared to 2022:



Restaurants (+2% YoY), with Gen Xers spending the most per household, nearly 30% more on average than other generations

- **Washington, D.C.** average restaurant spend was up 4% YoY; **Chicago, San Francisco and Phoenix** were up 3% YoY.
- **Dallas and Houston** average restaurant spend was 20% higher than the overall household average; **LA** was 8% higher



Fitness and grooming services (+3% YoY) including gyms, athletic clubs and personal grooming services, with Gen Xers spending the most per household relative to other generations

- **Boston & San Francisco** average spend in these categories was up 5% YoY; **LA and Chicago** were up 4% YoY.



Pets (+4% YoY), with Boomers spending the most per household, 2X more than Gen Zers, who spent the least in this category

- **Boston** average pet spend was up 8% YoY; **New York and Miami** were up 2% YoY.

OUT. Here's **where households spent less**, on average, in 2023 compared to 2022:



Gas (-8% YoY), with Boomers' average gas spend per household down -10%

- **Dallas and Phoenix** average gas spend was nearly 22% higher than the overall household average, while **New York, Boston and Miami** average gas spend was nearly 26% lower.



Electronics, furnishings and appliances (-9% YoY), however, Boomers saw a softer decline (-6% YoY) and spent more per household on average in this category than other generations

- **Boston** average spend in this category was ~18% higher than the overall household average; **San Francisco** was 13% higher; **Charlotte** was 10% higher.



Sporting and fitness goods (-4% YoY), however, Gen Z saw a softer decline in average spend per household (-2% YoY)

- **Charlotte** average spend in this category was ~18% higher than the overall household average; **Boston** was 14% higher.

Sprint to the Finish: Closing out the Year of the Resilient Consumer

Total credit & debit spend this holiday season (November and December) was **up 3% over last year**, and **December was the top spending month in 2023**.



- Average spending **per household on holiday items**² during this period was **up 1% YoY**.
- Baby Boomers were stronger holiday spenders this year compared to younger generations.



What's in Store for 2024? The Year of Flexing Financial Wellness



In a recent survey, Bank of America asked Americans to share their **financial resolutions for 2024**.³ Here's what we learned:

A majority of Americans (81%) have financial resolutions for 2024.

The **top three resolutions** include:

- Increasing savings: 45%
- Paying off credit cards: 30%
- Travel/vacation: 29%
 - **Gen Z** (31%) and **Millennials** (36%) were more likely to include travel/vacation in their 2024 financial resolutions than other generations.



Americans are planning to **prioritize spending in the following categories** in 2024:

- Groceries: 51%
- Wellness: 35%
 - **Gen Z** (54%) is planning to **prioritize spending on wellness** more than any other generation.
- Home improvement/furnishings: 31%



Americans are planning to **deprioritize spending in the following categories** in 2024:

- Dining/take out: 42%
- Social events: 36%
- Shopping: 35%

1. Based on an aggregate/total spend basis.

2. Holiday items are defined as those on which spending in the November-December period is at least 20% of total annual spending on the category.

3. The Bank of America 2023 Winter Omnibus survey was conducted online between October 19, 2023 and November 2, 2023. The survey consisted of 2,004 respondents throughout the U.S. Respondents in the study were aged 18+ and were representative of the composition of the US Census for age, gender, household income and Census region.

Methodology

The data used is not comprehensive; it is based on aggregated and anonymized selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available. Data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions. The data are mapped using proprietary methods from the Merchant Categorization Codes (MCCs) to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs. Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Spending from corporate cards are excluded. Average spend per household represents debit and credit spend for households who owned a checking account all 12 months in the calendar year. Where reference is made to cities the data refers to the area defined by the relevant Metropolitan Statistical Area. Additional information about the methodology used to aggregate the data is available upon request.

Generations are defined as follows: Gen Z, born after 1995; Younger Millennials: born between 1989-1995; Older Millennials: born between 1978-1988; Gen Xers: born between 1965-1977; Baby Boomer: 1946-1964; Traditionalists: pre-1946.

Disclosure

These materials have been prepared by Bank of America Institute and are provided to you for general information purposes only. To the extent these materials reference Bank of America data, such materials are not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial conditions or performance of Bank of America. Bank of America Institute is a think tank dedicated to uncovering powerful insights that move business and society forward.