

Economy

April showers haven't dampened spending yet

24 April 2025

Key takeaways

- Consumer spending momentum was positive, but moderated, in March, according to Bank of America aggregated credit and debit card data. But has increased economic uncertainty and the equity market sell-off dampened spending in April? It appears not so far.
- Total card spending growth has remained robust over the first three weeks of April. Some of this strength reflects spending on durables, which has also continued into this month. Auto loan applications and a proxy for purchases, highlights that vehicles were a particular "buy ahead" focus.
- The sell-off in equity markets appears to have had few "wealth effects" yet, with the top 5% of households showing no signs of a pullback in spending. That said, it's early days, and these impacts are likely to come through slowly.

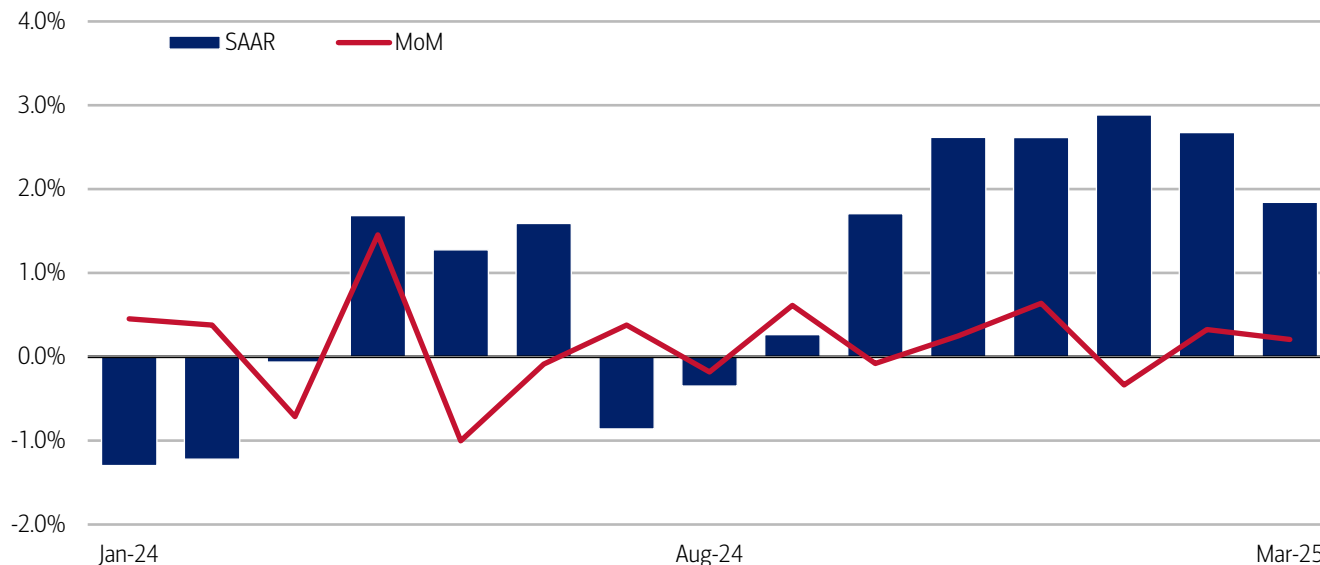
Consumers showed some momentum heading into April

As discussed in our [April Consumer Checkpoint](#), consumer spending growth showed positive momentum through the end of March, with credit and debit card spending up 1.1% YoY (year-over-year) in March. And the three-month seasonally adjusted annualized rate (SAAR) of growth was 1.8% (Exhibit 1).

With measures of economic uncertainty rising significantly over the past few months amid the imposition of tariffs and the equity market sell-off, it makes sense to keep a very close eye on how the consumer is reacting.

Exhibit 1: Consumers continued to show moderate forward momentum, with spending up 1.8% on an annualized basis in March 2025

Total credit and debit card spending growth per household, based on Bank of America card data (monthly, month-over-month (MoM) %, seasonally adjusted (SA)) and (3-month moving average, SAAR, SA)



Source: Bank of America internal data

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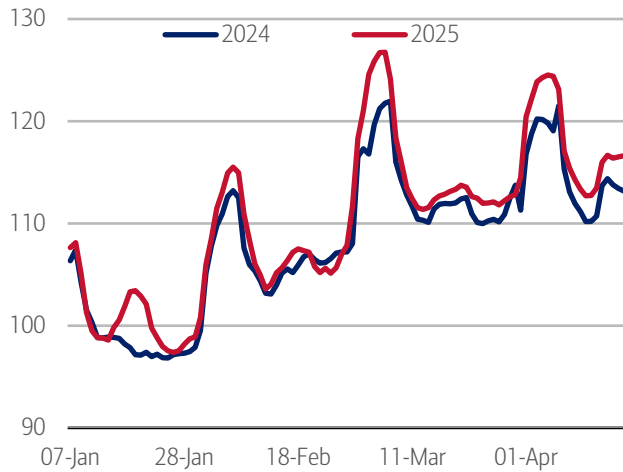
But the sun is still shining through mid-April

What do we see in April? So far, Bank of America card data through April 19 suggests that consumers are continuing to spend at a healthy rate, with spending up YoY throughout most of the month (Exhibit 2). In the week ending April 19, total card spending per household was up 3.1% YoY, with the YoY partly being boosted by the later timing of Easter this year.

Exhibit 2: Consumer spending continued to grow YoY from

the beginning to the middle of April

Total credit and debit card spending, based on Bank of America data (7-day moving average, index January 2024 average = 100)

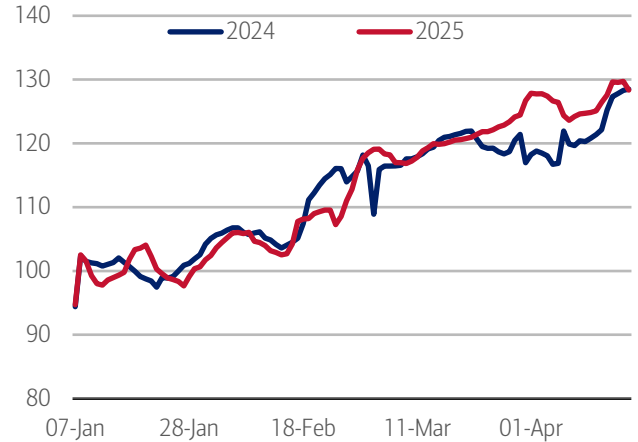


Source: Bank of America internal data

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Exhibit 3: Over most of April, durables spending appears strong

Total credit and debit card spending on durables*, based on Bank of America data (7-day moving average, index January 2024 average = 100)



Source: Bank of America internal data. *Durables proxy is based on furniture, building materials, electronics, and auto parts.

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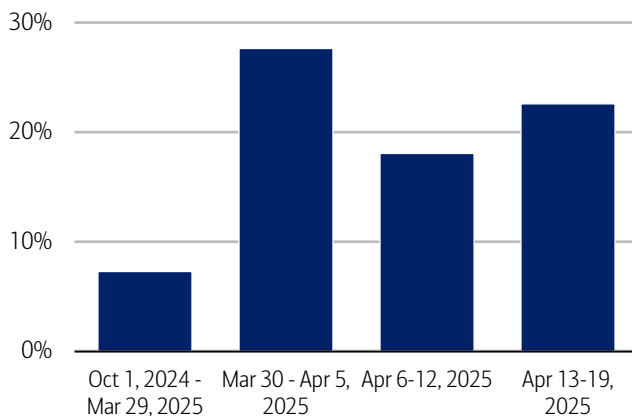
Two big questions

Are consumers still “buying ahead” of tariffs?

Our [April Consumer Checkpoint](#) found evidence that consumer card spending on “durables” (proxied by spending on furniture, electronics, auto parts and building materials) had risen significantly in March, suggesting that consumers were bringing forward some spending on items where they thought prices might rise as a result of tariffs. And it appears that strong durables spending has continued over most of April so far (Exhibit 3), though the recent week of April 12-19 suggests some levelling off in the YoY rate of growth may now be in progress. However, an important caveat is that with Good Friday on April 18 (compared to March 29 last year), the timing of Easter may have impacted sales.

Exhibit 4: Consumer vehicle loan applications for Bank of America auto loans remained strong over April

Average daily consumer vehicle loan applications for different time periods (daily, YoY%)

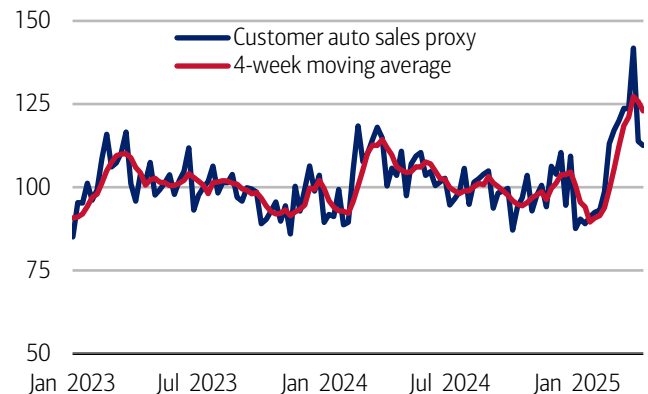


Source: Bank of America internal data

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Exhibit 5: A proxy for vehicle sales shows continued strength in April

The number of large* customer auto payments (weekly, 2023=100)



Source: Bank of America internal data *Large payments are those over \$2000 and where no payment greater than \$600 has been observed in the previous two months. Data is across payment channels. (credit and debit, ACH, Wire).

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It could also be that for some products, consumers may feel they still have more time to “beat” any increase in price, especially given the 90-day delay for countries (other than China) for the full reciprocal tariffs. Additionally, some electronics such as smartphones are subject to exemptions.

But for autos, a 25% tariff has been in place since April 3 on imported vehicles, and we noted in the April Checkpoint that cars appear to show the most pronounced signs of “buying ahead” as consumers attempt to buy up vehicle inventory on dealers’ lots. Bank of America internal data on consumer vehicle loan (CVL) applications showed a surge in loan applications at the end of March as the auto tariffs were announced. Updating this data for the first three weeks of April it appears this surge has continued (Exhibit 4).

More broadly, we see similar evidence looking at weekly data on the number of Bank of America customers making large payments (above \$2,000) to auto firms and vehicle finance providers as a proxy for vehicle sales. These large payments likely reflect initial down payments on vehicles and showed a similar surge in late March. And while there appears to have been some pullback in April (data through to April 18), this sales proxy remains elevated (Exhibit 5).

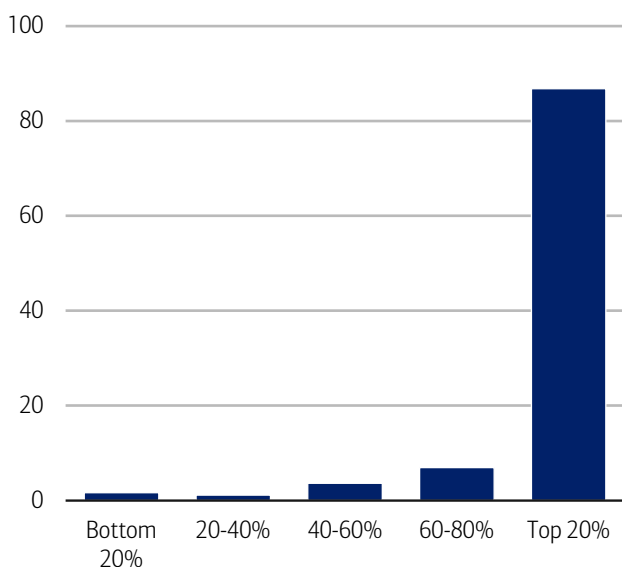
Is spending being impacted by the equity market sell-off?

The ownership of equities is skewed towards households with higher incomes. In fact, the top 20% of households by income accounted for almost 90% of ownership of corporate equities and mutual funds in 2024 Q4 (Exhibit 6). So, it’s likely that these households would be the most susceptible to potential wealth effects from the decline in the equity market over March and April.

So far, however, we see little evidence that higher-income households are adjusting their spending any more than others. Exhibit 7 demonstrates that both card spending for the top income tercile and the highest 5% of households by income has not shown signs of softening relative to overall spending.

Exhibit 6: Higher-income households own around 90% of all corporate equities and mutual funds

Ownership share of corporate equities and mutual funds by income quintile (fourth quarter 2024, %)

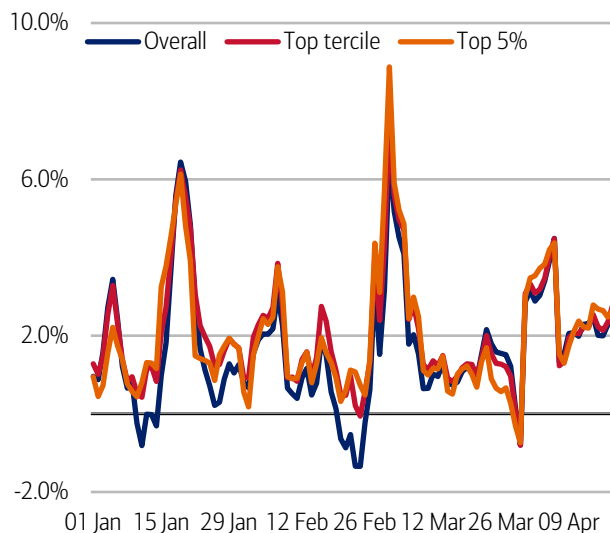


Source: Board of Governors of the Federal Reserve System

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Exhibit 7: Spending growth has not weakened among the highest-income households

Total credit and debit card spending, based on Bank of America data, overall, top tercile and top 5% (YoY change in the 7-day moving average of daily spending, YoY%)



Source: Bank of America internal data.

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In our view, this isn’t particularly surprising, as wealth effects likely impact consumer spending only gradually and only if the equity market sell-off is sustained for some time. Still, the eventual ending of the current support to overall consumer spending from buying ahead, alongside falls in consumer confidence and declines in equity markets, all necessitate keeping a careful eye on how the consumer is faring.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. 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.

Any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash, and checks.

Any **Small Business** payments data represents aggregate spend from Small Business clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Small Business client data represents activity spending from active Small Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and generally defined as under \$5mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The differences between the total and per household card spending growth rate (if discussed) can be explained by the following reasons:

1. Overall total card spending growth is partially boosted by the growth in the number of active cardholders in our sample. This could be due to an increasing customer base or inactive customers using their cards more frequently.
2. Per household card spending growth only looks at households that complete at least five transactions with Bank of America cards in the month. Per household spending growth isolates impacts from a changing sample size, which could be unrelated to underlying economic momentum, and potential spending volatility from less active users.
3. Overall total card spending includes small business card spending while per household card spending does not.
4. Differences due to using processing dates (total card spending) versus transaction date (per household card spending).
5. Other differences including household formations due to young adults moving in and out of their parent's houses during COVID.

Any household consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level. Whenever median household savings and checking balances are quoted, the data is based on a fixed cohort of households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through the most current month of data shown.

Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the 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.

We consider a measure of services necessity spending that includes but is not limited to childcare, rent, insurance, insurance, public transportation, and tax payments. Discretionary services includes but is not limited to charitable donations, leisure travel, entertainment, and professional/consumer services. Holiday spending is defined as items in which spending in the November-December period is usually at least 20% of total annual spending on the category.

For analysis looking at higher value transactions (including durables), we consider a value per transaction threshold estimated with reference to the top 30% of transactions by value in 2024. The share of higher value transactions is then the number of transactions above this threshold as a percentage of total transactions over time.

Lower, middle and higher household income cuts in Bank of America credit and debit card spending per household, and consumer deposit account data are based on quantitative estimates of each households' income. These quantitative estimates are bucketed according to terciles, with a third of households placed in each tercile periodically. The lowest tercile represents 'lower income', the middle tercile represents 'middle income' and the highest tercile 'higher income'. The income thresholds between

these terciles will move over time, reflecting any number of factors that impact income, including general wage inflation, changes in social security payments and individual households' income. The income and tercile in which a household is categorised are periodically re-assessed.

Overall 30-day delinquency rates are derived by taking the amount of consumer balances that are 30 days delinquent and dividing by the total consumer credit card balance.

Major grocery categories include sugar and sweets, juices and other non-alcoholic beverages, bakery products, processed fruits and vegetables, fresh fruit and vegetables, coffee and tea, fats and oils, milk, cereal and cereal products, other, cheese, and meats, poultry and fish, Other includes soups, snacks, frozen and freeze-dried prepared foods, and spices, seasonings, and condiments.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1995
2. Younger Millennials: born between 1989-1995
3. Older Millennials: born between 1978-1988
4. Gen Xers: born between 1965-1977
5. Baby Boomer: 1946-1964
6. Traditionalists: pre-1946

Any reference to card spending per household on gasoline includes all purchases at gasoline stations and might include purchases of non-gas items.

Additional information about the methodology used to aggregate the data is available upon request.

Contributors

David Michael Tinsley

Senior Economist, Bank of America Institute

Joe Wadford

Economist, Bank of America Institute

Sources

Li Wei

Director, Global Risk Analytics

Jon Kaplan

Senior Vice President, Digital and Data

Moses Sulukyan

Vice President, Consumer Product Strategy

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