

Economy

Consumer Checkpoint: Merry but measured

10 December 2025

Key takeaways

- Total credit and debit card spending per household slowed to 1.3% year-over-year (YoY) in November, according to Bank of America aggregated card data, indicating solid growth but at a less robust rate than October. Seasonally-adjusted (SA) spending growth per household was flat month-over-month (MoM).
- Large gaps persist between both higher- and lower-income households' spending and wage growth. Higher-income households increased spending by 2.6% YoY, while lower-income groups lagged behind with a gain of just 0.6% YoY. After-tax wage growth ticked up to 4% YoY for higher-income households and at 1.4% YoY for lower-income households.
- Spending on holiday items was strong in October and November, but slowed around Black Friday and Cyber Monday, suggesting some consumers may have started early, possibly to search for deals and discounts.
- Overall, consumers' finances appear to remain healthy, with little indication that people have become overly reliant on credit cards or alternative payment methods like buy now, pay later (BNPL). However, Bank of America card data suggests that a small, but rising share of retail spending is via BNPL.

[Consumer Checkpoint](#) is a regular publication from Bank of America Institute. It aims to provide a holistic and real-time estimate of US consumers' spending and their financial well-being, leveraging the depth and breadth of Bank of America proprietary data. Such data is 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.

Consumer momentum cools in November

In November, total credit and debit card spending per household increased by 1.3% year-over-year (YoY), according to Bank of America aggregated card data – a dip from 2.4% YoY in October. Seasonally-adjusted (SA) spending growth per household was flat month-over-month (MoM), after a solid run of increases over the previous five months (Exhibit 1).

Exhibit 1: Total card spending was flat MoM in November, following a 0.3% MoM increase in October

Total credit and debit card spending growth per household, based on Bank of America card data (monthly, MoM%, SA) and (monthly, YoY%, non-SA)



Source: Bank of America internal data

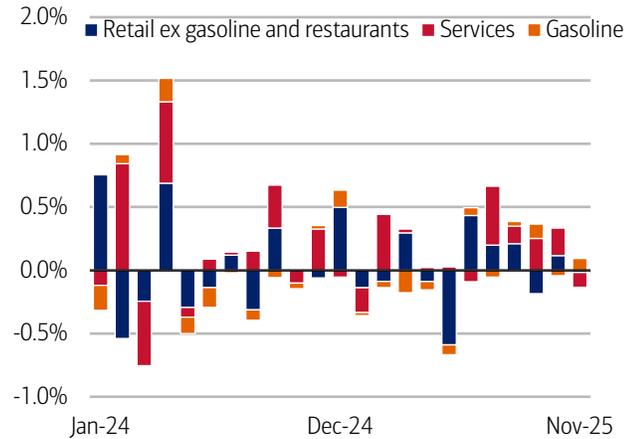
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Overall services spending dropped in November, but the past quarter has been solid otherwise

Looking across categories, retail spending (excluding gasoline and restaurants) was flat MoM, while services spending (including restaurants) declined (Exhibit 2). Within services, travel spending, including airlines and lodging, also saw declines, potentially in part reflecting an impact from the government shutdown. However, despite the recent decreases, “discretionary” outlays such as travel and entertainment have still shown solid growth over the past quarter (Exhibit 3).

Exhibit 2: In November, services drove MoM total card spending growth

Contribution to MoM total credit and debit card spending growth by category, based on Bank of America card data (monthly, SA, percentage points (monthly, pp))

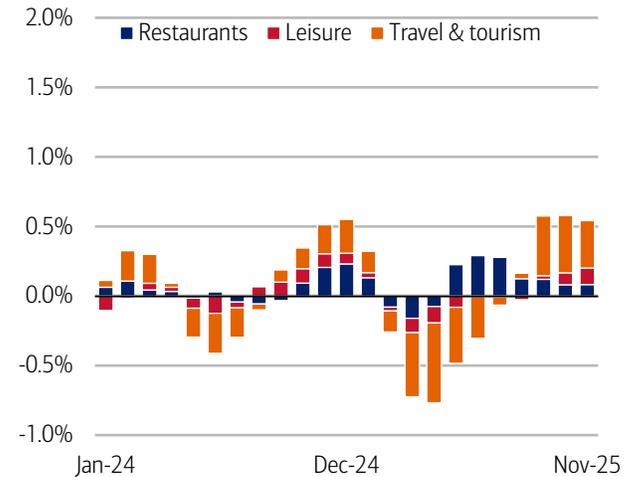


Source: Bank of America internal data

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Exhibit 3: Travel, tourism and leisure are showing robust momentum

Contribution to three-month on three-month services growth by discretionary services category (quarterly, pp)



Source: Bank of America internal data

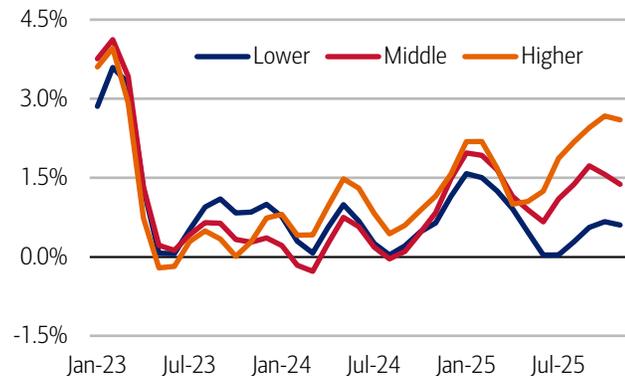
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Spending trends by income continue to show a K-shaped pattern: in November, lower-income households saw just 0.6% YoY growth in their three-month average total card spending, compared to a 2.6% increase for higher-income households (Exhibit 4). While spending gains softened across all income cohorts in November, middle-income households moderated the most, with spending growth up 1.4% YoY compared to the 1.7% YoY increase in October.

Labor market trends likely remained a key driver, even as wage growth has stabilized a bit. After-tax wage and salary growth among lower-income households continued to lag behind higher-income households (Exhibit 5). However, the deceleration in lower-income wage growth seen in the spring and summer appears to have leveled off.

Exhibit 4: Lower-income households' spending growth was 0.6% YoY in November, compared to 2.6% YoY for higher-income peers

Total credit and debit card spending per household, according to Bank of America card data, by household income terciles (3-month moving average, YoY%, SA)

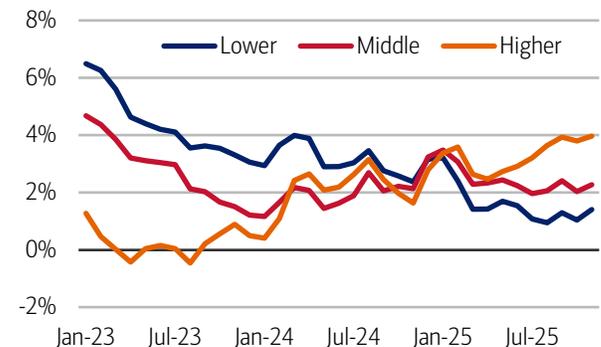


Source: Bank of America internal data

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Exhibit 5: In November, higher-income household wage growth ticked up slightly to 4% YoY, while for lower-income households it increased to 1.4%

After-tax wage and salary growth by household income terciles, based on Bank of America aggregated consumer deposit data (3-month moving average, YoY%, SA)



Source: Bank of America internal data

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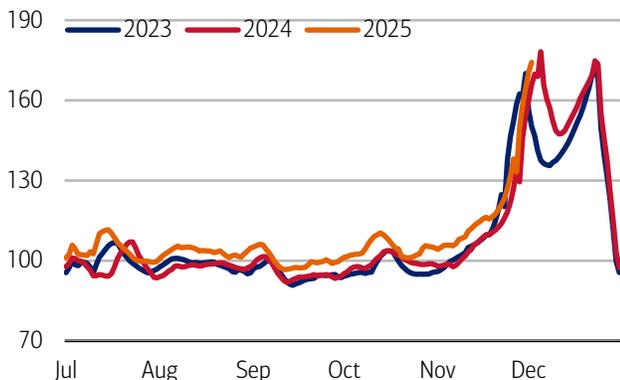
Holiday spending: Festive start, but chilled around Thanksgiving?

Holiday spending – a key focus this time of year – appears relatively encouraging so far. Bank of America card data shows YoY spending growth for “holiday items” (defined below) rose 4.9% so far during the holiday period from the beginning of October to the day after Cyber Monday (Exhibit 6). However, spending in the last seven days of this period was softer, at just 2.7% YoY.

The relative weakness over the key Thanksgiving period may be, in our view, because an increasing share of holiday spending has moved online (Exhibit 7). And the convenience of buying this way, combined with retailers starting their holiday promotions earlier, may be encouraging consumers to spread their shopping over a longer, and earlier, period.

Exhibit 6: 2025 YoY spending growth on holiday items is up on 2024, though the gap has narrowed

Card spending per household for holiday items, based on Bank of America card data (7-day moving average, index July 2023 average = 100)

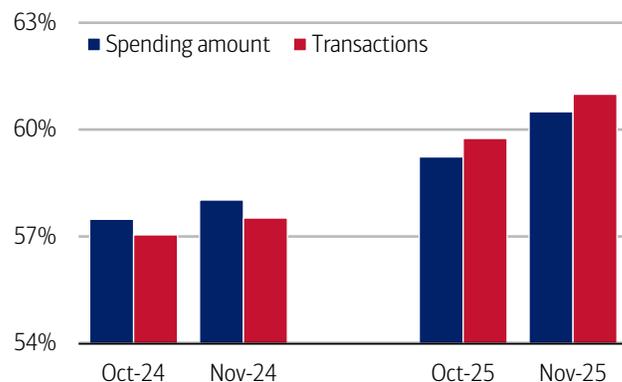


Source: Bank of America internal data. Holiday items include all merchant category codes (MCC) codes for which spending in Nov-Dec is at least 20% of total annual spending in the category.

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Exhibit 7: The majority of holiday spending occurred online, both this year and in 2024

Share of online spending and transactions on holiday items (monthly, %)



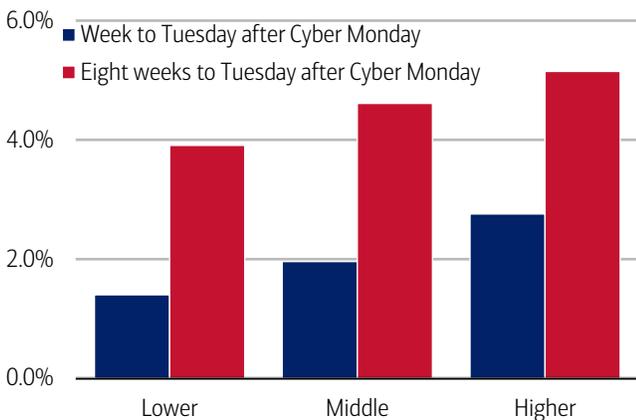
Source: Bank of America internal data

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Looking at spending on holiday items, we also see a K-shaped pattern across income groups. While lower-income households have had relatively healthy spending growth, they still lagged middle- and higher-income households. In fact, the lower-income cohort saw the weakest holiday spending growth in the week up to Cyber Monday (Exhibit 8).

Exhibit 8: Higher-income households appear to be spending more on holiday items

Card spending per household on holiday items, based on Bank of America card data, by household income (8-week moving average to the Tuesday after Cyber Monday, YoY%) and (7-day moving average to the Tuesday after Cyber Monday, YoY%)

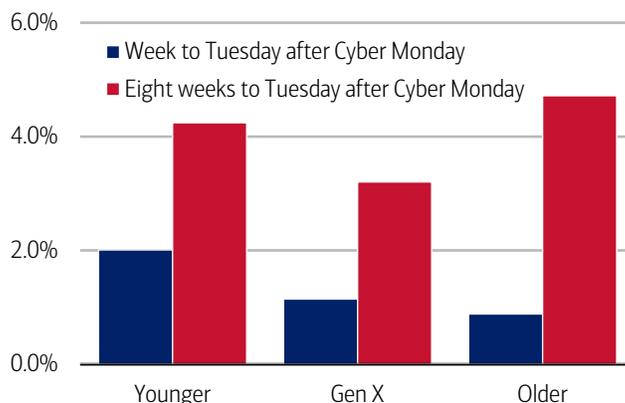


Source: Bank of America internal data

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Exhibit 9: Looking by generation, Gen X has the weakest overall holiday spending

Card spending per household on holiday items, based on Bank of America card data, by age generation (8-week moving average to the Tuesday after Cyber Monday, YoY%) and (7-day moving average to the Tuesday after Cyber Monday, YoY%)



Source: Bank of America internal data

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Meanwhile, by generation, Gen X households have shown the weakest growth in holiday spending (Exhibit 9). As we’ve previously noted, this group may be feeling the squeeze from cost-of-living pressures, along with caregiving responsibilities for both younger and older family members (read the publication: [Gen X: The Economy’s struggling middle child](#)).

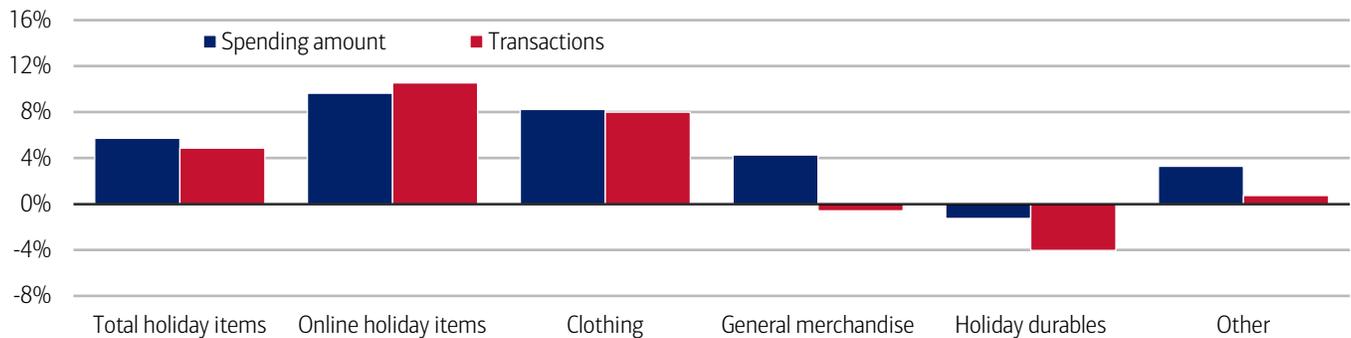
Average transaction sizes across categories suggest consumers are price sensitive this holiday season

An important question is whether holiday spending growth reflects higher prices or increased purchasing activity. Exhibit 10 suggests the latter: most of the growth appears to be driven by more transactions, with average spending per transaction on holiday items showing little change. In other words, it appears that consumers are actually making more purchases as opposed to just spending more.

Why might this be? For one, price increases on holiday items relative to last year could be limited, though this seems relatively unlikely given that commonly bought holiday goods like clothing and durables (e.g., electronics and furniture) have been impacted by tariffs. Interestingly, the spending amount and the number of purchases grew at a similar rate YoY for clothing. However, consumers spent more YoY at general merchandise stores, but made slightly fewer purchases, while spending on holiday durables declined with transactions down further.

Exhibit 10: Consumer spending on holiday items was a mixed bag, with consumers spending and purchasing more YoY overall, online, and in the clothing category; meanwhile, general merchandise saw stronger spending but a slight pullback in purchases YoY

Card spending growth per household, based on Bank of America card data, for select holiday categories (October-November 2025, YoY%)



Source: Bank of America internal data. Holiday items include all merchant category codes (MCC) codes for which spending in Nov-Dec is at least 20% of total annual spending in the category. Holiday durables include holiday items across motor vehicles, furniture, and electronics. Other includes holiday items like bakeries, novelty shops, direct marketing, and specialty retail stores.

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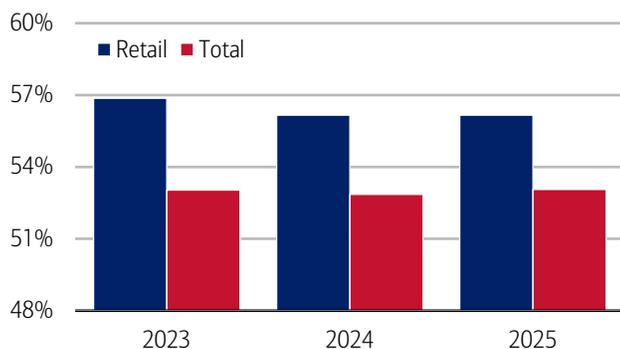
In our view, it may be that consumers are becoming more price sensitive – and selective – this season, especially given stubbornly elevated inflation and potential price increases due to tariffs. This is likely as shoppers often have a total spending goal in mind for gift giving, so in the face of higher prices they are economizing. It could also be that some retailers are absorbing some cost increases while others have passed them along to consumers.

Are consumers leaning on credit this holiday season?

Faced with cost-of-living pressures, are consumers purchasing more on credit to see them through the holidays? So far, Bank of America internal data suggests this is not the case. Exhibit 11 shows that the share of total spending on credit versus debit cards has remained unchanged in the four weeks to November 28, compared to the same period in 2024. This is also the case with total retail spending (Exhibit 12).

Exhibit 11: Bank of America data showed no increase in credit card use to finance holiday spending

Total and retail credit spend share* (4-week average to 28th November 2025)



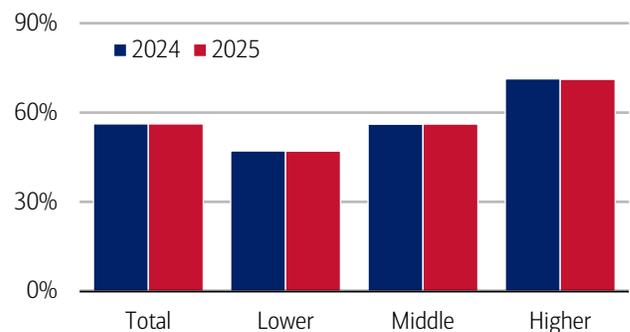
Source: Bank of America internal data

*Households who have owned at least one credit and debit card since 2019

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Exhibit 12: The retail credit spend share remained flat for each income cohort

Retail credit spend share* by household income (4-week average to 28th November 2025)



Source: Bank of America internal data

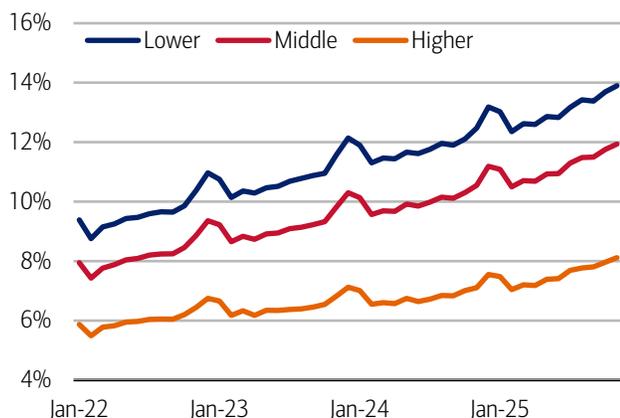
*Households who have owned at least one credit and debit card since 2019

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Where there does appear to be some more reliance on “credit” is in buy now, pay later (BNPL). The share of Bank of America customers with at least one BNPL transaction continues to rise (Exhibit 13). Some of this may reflect an uptick in BNPL use during the holiday season. However, in our view, some of the growth in this category is likely more related to consumer convenience than a reliance on credit. Indeed, the overall value of BNPL transactions relative to total credit and debit card retail spending was low across all income groups in November (Exhibit 14).

Exhibit 13: A higher share of consumers is using BNPL across all income cohorts, but especially lower- and middle-income households

Share of Bank of America customers with a BNPL payment by income (monthly, %)

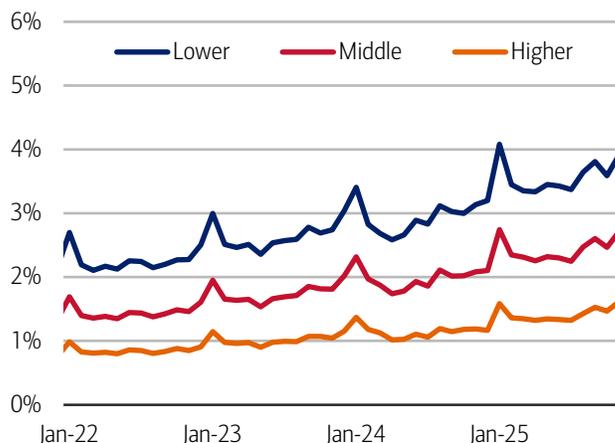


Source: Bank of America internal data

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Exhibit 14: Spending on BNPL platforms remained low in November, especially as a share of total retail spending

Share of total retail spending (excluding gas, restaurant and groceries) made via BNPL platforms (monthly, %)



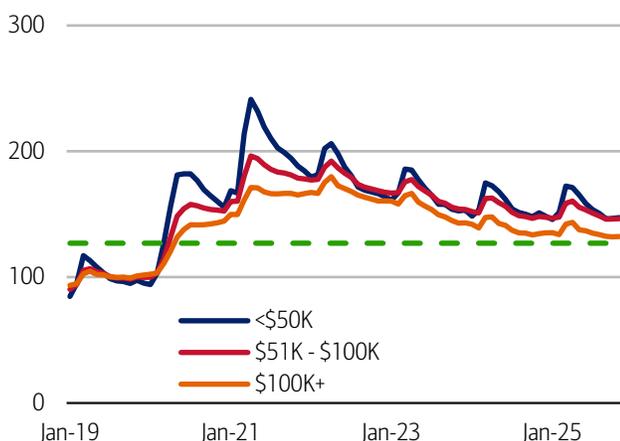
Source: Bank of America internal data

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Some further comfort for consumers heading into the holidays can be gleaned from their savings deposits. Bank of America deposit data also shows that households across the income spectrum are up at least 5% above 2019 inflation-adjusted terms (Exhibit 15). Additionally, while deposits are still declining, they are decreasing at a much slower rate than previous years (Exhibit 16).

Exhibit 15: Median checking and savings deposit balances remain above inflation-adjusted 2019 levels

Monthly median household savings and checking balances by income for a fixed group of households through November 2025 (monthly, indexed 2019 = 100)



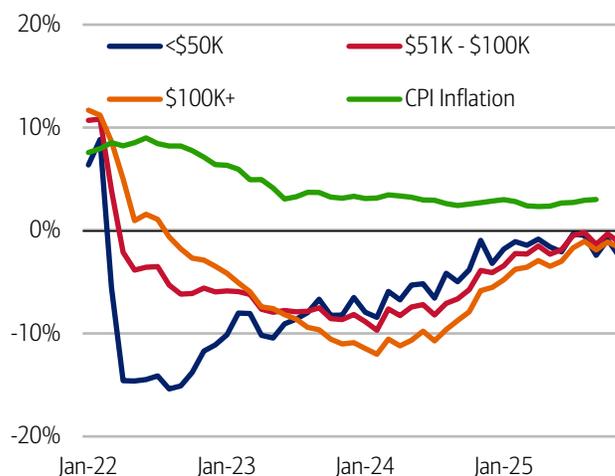
Source: Bank of America internal data

Note: Monthly data includes those households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through November 2025

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Exhibit 16: The rate of decline of deposit balances has flattened

Monthly median household savings and checking balances by income for a fixed group of households through November 2025, based on Bank of America deposit data and Consumer Price Index inflation (CPI), based on Bureau of Labor Statistics data (% YoY, monthly)



Source: Bank of America internal data

Note: Monthly data includes those households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through November 2025. CPI inflation is through September.

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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.

Durables spending is defined as spending on electronics, building materials, auto and furniture. Premium durables spending is based on a selection of retailers who are judged to sell relatively higher value products. Conversely, value durables spending is based on a selection of retailers who are judged to sell relatively lower value products.

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.

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.

The Bank of America 2024 Holiday Survey was conducted online between August 21, 2025 and September 1, 2025. The survey consisted of 2,010 respondents throughout the U.S. Respondents in the study were age 18+ and were representative of the composition of the US Census for age, gender, household income and Census region.

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

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