

Economy

Consumer Checkpoint: Sunny days

11 June 2026

Key takeaways

- Consumer spending momentum is remarkably robust, with total card spending rising 5.1% year-over-year (YoY) in May - the strongest growth in nearly four years, according to Bank of America internal card data. Moreover, growth isn't just gasoline-driven - underlying spending remains firm across both goods and services.
- Notably, the gap across income cohorts has also narrowed significantly in both spending and wage growth, but some of this could reflect the impact of FIFA World Cup 2026™, so we remain cautious about whether this convergence will persist into the latter part of 2026. Additionally, while we see little sign of shifts in consumer behavior that would suggest weakness, some consumers are making more trips to the store, perhaps on the hunt for bargains.
- Consumer financial health remains strong, with no clear signs of households resorting to borrowing to support spending. While the savings rate has fallen, households' level of savings is relatively elevated. And the seasonal upswing in deposit balances from tax refunds has been larger in 2026 than it was in 2025.

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.

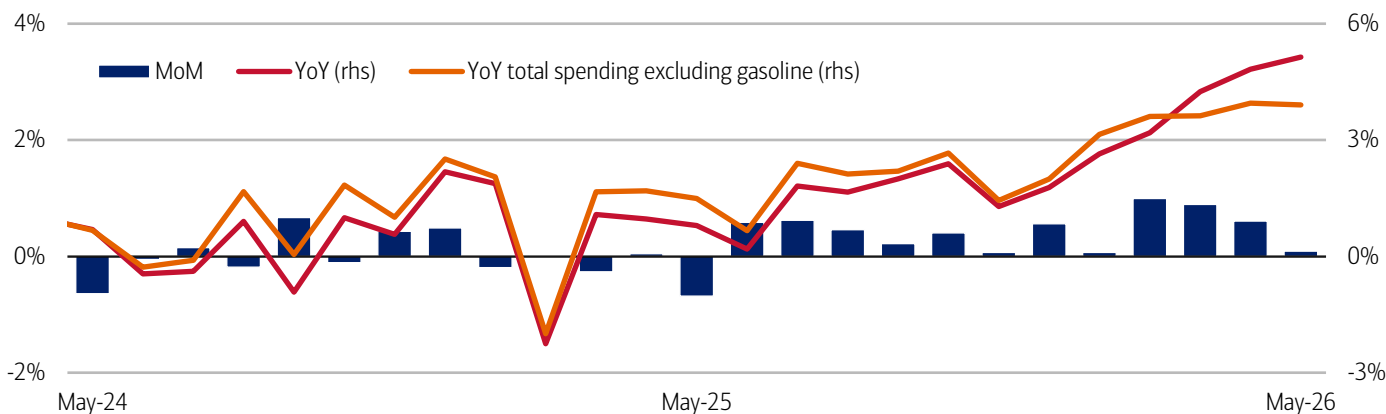
Making hay in May

Consumer spending remains resilient, with little sign that higher gas prices have dented momentum yet. In May, Bank of America total aggregated credit and debit card spending per household increased 5.1% year-over-year (YoY) – the largest gain in nearly four years – following the 4.8% YoY rise in April (Exhibit 1). While higher YoY gasoline spending is contributing to this strength, total spending excluding gas still rose 3.9% YoY in May, only a small easing from 4.0% YoY in April.

Seasonally-adjusted (SA) spending per household rose 0.1% month-over-month (MoM) in May, following a 0.5% increase in April. This follows gains of 0.6% and 0.9% MoM in the prior two months.

Exhibit 1: Both YoY spending growth excluding gas and MoM spending eased in May

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

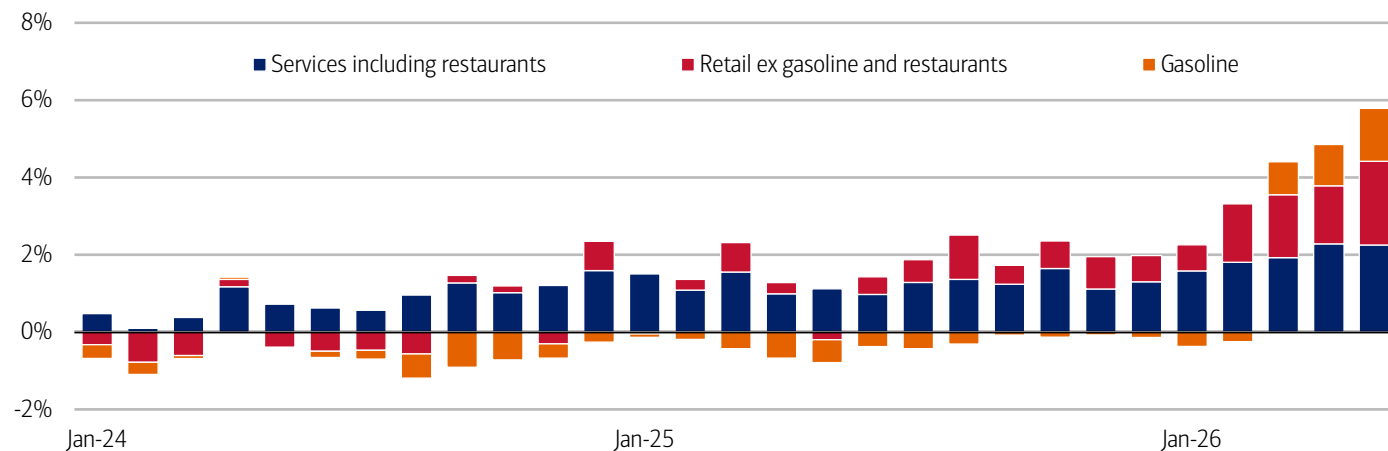


Source: Bank of America internal data
Note: MoM spending is based on total card spending.

One emerging trend: retail (excluding gasoline and restaurants) is contributing almost the same amount toward overall spending growth as services including restaurants (Exhibit 2). Notably, this is first time this has happened since February 2021, when retail spending outpaced services spending as consumers remained socially distanced during the pandemic. Retail categories showing growth in the last month include electronics, furniture and clothing.

Exhibit 2: Retail and gasoline are contributing a significant amount towards overall spending growth

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



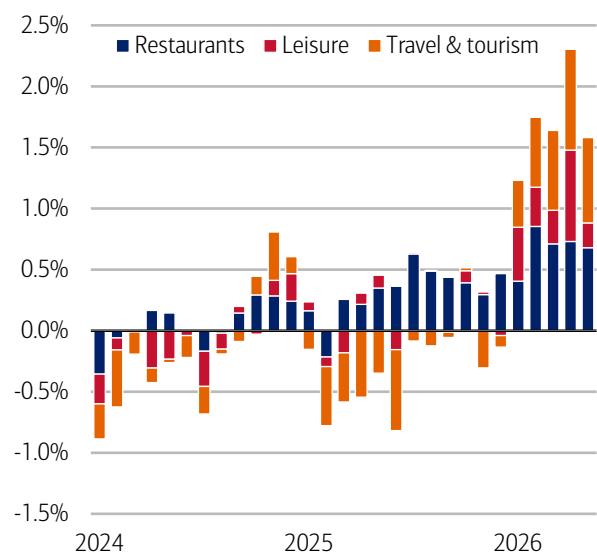
Source: Bank of America internal data

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Within services, overall spending is being driven more by discretionary than by necessity spending. Travel and tourism and restaurant spending have made particularly strong contributions to discretionary services, while leisure has contributed less (Exhibit 3). In our view, FIFA World Cup 2026™ might help support further growth in discretionary services over the summer months. Meanwhile, necessity services spending (e.g., rent and utilities) has eased somewhat relative to 2025, partly reflecting a declining contribution from TV and communications. It is possible that some of the necessity spending shifts may reflect migration to and from card spending to other payment channels particularly in rent and communication spending (Exhibit 4).

Exhibit 3: Discretionary services spending is strong, driven by restaurants and travel & tourism

Contribution to YoY services growth by select discretionary services category (three-month moving average, percentage points)

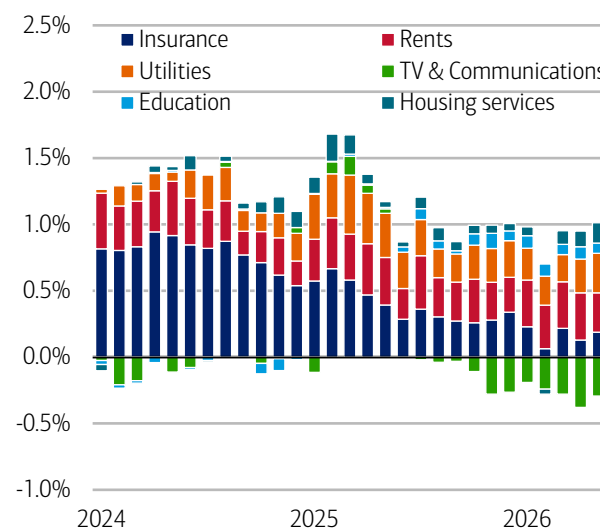


Source: Bank of America internal data

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Exhibit 4: Insurance, rent and utilities have consistently driven necessity services

Contribution to YoY services growth by select nondiscretionary services category (three-month moving average, percentage points)



Source: Bank of America internal data

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Any signs of a pullback?

Some consumers may be hunting for bargains

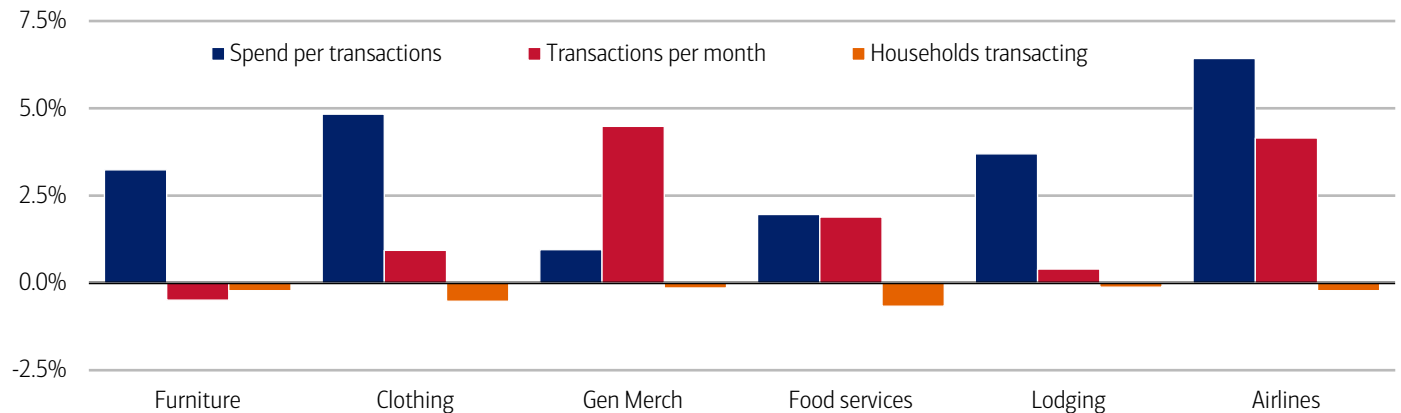
Beneath the remarkably robust overall spending picture, are there any signs of weakness in consumer behavior? Largely, the answer appears to be “no.”

However, when looking at how frequently consumers shop each month, we note a pickup in the number of transactions made at general merchandise stores. At the same time, spending has not increased proportionally, which may suggest consumers are being more selective and making more frequent trips in search of bargains.

There are also some signs in clothing and food services: around 1% of households may have stopped transacting altogether. This would be consistent with a small subset of consumers facing greater pressure and forgoing these discretionary items. However, the share of consumers doing so appears, in our view, to be very small (read more in [Consumer Checkpoint: April showers](#)).

Exhibit 5: Consumers may be hunting for bargains at general merchandise stores

Spend per card transaction, card transaction per household per month (three-month moving average, % YoY) and households transacting as a proportion of card total sample (three-month moving average percentage point change YoY)



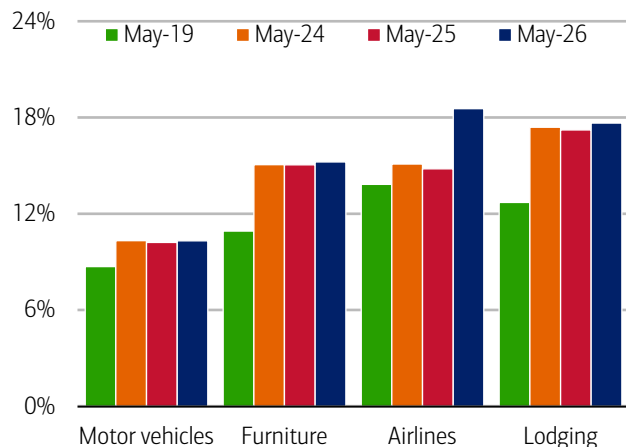
Source: Bank of America internal data

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Another place to look for behavioral change is around “ticket size,” i.e. are consumers deliberately spending less on more expensive items? When we look across categories, we see little sign of this sort of behavior. Indeed, in airline spending the opposite is true: higher airfares mean consumers are having to transact more at higher price points (Exhibit 6 and Exhibit 7). Only in electronics is there evidence of consumers gravitating to smaller ticket sizes in the past year.

Exhibit 6: The share of airline transactions above \$500 jumped in May 2026 compared to May 2025

Share of transactions above \$500 by select categories (May, %)

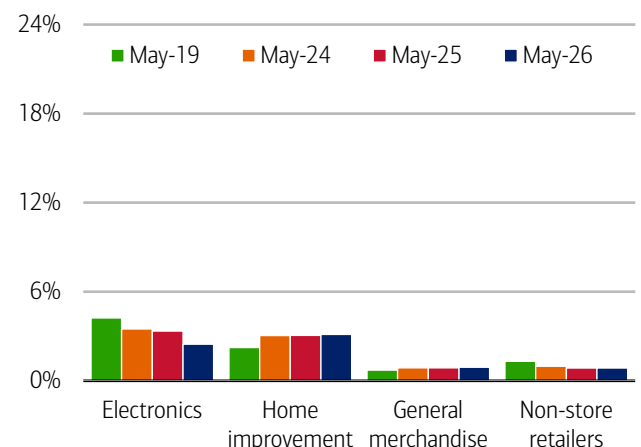


Source: Bank of America internal data

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Exhibit 7: Consumers are gravitating toward smaller purchases in electronics and non-store retailers

Share of transactions above \$500 by select categories (May, %)



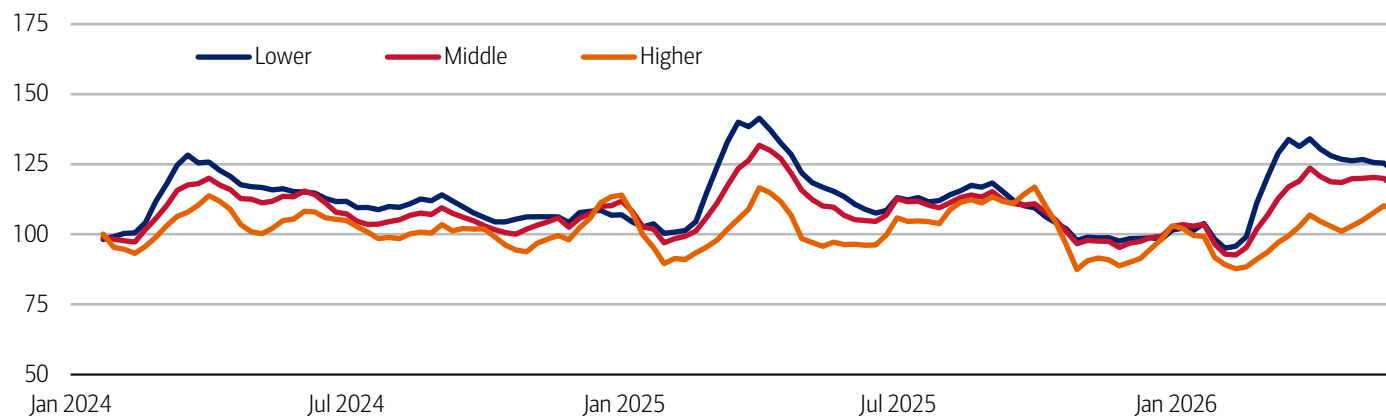
Source: Bank of America internal data

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One very large ticket item is a car. Gasoline prices directly impact the running costs of internal combustion engine vehicles, so it's possible consumers are pulling back in response to higher fuel costs. However, when we look at larger auto-related consumer payments as a proxy for down payments on new vehicles, we see no clear signs of retrenchment (Exhibit 8).

Exhibit 8: Auto sales remain robust across income cohorts

Large* customer auto payments by income, four-week moving average (index, January 2024 = 100)



Source: Bank of America internal data

Note: Large payments are those over \$2000 and where no payment greater than \$600 was observed in the previous two months. Data is across payment channels (credit and debit, ACH and wire).

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And lower- and middle-income households are weaker

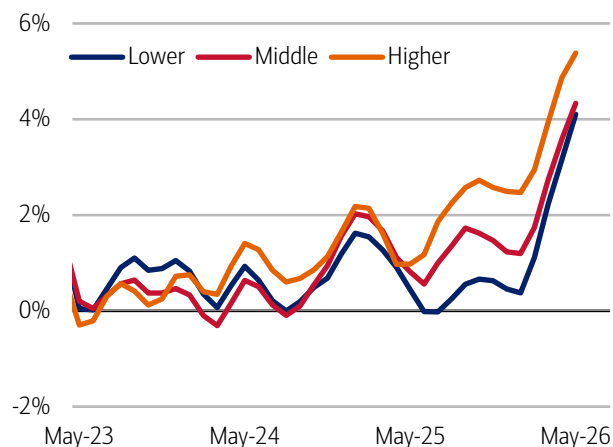
While we see few signs of behavioral change in response to the gas price shock, we do continue to observe a divergence in spending growth across the household income distribution. But encouragingly, the gap between spending and wage growth across higher- and lower-income groups has narrowed.

In May, card spending rose 4.1% YoY for lower-income households and 4.3% YoY for middle-income households, while higher-income households saw stronger growth of 5.4% YoY (Exhibit 9). As a result, the gap between higher-income and other households narrowed to its lowest level since June 2025.

At the same time, we have seen a similar narrowing in the after-tax wage gap, according to Bank of America customer deposit data (Exhibit 10). In May, after-tax wage growth for higher-income households slowed to 5.6% YoY from 5.9% YoY in April. Meanwhile, lower-income households' after-tax wage growth rose to 3.1% – the highest rate since January 2025 – while middle-income households' wage growth rose to 3.5% YoY.

Exhibit 9: Higher-income households' spending rose to 5.4% YoY in May compared to 4.1% YoY for lower-income households

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

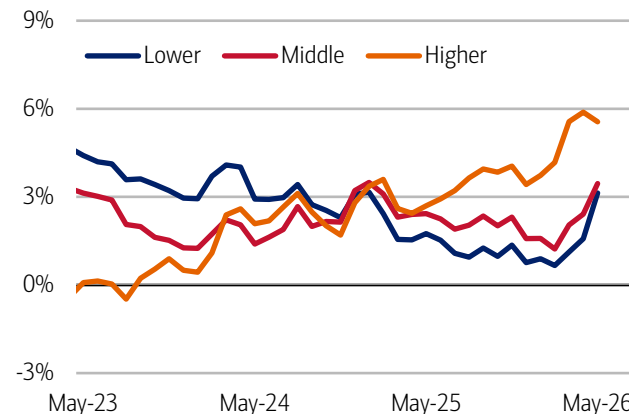


Source: Bank of America internal data

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Exhibit 10: In May higher-income households' after-tax wage growth rose 5.6% YoY, while lower-income households' wage growth was 3.1% YoY

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



Source: Bank of America internal data

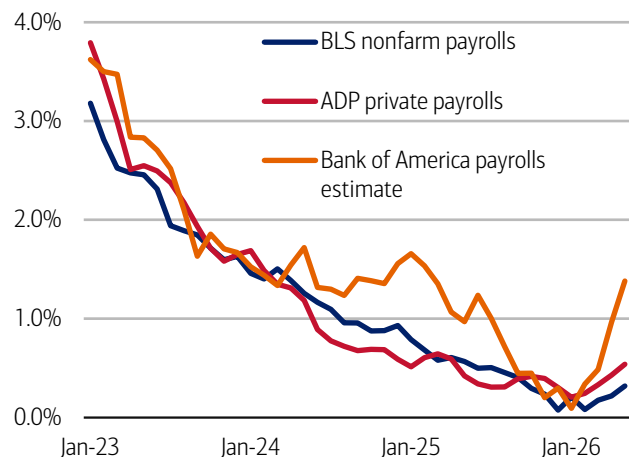
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In our view, one potential driver of the improvement in lower-income households' spending and wage growth may be the labor market. An estimate of payroll growth based on Bank of America customer data shows a strong pickup since the start of the year (Exhibit 11). This is consistent with improving payroll growth in the Bureau of Labor Statistics (BLS) measure, which increased by 172K in May.

One note of caution: some of this job growth could reflect hiring in service industries ahead of FIFA World Cup 2026™. When we look at our estimate of payroll growth split across household income cohorts, it appears the most significant uptick has come from lower-income households which could indicate higher-touch service sector job growth. If this is the case, while labor momentum could persist for several more months, it may prove slower after the summer (Exhibit 12),

Exhibit 11: Payrolls grew across multiple measures in May

Payroll estimates from Bank of America customer deposit account data (three-month moving average, % YoY), the Bureau of Labor Statistics (BLS) and Automatic Data Processing (ADP) (monthly, YoY)

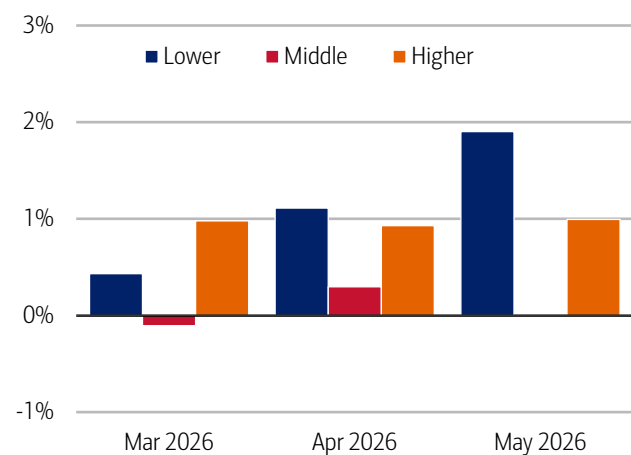


Source: Bank of America internal data, Haver Analytics
 Note: BLS and ADP data are seasonally adjusted, Bank of America data is not seasonally adjusted.

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Exhibit 12: The acceleration in payroll growth appears to be concentrated primarily in lower-income jobs

Payroll estimates from Bank of America customer deposit account data by household income tercile (three-month moving average, % YoY)



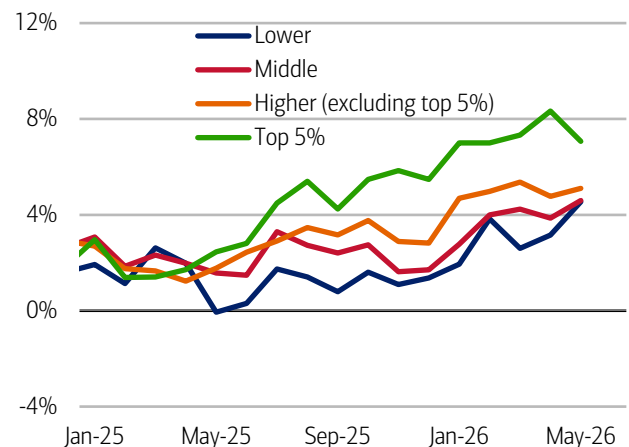
Source: Bank of America internal data

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Another note of caution: in recent months, YoY discretionary spending growth for lower- and middle-income households has begun to converge, albeit at still-robust rates (Exhibit 13). Meanwhile transaction growth has clustered around 4% YoY across all income cohorts, which suggests that the strength in spending from the top 5% income cohort is partly being driven by growth in transaction sizes compared to other groups. (Exhibit 14).

Exhibit 13: Discretionary spending growth improved in May after easing in March/April for lower- and middle-income groups

Discretionary card spending per household for select household income groups (SA, YoY%)

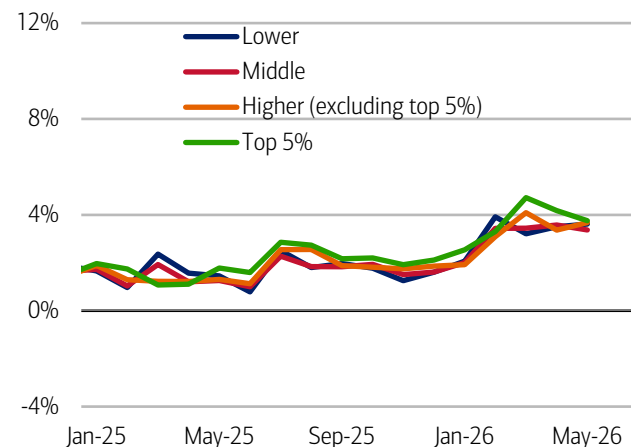


Source: Bank of America internal data

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Exhibit 14: Discretionary transaction growth was more equal across income groups than spending growth

Discretionary card transactions per household for select household income groups (SA, YoY%)



Source: Bank of America internal data

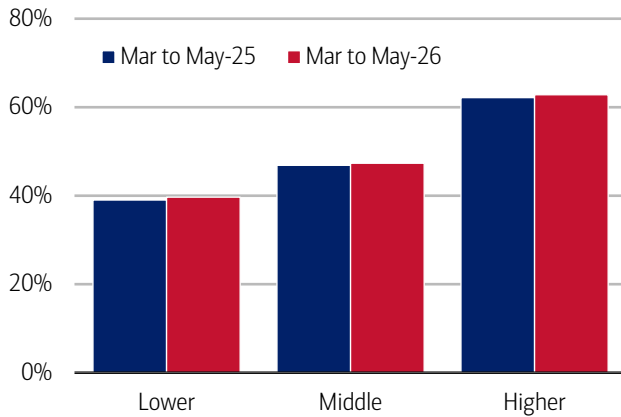
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Consumer financial health

Are consumers maintaining their healthy spending growth by borrowing or saving less? In terms of borrowing, there is little sign that consumers across income cohorts are putting a higher share of either their spending or transactions on credit cards (Exhibit 15 and Exhibit 16).

Exhibit 15: There was only a very slight increase in the share of spending on credit...

Total credit spend share across debit and credit spending (16-week rolling sum, %)



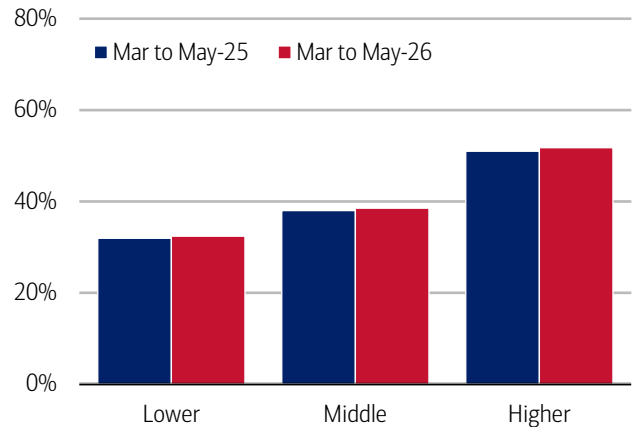
Source: Bank of America internal data

*Households who have had at least one credit and debit card since 2024.

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Exhibit 16: ...as well as a slight increase in the share of transactions put on credit cards

Total credit transaction share across debit and credit transactions (16-week rolling sum, %)



Source: Bank of America internal data

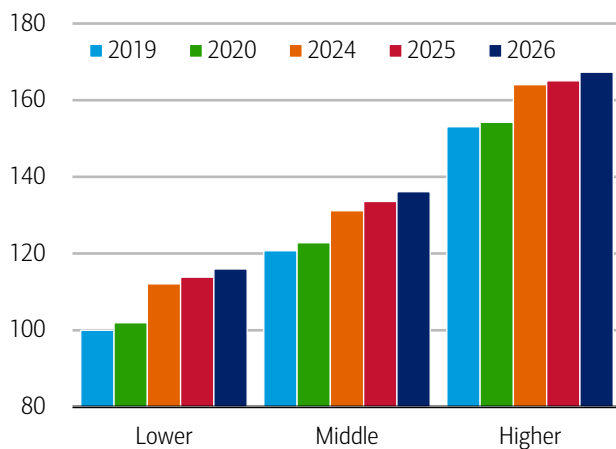
*Households who have had at least one credit and debit card since 2024.

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We also continue to see a higher share of households paying off their full credit card balance each month (Exhibit 17). This share has been trending higher across income cohorts since 2019, suggesting most consumers are in robust financial health. However, there are some signs that a small portion of households are under greater pressure. The share of households making only the minimum card payment has increased across income cohorts (Exhibit 18).

Exhibit 17: The share of those who pay off their entire credit card balance each month increased YoY and relative to 2019 levels for all income groups

Share of households who pay off their entire credit card balance each month by household income terciles (March through May yearly, index lower-income households' 2019 average = 100)

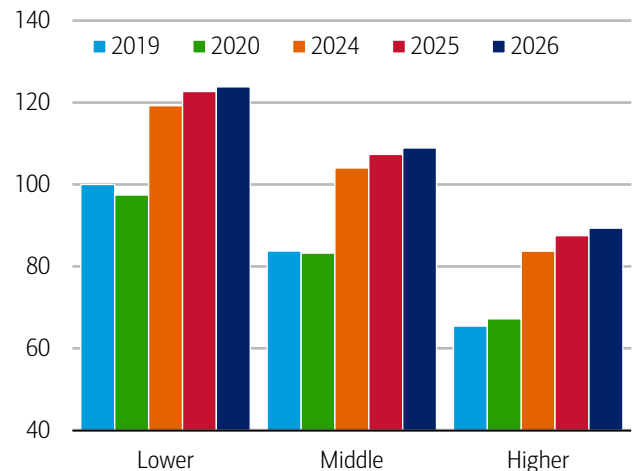


Source: Bank of America internal data

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Exhibit 18: The share of minimum credit card payers is increasing in 2026, albeit at a slower pace than last year

The share of households making minimum credit card debt payments by household income tercile (March through May yearly, index lower-income households' 2019 average = 100)



Source: Bank of America internal data

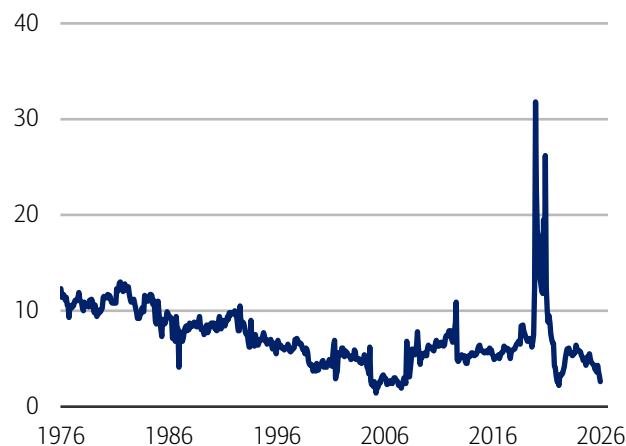
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There are also some signs of pressure in terms of how households are saving. In the Bureau of Economic Analysis (BEA) data, the monthly personal savings rate fell to 2.6% in April, its lowest level since June 2022 (Exhibit 19).

It could be that some consumers are feeling less inclined to save partly because of significant wealth gains from rises in equities. But it's also worth noting that, in Bank of America deposit and card data, households' wages were growing faster than their card spending across income cohorts in May of last year, whereas in May 2026 only higher-income households were in this position. Lower- and middle-income households, on the other hand, are now seeing their spending growth outstrip their wage gains (Exhibit 20). This could, in our view, be somewhat pressuring these cohorts to pull back on saving.

Exhibit 19: The BEA savings rate has fallen to its lowest level since June 2022

Personal savings rate (monthly, %)

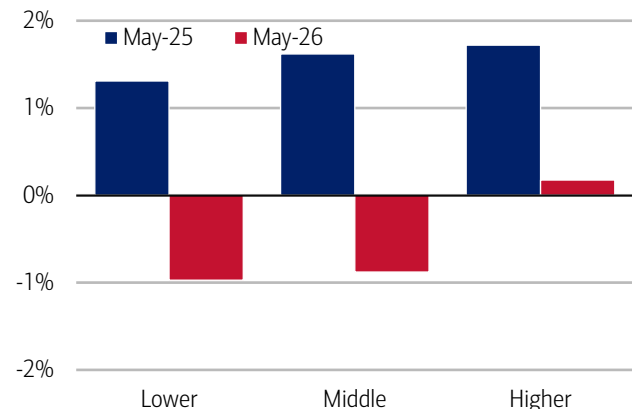


Source: Haver Analytics

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Exhibit 20: Higher-income households are the only group for which wage growth outpaced card spending

The difference between after-tax wage and salary growth and total card spending by household income (three-month moving average, percentage points)



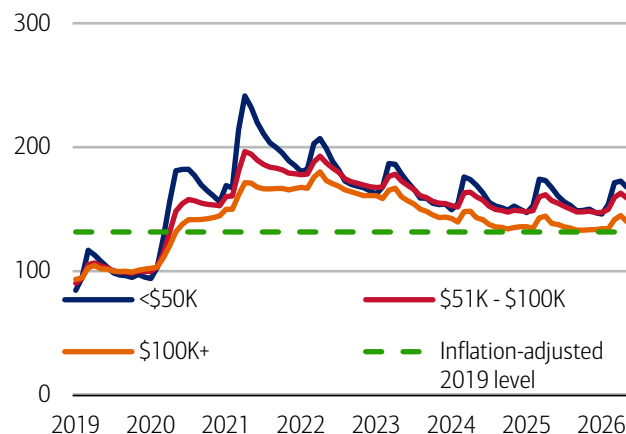
Source: Bank of America internal data

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Still, the “good news” is that households’ savings balances remain significantly higher than in 2019, even on an inflation-adjusted basis (Exhibit 21). They have risen recently, as seasonal tax refunds are paid into accounts. Exhibit 22 shows that relative to 2025, the rise in deposit balances has been greater this year between January and May across income cohorts. In our view, this should offer continued support to household spending over the coming months.

Exhibit 21: Household savings are rising as tax refunds are deposited...

Monthly median household savings and checking balances by income for a fixed group of households through May 2026 (monthly, index 2019 = 100)



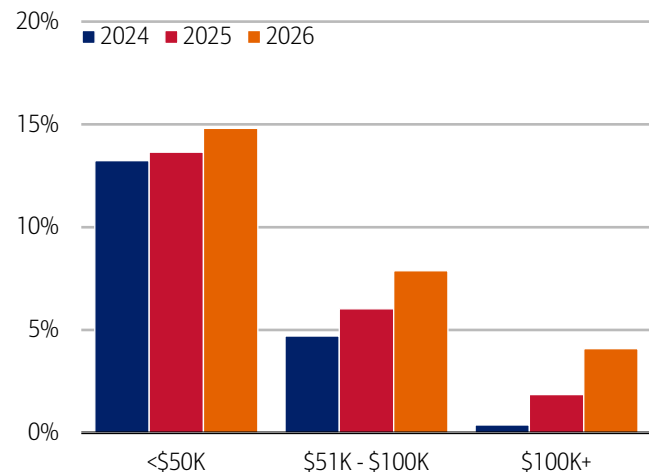
Source: Bank of America internal data

Note: Monthly data includes those households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through May 2026.

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Exhibit 22: ...with a higher rise to May from January this year due to higher refunds and lower deposit balances at the start of the year

% increase in median household savings and checking balances between January and May (yearly, %)



Source: Bank of America internal data

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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. Discretionary retail includes but is not limited to general merchandise, miscellaneous, clothing, electronics, furniture. It excludes categories like groceries and gasoline. 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. Value and premium grocers are determined judgmentally on a proprietary analysis of merchants by equity analysts.

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.

Participant Pulse monitors plan participants' behavior in Bank of America clients' employee benefits programs, which comprise more than 4 million total participants with positive account balances as of March 31, 2026.

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.

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

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