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Economy

# Consumer Checkpoint: Spending season

12 November 2026

## Key takeaways

- Consumer spending remains solid, even as momentum moderates. Bank of America internal data shows total card spending per household rose 5.8% year-over-year (YoY) in October, while spending excluding gasoline increased 4.6%. Growth cooled across a number of discretionary categories, as services remained the main driver of spending growth.
- Bank of America internal data suggests that spending growth has converged across income groups, supported by solid after-tax wage growth. Lower-income households now lead total spending growth, with growth of 5.9% YoY. And while the top 5% of earners still lead in discretionary spending, the gap between them and lower-income households narrowed significantly.
- Holiday spending is off to a strong start, though consumers appear increasingly value-conscious. Spending on holiday items is running well above last year's levels, led by online purchases, while average transaction values are declining.
- Household finances remain broadly healthy, with deposits still elevated and a higher share of credit card holders paying off their entire balances every month. Although rising minimum credit-card payments and hardship distributions point to some stress at the margins.

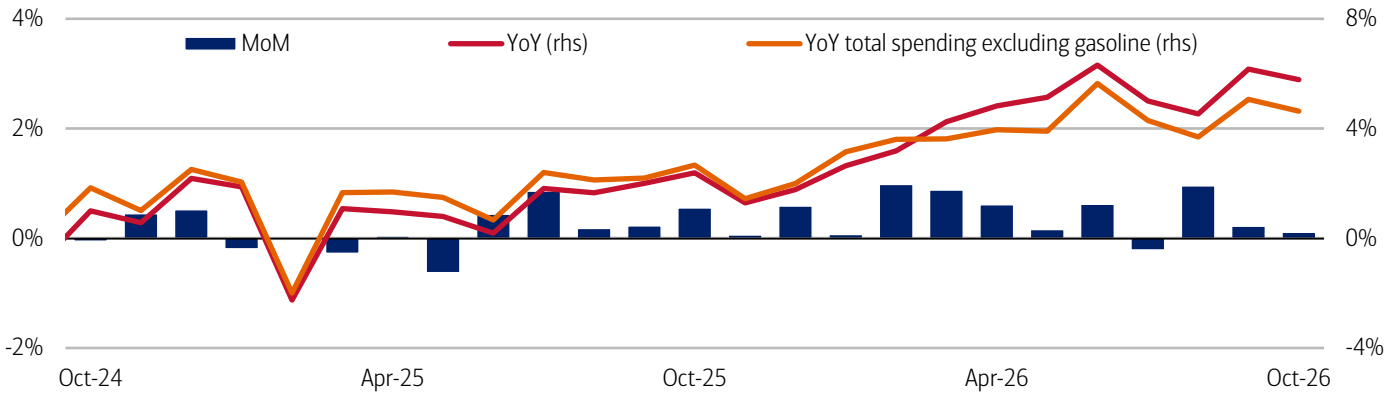
*Consumer Checkpoint is a regular publication from Bank of America Institute. It aims to provide a holistic and real-time estimate of US consumers' spending and their financial well-being, leveraging the depth and breadth of Bank of America proprietary data. Such data is not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial conditions or performance of Bank of America.*

## Consumer spending growth remained solid in October

Bank of America total aggregated credit and debit card spending per household rose 5.8% year-over-year (YoY) in October, moderating from 6.2% in September. Spending excluding gasoline also eased to 4.6% YoY in October from 5.1% the prior month.

Despite the moderation, YoY spending growth remains close to the very strong rates seen since spring of 2026. Moreover, seasonally-adjusted total card spending rose 0.1% month-over-month (MoM), with or without gas, suggesting momentum remains positive (Exhibit 1).

**Exhibit 1: Total card spending per household rose 5.8% YoY and 4.6% YoY excluding gasoline in October**
Total card spending growth per household, based on Bank of America aggregated credit and debit card data (monthly, MoM%, seasonally adjusted (SA) and monthly, YoY%, non-SA, right-hand side (rhs))



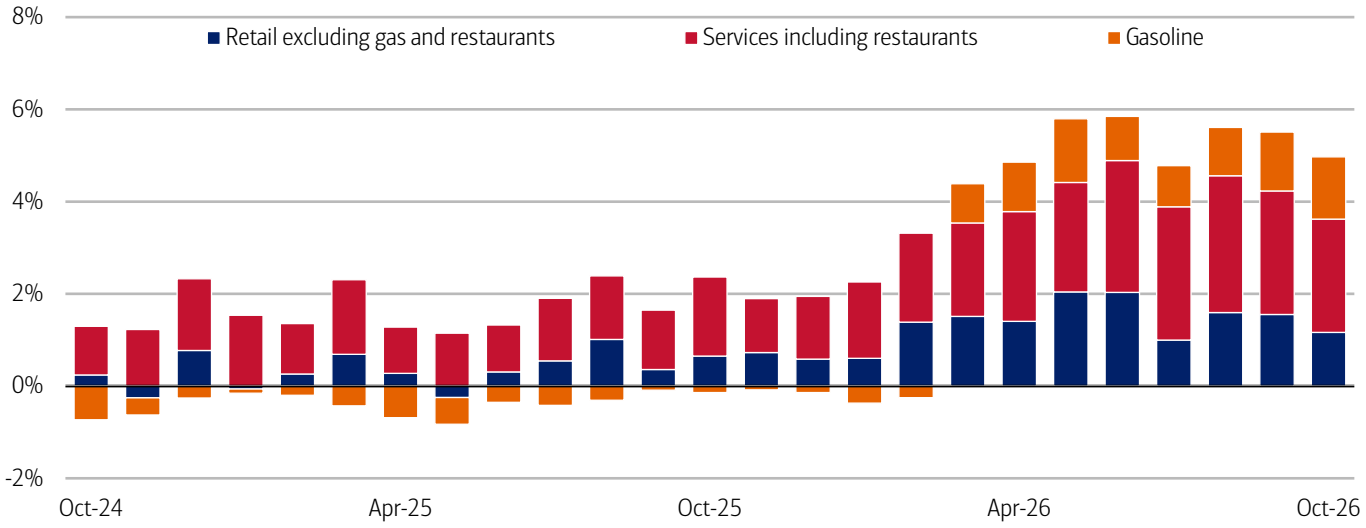

**Source:** Bank of America internal data

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## Discretionary spending moderated across most major categories

Both retail and services categories saw some moderation in spending growth. While services spending was responsible for the majority of overall card growth, its contribution was slightly smaller in October at 2.5 percentage points (pp), compared to the 2.7pp from September. Retail spending still contributed meaningfully, at 1.2pp, though this was smaller than the 1.6pp in the prior month and the 2pp from the summer peak (Exhibit 2).

**Exhibit 2: Services drove most of the overall YoY spending growth, though both services and retail made smaller contributions in October**
Contribution to YoY total credit and debit card spending growth by category, based on Bank of America card data (monthly, SA, percentage points contribution)

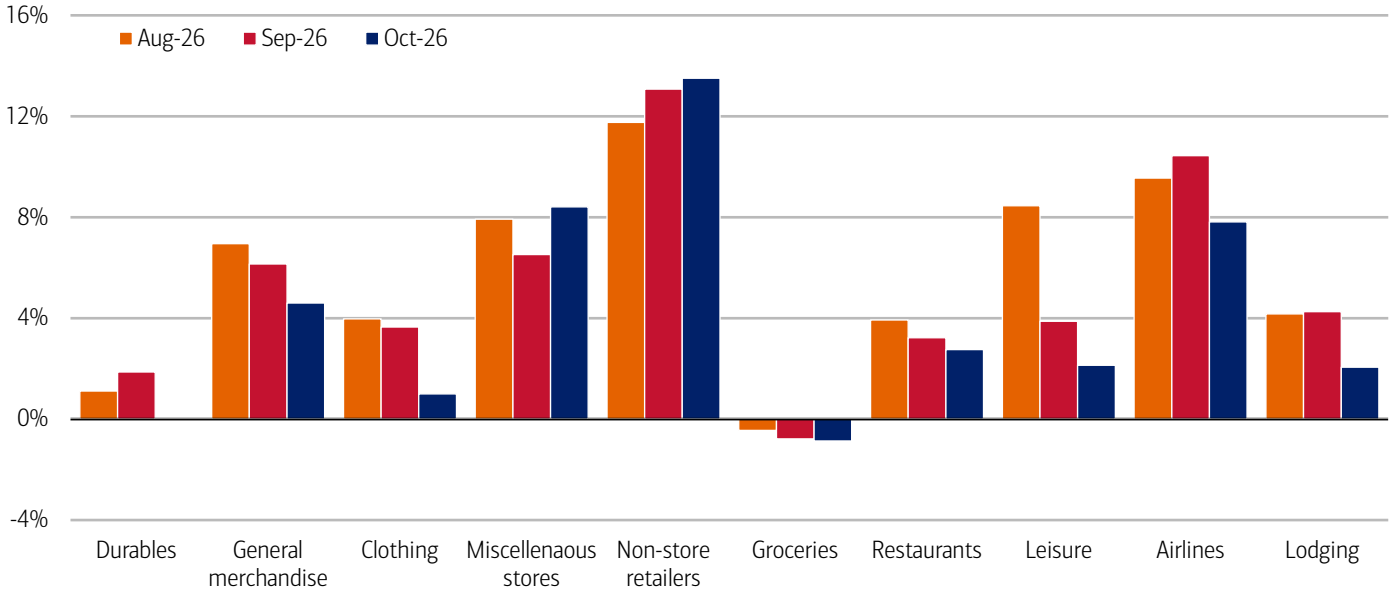



**Source:** Bank of America internal data

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Spending growth eased across many categories YoY. However, it was still solid for airlines (7.8%), general merchandise (4.6%), restaurants (2.8%), leisure (2.1%) and lodging (2.1%) (Exhibit 3). Clothing, on the other hand, cooled more considerably and was only up 1.0% YoY in October. But not all categories saw moderation: miscellaneous stores (8.4%) and non-store retailers (13.5%) both saw modest acceleration from September.

**Exhibit 3: Discretionary spending moderated across most retail and services categories in October**
Credit and debit card spending growth per household, based on Bank of America card data, by select spending categories (monthly, YoY%, SA)




**Source:** Bank of America internal data

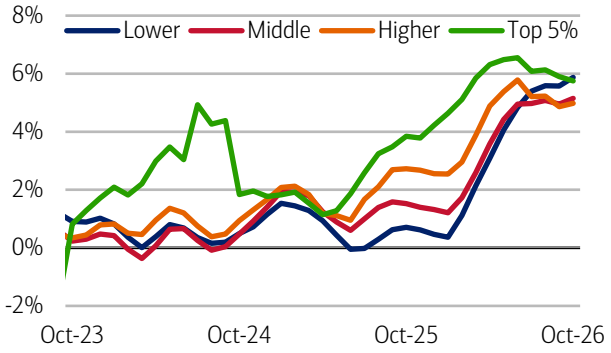
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## Discretionary spending continues to converge across income groups

Spending remains robust across income groups. Notably, lower-income households' total card spending outpaced even the top 5% of households in October, up 5.9% and 5.7%, respectively (Exhibit 4). Middle- and higher-income households lagged, both up around 5% YoY. Discretionary spending growth exhibited a similar pattern, though the top 5% of earners still outpaced all other cohorts here (Exhibit 5). Still, the gap between these two groups is at its smallest since May 2025.

**Exhibit 4: Lower-income households saw the strongest total card spending growth…**

Total card spending per household by income tercile and the top 5% (three-month moving average, YoY%, SA)

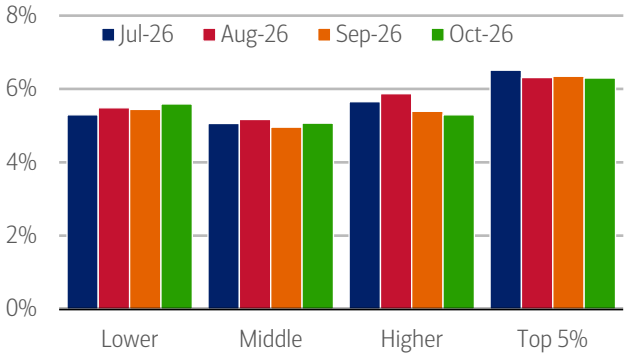



**Source:** Bank of America internal data

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**Exhibit 5: …though they still lag the top 5% in discretionary spending growth**

Discretionary card spending per household by income tercile and the top 5% (three-month moving average, YoY%, SA)




**Source:** Bank of America internal data

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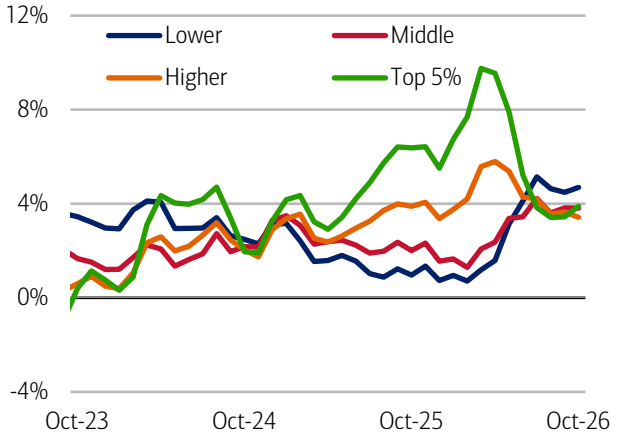
The labor market remains one of the primary drivers behind the strengthening in lower-income households' spending. After-tax wage growth remains strongest for this cohort, rising 4.7% YoY. Middle-income households saw after-tax wage growth just below 4% YoY, while the higher-income cohort recorded the slowest growth at 3.4% (Exhibit 6).

Each cohort's total card spending has outpaced their wages for the past five months (Exhibit 7). Though, in our view, this is not overly concerning because this is mostly a base-effect story. Wages are a much bigger dollar number than spending, so wages don't have to grow as fast in percentage terms to generate enough additional dollars to support faster spending growth.

However, the gap between spending and after-tax wage growth is largest for the top 5% of households by income. In part, this likely reflects a spending boost from wealth effects, rather than wage growth alone. The impact on this cohort's spending from recent stock market gyrations will warrant close attention going forward. But given these wealth effects reflect the accumulation of asset price increases over a considerable period of time, in our view, spending may still be relatively robust with only small to modest pullbacks in equities.

**Exhibit 6: Lower-income wage growth remains strongest**

After-tax wage and salary growth by household income tercile and the top 5% by income (three-month moving average, YoY%, SA)

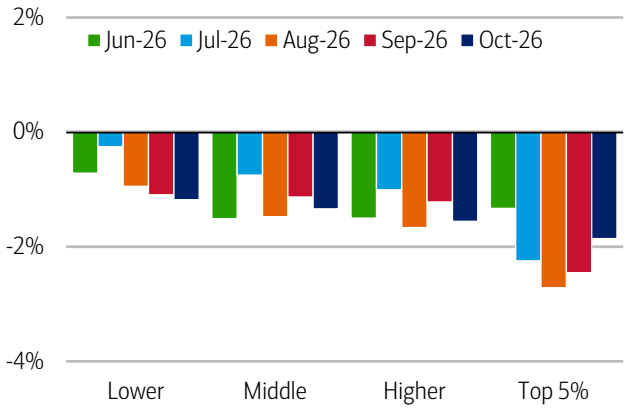



**Source:** Bank of America internal data

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**Exhibit 7: Spending growth for all income cohorts outpaced after-tax wage growth for the last five months**

After-tax wage growth minus spending growth (three-month moving average, percent difference)




**Source:** Bank of America internal data

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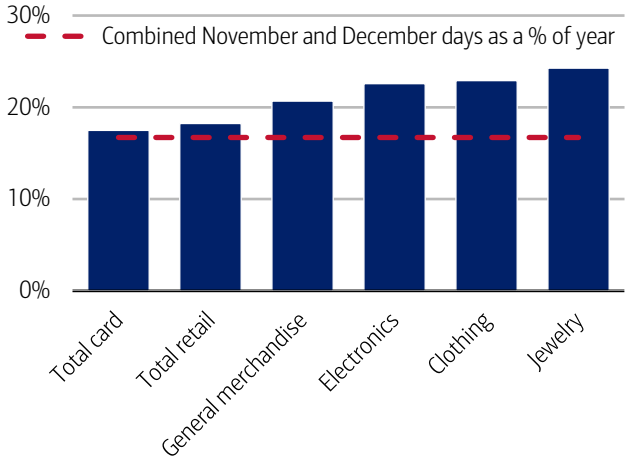
## Holiday spending is strong, but is gravitating online and to less expensive items

The holiday season is especially important for retailers, given November and December typically account for at least one in five dollars of the year's revenue. Bank of America internal data shows this is the case for general merchandise, electronics and clothing, while jewelry generates nearly a quarter of its revenue during this time (Exhibit 8).

Although it's still early, spending on "holiday items" (see Methodology) has been running significantly higher than 2025 levels so far (Exhibit 9).

**Exhibit 8: An outsized share of clothing and jewelry card spending takes place in November and December**

Card spending, based on Bank of America card data, during November and December as a share of the total year (2018-2025 average, % share)

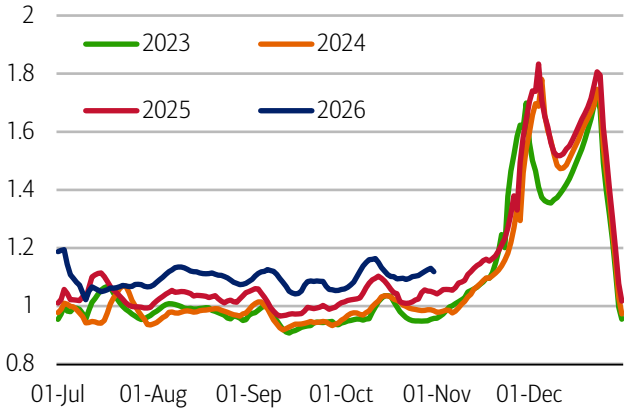



**Source:** Bank of America internal data

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**Exhibit 9: So far, 2026 YoY spending growth on holiday items has been healthy**

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




**Source:** Bank of America internal data.

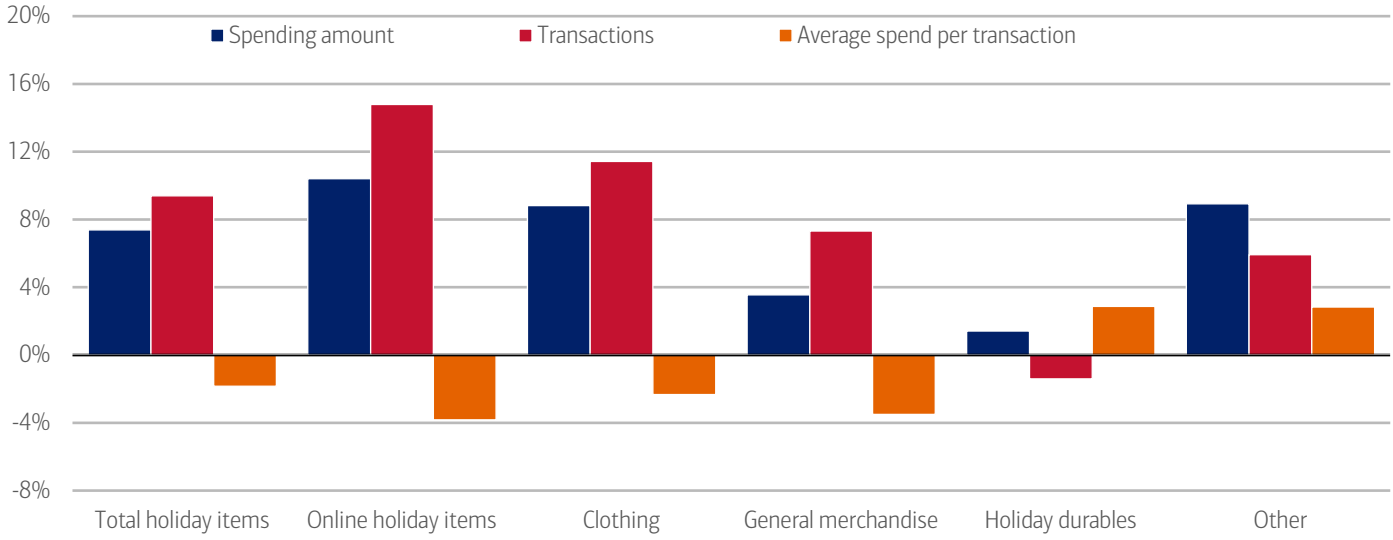
Note: Holiday items include all merchant category codes (MCC) codes for which spending in November through December is at least 20% of total annual spending in the category.

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Diving deeper into the holiday spending categories, online spending is the true standout, running 3pp higher than overall holiday spending. But the average ticket size (dollars per transaction) is running below 2025 levels. In our view, it's possible that consumers are turning to less expensive items amid rising prices elsewhere (read more in our publication: Can consumers escape inflation?).

**Exhibit 10: Consumer spending on holiday items was mostly strong in October, though there was a decline in durables transactions YoY**

Spending, transaction and average transaction amount growth per household, based on Bank of America card data, for select holiday categories (October 2026, YoY%)



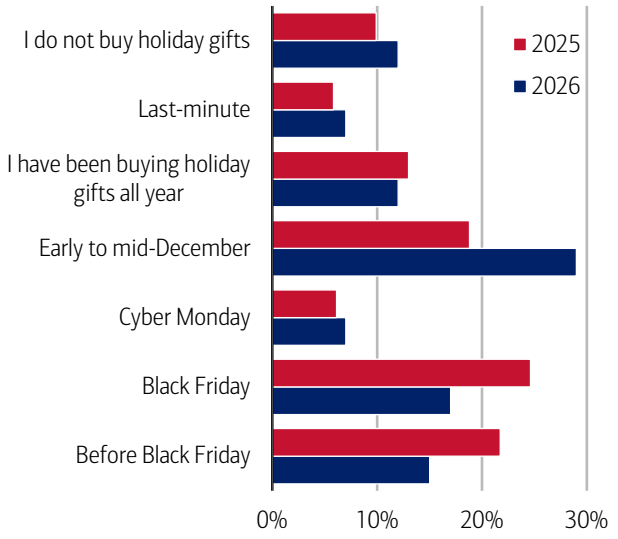

**Source:** Bank of America internal data.

Note: Holiday items include all merchant category codes (MCC) codes for which spending in November through December is at least 20% of total annual spending in the category.

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Could the current strength in holiday spending just be a pull-forward from later in the season? It's possible, but the 2026 Bank of America Holiday Spending Survey (see Methodology) suggests that most spending on holiday items may actually occur later this year (Exhibit 11). And while most respondents were aiming to spend around the same this year as last year, around 46% of lower-income respondents say they are planning on spending less (Exhibit 12).

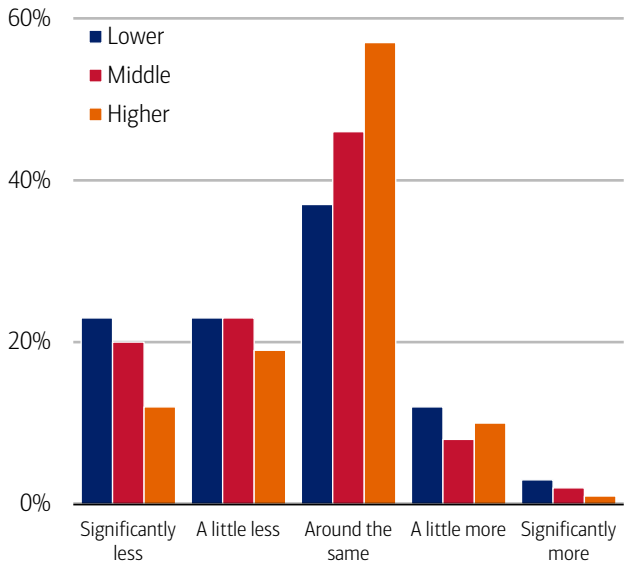
**Exhibit 11: Survey respondents are leaning to shopping later this year…**
Survey response to question, "When do you plan to do the majority of your holiday shopping this year?" (%)




**Source:** 2026 Bank of America Holiday Spending Survey

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**Exhibit 12: …with some favoring spending less**
Survey response to question, "How do you expect your holiday spending to change this year compared to 2025?" (%)



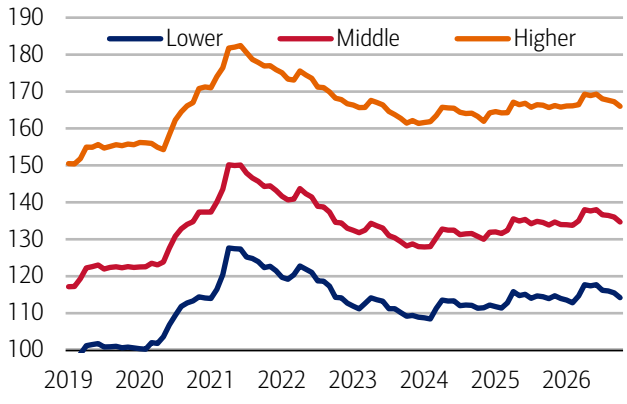

**Source:** 2026 Bank of America Holiday Spending Survey

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## Consumer finances remain mostly healthy going into the holidays

Perhaps one reason consumers may be jollier than expected heading into the holidays is their healthy financial position. For example, Bank of America credit card data suggests that a higher share of households are paying off their full credit card balances each month across all income cohorts both YoY and compared to pre-pandemic levels (Exhibit 13). And of those households carrying a balance month-to-month, utilization of their card limits remains around 2019 levels, for all but lower-income households (Exhibit 14).

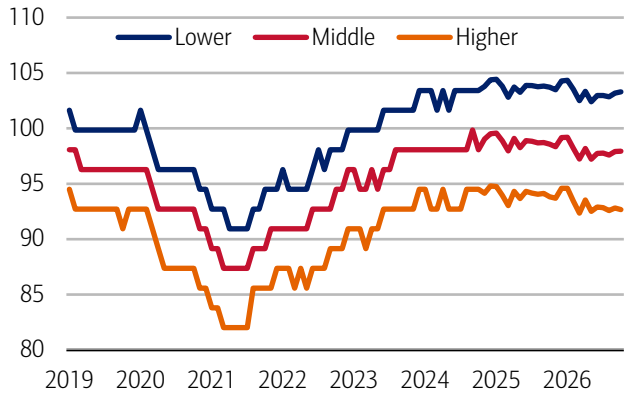
**Exhibit 13: The share of those who pay off their entire credit card balances is above 2019 and 2025 levels for all income groups**
Ratio of households who pay off their full credit card balance each month in Bank of America credit card data, by household income tercile (monthly, index lower-income 2019 average = 100)




**Source:** Bank of America internal data

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**Exhibit 14: Lower-income households that carry a balance have seen a larger increase in credit card usage rates compared to 2019 levels, but a small decline over the past two years**
Average credit card utilization rate for households with a revolving balance by household income (monthly, index lower-income 2019 average = 100)

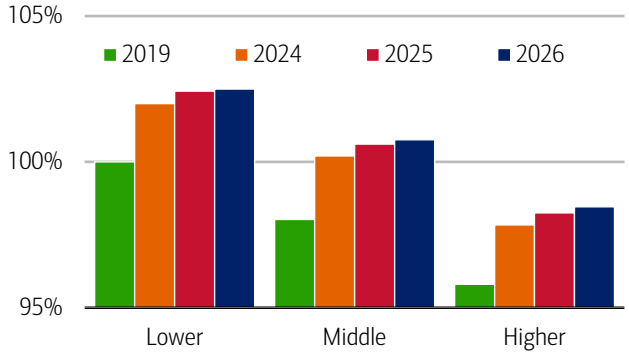



**Source:** Bank of America internal data

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There is, however, some evidence of increasing stress at the margins, with a small rise in the share of credit card holders who are making only the minimum payment (Exhibit 15). And in internal data on Bank of America 401(k) plan participants (see Methodology), there's also been a small but consistent rise in the share of people taking hardship distributions over the past two quarters (Exhibit 16).

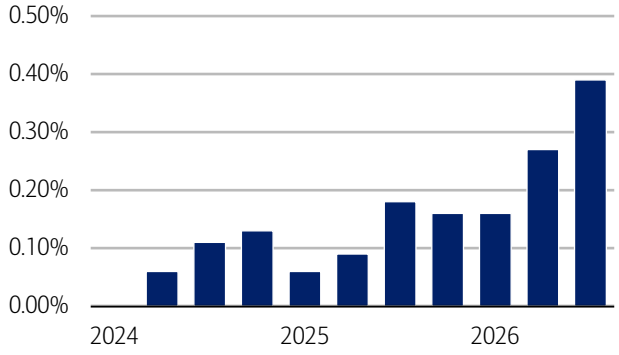
**Exhibit 15: The share of minimum credit card payors is increasing in 2026, albeit at a slower pace than last year**
The share of households making minimum credit card debt payments (yearly, index lower-income 2019 = 100)




**Source:** Bank of America internal data

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**Exhibit 16: The share of 401(k) participants taking a hardship distribution rose slightly in the third quarter of 2026**
Change in the proportion of total 401(k) participants taking a hardship distribution (quarterly, pp change from Q1 2024)

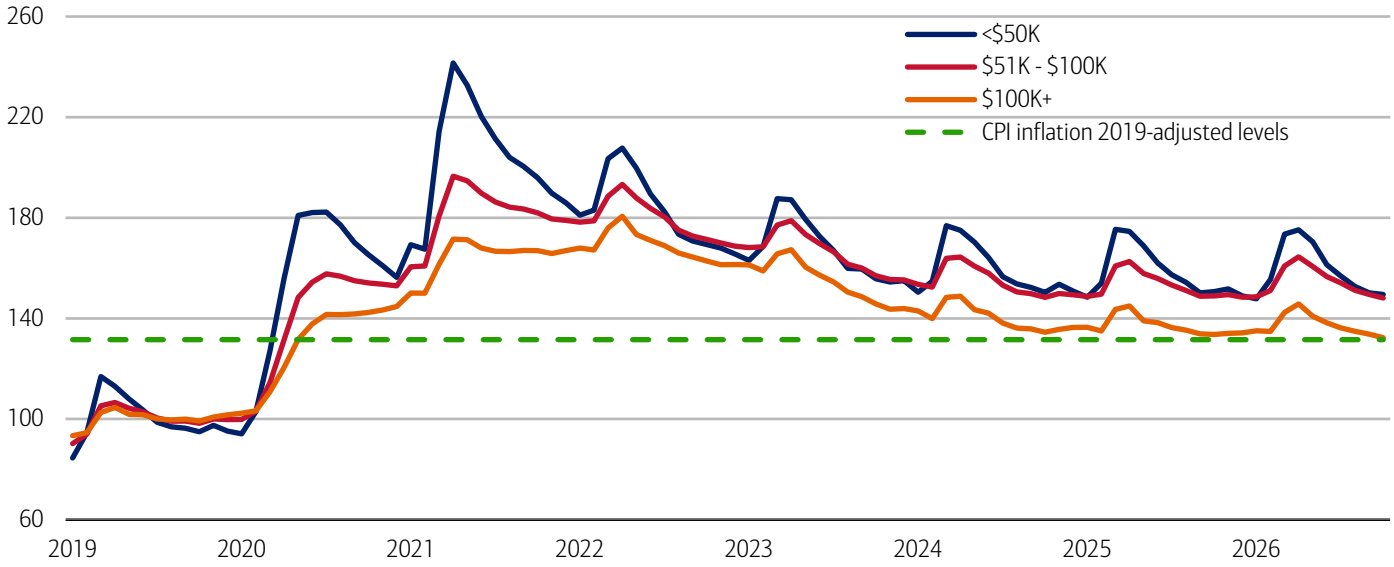



**Source:** Bank of America internal data

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The boost to checking and savings deposit levels earlier in 2026 from tax refund season appears to have run its course. But deposits are still above pre-pandemic inflation-adjusted levels across all income cohorts (Exhibit 17), meaning that consumers likely still have some buffers to draw on if they need extra help with holiday spending.

**Exhibit 17: Household savings are up on 2019 levels and little changed YoY**
Monthly median household savings and checking balances by income for a fixed group of households through October 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 October 2026.

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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.

Store category aggregation for "more discretionary", "partly discretionary", and "mostly necessity" is defined as follows:

More discretionary: furniture, electronics, building materials, hobbies, miscellaneous stores, nonstore retail, clothing.

Partly discretionary: auto, health and personal care, general merchandise.

Mostly necessity: Gasoline, food and beverage.

We consider a measure of services necessity spending that includes but is not limited to groceries, utilities, and gasoline. 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 and 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.

The Bank of America 2026 Holiday Spending Survey was conducted online between Sept. 10–12, 2026. The survey consisted of 2,062 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. The participant pulse report 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 September 30, 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.

Generations, if discussed, 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.

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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Consumer and Small Business Product Analytics

**2026 Bank of America Holiday Spending Survey**

**Q3 Bank of America 401(k) Participant Pulse**

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