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Consumer Morsel

Housework: When time is money

03 April 2025

Key takeaways

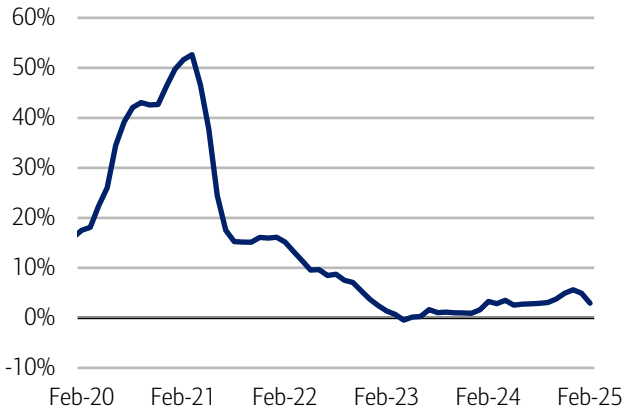
- The home services industry has largely recovered from declines in spending seen during the pandemic, but increased costs-of-living may now be a drag on the industry. While higher-income households continue to spend for home services, lower-income households have pulled back.
- However, rising labor force participation rates could give it a fresh boost, as people have less time to do their own chores and caring roles. Higher earners may outsource these tasks, while others may have to carry on doing them. This unpaid work – predominantly done by women – contributes as much to economic well-being as the average value added by the manufacturing sector.
- In time, some of these tasks may be outsourced to robots, which could save time and increase productivity. According to a recent study, 59% of grocery shopping and 46% of household cleaning tasks may be automatable in the next 10 years.

Has demand for home services grown dusty?

Home services provide people with a way to free up time spent working around their homes, potentially to enjoy more leisure activities or to spend more time working in their jobs. Such services include spending on categories such as landscaping, house cleaning, home repair and food delivery.

Spending on home services by individuals and businesses are a broader part of the overall services strength seen since 2021. However, more recently, Bank of America spending data on home services has largely lagged in comparison. It was up just 2.9% year-over-year (YoY) in February (Exhibit 1), notably less than the double-digit growth seen just three years ago.

Exhibit 1: Spending growth for home services was nearly 3% YoY in February 2025, slowing by almost half from December
Total home services spending (3-month moving average, monthly, YoY%)



Source: Bank of America internal data
Note: Spending includes ACH, check, credit and debit card, bill pay, and wires. Home services spending includes categories such as home maintenance, dry cleaning, and food delivery.
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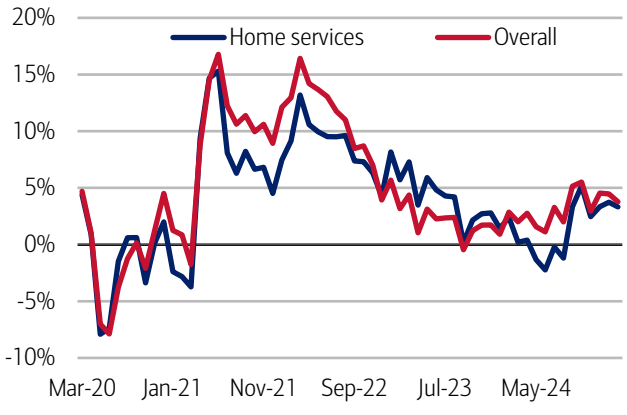
Exhibit 2: Home services payroll growth was 3.3% YoY in February 2025
Payroll per small business client (3-month moving average, monthly, YoY%)



Source: Bank of America internal data
Note: Home services includes businesses such as landscaping, maids, plumbers, and laundry services.
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Additionally, using Bank of America data, we find payroll growth for small businesses within home services (see footnote in Exhibit 2) has eased since 2021 and has been slightly weaker compared to the overall trend in recent months (Exhibit 2).

This suggests that some consumers may have pulled back on spending on these services, which are more discretionary in nature, that they might otherwise do themselves in order to save money (see more on this in our report, The cost of living ain't easy).

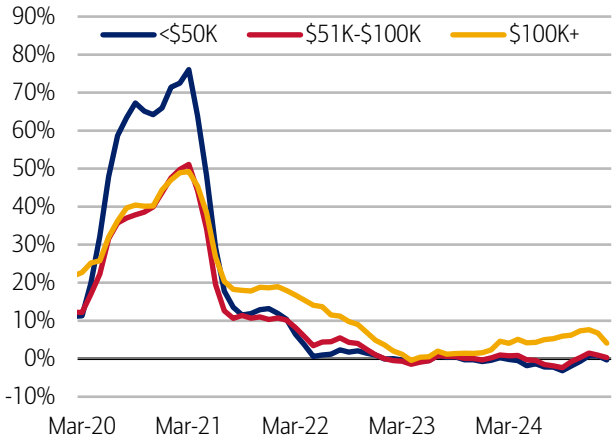
Lower-income households have pulled back as cost of living has risen, but higher-income households are still spending

This is especially true for lower-income (<$50K) households, whose spending on home services was down 0.3% YoY in February (Exhibit 3). Meanwhile, higher-income (>$100K) household spending on home services was still going strong, up 4.1% YoY, roughly in line with 2019 growth rates.

It could be that weaker spending on home services may be one explanation for the corresponding slowdown we have seen in leisure spending (Exhibit 4). Leisure spending includes outdoor activities like amusement parks and golf clubs as well as indoor activities such as going to the movies. It suggests that people might have less time for genuine "leisure" if they are having to do more work at home.

Exhibit 3: Higher-income households continued to increase their home services spending, while lower- and middle-income households are pulling back

Spending on home services by income (3-month moving average, monthly, YoY%)



Source: Bank of America internal data

Note: Spending includes ACH, check, credit and debit card, bill pay, and wires. Home services spending includes categories such as home maintenance, dry cleaning, and food delivery.

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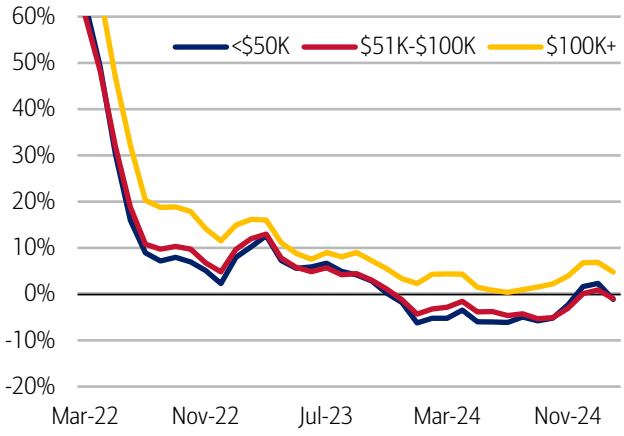
Exhibit 4: Leisure spending growth was negative for lower- and middle-income households in February

Spending on leisure activities by income (3-month moving average, monthly, YoY%)



Source: Bank of America internal data

Note: Spending includes ACH, check, credit and debit card, bill pay, and wires. Leisure spending includes categories such as indoor recreation, outdoor recreation, movies, and golf clubs.

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An increase in the labor force participation rate may be a tailwind for the home services industry

Interestingly, the slowing in spending on home services is coming at a time when labor force participation has been rising for both men and women (Exhibit 5). In fact, the participation rate for prime-age women in 2024 was at an all-time high at 77.9%.

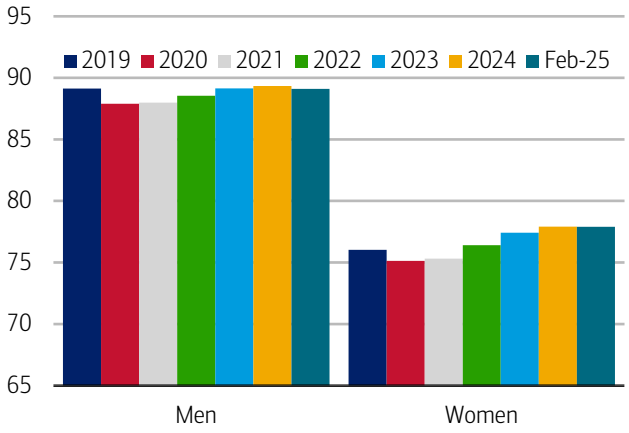
With more hours going toward paid work, combined with slowing spending on home services – suggesting people are working more around the home after clocking out – and have less genuine leisure time.

And this finding that Americans, especially those with children, are getting less time for fun is consistent with the American Time Use Survey (ATUS) from the Bureau of Labor Statistics (BLS) (Exhibit 6). It shows that in 2023, the average person with a job and children under 18 years old had less time for leisure than at any other point of the previous decade.

But an interesting divergence has emerged, after a decade of declines, men saw a large increase in leisure time in the past two years, around four hours of leisure time a day – a small rise compared to 2013; whereas women's leisure time continues to decline, around three hours a day in 2023 – a drop from 2013.

Exhibit 5: The labor force participation rate has increased compared to 2019 for women and remains the same for men in February

Labor force participation rate, 25-54 years, by gender (annual average)



Source: Bureau of Labor Statistics

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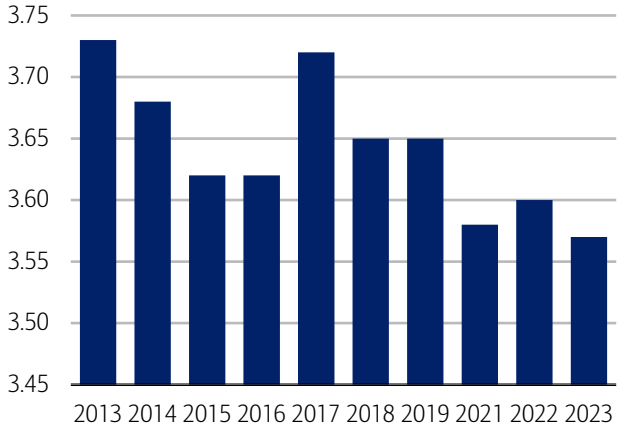
Exhibit 6: The number of hours spent on leisure is at a decade low

Average hours per day – leisure and sports (includes travel) (annual)



Source: Bureau of Labor Statistics – American Time Use Survey

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The significant economic value of unpaid housework

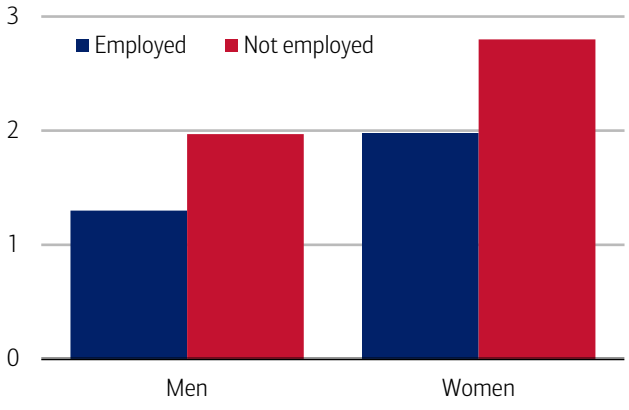
In our view, there is a risk these upward pressures from unpaid housework go unrecognized economically, as housework is often difficult to measure and performed by those not employed. But despite its unpaid nature, conservative estimates suggest that non-care housework – which is predominantly done by women – contributes as much to our economic well-being as the average value added by the manufacturing sector in the Organization of Economic Cooperation and Development (OECD)[1].

So, what exactly is this work and what is the economic value of this time spent? Unpaid work generally refers to services that are performed within a household and are not offered for sale on the market.

This typically includes, cooking, cleaning, laundry, and gardening, but also adult- and childcare, as well as shopping and related travel activities, according to the OECD. This work is the lynchpin of any modern economy as it ensures communities are healthy, productive, and able to readily participate in the workforce.

Exhibit 7: People that are not employed spent significantly more time than those employed doing household activities

Average hours per day – household activities (includes travel) by gender and employment status (2023)



Source: Bureau of Labor Statistics – American Time Use Survey

Note: Household activities includes cleaning, laundry, food preparation and cleanup, lawn and garden care, and household management.

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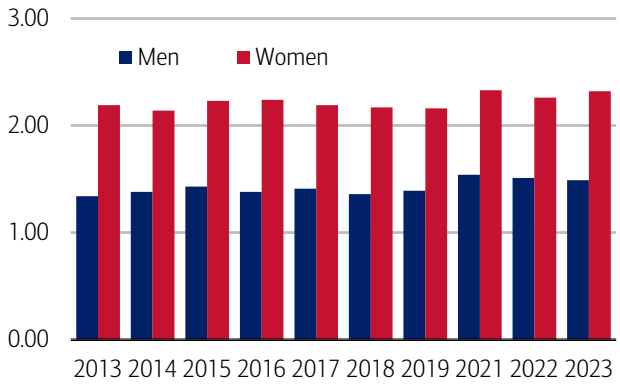
Exhibit 8: Time spent doing household activities has increased over the past decade for both genders, but women still spend significantly more time working on the household

Average hours per day – household activities (includes travel) by gender (annual)



Source: Bureau of Labor Statistics – American Time Use Survey

Note: Household activities includes cleaning, laundry, food preparation and cleanup, lawn and garden care, and household management.

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[1] Bringing Household Services Out of the Shadows | OECD

Based on estimates of time spent daily doing these activities from the Bureau of Labor Statistics (BLS), unemployed men spend over 50% more time doing household work than employed men (Exhibit 7).

Meanwhile, unemployed women put in 40% more time on household activities than employed women and more than double the time performed by employed men. Although men have increased the amount of time spent on household activities by 11% over the past decade, they still lag women by a significant margin (Exhibit 8).

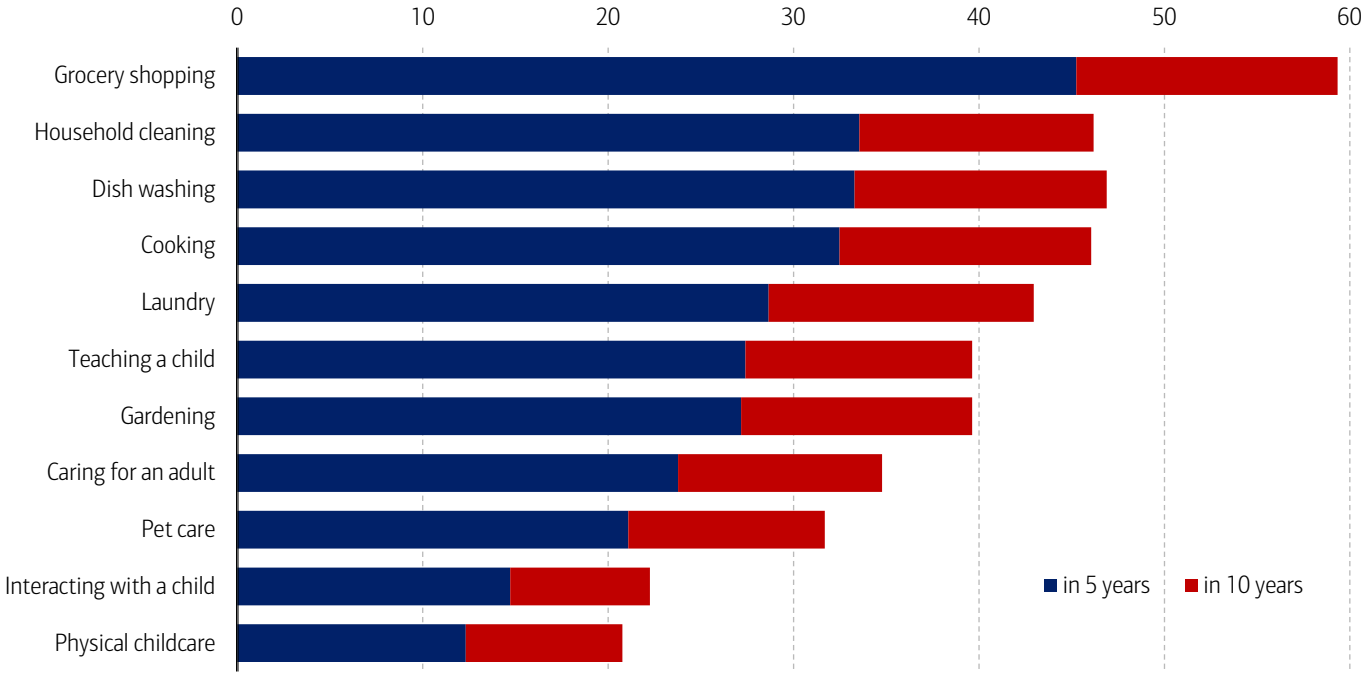
Can labor-saving technology shift time from chores?

Can technological advancement change the face of housework in the future, freeing people up to enjoy more leisure time? As one would assume, not all chores are equal and some (i.e. those that involve more repetitive work) are easier to replace than others.

Housework, generally, is more replaceable by tech automation than caregiving work according to a 2023 study,[2] with 59% of grocery shopping and 46% of household cleaning seen automatable within 10 years (Exhibit 9).

Although caregiving work is the hardest to replace – as any caregiver can attest, it's entirely unpredictable – there are still ways to reduce some labor-intensive aspects of it. For example, in areas like elderly care, robots can help monitor health stats or provide mobility assistance.

Exhibit 9: Housework generally is more replaceable by tech automation than caregiving work
Estimated automatability of domestic work tasks (% of time reduced)



Source: Lehdonvirta et al (2003), BofA Global Research

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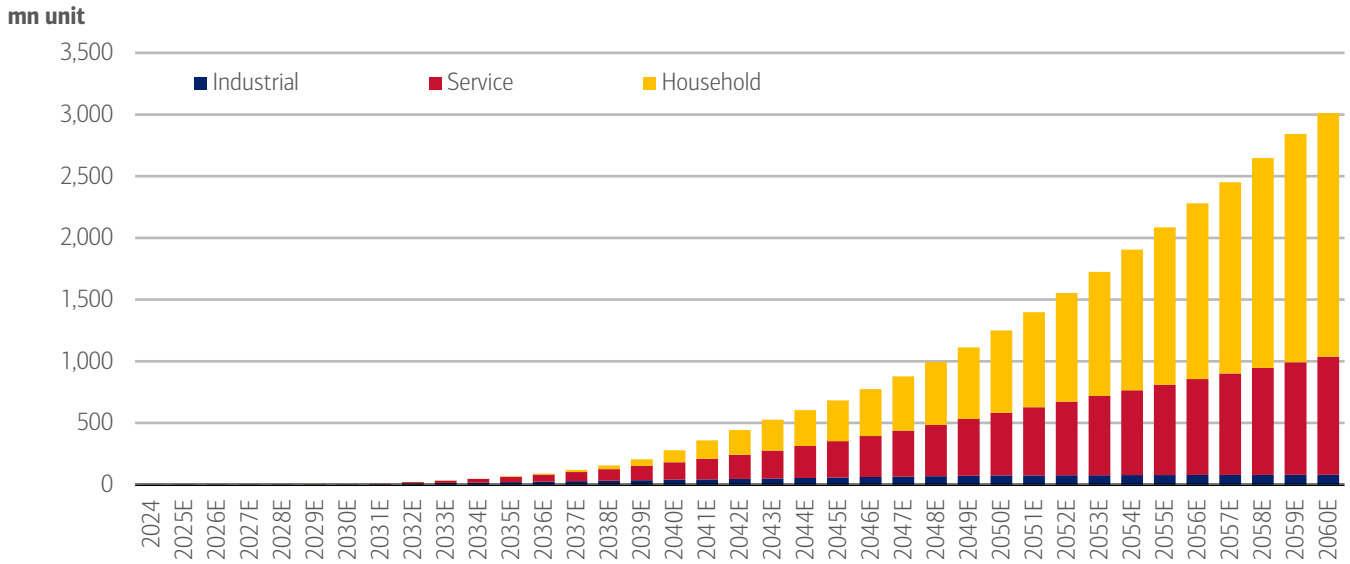
Robots to the rescue – the potential for humanoid robots my ease the burden of unpaid housework

In fact, BofA Global Research expects the humanoid robot population – a type of service robot that mimics a human's behavior and interaction – to reach 3 billion (bn) units in ownership (UIO) by 2060 (Exhibit 10). Typical applications of humanoid robots include security, healthcare and warehouse management. They can also be used in household applications such as for housework or domestic care duties (read more on robots in our report, Next Gen Tech: Robots).

While BofA Global Research is optimistic that labor-saving technology could free up time for people to participate in activities outside of household chores, reality often brings its own challenges, which can slow down progress. For example, social norms might be difficult to break, even with efficient automation. Even if household tasks become easier, automation in this case could simply lead to time reallocation to other chores or caregiving work that is less automatable.

[2] "The future of unpaid work(s)," Lehdonvirta et al, 2023

Exhibit 10: Total UIO could reach 3.0bn units by 2060E
Long-term forecast of humanoid robot UIO



Source: BofA Global Research estimates

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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.

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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