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Economy

# Consumers subscribe to more spending

**02 September 2026**

## Key takeaways

- Consumers are increasingly embracing the subscription economy. Subscription spending rose 7.7% year-over-year (YoY) in July 2026, outpacing overall card spending growth by more than a percentage point and a half for the past two years, according to Bank of America payments data. Entertainment and retail subscriptions drove most of that increase and now account for roughly 43% of all subscription spending.
- Subscription trends vary significantly by generation, though. Bank of America payments data shows Gen Z posted the fastest subscription spending growth at nearly 14% YoY in July. However, Gen X is the biggest spender overall, with older Millennials close behind.
- Reading and information subscriptions are having a moment. Although this category accounts for the lowest share of subscription spending, outlays on these services (which include AI-related offerings) posted the fastest growth across generations, with particularly strong gains among Gen Z and younger Millennials, up 61% and 51% YoY, respectively.

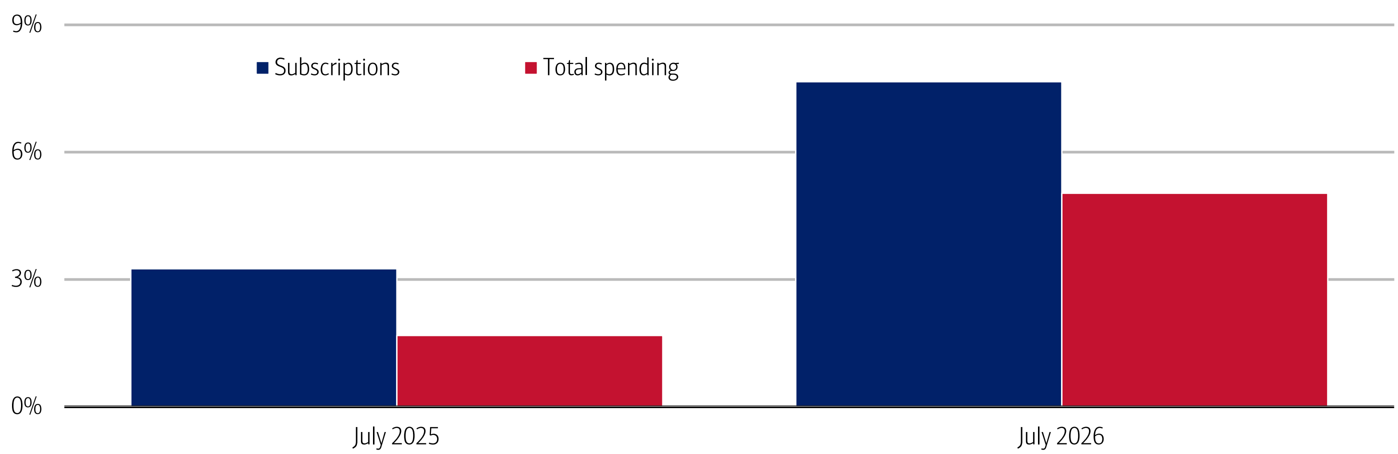
## Subscription spending outpaces total card spending for the past two years

Are consumers starting to ramp up their spending on subscriptions? Bank of America internal payments data suggests they are.

Non-utility subscription payments – across entertainment, retail, reading and AI, home services, fitness, fashion and food – increased by 7.7% year-over-year (YoY), outpacing total spending by more than a percentage point and a half in July 2026 (Exhibit 1). This is a similar dynamic to last year, when subscription spending growth also outpaced total spending growth per household. Notably though, non-utility subscription spending is still a very small share of total spending.

**Exhibit 1: Subscription spending increased faster than overall card spending growth in the 12 months to July 2026**

Total spending per household compared to subscription spending per household (12-month rolling average, YoY%)




**Source:** Bank of America internal data

Note: Total spending includes payments from both credit and debit cards, automated clearinghouse (ACH), wires, bill pay and checks. It excludes debt payments, transfers and investments.

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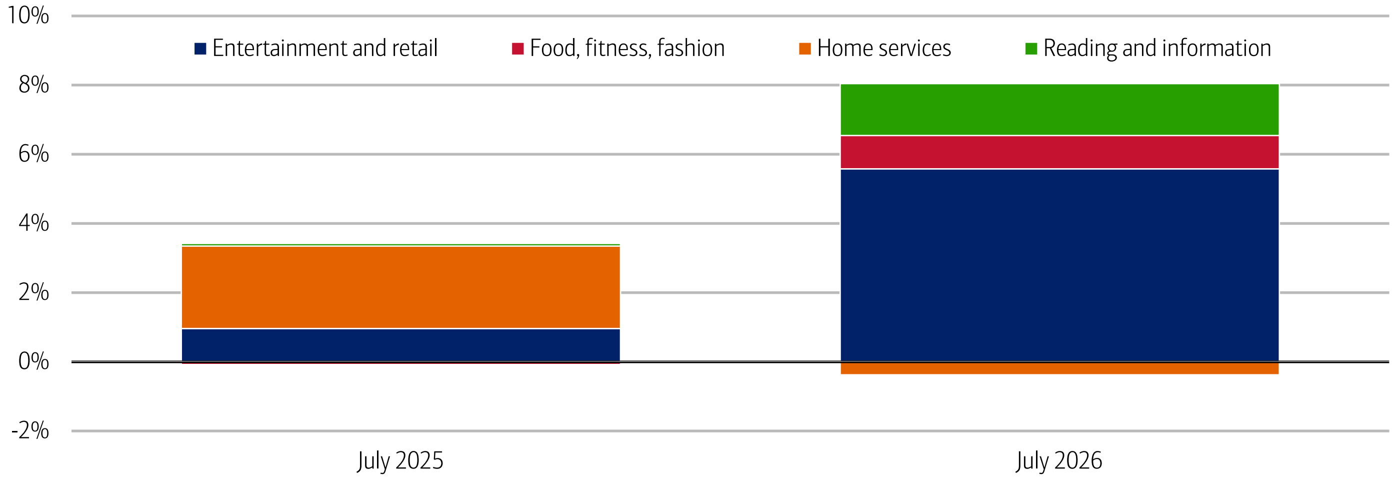
### Movie, TV, music and video game subscriptions drove the majority of subscription spending growth

Looking across subscription types, the vast majority of growth appears to be driven by entertainment such as music, TV, movie and video game streaming, as well as large retailer subscriptions (Exhibit 2). Reading and information (including AI) also drove a meaningful amount of spending, while food, fitness and fashion categories were responsible for the rest of the growth. Home services – mostly home security, lawncare, pool services and pest control – has been a slight drag on subscription spending so far in 2026.

**Exhibit 2: Entertainment and retail have driven subscription spending so far in 2026**
Contributions to spending growth by subscription type (12-month rolling periods, percentage point contributions)




**Source:** Bank of America internal data

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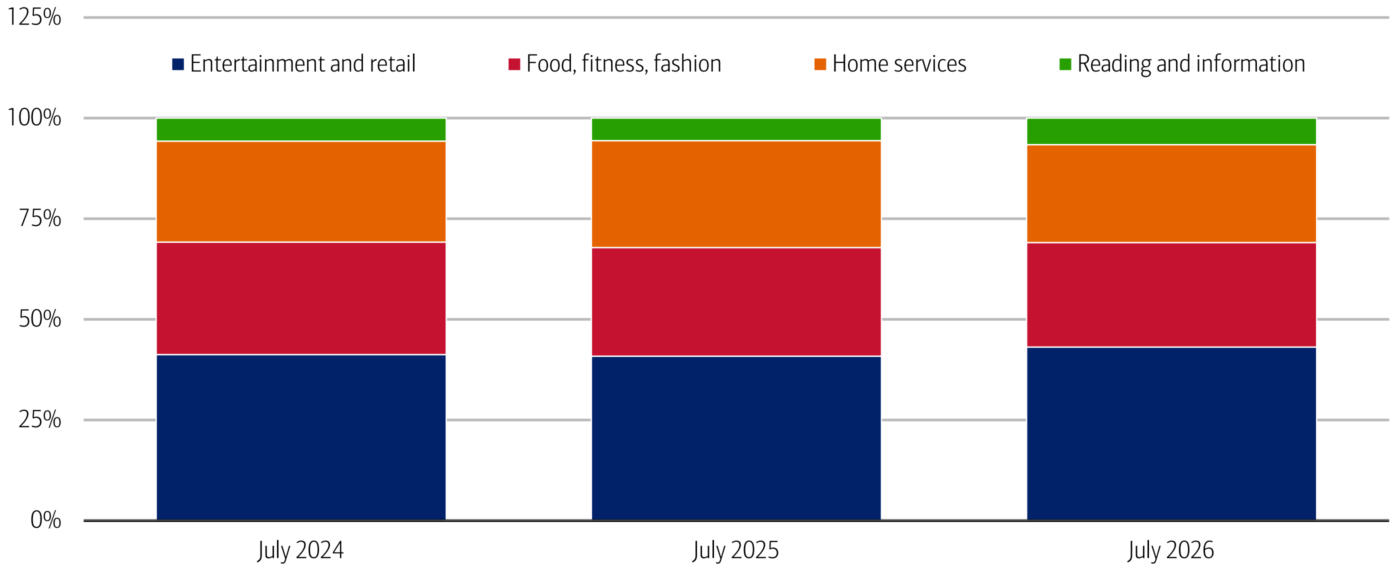
**Entertainment and retail subscriptions also made up the majority of recurring payments**

Entertainment and retail subscriptions made up around 43% of subscription spending in 2026, up slightly from 41% in both in the prior two years. Food, fitness and fashion accounted for the next highest share at 26%, while home services trailed closely behind at 24%. Reading and information made up the smallest share of subscription spending, at only 7%, though the category is currently growing rapidly.

**Exhibit 3: Entertainment and retail account for the largest share of subscription spending**
Share of subscription spending by subscription type (12-month rolling period, %)




**Source:** Bank of America internal data

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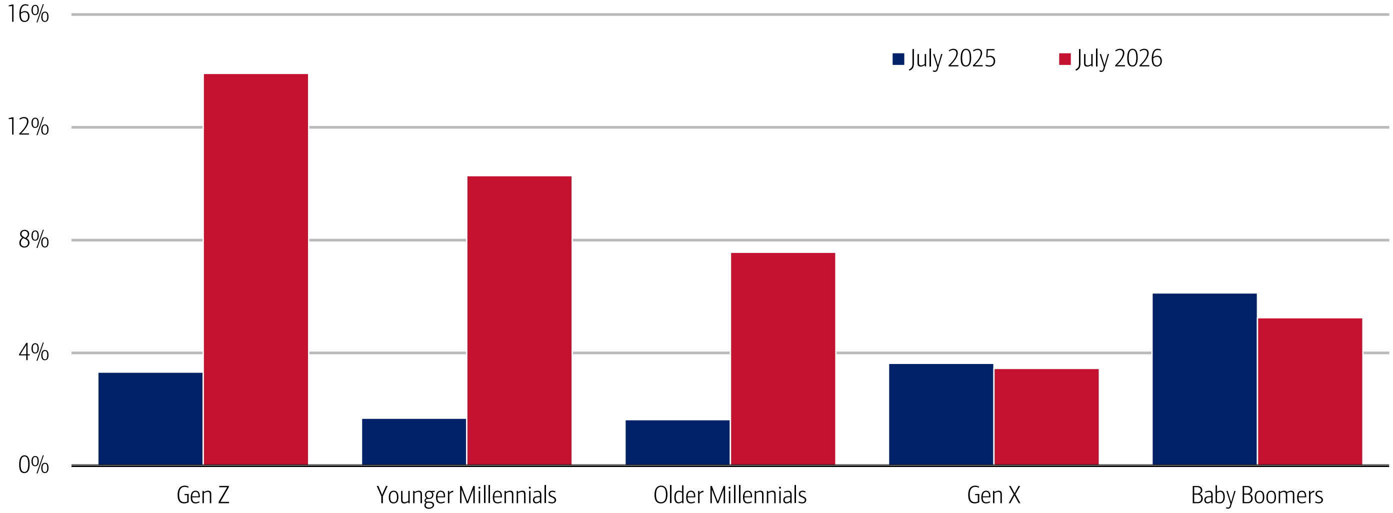
## Gen Z leads subscription spending growth, while Gen X currently spends the most

Bank of America payments data on subscriptions and age suggests that Gen Z had the strongest YoY spending growth on subscriptions, at nearly 14% in July, followed by younger and older Millennials, who exhibited around a 10% and 8% YoY increase, respectively (Exhibit 4).

Notably, these figures represent a significant acceleration in subscription spending. Gen Z and older Millennials' spending grew at four times last year's rate, while younger Millennials' subscription spending growth increased sixfold. By contrast, Gen X and Baby Boomers' spending rose by more than 3% and 5% YoY, respectively, with more consistent growth from year to year.

**Exhibit 4: Gen Z and Millennials saw significant acceleration in subscription spending this year**
Subscription spending by age generation (12-month rolling period, YoY%)




**Source:** Bank of America internal data

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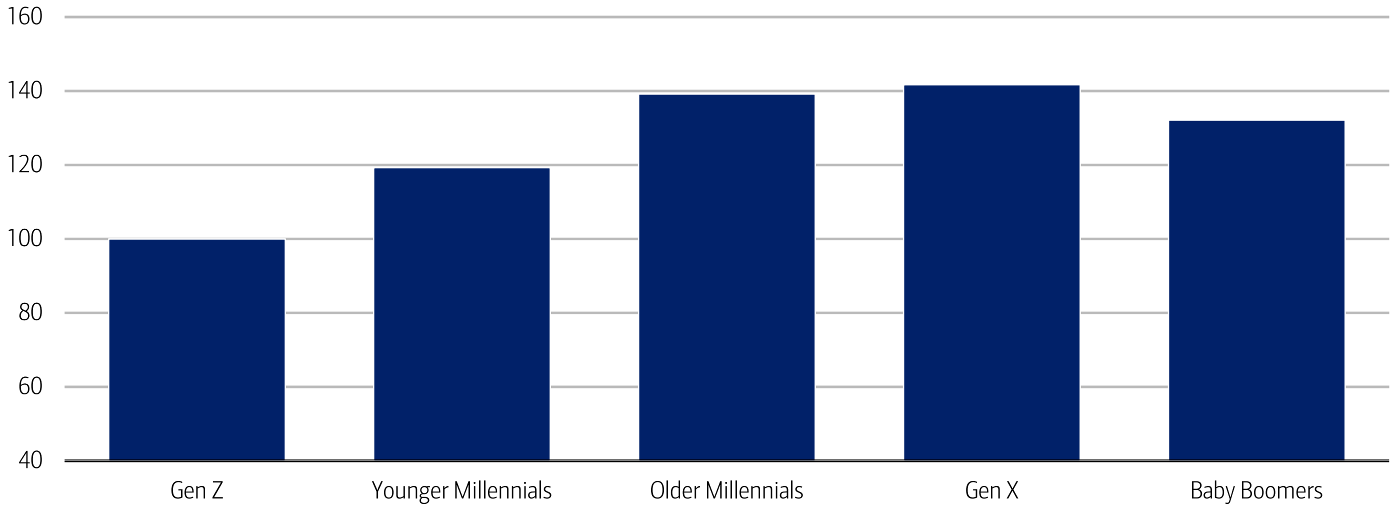
But which generation currently spends the most? Bank of America payments data shows the answer is Gen X by a slight margin, followed closely by older Millennials (Exhibit 5). Both groups spent around 40% more on subscriptions than Gen Z in the past year. Meanwhile, Baby Boomers spent over 30% more and younger Millennials outspent Gen Z by only 20%.

**Exhibit 5: Gen X and older Millennials saw the highest level of subscription spending of any generation**
Average subscription spending per household (12-month rolling period to July 2026, index Gen Z = 100)




**Source:** Bank of America internal data

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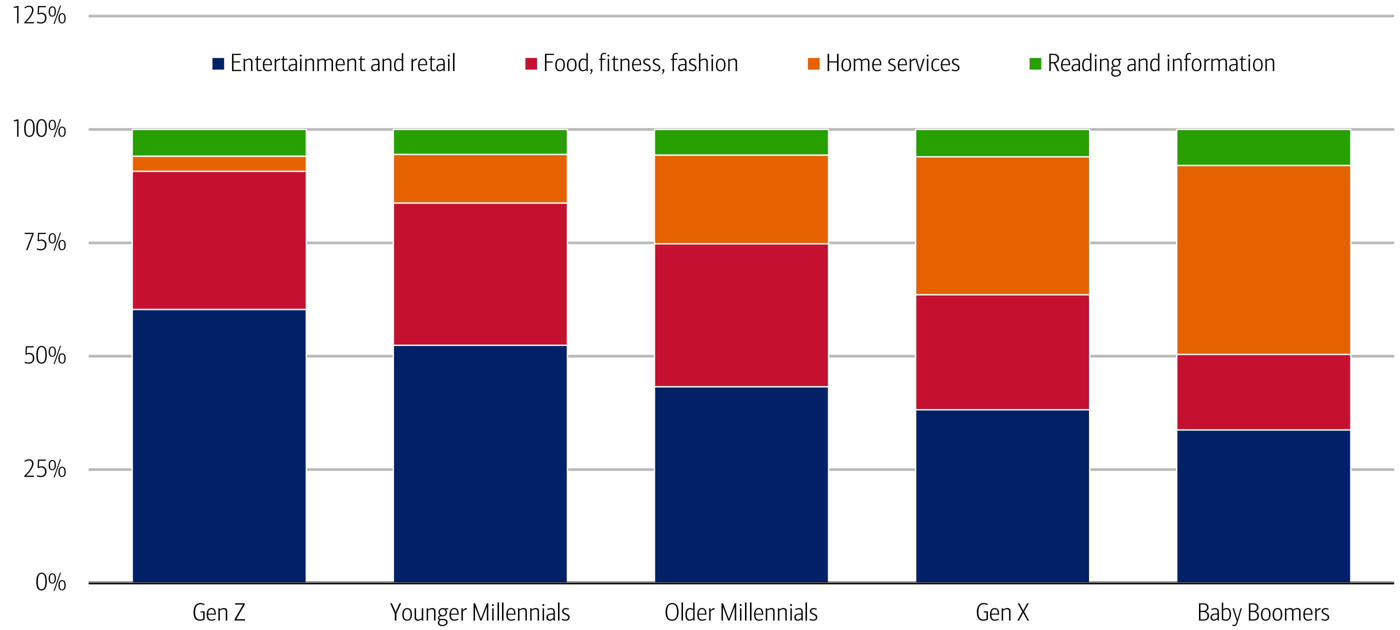
## Over half of Gen Z and younger Millennials' subscription spending is on entertainment

Bank of America payments data suggests that 60% of Gen Z's subscription spending is in the entertainment and retail category (Exhibit 6). This contrasts with older Millennials, Gen X and Baby Boomers, who see half of their subscription budgets going to home services, food, fitness and fashion. In our view, this makes sense, as homeownership skews older, according to data from the US Census Bureau.

Millennials and Gen Z saw 30% of their subscription spend go to food, fitness and fashion, while the figure was closer to a quarter for Gen X. Meanwhile, Baby Boomers spent less than one out of every five subscription dollars in this category. Across all generations, reading and information made up the lowest share of subscription funds.

**Exhibit 6: Gen Z and younger Millennials saw over half of their subscription spending go to entertainment providers and large retailers**
Share of subscription spending by subscription type across age generations (rolling 12-month period to July 2026, %)




**Source:** Bank of America internal data

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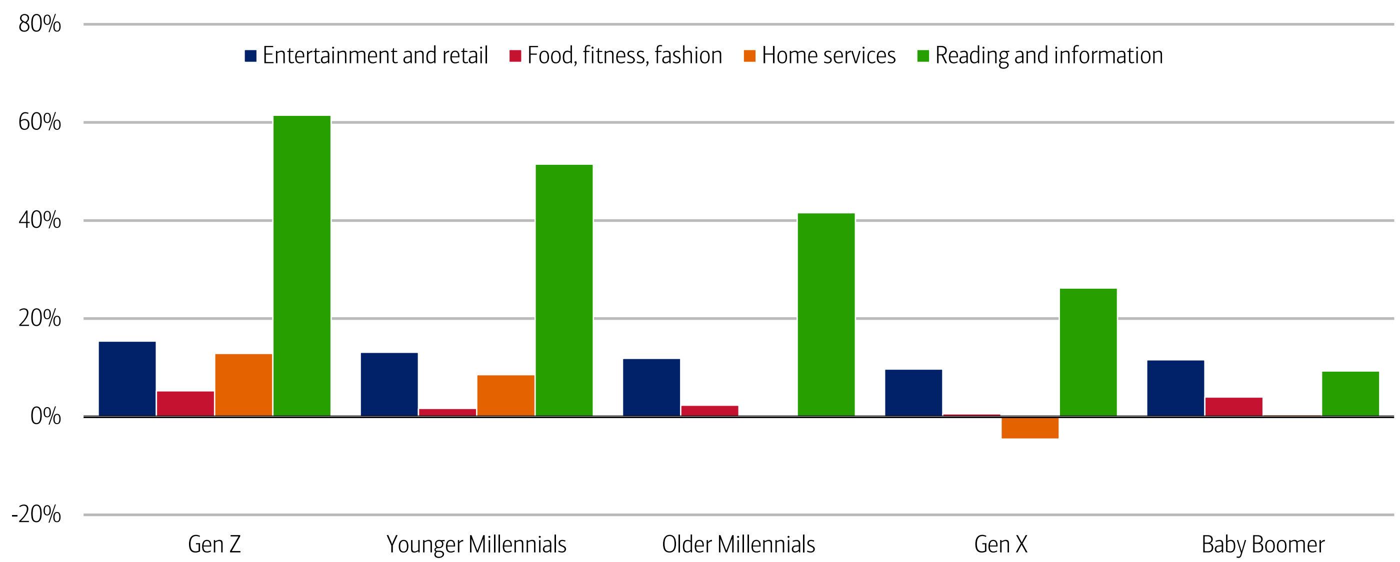
## Reading and information is having a moment

Notably, though, reading and information saw a tremendous increase YoY, especially among younger generations. Spending in the category rose by more than 60% YoY among Gen Z, with 51% and 42% growth for younger and older Millennials, respectively (Exhibit 7). Entertainment and retail recorded the second-strongest growth, up over 10% across all age groups except Gen Z (who recorded almost 10% YoY growth).

**Exhibit 7: Reading and information is seeing the strongest YoY spending growth of any category**
Subscription spending per household by age and subscription type (12-month rolling period, YoY%)




**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 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.

Subscription spending is non-utility recurring payments. Payments are analyzed on a yearly basis and generally defined as: entertainment and retail as music, TV, movie and video game streaming, as well as some large retailer subscriptions; reading and information as magazines, newspapers, audiobooks, and AI; food, fitness and fashion as gyms, home fitness, meal kits, and apparel; and home services as mostly home security, lawncare, pool services and pest control.

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.

## Contributors

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## Sources

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# Disclosures