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Economy

The hobby economy and the price of fun

23 September 2026

Key takeaways

- Consumers are spending more on hobbies. Hobby spending rose 7.9% year-over-year (YoY) in August, but this was more than double the pace of transaction growth, suggesting the reemergence of "funflation" in hobbies, according to Bank of America card data.
- Older Millennials are the biggest hobby spenders, according to Bank of America card data, despite having the least amount of leisure time of any generation. They also have the highest share of the population with hobby spending, though this likely reflects both personal interests and spending on their kids.
- Gen Z's hobby habits are evolving. While hobby purchases have slowed sharply, younger consumers continue to devote significant leisure time to gaming, with over a quarter of Gen Z having some type of online or video game spending, according to Bank of America card data.

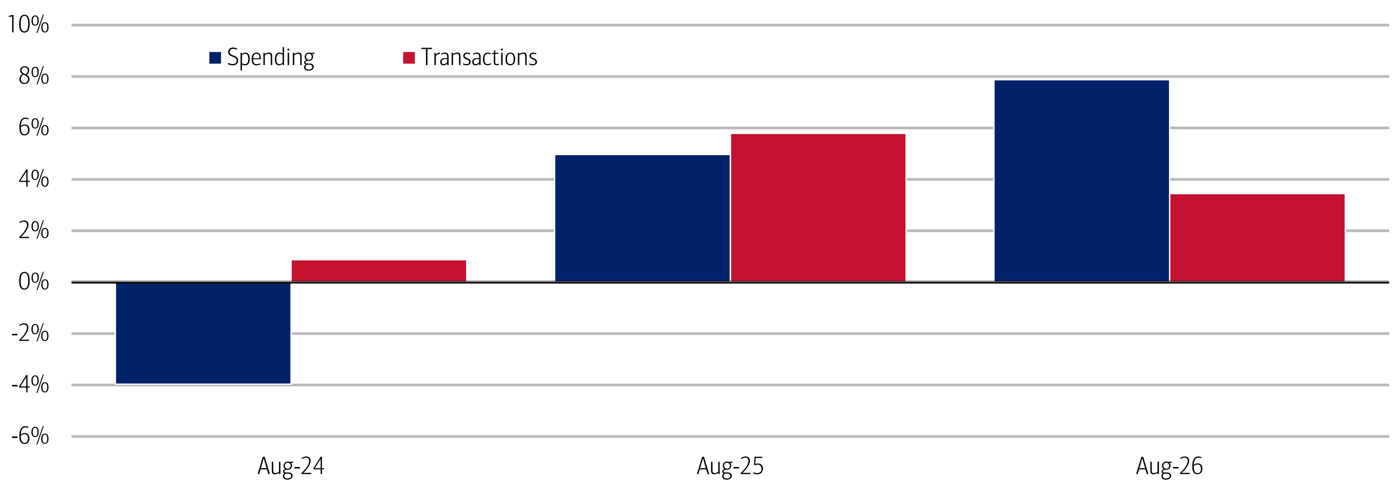
Spending grows over twice as fast as transactions in August

Bank of America card data suggests we're seeing some "funflation" (the rising price of fun) in hobbies – defined here as arts and crafts stores, hobby shops and outdoor recreation service providers and retailers that specialize in activities like hiking, camping, skiing and scuba diving (see Methodology).

Using our definition, spending on hobbies grew 7.9% year-over-year (YoY) in August 2026. This was over twice as fast as transaction growth, which was up a solid 3.4% YoY (Exhibit 1). This is the opposite of last August, when transactions outpaced spending by nearly a percentage point. It's also a stark contrast from 2023, when spending fell nearly 4% YoY and transactions were up almost 1%.

Exhibit 1: Spending grew at twice the rate of transactions in August 2026

Spending and transaction growth per household on hobbies (three-month moving average, YoY%)



Source: Bank of America internal data

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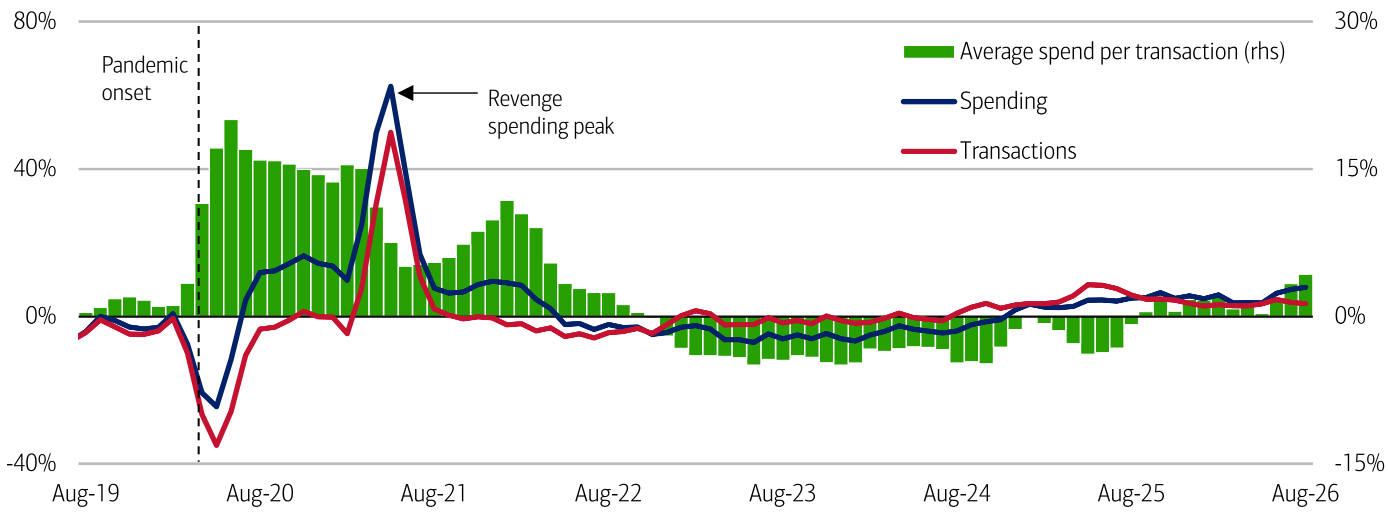
Looking across a longer period, we see that spending growth also outpaced that of transactions throughout the pandemic (Exhibit 2). Transactions began declining in 2021, with spending following suit in mid-2022. In fact, spending declined faster than transactions from 2023 until late 2024, with both improving the following year.

In our view, it's likely that people splurged on hobbies amid social distancing during the pandemic, then gravitated back toward pricier alternatives like travel throughout 2022 and 2023. However, last year there may have been some rotation back to less expensive leisure like hobbies as after-tax wage growth slowed considerably (read more in Consumer Checkpoint: Still sizzling). Bank of America card data suggests there's been a recent acceleration in hobby spending in the past few months, possibly as some consumers balance shift away from travel due to higher prices from rising fuel costs.

Exhibit 2: Spending growth outpaces transaction growth, while the opposite was true from mid-2022 until the end of 2024

Spending and transaction growth per household on hobbies (three-month moving average, YoY%) and average spending per transaction growth per household on hobbies (three-month moving average, YoY%, right-hand side (rhs))



Source: Bank of America internal data

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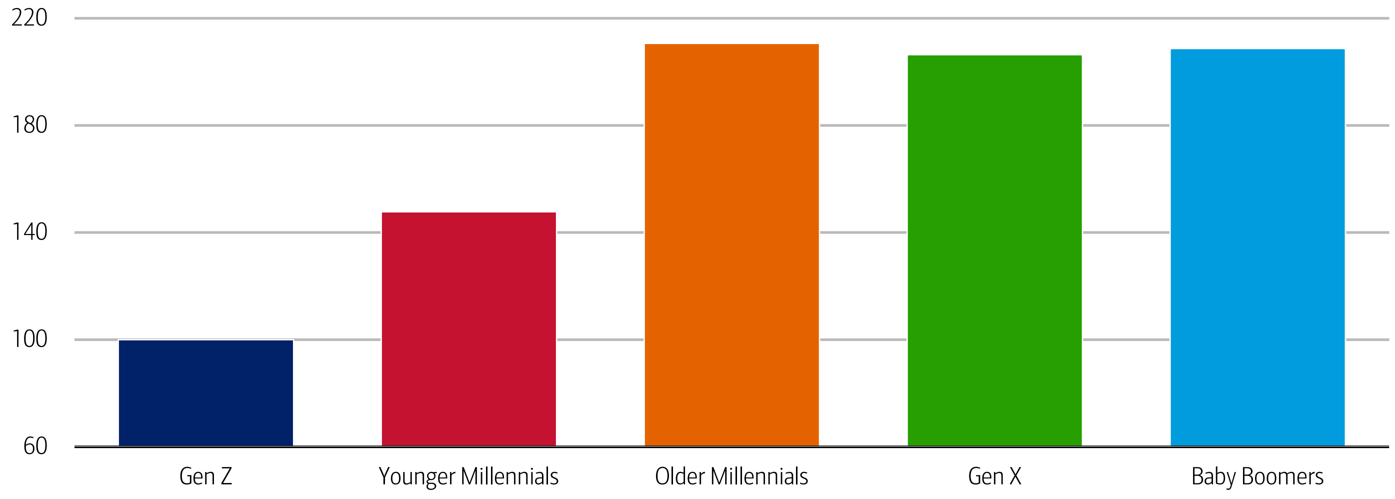
Older Millennials claim the hobbies crown, while Gen Z lags behind

Looking across generations, Bank of America card data suggests that older Millennials spend the most per customer on hobbies, followed closely by Baby Boomers and Gen X, while Gen Z spends the least (Exhibit 3).

Exhibit 3: Older Millennials spend the most on hobbies, followed by Baby Boomers and Gen X

Average spending per customer by age generation (three-month moving average to August 2026, index Gen Z = 100)



Source: Bank of America internal data

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Older Millennials also boast the largest share of their population with hobby spending (Exhibit 4 and Exhibit 5). In our view, it's likely because this group is most likely to have young children. Which may mean older Millennials not only spend on their own hobbies but on their kids' as well.

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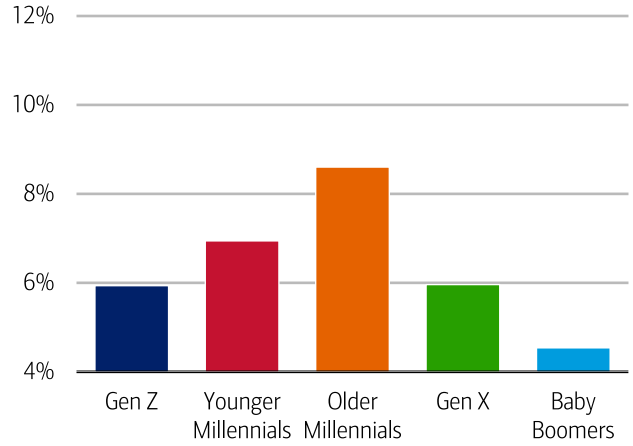
Exhibit 4: A larger share of Gen Z and younger Millennials have outdoor recreation spending than Gen X and Baby Boomers, though older Millennials boast the highest share
Share within each generation of customers with outdoor recreation spending (three-month moving average to August 2026, %)



Source: Bank of America internal data

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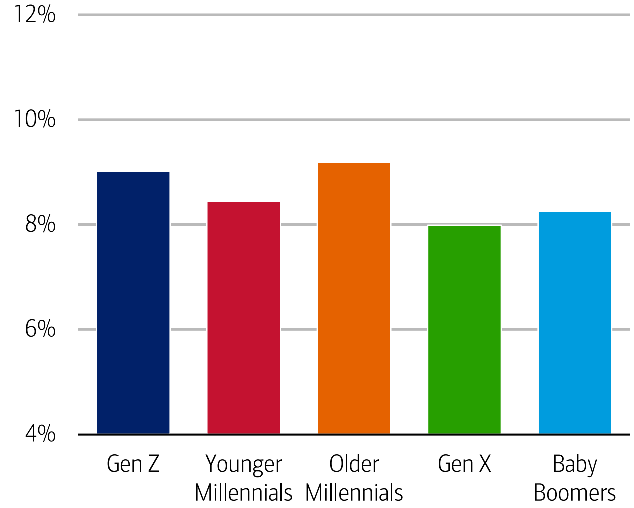
Exhibit 5: A larger share of Gen Z and older Millennials have arts, crafts and hobby shop spending compared to other generations
Share within each generation of customers with arts, crafts and hobby shop spending (three-month moving average to August 2026, %)



Source: Bank of America internal data

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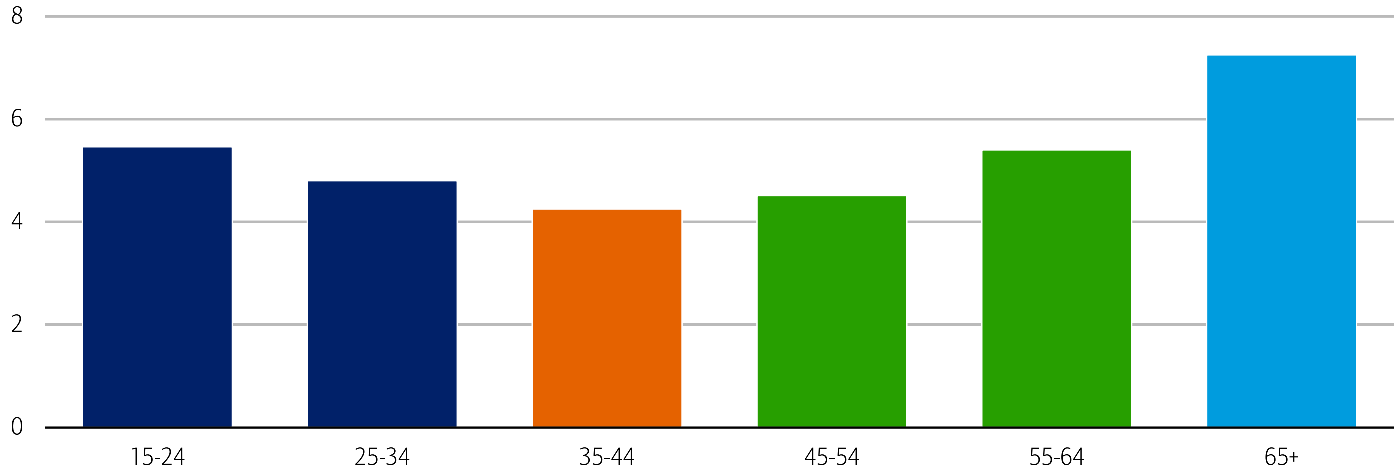
The idea that older Millennials are likely spending on themselves and their kids is supported by data from the American Time Use Survey (ATUS) conducted by the US Census Bureau. That survey suggests that older Millennials have the least amount of leisure time, with only around four hours and fifteen minutes on average per day (Exhibit 6). Meanwhile, the two groups between ages “15 and 24” and “55 and 64” have nearly five and a half hours per day, with those 65 and older boasting over seven hours of leisure time per day.

On the other hand, younger Millennials and Gen Z have the lowest average spending, but a higher share of their population with hobby outlays. To us, this suggests that these generations are likely gravitating most of their spending toward less expensive hobbies like arts, crafts and board games.

Exhibit 6: Leisure time varies considerably by age range, with those 35 to 44 years old having the lowest amount
Hours of leisure time including sports and travel by age range (hours, average time per participant)



Source: US Census Bureau American Time Use Survey
Note: Colors aligned to the best possible fit given the age ranges. There are some Gen Z is the age range between 25 and 34 years old. There are also some Millennials in the 45 to 54 year old range and some Baby Boomers in the 55 to 64 years old range.

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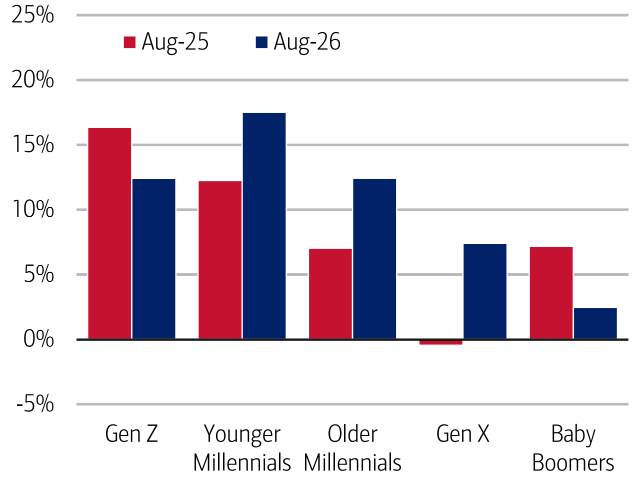
Gen Z consumers slow hobby purchases…

Additionally, while younger and older Millennials as well as Gen X appear to be ramping up hobby spending, Baby Boomers and Gen Z are slowing theirs (Exhibit 7). Notably though, Gen Z's slowdown in purchases has been stark. Transaction growth was near zero in August 2026, a dramatic slowdown compared to the nearly 16% YoY increase the prior year, according to Bank of America card data (Exhibit 8).

Exhibit 7: Millennials and Gen X are ramping up hobby spending, while Gen Z and Baby Boomers are winding it down
Spending per customer on hobbies by age generation (three-month moving average, YoY%)



Source: Bank of America internal data

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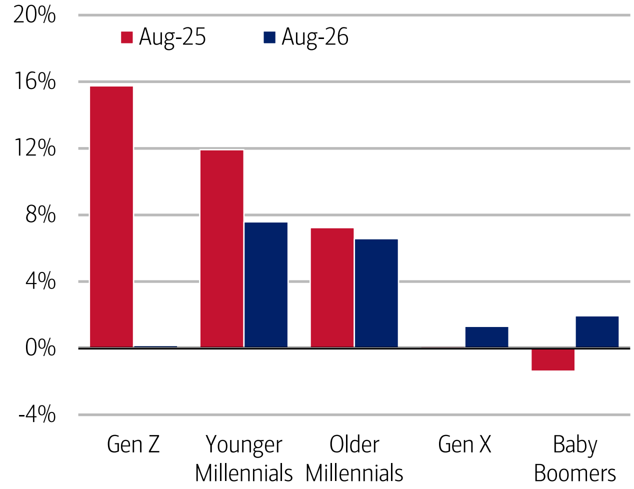
Exhibit 8: Gen Z saw a significant slowdown in hobby-related transactions
Purchases per customer on hobbies by age generation (three-month moving average, YoY%)



Source: Bank of America internal data

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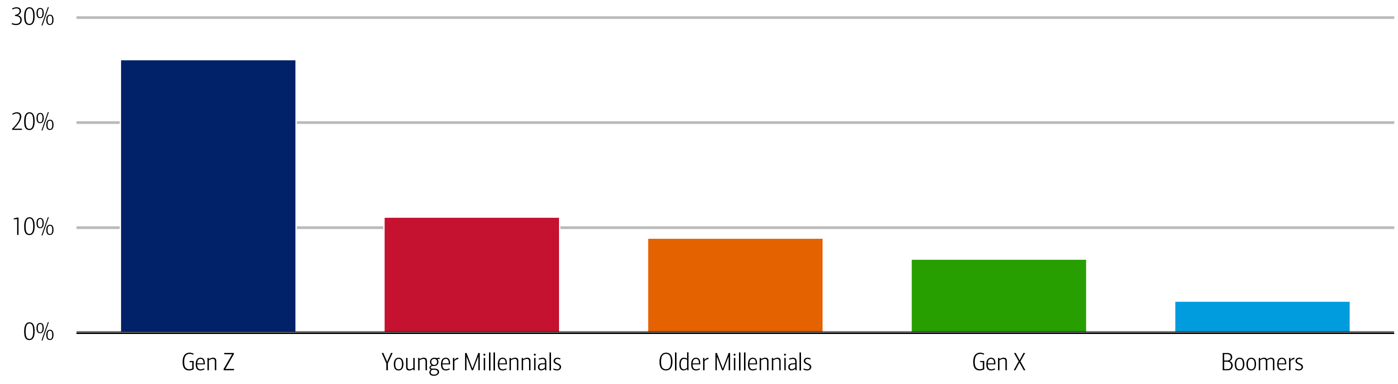
This slowdown was driven by a significant decrease in spending on outdoor recreation, offsetting increases in arts and crafts retailers and hobby shops. In our view, the prior year's transactions may have been boosted by purchases of longer-lasting items, such as hiking boots, which don't need to be bought as frequently. It's also possible that this reflects a shift to more "granny core" activities like knitting, sewing, or baking (arts and crafts).

…and ramp up their gaming spend

Additionally, some transactions at hobby shops may require less frequent purchases like board games or tabletop role-playing games. The social component to these activities can't be overlooked as a factor. In fact, over a quarter of Gen Z said they feel a sense of belonging to a streaming or gaming community, according to a Bank of America survey (Exhibit 9). This is almost two and half times as high as younger Millennials and over eight times the rate of Baby Boomers.

Exhibit 9: Gen Z is over twice as likely to feel a sense of community or belonging to a streaming or gaming community than any other generation
The share of those that answered "gaming" to the question "Outside of your family, in which places or groups do you currently feel a sense of community or belonging?" by age generation (see Methodology for time period, %)



Source: Bank of America internal data

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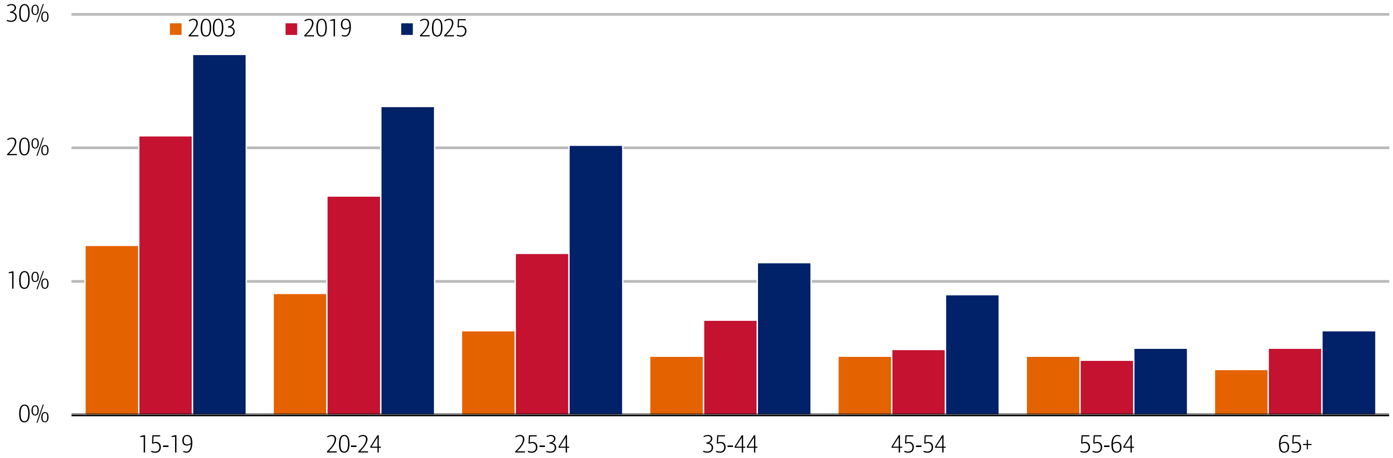
Also, Gen Z spends anywhere between 20 and 25% of their leisure time playing games or using a computer, according to the ATUS (Exhibit 10). This is nearly twice the rate of Millennials and a threefold increase compared to young adults (ages 25 to 34 years old) from two decades ago. And while a portion of this shift certainly reflects an increase in social media use (read more in [Wellness, part 5: Lost in the scroll]), it likely also reflects an increase in time spent playing video games.

Exhibit 10: People 25 to 34 years old spend nearly one out of every five minutes of their leisure time playing games or using a computer, over three times the rate seen in 2003 when nearly one in every seventeen leisure minutes was spent this way

Share of leisure time spent playing games or using a computer (annual, %)



Source: US Census Bureau American Time Use Survey

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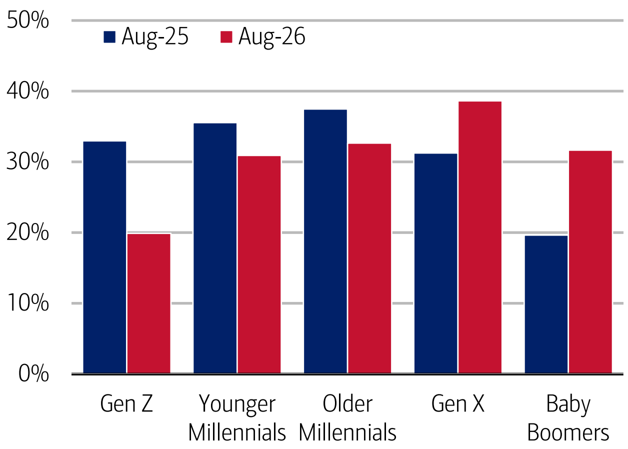
Gen Z has seen their video game spending increase by around 20% YoY in August, after an increase of over 30% YoY in the year prior, according to Bank of America payments data (Exhibit 11). And this is while boasting the highest average spending as well, with over three and a half times more video game spending than Baby Boomers and almost twice as much as Gen X (Exhibit 12).

Bank of America payments data also suggests that over a quarter of Gen Z have video game spending, over four times the rate of Baby Boomers (Exhibit 13). Younger Millennials have the next highest rate at over 23%, with about one in five older Millennials having video game spending.

Exhibit 11: Video game spending growth has been robust across all age groups

Spending per customer on video or online games by age generation (three-month moving average, YoY%)



Source: Bank of America internal data

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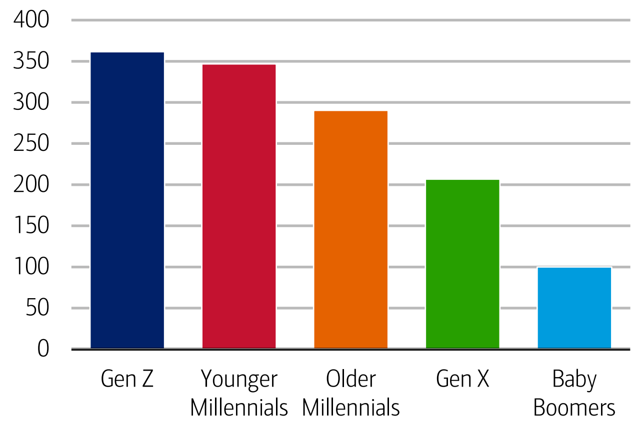
Exhibit 12: Younger generations spend considerably more on video games on average

Average video or online games spending per customer by age generation (three-month moving average to August 2026, index Baby Boomers? = 100)



Source: Bank of America internal data

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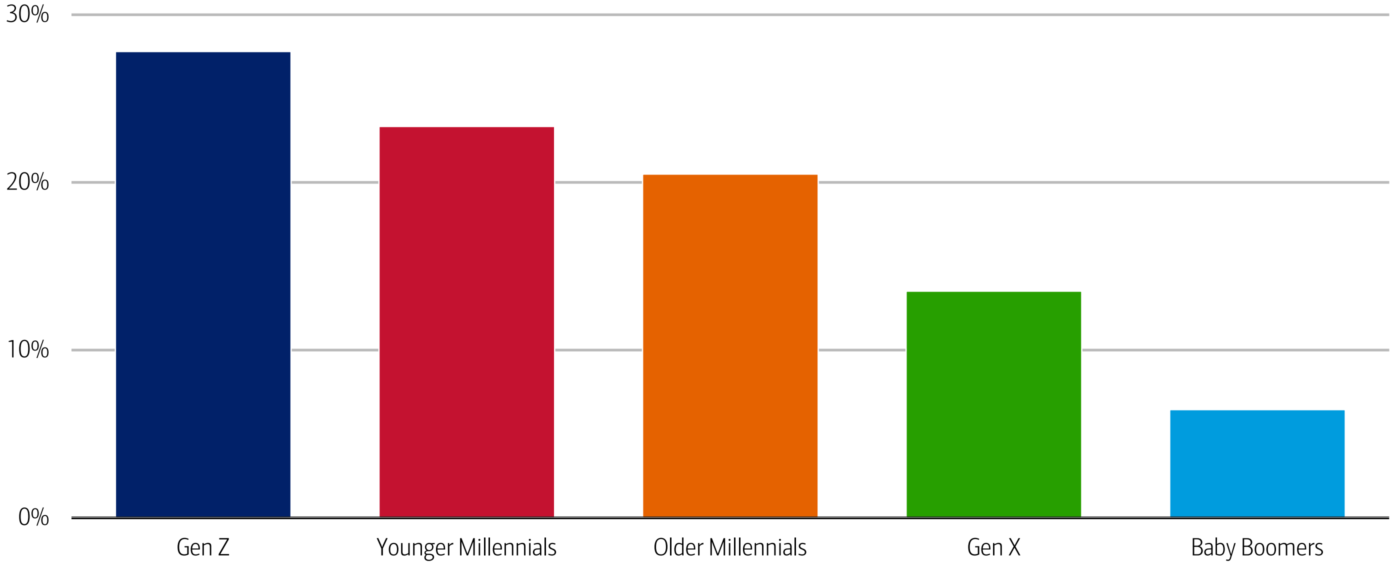
Exhibit 13: Almost 28% of Gen Z have online or video game spending, over twice the rate of Gen X

Share within each generation of customers with video or online games spending (three-month moving average to August 2026, %)



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.

Hobby spending includes spending across all payment vehicles at arts and crafts stores, hobby shops, ski resorts, scuba retailers and rentals, adventure activities, educational toys, outdoor retailers and some toy stores. Not included in this analysis are some hobbies like golf or travel, due to further analysis in other pieces. Also not included are more digital forms of entertainment like video games, though this category is included as a separate analysis.

Includes a reference to Bank of America's Navigator Survey's question "Outside of your family, in which places or groups do you currently feel a sense of community or belonging? (Select all that apply)." The survey was conducted between January 16 and 22, 2026 and included 2,041 participants.

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. Our Gen Z analysis only includes spending by people that are 18 years or older and likely reflects the trends from the members of this generation who are living on their own.

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

Joe Wadford

Economist, Bank of America Institute

Taylor Bowley

Economist, Bank of America Institute

Sources

Jon Kaplan

Senior Vice President, Consumer and Small Business Product Analytics

Riley Fillius

Senior Vice President, Consumer and Small Business Product Analytics

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