Economy

Streaming: From trickle to torrent

27 August 2025

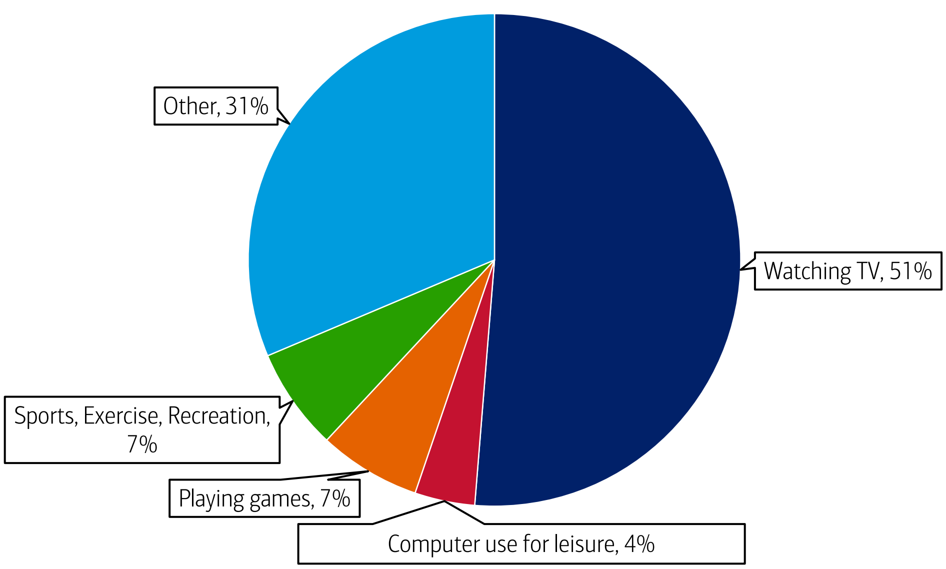
Key takeaways

- Americans are continuing to spend much of their free time watching TV. But the way people watch has changed greatly. BofA Global Research reports that on-demand streaming drew a higher share of viewers than "linear" TV in May 2025.
- Bank of America internal data across credit and debit cards and other payment channels shows continued strong growth in spending on TV and music streaming. Across all income cohorts, spending exceeded 10% year over year as of July 2025. There are, though, some signs of a very competitive market with households' bills varying significantly year to year.
- What's next? Streaming services are investing in live entertainment and sports to lock in viewers. At the same time, the advent of Artificial Intelligence (AI) offers opportunities and threats. While viewers' appetite for content will likely remain undimmed, how they consume it will likely continue to evolve.

Changing channel surfing

According to the American Time Use Survey (ATUS) from the Bureau of Labor Statistics (BLS), Americans spent roughly five hours a day on leisure and sports activities in 2024. In fact, the hours spent on these "down time" activities has been fairly steady for the last two decades. What's the number-one activity people are participating in? Watching TV. In 2024, just over half of this down time was spent in front of the television (Exhibit 1).

Exhibit 1: Overall half of Americans' down time is spent watching TV
% of overall time spending on leisure and sports by activity (2024)



Source: Haver Analytics (Bureau of Labor Statistics American Time Use Survey)

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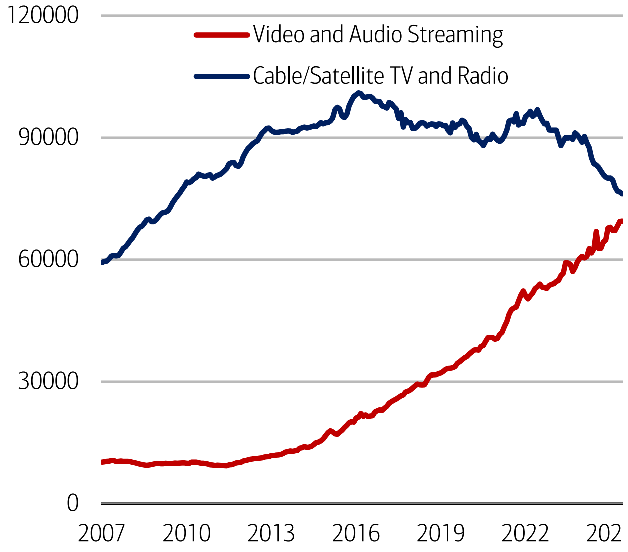
However, the big change is the *way* people are watching. Terrestrial, cable, and satellite (aka "linear TV") has increasingly given way to streaming on demand. Data from the Bureau of Economic Analysis (BEA) shows that consumer spending on streaming video and audio is now close to overtaking spending on cable and satellite services (Exhibit 2). And BofA Global Research has found that streaming's share of total viewing surpassed the combined share of broadcast and cable in May 2025.

Exhibit 2: Streaming spending is closing in on linear TV and radio
Household consumption expenditure on Cable/Satellite TV and Radio and expenditure on Video/Audio streaming (seasonally adjusted annualized rate (SAAR), $m)



Source: Haver Analytics

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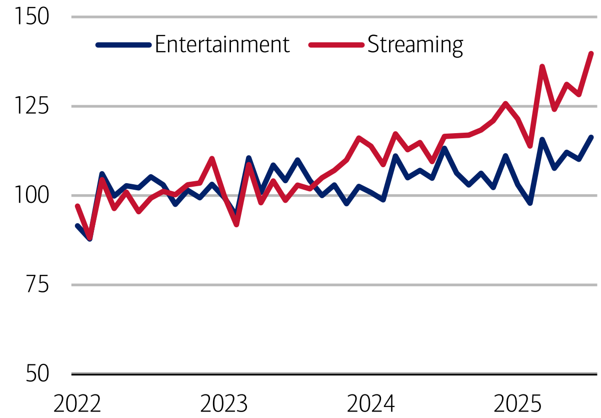
Exhibit 3: Spending growth on streaming services has outpaced entertainment since 2023
Spending on entertainment and TV/audio streaming services across all payment channels in Bank of America internal data (monthly, index 2022=100)



Source: Bank of America internal data. Entertainment spending includes spending on streaming, cable television services, tourist attractions, movie theaters and theme parks.

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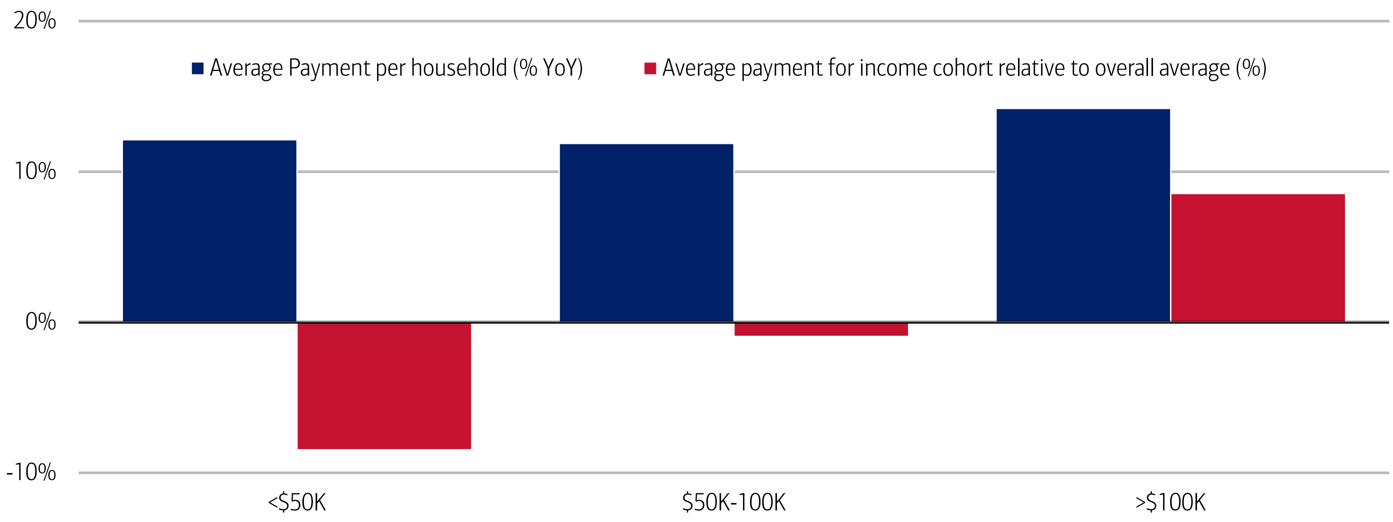
Streaming still moving fast forward

Looking at Bank of America internal data across credit and debit cards and other payment channels, we find that the growth in average payments for (both video and audio) streaming has outpaced that of entertainment in general since 2023 (Exhibit 3). When we examine this by income, we find a similar increase across lower-, middle- and higher-income cohorts. However, we see that lower-income households spend around 8% less per month on streaming than the average household, while higher-income households spend around 9% more than average.

Exhibit 4: Growth in streaming spending was similar across income cohorts, though lower-income household spent less on average
Average payment per household for streaming services by income cohort (% YoY) and average payment relative to overall average across all income cohorts (%), (three-month average to July 2025)



Source: Bank of America internal data

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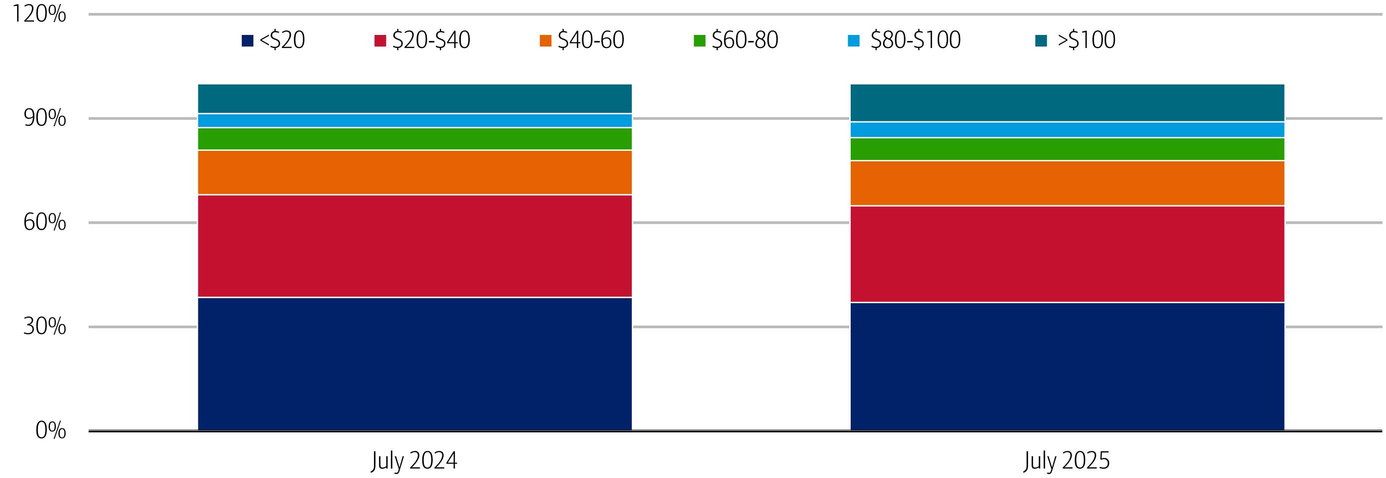
When we look at the distribution of payments, we find that two-thirds of households paid less than $40 a month on streaming TV and music in the May-July 2025 period. (Exhibit 5). On the other hand, around 16% of viewers paid over $80 per month. It is worth pointing out that households getting streaming accounts bundled in with, for example, a cable subscription or on free trials may have more services than this data suggests, and those services are not included in this data. But, in our view, this relatively large distribution of payments may represent opportunities for streaming providers to boost future growth by attracting more light users to scale up.

Exhibit 5: Around 10% of households pay over $100 a month for streaming services in May-July 2025
Share of households making streaming payments by average monthly amount (three-month average for July 2024 and 2025, %)



Source: Bank of America internal data

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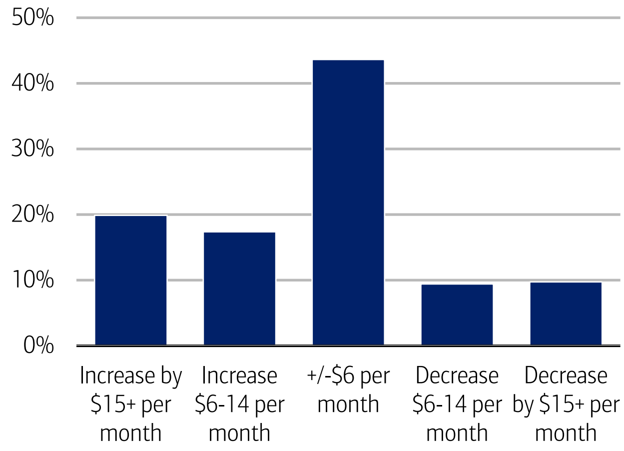
Do households tend to hang onto their services? To gain insight into this, we examined the share of households seeing increases and decreases in their streaming payments relative to a year earlier. While smaller increases in payments in the range $6 to $14 per month are, in our view, likely to largely reflect price hikes by steaming providers, larger rises or declines above and below $15 per month may reflect households taking on new or cancelling existing subscriptions (Exhibit 6). Overall, the data suggests some "churn" with a significant proportion of households subscribing or cancelling services each year.

Exhibit 6: There is considerable volatility in what households are paying for streaming one year to the year

Share of regular streaming* households, by YoY changes in their August-July 2025 average monthly streaming payments compared to August-July 2024 (%)



Source: Bank of America internal data. *Households with streaming payments observed every month for 48 months.

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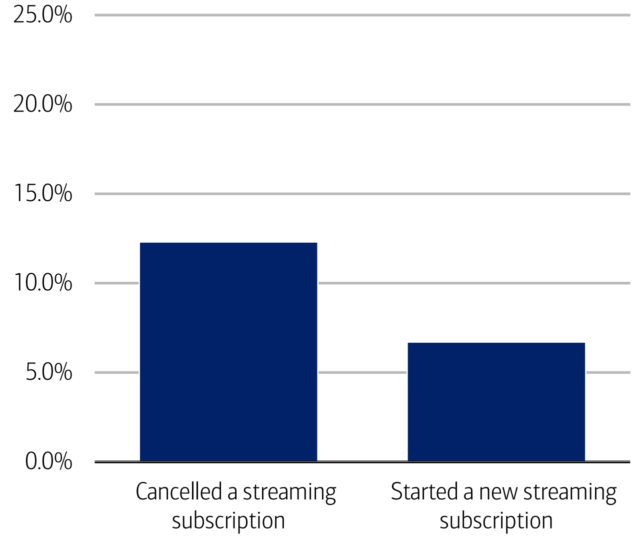
Exhibit 7: Around 18% of respondents to the Insights Study either cancelled or started a new streaming subscription in the last month

% responses to the question, "what things were you able to do last month?"



Source: Bank of America Proprietary Insights Study, June 2025.

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The June 2025 Bank of America Proprietary Market Landscape Insights Study ("Insights Study," see Methodology) found something similar: around 18% of respondents said that they either started a new or cancelled an existing streaming subscription in the past month (Exhibit 7).

Overall, our view suggests a continued appetite for streaming services given that there is a continued rise in the household spending in this area. And while some of this increase is likely the result of higher prices for services, Bank of America data also suggests a willingness among some households to increase their streaming budgets more significantly. Moreover, the distribution of payment suggests some "upside" if those households spending relatively little decide to take on more services.

Up next...

So what's next for streaming? BofA Global Research highlights a number of factors that it expects to play a role:

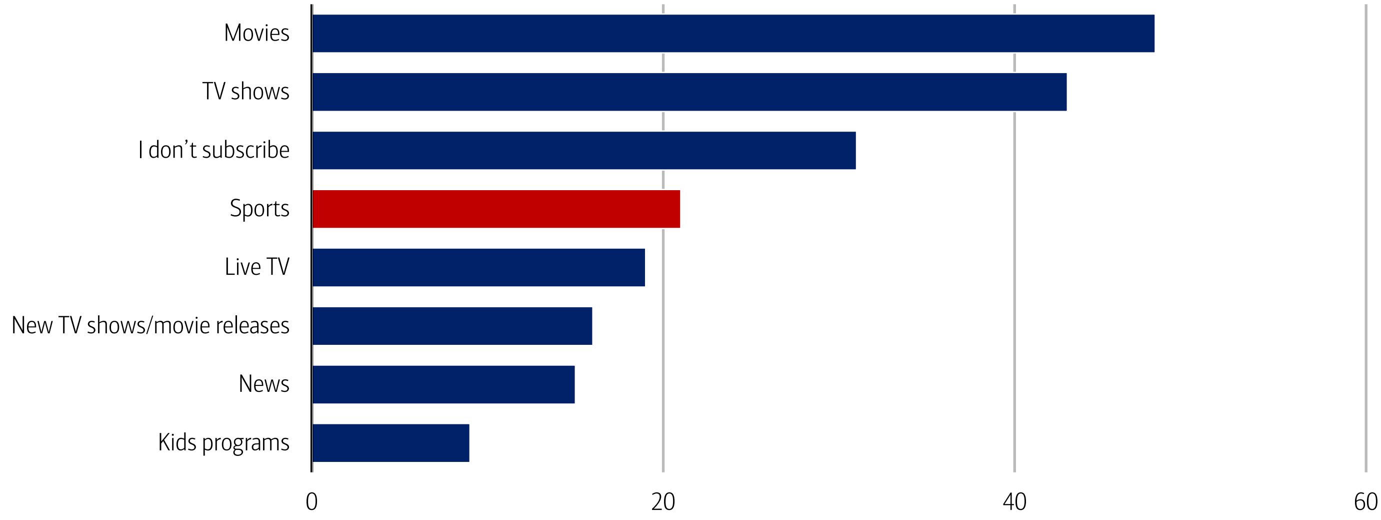
- **Demand for streaming is likely to be significantly influenced by the content being offered**. In recent years, there has been a discussion of a "content recession" driven by streamers (and linear TV) reducing the original content they offer in favor of "quality over quantity." But as some franchises find their feet, this can continue to underpin subscriber growth. Additionally, recent takeovers in the industry may lead to significant investments in content as some try to catch up with industry leaders.

- **Audio and music streaming are diversifying into podcasting and audiobooks**, also helping to boost user engagement and mitigate churn. Some music streamers may also be able to offer higher-priced streaming tiers to appeal to "super fans." And demand for live entertainment is thriving, driven by social media and music streaming platforms, providing TV and music streaming services opportunities to tap into these areas through multi-platform media.

- **At the same time, streaming services are increasingly offering live sports**. For streamers, these events can attract fans with a loyal following for a particular sport – and a willingness to pay up to watch them. Survey data from consumer analytics company CivicScience confirms that sports content is already a big driver of streaming interest (Exhibit 8). Two new sports-focused streaming platforms have recently launched, aiming to tap into this fan engagement and drive sports-betting and merchandise integration opportunities.

  Securing exclusive rights to certain sports also allows streaming services to maintain an advantage over new entrants in their market. CivicScience found that 35% of sports fans say that they will subscribe to a new streaming service specifically to watch sports this coming fall and winter. Furthermore, women's sports represent another key area of growth and an opportunity to grow and broaden audiences.

Exhibit 8: Sports is already a big driver of streaming interest
% of responses answering to the question, "Which of the following types of streaming content are you looking for the most?"



Source: CivicScience. Survey responses in May 2025. Multi-responses are possible.

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- **Finally, AI will likely play a role in the media landscape of the future**. For streaming services, AI offers some advantages, including the ability to generate content or special effects at a lower cost and a fast turnaround. But, at the same time, AI also makes it cheaper for new entrants to start services. Indeed, down the road, AI might also offer viewers the ability to produce their own tailored content.

So, in our view, while there's little doubt that consumers will continue to want to spend a large part of their free time watching shows and sports, it is likely how they access that entertainment that will continue to evolve.

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.

Bank of America 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 is 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.

If applicable, the 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.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated streaming spend include total credit card, debit card, ACH, or bill pay.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The Bank of America Proprietary Market Landscape Insights survey question on 'what things were you able to do last month' was fielded to a sample of 1513 in June 2025.

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

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Disclosures