



CONSUMER SPENDING REPORT

JUNE 2019

About the Consumer Spending Report

The Chain Store Guide US Spending Monitor, Retail Spending Index and Restaurant Spending Index are monthly indexes of consumer spending intentions and capacity based on interviews with a random sample of 1,500 U.S. adults. In addition to questions about their retail, restaurant and other discretionary spending, the survey also asks consumers their opinions on the US economy and their personal finances.

THE RISE OF TARIFFS DROPS SPENDING

PEOPLE ARE SPENDING LESS IN PREPARATION OF PRICE INCREASES ON IMPORTS

Every year, there are several months that CSG can predict with a fair amount of certainty. For instance, December will always be high due to the holiday with January's percentage dropping before the numbers slowly rise as the months move into summer. Historically, June has always been a month that shows an elevation in potential spending, but this year, the US spending monitor dropped nearly two full points.

On May 10, the tariffs on \$200B Chinese imports was raised from 10% to 25% with talks of increasing the number to over \$300B imports. The increase put pressure on the already strained apparel and hardware industries, and discount stores have been left struggling to find ways to meet sales demands without increasing prices. Then on May 30, an announcement was made proposing an increase in tariffs on Mexican imports starting June 10 with 10% and rising to 25% by October. Unfortunately, with no way around it, retailers are slowly increasing product prices to compensate for the rise in taxes, which leaves consumers not wanting to spend.

Luckily the restaurant and entertainment industries don't seem to be suffering the same fate as the overall CSG US Spending Monitor. Not only are more people stating they will be eating out two to three times per week, but the amount per meal also increased over last month. Additionally, discretionary spending is up. While it seems people are saving their money where they can in fear of price hikes, an enjoyable night out is still considered a worthy expense.

CSG
US Spending Monitor
120.9

CSG
Restaurant Spending Index
115.8

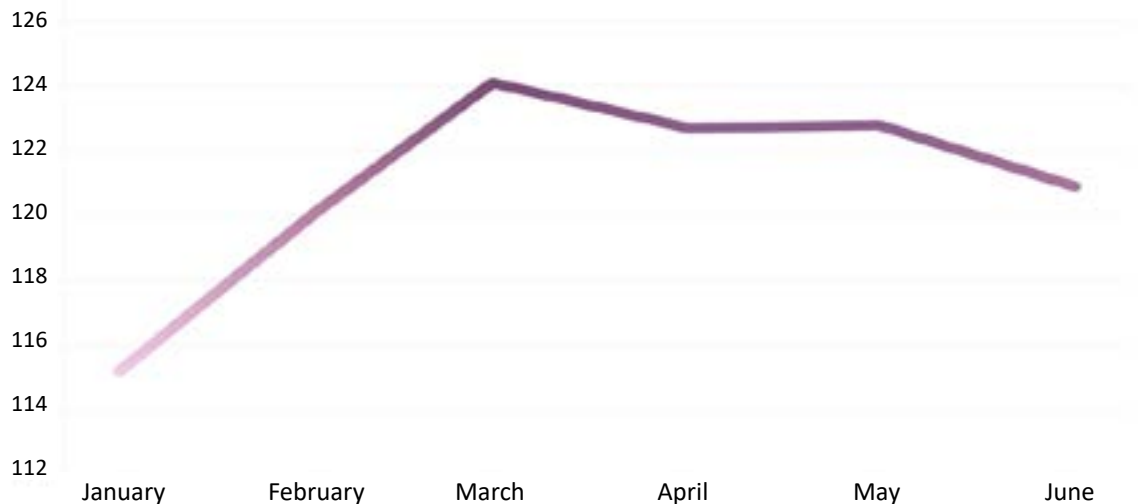
CSG
Retail Spending Index
113.4

ABOUT CSG

For more than 80 years, Chain Store Guide (CSG) has been a leading provider of comprehensive and definitive retail and foodservice intelligence to businesses around the world.

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US SPENDING MONITOR

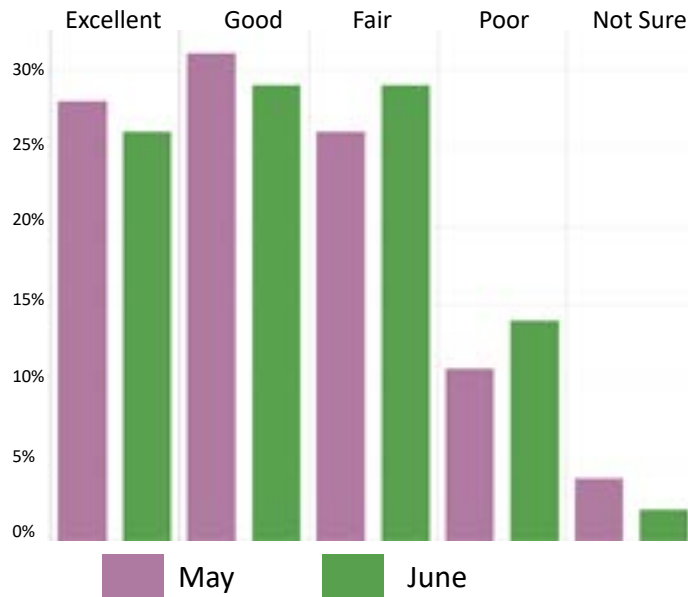


CONFIDENCE IS DWINDLING

RISE IN TARIFFS CAUSING CONSUMERS TO LOSE FAITH IN THE ECONOMY

The US GDP increased by 3.1% in the first quarter of 2019, the unemployment rate is down to 3.6% (the lowest since 1969), and both personal income and disposable income are on the rise. Meaning the US economy is doing quite well. However, the perception of the economy tells a different story. Forty-three percent of people polled stated the economy was either fair or poor, and 34% are saying the economy is getting worse. Additionally, personal finances are getting worse with 29% of consumers saying they won't have any money left over after paying bills. Forty-five percent of pollers are worried that if they lost their job, they would not be able to maintain their current lifestyles for two months or less. With the 15% rise in tariffs on Chinese imports and the potential of having a 25% tariff on Mexican goods, shoppers are not as confident in their economic futures as they had been.

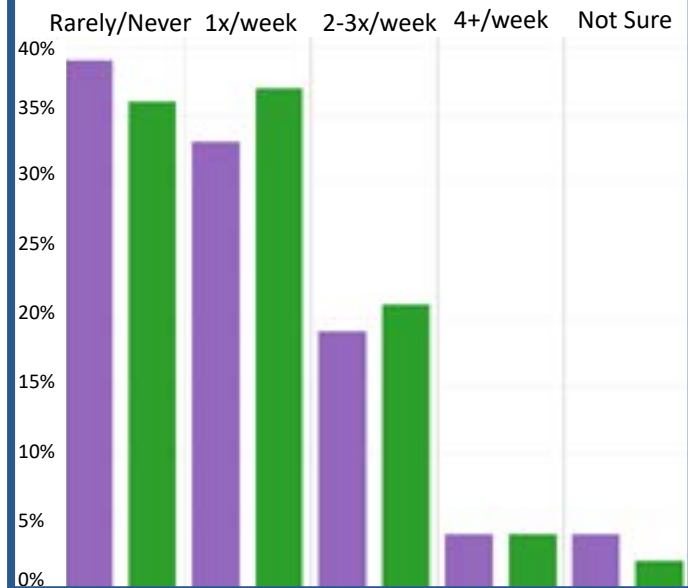
Q. HOW DO YOU RATE THE ECONOMY?



Q. HOW DO YOU RATE YOUR PERSONAL FINANCES?



HOW OFTEN PEOPLE EAT OUT PER WEEK



INVESTING IN A NIGHT OUT

GOING OUT TO EAT IS STILL ON THE RISE

Though consumers are more conscious of where they are spending money, dining out is still a gratification. More diners this month than previous months have stated that eating out is a hassle-free and pleasurable experience. People claiming to never or rarely eat out has dropped another three percentage points, and the majority of diners eat out at least once, if not twice a week. The per-meal cost is also on the rise; more restaurant-goers stated they spend at least ten to twenty dollars per meal when dining out, which is the highest the percentage has been since March 2018. Though the retail market is currently volatile, consumers seem to have no problems investing in good times.



Get More Leads & Drive More Sales
 CSG Restaurant Franchisee Premier Database

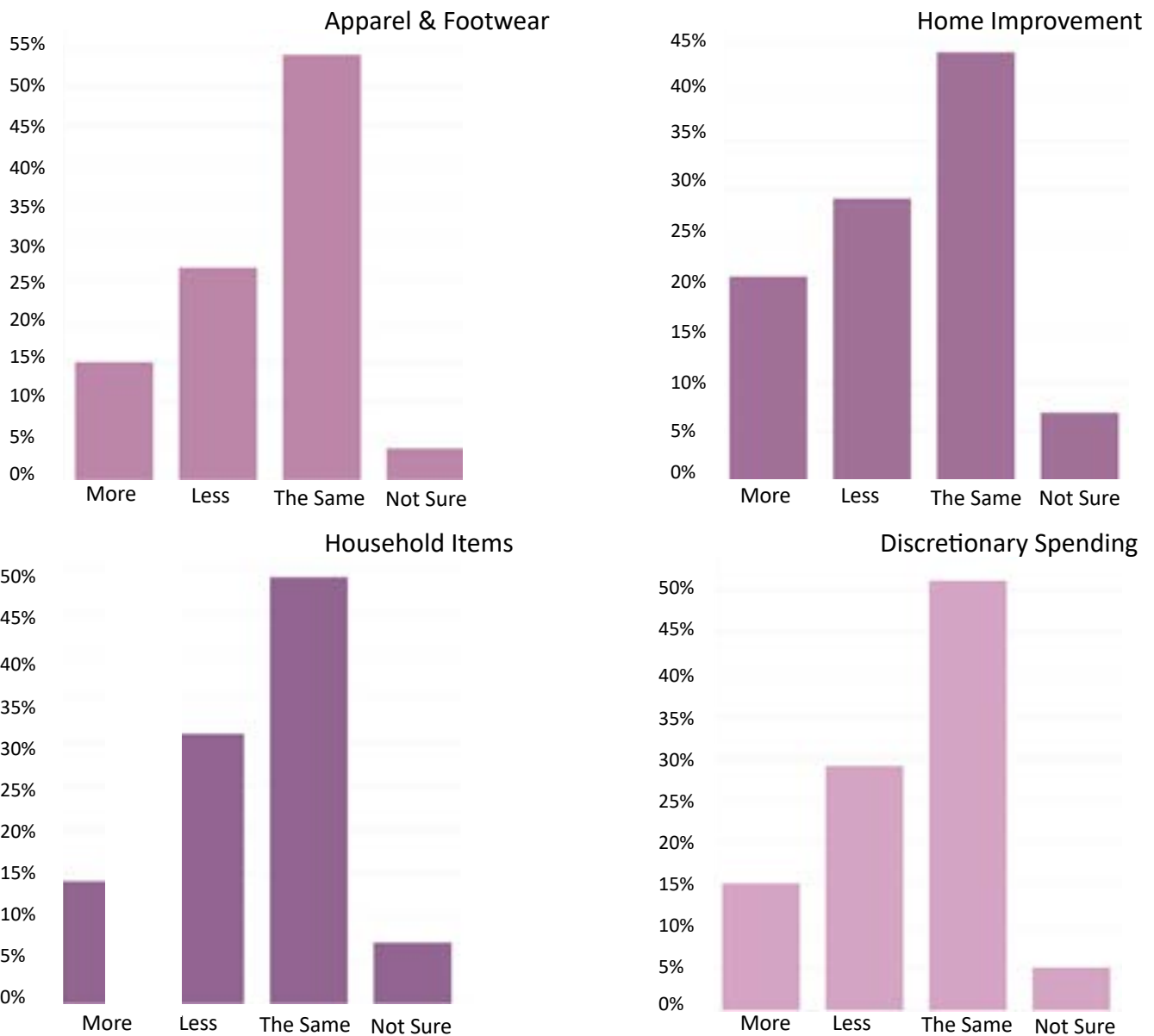
[CLICK HERE FOR DETAILS](#)

FOCUS ON RETAIL

SPENDING MONEY FOR ENJOYMENT IS ON THE RISE

Every other news story in 2019 has seemed to be about various retail stores closing, or filing for bankruptcy; nearly 6,000 stores have been announced to close sometime this year leaving consumers and retailers alike wondering what will happen next. While consumers are still spending, as indicated by the restaurant and discretionary spending monitors, the products they're buying have changed. This month apparel and footwear spending along with discretionary personal expenses and houseware items have risen slightly from last month whereas home improvement has decreased. It makes sense after the 15% tariff rise on \$200B Chinese imports caused US prices to increase that shoppers are choosing to spend their money in locations for personal enjoyment and in preparation for the new tariffs to take effect.

HOW ARE CONSUMERS SPENDING MONEY COMPARED TO PREVIOUS MONTHS?



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CSG Discount, Dollar & Specialty Stores Database

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MORE ABOUT CHAIN STORE GUIDE

For more than 85 years, Chain Store Guide (CSG) has been the leading provider of comprehensive and definitive retail and foodservice intelligence to businesses around the world. Chain Store Guide data is the definitive source that is used by manufacturers, suppliers, service providers, brokers, real estate professionals, retailers, analysts, consultants and other professionals seeking to gain insight into retail and foodservice markets in the U.S. and Canada.

Our data includes all major retailers, restaurants, distributors and wholesalers in the United States and Canada with contact information on over 67,300 chains.

CHAIN STORE GUIDE DATA IS USED FOR

- Competitive Analysis
- Proximity Analysis
- Market Share Reporting
- Industry Profiling
- Market + Trend Analysis
- Forecasting
- Site Planning
- Industry Profiling
- Data Appending/Cleansing
- Lead Generation

MORE ABOUT THE CONSUMER SPENDING REPORT

The CSG US Spending Monitor, Retail Spending Index, and Restaurant Spending Index are monthly indexes of consumer spending intentions and capacity based on interviews with a random sample of 1,500 U.S. adults. In addition to spending, the survey asks consumers their opinions on the U.S. economy and their personal finances, retail and other discretionary spending.

The Monitor began in January 2014 with a base index of 100. CSG captures a unique view of consumer, retail, and foodservice spending intentions. The CSR includes the CSG US Spending Monitor, which tracks economic confidence and spending intentions of US consumers, the CSG Restaurant Spending Index, which measures consumer spending intentions for restaurant purchases, and the CSG Retail Spending Index that measures consumer retail and discretionary spending confidence.



ABOUT THE EDITOR

Cassandra Covill worked freelance for ten years as a content manager, specializing in graphics, writing, SEO, and social media marketing. She earned her bachelor's degree from Central Connecticut State University in Graphic Design with a concentration in marketing, and a post-graduate certification from Cornell in digital marketing.