

CONSUMER SPENDING REPORT

MAY 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.

APRIL DIP BRINGS MAY SPENDING STRONG ECONOMY = GOOD MONTH FOR RETAIL

Good news for retailers: May's estimated spending rose from the sudden drop in April. Since CSG started monitoring consumers' spending habits month by month, May has always been a wildcard as far as predictability. Some years the dip in April continued and didn't spike again until June, while other years showed significant May improvements. The apparent correlation between a "good May" and a "bad May" is the state of the perceived economy. 43% of adults surveyed stated they thought the economy was getting better than in previous months, and thus we see a significant improvement in spending habits.

At the time of CSG's pole, restaurant spending showed the most improvement over last month with a 2.6% increase in eating out. Not only are people eating out more than in the previous month, but the type of restaurant has also changed. With a stronger economy, restaurant goers aren't afraid to spend more when dining out. There was a significant increase in the number of diners stating they would be paying \$50 or more per meal, while those saying they would spend between \$1-\$10 dropped.

Also reaping the rewards of a stronger economy is the retail market with an increase of 1.6%. The increase is due to spring weather allowing people to finish their home improvement which is where the numbers increased the most. The apparel, footwear, and discretionary personal expenses categories remained mostly stagnant with most shoppers saying they would spend the same amount as last month.

CSG
US Spending Monitor
122.8

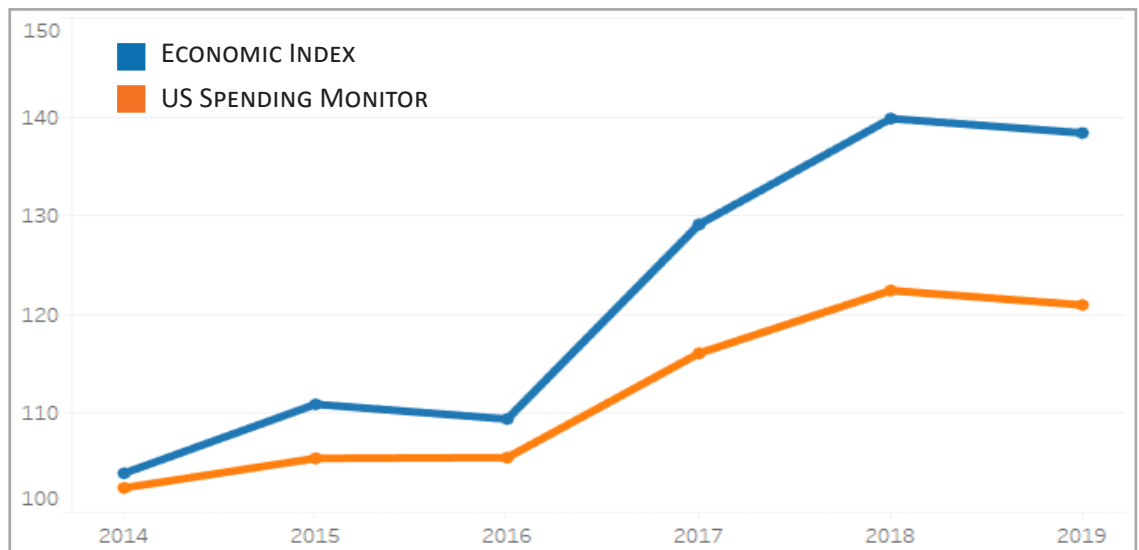
CSG
Restaurant Spending Index
114.6

CSG
Retail Spending Index
113.2

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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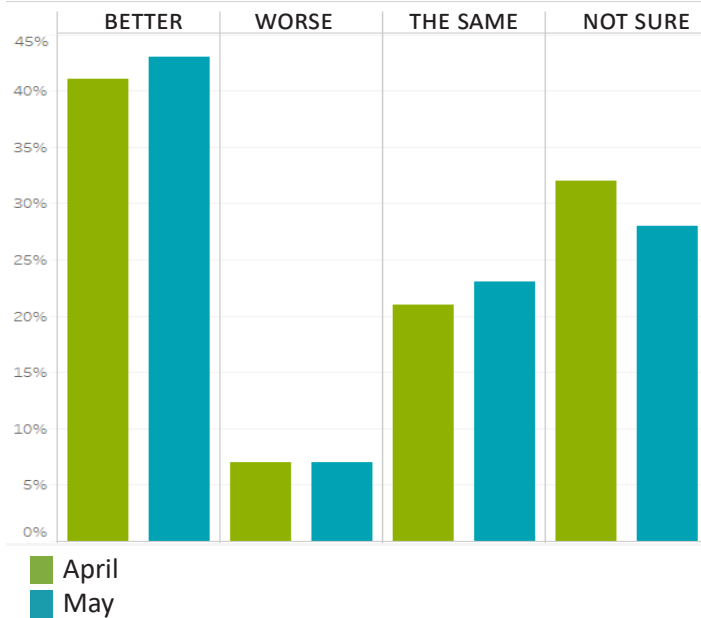


PERCEPTION IS EVERYTHING

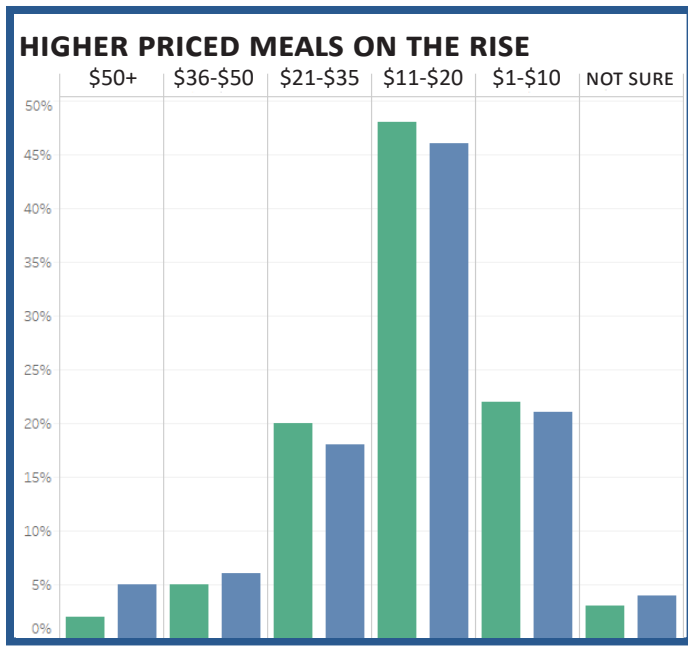
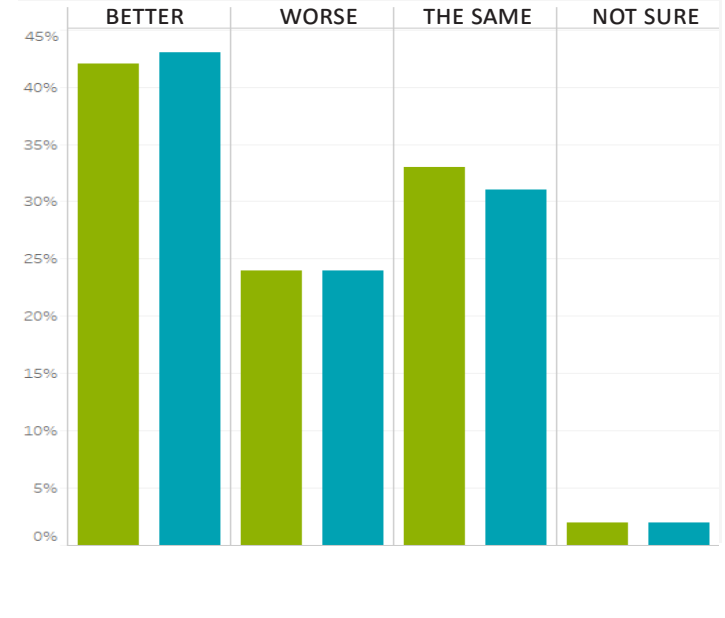
THE RETAIL MARKET IS AT THE MERCY OF THE PERCEIVED ECONOMY

Regardless of statistics, when people perceive the US economy and their finances to be steady, spending increases. However, this leads to an unpredictable and volatile retail market where even the best analytic numbers are at the mercy of what's happening on a global scale. At the start of the May poll, perception of the US economy was strong, and people were ready to enjoy spending money and eating out, however on May 6 with the threat of a Chinese trade war, the stock market took a hit, then dropped again on May 7, which could impact the retail market. Only time will tell.

Q. IS THE ECONOMY BETTER OR WORSE?



Q. ARE PERSONAL FINANCES BETTER OR WORSE?



MEALS \$50+ GET A BOOST

PEOPLE ARE SPENDING MORE PER MEAL THAN IN PREVIOUS MONTHS

April's report stated that though people are still eating out more than they were a decade ago, the meals they chose were from fast food establishments. These restaurants typically had meals ranging between one and ten dollars per meal. This month, there was a 0.45% increase in people choosing fine dining over fast food or even fast-casual dining. The poll shows a dip in the percentage of people spending \$1-\$10, \$11-\$20, and \$21-\$35, with an increase in people willing to pay \$36-\$50 and over \$50 per meal. The percentage of diners saying they eat out "rarely or never" has also decreased by three points showing that consumers are not only eating out more but are eating at more expensive establishments.

Get More Leads & Drive More Sales
 CSG Restaurant Franchisee Premier Database
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FOCUS ON RETAIL

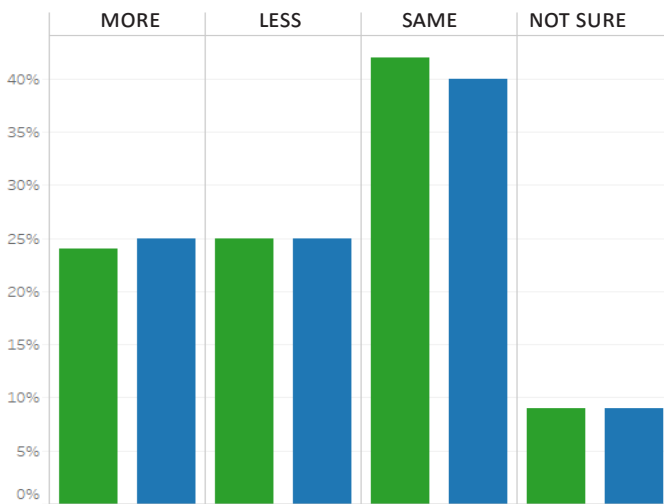
HOME IMPROVEMENT KEEPING RETAIL MARKET STEADY

Although shoppers are more financially stable this month and feel the economy is getting better, the retail market will keep steady with April. May showed a decline in both the “spending more” and “spending less” categories, however, more people stated they would be spending the same amount on apparel, accessories, and discretionary personal expenses as they did in previous months. Household items showed neither an increase nor decrease in the four categories CSG polls. Only household improvements showed an increase in spending more this month versus last month which is what gave the overall retail spending index a boost over April.

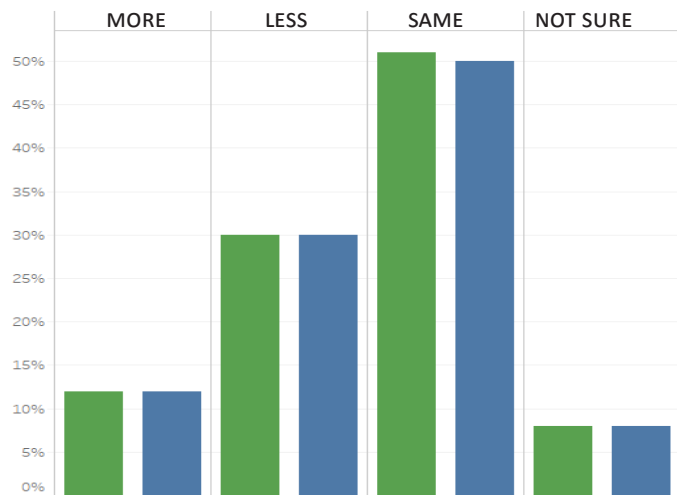
RETAIL SPENDING PLATEAUS

■ April
■ May

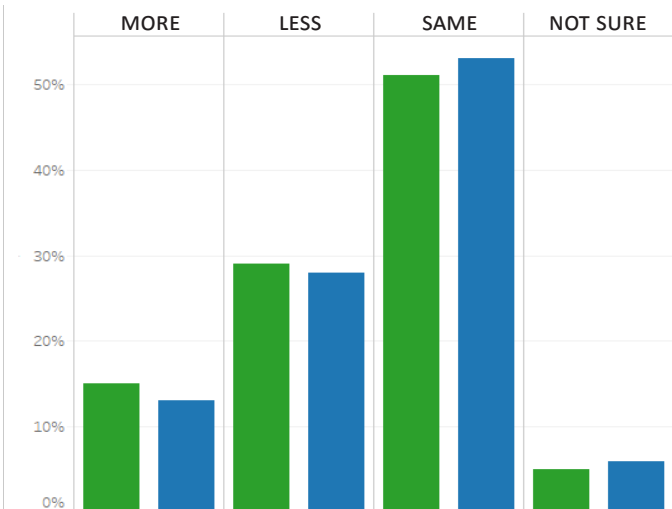
HOME IMPROVEMENT



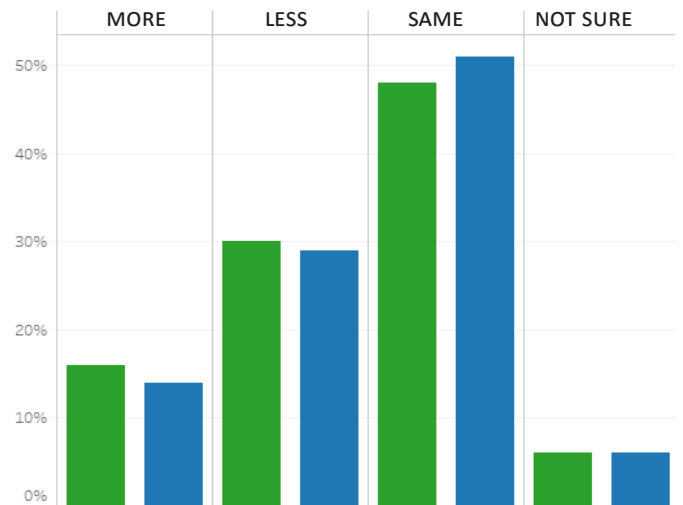
HOUSEHOLD ITEMS



APPAREL & ACCESSORIES



DISCRETIONARY SPENDING



Get More Leads & Drive More Sales
CSG Discount, Dollar, & Specialty Stores Database

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MORE ABOUT CHAIN STORE GUIDE

For more than 80 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 70,100 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

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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 is excited to join CSG's marketing team as a content writer. She worked freelance for ten years as a content manager, specializing in graphics, writing, SEO, and social media marketing. Cassandra 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.