EY-Parthenon US Consumer Sentiment Survey

Wave 2 findings

EY Parthenon

Shape the future with confidence

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Overview

EY-Parthenon's (EYP's) bimonthly survey of US consumers is a window into consumer beliefs and behaviors in response to fast-evolving macroeconomic and geopolitical events

Initiative overview

Bimonthly consumer survey to assess how consumers' priorities: and the trade-offs that they are willing to make – are impacted by current economic and (geo)political developments.

Objectives

- Define proprietary, universal consumer segments that allow clients to zero in on the sentiments relevant to their target consumers

- Describe the psychological state and headline priorities of each consumer segment

- Go beyond basic spend data to identify the specific trade-offs that different consumers are making, and the underlying decision drivers

- Identify the brands and retailers that are best positioned to win or lose, with which consumer segments, in the current environment

- Assess opportunities to field deep-dive surveys on emerging trends (e.g., artificial intelligence (AI) in shopping, channel shifts)

> **"**
> Tariff Whiplash Spooks U.S. Consumers
> Uncertainty around Trump's trade war is weighing on Americans and causing some to hold back on purchases.

> **"**
> Consumer Confidence Is Tumbling as Financial Concerns Mount
> The level in the Conference Board's latest monthly survey was the lowest since January 2021.

> **"**
> 'Kicking butt' or 'going too fast'? Trump voters reflect on 100 days

This analysis draws on over **2.1k survey respondents** that represent a cross-section of the US general population across multiple key attributes

Key question areas

- Personal financial confidence
- Spending vs. savings rate
- Personal financial trajectory
- Macroeconomic outlook
- External stressors
- Category-level spending trends
- Category-level key purchase criteria
- Retailer and restaurant traffic
- Channel preferences
- AI usage
- General demographics and psychographics

Demographic summary (n=2,132)

| Age | Income | Educational attainment | Gender | Race or ethnicity |

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Selected findings
Wave 2

Americans' confidence in their personal finances has **further deteriorated** over the past three months, as macroeconomic and political concerns mount across the board.

Consumers increasingly feel the effects of **tariffs** and **government stability and politics.**

Food prices are a major source of concern, along with **transportation and housing.**

More households are tightening spend on discretionary categories (e.g., dining out, travel, home goods) to offset the mounting costs of essentials – **91% compared to 86% three months ago.**

Restaurants continue to be vulnerable to traffic declines, with **nearly 60% of households already cutting back on meals out.**
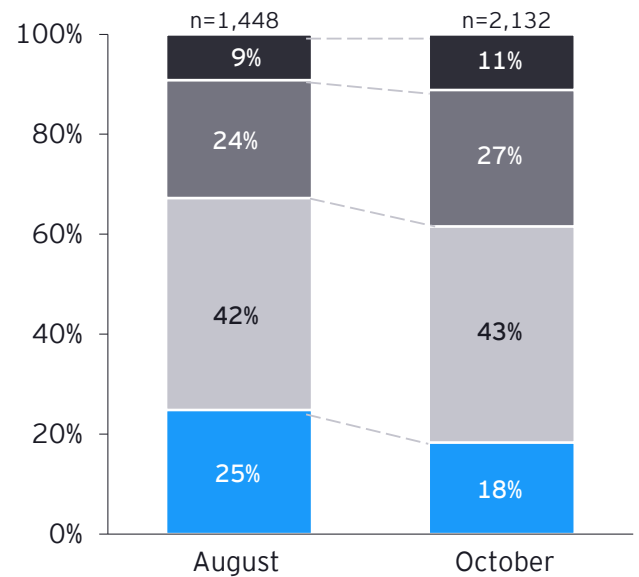
Fast-moving goods such as **beauty and personal care, groceries and pet products** appear susceptible to **brand switching, promotional activity and private labels.**

Americans' confidence in their personal finances has further deteriorated over the past three months, as macroeconomic and political concerns mount across the board

Current personal financial confidence

Q: Generally, how confident do you feel about your financial situation right now? (n=2,132)

Legend:
- Very confident
- Somewhat confident
- Not very confident
- Not at all confident

	August (n=1,448)	October (n=2,132)
Not at all confident	9%	11%
Not very confident	24%	27%
Somewhat confident	42%	43%
Very confident	25%	18%

Perceived impacts of macroeconomic and geopolitical topics

Q: How do you think that each of the following is impacting you and your household? (n=2,132)

Legend:
- Very negatively
- Somewhat negatively
- No impact
- Somewhat positively
- Very positively
- Not sure or not applicable to me
- Very or somewhat negative in August

Categories:
- Inflations and price increases
- Tariffs
- US government stability and politics
- Interest rates
- Lack of growth in wages
- Tax policy changes
- International conflicts
- Climate change and environmental risks
- Stock market volatility
- Immigration policy and border security
- Job security
- AI and job automation

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Food at home (groceries), housing and transportation are major stressors, and most Americans are also concerned that they are not saving and investing sufficiently

Concern with expenses

Q: To what extent are you concerned by your personal expenses in each of the following areas? (n=2,131[1])
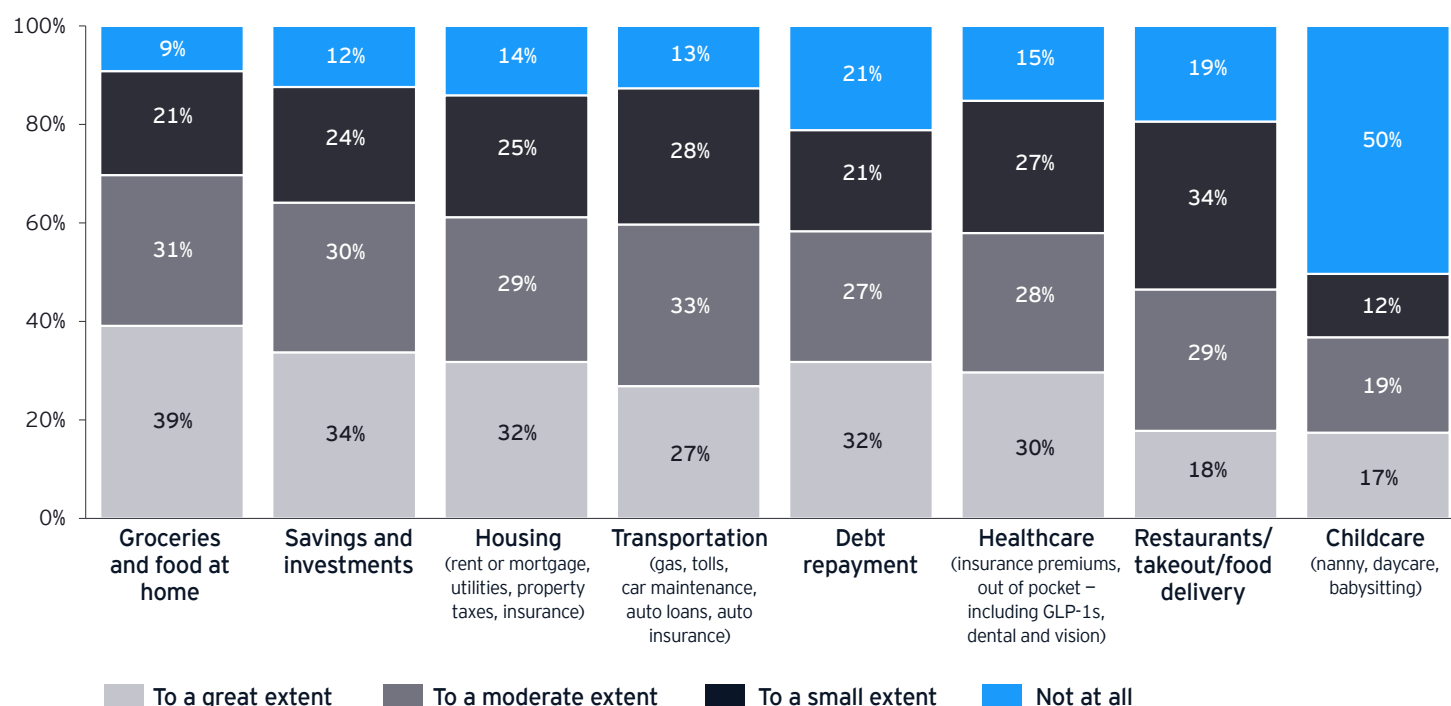

Category	To a great extent	To a moderate extent	To a small extent	Not at all
Groceries and food at home	39%	31%	21%	9%
Savings and investments	34%	30%	24%	12%
Housing (rent or mortgage, utilities, property taxes, insurance)	32%	29%	25%	14%
Transportation (gas, tolls, car maintenance, auto loans, auto insurance)	27%	33%	28%	13%
Debt repayment	32%	27%	21%	21%
Healthcare (insurance premiums, out of pocket – including GLP-1s, dental and vision)	30%	28%	27%	15%
Restaurants/takeout/food delivery	18%	29%	34%	19%
Childcare (nanny, daycare, babysitting)	17%	19%	12%	50%

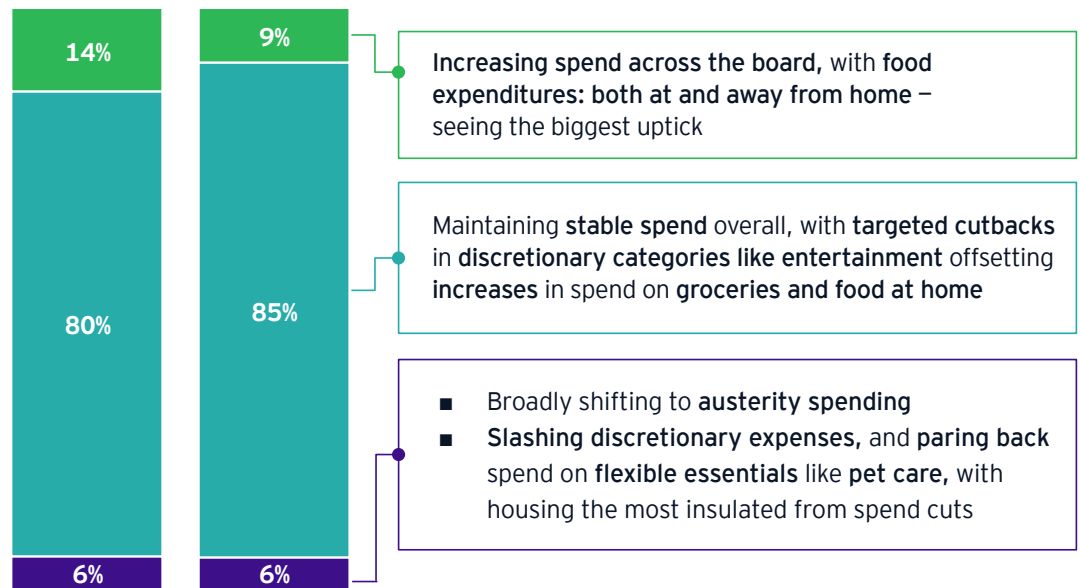Legend: ▢ To a great extent ▢ To a moderate extent ▢ To a small extent ▢ Not at all

1. Excludes "n/a" responses.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.
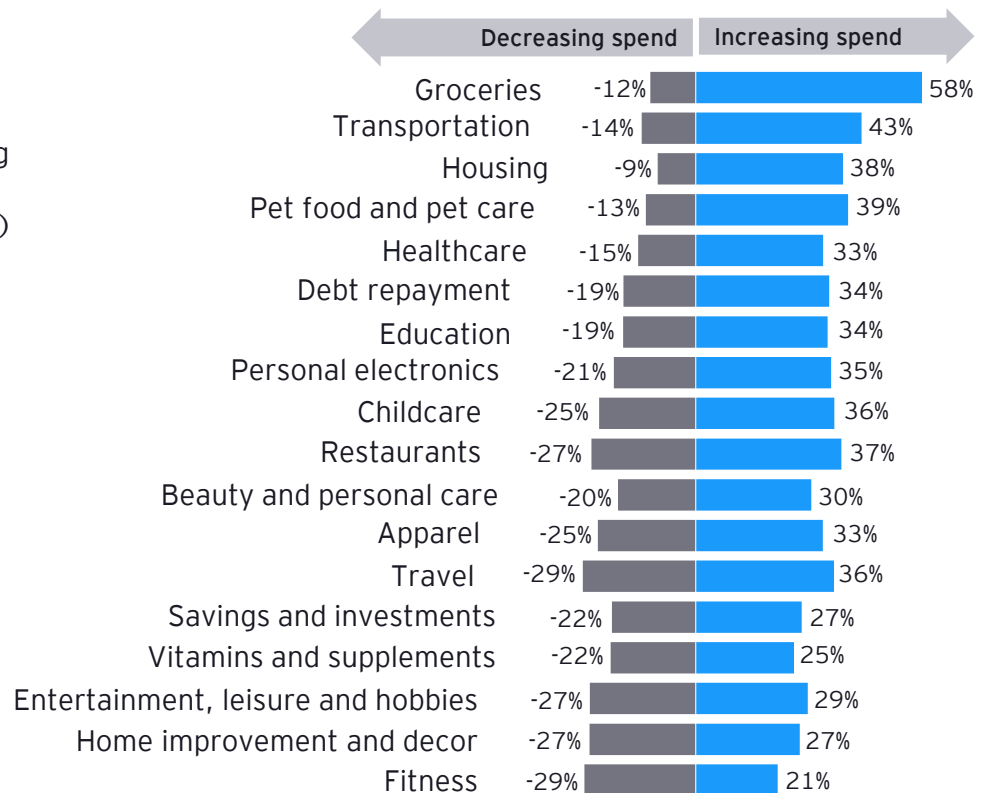
More households are taking steps to tighten spending on discretionary categories (e.g., dining out, travel, home goods) to offset mounting expenses on essentials

Consumer spending segmentation

14%	9%
80%	85%
6%	6%

Increasing spend across the board, with **food expenditures: both at and away from home** – seeing the biggest uptick

Maintaining **stable spend** overall, with **targeted cutbacks** in **discretionary categories like entertainment** offsetting **increases** in spend on **groceries and food at home**

- Broadly shifting to **austerity spending**
- **Slashing discretionary expenses,** and **paring back** spend on **flexible essentials** like **pet care,** with housing the most insulated from spend cuts

Net spending changes (% of households)[1]

Q: Roughly speaking, did you spend more or less on each of the following goods and services this month compared to last month? (n=2,131[2])

← Decreasing spend	Increasing spend →
Groceries	-12%	58%
Transportation	-14%	43%
Housing	-9%	38%
Pet food and pet care	-13%	39%
Healthcare	-15%	33%
Debt repayment	-19%	34%
Education	-19%	34%
Personal electronics	-21%	35%
Childcare	-25%	36%
Restaurants	-27%	37%
Beauty and personal care	-20%	30%
Apparel	-25%	33%
Travel	-29%	36%
Savings and investments	-22%	27%
Vitamins and supplements	-22%	25%
Entertainment, leisure and hobbies	-27%	29%
Home improvement and decor	-27%	27%
Fitness	-29%	21%

1. Represents % of households increasing spend per survey, net of households decreasing spend – does not translate into dollars.
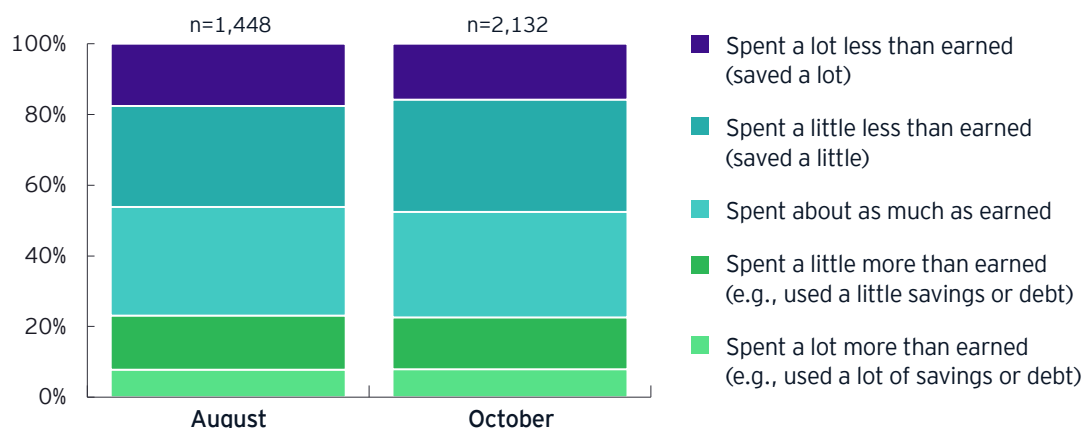2. Weights "a lot more / less" at 125% of "a little more / less"
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Consumers are about as likely to use debt or savings to cover expenses as they were three months ago. ~18% of these consumers used a buy-now-pay-later platform
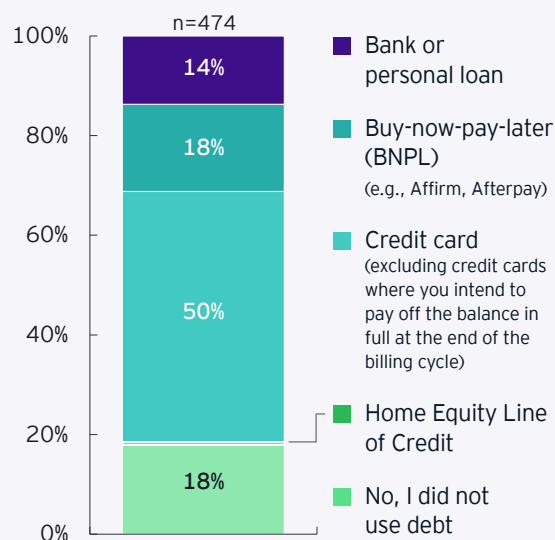
Spending relative to earnings

Q: Which of the following best describes your (and your household's) income and spending over the last month? (n=2,132)

n=1,448   n=2,132

- Spent a lot less than earned (saved a lot)
- Spent a little less than earned (saved a little)
- Spent about as much as earned
- Spent a little more than earned (e.g., used a little savings or debt)
- Spent a lot more than earned (e.g., used a lot of savings or debt)

August   October

Among consumers who overspent their earnings:

Debt type to make purchases

Q: Did you use any of the below types of debt to make purchases? (n=474[2])

n=474

- 14% — Bank or personal loan
- 18% — Buy-now-pay-later (BNPL) (e.g., Affirm, Afterpay)
- 50% — Credit card (excluding credit cards where you intend to pay off the balance in full at the end of the billing cycle)
- Home Equity Line of Credit
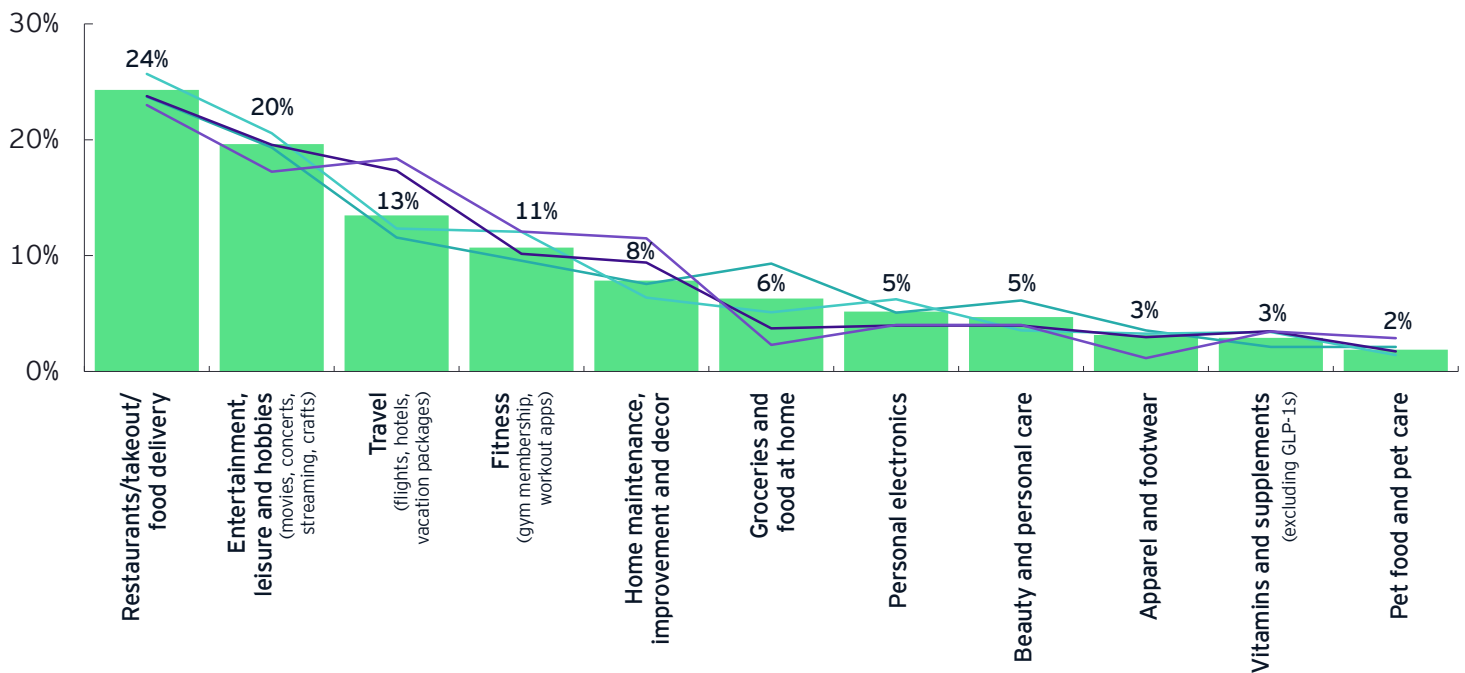- 18% — No, I did not use debt

Net spending increases (% of households)[1]

Q: Roughly speaking, did you spend more or less on each of the following goods and services this month compared to last month? (n=2,131[2])

Category	Value
Groceries	46%
Transportation	29%
Housing	28%
Pet care	26%
Healthcare	18%
Debt repayment	16%
Education	15%
Electronics	14%
Childcare	11%
Restaurants	11%
Beauty and personal care	10%
Apparel	7%
Travel	6%
Savings	6%
Vitamins and supplements	3%
Entertainment	2%
Home maintenance	-1%
Fitness	-8%

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Restaurants remain vulnerable to continued and future spend decreases, and sentiments are generally uniform regardless of consumer income level

Category to cut if facing financial concerns

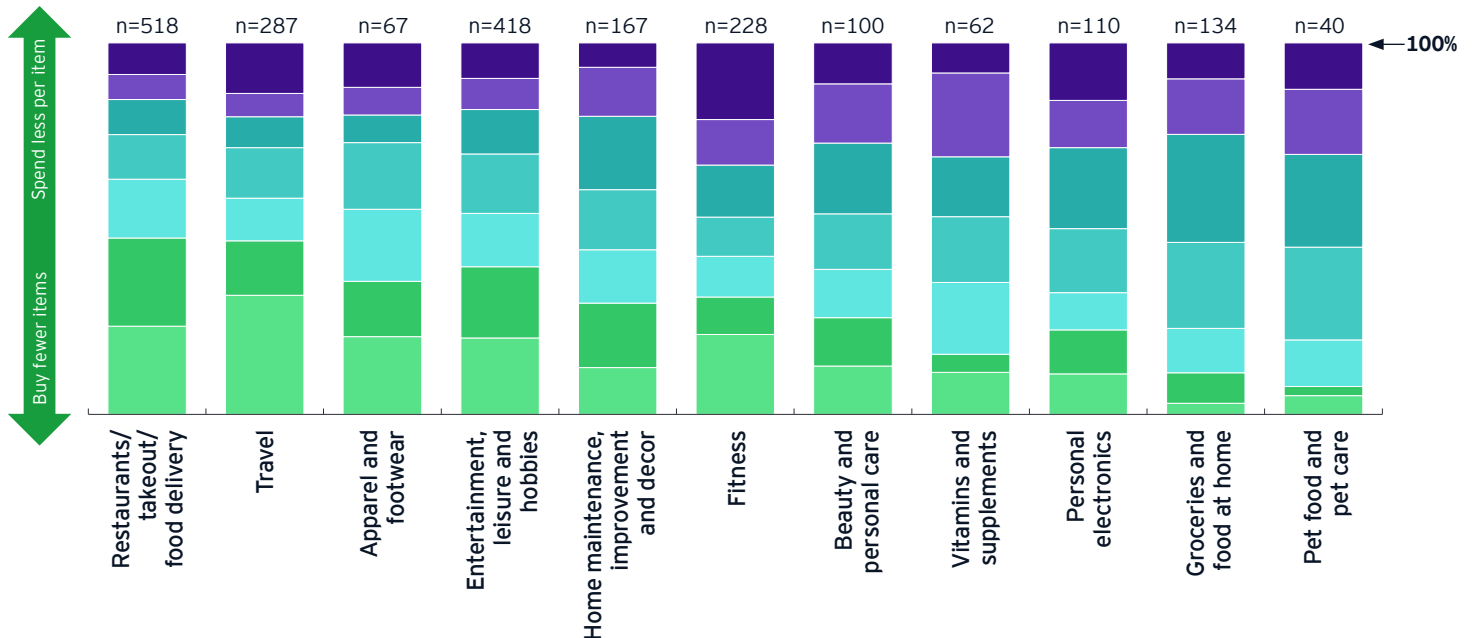Q: What is the category that you will first cut spend on if facing financial concerns? (n=1,275)

Chart data labels (green bars):
- Restaurants/takeout/food delivery: 24%
- Entertainment, leisure and hobbies (movies, concerts, streaming, crafts): 20%
- Travel (flights, hotels, vacation packages): 13%
- Fitness (gym membership, workout apps): 11%
- Home maintenance, improvement and decor: 8%
- Groceries and food at home: 6%
- Personal electronics: 5%
- Beauty and personal care: 5%
- Apparel and footwear: 3%
- Vitamins and supplements (excluding GLP-1s): 3%
- Pet food and pet care: 2%

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Among consumers who identified restaurant, travel, apparel and entertainment/leisure as savings opportunities, most plan to target purchase volume and frequency

Anticipated cost-saving measures

Q: How do you think you could save money for this category, where 1 = Cut down on volume and frequency of purchases; 7 = Cut down on price and expense of purchases?
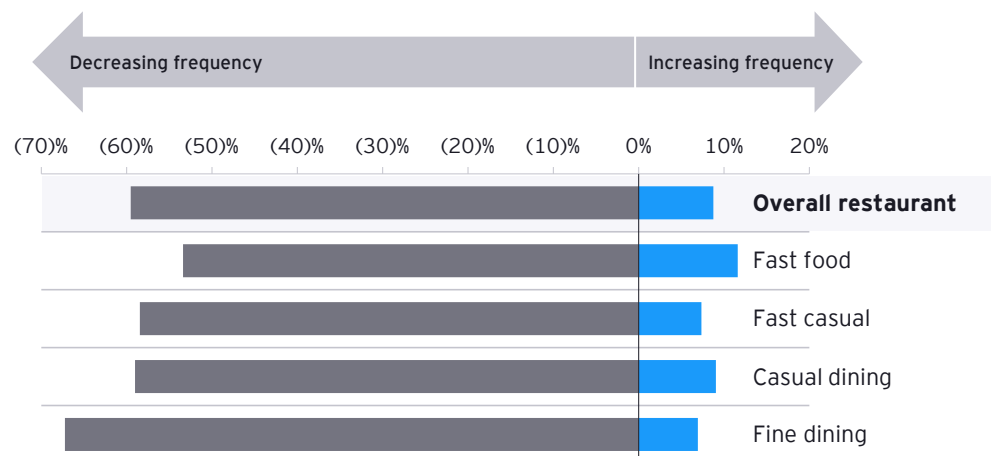

Spend less per item

Buy fewer items

n=518 · n=287 · n=67 · n=418 · n=167 · n=228 · n=100 · n=62 · n=110 · n=134 · n=40 · 100%

Restaurants/takeout/food delivery · Travel · Apparel and footwear · Entertainment, leisure and hobbies · Home maintenance, improvement and decor · Fitness · Beauty and personal care · Vitamins and supplements · Personal electronics · Groceries and food at home · Pet food and pet care

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Nearly 60% of households have already cut back on their total meals eaten out over the past month, with higher-end restaurants hit hardest

Frequency of meals out

Q: Roughly speaking, how has your purchase frequency from the below restaurant formats changed from this month compared to three months ago? (n=2,131)

Decreasing frequency · Increasing frequency

(70)% (60)% (50)% (40)% (30)% (20)% (10)% 0% 10% 20%

Overall restaurant
Fast food
Fast casual
Casual dining
Fine dining

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Additional findings

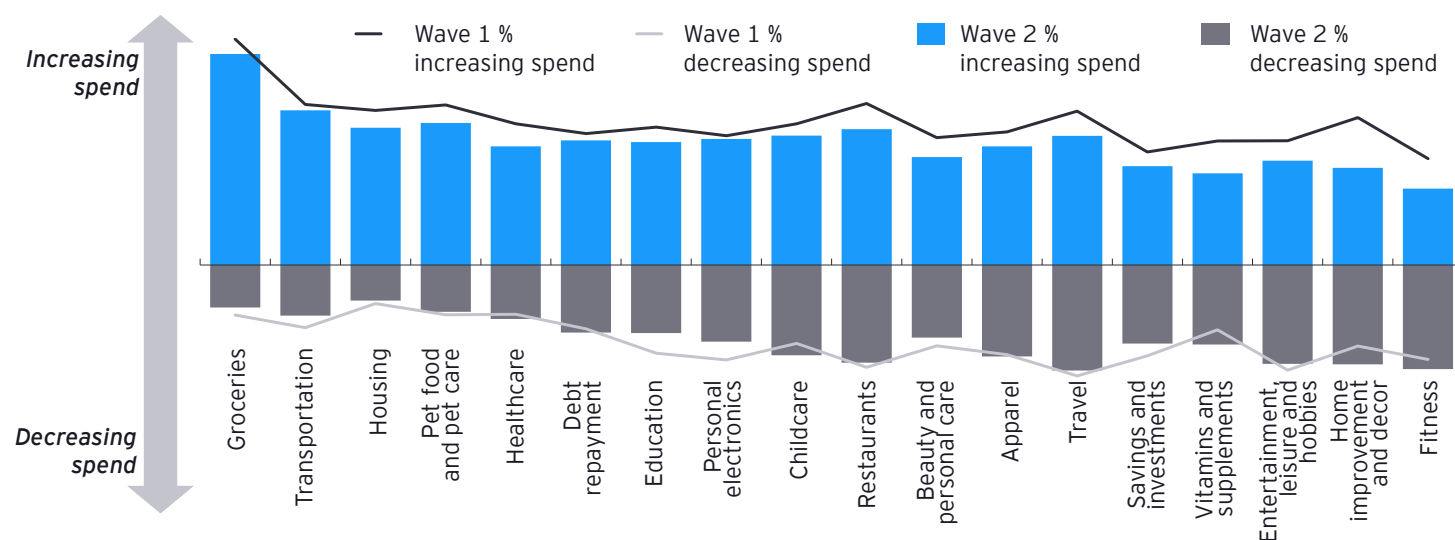**Additional comparisons to Wave 1**

Cross-cuts by income and age

Observations on home ownership and children

Spending patterns this month are relatively consistent with patterns three months ago

Net spending changes (% of households)[1]

Q: Roughly speaking, did you spend more or less on each of the following goods and services this month compared to last month? (n=2,131[2])

1. Represents % of households increasing spend per survey, net of households decreasing spend – does not translate into dollars.
2. "N/A – I haven't bought this in the last two months" responses are excluded from the analysis.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Life satisfaction is strongly correlative with income and, to a lesser extent, age, but the majority of Americans are at least somewhat satisfied regardless of income or age

Overall life satisfaction by income level and age group

Q: How satisfied are you with your life overall right now? (n=2,123[1])
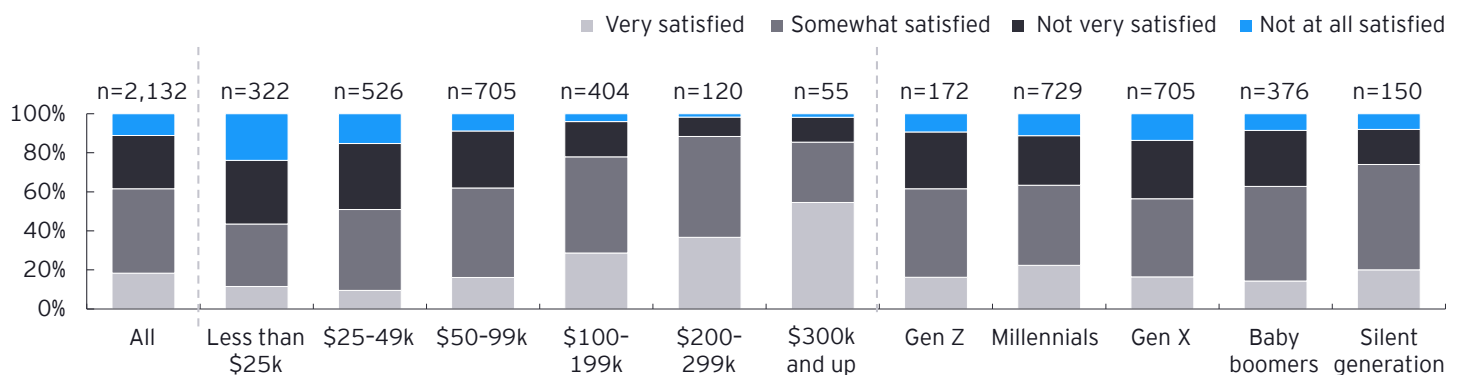

1. "Prefer not to answer" responses are excluded from the analysis.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Financial confidence is highly disparate, with the majority of households earning below the median household wage ($83k) stating they lack confidence in their finances

Financial confidence by income level and age group

Q: Generally, how confident do you feel about your financial situation right now? (n=2,132)

Legend: ■ Very satisfied ■ Somewhat satisfied ■ Not very satisfied ■ Not at all satisfied

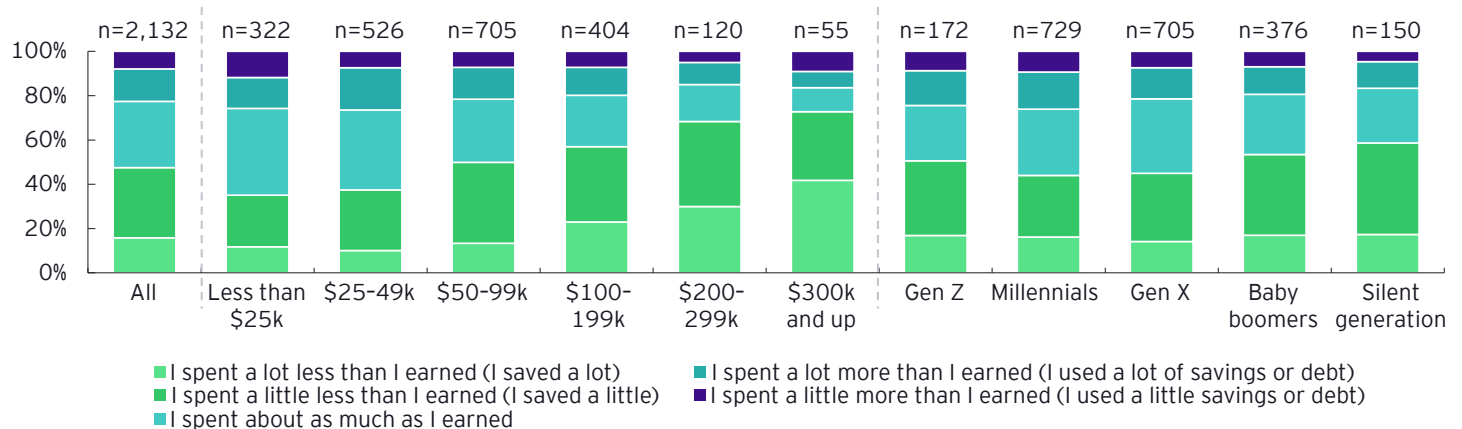|	All	Less than $25k	$25-49k	$50-99k	$100-199k	$200-299k	$300k and up	Gen Z	Millennials	Gen X	Baby boomers	Silent generation
n	2,132	322	526	705	404	120	55	172	729	705	376	150

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Propensity to save increases with income but is largely consistent by age; which is interesting, as propensity to overspend earnings is fairly consistent regardless of income

Income vs. spend

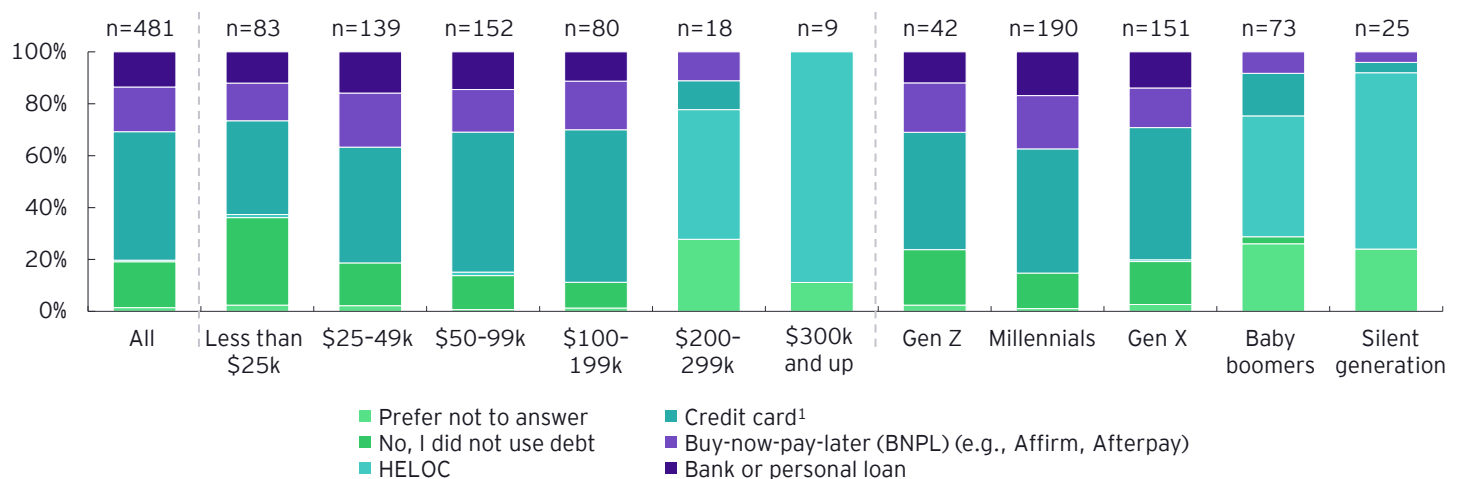Q: Which of the following best describes your income and spending over the last month? (n=2,132)

- ■ I spent a lot less than I earned (I saved a lot)
- ■ I spent a little less than I earned (I saved a little)
- ■ I spent about as much as I earned
- ■ I spent a lot more than I earned (I used a lot of savings or debt)
- ■ I spent a little more than I earned (I used a little savings or debt)

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

BNPL usage is most common among middle- and upper-middle income households and younger consumers, but does have some traction among the wealthier and older

Purchasing enablers among consumers who overspent earnings

Q: Did you use any of the below types of debt to make purchases? (n=481)

- ■ Prefer not to answer
- ■ No, I did not use debt
- ■ HELOC
- ■ Credit card[1]
- ■ Buy-now-pay-later (BNPL) (e.g., Affirm, Afterpay)
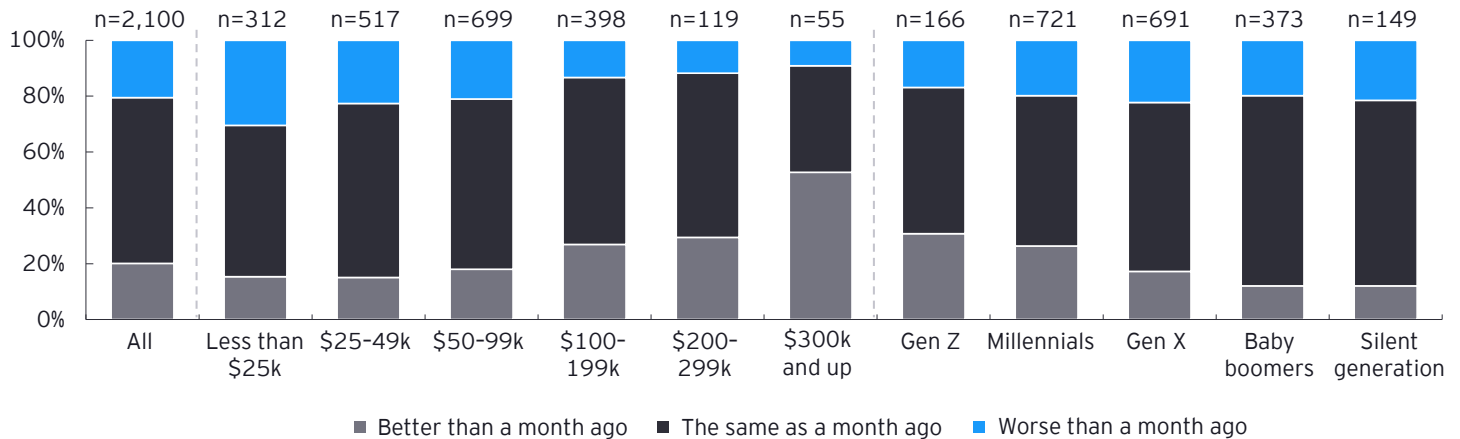- ■ Bank or personal loan

1. Excluding credit cards where you intend to pay off the balance in full at the end of the billing cycle.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Most households, regardless of income or age, feel that their financial position is stable this month, and many high-income households believe their situation is even improving

Relative financial position

Q: Would you say that you (and your household) are better off or worse off financially than you were one month ago? (n=2,100)
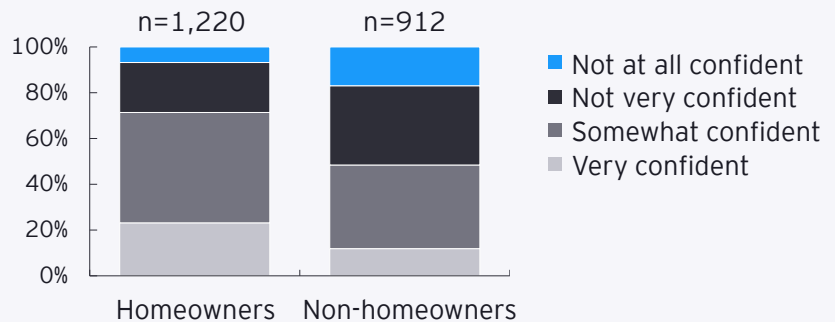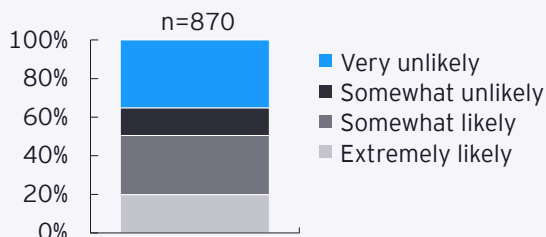
n=2,100	n=312	n=517	n=699	n=398	n=119	n=55	n=166	n=721	n=691	n=373	n=149

Better than a month ago   ■ The same as a month ago   ■ Worse than a month ago

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Home ownership is highly correlative with financial confidence. Of adults who do not own their home, only half expect to buy a home in the next 10 years

Relative financial position

Q: Would you say that you (and your household) are better off or worse off financially than you were one month ago? (n=2,100[1])

n=1,220   n=912

■ Not at all confident
■ Not very confident
■ Somewhat confident
■ Very confident

Homeowners   Non-homeowners

Likelihood to purchase home[1]

Q: How likely do you believe it is that you will purchase a home in the next 10 years? (n=870)

n=870

■ Very unlikely
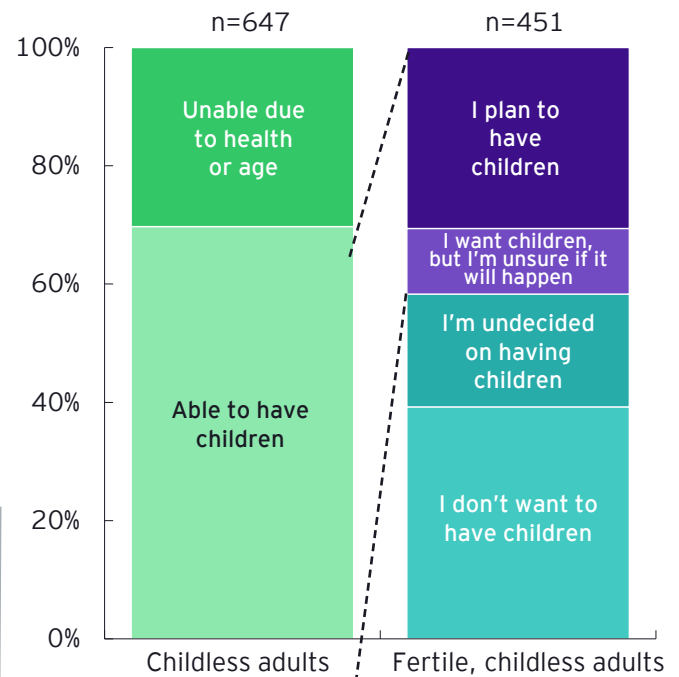■ Somewhat unlikely
■ Somewhat likely
■ Extremely likely

1. "Prefer not to answer" responses are excluded from the analysis.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.

Of childless adults who are capable of having children, almost 60% do not want to have children or are still uncertain about their plans, for a wide range of reasons
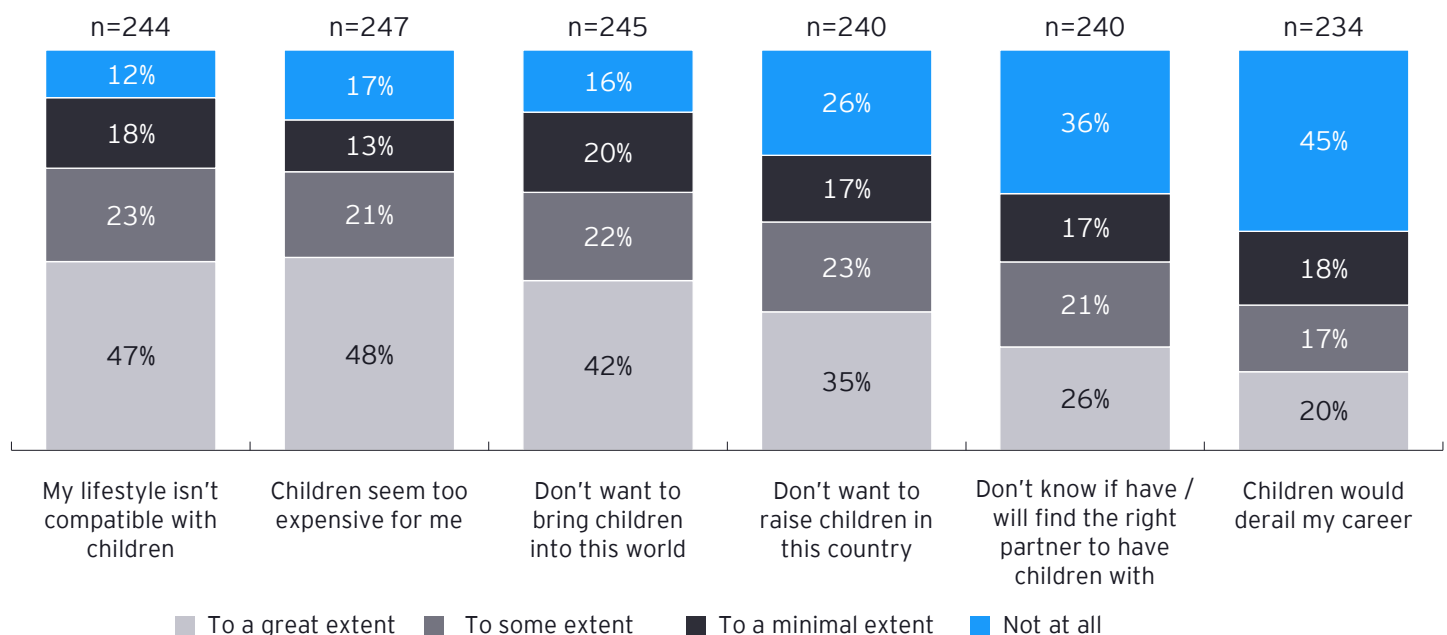
Future plans around having children

Q: Which of the following best describes you? (n=647[1])

n=647

n=451

100%

80%

60%

40%

20%

0%

Unable due to health or age

Able to have children

I plan to have children

I want children, but I'm unsure if it will happen

I'm undecided on having children

I don't want to have children

Childless adults

Fertile, childless adults

Drivers for not wanting to have children or ambivalence around having children

Q: To what extent do you relate to each of the following statements? (n=263[2])

	n=244	n=247	n=245	n=240	n=240	n=234
Not at all	12%	17%	16%	26%	36%	45%
To a minimal extent	18%	13%	20%	17%	17%	18%
To some extent	23%	21%	22%	23%	21%	17%
To a great extent	47%	48%	42%	35%	26%	20%
	My lifestyle isn't compatible with children	Children seem too expensive for me	Don't want to bring children into this world	Don't want to raise children in this country	Don't know if have / will find the right partner to have children with	Children would derail my career

■ To a great extent   ■ To some extent   ■ To a minimal extent   ■ Not at all

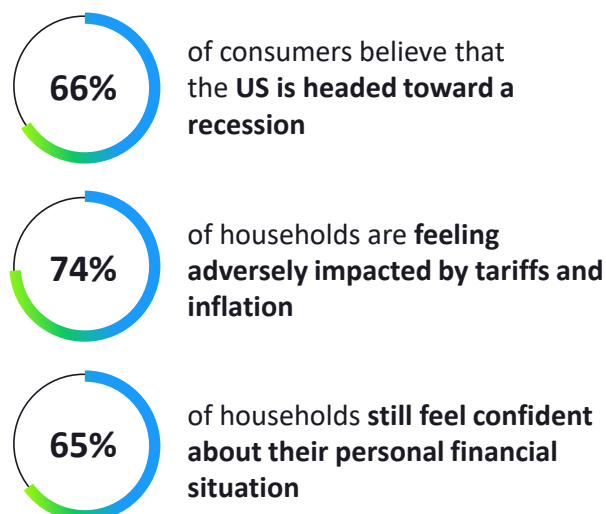1 "Prefer not to answer" responses are excluded from the analysis.
2 "Prefer not to answer or don't know" responses are excluded from the analysis.
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey.
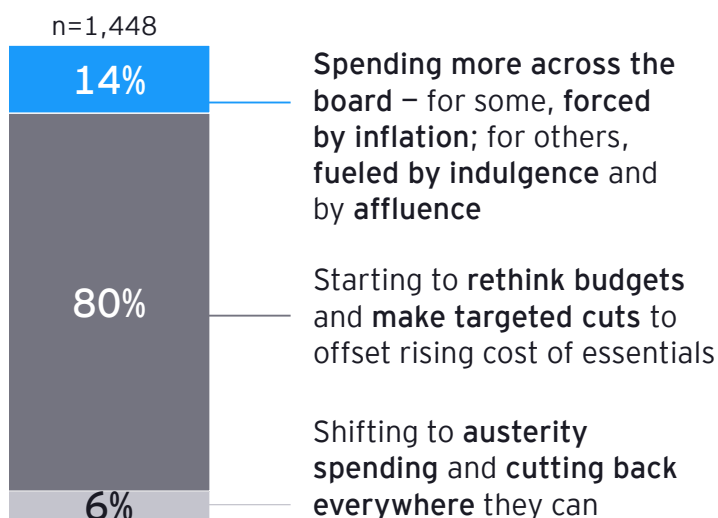
Wave 1 highlights

Most consumers believe the US is headed toward a recession, and are feeling the weight of macroeconomic pressures come to bear, but are not yet making real changes

While consumers expect tough times ahead, and are starting to feel the squeeze, most still feel solid about their finances ...

66% of consumers believe that the **US is headed toward a recession**

74% of households are **feeling adversely impacted by tariffs and inflation**

65% of households **still feel confident about their personal financial situation**

... and are not yet making drastic adjustments to spending habits

US household spending segmentation

n=1,448

14% Spending more across the board – for some, **forced by inflation**; for others, **fueled by indulgence** and by **affluence**

80% Starting to **rethink budgets** and **make targeted cuts** to offset rising cost of essentials

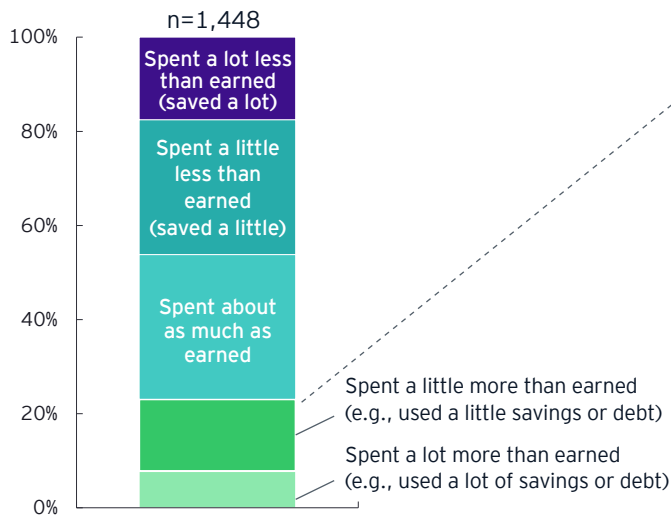**6%** Shifting to **austerity spending** and **cutting back everywhere** they can

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey, July 2025.

Consumer debt is taking a substantial (and likely growing) role in propping up spending across all categories, with 23% of consumers outspending their earnings last month
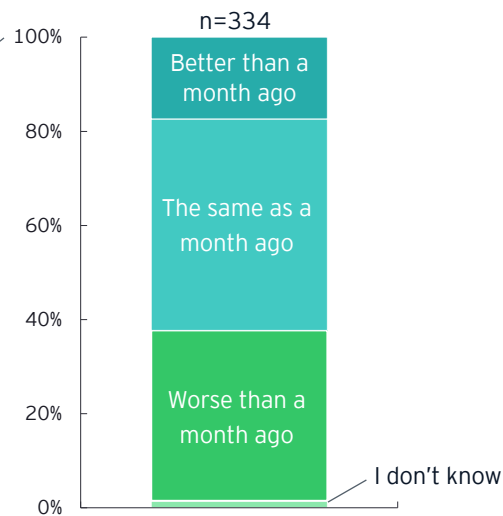
Spending relative to earnings

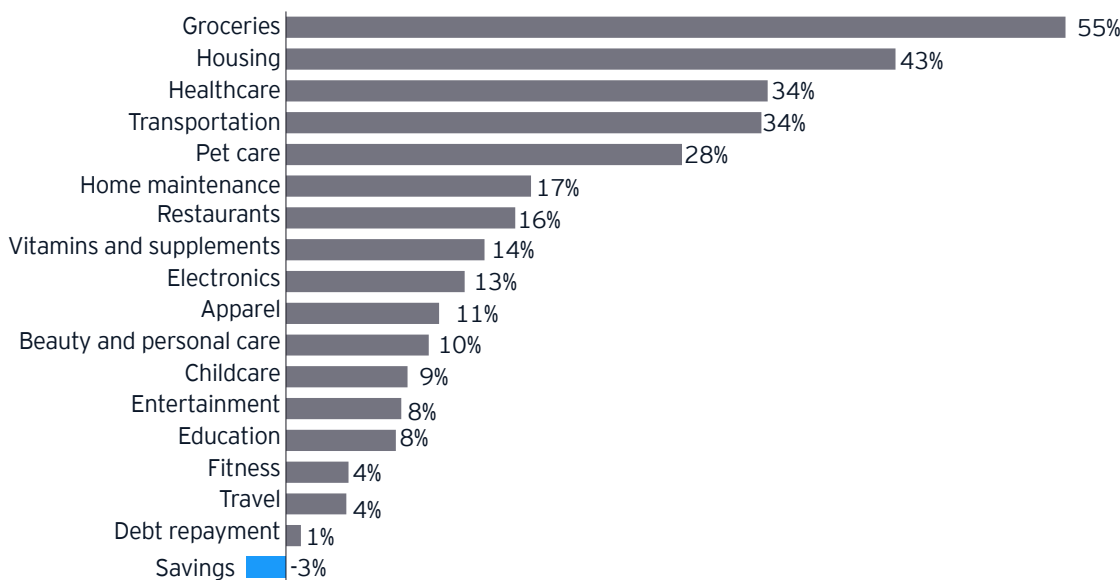Q: Generally, how confident do you feel about your (and your household's) financial situation right now? (n=1,448)

n=1,448

Spent a lot less than earned (saved a lot)

Spent a little less than earned (saved a little)

Spent about as much as earned

Spent a little more than earned (e.g., used a little savings or debt)

Spent a lot more than earned (e.g., used a lot of savings or debt)

Financial trajectory

Q: Would you say that you (and your household) are better off or worse off financially than you were one month ago? (n=334)

n=334

Better than a month ago

The same as a month ago

Worse than a month ago

I don't know

Net spending increases (% of households)

Q: Roughly speaking, did you spend more or less on each of the following goods and services this month compared to last month? (n=334)[2]

Category	%
Groceries	55%
Housing	43%
Healthcare	34%
Transportation	34%
Pet care	28%
Home maintenance	17%
Restaurants	16%
Vitamins and supplements	14%
Electronics	13%
Apparel	11%
Beauty and personal care	10%
Childcare	9%
Entertainment	8%
Education	8%
Fitness	4%
Travel	4%
Debt repayment	1%
Savings	-3%

1. Represents % of households increasing spend per survey, net of households decreasing spend – does not translate into dollars;
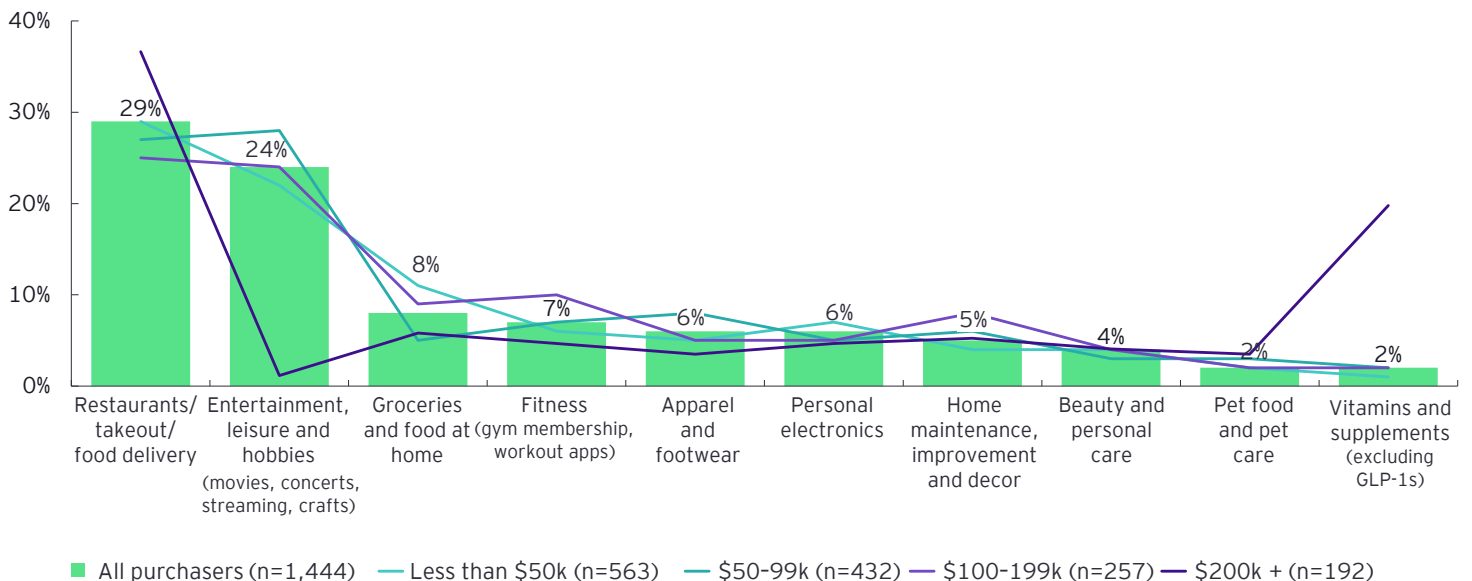2. Weights "a lot more / less" at 125% of "a little more / less."
Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey, July/August 2025.

If, and when, consumers need to rein in spending, restaurants/food away from home and entertainment/leisure are particularly vulnerable
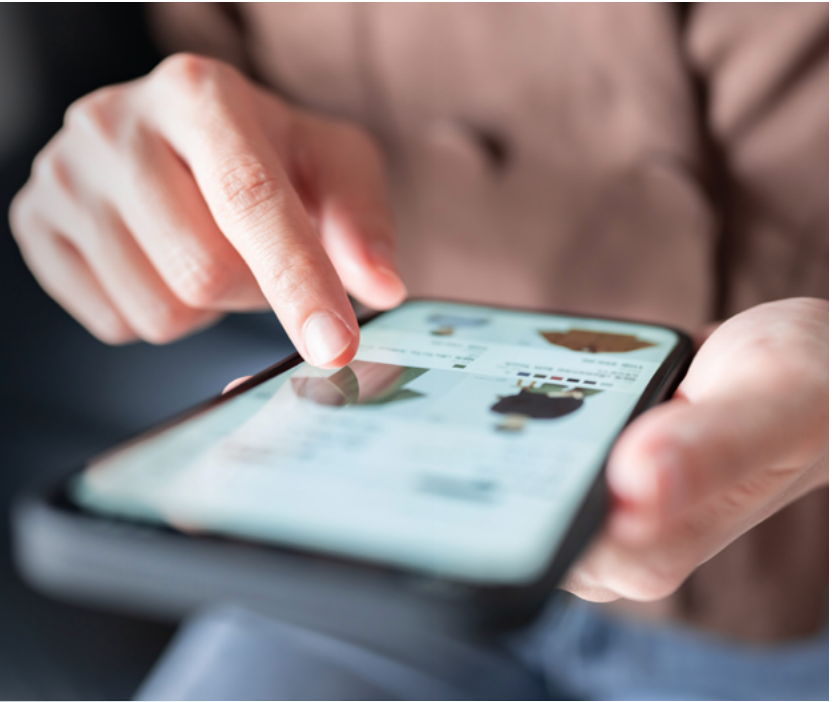
Category to cut if facing financial concerns

Q: What is the category that you will first cut spend on if facing financial concerns? (n=1,444)

Chart data labels (All purchasers):
- Restaurants/takeout/food delivery: 29%
- Entertainment, leisure and hobbies (movies, concerts, streaming, crafts): 24%
- Groceries and food at home: 8%
- Fitness (gym membership, workout apps): 7%
- Apparel and footwear: 6%
- Personal electronics: 6%
- Home maintenance, improvement and decor: 5%
- Beauty and personal care: 4%
- Pet food and pet care: 2%
- Vitamins and supplements (excluding GLP-1s): 2%

Legend: ■ All purchasers (n=1,444)   — Less than $50k (n=563)   — $50-99k (n=432)   — $100-199k (n=257)   — $200k + (n=192)

We have identified five segments with distinct financial outlooks, day-to-day priorities and spending patterns
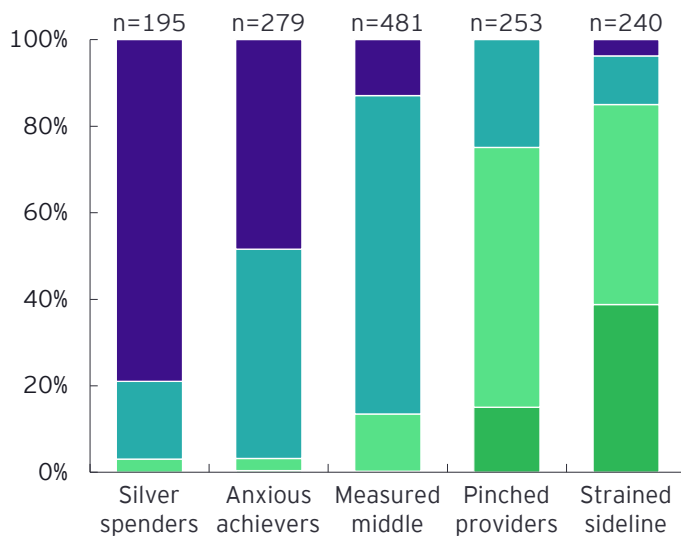
EY-Parthenon consumer segments

Based on statistical analysis of 1,448 consumer survey respondents

Anxious achievers (19%)

Affluent and confident, these educated professionals are thriving financially. However, they are deeply concerned about the future and preparing for the worst financially.

Pinched providers (17%)

Lower-to-middle income and mostly females with children, this group is managing but strained. Inflation, healthcare and debt weigh heavily, and they are having some doubts about their financial futures.

Silver spenders (13%)

Older and financially secure, this group has few worries and spend accordingly. They're stable, confident and largely insulated from current economic pressures.

Measured middle (33%)

Middle-income and moderately confident, this group feels economic pressure but don't see it as the end of the world. They're managing inflation and housing concerns with a resilient mindset.

Strained sideline (17%)

Older, lower-income and mostly female, this segment feels overwhelmed by inflation, healthcare and debt costs. Confidence and satisfaction are low and getting worse in light of macro pressures.

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey, July/August 2025.

These segments are characterized by vastly different financial situations, which naturally inform spending patterns; however, finances do not fully explain mindsets

Personal financial confidence

Q: Generally, how confident do you feel about your (and your household's) financial situation right now? (n=1,220)

Legend:
- Very confident
- Somewhat confident
- Not very confident
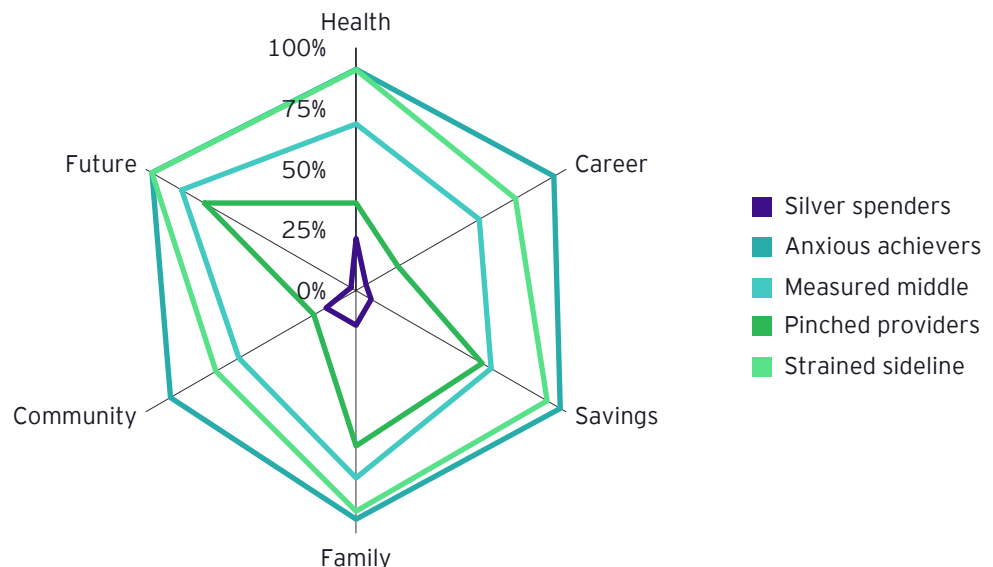- Not at all confident

Aggregated spending trends by segment

Q: Roughly speaking, did you spend more or less on goods and services this month compared to last month? (n=1,220)

Legend:
- Spent a lot more
- Spent a little more
- Spent about the same
- Spent a little less
- Spent a lot less

Key concerns

Q: To what extent are you concerned about each of the following? (n=1,200)

Legend:
- Silver spenders
- Anxious achievers
- Measured middle
- Pinched providers
- Strained sideline

Source: EY-Parthenon analysis of EY-Parthenon US Consumer Sentiment Survey, July/August 2025.

Will retailers chase trends or reshape demand?

At the EY organization, we see disruption as opportunities for retailers to transform how they deliver value. We work with retailers to define their relevance in the market. By empowering leaders to invest boldly, implement strategically and innovate meaningfully, we help retailers remain essential in their customers' lives.

Transforming complex journeys into confident outcomes for retailers

Contact the EYP consumer insights and analytics team for questions

Will Auchincloss
Principal
EYP Americas Retail Sector Leader
Ernst & Young LLP
Atlanta, GA
william.auchincloss@parthenon.ey.com

Betti Packman
Principal
Ernst & Young LLP
New York, NY
betti.packman@parthenon.ey.com

Tayler Danziger
Senior Director
Ernst & Young LLP
Chicago, IL
tayler.f.danziger@parthenon.ey.com

Jackson Topo
Director
Ernst & Young LLP
New York, NY
jackson.topo@parthenon.ey.com

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