

## BofA on USA

## Retail sales: September speedbump

**A tepid month for BAC card spending...**

Total card spending per household (HH), as measured by BAC aggregated credit and debit cards, was up 2.0% year-over-year (y/y) in September. On a month-over-month (m/m) seasonally adjusted (SA) basis, BAC card spending per HH increased by a modest 0.2%. However, several categories recorded meaningful declines on the month, including online retail (card not present), department stores, furniture and clothing (Exhibit 2).

**...And a big drag from seasonal factors...**

The Census Bureau's August retail sales figures were buoyed by a favorable seasonal adjustment, as we were expecting. But seasonal factors (SFs) are a zero-sum game. The Census' projected change in SFs from August to September is far less favorable than the change in the BAC card data (Exhibit 7). This could be because the SFs in the BAC card data are accounting for the early occurrence of Labor Day (Sep 1), which pulled forward Labor Day Weekend spending into August, to a greater degree.

**...Should lead to weak September retail sales**

The discrepancy in SFs should weigh significantly on the Census' September retail sales report, relative to the signal from the BAC card data. We look for a 0.2% m/m drop in the Census Bureau's retail sales ex-autos estimate. Given that gas was by far the strongest category in the BAC card data, we forecast an even weaker -0.4% print on the control group (retail sales ex-autos, gas, building materials and restaurants, see Exhibit 1).

**Stepping back, the consumer still looks healthy**

After a three-month surge in consumer spending from June to August, we wouldn't put too much weight on a September slowdown. We think the projected weakness is largely a function of SFs, rather than fundamentals. BAC total card and retail ex-auto spending held up well in September on a y/y basis (Exhibit 9). Therefore, even if the September retail sales report is as soft as we are projecting, we'd caution against jumping to the conclusion that spending is starting to feel the effects of a weaker labor market.

**Introducing the BofA Consumer Prism**

In this report, we introduce a new consumer heatmap, the BofA Consumer Prism (Exhibit 8). It cuts total BAC card spending by not only category and income (as we have done in the past), but also age and region. For each cut of the data, we show the y/y growth rate of the seven-day moving average of spending, on a weekly cadence for the last 13 weeks (one quarter).

**Higher-income outperformance, Gen X underperformance**

Two trends stand out in the BofA Consumer Prism. First, growth in higher-income spending continues to outpace lower-income spending. The top 5% and top 1% are seeing particularly robust y/y spending growth rates. Second, Gen X HHs have had the weakest spending growth for most of the last quarter. Unlike younger generations, earnings might have peaked for many Gen X-ers. But they potentially haven't accumulated as much equity and real estate wealth as older generations.

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HH: Household

y/y: Year over year

m/m: Month over month

SA: Seasonally Adjusted

SF: Seasonal Factor

# The month of September

## Exhibit 1: We expect a weak retail sales report for September, with the control group declining by 0.4%

BofA forecast and Bloomberg consensus for September Census Bureau retail sales (%m/m, Seasonally Adjusted (SA))

% m/m	BofA forecast	Bloomberg consensus
Retail sales	0.0%	0.4%
ex-autos	-0.2%	0.3%
ex-autos and gas	-0.4%	0.4%
Control group	-0.4%	0.3%

**Source:** BofA Global Research estimates, Bloomberg. The control group is retail sales ex autos, gas, building supplies and restaurants.

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## Exhibit 2: Spending growth in the BAC card data was weak in dept. stores, furniture, clothing and online retail (card not present)

Aggregated monthly BAC card spending per HH by major category (%m/m, SA)

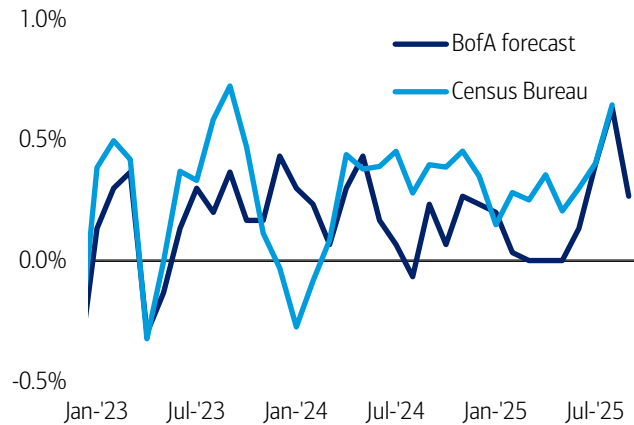
	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25
Gas	2.8%	0.6%	-1.1%	1.1%	-2.3%	-0.3%
Furniture	-1.3%	0.3%	1.0%	-0.2%	-0.6%	-0.4%
Home improvement	-0.2%	-0.3%	0.9%	1.8%	-3.8%	-1.5%
Clothing	-1.1%	0.4%	0.9%	1.2%	-0.3%	-1.7%
Grocery	0.2%	0.0%	0.3%	1.0%	-1.3%	0.0%
General Merchandise	0.2%	0.3%	0.7%	1.2%	-0.7%	0.2%
Department Store	-1.4%	-0.8%	0.4%	0.8%	-0.5%	-2.2%
Restaurants	-0.1%	0.4%	-0.1%	0.6%	0.1%	0.1%
Lodging	0.2%	-0.3%	0.9%	-1.1%	0.0%	0.1%
Airlines	-1.0%	2.5%	8.5%	-1.9%	0.4%	-1.9%
Total online retail (card not present)	-1.1%	2.1%	1.1%	0.7%	0.4%	0.4%

**Source:** BAC internal data. Card not present is largely online but could include purchases made over the phone. Gas includes convenience store purchases as well. The Home improvement, General Merchandise and Department store categories have been adjusted and restated. This has no impact on total retail spending.

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## Exhibit 3: If our forecast of a 0.2% decline in retail sales ex-autos in September proves correct, the 3-month avg. growth rate would decline

Retail sales ex-autos: Census Bureau vs. BofA forecasts (%m/m, SA, 3-month moving average (ma))

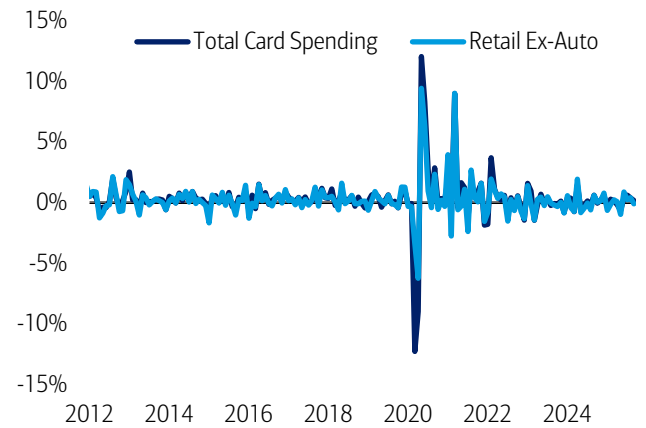


**Source:** BofA Global Research estimates, Census Bureau

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## Exhibit 4: Total card spending per HH increased 0.2% m/m in September on a SA basis

BAC aggregated monthly card spending per HH (%m/m, SA)



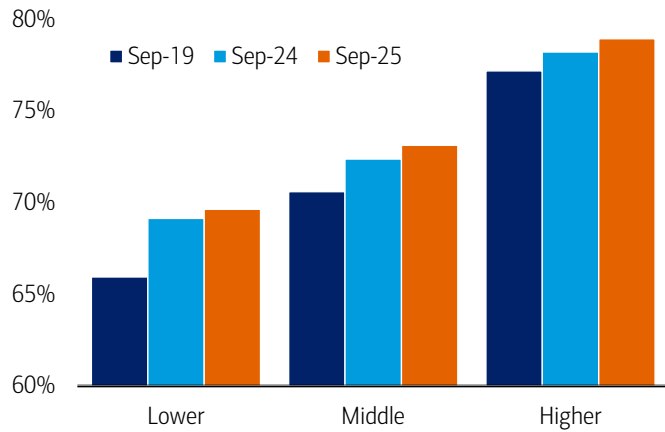
**Source:** BAC internal data

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**Exhibit 5: Discretionary spending was 70% of total spending for the lower-income cohort in September 2025, compared to 66% in September 2019**

Share of discretionary spending in total spending per HH by income (%)

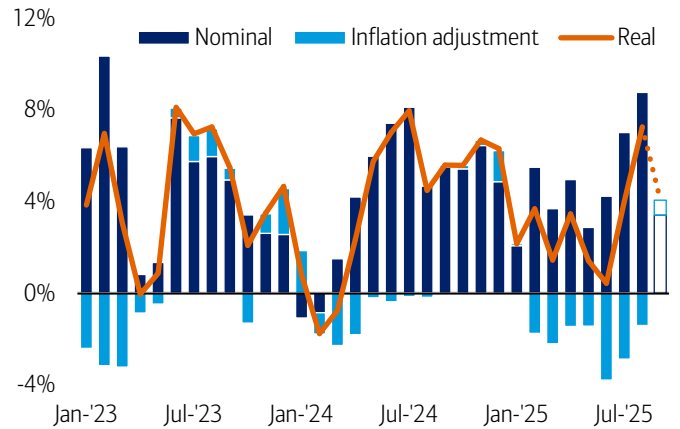


**Source:** BAC internal data. Discretionary spending is total spending excluding gas, groceries and utilities. We exclude 2020-23 to simplify the chart.

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**Exhibit 6: Real control group retail sales were up 7.3% annualized from May to August 2025**

Control group retail sales (3 month annualized % change)

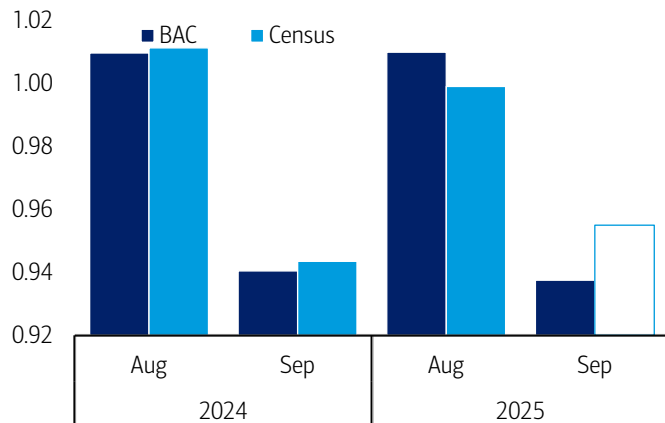


**Source:** BAC internal data, Bureau of Economic Analysis, Census Bureau, Haver Analytics. The inflation adjustment uses a price index reported by Haver Analytics. It converts nominal spending into real spending, so it is negative when inflation is positive and vice versa. BofA Global Research projections for September are represented by the dotted line and clear boxes above. We assume nominal control group retail sales are in line with our forecasts, and inflation is the same as it was in August.

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**Exhibit 7: The change in SFs from August to September is much less favorable in the Census data than in BAC card data, unlike 2024**

SFs for control group retail sales in the months of July and August



**Source:** BAC internal data, Census Bureau. Note: seasonal factors = Non-Seasonally Adjusted (NSA) data / SA data. We estimate the Census' SF for the control group in September 2025 (represented by the clear box above) based on its projections of the SFs for headline retail sales and various subcomponents.

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# BofA Consumer Prism

## Exhibit 8: The BofA Consumer Prism highlights the outperformance of higher-income HHs and the underperformance of Gen X HHs in total BAC card spending

Total card spending by category, income, age and region, (y/y % change of the 7-day ma of spending levels)

	10/4	9/27	9/20	9/13	9/6	8/30	8/23	8/16	8/9	8/2	7/26	7/19	7/12
<b>Total card spending</b>	2.2%	2.2%	1.8%	1.5%	1.8%	2.8%	1.1%	1.8%	3.5%	3.0%	0.9%	1.8%	4.5%
<b>By category</b>													
Retail ex auto	0.4%	1.6%	1.6%	1.2%	0.8%	2.3%	0.6%	1.3%	3.0%	2.8%	0.2%	0.7%	4.6%
Airlines	-1.6%	-5.0%	-5.2%	-3.8%	1.4%	-4.3%	-3.0%	-1.8%	-4.3%	-2.2%	-4.4%	-4.0%	-4.2%
Lodging	0.0%	-3.7%	-1.0%	-2.4%	-4.0%	-1.9%	-2.5%	-0.4%	0.3%	-0.4%	-0.6%	-0.4%	-3.5%
Entertainment	-3.9%	-0.4%	-1.1%	1.6%	-6.3%	-2.6%	-7.2%	-7.2%	0.0%	-10.4%	-4.6%	3.5%	-1.1%
Restaurants & bars	3.2%	2.6%	2.1%	2.2%	2.6%	2.8%	1.7%	2.1%	4.5%	3.3%	3.4%	3.2%	4.1%
Transit	7.2%	9.4%	4.7%	4.6%	4.1%	11.5%	6.0%	6.8%	5.0%	7.3%	3.5%	10.2%	11.2%
Gas	-1.0%	-1.2%	-0.3%	-2.3%	-2.1%	-3.9%	-4.9%	-5.4%	-4.9%	-6.1%	-5.6%	-7.3%	-7.5%
Clothing	1.9%	2.1%	-0.9%	2.6%	-0.1%	3.2%	0.3%	3.8%	7.4%	7.6%	5.9%	5.0%	3.8%
Furniture	0.3%	-0.6%	-3.2%	-5.0%	-4.9%	3.4%	-1.6%	-2.2%	4.3%	-0.9%	-0.5%	-2.9%	-1.0%
Department store	-5.0%	-4.4%	-5.8%	-4.1%	-4.9%	0.1%	-2.9%	-2.8%	-1.4%	2.4%	-3.7%	5.6%	2.3%
Home improvement	-9.9%	-9.2%	-8.9%	-9.0%	-7.9%	-8.3%	-10.4%	-10.8%	-5.1%	-6.4%	-6.4%	-6.0%	-5.8%
Electronics	8.5%	-5.3%	17.1%	1.0%	-0.7%	6.8%	0.7%	1.5%	6.0%	5.3%	1.8%	-6.0%	6.6%
Grocery	-2.6%	-0.5%	-0.1%	0.1%	0.0%	1.5%	0.6%	1.2%	1.3%	1.5%	0.8%	0.6%	1.1%
General Merchandise	-2.3%	4.5%	3.9%	3.0%	3.1%	4.7%	3.0%	4.2%	4.4%	7.5%	5.2%	4.6%	5.0%
Total B&M retail	-2.0%	-0.4%	-0.9%	-1.1%	-1.2%	0.1%	-1.2%	-0.9%	1.1%	0.2%	0.0%	-0.3%	0.0%
Total online retail	7.1%	7.0%	8.2%	7.1%	5.9%	8.3%	5.4%	7.4%	8.5%	9.9%	1.0%	3.5%	16.8%
<b>By income</b>													
Lower income	1.2%	1.4%	0.9%	0.7%	0.7%	1.7%	-0.5%	-2.5%	1.8%	1.9%	0.1%	1.0%	3.4%
Middle income	1.7%	2.2%	1.7%	1.3%	1.5%	2.6%	0.9%	1.6%	3.2%	2.8%	0.9%	1.7%	4.5%
Higher income	3.0%	2.7%	2.2%	2.3%	2.8%	3.3%	2.0%	0.7%	4.3%	3.7%	1.3%	2.2%	5.0%
Top 5%	4.7%	3.7%	2.8%	3.8%	4.3%	3.9%	3.0%	2.0%	6.0%	4.4%	2.0%	3.4%	5.4%
Top 1%	6.2%	4.1%	3.8%	4.1%	5.0%	5.0%	3.4%	2.1%	7.2%	3.4%	2.7%	4.6%	4.8%
<b>By age</b>													
Gen Z	5.1%	3.8%	4.3%	3.5%	3.4%	3.9%	2.2%	-0.5%	5.1%	4.2%	2.9%	3.6%	5.9%
Millennials	2.5%	2.2%	2.0%	1.5%	1.7%	2.7%	1.0%	-1.4%	3.4%	3.0%	0.7%	1.5%	4.5%
Gen X	1.5%	1.1%	0.5%	0.4%	0.9%	1.7%	-0.1%	0.7%	2.1%	2.1%	-0.3%	0.9%	3.4%
Baby boomers	1.7%	2.6%	2.0%	2.4%	2.2%	3.4%	1.9%	2.6%	4.4%	3.9%	1.9%	3.0%	5.6%
Traditionalists	0.9%	2.9%	2.5%	2.4%	2.9%	3.7%	2.6%	1.9%	4.6%	3.9%	3.1%	3.7%	4.9%
Multi-gen younger	3.0%	3.2%	2.7%	2.4%	2.5%	3.4%	1.7%	2.1%	4.0%	3.5%	1.5%	2.2%	5.3%
Multi-gen older	2.6%	3.3%	2.6%	2.7%	2.8%	3.6%	1.8%	2.6%	4.3%	3.6%	1.8%	2.7%	5.5%
<b>By region</b>													
Midwest	1.8%	2.3%	1.8%	1.7%	2.8%	4.2%	1.6%	2.8%	3.1%	2.6%	0.3%	2.1%	5.0%
Northeast	1.4%	1.7%	1.8%	1.6%	1.3%	3.0%	1.0%	2.0%	4.7%	2.8%	0.8%	1.8%	3.9%
South	1.3%	2.9%	1.4%	1.2%	1.4%	2.0%	0.0%	0.9%	2.9%	2.5%	1.0%	1.3%	4.6%
West	3.4%	1.5%	2.0%	1.7%	2.3%	3.0%	2.1%	2.4%	3.3%	3.6%	1.0%	2.2%	4.5%

**Source:** BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago. Total card spending includes total BAC card activity, which captures retail sales and services that are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Online electronics and total online retail correspond to purchases in which the card was not present. These are largely online purchases but could include purchases made over the phone. Gas includes some convenience store purchases at gas stations. The General Merchandise and Department store categories have been adjusted and restated. This has no impact on total retail spending. "Multi gen younger" = HHs with card holders from multiple generations, the oldest of whom is Gen X or younger. "Multi gen older" = HHs with card holders from multiple generations, the oldest of whom is a Baby Boomer or older.

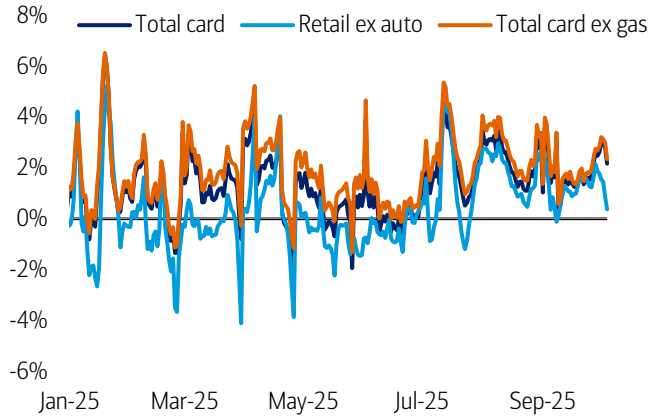
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# The big picture

## Exhibit 9: Total card spending was up 2.2% y/y in the week ending Oct 4 while retail ex auto was up only 0.4% y/y

Total card, retail ex auto and total card ex gas spending, per HH, based on BAC aggregated card data (y/y %change of the 7-day ma of spending levels)

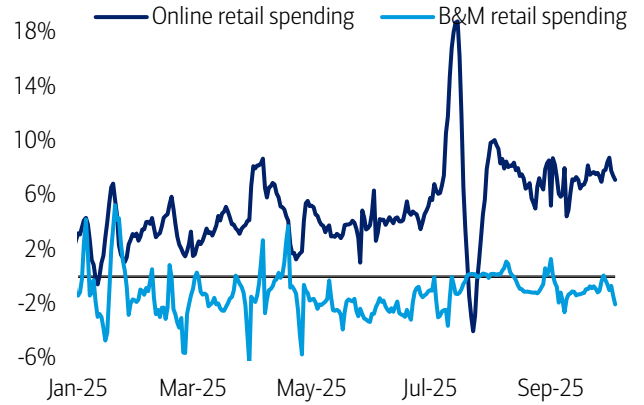


Source: BAC internal data

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## Exhibit 10: Online retail spending was up 7.1% y/y in the week ending Oct 4, while B&M spending growth was down 2.0% y/y

Online (card not present) and B&M retail spending, per HH, based on BAC aggregated card data (y/y %change of 7-day ma of spending levels)



Source: BAC internal data. Note: B&M retail means retail purchases at the store. Card not present is largely online but could include purchases made over the phone.

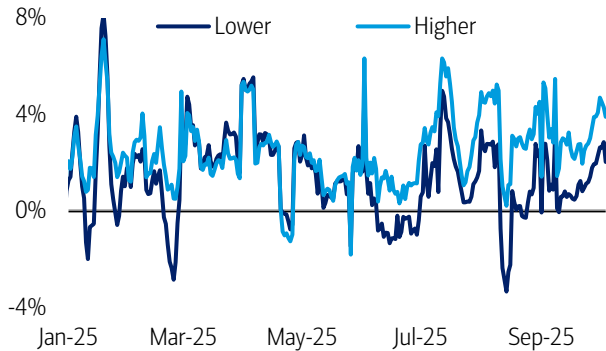
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# Income-based trends

## Exhibit 11: Y/y higher income ex groceries & gas spending growth was up 3.9% but was up 2.0% for lower income HHs in week ending Oct 4

Total spending ex groceries and gas, per HH by income group, based on aggregated BAC card data (y/y % change of the 7-day moving average of spending levels)

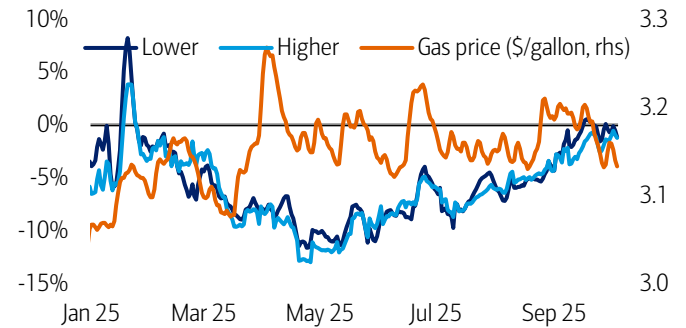


Source: BAC internal data

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## Exhibit 12: Y/y gas spending growth for both income groups was down about 1.0% in the week ending Oct 4

Gas spending per HH by income group vs. retail gas price per gallon (y/y % change of the 7-day ma of spending levels)

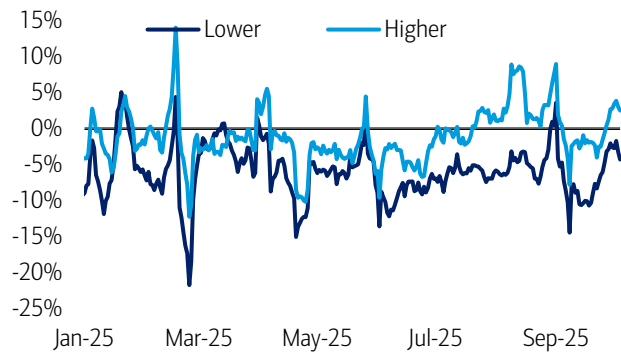


Source: BAC internal data, Bloomberg, American Automobile Association. Note: Gas includes some convenience store purchases at gas stations

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## Exhibit 13: Y/y lower income furniture spending growth was down 4.3% while it was up 2.5% for higher income in the week ending Oct 4

Furniture spending per HH by income group (y/y % change of the 7-day ma of spending levels)

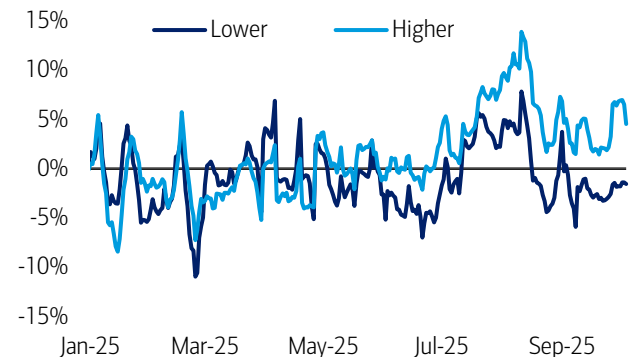


Source: BAC internal data.

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## Exhibit 14: Y/y higher income (+4.5%) clothing spending growth outpaced lower income (-1.6%) in the week ending Oct 4

Clothing spending per HH by income group (y/y % change of the 7-day ma of spending levels)

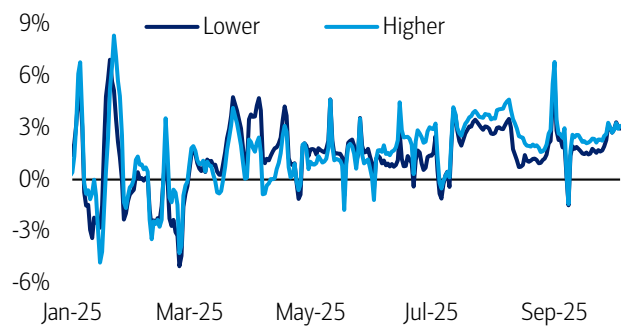


Source: BAC internal data

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## Exhibit 15: Y/y higher and lower income restaurant spending growth was about 3.0% in the week ending Oct 4

Restaurant spending per HH by income group (y/y % change of the 7-day ma of spending levels)

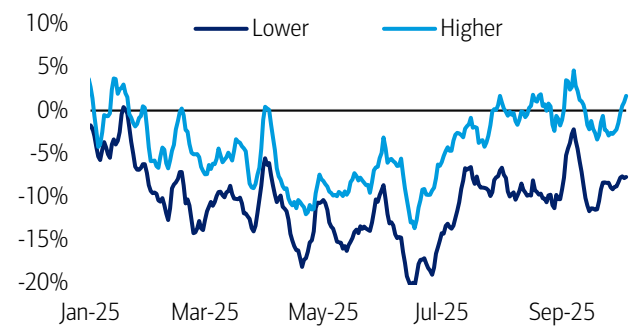


Source: BAC internal data

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## Exhibit 16: Y/y higher income (+1.7%) airline spending growth outpaced lower income (-7.7%) in the week ending Oct 4

Airline spending per HH by income group (y/y % change of the 7-day ma of spending levels)



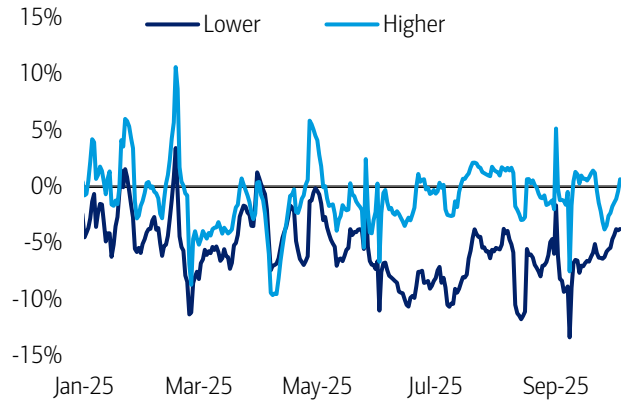
Source: BAC internal data

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**Exhibit 17: Y/y higher income (+0.7%) lodging spending growth outpaced lower income (-3.8%) in the week ending Oct 4**

Lodging spending per HH by income group (y/y % change of the 7-day ma of spending levels)

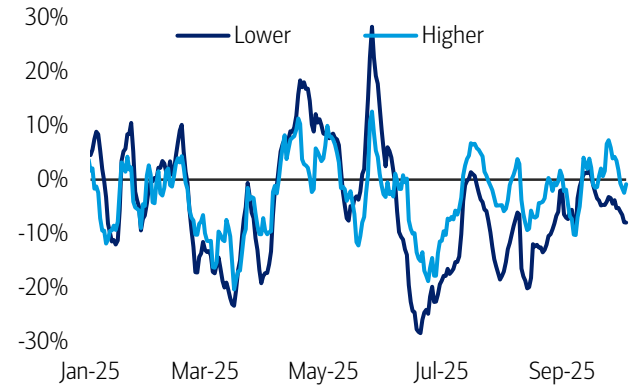


Source: BAC internal data

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**Exhibit 18: Y/y higher income (-0.9%) entertainment spending growth outpaced lower income (-8.0%) in the week ending Oct 4**

Entertainment spending per HH by income group (y/y % change of the 7-day ma of spending levels)

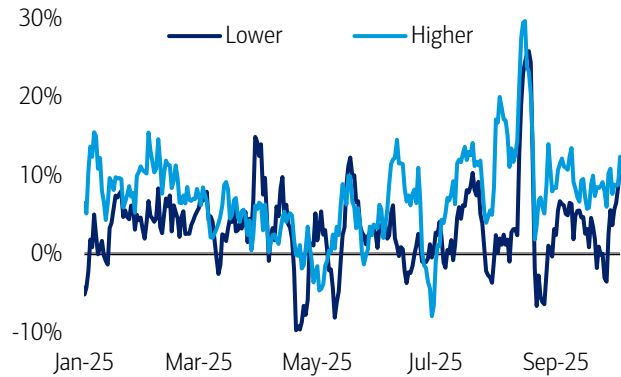


Source: BAC internal data

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**Exhibit 19: Y/y higher income cruise spending growth (+12.4%) slightly outpaced lower income (+11.3%) in the week ending Oct 4**

Cruise spending per HH by income group (y/y % change of the 7-day ma of spending levels)

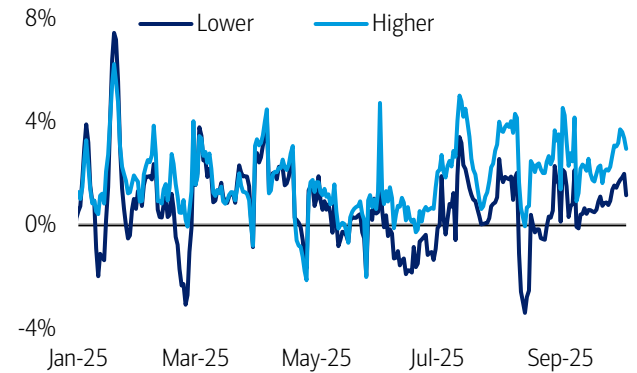


Source: BAC internal data

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**Exhibit 20: Y/y higher income total card spending growth (+3.0%) outpaced lower income (+1.2%) in the week ending Oct 4**

Total card spending per HH by income group (y/y % change of the 7-day ma of spending levels)



Source: BAC internal data

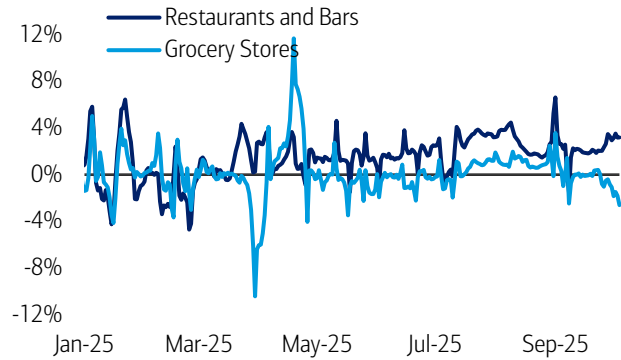
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# Sector trends

## Exhibit 21: Restaurant spending was up 3.2% y/y in the week ending Oct 4 while grocery spending growth was down 2.6% y/y

Spending per HH at restaurants and bars and grocery stores, based on BAC aggregated card data (y/y % change of the 7-day ma of spending levels)

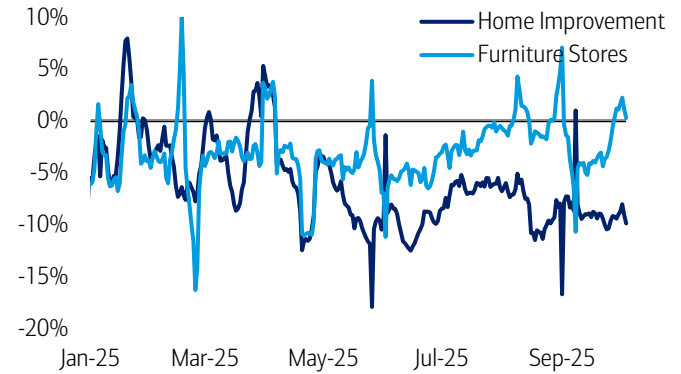


Source: BAC internal data

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## Exhibit 22: Y/y furniture and home improvement spending growth was +0.3% and -9.9%, respectively in the week ending Oct 4

Spending per HH at home improvement and furniture stores, based on BAC aggregated card data (y/y % change of the 7-day ma of spending levels)

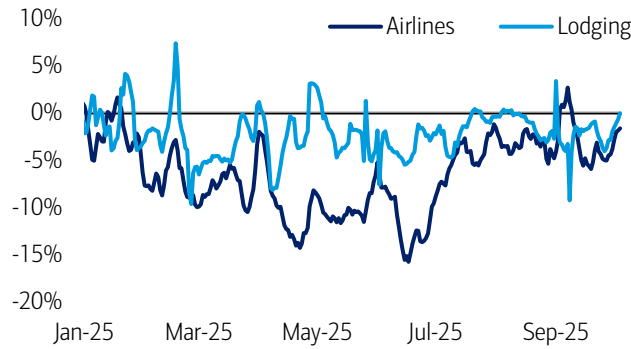


Source: BAC internal data

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## Exhibit 23: Lodging spending was flat y/y in the week ending Oct 4, while airline spending growth was down 1.6% y/y

Spending per HH on airlines and lodging, based on BAC aggregated card data, (y/y % change of the 7-day ma of spending levels)

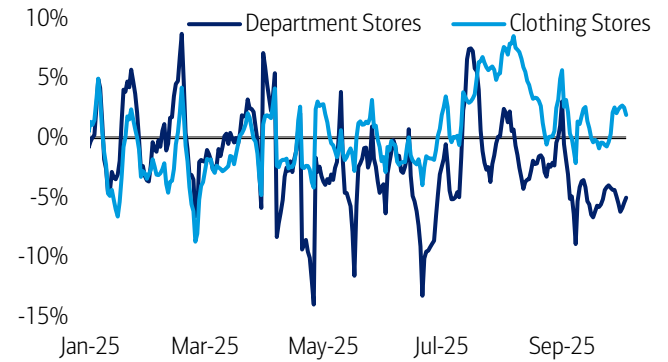


Source: BAC internal data

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## Exhibit 24: Y/y clothing stores spending was up 1.9% while department stores spending growth was down 5.0% in the week ending Oct 4

Spending per HH at clothing stores, based on BAC aggregated card data (y/y % change of the 7-day ma of spending levels)

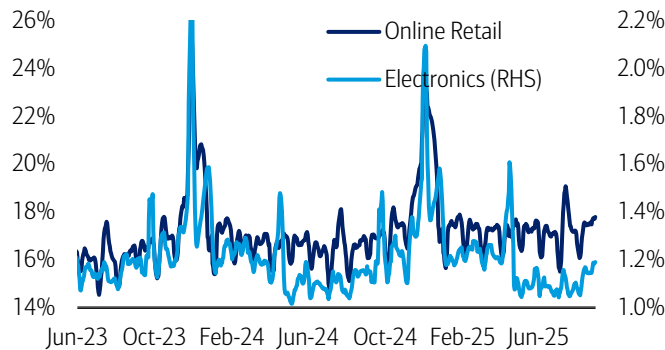


Source: BAC internal data

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## Exhibit 25: The shares of online retail spending and electronics were 16.6% and 1.2%, respectively, in the week ending Oct 4

Online retail and electronics spending per HH as a share of total card spending (% , 7-day moving average)

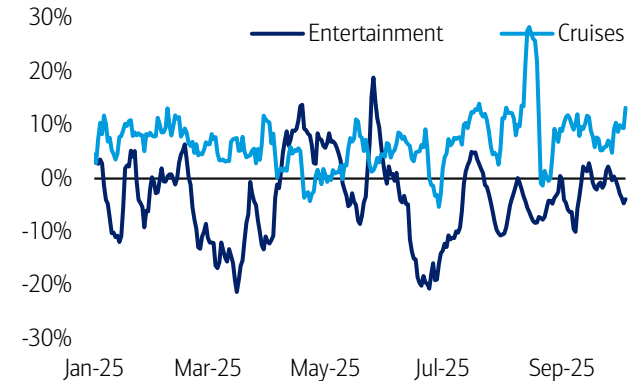


Source: BAC internal data.

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## Exhibit 26: Entertainment spending was down 3.9% y/y in the week ending Oct 4, while cruise spending growth was up 13.2% y/y

Spending per HH on entertainment and cruises, based on BAC aggregated card data (y/y % change of the 7-day ma of spending levels)



Source: BAC internal data

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**Exhibit 27: Total card spending per HH was up 2.2% y/y in the week ending Oct 4**

Aggregated daily card spending growth per HH by major category, Sep 21-Oct 4 (y/y % change of the 7-day ma of spending levels)

	10/4	10/3	10/2	10/1	9/30	9/29	9/28	9/27	9/26	9/25	9/24	9/23	9/22	9/21
<b>Total card spending</b>	2.2%	2.8%	3.0%	3.0%	2.6%	2.5%	2.6%	2.2%	1.7%	1.5%	1.6%	1.6%	1.4%	1.8%
<b>Retail ex-autos</b>	0.4%	0.9%	1.5%	1.5%	1.8%	1.9%	2.2%	1.6%	1.2%	1.3%	1.5%	1.6%	1.5%	1.6%
Airlines	-1.6%	-1.8%	-2.0%	-2.8%	-3.8%	-4.4%	-4.5%	-5.0%	-5.0%	-4.8%	-4.3%	-4.1%	-3.1%	-3.9%
Lodging	0.0%	-0.7%	-1.1%	-1.5%	-1.9%	-2.8%	-2.9%	-3.7%	-4.0%	-3.7%	-2.9%	-2.6%	-1.9%	-0.9%
Entertainment	-3.9%	-4.7%	-3.7%	-2.9%	-1.6%	-0.4%	0.3%	-0.4%	1.3%	2.2%	1.4%	-1.1%	-1.8%	-0.8%
Restaurants & bars	3.2%	3.2%	3.5%	3.1%	2.9%	3.3%	3.5%	2.6%	2.3%	2.0%	2.0%	2.1%	1.8%	2.0%
Transit	7.2%	8.4%	9.3%	10.4%	11.5%	11.0%	9.3%	9.4%	8.3%	7.9%	5.9%	4.8%	5.3%	5.6%
Gas	-1.0%	-0.5%	0.0%	-0.6%	-0.9%	-0.8%	-0.5%	-1.2%	-2.0%	-2.3%	-1.5%	-0.7%	-0.5%	-0.3%
Clothing	1.9%	2.5%	2.7%	2.6%	2.4%	2.1%	2.5%	2.1%	0.3%	-0.4%	-0.7%	-0.6%	-0.4%	-0.4%
Furniture	0.3%	1.2%	2.2%	1.6%	1.1%	1.2%	0.3%	-0.6%	-1.9%	-2.9%	-3.5%	-3.7%	-4.4%	-3.1%
Department store	-5.0%	-5.5%	-5.9%	-6.2%	-5.5%	-4.9%	-4.4%	-4.4%	-4.2%	-4.0%	-4.1%	-4.4%	-5.2%	-5.6%
Home improvement	-9.9%	-9.1%	-8.0%	-8.7%	-9.0%	-9.4%	-9.2%	-9.2%	-9.6%	-10.4%	-10.5%	-10.0%	-9.4%	-9.0%
Electronics	8.5%	9.1%	11.2%	13.0%	12.8%	5.5%	4.6%	-5.3%	0.3%	8.8%	8.5%	9.5%	11.5%	6.9%
Grocery	-2.6%	-1.8%	-1.5%	-1.9%	-1.1%	-0.8%	-0.4%	-0.5%	-1.0%	-0.8%	0.0%	0.4%	0.4%	0.3%
General Merchandise	-2.3%	-1.9%	-0.5%	1.5%	2.1%	3.1%	3.4%	4.5%	4.9%	5.4%	5.2%	5.3%	4.7%	4.8%
Total B&M retail	-2.0%	-1.4%	-0.7%	-1.0%	-0.6%	-0.3%	0.1%	-0.4%	-1.0%	-1.2%	-0.9%	-0.7%	-0.9%	-0.7%
Total online retail	7.1%	7.4%	7.8%	8.7%	8.4%	7.8%	7.8%	7.0%	7.3%	7.6%	7.5%	7.7%	7.6%	7.5%

**Source:** BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago. Total card spending includes total BAC card activity, which captures retail sales and services that are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Online electronics and total online retail correspond to purchases in which the card was not present. These are largely online purchases but could include purchases made over the phone. Gas includes some convenience store purchases at gas stations. The General Merchandise and Department store categories have been adjusted and restated. This has no impact on total retail spending. We have replaced the Online Electronics (card not present) category with Electronics in the heatmap.

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### Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

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BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate by matching calendar days (Jan 1 2025 is matched to Jan 1 2024). The % change is calculated based on the 7-day moving average of spending levels.

Unless otherwise noted, the monthly subsector data are adjusted to control for seasonality and other factors.

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.

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