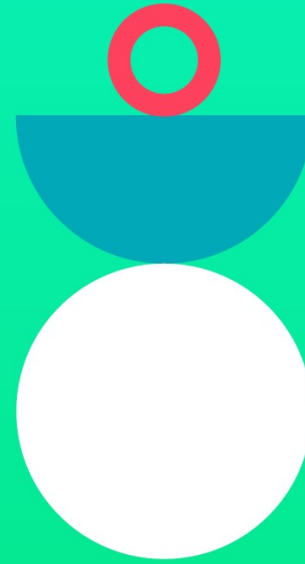




Consumer Economic Outlooks 2023

SURVEY & SEGMENTATION ANALYSIS | JUNE 2023





About this Report.

Numerator's Consumer Economic Outlooks report comes from a custom segmentation analysis conducted in June 2023. Survey responses from roughly 25,000 individuals were used to identify five distinct consumer segments, which group shoppers based on their current economic sentiments, financial situations, and demographic markers like work status, purchase power and age.

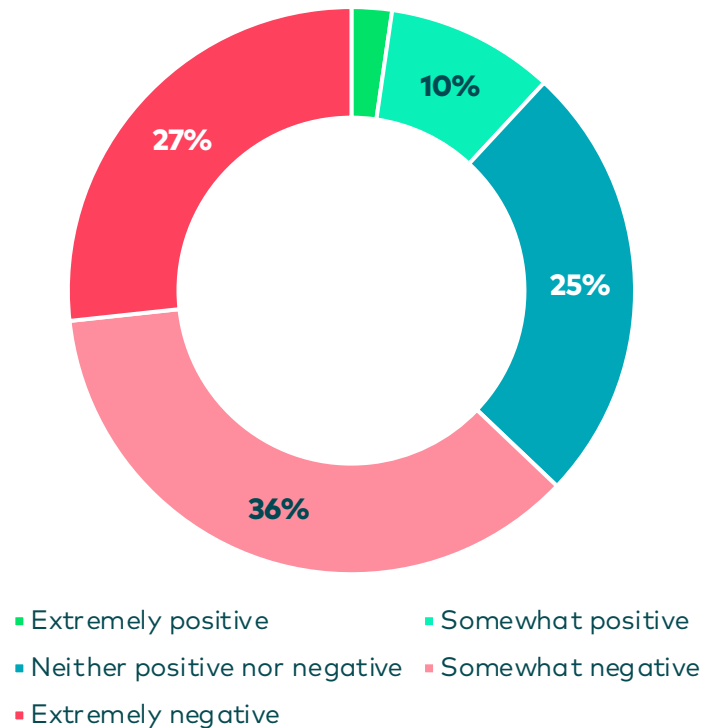
The study dissects the various market dynamics affecting today's consumers—from inflation to job security to a potential recession—and provides an in-depth understanding of how consumers today are faring when it comes to their finances.

Most Americans feel negatively about the economy and believe we're in a recession.

63% of US consumers say they feel extremely or somewhat negative about the current economy, while 68% agree with the statement "I think we are currently in a recession." An additional 61% believe the country will be in a recession a year from now.

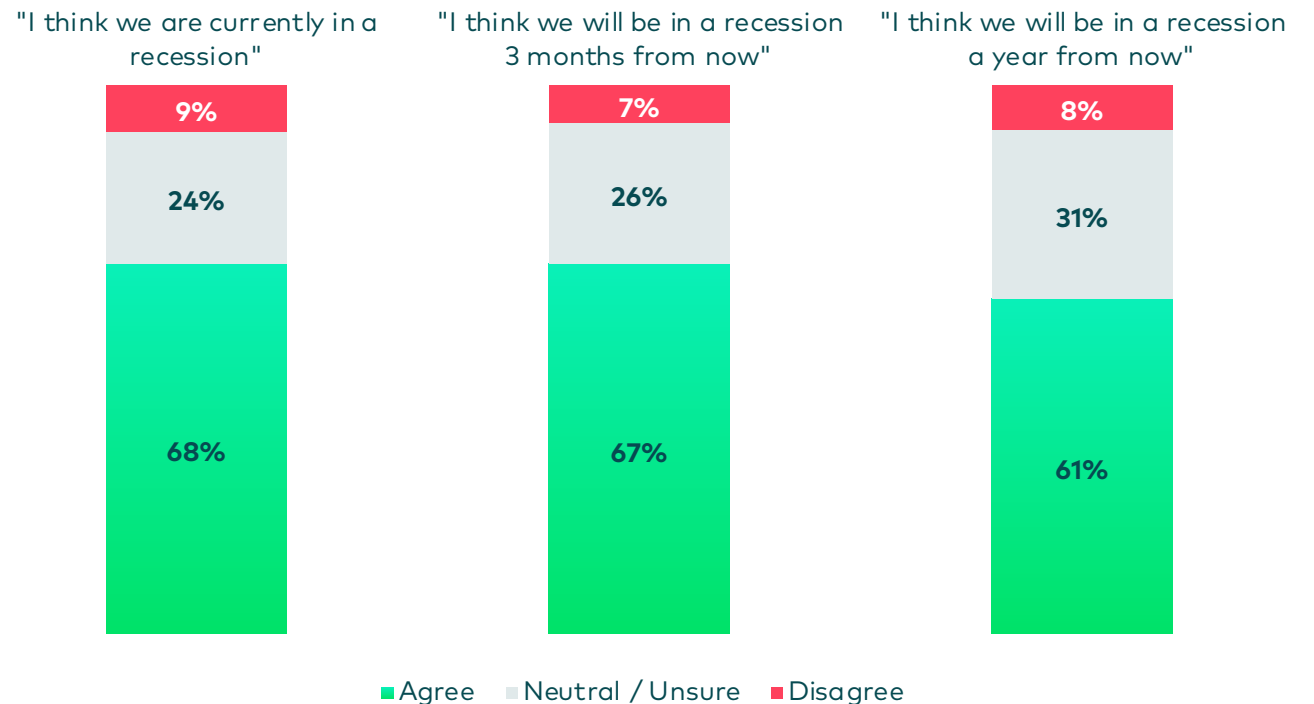
ECONOMIC SENTIMENT

% of all shoppers



RECESSION PERSPECTIVES

% of all shoppers

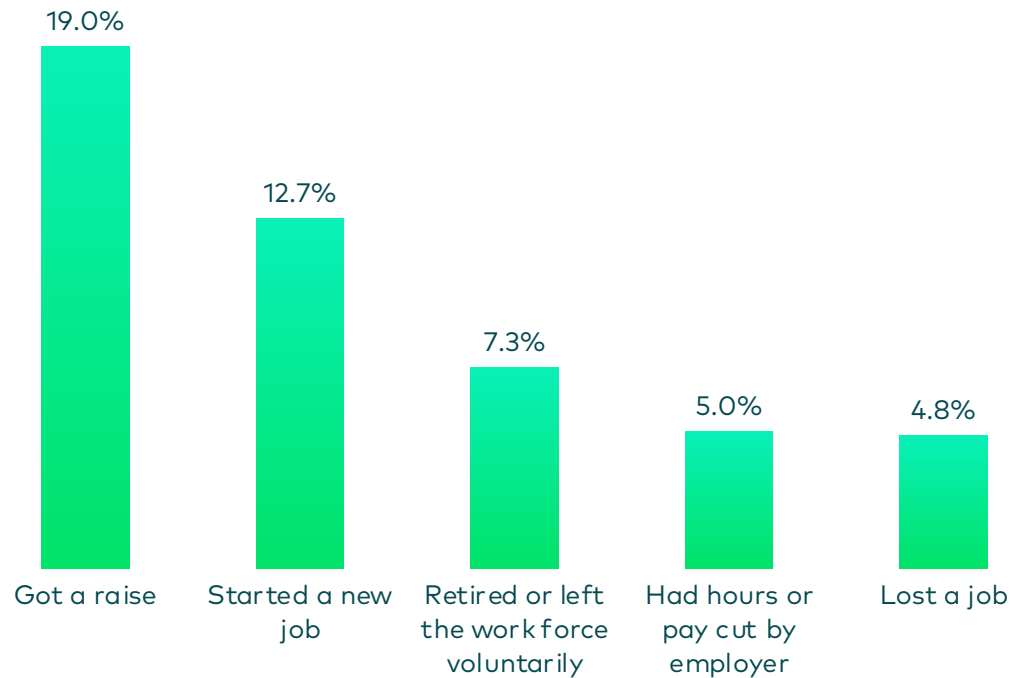


Despite economic worries, outlook on job security remains mostly positive.

60% of shoppers say they feel confident in the job security of themselves and members of their household, while only 13% feel insecure. Further, nearly a fifth of consumers say a member of their household has gotten a raise in the past six months.

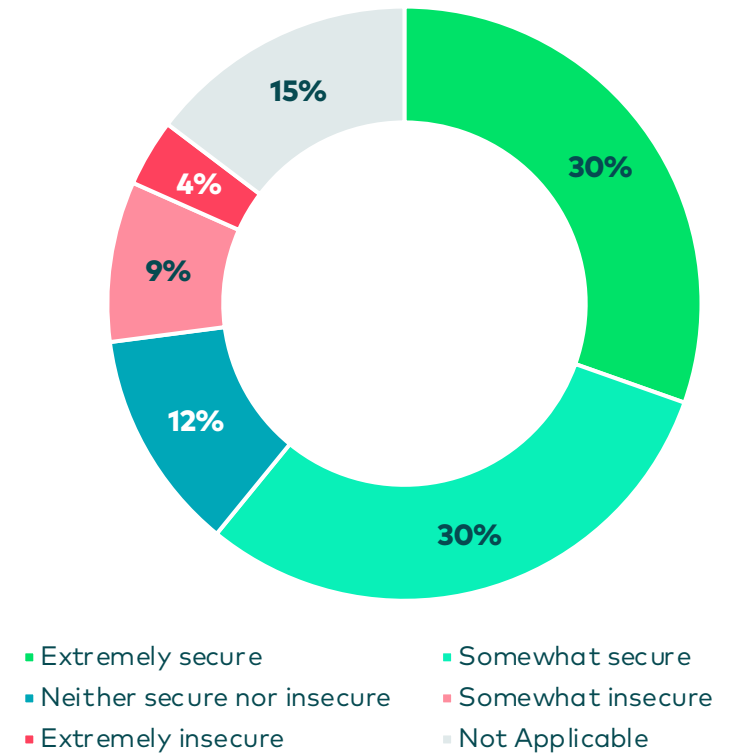
JOB SITUATIONS

% of all shoppers, past 6 months



JOB SECURITY OUTLOOK

% of all shoppers, next 6 months



Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | Have you or any members of your household experienced a change in employment in the past 6 months? Thinking about the next 6 months, how do you feel about the overall job security of yourself and other members of your household?

Sentiment and security differ significantly across various consumer groups.

Numerator has identified **five key consumer economic segments**. These are based on consumers' current economic sentiments, financial situations, and demographic markers like work status, purchase power and age. Each segment is described below:



HARDEST HIT (21%)

This is the most vulnerable group identified, facing job loss and pay cuts. They are forced to make difficult choices, reducing non-essential spending, purchasing less frequently, and driving less. Among all segments, they have the most negative sentiment towards the US economy. The Hardest Hit over index with large, urban households and their primary concern is making ends meet.



STEADY STRIVERS (19%)

These individuals have faced financial challenges in the past two years, but they are more confident in their job security and represent America's working class. They plan to cut back on dining out and durable goods while relying on private label products. Although they still hold a negative outlook on the economy, they have a slightly more optimistic perspective on their future in the coming year.



RESERVED RETIREES (18%)

This segment has the highest percentage of retirees and is faring reasonably well in the current economic climate. Their financial situation has remained stable, as has their purchasing behavior. While they are not particularly positive about the US economy, they generally hold positive expectations for their personal lives and haven't experienced a direct impact from current economic events.



FUTURE FLIERS (26%)

These shoppers are mainly on the economic upswing. They are more likely to be enjoying job security and improvements in their financial situation over the past two years. They haven't reduced their non-essential purchases as significantly as others but are mindful of saving where possible. Their concerns revolve around world events, family matters, and health, rather than solely making ends meet.



PROSPERING PROFESSIONALS (17%)

This segment is primarily comprised of high-earning households who are the most financially comfortable. They have seen increases in their wages and hold a positive outlook for their future. While they are not entirely immune to economic shifts, they are not significantly changing their behaviors because of it. They are most concerned about global politics and the daily stressors of work and school.

Numerator's consumer economic segments span generations and income levels.

While Steady Strivers and Future Fliers skew younger, Hardest Hit and Reserved Retirees are primarily comprised of older shoppers. Purchase power increases across the five segments, with over half of consumers in the Hardest Hit group falling in the bottom third of spending power and nearly all Prospering Professionals in the top third.

SEGMENT PROFILES

% of group, indexed vs. all shoppers



HARDEST HIT

- 50%** Boomers+ (133)
- 64%** Struggling (205)
- 59%** Low Purchase Power (198)
- 39%** Urban (115)
- 34%** Not Employed (106)*
- 37%** Rents Home (142)



STEADY STRIVERS

- 23%** Under 35 (117)
- 55%** Middle Class (112)
- 48%** Med. Purchase Power (120)
- 35%** Urban (103)
- 53%** In-Person Work (142)*
- 30%** Rents Home (118)



RESERVED RETIREES

- 86%** Boomers+ (229)
- 58%** Middle Class (118)
- 50%** Med. Purchase Power (125)
- 31%** Rural (112)
- 93%** Not Employed (287)*
- 78%** Owns Home (117)



FUTURE FLIERS

- 26%** Under 35 (132)
- 69%** Middle Class (140)
- 64%** Med. Purchase Power (162)
- 39%** Urban (113)
- 68%** Employed (130)*
- 31%** Rents Home (120)



PROSPERING PROFESSIONALS

- 59%** Millennial or Gen X (104)
- 78%** Affluent (309)
- 94%** High Purchase Power (312)
- 41%** Suburban (110)
- 49%** Home / Hybrid Work (160)*
- 79%** Owns Home (118)

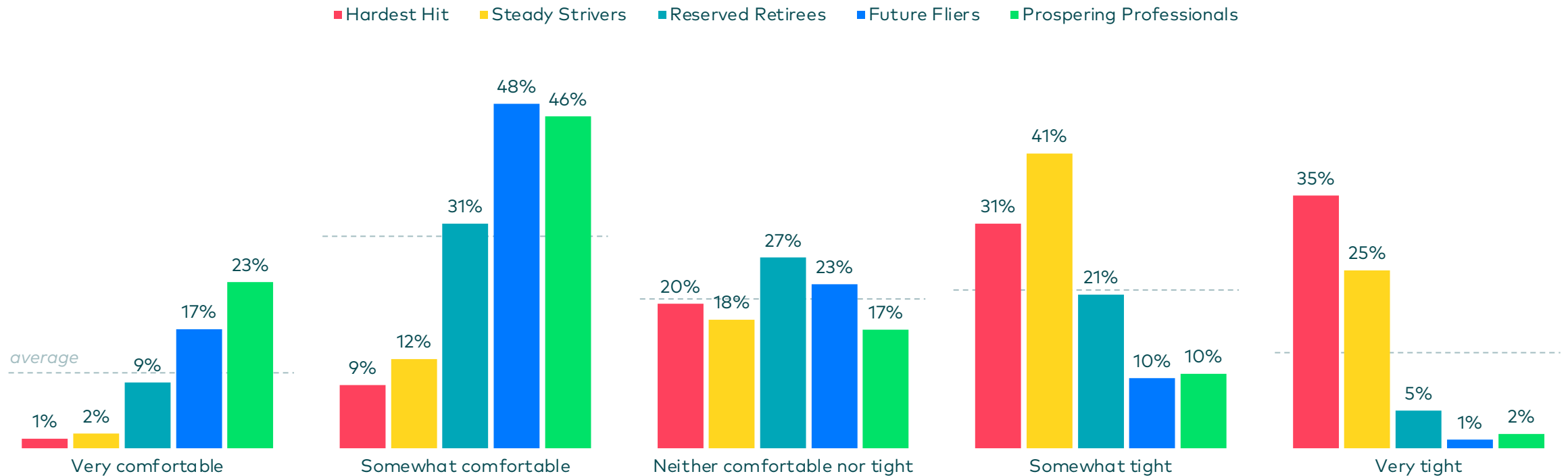
PURCHASE POWER DEFINED: the most accurate picture of a consumer's buying power which takes annual income and controls for household size and regional cost of living.

Current financial comfort is a key differentiator between economic segments.

Two-thirds of individuals in our top two segments describe their current finances as comfortable, compared to only a tenth of those in our bottom two segments. Overall, 40% of US consumers say their finances are comfortable and 36% say they're tight.

CURRENT FINANCES

% of group



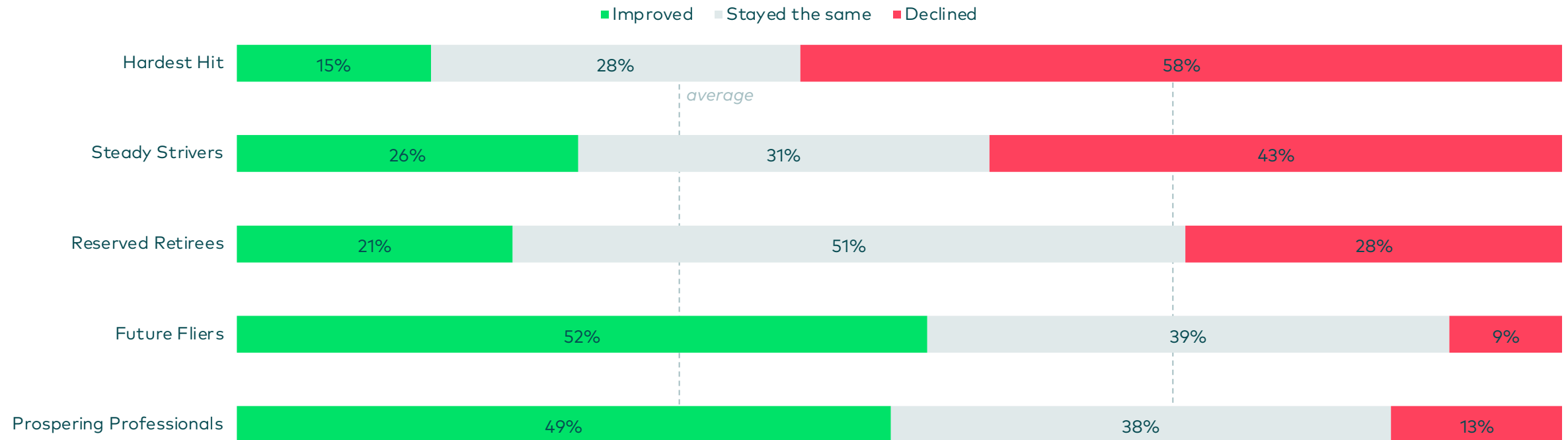
Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | Which of the following best describes your current financial situation?

Financial changes over the past two years also play heavily into each segment.

Over half of the Hardest Hit group says that their finances have declined in the past two years, while Reserved Retirees have mostly stayed the same. Future Fliers have experienced the most positive financial gains, followed by Prospering Professionals.

FINANCES OVER TIME

% of group



Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | How would you compare your current financial situation to your situation two years ago?

Households in the bottom two segments are taking action to save money.

Overall, searching for coupons, promotions or sales is the top way consumers are saving money, followed by decreasing their non-essential spending. Steady Strivers are the most likely to stock up on essentials when they're on sale and to shop around for deals.

MONEY-SAVING MEASURES

% of group indexed vs. all shoppers

● <80 ● 80-89 ● 90-110 ● 111-119 ● >120

Ways to Save	All Shoppers	Hardest Hit	Steady Strivers	Reserved Retirees	Future Fliers	Prospering Professionals
Search for coupons, promotions, or sales	54%	111-119	111-119	90-110	<80	90-110
Decrease spending on non-essential items/activities	50%	>120	>120	90-110	<80	<80
Stock up on essential items when they're on sale	49%	90-110	111-119	90-110	<80	90-110
Shop around more to find the best deals	46%	111-119	>120	90-110	<80	90-110
Make fewer shopping trips/purchases	43%	>120	>120	90-110	<80	<80
Purchase fewer items than I usually would	41%	>120	>120	<80	<80	<80
Switch to a less expensive brand option	37%	>120	>120	<80	<80	<80
Stop purchasing certain items/spending on certain activities altogether	37%	>120	>120	<80	<80	<80
Reduce the amount I drive to save on gas	32%	>120	>120	90-110	<80	<80
Pause major financial commitments (e.g., home buying, school tuition)	20%	>120	>120	<80	<80	<80

Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | Do you plan to do any of the following in the next few months in response to rising prices/inflation?

Nearly four-fifths of consumers say they'll cut back or stop buying certain items.

Restaurants were the #1 planned cutback across all consumer segments, followed by recreational activities and apparel. Reserved Retirees are less likely to pull back on vacation spending, choosing to cut home décor and furniture spend instead.

PLANNED CUTBACKS

Ranked by group, ordered by ranking among all shoppers

Planned Cutbacks	All Shoppers	Hardest Hit	Steady Strivers	Reserved Retirees	Future Fliers	Prospering Professionals
Restaurants/Dining Out/Food Delivery	52%	1	1	1	1	1
Recreational activities (e.g., movie tickets, concerts)	42%	3	2	3	2	2
Apparel	42%	2	3	2	3	3
Travel/Vacation	38%	4	4	6	5	4
Subscriptions/Memberships	38%	5	5	5	4	5
Home decor/textiles (e.g., lamps, pictures, blankets)	37%	6	6	4	6	6
Electronics	30%	8	8	9	7	7
Desserts/Sweets	30%	7	7	8	8	8
Furniture (indoor and outdoor)	29%	9	9	7	9	9
Beauty/Cosmetics	27%	10	10	10	12	10

Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | You indicated you have or plan to decrease/stop spending on certain items in response to rising prices/inflation. Where do you plan to decrease/stop spending?

Despite claimed cutbacks, restaurant sales through May were up for all groups.

While spending cuts are already evident across groups for durable goods like electronics, home & garden, office, toys and tools, spending at full and limited service restaurants was up versus year-ago for all consumer groups, particularly Future Fliers.

OBSERVED SPENDING

Buy Rate 12ME May 2023 vs. YA

● <80 ● 80-89 ● 90-94 ● 95-105 ● 106-109 ● 110-119 ● 120-129 ● >130

Sectors	All Shoppers	Hardest Hit	Steady Strivers	Reserved Retirees	Future Fliers	Prospering Professionals
Electronics	86	85	75	85	91	96
Home & Garden	91	88	92	91	91	91
Office	91	83	91	94	95	93
Toys	93	88	97	91	96	98
Tools & Home Improvement	94	90	88	99	102	92
Baby	98	107	98	103	105	104
Health & Beauty	101	98	104	102	108	105
Household	102	99	106	103	108	104
Apparel	104	103	107	107	111	106
Grocery	105	106	111	108	110	107
Limited Service Restaurant	108	106	115	115	114	116
Pet	109	109	105	110	113	111
Restaurant	122	117	126	126	131	124

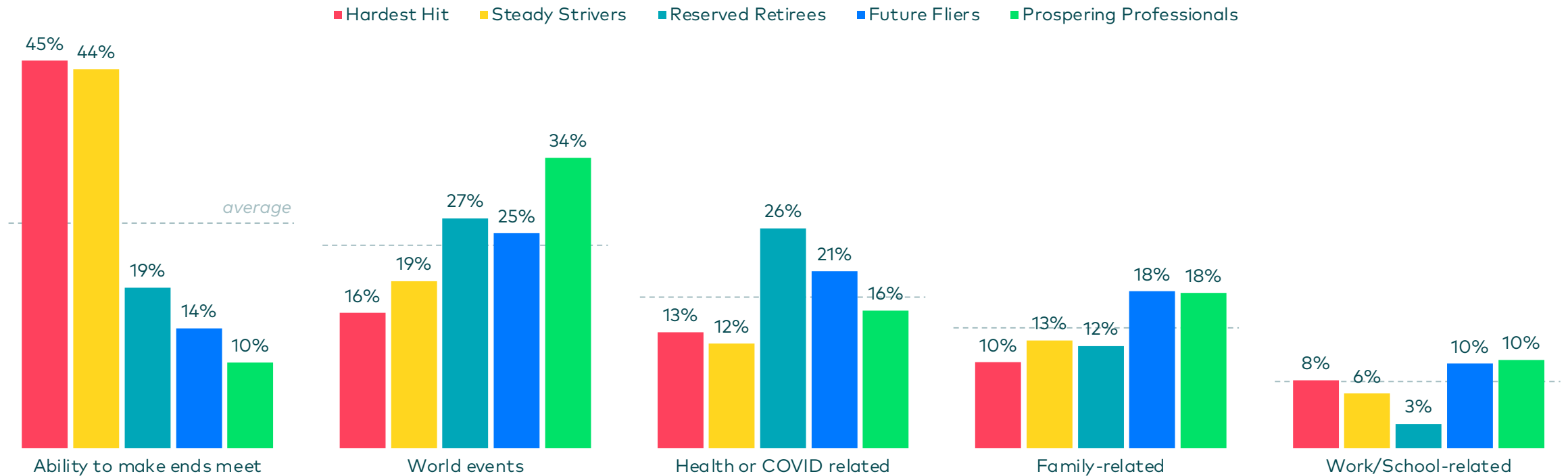
Source: Numerator Insights 12M Ending May 2023 vs. Year Ago | Groups from Numerator 2023 Economic Segmentation Survey (n=23,472)

Primary concerns for the coming year vary by consumer economic segment.

While making ends meet is the top concern overall, it is mostly driven by the Hardest Hit and Steady Strivers. World events are the top concern for Reserved Retirees, Future Fliers and Prospering Professionals, followed by health and family concerns.

PRIMARY CONCERN

% of group



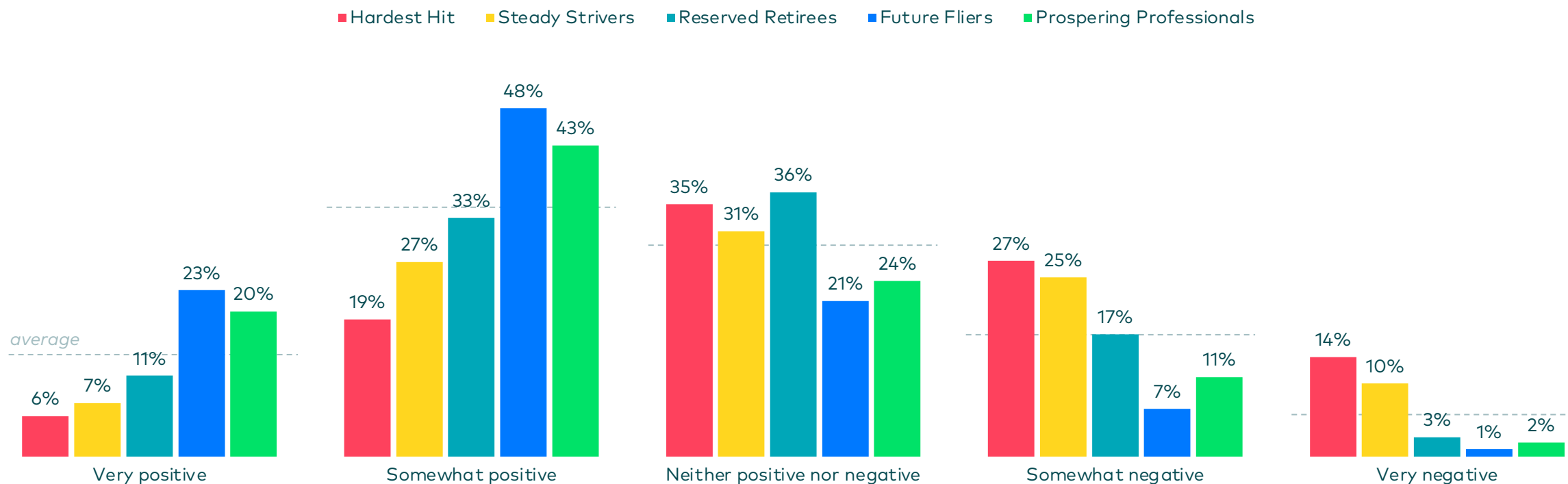
Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | What do you think your PRIMARY area of concern will be over the next year?

Looking to the future, half of US consumers have a positive outlook.

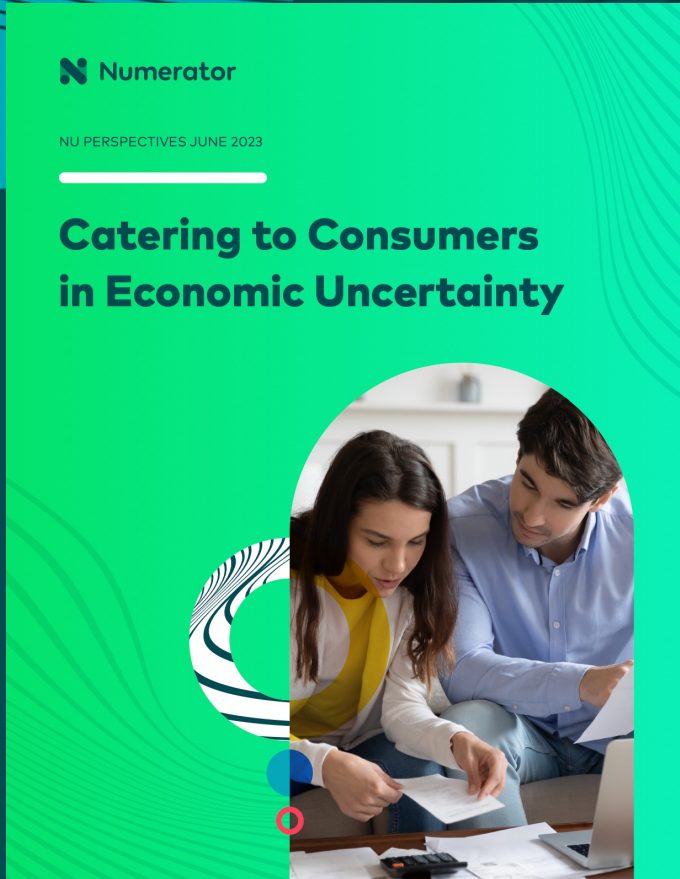
Overall, 48% of US consumers say they have a positive outlook for the next year, while 29% feel neutral and 23% have a negative outlook. Future Fliers and Prospering Professionals have the most positive outlook, while Reserved Retirees feel the most neutral.

FUTURE OUTLOOK

% of group



Source: Numerator 2023 Economic Segmentation Survey (n=23,472) | Thinking about your expectations for your life over the next year, would you say your outlook is...?



Go deeper with our latest white paper.

Interested in diving deeper? Our companion white paper provides an in-depth look at each of the five segments introduced in this report, with key takeaways for each group, actionable insights for business leaders, and a thorough explanation of the segmentation methodology.

Download the white paper now or reach out to your Numerator representative to learn more about custom analysis opportunities leveraging these segments.

[DOWNLOAD NOW](#)