



LET'S TALK SHOP

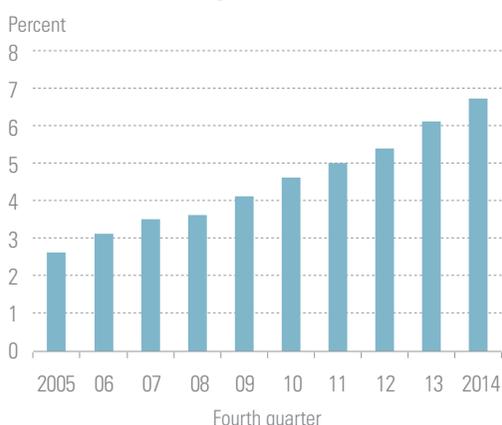
Change is afoot. From where American consumers shop to their willingness to buy houses and cars, the marketplace is different than it was when the recession officially ended in 2009.

How exactly has consumers' behavior changed since the recession? "We're much more cautious spenders," notes Jack Kleinhenz, chief economist of the National Retail Federation.

And we're not just cautious with respect to how much we spend, but also with respect to how we pay for it, notes Dr. LaVaughn M. Henry, vice president and senior regional officer with the Federal Reserve Bank of Cleveland. Revolving credit used to grow at about 8 to 10 percent a year. Now, it's growing at about 0 to 1 percent a year, Henry says, citing the Federal Reserve System's consumer credit series.

Another change? A rise in online sales.

E-commerce as a percent of retail sales¹

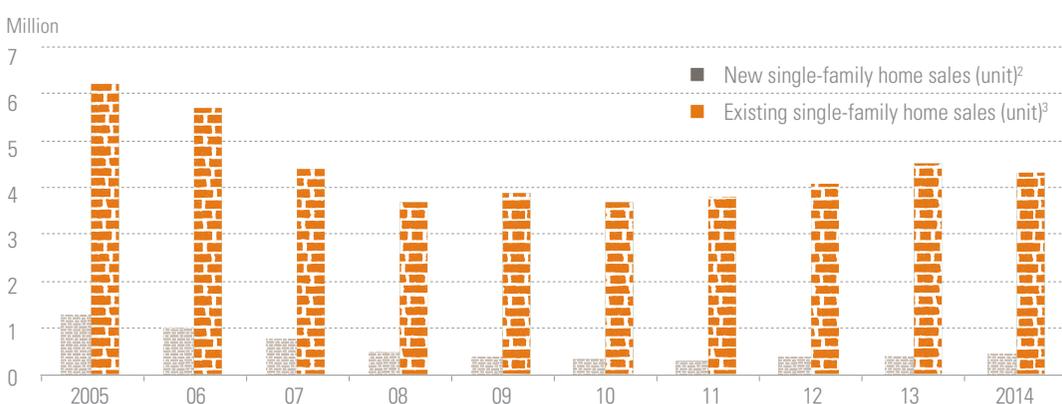


Even before the recession, shoppers sought competitive prices, but comparative shopping is growing easier thanks to the Internet. Boosted, too, by the convenience of free shipping and overnight delivery, e-commerce (by dollar amount) more than doubled in the past 5 years alone to \$79.6 billion in the fourth quarter of 2014.

Home sales, says Kleinhenz, reflect people's willingness to spend. "If people are buying houses, they're going to be buying furniture, they're going to be buying silverware," he says. "It's an indication of people's confidence in the economy."

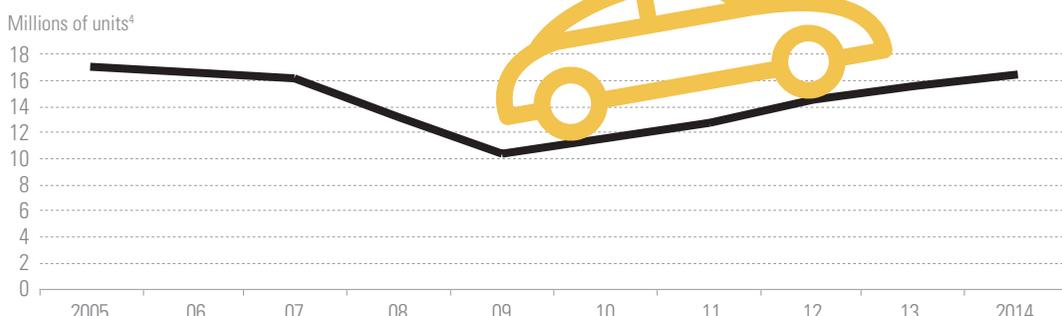
Compared to 2009, sales of newly constructed single-family homes in 2014 were up 17.4 percent, and sales of existing single-family homes were up 11.4 percent.

Single-family home sales



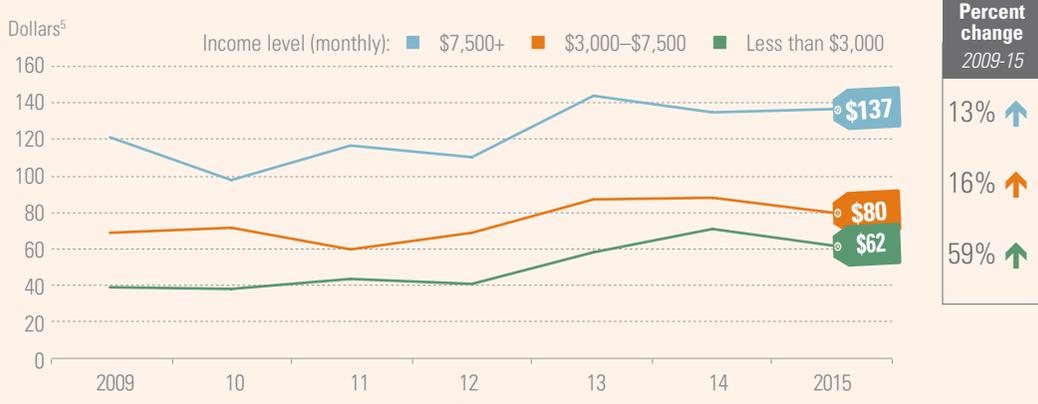
Consumers' purchasing of vehicles has accelerated since the recession's end at a faster pace than home buys. In 2014, Americans bought 16.5 million light vehicles, up 58 percent from the 10.4 million purchased in 2009.

Total light vehicle retail sales



Taking part in a survey, Americans provide daily estimates of what they spent yesterday — not counting home and vehicle purchases or normal household bills. Spending by Americans of various income levels was up in February 2015 compared to February 2009. Those with the lowest incomes led the pack in terms of how much more they're spending compared to 2009.

Americans' daily self-reports of spending



Read more about household finance and consumer economics from the Federal Reserve Bank of Cleveland: www.clevelandfed.org.

Sources: ¹ US Census Bureau and National Retail Federation (estimates are adjusted for seasonal variation, but not for price changes); ² US Census Bureau; ³ National Association of Realtors; ⁴ Autodata; ⁵ Gallup Analytics