

Visa's analysis of current economic data indicates that U.S. consumer spending ended 2019 with good momentum.



"Solid holiday spending combined with continued job gains and modest income growth suggest consumer spending ended 2019 with good momentum. New record highs in the equity market are supporting both income growth and consumer confidence."

**Michael Brown**  
Principal U.S. Economist, Visa Inc.

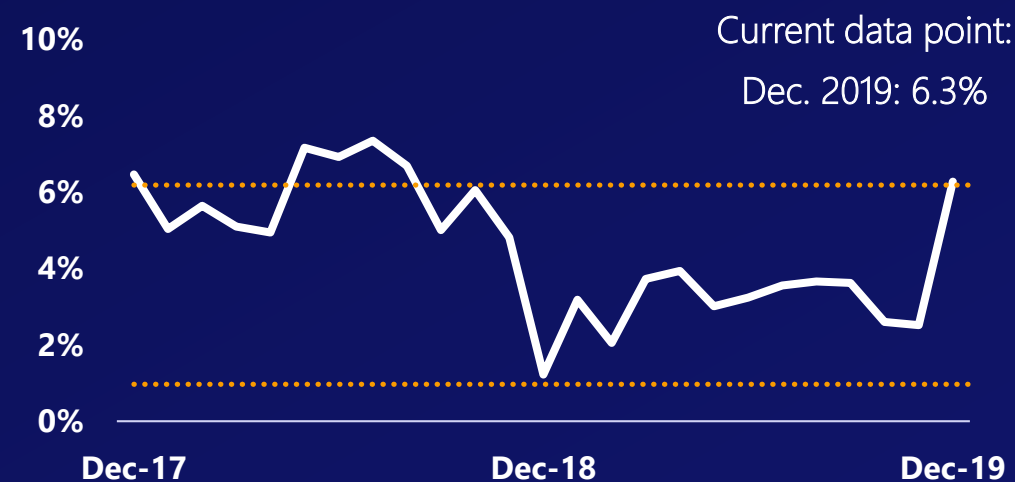
## Holiday sales rise 4.1 percent over last year's level

- Retail sales (excluding auto sales) growth surged in December to a 6.3 percent year-over-year (YoY) rate following November's 2.5 percent YoY gain. December's growth looks especially strong relative to the paltry 1.2 percent growth of December 2018 during the government shutdown. Holiday sales, defined as total retail sales less sales at automotive dealers, gas stations and restaurants for the months of November and December, rose 4.1 percent YoY, matching our forecast published back in November.
- A sharp rise in interest income in November helped support growth in nominal personal disposable income of 4.6 percent (YoY), a slight acceleration from October's 4.3 percent pace.
- Nominal consumer spending rose 3.9 percent in November as durable goods purchases rose 1 percent on a month-over-month basis. Real consumer spending grew 2.4 percent on a three-month annualized basis in November.

## Key monthly consumer indicators:

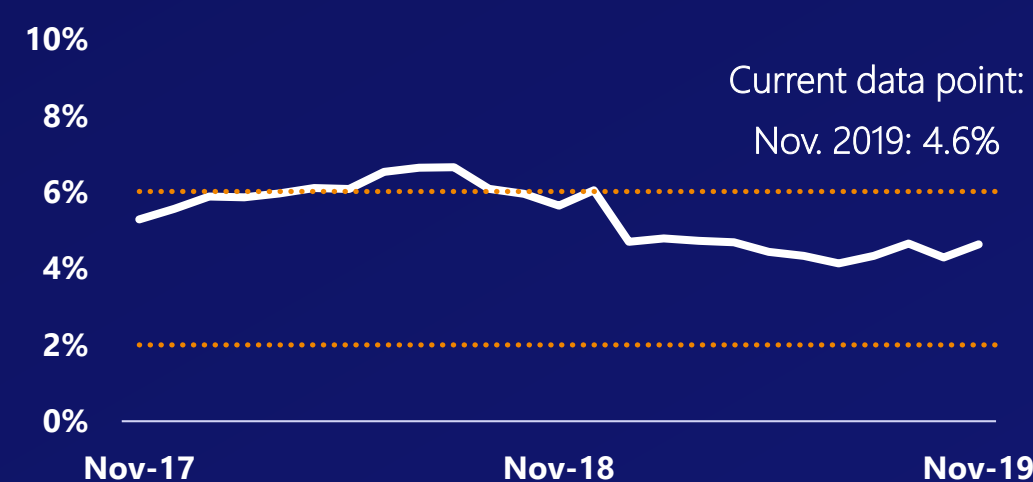
### Retail sales excluding auto sales

YoY percent change



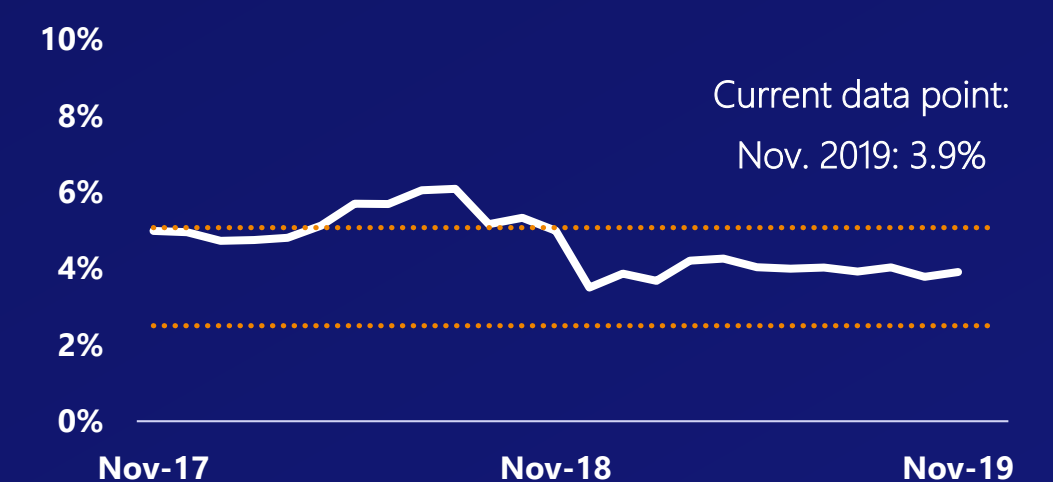
### Nominal disposable personal income

YoY percent change



### Nominal personal spending

YoY percent change



The orange lines represent the normal range for each measure in the current business cycle, defined as one standard deviation above and below the average change since August 2009.

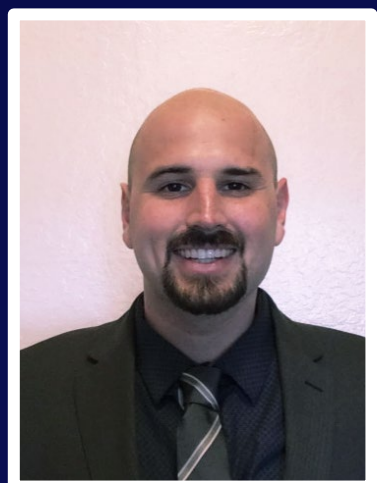
\*The control group within retail sales is defined as total retail sales excluding food services, gas stations, autos and building materials sales.

Sources: Visa Business and Economic Insights and U.S. Department of Commerce

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## December job growth remains solid to cap off a strong year

- December YoY price growth outpaced November, setting a new high point for the year at 2.3 percent. The 20 basis point increase from November was mainly due to price increases in medical care and transportation.
- Consumer confidence ended the year essentially flat, as consumers remain confident in the economy. Consumers' future expectations fell 2.9 points since November, but their confidence in the present situation increased 3.4 points. People under 35 had the largest gain in confidence, jumping 9.8 points, while all age groups over 35 fell since November.
- The U.S. economy added 145,000 jobs in December, capping off a full decade straight of job growth. The job gains for December were heavily concentrated in the service sector, as the rate of growth for goods producing jobs continued to fall. While job growth slowed significantly compared to 2018, the unemployment rate remained at 3.5 percent to close out 2019.



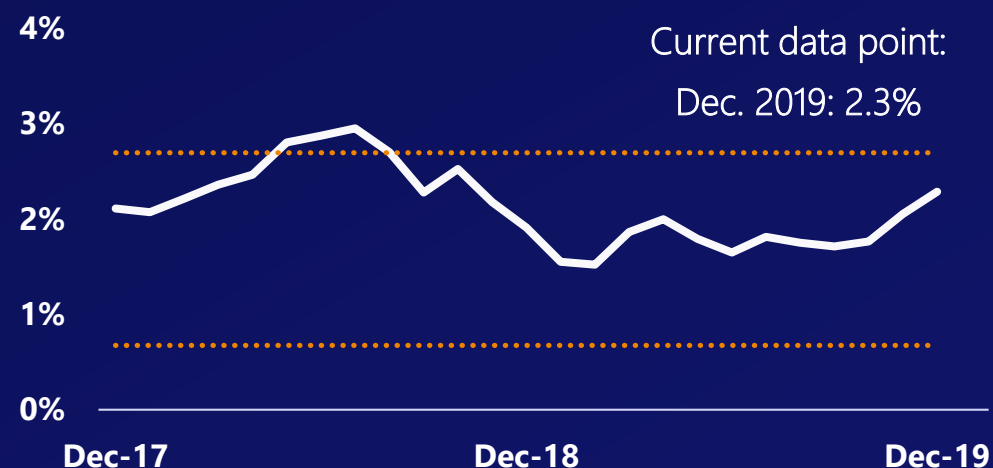
*"Job growth finished 2019 very solid even in light of the low unemployment rate at the start of the year. The state of the economy for consumers remains strong thanks to stable prices and low unemployment, which has made consumers very confident."*

**Travis Clark**  
Associate U.S. Economist, Visa Inc.

## Key monthly consumer indicators:

### Consumer Price Index

Year-over-year percent change



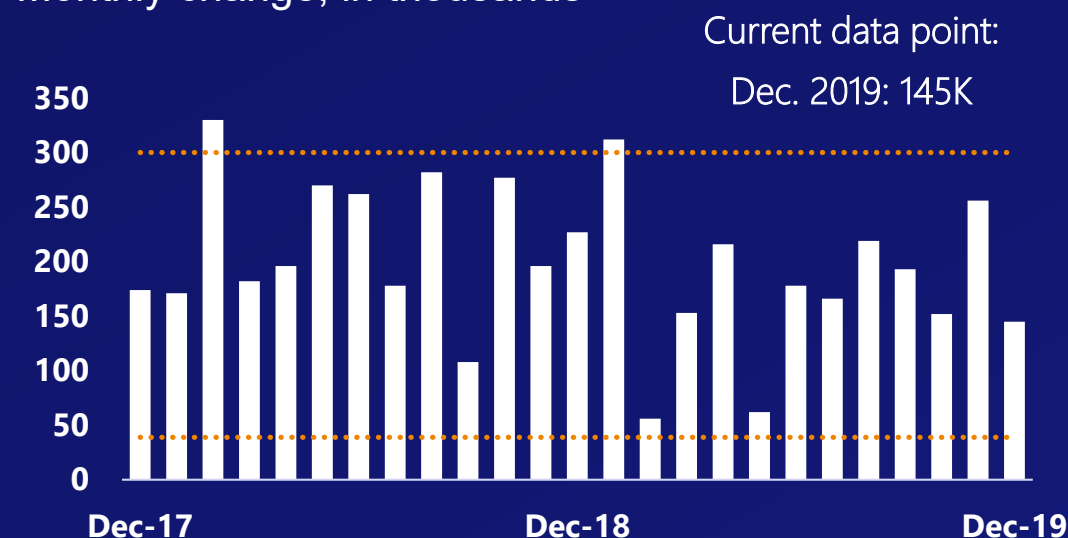
### Consumer Confidence Index

Index, 1985=100



### Monthly employment growth

Monthly change, in thousands



The orange lines represent the normal range for each measure in the current business cycle, defined as one standard deviation above and below the average change since August 2009.

## Disclaimer

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