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There's plenty of treasure in this week's data, from consumer spending and labor market clues to trading down, regional trends, older consumers and quantum computing.

The economic seas may be shifting, but spending remains firmly afloat. Bank of America internal data shows total card spending per household rose 5.8% year-over-year (YoY) in October, with services driving growth. Spending has converged across income groups, supported by after-tax wage gains. Meanwhile, holiday spending is running well above last year's pace. Online holiday-item spending rose more than 10% YoY, driven by an almost 15% jump in transactions, while average spend per transaction fell nearly 4%, a sign that even as spending remains strong, consumers are increasingly conscious of value. Read publications: Consumer Checkpoint: Spending season and The Institute Employment Report: October 2026.

As consumers navigate higher prices, they are hunting harder for value. Gas and groceries now account for a slightly smaller share of household income than several years ago, while mortgages and rents have risen since 2019. Some lower-income renters appear particularly stretched, and roughly one in four higher-income mortgage holders spend more than half their income on housing. Against this backdrop, Bank of America's Spending Tier Composite has fallen to its lowest level since 2021, signaling greater trade-down activity. Shoppers are shifting toward value in apparel and dining, while some may forgo travel entirely. Read publications: Inside the cost-of-living squeeze and Can consumers escape inflation?

Across the spending map, most regions have found favorable tides. Bank of America aggregated credit and debit card data shows discretionary spending growth has broadly improved compared to the last two years, with the West recently sailing ahead of the pack. The South has seen softer discretionary retail spending, but it continues to post the strongest after-tax wage growth and lead growth in new business applications. Business formation spans professional services, retail, healthcare, construction and hospitality, though the mix of industry revenues varies considerably by region. Read publication: Regional Roundup: Coast-to-coast growth.

Despite a growing chest of wealth, older generations have charted a slower course on spending. More recently, consumer spending has been driven primarily by labor income, leaving older households less exposed to accelerating wage growth, while differences in income sources contribute to varied spending within the cohort. Looking ahead, the recently announced 3.6% Social Security cost-of-living adjustment (COLA) could provide a meaningful boost in 2027. If inflation moderates, benefits may rise faster than prices, supporting purchasing power and potentially narrowing the spending gap with other generations. Read publication: COLA comfort for older consumers?

Beyond today's quantum horizon lies a world of transformative applications. Quantum computers remain constrained by noise and errors, but their potential could grow rapidly as they scale. Meanwhile, governments are pursuing greater quantum sovereignty as the technology's implications for competitiveness, security and defense grow. Read publication: Quantum dictionary, part 2: From potential to progress.

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