

Bank of America

Institute Insights

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No single image captures today's economy. This week, we piece together a wider view through developments in spending trends, the labor market, energy bills, online betting and the subscription economy.

Our August snapshot of the US consumer showed steady spending and solid financial health. Total card spending per household rose 0.9% month-over-month and 4.5% year-over-year (YoY). Consumers prioritized value, with general merchandise and big-box retailers outperforming traditional retailers during the back-to-school season. Wage dynamics also shifted as the "K" reversed: lower-income households saw after-tax wage growth of 4.7% YoY, compared with 3.5% for higher-income. Household finances remained healthy, with declining credit card utilization across most cohorts and elevated deposit balances among lower- and middle-income households. Read publications: [Consumer Checkpoint: Still sizzling](#) and [The Institute Employment Report: August 2026](#).

A tighter focus on the labor market reveals that job switchers earned their largest pay premiums in more than three years. Gen Z workers benefited the most from changing jobs and hourly workers saw strong gains too. The wage picture is also evolving across genders, as women's lead in job-switching wage gains has narrowed. BofA Global Research finds little evidence of broad-based labor displacement from AI, with industries showing the highest AI usage not yet experiencing consistently weaker labor demand. Read publication: [Switching 9 to 5s](#).

Zooming in on energy costs, utility price inflation was around 4% YoY in August according to the Bureau of Labor Statistics, though Bank of America internal deposit data shows average utility bill payments rose faster, up 5% YoY from June through August. Bill burdens vary across the country: average utility payments increased by more than 10% YoY in Detroit and Baltimore, while consumers in Orlando and San Jose saw declines. Longer term, electricity bills face upward pressure from data center construction, electrification and broader economic activity, though a forecasted strong El Niño this winter could provide some near-term relief by reducing household heating demand. Read publication: [Energy bills: Short-term relief, longer-term challenges](#).

One trend that gained exposure this summer was online betting, with first-time users in June more than triple January levels. Activity was concentrated among Gen Z and Millennials, who accounted for 88% of online betting activity in July. While we can only see money going into and coming out of betting platforms, not winnings that stay on them, our data suggests customers typically got back less than 75 cents for every dollar they put in. And in 2026, the median deposit account balance of households that participated in online betting was just 59% of that of non-participating households. Read publication: [Online betting platforms: What's the money line?](#)

The subscription economy is still in the frame, with spending rising 7.7% YoY in July and continuing to outpace overall card spending growth. Generational trends vary, however: Gen Z posted the fastest spending growth at nearly 14% YoY, while Gen X remained the largest spender overall. Reading and information, including AI-related offerings, led growth among subscription categories, with spending by Gen Z and younger Millennials rising 61% and 51% YoY, respectively. Read publication: [Consumers subscribe to more spending](#).

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