

Bank of America

Institute Insights

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We're off to the races! Leading the field is a gas spending update, with small business health, a regional analysis, moving activity and secondhand fashion trends close behind.

Higher gasoline prices are tightening household budgets. In March, the median lower-income household spent 4.2% of income on gas, up from 3.9% a year earlier. Some households can keep pace by drawing on wage gains or credit, but that flexibility is more limited for lower-income consumers. Buy now, pay later (BNPL) options may provide short term support for some spending, though BNPL users tend to already have higher credit card utilization, which constrains how much relief these products can offer. The "good news" is that elevated deposit buffers across income cohorts can help households absorb higher prices – at least initially – without immediately cutting back elsewhere. Read publication: [Do consumers have wiggle room to absorb higher gas prices?](#)

Gasoline spending per small business client surged 23% year-over-year (YoY) in March, with higher fuel costs rippling through freight, fertilizer and inventory expenses. Payroll growth stumbled for a third straight month, suggesting owners are pulling back on headcount amid cost uncertainty. Even so, payments to hiring firms turned positive, with construction and manufacturing hiring running nearly 40% above the 2023 average, pointing to selective rather than broad-based labor demand. Balance sheets remain steady and profitability finished the first quarter in the black, according to Bank of America account data. But with fewer firms seeking outside financing and overall payments growth hovering near 1%, small businesses appear more focused on preserving flexibility than expanding right now. Read publication: [Small Business Checkpoint: One shock after another.](#)

The West holds the consumer-spending crown, extending its lead into early 2026, per Bank of America card data. This strength runs deeper than a single contender as the region shows the narrowest gap between higher- and lower-income spending growth. While the Northeast leads on headline wage gains, those gains are concentrated among higher earners, with wage growth turning negative for lower- and middle-income households in March. By contrast, the West and Midwest show fewer signs of a "K-shaped" recovery. Read publication: [Regional Roundup: Westward momentum.](#)

Moving activity slowed over the past three years, particularly among Millennials and Gen X, while Gen Z is still running for the roses. In Q1 2026, Gen X and Baby Boomers clustered around similar metros, but Gen Z broke away, gravitating toward Denver, Minneapolis, Austin and several high-cost West Coast cities, according to Bank of America account data. Career opportunities may get Gen Z out of the gate, though lifestyle and culture may also be shaping destination choices. Elsewhere, affordability pressures have curbed mobility more noticeably for lower- and middle-income households, while higher earners remain comparatively more mobile. Read publication: [Who's still on the move?](#)

After nearly three years of lagging, clothing spending has found its tempo, up 5.1% YoY in March on a three-month moving average basis, according to Bank of America card data. However, the field is split: luxury fashion and discount apparel lead, while department stores trail. In secondhand fashion, transaction counts per household are charging ahead – growing nine times faster than resale spending in March – even as spend per purchase falls across income groups, suggesting shoppers are using resale to rein in budgets and refresh wardrobes more sustainably. At the same time, the number of Bank of America customers selling secondhand clothing jumped 16% YoY in March, with Gen Z accounting for 41% of sellers year-to-date in 2026. Read publication: [Secondhand fashion creates a closet refresh.](#)

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