

Visa's analysis of current economic data indicates that U.S. consumers continue to power economic growth.



"November's data on the consumer sector continued to point towards positive consumer spending momentum to end the year. Strong job and wage growth along with solid retail sales indicate that consumers remain optimistic enough to propel the economy forward through additional spending."

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

## Retail sales remained modest in November

- Retail sales (excluding auto sales) growth remained modest at 3.0 percent in November, up slightly from October's 2.8 percent year-over-year (YoY) increase. Retail sales increased in eight of 13 industries last month. The control group\* within retail sales—which feeds into the GDP calculation—rose just 0.1 percent month-over-month (MoM) in November, suggesting that real consumer spending is showing signs of moderating in Q4.
- Stronger wage and salary growth for the month helped support growth in nominal personal disposable income, rising 4.1 percent YoY. This was a slightly slower pace than in October. The saving rate edged a bit lower to 7.8 percent, down from September's 8.1 percent reading, suggesting a bit less caution among consumers.
- Nominal consumer spending remained solid in October at 3.7 percent YoY, down from 4.0 percent in September. Spending on durable goods fell 0.7 percent MoM, while spending on nondurable goods and services edged higher. Real consumer spending grew 2.5 percent on a three-month annualized basis in October.

## Key monthly consumer indicators:

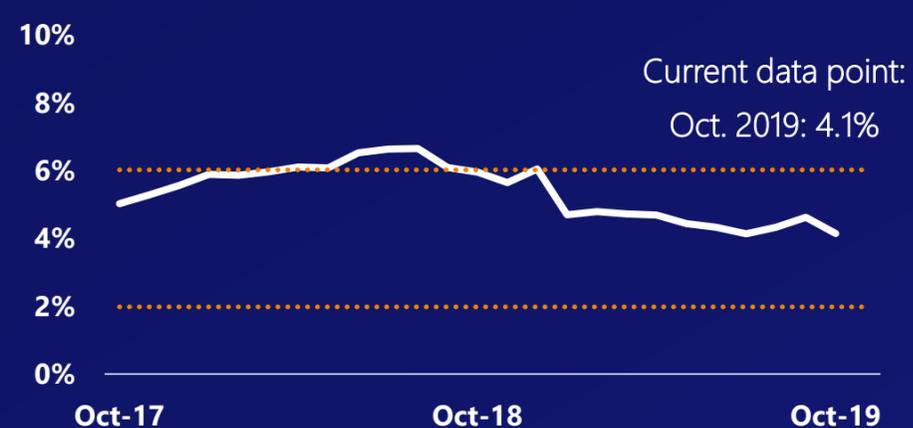
### Retail sales excluding auto sales

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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*"Job growth rebounded stronger than expected in November, which helped to keep consumer confidence elevated for the month. Modest inflation rates are also helping to support consumer spending growth."*

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

## November job growth surges higher, far exceeding expectations

- November YoY price growth was the strongest reading of 2019, increasing 30 basis points. This was largely due to rising energy prices and rental rates.
- Consumer confidence dropped by just over half a point in November, remaining relatively stable for another month. Consumers' confidence in the present situation fell in November, while future expectations actually increased for the first time since July. Confidence in the economy among consumers 35 and younger declined the most since October, a loss of 14 points.
- The U.S. economy added 266,000 jobs in November, which was the second largest monthly increase of 2019. The job gains for November easily exceeded economists expectations of 187,000 jobs added, and brought the unemployment rate back down to 3.5 percent. While part of this is due to the auto worker strike ending in November, strong domestic demand also helped boost employment growth in November.

## Key monthly consumer indicators:

### Consumer Price Index

Year-over-year percent change



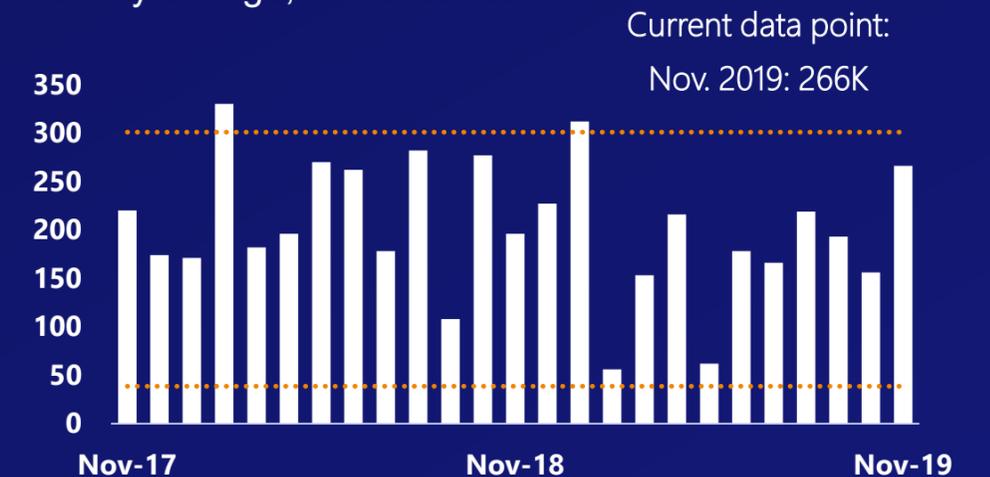
### Consumer Confidence Index

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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