

How shopping and leisure behaviors change in times of financial stress

Article

Shopping Behaviors Shifted Due to Rising Stressors

During the Great Recession, widespread unemployment, declining housing values, and general uncertainty caused many changes in shopping behavior, and some of these changes were a surprise.

- **The retreat from services was most pronounced.** Consumption declined in durable and nondurable goods across the board during the Great Recession, but the drop in service consumption stood out the most, as documented by the National Bureau of Economic Research. Consumption of goods has been in decline since consumers emerged from the pandemic, eager to spend on experiences.
- **Interestingly, consumers turned to “small comforts” under economic stress.** Research has shown that expenditures on small luxuries increase during economic downturns. For example, researchers found that during the Great Recession, instead of cutting luxury spending altogether, many US women turned to purchasing cosmetics as a “small comfort,” even as the relative price of cosmetics rose, according to the Bureau of Labor Statistics.

What to do now: What consumers consider a small luxury in 2022 may be different, but the behavior of substitution will repeat. Consumers will turn to small luxuries rather than buying big-ticket items or spending on services. Companies and brands sensitive to consumer spending will be able to best serve those seeking small comforts during tumultuous times.

How People Spent Their Time Changed with Employment Status

The job losses during the 2008 recession were staggering, and now, with the cloud of recession on the horizon, 85% of US businesses are planning for hiring freezes and 78% for layoffs to counter a possible economic downturn, according to a nationwide survey of business owners by Fiverr Business.

Research on the Great Recession revealed interesting findings:

- **People spent considerable time on leisure while unemployed.** Using data from the American Time Use Survey during the Great Recession, researchers found, when unemployed, home production (cooking, cleaning, laundry, etc.) combined with childcare absorbed about 45% of the forgone work hours. Leisure took up about 50%—sleeping and TV-watching accounting for most of it. Time spent on shopping, childcare, education, and health increased, while job searching only absorbed 2% to 6% of the forgone work time.
- **The change in time allocation is stable across genders but differs noticeably between married and singles.** While married people reallocated more time to home production and childcare, singles used most of the new-found time to sleep and gain education.

What to do now: A recession would certainly dampen the currently positive labor market. If US workers find themselves out of a job, there’s a high chance they will spend much of their

time in leisure. The extra nonworking hours present opportunities for businesses to provide consumers with affordable leisure, education and training opportunities, health and wellness products, and help with housework.

[Read the full report.](#)

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How Economic Stress and Inflation Are Changing Consumer Behaviors

