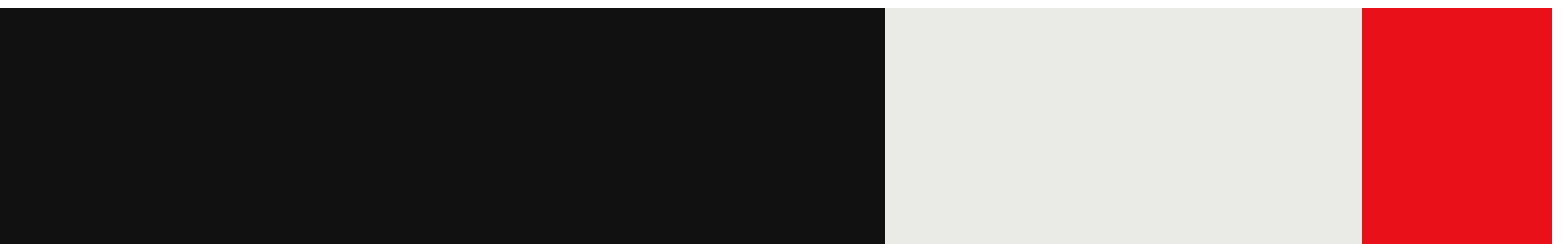


# A timeline of how consumers have adjusted to inflation in 5 charts

## Article

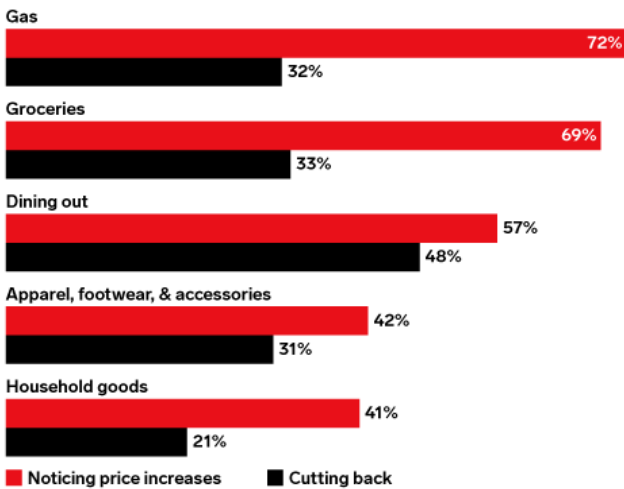


For almost two years, consumers and businesses have battled the effects of inflation. Let's rewind to see how we got here ... and take a peek at what's ahead.

### March: Inflation rears its head

## US Adults Who Have Noticed the Impact of Inflation vs. Are Adjusting Their Spending in Response, April 2022

% of respondents



Note: ages 18+

Source: First Insight, "The State of Consumer Spending: Inflation Impacting Consumer Confidence," May 5, 2022

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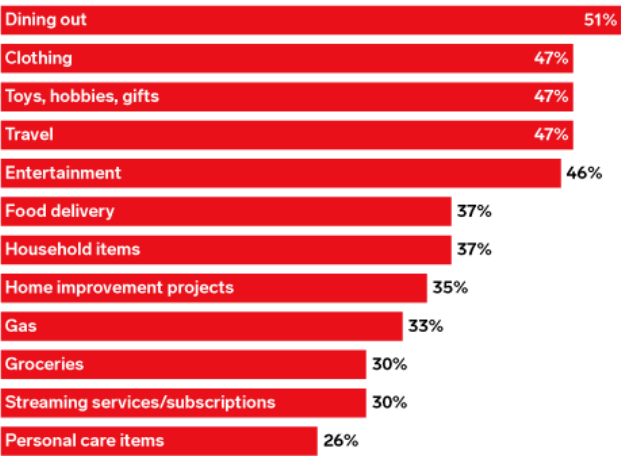
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Though inflation had been steadily creeping up throughout 2021, it reached a boiling point in March 2022, when the **consumer price index hit a 40-year high**. Prices would climb again later in the year.

At this point, many consumers **began noticing price increases** at the store, at the gas pump, and at the dinner table. But in most categories, only about a third (or less) adjusted their spending in response. Still, concerns about the economy began to surface, with over half (57%) of consumers reporting they were **worried** about whether they would lose their job or income security due to inflation.

### May: Starting to feel the burn

Categories in Which US Adults Are Reducing Spending Due to General Rising Prices, May 2022  
% of respondents



Source: CivicScience as cited in company article, May 31, 2022  
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By May, consumers began **cutting back on discretionary categories** like dining out and clothing. But less than a third said they cut back on gas, groceries, or personal care items.

Interestingly, consumers were hesitant to cut down on streaming services/subscriptions, despite the fact that other entertainment options were among the top five categories where spending was reduced.

July: Prime saves the day?

## Impact of Inflation on Purchase Decisions for Amazon Prime Day 2022\* According to US Digital Buyers

% of respondents



Note: n=6,065; \*July 12-13, 2022

Source: Numerator, "Amazon Prime Day 2022 Recap Report," July 25, 2022

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Though **inflation had started to cool in July**, consumers were still feeling the pressure. Some even started to curb spending on **groceries and gas**, despite the fact that they were ranked as high spending priorities.

In hopes of drawing shoppers in with deals and discounts, **Amazon held its first Prime Day** event in July. During the two-day event, which was **its biggest yet**, a third of consumers reported buying something they have been waiting to purchase at a lower price. Nearly as many (28%), though, passed on an item that was a great deal but not a necessity, another sign consumers buckled down on spending.

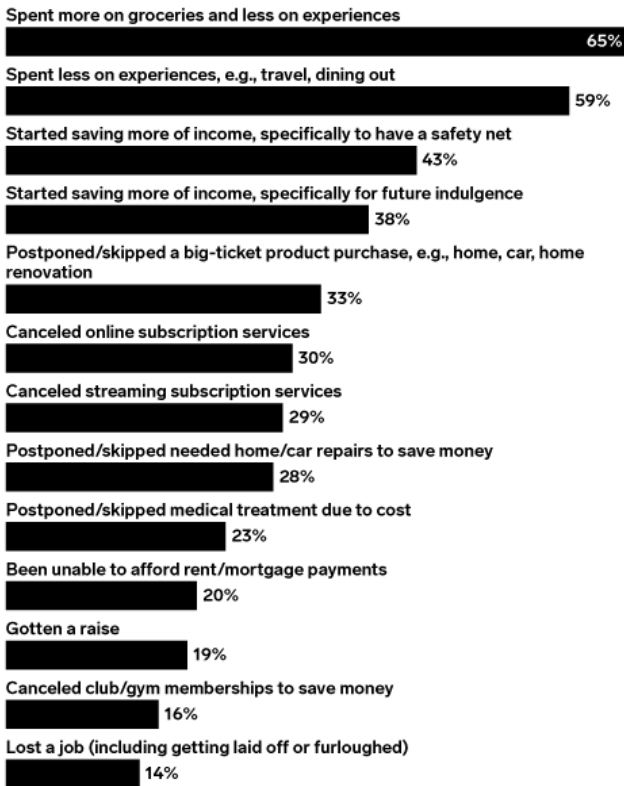
Sales from Amazon's second Prime Day event in October were also **dampened by rising prices**; nearly 80% of shoppers said that inflation impacted their choices.

It wasn't just consumers feeling the pinch. July was the **worst month for ad spending** since July 2020, declining 12.7% year over year. (Spoiler alert: It **hasn't gotten much better**.)

### August: Getting priorities straight

## Recent\* Changes in Household Spending According to US Adults, Aug 2022

% of respondents



Note: n=1,119 ages 18+; \*in the past 6 months

Source: Ipsos, "Coronavirus Consumer Tracker," Aug 5, 2022

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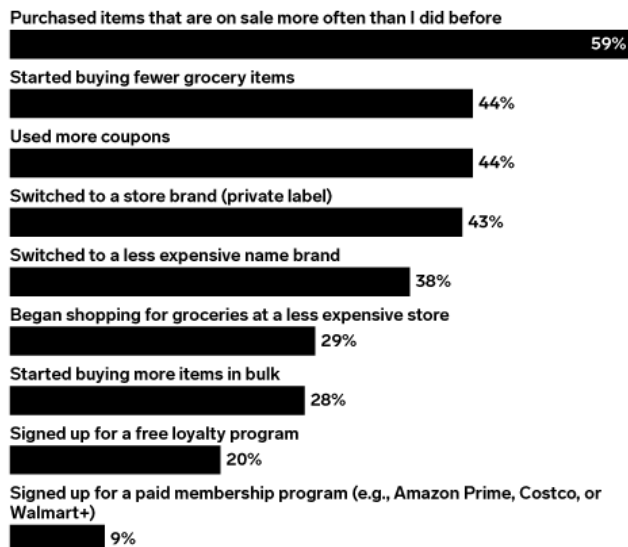
**Rising prices** of food, shelter, and medical services drove the consumer price index up again in August, though gas prices started to ease, giving consumers a little reprieve.

Predictably, a majority of consumers reported **spending more** on groceries and less on experiences. Additionally, 43% of consumers said they began saving more income in order to have a safety net, showing consumers were less than confident about their economic futures.

**September: Value above all**

## Actions US Grocery Buyers Have Taken to Save Money at the Grocery Store, Sep 2022

% of respondents



Note: in the past two months

Source: "The Insider Intelligence Grocery Survey" conducted in Sep 2022 by Bizrate Insights, Sep 27, 2022

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Though many retailers have suffered from the pullback in consumer spending, some have come out swinging, particularly in the **grocery category**.

**Discount retailers** like Dollar General and Dollar Tree have seen an influx of consumers who are looking to get more bang for their grocery buck. Walmart, too, reports that nearly 75% of its **grocery share** in the third quarter came from households making more than \$100,000 annually.

## October and beyond: Cautious optimism

While still high, inflation has begun to level out, but consumers are still holding tight onto their wallets as we enter the holiday season.

When asked how **inflation will impact holiday shopping** plans, a third of consumers said that it wouldn't change anything, according to TransUnion. For those that are adjusting their spending, most plan to buy fewer gifts with less money, though more practical gifts and cheaper versions of gifts are also ways shoppers will keep costs down.

**Recession fears persist** among many financial analysts and consumers alike. Even if inflation eases, how long will it take for consumer spending to return to somewhat normal levels?

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*