

Consumer Demand Dashboard

February 2026

Consumer demand remains resilient, but **early signs of strain** are emerging beneath the surface. While spending continues, it is becoming **more selective as cost pressures persist** and financial confidence weakens.

This month's report outlines how shifting demand dynamics are reshaping where - and how - brands can win.

What This Means For Brands

- 1 Spending is becoming more selective**
Consumers are prioritizing what matters most as budgets tighten
- 2 Demand is shifting, not disappearing**
Growth is concentrating in specific categories, occasions and audiences
- 3 Value is under pressure**
Cost increases must be translated into perceived consumer value
- 4 Confidence is fragile**
Consumers feel stable - but not stronger - driving cautious behavior

WIN WHAT MATTERS MOST

Consumer Demand Dashboard

Consumer demand remains **solid but increasingly fragile**. Strong retail spending and stable CPI are supporting current consumption, but rising unemployment and PPI signals early pressure on household income. Confidence has improved but remains uneven, suggesting consumers are still cautious. If labor market softening continues, expect **moderation in discretionary spending in the near term**.

MONTHLY OVERVIEW	PRODUCER INFLATION ¹	CONSUMER INFLATION ²	EMPLOYMENT ³	INTEREST RATE ⁴	SPENDING ⁵	CONFIDENCE ⁶	ECONOMY ⁷
February 2026	+3.4% PRODUCER PRICE INDEX (PPI) 12 month % chg vs prior year 12 month % chg vs prior year of prices received by domestic producers, gauges inflation at the wholesale level	+2.4% CONSUMER PRICE INDEX (CPI) 12 month % chg vs prior year 12 month % change vs prior year in prices paid by urban consumers for a market basket of consumer goods and services.	4.4% UNEMPLOYMENT RATE Number of unemployed persons as a percentage of the labor force.	3.64% FEDERAL FUNDS RATE The interest rate at which banks lend money to and has significant impact on interest rates charged to consumers.	+6.04% RETAIL/FOODSERVICE SPENDING % change vs prior year % chg vs prior year of total retail/foodservice sales as measured by credit/debit card purchases. Not seasonally adjusted	91.2 CONSUMER CONFIDENCE INDEX A monthly survey measuring 5 key economic perceptions to gauge consumer optimism.	2.40 WEEKLY ECONOMIC INDEX 13-week moving average Index of ten daily and weekly indicators of real economic activity, scaled to align with the four-quarter GDP growth rate.
January 2026	+2.9%	+2.4%	4.3%	3.64%	+5.72%	84.5	2.28
December 2025	+3.0%	+2.7%	4.4%	3.72%	+3.54%	89.1	2.26
November 2025	+3.0%	+2.7%	4.5%	3.88%	+4.53%	92.9	2.24
	 Outside Target Range Within Target Range	 Increasing Steady Decreasing	 Decreasing Steady / No Significant Change Increasing				

1 U.S. Bureau of Labor Statistics, Next Release: Apr 14, 2026

2 U.S. Bureau of Labor Statistics, Next Release: Apr 10, 2026

3 FRED / U.S Department of Labor, Next Release: Apr 3 2026

4 Federal Reserve Bank, Next Release: Ongoing

5 CNBC/NRF Retail Monitor Next Release: TBD

6 The Conference Board, Next Release: Mar 31, 2026

7 Federal Reserve Bank of New York, Next Release: Ongoing

Consumer Demand Dashboard (Sectors)

Consumer spending remains **resilient but uneven**. Lower gas prices and steady travel are supporting discretionary demand, while elevated grocery costs and borrowing rates continue to pressure budgets. As a result, spending is becoming more **selective**, with strength in experiences but tighter demand in big-ticket and everyday categories. As gas prices increase in the coming weeks, this will likely have an outsized **negative impact on discretionary spending**.

MONTHLY OVERVIEW	MORTGAGE RATE ¹	GROCERY COSTS ²	GASOLINE PRICES ³	HOUSING STARTS ⁴	VEHICLE SALES ⁵	AIRLINE TRAVEL ⁶
February 2026	5.98% CONVENTIONAL MORTGAGE RATE (30 year) The average interest rate on a 30 year conventional fixed rate mortgage.	+2.4% FOOD AT HOME CPI % change vs prior year % Change vs prior year in prices paid by urban consumers for 'Food at Home' (Groceries).	-1.9% GASOLINE PRICE PER GALLON - US % change vs prior year % Change vs prior year in average price paid per gallon for regular gasoline.	~1,300-1,400 PRIVATELY OWNED HOUSING UNITS STARTED ('000s) Annualized number of privately owned housing units started (excavation for foundation started). Seasonally adjusted number.	15,751 LIGHTWEIGHT VEHICLE SALES ('000s) Number of lightweight vehicle (automobiles and light trucks) units sold in a month.	+0.8% U.S. COMMERCIAL AIRLINE PASSENGERS % change vs prior year YoY growth of 90 day average commercial airline passengers screened at US airport checkpoints
January 2026	6.10%	+2.1%	-6.8%	1,487	14,819	-0.0%
December 2025	6.15%	+2.4%	-6.6%	1,387	16,002	+0.8%
November 2025	6.24%	+1.9%	-1.3%	1,324	15,666	+1.2%
■ Increasing ■ Steady / No Sig Chg ■ Decreasing				■ Decreasing ■ Steady / No Sig Chg ■ Increasing		

Note: Housing Starts Estimated

1 Freddie Mac, Next Release: Ongoing

2 U.S. Bureau of Labor Statistics, Next Release: Apr 10, 2026

3 U.S. Energy Information Admin., Next Release: Ongoing

4 U.S. Census Bureau, Next Release: Apr 23, 2026

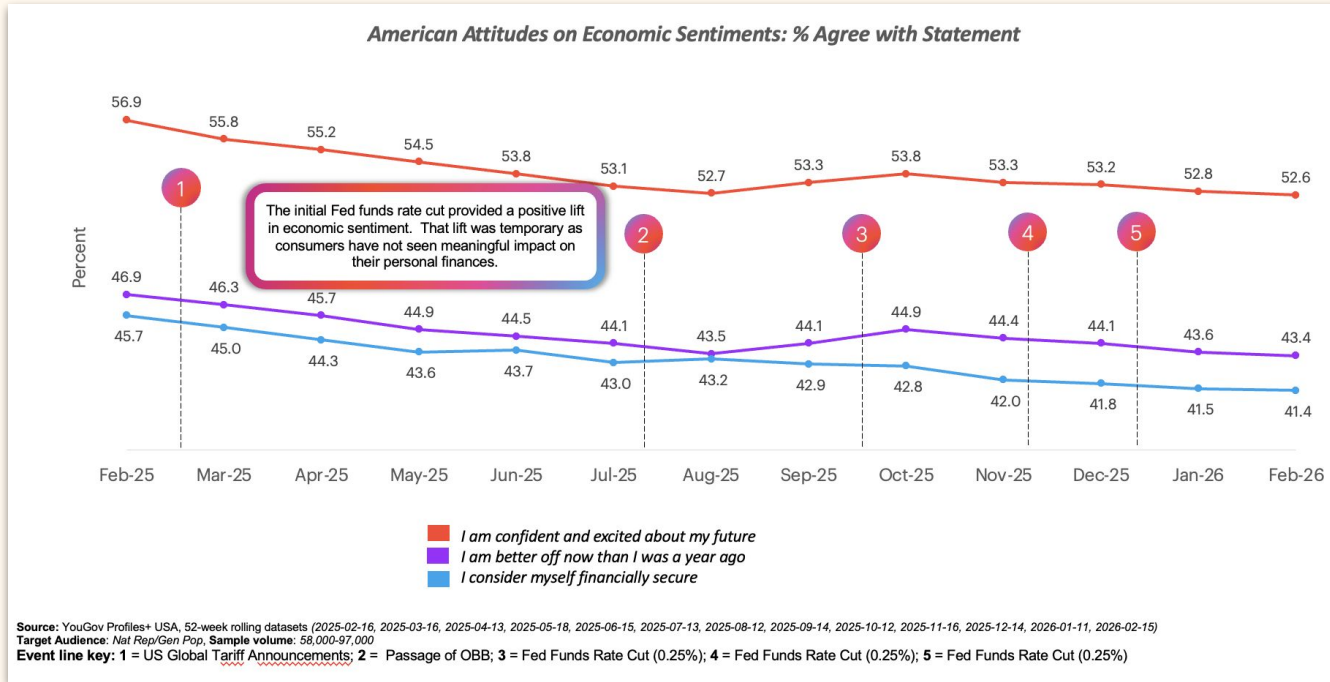
5 U.S. Bureau of Economic Analysis, Next Release: Apr 9, 2026

6 TSA Checkpoint Travel Numbers, Next Release: Ongoing

Spending to Remain Measured and Value-Conscious

Consumer sentiment remains **cautiously stable but lacks conviction**. While overall confidence has held relatively steady, perceptions of financial security and being better off than a year ago continue to trend lower.

This suggests consumers are **not experiencing meaningful personal financial improvement**, even as broader sentiment stabilizes.





What's it all mean? What do we do?

01

Spending is holding, but pressure is building

Consumers are still spending, but rising unemployment and softening financial confidence signal growing fragility. Discretionary demand is likely to slow if labor conditions weaken further

Brands should protect volume by reinforcing value and flexibility - pricing, pack sizes and promotions will matter more now.

What do we offer that consumers will prioritize & protect?

02

Demand is shifting, not disappearing

Spending is becoming more selective, with strength in travel and experiences while everyday costs and financing pressure limit broader consumption.

Brands should double down on the most resilient categories, occasions, and audiences driving growth today.

Where is demand growing and how are we positioned to win?



Win What Matters Most

03

Cost pressures are not over

While inflation has stabilized, food costs remain elevated and upstream pricing pressure (PPI) suggests potential increases ahead.

Brands should proactively manage pricing strategy - optimize mix, bundling, and value perception before costs force reactive moves.

How do we make higher prices feel like better value to the consumer?

04

Confidence ≠ financial reality

Consumers say they feel okay, but fewer feel financially secure or better off than last year - creating cautious, value-driven behavior.

Brands should win the moment - focus on small, tangible ways to deliver value, utility, or enjoyment in everyday decisions.

What can we make meaningfully better for consumers right now and will they notice?