

US Consumers Shrug Off (Some) of Their Spending Worries

But many people still focused on bargains, saving

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US consumers are fretting less about their finances.

Fewer are living paycheck to paycheck and letting economic uncertainty prevent them from making purchases, according to a [McKinsey & Company](#) survey that has been tracking consumer sentiment annually. Roughly twice as many reported paying more attention to prices in 2010 than in 2017 (63% vs. 32%).

Ways in Which US Internet Users Cut Costs, 2015-2017 % of respondents

| | 2015 | 2016 | 2017 |
|--|------|------|------|
| Look for sales and promotions | 43% | 35% | 35% |
| Pay more attention to prices | 42% | 34% | 32% |
| Use coupons and loyalty cards more often | 39% | 32% | 32% |
| Wait for products to go on sale | 34% | 26% | 26% |
| Delay purchases | 31% | 27% | 25% |
| Shop around to get the best deals | 26% | 25% | 24% |
| Buy more in bulk | 24% | 21% | 19% |

Note: ages 18-74; over the past 12 months; responses of "strongly agree" and "agree"

Source: McKinsey & Company, "Today's thrifty U.S. consumer: McKinsey 2018 Global Sentiment Survey," Feb 1, 2018

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One of the most significant changes is that, as the global financial crisis recedes in memory, consumers tend to be less focused on

saving. In 2010, 70% of respondents said they were increasingly looking for ways to save money. That number has gradually dwindled down to a low of 40%.

The McKinsey survey also probed attitudes among those who said their buying behavior changed last year. It found that there was a rough split between those who said they tended to have shifted toward purchasing private-label or less-expensive brands, and those who said they had tended to trade up to more expensive purchases.

The results indicate more buoyant spending patterns than some other recent surveys. For instance, an [IRI](#) survey from Q3 2017 found that 65% of US internet users said they anticipated purchasing more private-label products in the future.

But both McKinsey and IRI point up the fact that there remains a significant portion of the population that is looking for bargains, even as the broad economic picture brightens.

Interestingly, there are products that tick both boxes: private-label brands that appear more premium. That's the niche many retailers are looking to fill. Private labels went through a transformation in 2017 with [Amazon](#) moving beyond its AmazonBasics line of commodities like towels and batteries and creating new stealth brands like Strathwood for furniture and Peak Velocity for sportswear. Brandless, an online seller that launched last year, offers generic food, beauty and household goods with packaging that aims to look both minimalist and upscale, all priced at \$3. Similarly, [Walmart's](#) Jet.com created a "Uniquely J" line that includes organic coffee, non-toxic cleaning products and BPA-free baggies with quirky labels, clearly targeted to younger shoppers.

This week, Walmart launched four private-label clothing brands for women, children and men (Time and Tru, Terra & Sky, Wonder Nation, George) in an attempt to lure higher-income shoppers who might not normally think of Walmart for fashion. These collections are meant to be more on-trend than the big box's usual basics and top out at \$30.