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Indicators

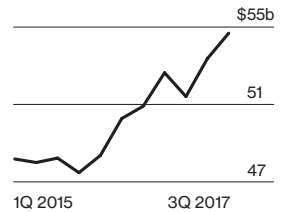
Americans Are Feeling #happy

Last year, U.S. consumers finally got their mojo back. Here we decipher the economic import of seven of 2017's notable trends—from Unicorn Frappuccinos to Instagram hashtags. Some, such as increased spending on travel and gym memberships, may continue into 2018. Others, like the rise in homeownership for the under-35 set, may falter. — *Jeanna Smialek*

Hit the Gym

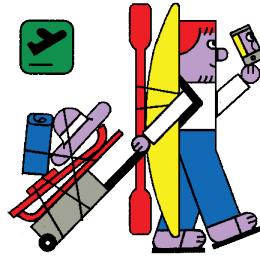
Spending on discretionary services such as sports clubs climbed above its pre-recession peak.

Gym membership spending, seasonally adjusted annual rate



Status Symbol

Starbucks Corp.'s Unicorn Frappuccino came and went in a flash. But its appearance was well-documented: Celebrities such as the Kardashians and Katy Perry snapped pics of themselves indulging in the limited-edition pink and purple concoction, as did thousands of mere mortals, prompting Starbucks to pronounce it an "Instagrammable success." People's willingness to shell out around \$5 for a 16-ounce drink (the price varied by market) is evidence American consumers will splurge on small luxuries. That could presage increased spending in the year ahead—but if consumers don't move up to more substantial purchases, the economy won't see much benefit.



Pingpong at Work

The labor market tightened significantly in 2017, with unfilled job openings setting records. But wages barely budged. Anecdotal reports collected in the Federal Reserve's *Beige Book* suggest employers have been offering nonwage benefits and perks—think wellness programs and snack bars—in lieu of raises. A key question for 2018 is whether they'll finally have to pony up cash.

Pack Your Bags

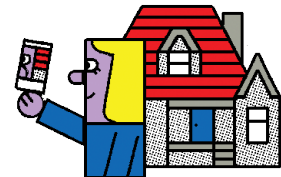
U.S. residents took a record 80.2 million trips out of the country in 2016, data show, up 8 percent from 2015. It looks as if the momentum carried into 2017: Travel import spending (what Americans paid for goods and services overseas) ticked up 9.6 percent in the first 10 months of the year.

Amazon Effect

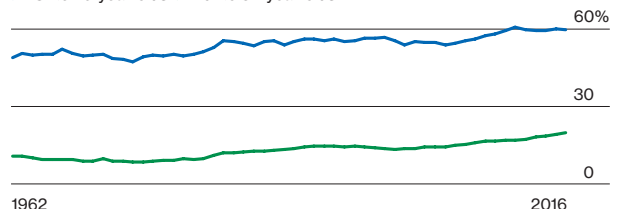
The share of core retail sales transacted online reached a high of 20 percent in 2017, TD Securities says. Fed officials are skeptical about how big a role the so-called Amazon effect on prices has played in keeping inflation muted, a debate that's sure to carry on throughout 2018.

Bye-bye, Mom's Basement

The homeownership rate for adults younger than 35 edged up to 35.6 percent in the third quarter of 2017, from 34.3 percent in the first quarter. But the trend could peter out if median home price gains keep outpacing inflation and inventory stays tight.



Share of cohort who live with relatives
 ■ 18- to 25-year-olds ■ 26- to 34-year-olds



Newly Confident

Consumer confidence climbed steadily in 2017, eclipsing pre-recession levels. Another sign of American optimism: #happy made Instagram's top hashtags of the year.

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|-------------------|------------------|
| 1. #love | 6. #beautiful |
| 2. #fashion | 7. #travel |
| 3. #photooftheday | 8. #happy |
| 4. #photography | 9. #nature |
| 5. #art | 10. #picoftheday |

