

Consumer Health Check: April 2026

No Stopping for Gas Yet

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Consumer Health Check

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Summary

- **Gas prices have surged since the U.S. conflict with Iran began, but broader consumer spending has remained resilient.**

Average gasoline spending per household rose roughly 24% year over year in the final week of March, yet there is little evidence of an economy-wide spending slowdown so far.

- Despite higher gas outlays, households have not materially pulled back elsewhere. **Total consumer spending accelerated in March, rising 4.6% year-over-year** – near the fastest pace since 2022 – while discretionary categories continue to hold up.

- **For now, the fiscal boost from the One Big Beautiful Bill Act appears to be more than offsetting the blow from higher gas prices.** Tax refunds are up more than 10% per household relative to last year and lower withholding taxes are boosting take home pay. These income gains have prevented households from needing to draw down savings to sustain spending.

- **That support is likely to ease if gas prices remain elevated.**

Household balance sheets remain solid but less robust than during the 2022 gas price spike when excess savings and income growth were stronger. This is particularly true for lower-income households, whose savings buffers have declined more sharply.

- **Unemployment payments in PNC data continue to edge higher, though the pace of increase is slowing.** The average duration of unemployment is unchanged over the past year.

Key Facts



Gas spending up 24% YoY
heading into April



Total spending up 4.6% YoY,
near 4-year high



Tax refunds up 10% versus
last year, helping offset
higher gas prices

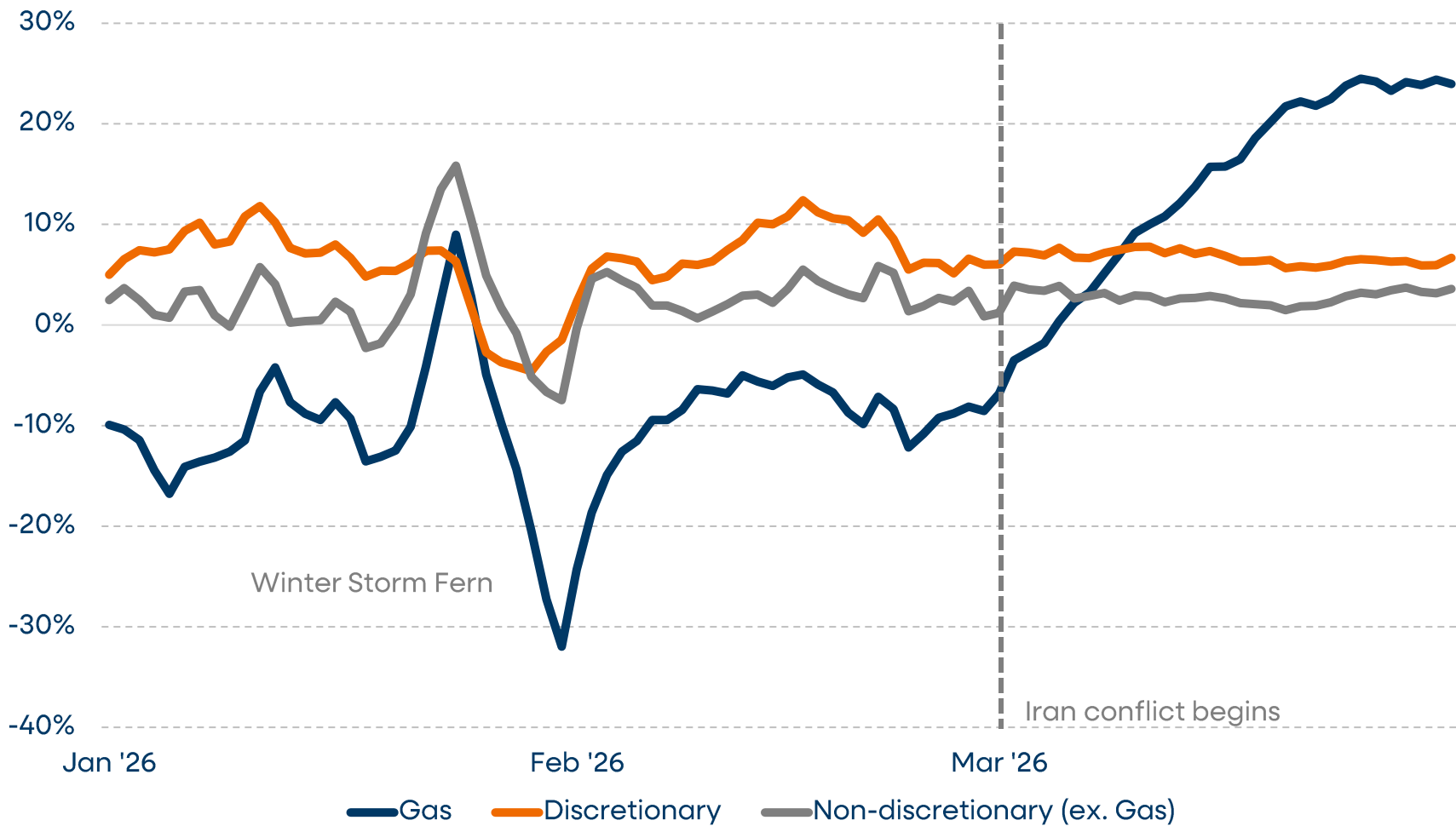


Average checking and
savings balances are up 2.7%
YoY

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Gas spending skyrocketed in late March, with little pullback in non-gas spend

Figure 1: Daily YoY card spending on gas vs. non-gas categories

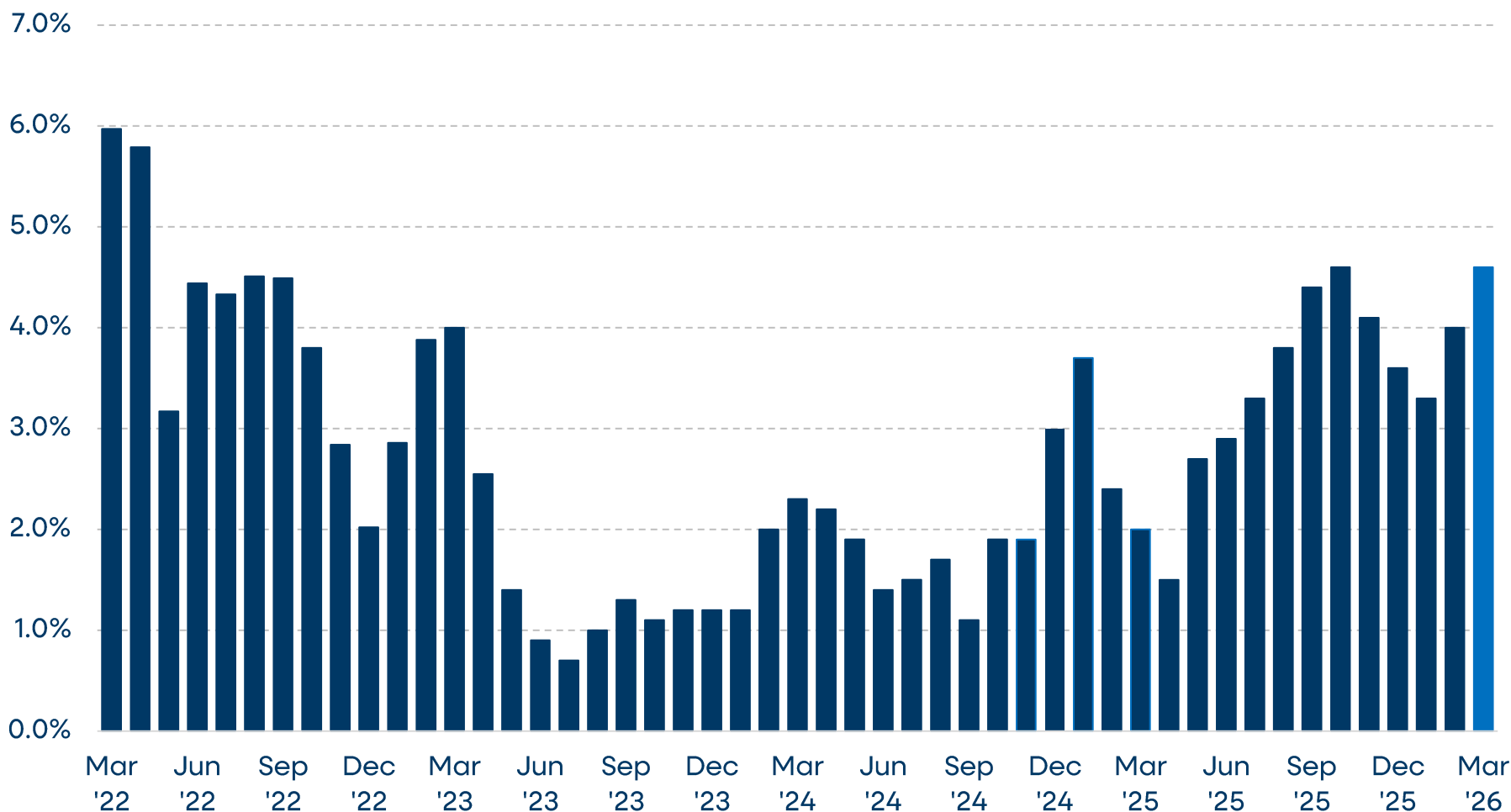


Source: PNC internal data
Note: 7-day moving average of each component.

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Total spending increased 4.6% YoY in March, near highest since 2022

Figure 2: YoY percent change in card spend

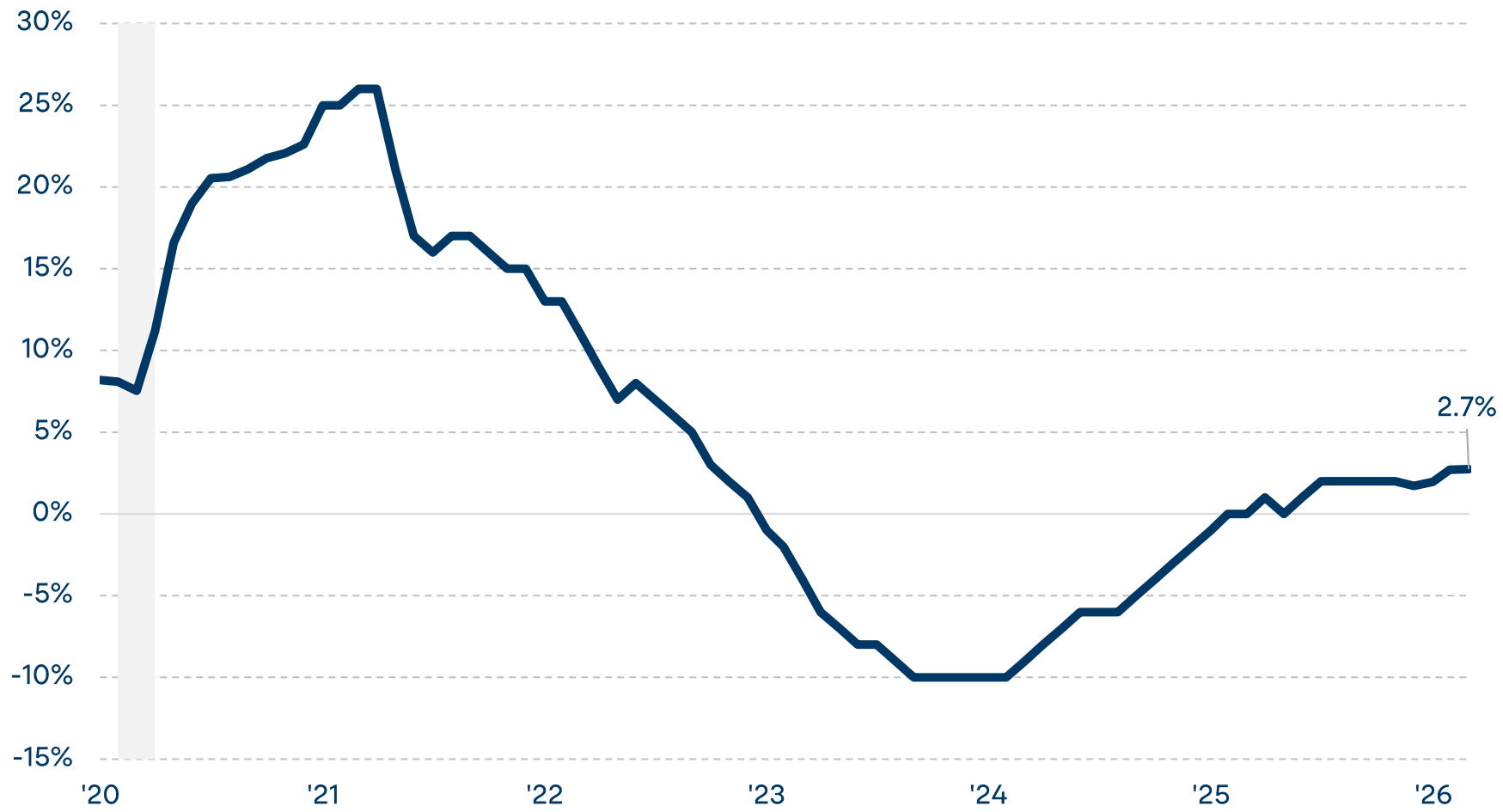


Source: PNC internal data
Note: Growth in total card spend is computed as a year-over-year percentage change in the three-month moving average of the level value.

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For now, households haven't had to draw down savings to sustain spending

Figure 3: YoY growth rate of average consumer checking and savings balances



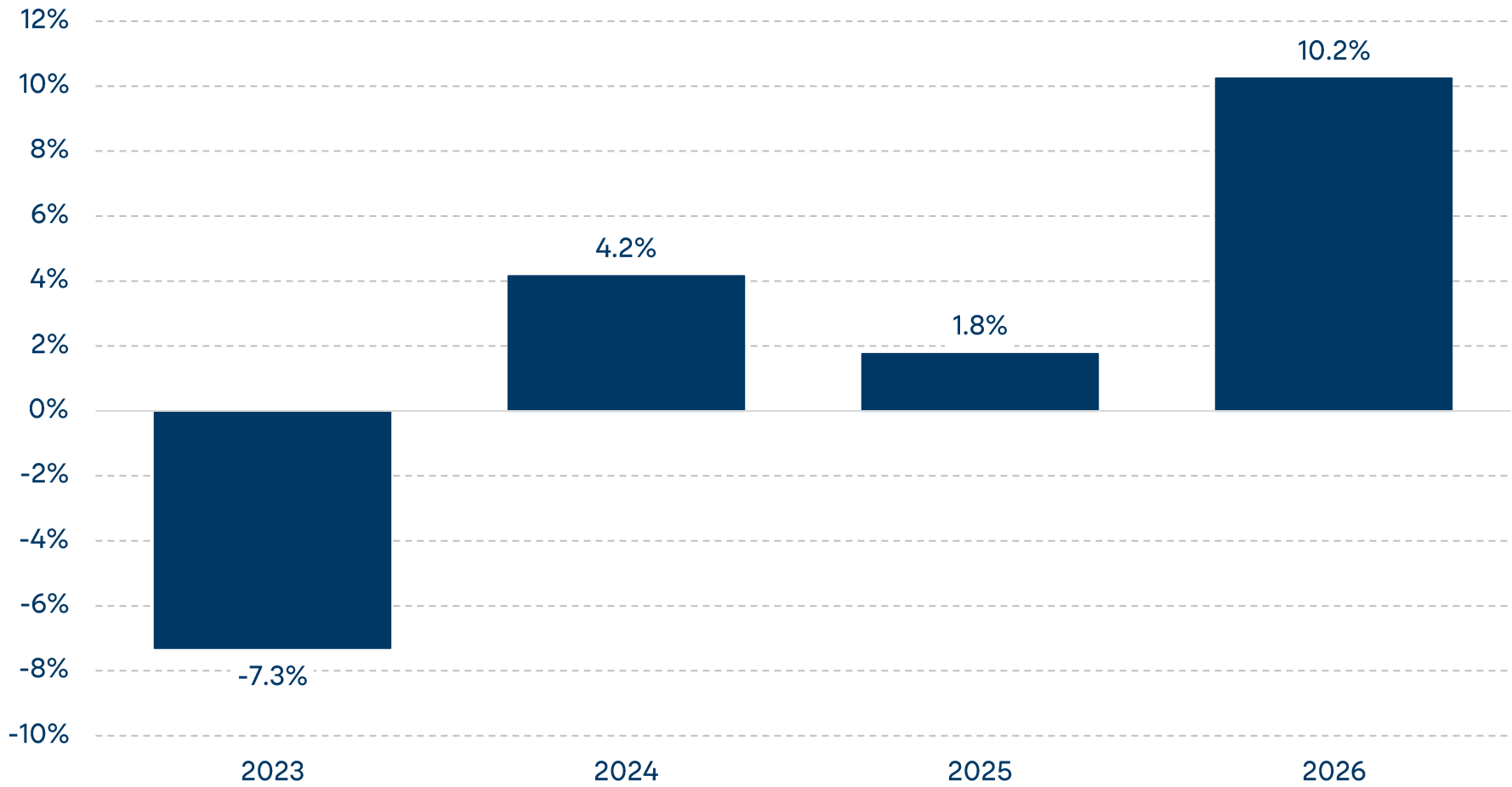
Source: PNC internal data



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Higher tax refunds are cushioning the blow from higher gas prices...

Figure 4: YoY percentage change in average tax refunds through March



Source: PNC internal data

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... alongside higher take-home pay from lower withholding taxes

Figure 5: YoY growth rate of average weekly payroll income



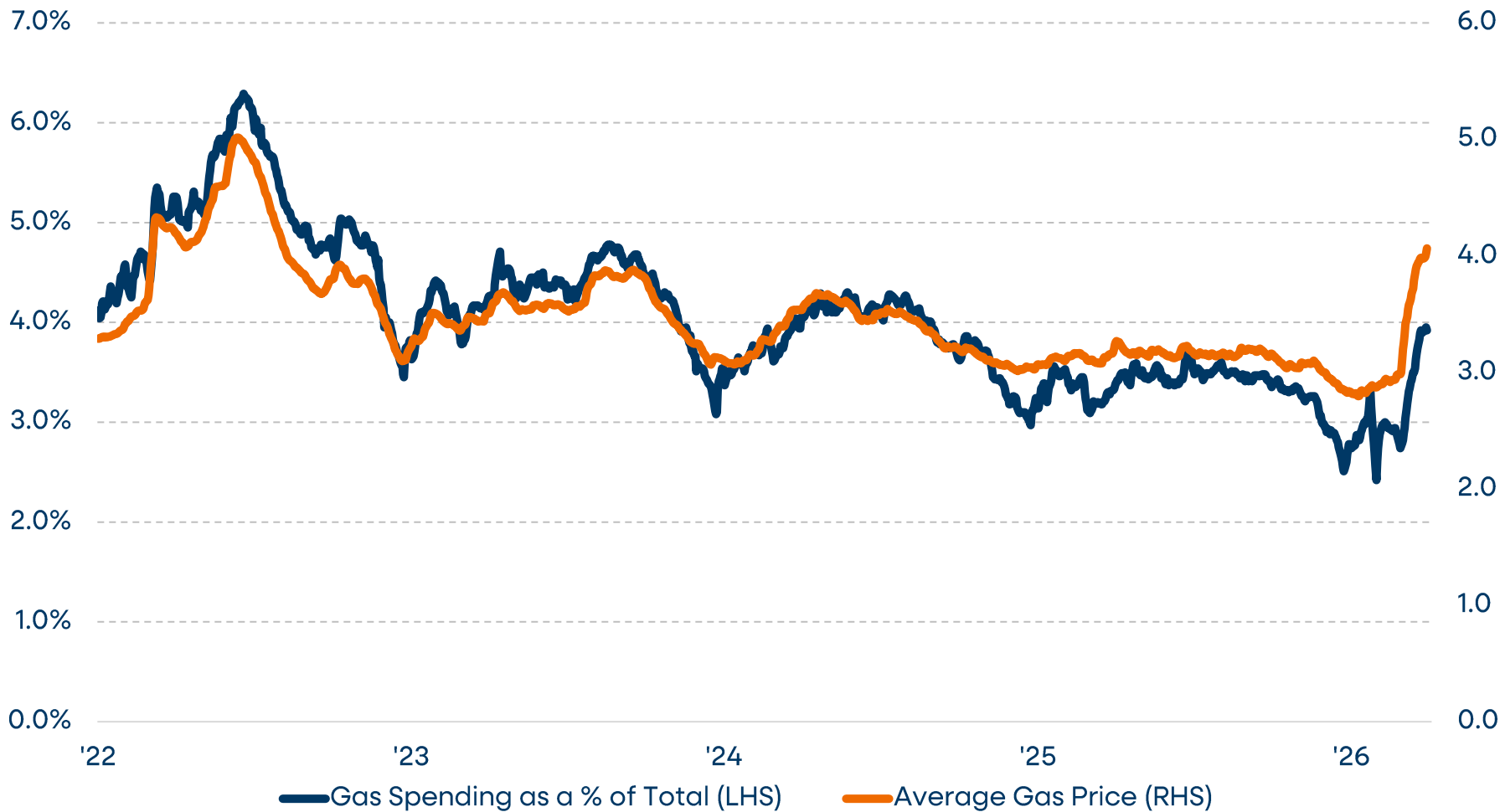
Source: PNC internal data

Note: Computed as a year-over-year percentage change in the three-month moving average of the seasonally-adjusted level of average values.

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Gas spend has increased as a share of total spend, still below 2022 levels

Figure 6: Gas spending as a share of total spending vs. average retail gas prices

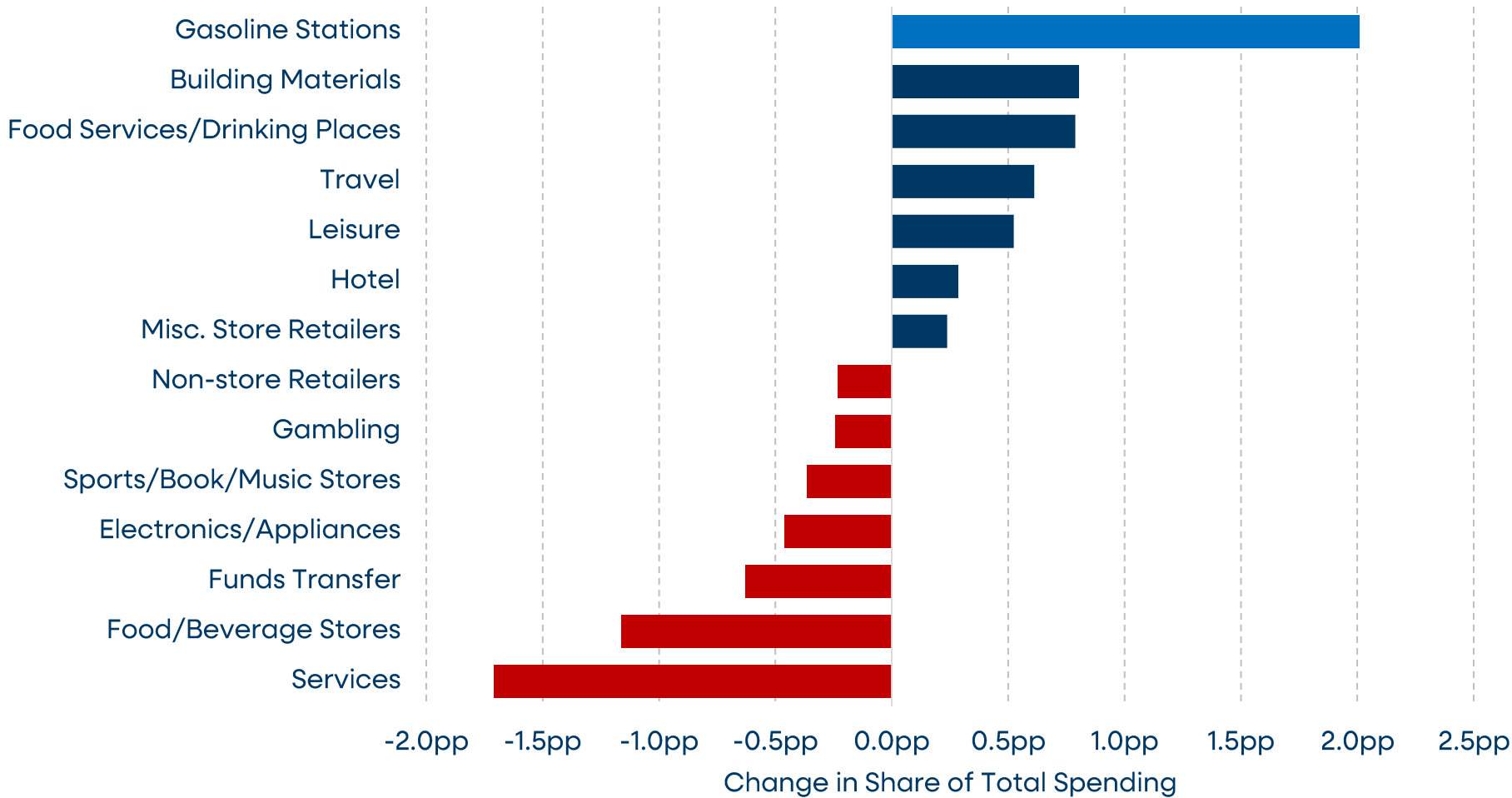


Source: AAA, PNC internal data
Note: Gas/total seasonally adjusted for day-of-month effects and smoothed using a 7-day moving average.

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Overall spending remained resilient during the '22 gas shock, but noticeable shift in proportion of total spending across categories

Figure 7: Shifts in the shares of total spending between January 2022 and June 2022

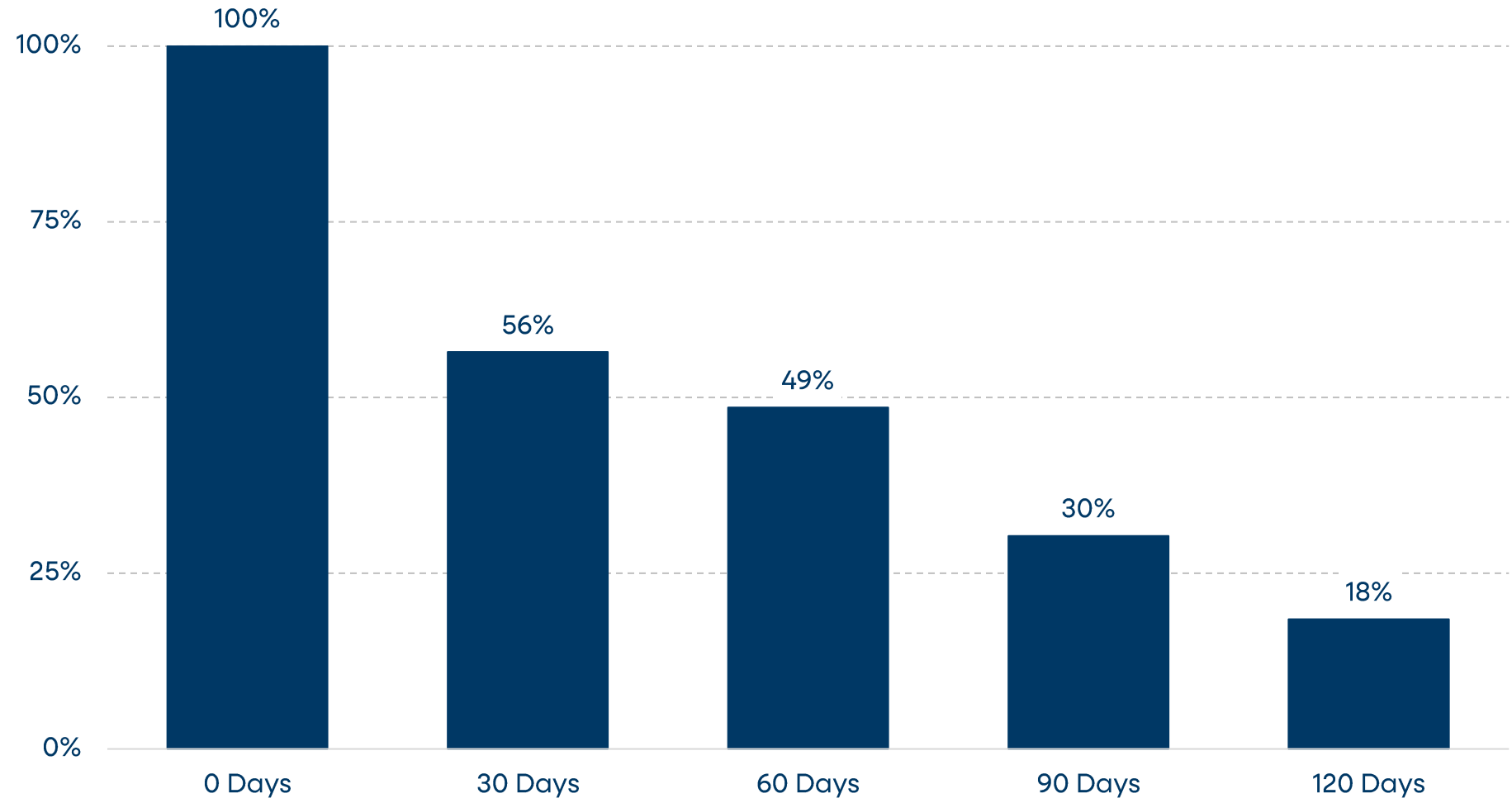


Source: PNC internal data

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PNC data show most of tax refunds are spent within first two months

Figure 8: Percent of tax refund remaining after X days from receipt

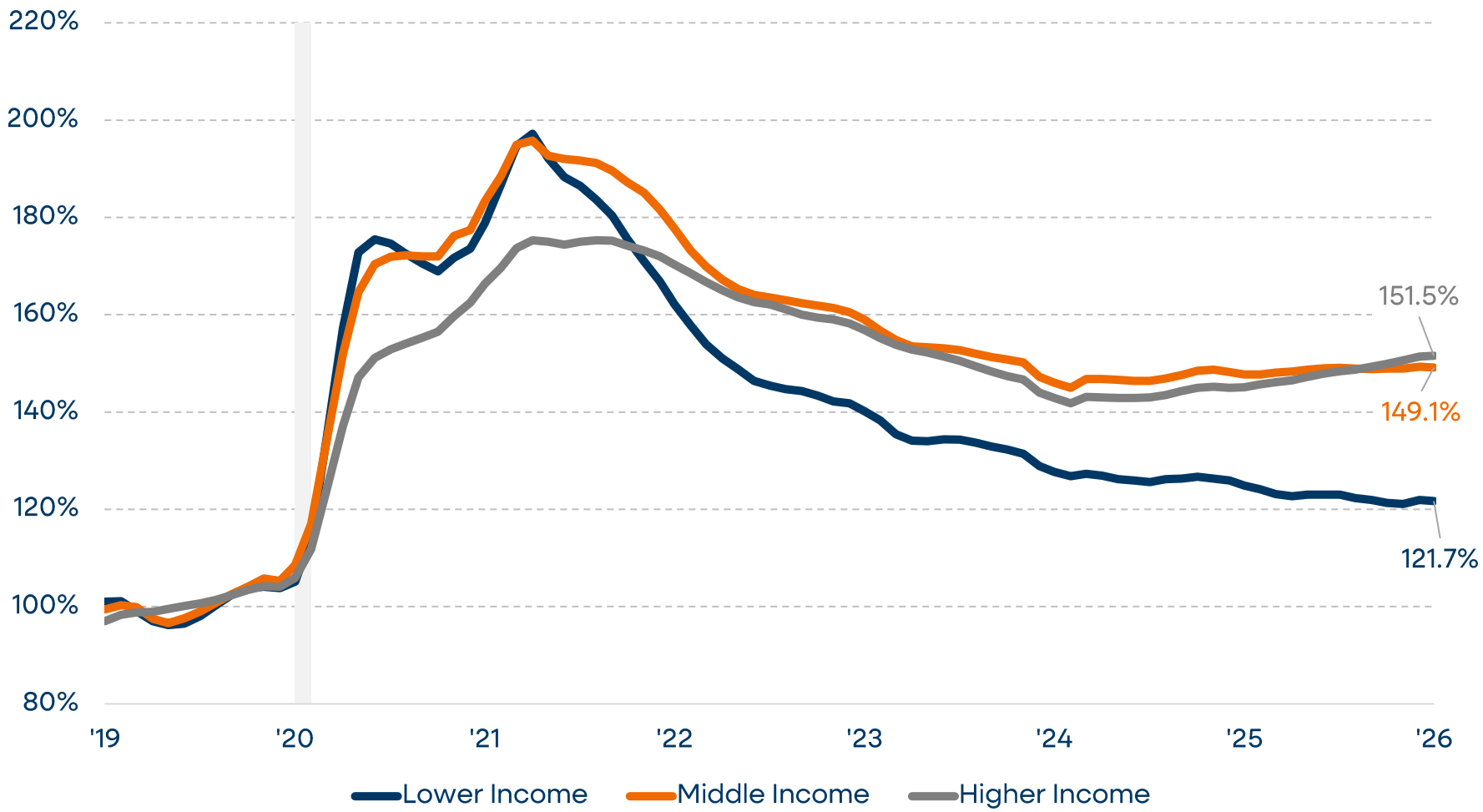


Source: PNC internal data

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... alongside higher take-home pay from lower withholding taxes

Figure 9: Median real deposit balances (% 2019 avg.)

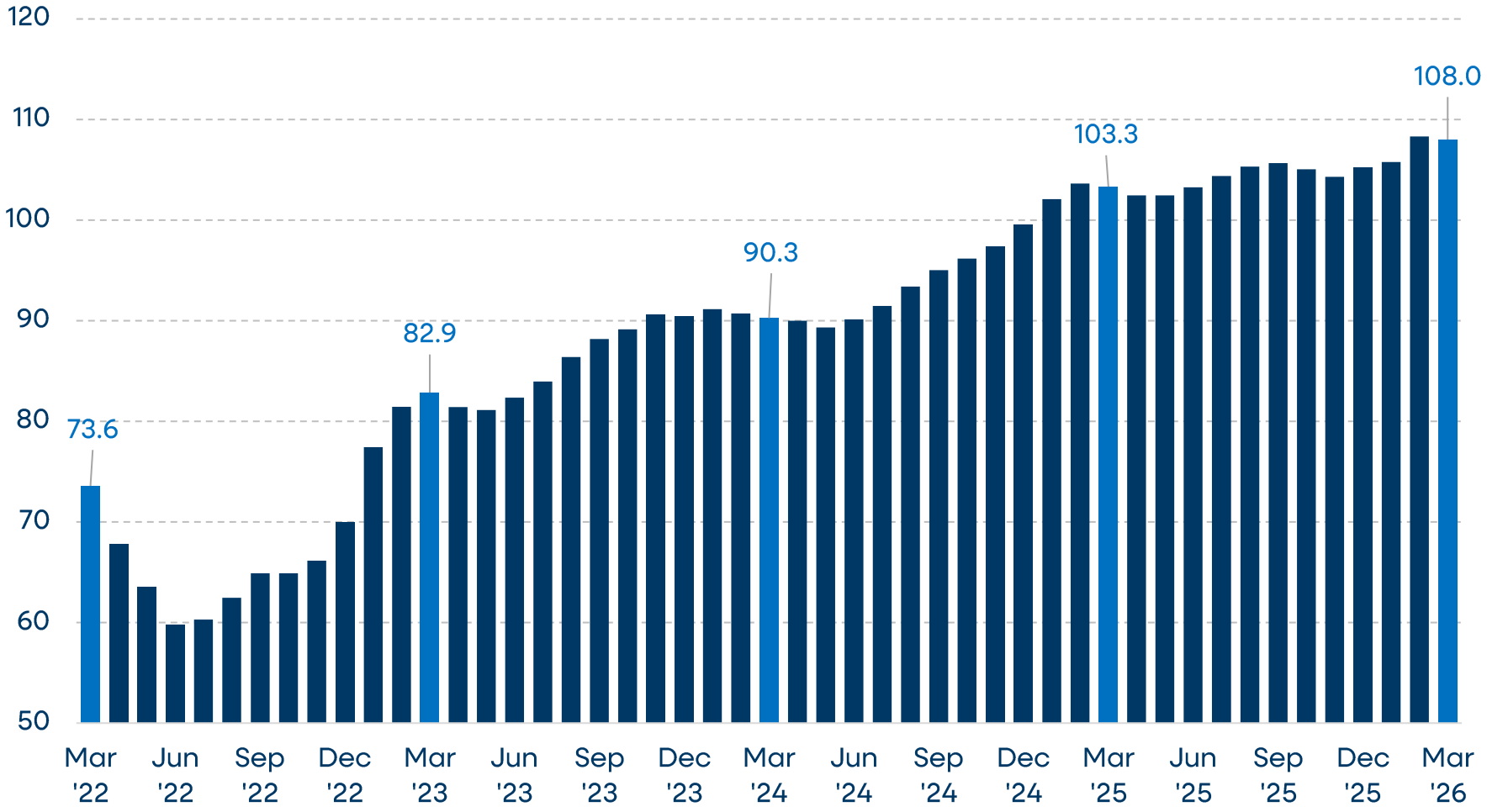


Source: PNC internal data
Note: Data is seasonally adjusted, indexed to the average value in 2019, and smoothed using a three-month moving average.

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Unemployment incidence still gradually increasing, but at a slower pace

Figure 10: Proportion of households receiving unemployment benefits (2019 = 100)

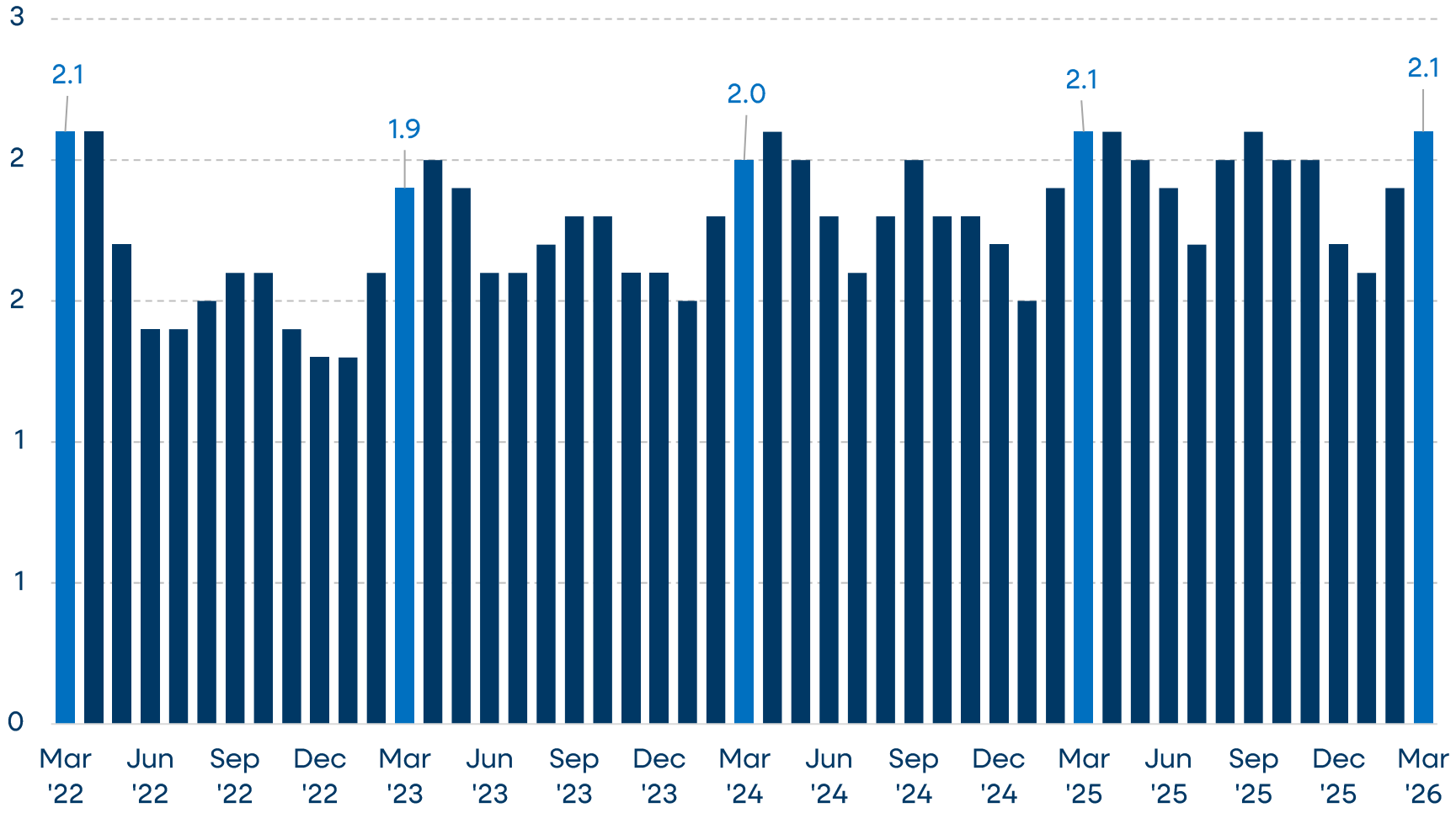


Source: PNC internal data

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Duration of unemployment stints stable year-over-year

Figure 11: Average consecutive months of receiving unemployment payments

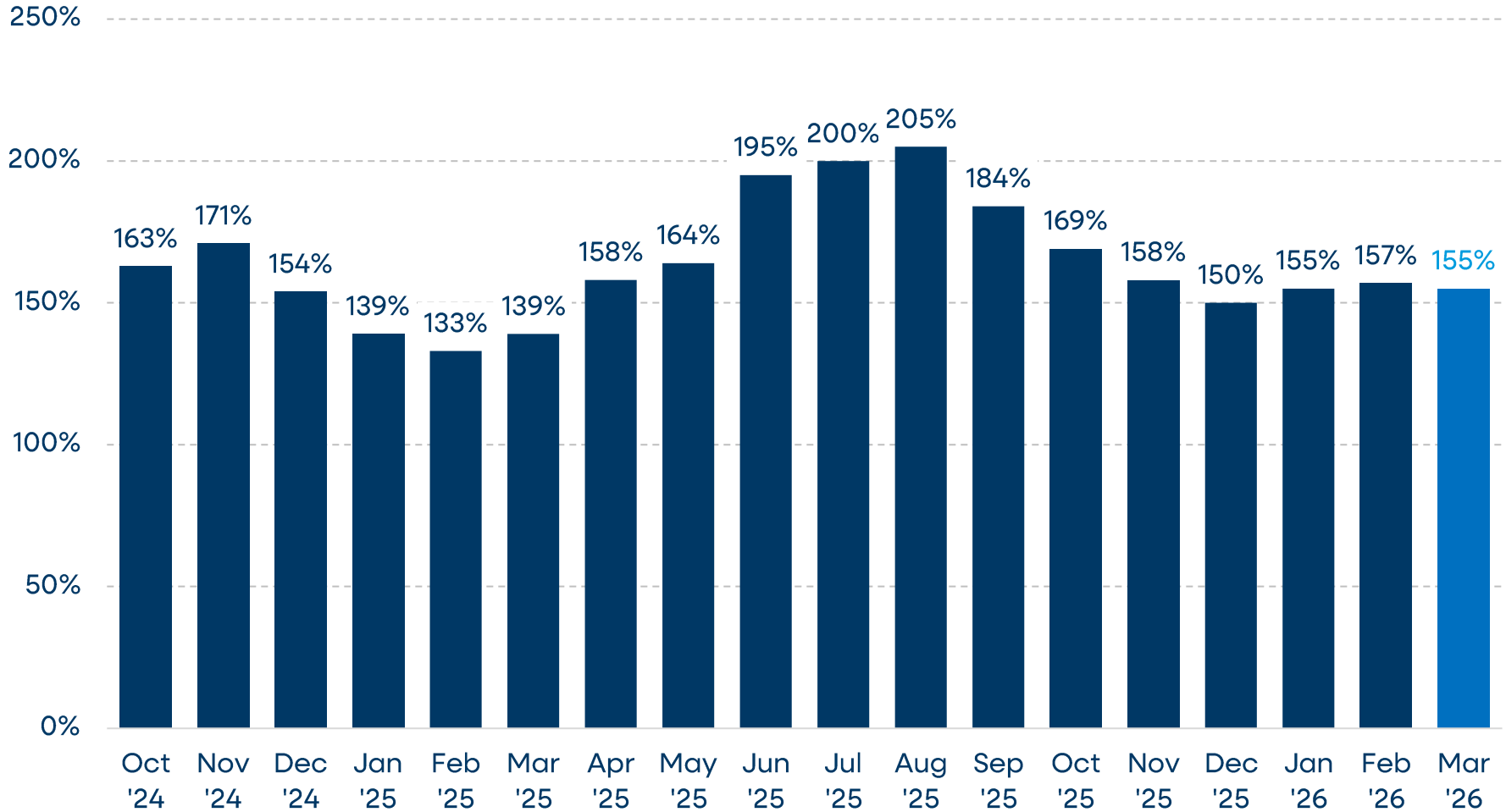


Source: PNC internal data

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Spending on generative AI (Gen AI) subscriptions is surging...

Figure 12: YoY percent change in household spending on Gen AI subscriptions

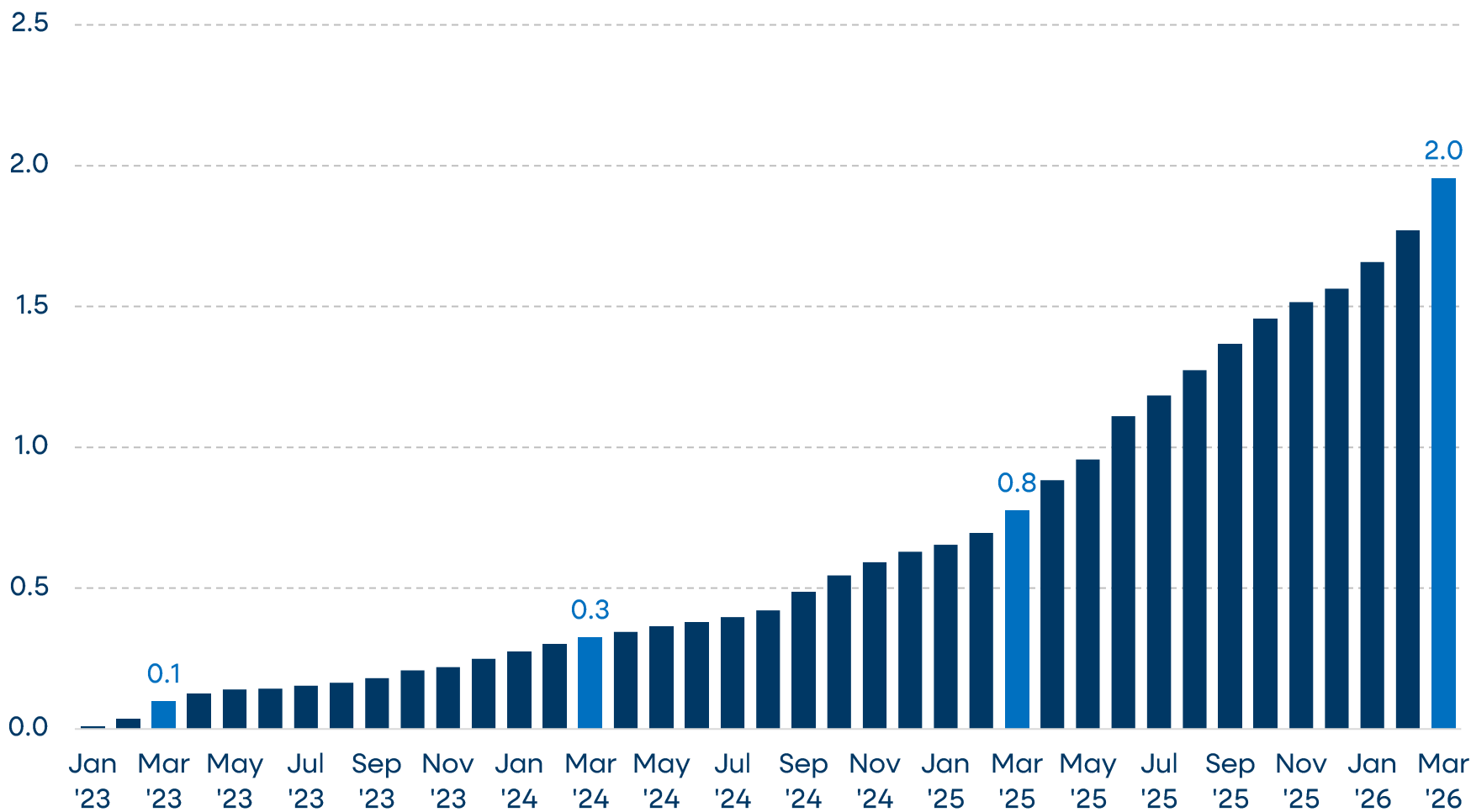


Source: PNC internal data

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Share of households paying for Gen AI more than doubling each year

Figure 13: Share of households paying for Gen AI subscriptions



Source: PNC internal data

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Disclaimers and Methodology

Methodology

The data is based on aggregated and anonymized selections of PNC data. The data may have a degree of selection bias due to selected populations and data availability.

- Card spend trends are based on aggregated debit card and credit card transaction data for a fixed cohort of Retail customers. Spending is categorized using standard Merchant Category Codes (MCC) defined by financial services companies. Spending data may also be grouped using other proprietary methods.*
- Balance data is aggregated for a fixed cohort of households that had a consumer deposit account (checking, savings, and/or certificate of deposit) for all months from January 2019 through the current month shown.*
- Consumer payroll and unemployment trends are based on ACH and other electronic payment methods classified using proprietary methods.*
- Lower-, middle-, and higher-income views of spending and balance trends are based on estimated household income. These estimates are based on the most recent 12 months of credit transactions into consumer deposit accounts. The households are divided into terciles. The bottom third are classified as “lower income”; the middle tercile as “middle income”; and the top third as “higher income”. These terciles are updated periodically.*

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