



Trade-Off Consumer^(SM) 2025 Holiday Outlook

“Bah, humbug!” sentiments belie “deck-the-halls” expected spending.

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So What; Now What?

The University of Michigan Consumer Sentiment Index fell to 50.3 for November 2025, its lowest reading in 3 years. Conference Board’s Expectations Index remains below 80 – signaling consumer expectations of a recession.

Taken alone, these numbers suggest a trainwreck of a holiday shopping season.



Yet despite these sentiment readings, the NRF forecasts strong holiday spend growth, and Big Chalk’s category-specific holiday spend intent shows improvement over last year.

Thus, we predict the 2025 holiday season will extend the year-long trend of consumers *muttering* about a coming recession but spending heartily nonetheless.

Last year the NRF *forecasted* **3.5%** holiday growth, and Big Chalk’s Holiday Spending Sentiment number stood at **-43.2%**.

NRF’s 2025 forecast is a full point higher, while Big Chalk’s negative sentiment read is **0.5%** better.



NRF’s *actual* 2024 reported holiday spend grew **4.0%**.

Considering the 2024 actuals came off lower forecast and sentiment values than we see this year, we think 2025 will be strong.

Some of the best upticks in spending sentiment come in the Leisure Travel category (airfare and lodging) and in Dining-Out – and more from **Trade-Off Consumers** than from high-income households.



Improved spending sentiment from **Trade-Off Consumers** in these two categories is a big deal. Trade-Off Consumers are not good savers and spend their money when they have it. If they’re coming back to the categories, this is a positive sign.

Last year’s trend toward more home-based gatherings – in lieu of dining out – appears to have plateaued.



The Trade-Off Consumer population, specifically, appears ready to return to restaurants this holiday season.



Introduction

Turn on the evening news or scroll your favorite business Web site and you will find plenty of reasons to expect a dismal holiday season: A government shutdown forced some Federal workers to food banks and gig-economy work; an AI equities bubble may or may not pop and cause havoc; high-profile companies have made high-profile layoffs, and businesses still have little clarity or stability around the nation's tariff situation.

Widely circulated consumer sentiment surveys paint no better a picture: University of Michigan's Consumer Sentiment Survey reading for November 2025 sits at a near record low (50.3), and the Conference Board's Expectations Index has remained below 80 for much of 2025 – signaling persistent consumer expectations of a recession. Taken *qualitatively*, the state of the U.S. economy heading into this pivotal shopping seasons is dire.

But viewed with more definitive *quantitative* data, things do not look so bad. After spiking 4.9 percentage points in 2024, the U.S. **Trade-Off Consumer** population has stabilized (see Table 1), and continued improvements in median wage, reasonable inflation numbers, and improved savings rates have bolstered household budgets (see Table 2, next page).

Table 1. Changes in the Trade-Off Consumer Population Fall 2024-2025

	<u>Fall 2024</u>	<u>Spring 2025</u>	<u>Fall 2025</u>
Portion of U.S. Households	33.4%	34.5%	34.3%

Source: Big Chalk Trade-Off Consumer Survey, 2024-2025
n = 2,888; 4,511, 4,475

Germane to the holidays, Big Chalk sees improved spending sentiment across every holiday-specific spend category we track:

- Restaurant Visits & Out-of-Home Gatherings
- Candy
- Holiday-Specific Food / Baking Supplies
- Holiday Decorations
- Holiday Airfare
- Holiday Hotel / Lodging
- Toys & Children's Gifts

An additional reason for optimism: Some of the biggest jumps in holiday spending sentiment come from the **Trade-Off Consumer** segment – a segment with perpetually low discretionary income. The Trade-Off Consumers made sacrifices last holiday season; this year they appear ready to spend.



Household Budgets

The state of household budgets continues to improve. Median household income is up notably again in 2025.¹ Savings rates have increased. Consumers certainly face financial pressure – utilities and insurance premiums are rising; credit balances (and related fees) are also rising, but the Fall 2025 gross budget surplus line shows a ~\$200 improvement from 2024, and the net budget line (which includes the cushion provided by savings), is up more than \$500. In short, U.S. households have money.

Table 2: Where Does All the Money Go?
A Breakdown of Annualized Household Budgets, Fall 2024 - Fall 2025

	Fall 2024	Fall 2025 (Projected)
Annual Median HHI	\$82,258	\$87,255
Taxes	\$12,702	\$12,942
Housing (Rent or Mortgage + Insurance)	\$21,090	\$21,979
Utilities (Water/Electric/Gas)	\$3,570	\$4,222
Utilities (Internet/Cable/Cell Phone)	\$2,958	\$3,470
Car Payments	\$3,051	\$3,143
Gas & Related Expenses	\$2,639	\$2,269
Out of Pocket Medical Expenses	\$3,675	\$3,828
Medical Premiums and Insurance	\$2,311	\$2,598
Credit Card Interest & Fees	\$1,721	\$2,080
Food - In-Home	\$8,883	\$9,095
Food - Restaurant/OOH	\$7,628	\$8,093
Clothing	\$1,717	\$1,800
Sports/Hobbies/Books	\$669	\$604
General Merchandise	\$3,858	\$4,006
Undefined E-Commerce	\$1,277	\$1,559
Air Travel (Leisure-only)	\$960	\$1,073
Hotel (Leisure-only)	\$737	\$754
Streaming TV	\$388	\$696
Live Concerts & Sports	\$217	\$288
Movies - Box Office	\$69	\$68
Personal Savings	\$1,760	\$2,127
Annual Gross Budget Surplus/Deficit	\$377	\$561
Annual Net Budget Surplus/Deficit	\$2,137	\$2,688

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025; assorted government and industry association research (Full source list available in our flagship Trade-Off Consumer [reports](#).)

¹ Note: Because we have updated this table with 2024 actual data (not projected) where possible, and due to a slight change in the way we handle income from dividends and savings account interest, numbers in this report will not match last year's.



General Holiday Sentiment

This money bodes well for holiday spending. En masse, holiday spending sentiment shows a small (but statistically significant) upward shift because of the 6.5% of Americans who intend to spend more in 2025 – a migration from the folks who last year said they would keep their holiday spending the same, as shown in Table 3.

Table 3: Holiday Spending Sentiment, All U.S. Households, 2024 vs. 2025

	2024	2025	YOY Change
Plan to Cut Spend This Year	48.7%	49.2%	0.5%
Plan to Spend About the Same	45.8%	44.2%	-1.6%
Plan to Spend More	5.5%	6.5%	1.1%
Net Holiday Spend	-43.2%	-42.7%	0.6%

n =

2,888

4,475

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

The situation for **Trade-Off Consumer** households is an exercise in contrasts. As expected, Trade-Off Consumers are much more likely, in general, to cut holiday spend than is the typical U.S. household. But on net, sentiment has improved for this group to a greater degree than the population at large (see Table 4).

Because historically this group has over-indexed on food and food-related activities, this is good news for brand managers in CPG and the restaurant industry.

Table 4: Holiday Spending Sentiment, Trade-Off Consumer U.S. Households, 2024 vs. 2025

	2024	2025	YOY Change
Plan to Cut Spend This Year	82.2%	81.8%	-0.4%
Plan to Spend About the Same	15.3%	14.9%	-0.5%
Plan to Spend More	2.5%	3.3%	0.8%
Net Holiday Spend	-79.7%	-78.5%	1.2%

n =

966

1,535

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

Category-Specific Holiday Sentiment

Despite the appearance of *many* headwinds (like FAA-announced flight cuts at major airports) consumers appear ready to travel. We expected, while the survey was in field, that travel intent might be skewed negative on the flight-cut news – but consumers do not appear phased. As Table 5 shows, net spending sentiment for holiday travel improved double digits for both airfare and lodging.

Table 5: Holiday Travel Sentiment, All U.S. Households, 2024 vs. 2025

		2024	2025	YOY Change
Holiday Air Travel	Plan to Cut Spend	46.0%	30.3%	-15.6%
	Plan to Spend About the Same	37.4%	58.5%	21.1%
	Plan to Spend More	16.6%	11.2%	-5.5%
	Net Holiday Spend	-29.3%	-19.2%	10.2%
Holiday Hotel/Lodging	Plan to Cut Spend	47.8%	28.7%	-19.0%
	Plan to Spend About the Same	36.3%	60.0%	23.6%
	Plan to Spend More	15.9%	11.3%	-4.6%
	Net Holiday Spend	-31.9%	-17.4%	14.4%
n =		2,888	4,475	

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

This gain in spending sentiment comes mostly from fewer households cutting spend than those expecting to spend more – in slight contrast to announcements from most major airlines touting a growth in high-spending fliers.

The trends we see for all U.S. households are magnified when looking at **Trade-Off Consumers**, who boosted their holiday air travel spending sentiment **22.3%** and their holiday lodging spending sentiment by **26.3%** since last year. Big spenders will still fly, but the return of the little guy may give the airlines a holiday lift.

Table 6: Holiday Candy & Food Sentiment, All U.S. Households, 2024 vs. 2025

		2024	2025	YOY Change
Holiday Food/Baking Supplies	Plan to Cut Spend	40.8%	39.0%	-1.8%
	Plan to Spend About the Same	44.5%	46.9%	2.4%
	Plan to Spend More	14.7%	14.1%	-0.6%
	Net Holiday Spend	-26.1%	-24.9%	1.2%
Candy	Plan to Cut Spend	49.8%	45.7%	-4.1%
	Plan to Spend About the Same	39.0%	43.0%	4.0%
	Plan to Spend More	11.2%	11.3%	0.1%
	Net Holiday Spend	-38.7%	-34.4%	4.2%
n =		2,888	4,475	

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

As with travel, fewer households say they will be cutting back on holiday food or candy, as shown in Table 6 above. And once again the **Trade-Off Consumer** set outpaces U.S. households at large with their optimism – with net spending sentiment growth of **6.1%** for food & baking supplies and sentiment growth of **7.1%** on candy.



Big Chalk also expects the Christmas trees to be festive and the children to be smiling: Net spending intent on decorations improved 14% and net intent for toys improved nearly 6%, as shown in Table 7.

Table 7: Holiday Decorations & Toys Sentiment, All U.S. Households, 2024 vs. 2025

		2024	2025	YOY Change
Holiday Decorations	Plan to Cut Spend	51.7%	42.4%	-9.3%
	Plan to Spend About the Same	34.6%	39.1%	4.5%
	Plan to Spend More	13.7%	18.5%	4.8%
	Net Holiday Spend	-38.0%	-23.9%	14.1%
Children's Toys & Gifts	Plan to Cut Spend	42.4%	34.5%	-8.0%
	Plan to Spend About the Same	39.1%	49.3%	10.2%
	Plan to Spend More	18.5%	16.3%	-2.3%
	Net Holiday Spend	-23.9%	-18.2%	5.7%
n =		2,888	4,475	

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

Sentiment in the Trade-Off Consumer population is also up for both categories although they are slightly more muted on decorations (+9.3%) and more inclined to spend on toys (+11.3%)

But the best holiday cheer may be reserved for the restaurant industry. After a Q3 with traffic or sales declines and downward revisions from the likes of Chipotle, Sweetgreens, Wendy's and more – not to mention a sluggish first half of 2025 – the dining-out sector is a sector that needs some good news. Holiday revelers may be about to give it to them, as shown in Table 8. Fewer consumers plan to cut their dining-out spend this holiday season, and net spending sentiment improved 1.9%.

Consumers are planning to host (on average) 1.46 holiday gatherings at home this year – statistically unchanged from 2024's 1.44 gatherings. The jump we saw last year, from 2023, as consumers curtailed out-of-home spending, does not appear to repeat.

Table 8: Holiday Dining-Out Sentiment, All U.S. Households, 2024 vs. 2025

		2024	2025	YOY Change
Restaurant/ Dining-Out Gatherings	Plan to Cut Spend	52.7%	50.5%	-2.2%
	Plan to Spend About the Same	36.5%	39.0%	2.6%
	Plan to Spend More	10.8%	10.5%	-0.4%
	Net Holiday Spend	-41.9%	-40.0%	1.9%
n =		2,888	4,475	

Source: Big Chalk Trade-Off Consumer Survey, Fall 2024 and Fall 2025

Net holiday dining-out sentiment in the **Trade-Off Consumer** population jumped 4.6% -- which is even better news. As past Trade-Off Consumer research [has shown](#), as go the Trade-Off Consumers, so goes the restaurant industry.



Conclusions

Despite the many uncertainties and stressors reported by the mainstream media, in Q4 2025 the state of the U.S. consumer is still healthy – and consumers expect to spend this holiday season. For brand strategists, Big Chalk advises scenario-planning for better-than-expected – not worse-than-expected – holiday shopping... be that in your promotions strategies, your above-the-line media planning, or other levers. While the view for 2026 is as yet uncertain, the close out to 2025 should be merry.



About the Analyst:

Rick Miller leads Big Chalk's Marketing Effectiveness Practice, which helps brands understand the return they get on their media investments (through marketing mix models) and understand what's growing or hindering consumers' perceptions of their brands.

He has been forecasting consumer spending since predicting AOL adoption in the 1990s; he holds an undergraduate degree in journalism from Northeastern University and a graduate degree in data science from Northwestern University.

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About Big Chalk

Big Chalk is a marketing analytics company based in Chicago IL. We provide brands in CPG, general retail, quick serve restaurants, and other consumer-facing categories insights, data, and outsourced staff to help them grow their businesses.

www.bigchalk.co



Source List

Statistic

Consumer Sentiment

Consumer Sentiment

NRF 2024 Sales

NRF 2205 Forecast

Secondary Source

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<https://tradingeconomics.com/united-states/consumer-confidence>

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