

Americans Regain Spending Confidence as Business Caution Grows, According to Prosper Insights and the Federal Reserve

Latest Prosper Monthly Consumer Survey reveals that while Americans remain concerned about the job market, their day-to-day spending attitudes are stabilizing

WORTHINGTON, OH, UNITED STATES, June 6, 2025 /EINPresswire.com/ -- New research from [Prosper Insights & Analytics](#) shows U.S. consumers are becoming more confident and less burdened by inflation, even as the Federal Reserve's May Beige Book reflects economic uncertainty and cautious corporate behavior across the country.

The latest [Prosper Monthly Consumer Survey](#) from the first week in May 2025 reveals that while Americans remain concerned about the job market, their day-to-day spending attitudes are stabilizing. In contrast, the Federal Reserve's report—compiled through May 23rd—describes overall economic activity as “slightly declining,” with widespread caution among businesses due to trade, labor, and pricing uncertainties.

Key Findings from Prosper Insights:

- Consumer confidence rose to 39.0% in May 2025, up from April and rebounding from a spring dip. Though below the December 2024 peak of 46.8%, this level signals renewed public optimism.
- Inflation concerns have eased notably, dropping from 64.0% in May 2024 to 55.3%—the lowest in a year.
- Fewer consumers are reacting to gas prices, with 40.2% stating that fuel costs no longer have a major impact on their lives—an 8-point increase year-over-year.
- Consumer behavior is normalizing, with fewer adults reducing dining or shopping trips. Only 43.3% now report focusing exclusively on needs over wants, compared to 47.5% last year.
- The Consumer Mood Index reached 103.0 in May, its highest in the last 12 months.
- Vacation planning and auto purchases are trending upward, with travel intent nearing pre-pandemic levels (20.9%) and the Auto Outlook rising sharply to 1867 from its January low.



Prosper Insights & Analytics

Federal Reserve Beige Book, compiled by the Federal Reserve Bank of St. Louis, portrays a more tempered economic outlook:

- Economic activity declined slightly in recent weeks, with six of twelve districts reporting declines and only three showing growth.
- Business sentiment remains cautious, citing policy and trade uncertainty as major contributors to reduced capital spending and supply chain changes.
- Labor markets are steady but lack urgency, with hiring slowing and wage increases moderating. While layoffs are limited, many firms report improved applicant pools and reduced turnover.
- Consumer spending is mixed, with strength in vehicle and appliance sales, but softening in discretionary retail and tourism due to fewer international travelers.
- Tariffs and input costs continue to pressure businesses, many of which are adjusting pricing strategies or reshoring operations to maintain stability.

Contrasts and Confirmations:

Prosper's findings confirm certain Beige Book observations—such as solid vehicle demand and selective consumer strength—yet offer a more optimistic view of household sentiment.

Consumers appear more resilient than businesses, with personal spending patterns suggesting that inflation fatigue is giving way to cautious engagement in the economy. Where the Beige Book emphasizes macro-level risk aversion and supply chain realignment, Prosper's consumer lens shows selective normalization and spending recovery—especially in gas, travel, and auto sectors.

Strategic Implications:

Retailers, policymakers, and market analysts should recognize a key inflection point: while business investment and hiring remain cautious, consumer sentiment and behavior are trending positively. A sustained recovery may hinge on labor stability and clarity in trade policy. The consumer's willingness to spend—especially on travel, autos, and dining—could offer momentum even as macroeconomic uncertainty lingers.

About the Reports:

The Prosper Monthly Consumer Survey is one of the longest-running continuous datasets in the U.S., capturing real-time insights from adults aged 18 and older. The May 2025 survey of 8,225, US adults was conducted May 1st – May 7th 2025.

The [Federal Reserve's Beige Book](#) compiles anecdotal insights from all twelve Fed districts to inform monetary policy. The May 2025 edition reflects data and interviews gathered through May 23.

About Prosper Insights & Analytics:

Prosper Insights & Analytics is a leader in US consumer intelligence, offering 22 years of comprehensive zero-party data on behaviors, motivations, psychographics, and future spending plans. Our cutting-edge analytics transform this data into actionable insights, enabling

marketers, policymakers, and investors to anticipate trends and respond proactively, gaining a competitive edge in their industries. Prosper datasets provide early macroeconomic forecasts weeks in advance of government data for institutional fixed income, equity and foreign exchange investors. www.ProsperInsights.com

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