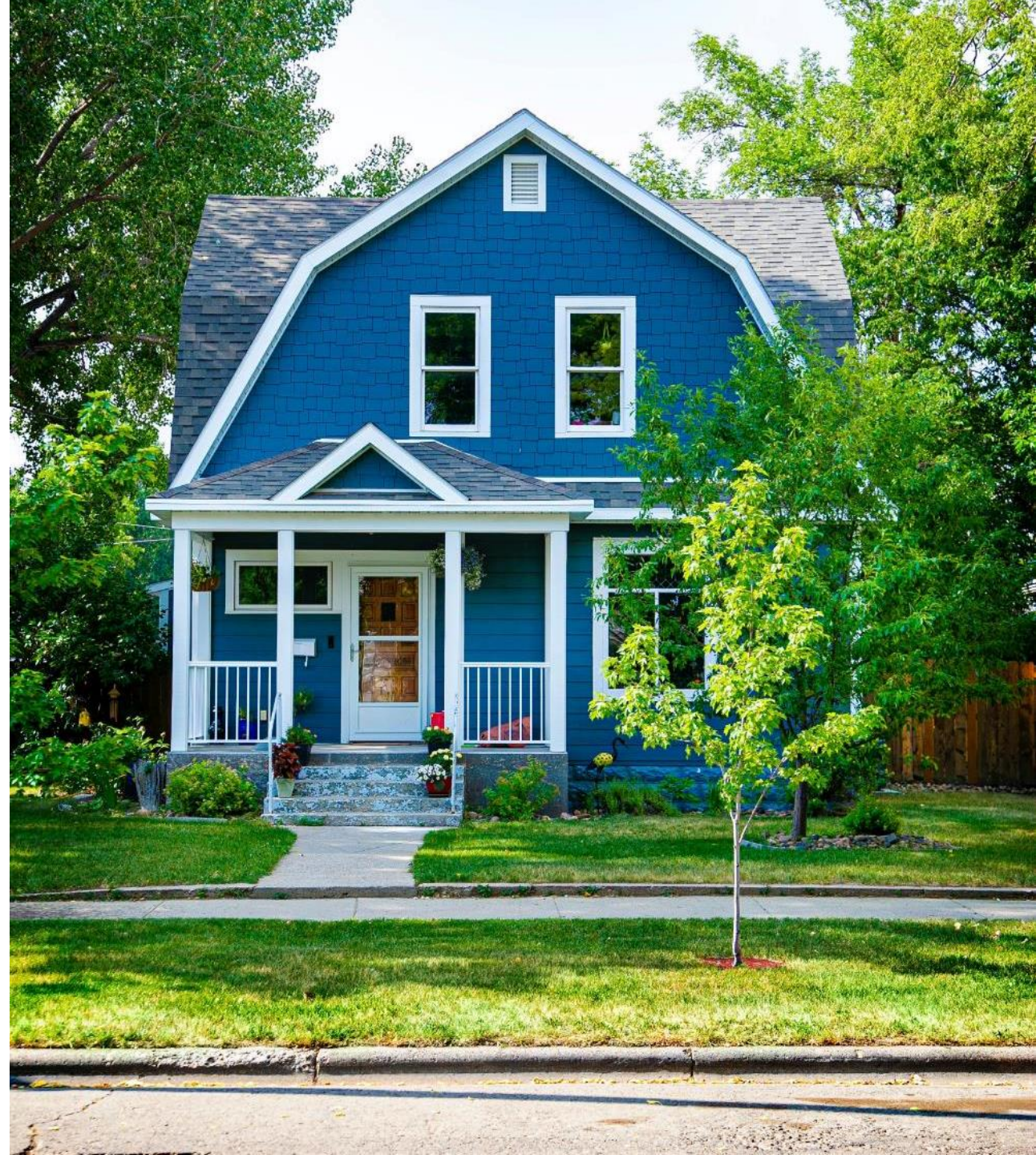


The US Maru Household Outlook Index (MHOI)

With monthly tracking of American citizen-consumers and their 60-day outlook about the US economy and their personal finances

August 2023



The August 2023 American MHOI is up two points from last month's sounding to **87** (negative/pessimistic).

The five key drivers of the index this month over last feature more Americans who believe:

- **the state of the US economy is headed in the right direction (45%)**—the highest value since August 2021.
- **the national economy will likely improve (52%)**—the first majority (and the highest measure) to hold this view since December 2021.
- **the local economy where they live will likely improve (53%)**—the highest value recorded since December 2021.
- **their personal financial position is better than it was last month (17%)**—and is the first time since October 2021 that a Gap score of net zero has occurred— where those who say their financial situation has improved equals those who believe it is worse are equal).
- **they will likely put away money for their retirement/old age security (62%)** just shy of the last highest water mark back in November 2021 (64%).

In addition, this month's tracking reveals the following measures are up over last month: all values related to wages and savings; after two consecutive increases, more Americans plan to buy a big-ticket item this month – currently at its highest point in 18 months; and the number of Americans who believe they will have enough food over the next 60 days has bounced back.

At face value, these results seem quite extraordinary—uplifting, inspiring, forward moving, and *who knows, it might be the beginning of something big* that puts together a string of positive sentiments and finally punch through the ceiling of negative index results that have plagued the nation since April 2021. But there's still a long road ahead for that to occur: the latest MHOI takes us back to April of this year with thirteen more points to go before any champagne cork can be truly popped.

Perhaps to give confidence (or hope) to that rebounding trajectory, the latest MHOI may have captured consumer reaction that is now being evidenced via some of the underlying July lagging indicators.

First, despite the July Consumer Price Index (CPI) vectoring in on 3.2 percent year over year, data, July itself witnessed a 0.2 percent increase in prices compared to the previous month and mirroring the identical 0.2 percent month-on-month rise captured in June. While this is far below last year's peak of 9.1%, it's still above the Fed's 2% inflation target.



Second, retail sales also rose a better-than-expected 0.7% in July from June as Americans increased their purchases at retailers last month — for clothing, dining out, sporting goods and other areas — in a sign that solid consumer spending is still powering a resilient U.S. economy.

Third, despite the MHOI data ticking upwards among those this month who believe they may default on making payments on major loans or a mortgage (19% +3) or declare bankruptcy (14% +1) over the next two months, delinquency rates in the U.S. recorded an unprecedented low during Q2, driven by a robust job market and prevailing low interest rates on most home loans.

And fourth, the latest US Labor Market Report showed job creation still positive at 187,000 in July as unemployed numbers fell further by 116,000 to 5.8 million and participation rate held at 62.6%—and even (possible inflation baiting) wage growth was up for the fifth month in a row, above forecast and at the same pace as June (0.4% m/m, 4.4% y/y.)

So, we're good, right? Well, maybe not so much.

While there are apparent signs of both a robust consumer pocketbook and a roaring economy, the MHOI is tracking a growing condition that tells another story for many: while those who struggle to make ends meet had declined earlier this year (from 37% down to 31%), this group has pretty much walked it back up that hill since April to today (36%). Those struggling the most reveal themselves to be the lowest income earners (65%), the youngest Americans (aged 18-34 55%), and women (38%). Further, more Americans (from 42% in April to 47% now) are worrying about their personal/family day-to-day finances.

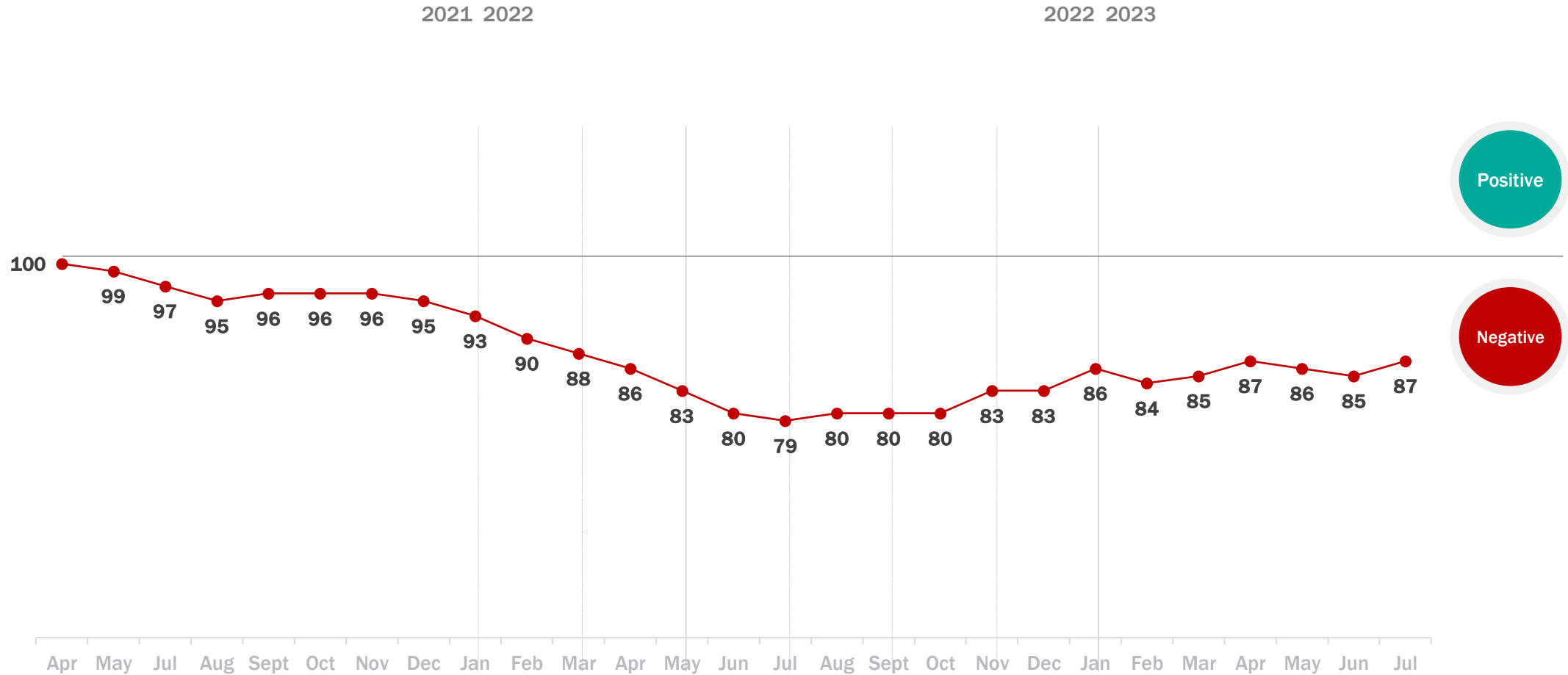
No doubt, both those who are cheering on the resilient economy with the hope of avoiding a recession and those who are struggling under the financial burden of it all (especially with higher credit card and loan carrying costs) with the anxiety that their jobs may be lost in any slowdown, will have a lot at stake (and even in common) when the Fed meets September 19-20 2023 to decide if it's yet again time for another interest rate increase.

In that regard, those August lagging indicators and the next installment of the MHOI will be much anticipated, so stay tuned.



The American Maru Household Outlook Index (MHOI)

87 (negative/pessimistic)



What's Driving the Index This Month?

The following are the **five elements** having the **most** influence on the index this month:

- **More Americans (45% up six percentage points from 39% last month) believe the state of the US economy is headed in the right direction**—the highest value since August 2021. This metric is up nine percentage points (from 36%) since May and is juxtaposed a majority (55% down from 64%) who believe the US economy is on the wrong track. The highest positive measure was in April 2021 (62%) with the worst showing in June 2022 (74% wrong track).
- **More Americans (52% up six percentage points from 46% last month) believe the national economy will likely improve over the next sixty days.** This is the first majority (and the highest measure) to hold this view since December 2021 (51%). This metric is up 11 percentage points (from 41%) since May 2022. Just under half of Americans (48%) don't believe the economy is likely to improve within the same timeframe.
- **More Americans (53% up six percentage points from 47% last month) believe the local economy where they live will likely improve over the next sixty days.** This measure is up 10 percentage points (from 43%) in May and is the highest value recorded since December 2021 (59%). The most positive sounding for this metric was in April 2021 (68%) with the highest level of pessimism found in June 2022 (61%). Currently, just under half (47%) of Americans don't believe their local economy will improve anytime soon.
- **More Americans (17% up two percentage points from 15% last month) say their personal financial position is better than it was last month**—and is up four percentage points (from 13%) since May. With an equal number of Americans (17%) believing they are worse off financially now compared to last month, this is the first time since October 2021 that a Gap score of net zero has been achieved (improved versus worse are equal). The last time that there was a net positive Gap score was in August 2021 (14% improve versus 13% worse).
- **More Americans (62% up six percentage points from 56% last month) indicate they will likely put away money for their retirement/old age security over the next sixty days**—returning to the same measure held in April of this year. The highest level of aspiration achieved in this regard since July 2020 was in November 2021 (64%).





By the numbers

Thinking of the state of the economy, would you say it is...?

- Moving in the right direction **45% +6**
- On the wrong track **55%**

Specifically focused on your financial position, would you say it has...?

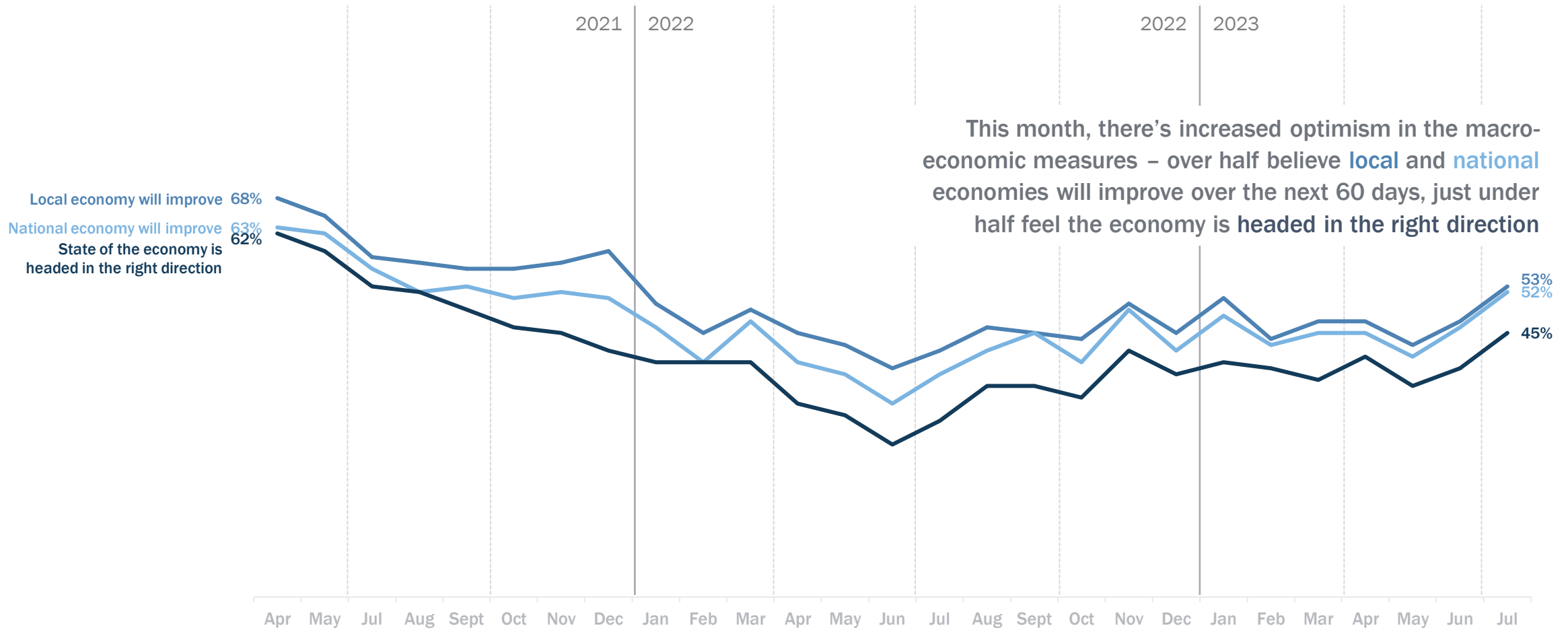
- Improved since last month **17 +2**
- Remain the same over the last month **65%**
- Become worse since last month **17% -4**

Over the next sixty (60) days is it **very/somewhat/not very/not at all** likely that...?

- The national economy will improve **52% +6 48%**
- The local economy where I live will improve **53% +6 47%**
- I will have more than two months of savings to cover any unexpected costs or needs **67% +2 33%**
- I will put away money for my retirement/old age security **62% +6 38%**
- I will have enough personal/family investments and savings for the future **62% +2 38%**
- I will be worried about my personal/family day-to-day finances **47% +3 53%**
- I will have the ability to purchase the products needed for me/our family **85% +2 15%**
- I will invest in the financial markets because now is a good time to do so **39% N/C 61%**
- I will purchase big ticket items like a car or furniture **25% +2 75%**
- I will buy a house **17% +1 83%**
- I will struggle to make ends meet **36% +1 64%**
- I will default on making payments on major loans or a mortgage **19% +3 81%**
- I will lose or be laid off from my job because of lack of business/work **15% N/C 85%**
- I will likely declare bankruptcy **14% +1 86%**
- I will earn a livable wage **71% +6 29%**
- I will have enough food for myself/family **90% +4 10%**
- I will be able to afford to keep a roof over my/my family's head **77% -2 21%**
- I will rely on government programs to make ends meet **29% +1 71%**
- I will move to a smaller residence because I need to save money **19% +1 81%**
- I will take a learning course to upgrade my skills/education **31% +2 69%**

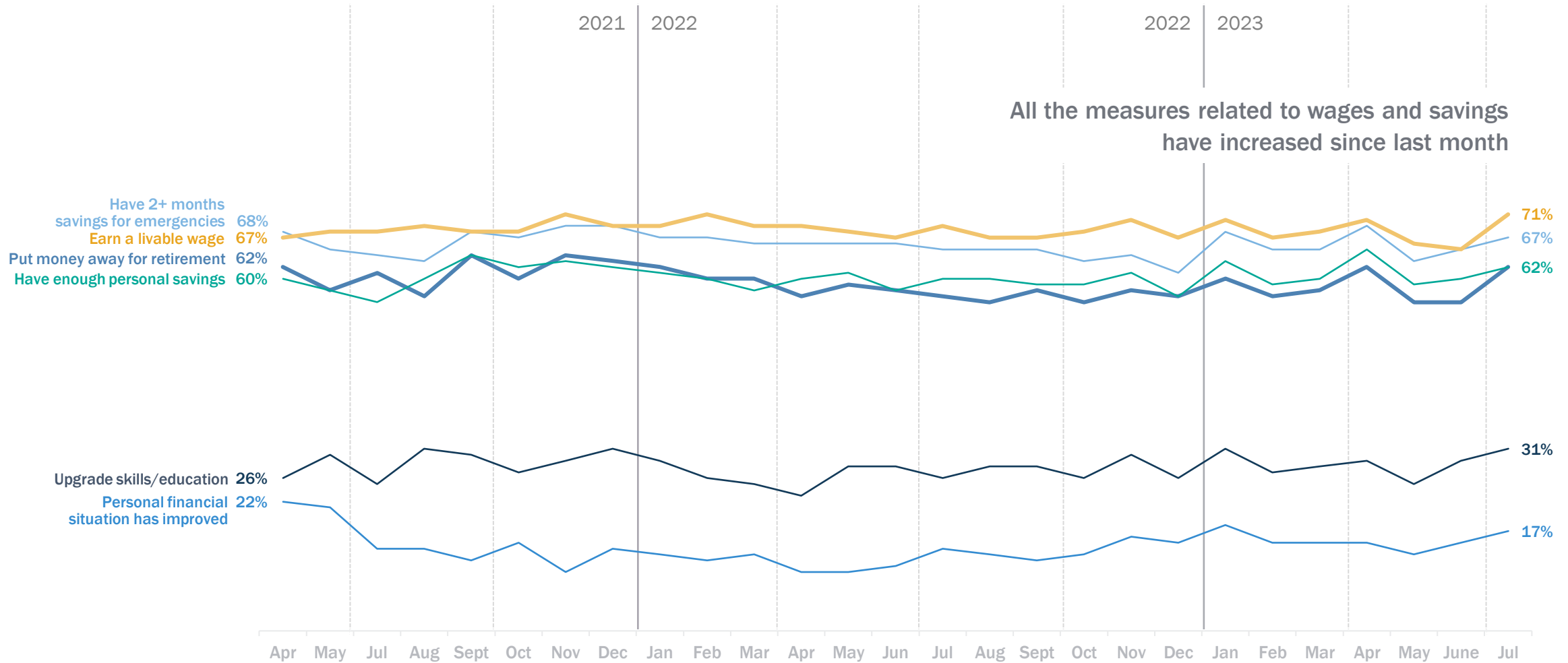
The American Maru Household Outlook Index (MHOI): Economic Outlook

Over the next 60 days, likely to...



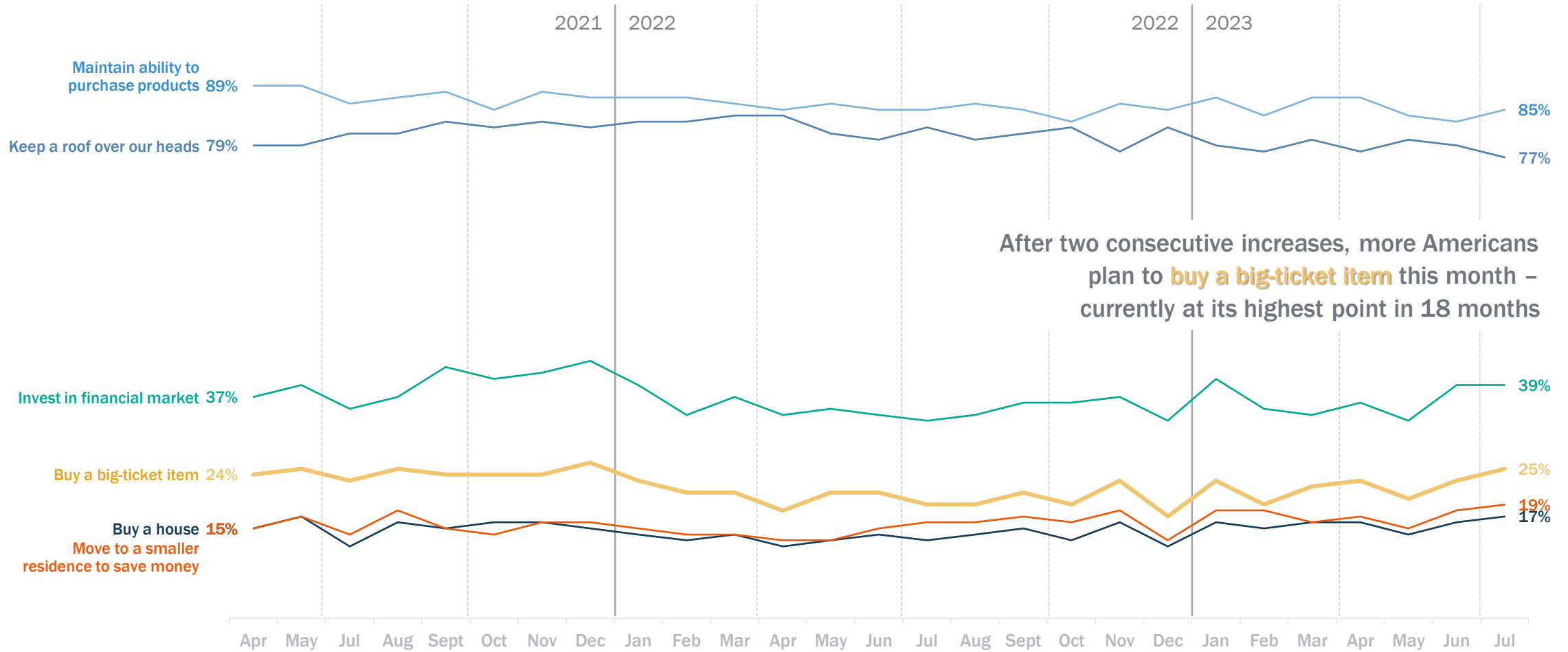
The American Maru Household Outlook Index (MHOI): Personal Finances

Over the next 60 days, likely to...



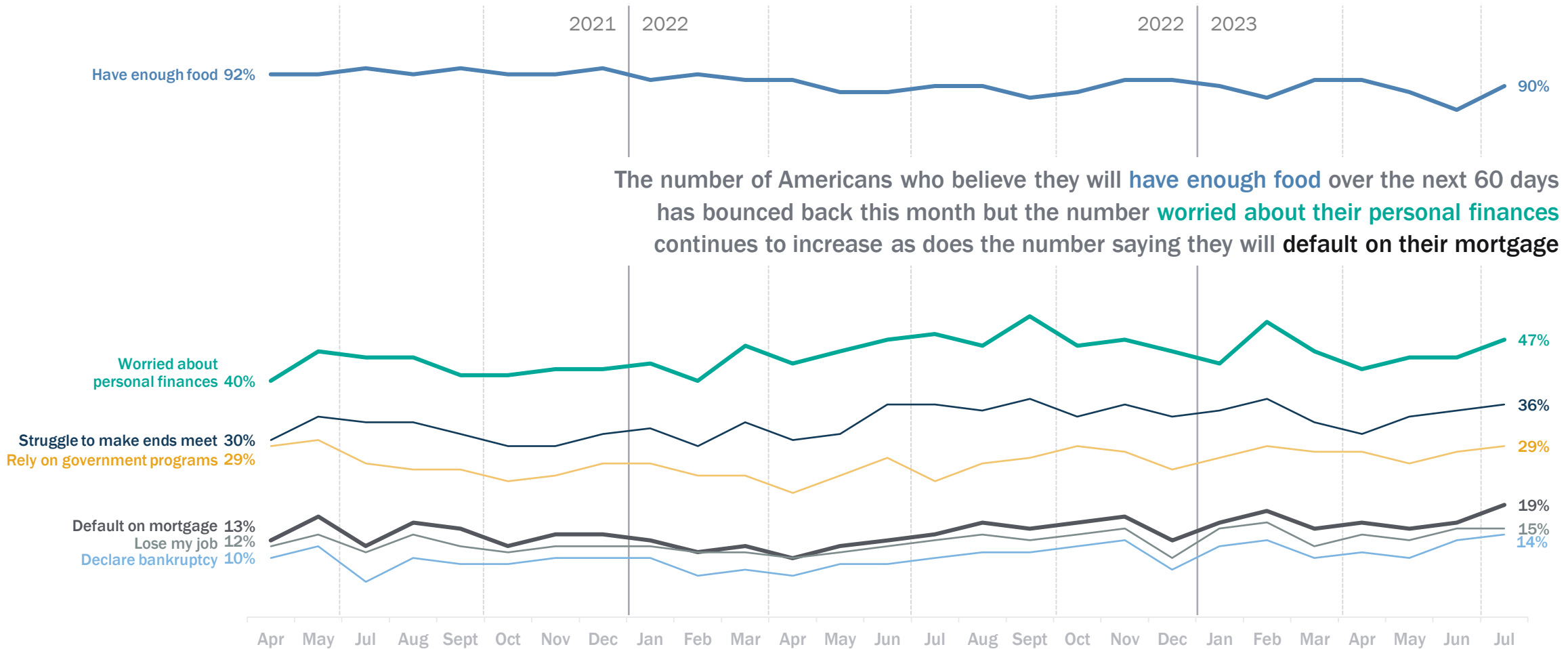
The American Maru Household Outlook Index (MHOI): Purchasing Power

Over the next 60 days, likely to...



The American Maru Household Outlook Index (MHOI): Challenges

Over the next 60 days, likely to...





Data Collection Methodology for This Month's Wave

These are some of the findings from a study released by Maru Public Opinion undertaken by its sample and data collection experts at Maru/Blue on July 28-31, 2023, among a random selection of 1,539 American adults are [Maru Springboard America](#) online panelists. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 2.5%, 19 times out of 20.

The results have been weighted by education, age, gender, and region to match the population according to census data which ensures the sample is representative of the entire adult population of the United States. Discrepancies in or between totals when compared to the data tables are due to rounding.

Panel and data services provider [Maru/Blue](#) is deeply rooted in the Maru/HUB technology platform and offers on-demand, high-quality, highly scalable online community samples of deeply engaged, known respondents. Maru Public Opinion is a professional research services channel dedicated to improving its clients' business outcomes. It delivers its services through teams of sector-specific research consultants specializing in the use of Insight Community and Voice of Market technology. [Maru Public Opinion](#) publicly released American polls with supporting detailed tables are found here: [Maru Public Opinion US Polls](#). Corporate information can be accessed here: [Maru Group](#). Excerpts from this release of findings should be properly attributed, with interpretation subject to clarification or correction. Maru Public Opinion does not do any work for any political party.

The methodology and questions used for the calculation of the monthly Maru Household Outlook Index (MHOI) can be found in the Appendix. Detailed tables are simultaneously posted with the public release of this document at [Maru Public Opinion US Polls](#) or are available upon request. Presentations and/or media interviews about these and subsequent results can be provided, and individuals may be added to a distribution list, upon request to john.wright@marublue.com.

Appendix

Index Calculation

The MHOI is derived from a sixteen-item summated rating scale, fourteen of which are on a four-point scale, with each level having a different weight. A fifteenth item has a binary response, and only the proportion of positive responses is used. The sixteenth item asks respondents to describe how their financial position had changed in the past month wherein the proportion of respondents whose situation has improved or remained constant is kept, with both top options having the same weight in the Index. Each statement score is multiplied by either 1 or -1 depending on whether the attribute is optimistic or pessimistic.

The Index scores are added, multiplied by 100, and finally divided by the total for the baseline month (April 2021) to give us the weighted index. Any Index output below a composite score of 100 is considered to be negative/pessimistic, and any above a composite score of 100 is considered to be positive/optimistic. The resulting measure is both valid and reliable.

The MHOI Index number reported in any given month is based on a “rolling average” formula that combines the incumbent data from that month plus the two previous monthly waves (which triples the usual monthly sample size wave of ~1,500 completed interviews for a total of ~4,500). In order to heighten the freshness of the Index number reported, the incumbent month is given a weight of 45%, the data from the previous month is given a lesser weight of 35%, and the data from the earliest of the three months is given an even lesser weight of 20%. The output from this formula produces the MHOI Index number reported and charted for comparison with previous iterations.

Index Questions

Thinking of the state of the economy, would you say it is...? (Tracking began in April 2021)

- Moving in the right direction
- On the wrong track

Specifically focused on your financial position, would you say it has...? (Tracking began in April 2021)

- Improved since last month
- Remain the same over the last month
- Become worse since last month

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that... (Tracking began in July 2020)

- The national economy will improve
- The local economy where I live will improve
- I will have more than two months of savings to cover any unexpected costs or needs
- I will put away money for my retirement/old age security
- I will have enough personal/family investments and savings for the future
- I will be worried about my personal/family day-to-day finances
- I will have the ability to purchase the products needed for me/our family
- I will invest in the financial markets because now is a good time to do so
- I will purchase big ticket items like a car or furniture
- I will buy a house
- I will struggle to make ends meet
- I will default on making payments on major loans or a mortgage
- I will lose or be laid off from my job because of lack of business/work
- I will likely declare bankruptcy

Additional Questions (Tracking began in July 2020)

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that...

- I will earn a livable wage
- I will have enough food for myself/family
- I will be able to afford to keep a roof over my/my family's head
- I will rely on government programs to make ends meet
- I will move to a smaller residence because I need to save money
- I will take a learning course to upgrade my skills/education



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Maru Public Opinion is a research and insight channel of the [Maru Group](#). The division operates a polling division for clients and collaborative media partners. A full description of the channel and access to polls released into the public domain can be found at [Maru Public Opinion US Polls](#)

[Maru Public Opinion](#) does not carry out any polling for any political party.

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