



16th September 2022

Younger people spend less as inflation stalls overall spending – AIB Spend Trend

- **Overall spend in August rose 0.8% despite there being 55,000 fewer transactions**
- **Consumers under 45 spent less while those aged 65+ spent more in August than they did in July**
- **Spending in pubs and off-licences fell by 8% while electronics spending rose 5%**

Consumer spending during the month of August rose by 0.8% despite there being 55,000 fewer transactions, indicating that inflation is influencing Irish purchasing decisions. That's according to the AIB Spend Trend for August.

The 25-34 and 35-44 year old age brackets account for a combined 47% of total spend in August. Interestingly these groups have seen a reduction in total amount spent month-on-month with drops of 1.5% and 0.3%, respectively. All other age groups have seen their total month-on-month spend increase with the 18-24 and the 65+ age groups seeing the largest increases of 2.6% and 2.4%, respectively.

Consumers aged 65 and over made their biggest spend on airline travel (+17%) and hotels (+14%).

Among all age groups, spending in pubs and off-licences fell the most with an 8% month-to-month decrease. Spending fell by 3% on clothing, groceries and homeware while slight decreases were also seen in airline travel (-2%) and restaurants (-1%). Consumers spent more on electronics (5%), health & beauty (2%), hotels (1%) and hardware (1%).

The data was compiled from over one million card transactions by Irish consumers during August 2022 and has been anonymised and aggregated. All comparisons are based on August versus July data unless otherwise stated. AIB provides one of the most comprehensive and accurate data sets on consumer spending in Ireland. Based on this data, AIB can reveal that:

- Overall, spending was up 0.8% in August compared to the previous month as consumers spent over €87 million a day throughout the month of August.
- Digital Wallet payments were up 3% as consumers spent over €13 million a day using the technology on their devices, counting for one in every seven euro spent during the month.
- 26th August, coinciding with pay day for many people and the Friday of the August Bank Holiday weekend, was the busiest day of the month for consumer spending with €118 million spent on that day, compared to the average daily spend for August of €87 million.

AIB Head of SME Banking, John Brennan, said: "The August AIB Spend Trend shows that although overall spending in August rose slightly, consumers made fewer purchases. This could be an indicator of inflation's impact on purchasing decisions. Those with less in savings - typically younger people - will be particularly influenced by rising costs.

"Digital wallet payments are up 3%, showing how increasingly popular the cashless payment method is becoming with the public. They are now spending nearly €13 million euro a day by tapping their

phones and watches. This is equivalent to nearly one in every seven euro during the month being spent via a digital wallet.”

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Notes to the Editor:

- Analysis includes approx. 1.1 billion AIB Credit and Debit Card transactions.
- Limited to completed personal customer instigated debit transactions.
- Retailer location details are derived from free text fields on a best efforts basis (populated for approx. 99% of spend). It is populated where there were more than five merchants operating within a specific sector over the previous year.
- Sector details are populated by the retailer and may not always represent the category the merchant is operating within.
- Data from specific card readers, credit cards and transaction types cannot always be captured accurately. These transactions (<1% of spend) are omitted from this report.