

Spending Momentum Index

United States



Decline in gas SMI in March offsets gains in discretionary and restaurant SMI

Visa's U.S. Spending Momentum Index (SMI) declined 0.2 points month-over-month (MoM) to 95.9 (seasonally adjusted) in March. Despite discretionary and restaurant spending momentum rising 1.7 points and 4.6 points MoM, respectively, the 11.6-point MoM drop in gas spending momentum offset those gains in overall spending momentum. Additionally, the 1-point MoM decline in the non-discretionary SMI also contributed to slightly slower overall spending momentum compared to February.

Employment gains in March likely contributed to the rebound in the discretionary and restaurant SMIs, with 228K net jobs added¹ in March. Average hourly wage growth was also robust, up 3.8 percent year-over-year (YoY),² putting many consumers in a better position to spend on dining out and discretionary items. Additionally, many consumers also likely pulled forward discretionary purchases from abroad to get in front of tariffs that were scheduled to come into effect in April.

A steep drop in gas prices, which fell 9.6 percent YoY compared to March 2024,³ likely helped drive the large decline in gas spending momentum. Additionally, blizzard conditions put an estimated 64 million people under storm watches and warnings, curtailing car travel.⁴ The severe weather also likely had an impact on the drop in non-discretionary spending momentum, as did consumers' shift to discretionary purchases in anticipation of the tariffs.

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Total

-0.2

Discretionary

+1.7

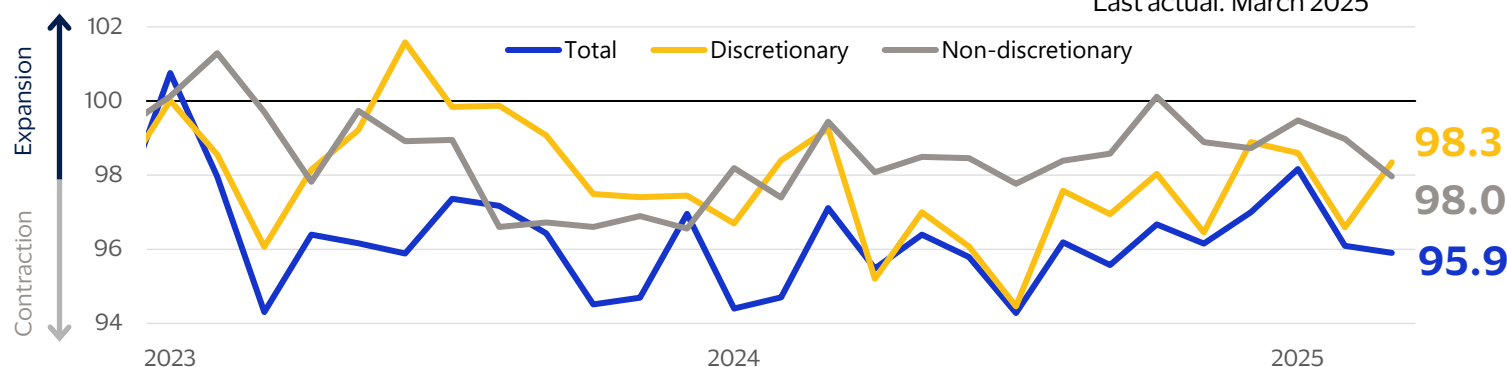
Non-discretionary

-1.0

Last actual: March 2025

Spending Momentum Index

(Seasonally adjusted,* ≥100 = expansion, <100 = contraction)



*The discretionary and non-discretionary categories exclude restaurant and gas spending; both restaurant and gas are included in the total SMI. See additional definitions of spending categories on page 4. Source: Visa Business and Economic Insights. The Visa U.S. SMI measures the current month relative to the same month last year. Both national and regional readings of the index are based on year-over-year changes in consumer spending with Visa bankcards. Local markets are defined as a Combined Statistical Area.

**VISA**



Regional U.S. Spending Momentum Indexes

(Seasonally adjusted, ≥ 100 = expansion, < 100 = contraction)

On a regional basis, seasonally adjusted spending momentum decelerated MoM in all four regions in March. The Northeast and Midwest's decline was very slight, down just 0.1 point from February to March. The somewhat stronger showing in the two regions' SMI was due in large part to stronger discretionary and restaurant spending momentum throughout the country, which offset most of the declines in gas spending momentum in the Northeast and Midwest. The rebound in discretionary and dine-out spending momentum was likely due to strong job growth in the healthcare sector, which has been a major driver of employment growth in both regions.⁵

Spending momentum in the South declined by slightly more than the Northeast and Midwest, falling 0.8 points MoM in March. Deadly storms in the early part of the month that also caused millions in the South to lose power in Alabama, Mississippi, South Carolina, North Carolina and Virginia likely suppressed spending momentum in the region.⁶ The latter part of the month was clearer and likely led to some makeup spending that limited the MoM decline.

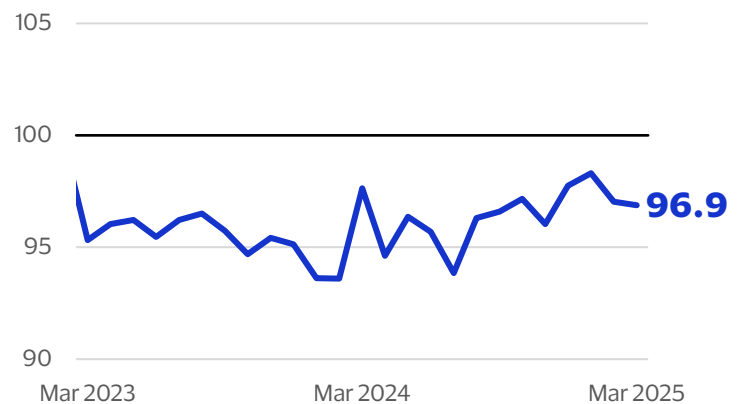
Spending momentum in the West had the most significant decline MoM, slipping 4.1 points from February to March. A massive winter storm that hit California and Nevada causing tornadoes, mudslides, avalanches and flooding significantly hindered consumer mobility⁷ and likely prompted the large MoM decline in the West's SMI. Additionally, job losses in the tech sector in March likely had a disproportionate impact on the West coast, where tech is a major source of employment.⁸



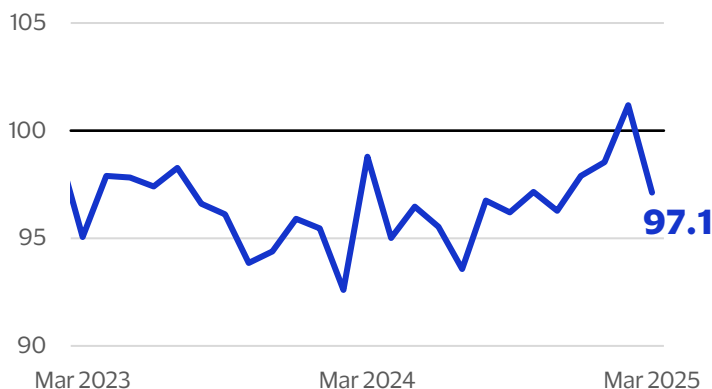
Midwest



Northeast



West



South



**The total, discretionary and non-discretionary cuts of the Visa U.S. SMI are seasonally adjusted (SA) to control for calendar effects and floating holidays. This provides a more robust signal of economic activity, but means data is subject to annual revisions to ensure comparability over time. Non-seasonally adjusted (NSA) values will more closely align with business metrics such as revenues and/or sales and are not subject to revision.



Seasonally Adjusted

Date	All Spending Categories	Discretionary	Non-discretionary
October 2024	96.7	98.0	100.1
November 2024	96.2	96.5	98.9
December 2024	97.0	98.9	98.7
January 2025	98.2	98.6	99.5
February 2025	96.1	96.6	99.0
March 2025	95.9	98.3	98.0

Non-Seasonally Adjusted

Date	All Spending Categories	Discretionary	Non-discretionary
October 2024	96.1	98.0	101.0
November 2024	95.1	94.3	98.8
December 2024	98.4	101.3	98.4
January 2025	97.3	97.9	99.1
February 2025	91.8	94.3	95.7
March 2025	96.1	98.3	97.6

**Total, discretionary, and non-discretionary cuts of the SMI are seasonally adjusted (SA) to control for calendar effects and floating holidays. This provides a more robust signal of economic activity, but means data is subject to annual revisions to ensure comparability over time. Non-seasonally adjusted (NSA) values will more closely align with business metrics such as revenues and/or sales and are not subject to revision.



Spending Categories:

Discretionary (airlines, lodging, auto rental, appliance retail, computer retail, fashion retail, florist, general department store, home goods retail, leisure goods retail, luxury goods retail, repurposed goods retail, sporting goods retail, attractions & amusements, duty free, entertainment, gambling, marina services, sport & recreation, transportation, travel agencies, construction services, electric goods repair, home repair services, personal services, professional services, spa/beauty services, telecommunication, charity, direct marketing, membership clubs).

Non-discretionary (medical/health services, pharmacy, food retail, supermarkets, postal/courier, utilities, education, tolls/fees, wholesale).

Methodology

The Visa U.S. Spending Momentum Index (SMI) measures the breadth of year-over-year change in household spending within an economy, including the share of households with increased spending compared with those where spending was stable or declined. The index is generated using proprietary techniques that extract economic signals from business-related noise inherent in VisaNet transaction data, such as portfolio flips, routing changes, or evolving acceptance across geographies or merchant segments. Regional and national aggregates are population-weighted averages.

The resulting sample data is then aggregated using a diffusion index framework in which index values are scored from 0 to 200. Values above 100 indicate broad-based net acceleration in economic momentum. Values below 100 indicate contraction on an annual basis.

Disclaimer

The Visa U.S. SMI is based on a sample of aggregated, depersonalized VisaNet and third-party data; it is not reflective of Visa operational and/or financial performance. SMI is provided "as is" without warranties of any kind, express or implied, including, without limitation, as to the accuracy of the data or the implied warranties of merchantability, fitness for a particular purpose, and/or non-infringement. Visa is not responsible for your use of the information contained herein, including errors of any kind, or any assumptions or conclusions you might draw from its use. Each SMI report is as of the publication date, and Visa has no obligation to update data contained therein. The views, opinions, and/or estimates, as the case may be ("views"), expressed herein are those of the Visa Business and Economic Insights team and do not necessarily reflect those of Visa executive management or other Visa employees and affiliates. This presentation and content, including estimated economic forecasts, statistics, and indexes are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice and do not in any way reflect actual or forecasted Visa operational or financial performance. Visa neither makes any warranty or representation as to the completeness or accuracy of the views contained herein, nor assumes any liability or responsibility that may result from reliance on such views. These views are often based on current market conditions and are subject to change without notice.

*The discretionary and non-discretionary categories exclude restaurant and gas spending; both restaurant and gas are included in the total SMI.



Footnotes

¹ Visa Business and Economic Insights and The Conference Board

² Visa Business and Economic Insights and the U.S. Department of Labor

³ Visa Business and Economic Insights and U.S. Energy Information Agency

⁴ Visa Business and Economic Insights and Fox Weather, [The Daily Weather Update from FOX Weather: Severe storms charge East after leaving deadly destruction in South](#), March 5, 2025

⁵ Visa Business and Economic Insights and the U.S. Department of Labor

⁶ Visa Business and Economic Insights and Fox Weather, [The Daily Weather Update from FOX Weather: Severe storms charge East after leaving deadly destruction in South](#), March 5, 2025

⁷ Visa Business and Economic Insights and the Desert Sun, Live coverage: [Monster March storm brings tornadoes, mudslides, avalanches to California](#), March 14, 2025

⁸ Visa Business and Economic Insights and the U.S. Department of Labor

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