

## SUMMARY & OVERVIEW

This note looks at data provided by the country's largest publicly traded banks in their 3Q25 earnings reports to make assessments about the health of the US consumer. The banks' quarterly earnings releases provide a treasure trove of valuable economic data, and specifically for our purposes here, they include card spend (both credit and if they have it, debit), card loan growth, as well as loan delinquency and charge off rates. Given their size and scale, their data is very significant in assessing the state of the US economy in general and of the US consumer in particular. For reference, our list of subject banks this quarter includes:

- JPMorgan Chase (Ticker: JPM)
- Bank of America (Ticker: BAC)
- Wells Fargo (Ticker: WFC)
- Citigroup (Ticker: C)
- American Express (Ticker: AXP)

Note that given the choppiness in the data created by the merger between Capital One (Ticker: COF) and Discover (Former Ticker: DFS), we're excluding these two for now. Once that subsides and comparisons become cleaner again, we'll include the new COF again too.

**The bottom line takeaway from this analysis is that the consumer remains in very good standing.** Year-over-year card spending growth accelerated compared to 2Q and was the largest growth in absolute terms since 1Q23. While it's true that card delinquency rates have risen above pre-COVID levels, the level of increase above pre-COVID levels seems tolerable, with 30 and 90 day card rates up 17 and 24 bps vs. 3Q19 respectively (see chart on page 3). While 30 day card delinquency rates sequentially worsened this quarter for most banks, card rates in general seem stable and if anything, are perhaps even improving. Other data suggests [auto loan DQ rates have been rising in](#)

[aggregate](#) (only JPM and WFC disclose these rates in our group, and the data here is more mixed), but it's similarly not clear if the absolute level of rates is alarming (especially if much of the increase here is stemming from the sub-prime credit score area). [Home loan DQ rates meanwhile remain well below pre-COVID levels](#) (JPM and WFC data supports this too, see page 4), likely due to the "lock-in" effect from so many consumers having low rates achieved before or during COVID. In aggregate, DQ rates appear to be "flashing yellow", but may be flashing less brightly than they were a couple quarters ago in totality.

Lastly, and for the first time since the early COVID period, credit card spending growth has turned higher than credit card loan growth. This suggests that consumers are living more within their means and also that current levels of consumer spending may be sustainable (barring a significant change in the employment market of course). It also potentially suggests that absent a large increase in unemployment, DQ rates may continue to improve in coming quarters as well.

## THE STATE OF THE CONSUMER ACCORDING TO US BANKS – 3Q25

Let's start with a table showing card spend. Card spend growth accelerated this quarter for each bank in our group, as did the simple and weighted averages as well. Absolute levels of card spend growth reached their highest level since 1Q23.

	Bank Customer Debit + Credit Spend Y/Y Chgs									
	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25		
JPM	7.5%	8.9%	7.3%	6.6%	8.6%	6.7%	7.4%	8.7%		
WFC	7.0%	9.0%	7.7%	6.6%	5.3%	4.9%	5.2%	6.3%		
AXP	7.3%	7.8%	6.2%	5.7%	9.0%	7.1%	6.9%	9.4%		
BAML	2.7%	4.5%	3.4%	3.0%	5.2%	4.1%	4.5%	5.7%		
C	3.4%	4.3%	3.2%	3.0%	4.6%	3.5%	3.7%	5.2%		
Avg. Spend	5.6%	6.9%	5.6%	5.0%	6.5%	5.3%	5.5%	7.1%		
Total Spend	6.2%	7.6%	6.2%	5.6%	7.4%	5.8%	6.3%	7.7%		

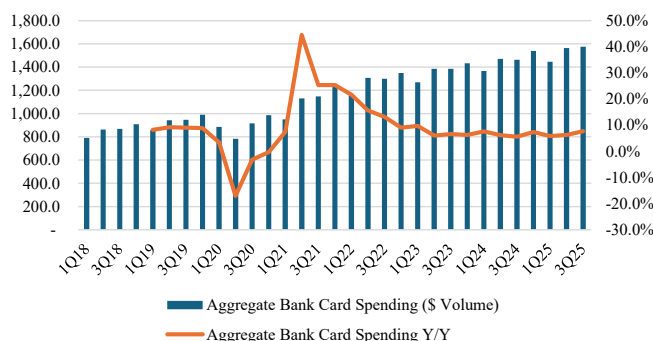
  

Bank Customer Debit + Credit Spend Heat Map									
JPM									
WFC									
AXP									
BAML									
C									
Avg. Spend									
Total Spend									

Source: Company Data and *The Curb Economist*

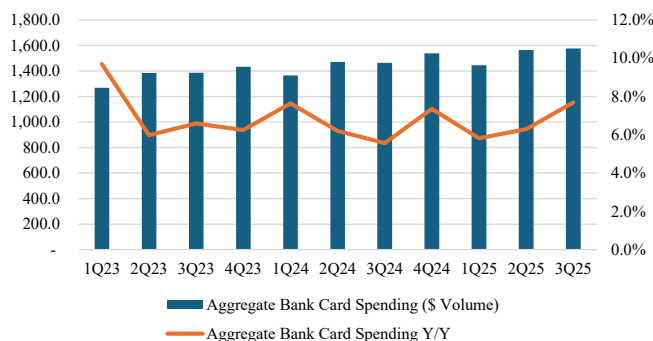
Now here is a chart showing aggregate spending and year-over-year growth. We'll also show the same chart beginning with 1Q23 for ease of viewing's sake to try and take out some of the large dips and spikes during COVID. Notice the stability in the second chart, with nominal spending between 5.5-7.5%, and closer to the high end of that range this quarter.

Aggregate Bank Card Spending &amp; Y/Y Growth



Source: Company Data and *The Curb Economist*

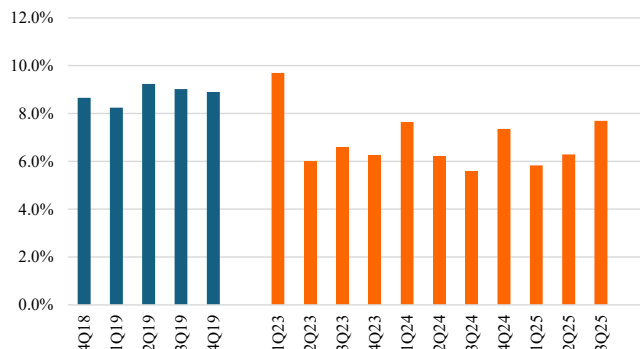
Aggregate Bank Card Spending &amp; Y/Y Growth



Source: Company Data and *The Curb Economist*

For perspective, however, it's worth showing that while card spend growth rates ticked up nicely in 3Q25, they still remain below pre-COVID levels. This is true for each individual bank in our group (though increasingly less so for WFC and AXP), as well as in aggregate.

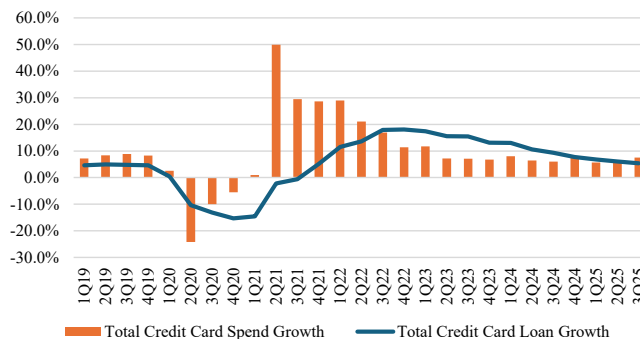
Aggregate Card Sales Volume Growth Pre vs. Post Pandemic



Source: Company Data and *The Curb Economist*

While absolute levels of card spend growth remain below pre-COVID levels, one other important thing happened this quarter, which was that card spend growth in aggregate increased at a rate faster than credit card *loan* growth did in aggregate. This suggests both that consumers are living more within their means and also that current levels of spending may be sustainable (again, absent a large increase in unemployment). The below chart shows credit card spend growth (bars) versus credit card loan growth (line).

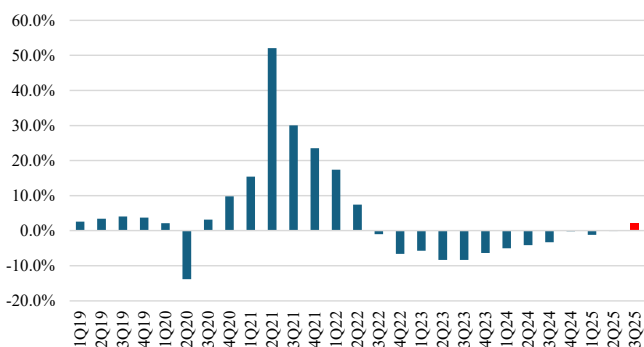
Credit Card Spend Growth vs. CC Loan Growth



Source: Company Data and *The Curb Economist*

The chart below shows the same data as the chart above, just on a spread base for ease of viewing. We'll have to see if this sustains itself in positive territory (where it was pre-COVID), but the directional trend suggests that may very well be on the horizon.

Credit Card Spend Growth vs. CC Loan Growth - Spread



Source: Company Data and *The Curb Economist*

Now let's turn to delinquency rates. First, let's look at similar tables and heat maps as we showed above for 30 and 90 day credit card delinquency rates. We'll again break down the tables at the individual bank level, as well by simple and weighted averages (weighted averages are based on the amounts of credit card loans outstanding, for reference).

		Bank Delinquency Rates & Heat Map - 30 Day CC							
		4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
30 Day Credit Card									
JPM		2.14%	2.23%	2.08%	2.20%	2.17%	2.21%	2.06%	2.14%
WFC		2.80%	2.92%	2.71%	2.87%	2.91%	2.82%	2.64%	2.69%
AXP		1.40%	1.40%	1.30%	1.40%	1.40%	1.40%	1.30%	1.40%
BAML		3.07%	3.62%	3.88%	3.70%	3.79%	4.05%	3.82%	3.46%
C		1.03%	1.01%	0.94%	1.06%	1.04%	1.03%	0.97%	1.05%
Avg.		2.09%	2.24%	2.18%	2.25%	2.26%	2.30%	2.16%	2.15%
Wtd Avg.		2.03%	2.17%	2.11%	2.17%	2.17%	2.22%	2.07%	2.08%
JPM									
WFC									
AXP									
BAML									
C									
Avg.									
Wtd Avg.									

Source: Company Data and *The Curb Economist*

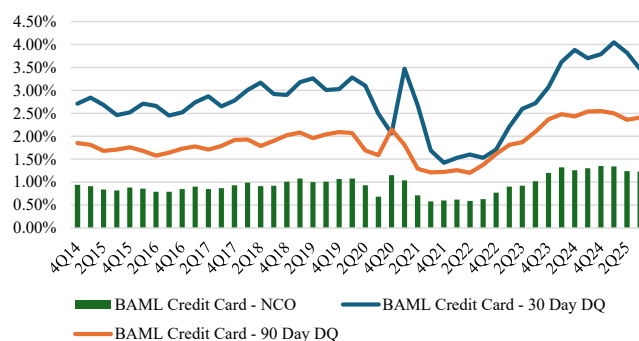
		Bank Delinquency Rates & Heat Map - 90 Day CC							
		4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
90 Day Credit Card									
JPM		1.05%	1.16%	1.07%	1.10%	1.14%	1.16%	1.07%	1.07%
WFC		1.41%	1.55%	1.40%	1.43%	1.51%	1.46%	1.32%	1.34%
AXP		2.50%	2.80%	2.90%	2.60%	2.60%	3.00%	2.60%	2.40%
BAML		2.37%	2.48%	2.43%	2.54%	2.55%	2.50%	2.36%	2.41%
C		1.07%	1.19%	1.09%	1.09%	1.16%	1.18%	1.09%	1.07%
Avg.		1.68%	1.84%	1.78%	1.75%	1.79%	1.86%	1.69%	1.66%
Wtd Avg.		1.55%	1.69%	1.62%	1.61%	1.65%	1.71%	1.55%	1.53%
JPM									
WFC									
AXP									
BAML									
C									
Avg.									
Wtd Avg.									

Source: Company Data and *The Curb Economist*

The first table (30 day DQs) suggests things actually worsened this quarter, but on a weighted

average basis, DQ rates ticked up by only 1 basis point. The simple average also actually *decreased* by 1 basis point. This was driven by continued large improvement in Bank of America's (Ticker: BAC) data, as every other bank saw 30 day card DQ rates worsen in 3Q versus 2Q. That said, all banks in our subject group have 30 Day DQ rates at or below where they were at the end of last year.

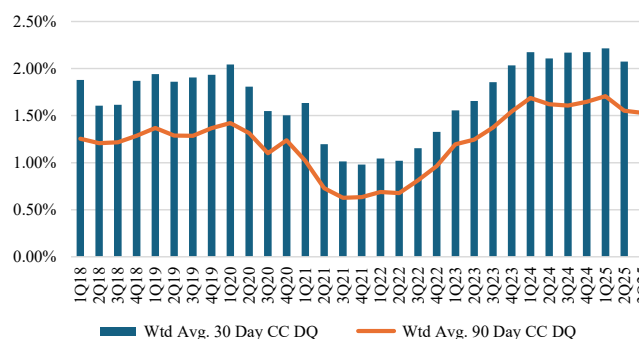
BAML Card DQ & NCO Rates



Source: Company Data and *The Curb Economist*

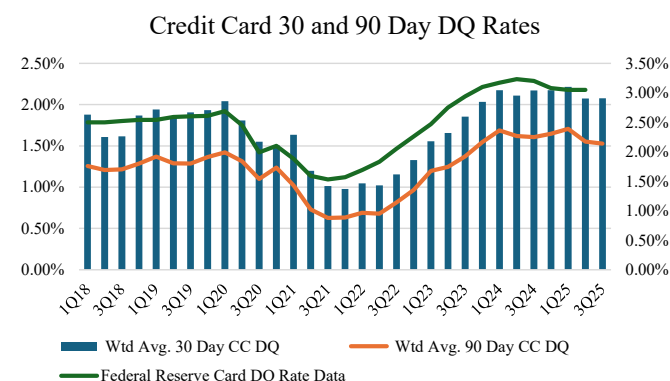
The next chart shows 30 and 90 day DQ rates in aggregate. This chart indicates that DQ rates are above pre-COVID levels, but not significantly so. As mentioned earlier, 30 day DQ rates in our bank group are 17 bps higher in 3Q25 than they were in 3Q19, while 90 day DQ rates are 24 bps. While not ideal, it does not seem to be a huge cause for concern, especially given the directional stabilization—and even improvement—that we've seen in recent quarters that the chart shows as well.

Credit Card 30 and 90 Day DQ Rates



Source: Company Data and *The Curb Economist*

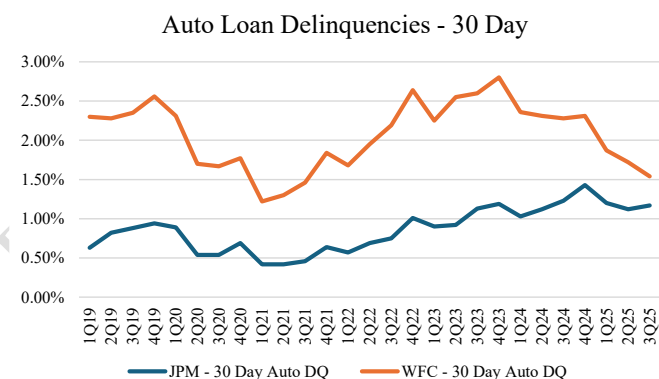
The next chart shows the same data overlaid with the [aggregate credit card delinquency data](#) from the Federal Reserve Board (green line). For what it's worth, while we don't have 3Q data yet, our publicly traded bank group historically correlates well with the government data.



Source: Company Data and *The Curb Economist*

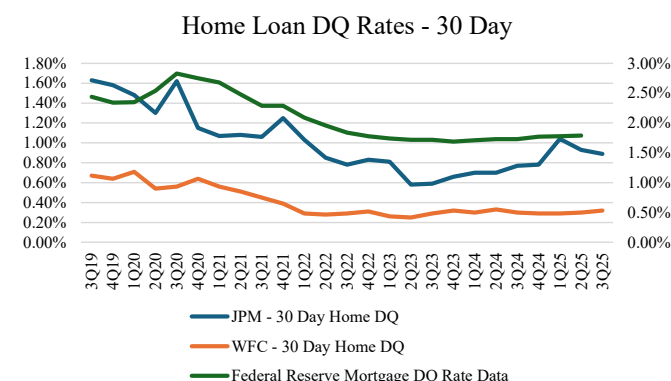
Let's close by looking at auto and home loan delinquencies. From our group of five banks, unfortunately only JPM and WFC give us either mortgage or auto loan data as well as their corresponding 30 day delinquency rates for those loan types. Below are two charts showing both.

As you can see from the first chart, the directional trend in auto delinquencies from WFC has decoupled from that of JPM (the latter of which looks more like [the rest of the industry](#)). Given the size of WFC, this has pressured the weighted average figure, and perhaps made it less valuable.



Source: Company Data and *The Curb Economist*

The corresponding chart for home loan delinquencies indicates DQs remain in good shape. The trends at JPM and WFC also seem to generally mirror the [Federal Reserve's data](#) as well, especially now that JPM's home DQ rates have started to move lower again.



Source: Company Data and *The Curb Economist*

## CONCLUSION

**The key conclusion from our analysis in this note is that the consumer remains in good shape.**

Spending growth remains solid, and very much in-line with trends in the “normalized” post-COVID era. Additionally, the fact that spending growth exceeded card loan growth this quarter for the first time in over two years is also very encouraging. This could all change of course if a significant increase in unemployment is on the horizon, but time will tell on that. As we've [discussed in other research recently](#), we seem to be stuck, for better or for worse, in a “slow to hire, slow to fire” labor market. But maybe that's all we need right now to muddle through.

On the delinquency front, as we've highlighted, things are a bit more complicated, but generally speaking, it's not unfair to say things remain solid here too. Yes, DQ rates for credit cards are above pre-COVID levels, and yes, DQ rates appear to be rising for auto loans (at the industry level). But rates on the card side seem to be stabilizing and even improving on the 30 day side if you look at the

broader trends over several quarters, and deterioration on the auto loan side may be more heavily concentrated in sub-prime. 90 day card DQ rates are also getting better, and home loan DQ rates seem stable as well. In totality then, we may be “flashing yellow” in the delinquencies area, but perhaps the flashing is less bright than it was a few quarters ago.

One question that is interesting to pose though is why 30 day card DQ rates sequentially worsened in the same quarter that credit card spend (finally) outpaced credit card loan growth for the first time in years. This may be more of a statistical anomaly, simply because it doesn’t make sense (card loan growth should grow faster than spend if DQs are rising simply because people aren’t paying their bills, and thus their credit card debt should be getting large, not smaller). This therefore bears watching.

For the equity investors reading this note, there is an interesting puzzle emerging around the consumer. Consumer stock performance has generally been challenging of late, and this ranges from restaurants (see DPZ, WING, SBUX, CMG, and DRI, for example) to travel (see HLT or ABNB) all the way to things like grocery and club stores at the retail level (see BJ, COST, KR and GO). The stock market seems to be telling you that consumer spending is either getting worse currently, or, whether because of impending higher unemployment or otherwise, *will* get worse. As we’ve highlighted throughout this note though, aggregate spending levels are not getting worse, or at least not yet. This begs an important question then: what are consumers spending their money on if it’s not groceries, restaurants and traveling? We recently [published a note](#) on this concluding that despite the tariffs, consumers were actually favoring goods with their spending in 2Q over services (which are not tariffed). Whether this continued in 3Q will be a focal point for our research on the

consumer in coming weeks as 3Q earnings season unfolds. Check back then to see if we can solve the puzzle.