



WAGE TO WALLET™ INDEX

Wage Volatility's \$14B
Consumer Spending Gap

● NOVEMBER 2025

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The Wage to Wallet™ Index: Wage Volatility's \$14B Consumer Spending Gap was produced by PYMNTS Intelligence, which retains full editorial control over the following findings, methodology and data analysis.

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Introduction

The U.S. Labor Economy™ comprises roughly 60 million workers earning less than \$25 an hour. It is the human infrastructure behind production, logistics, retail, food service, healthcare support and other in-person roles. These workers constitute one-third of the total workforce and account for roughly 15% of consumer spending. When their pay or hours wobble, local commerce feels it fast. That wobble is here. In October, the average hourly wage for these workers slipped to \$19.39 from \$19.55, a 0.81% month-on-month decline, according to PYMNTS Intelligence calculations based on data from WorkWhile. The drop implies a \$14 billion annualized pullback in consumer spending. That is not a blip. It is a signal.



15%

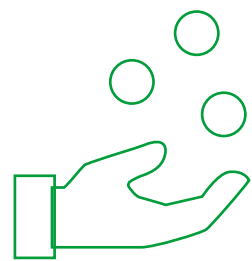
of total U.S. consumer spending is fueled by 60 million Labor Economy workers earning **less than \$25 an hour.**

This second report in our Wage to Wallet™ series examines the wage profile, job security and credit behavior of what PYMNTS Intelligence terms the Labor Economy™. The findings point to a tightening vise around this segment's financial struggles. Wages are softening and variable, perceptions of personal job security are deteriorating and more households are turning to credit to bridge cash-flow gaps. If the job-security slide persists, households could delay purchases, trade down and revolve more debt, reducing the velocity of money in local economies and increasing consumer sensitivity to interest rates on credit products.

KEY FINDINGS

01

WAGES CONTRACTED AND SPENDING DROPPED.



October's 0.81% wage dip translates into an estimated \$14 billion annualized reduction in spending among Labor Economy workers.

02

JOB-SECURITY SENTIMENT PLUNGED.

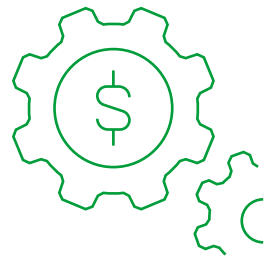


Personal job-security sentiment dropped 6.7 points, to 75.2 in November from 81.9 in October (on a 0–100 scale). The PYMNTS Intelligence consumer sentiment model measures 11 dimensions, from overall economic confidence to job mobility to job security among Labor Economy workers. The job-security dimension took the biggest hit.

KEY FINDINGS

03

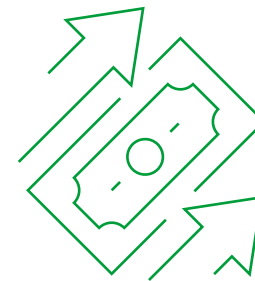
RELIANCE ON REVOLVING CREDIT IS HIGH AND RISING.



More than one in three Labor Economy workers (33.8%) always or usually carries a revolving credit card balance, in contrast to less than one in four across the broader population. For these workers, average card balances equal more than 22% of annual income.

04

MILLENNIALS AND GEN Z BORE THE BRUNT OF THE PULLBACK IN WAGES.



Gen X and Boomers saw smaller declines.

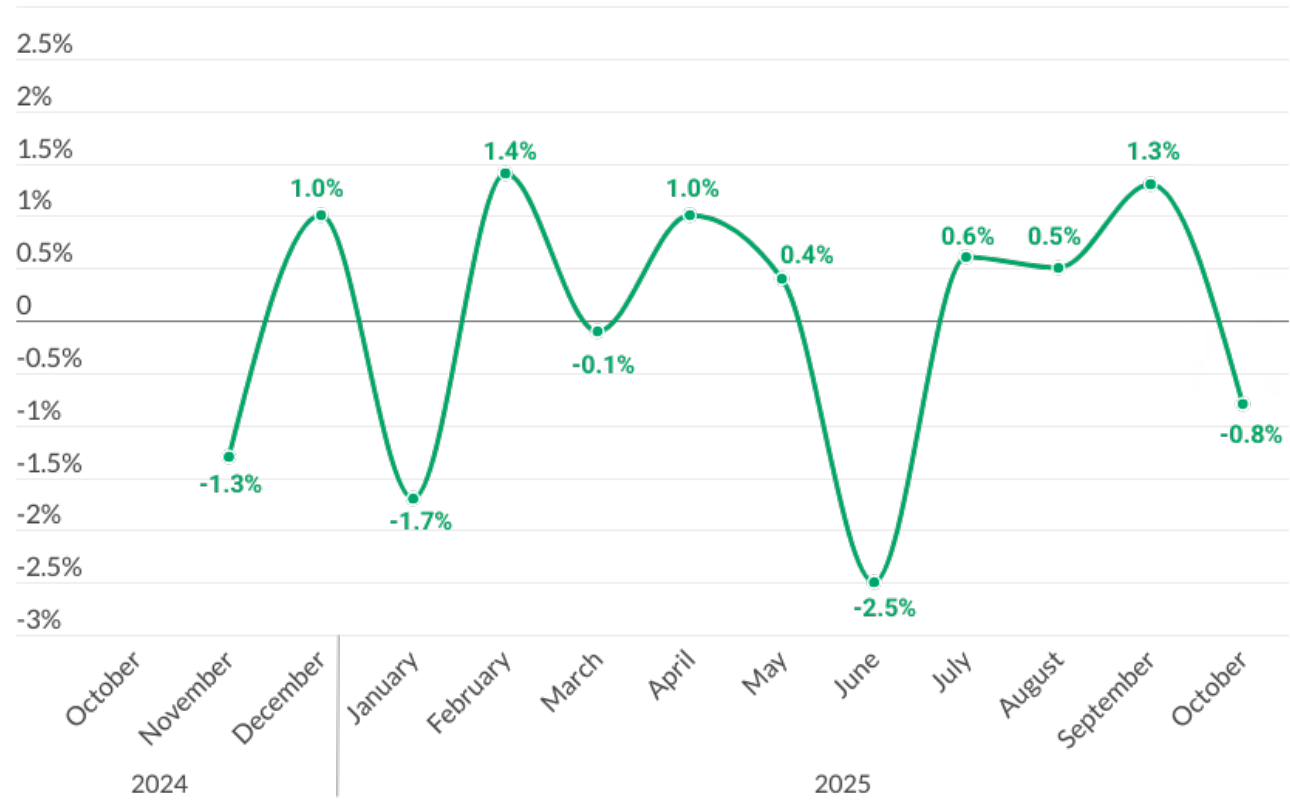
Behind the Key Findings



SLIPPAGE IN THE WAGES OF HOURLY WORKERS IMPACTS CONSUMER SPENDING.

Two charts tell the story. The first traces month-over-month wage changes from late 2024 through 2025; October marks a clear downtick.

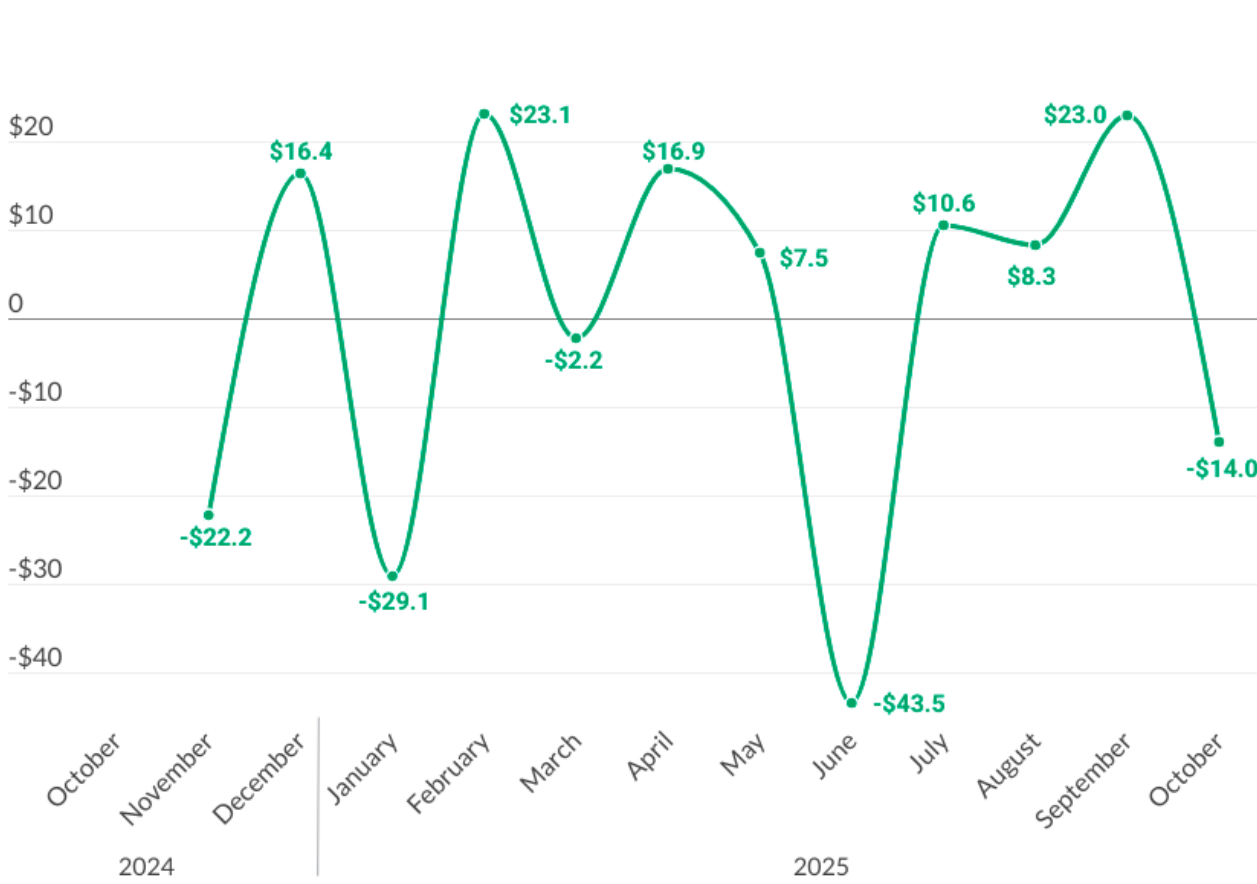
FIGURE 1
Monthly percentage change in Labor Economy wages



Source: PYMNTS Intelligence
The Wage to Wallet Index: Wage Volatility's \$14B Consumer Spending Gap, November 2025
PYMNTS Intelligence estimates based on national data from the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, the U.S. Bureau of Economic Analysis and data provided by WorkWhile

The second converts that wage movement into an implied annual impact to U.S. GDP due to wage changes, showing a negative \$14 billion swing. These data illustrate the Wage to Wallet mechanism at work: Small shifts in hourly pay rapidly fuel consumption changes because thin savings leave little cushion.

FIGURE 2
Implied annual impact to U.S. GDP due to wage changes, in billions of dollars



Source: PYMNTS Intelligence
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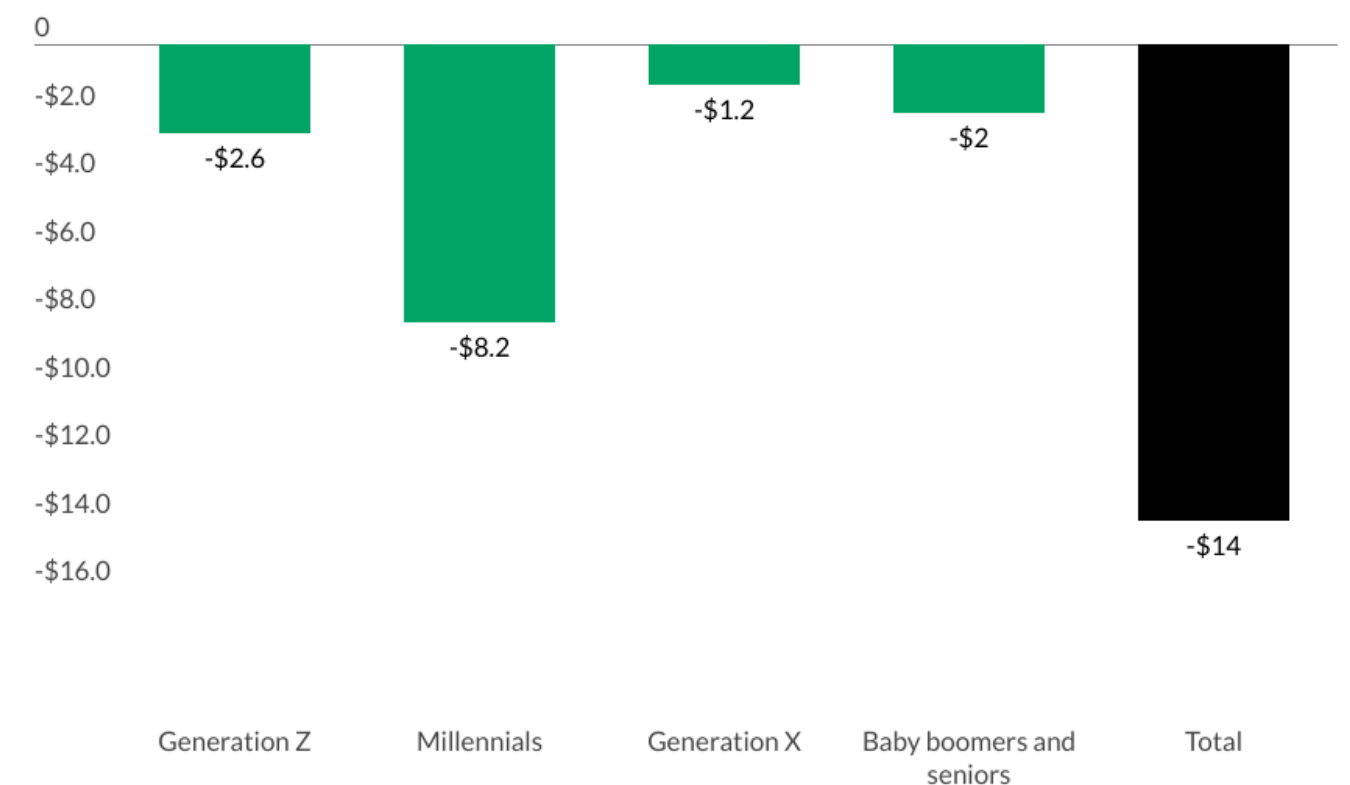
WHO TOOK THE BIGGEST HIT?

Younger and lower-income households took the biggest hit. Millennials account for more than half of the October pullback (–\$8.2 billion), with Gen Z retreating by \$2.6 billion; Gen X and Boomers saw smaller declines.¹ By income tier, households earning under \$30,000 a year pulled back by \$6.9 billion, with most of the remainder among \$30,000–\$50,000 earners (pullbacks of \$2.0 billion for households making \$30,000–\$40,000 a year and of \$5.1 billion for \$40,000–\$50,000 households). These data points show where financial stress concentrates and why. Early career and low-income workers are the most exposed to variable hours and delayed pay cycles, so wage volatility curtails spending quickly.

1. PYMNTS Intelligence uses the following birth dates and approximate age ranges in 2025 for generational cohorts: baby boomers: born in 1964 or earlier and now aged 61 or older; Generation X: born between 1965 and 1980 and now aged 45–60; millennials: born between 1981 and 1996 and now aged 28–44; bridge millennials: born between 1978 and 1988 and now aged 37–47; zillennials: born between 1991 and 1999 and now aged 25–34; and Generation Z: born in 1997 or later and now aged 28 or younger.

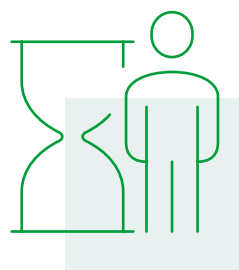
FIGURE 3

Change in consumer spending, by age group, in billions of dollars



Source: PYMNTS Intelligence

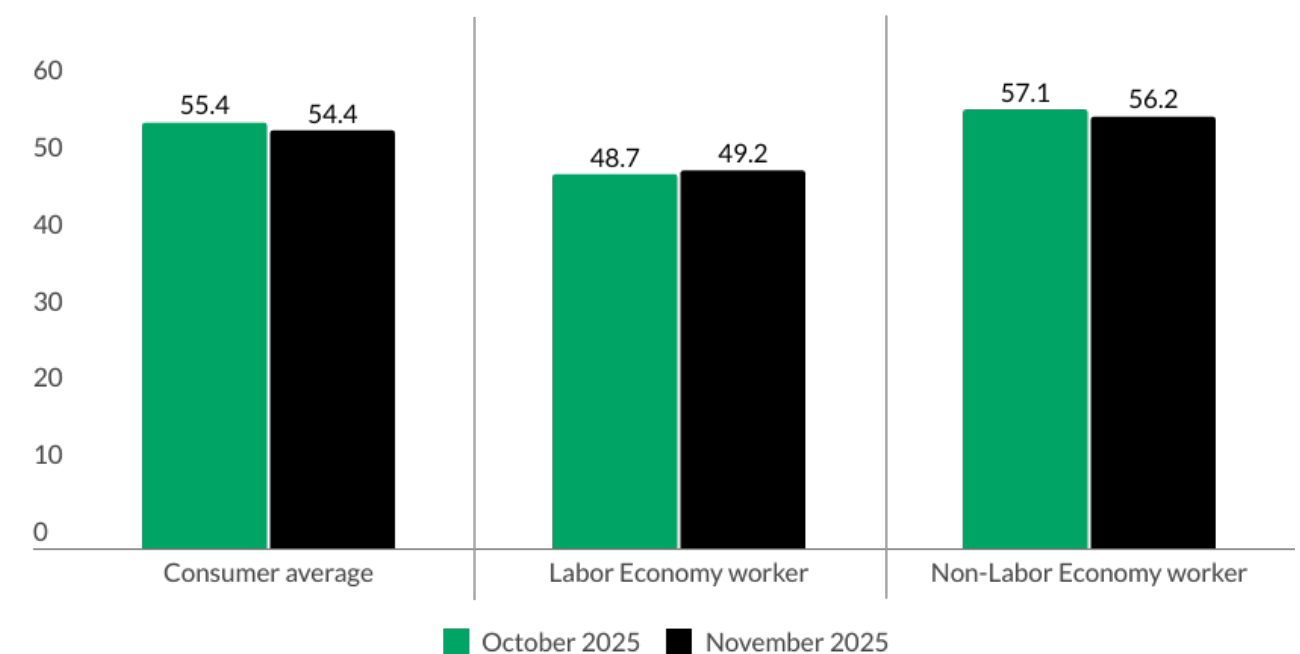
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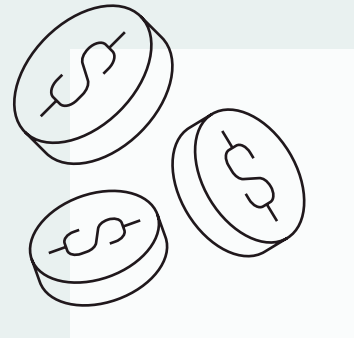
HOURLY WORKER JOB SECURITY DECLINED EVEN AS OVERALL LABOR ECONOMY SENTIMENT INCHED UP SLIGHTLY.

As shown in Figure 4 on the adjacent page, the consumer sentiment index for Labor Economy workers inches up to 49.2 from 48.7 but still trails the consumer average dimension (54.4) that includes Labor Economy workers and non-Labor Economy workers (56.2).

FIGURE 4
Consumer sentiment index, by worker group



Source: PYMNTS Intelligence
The Wage to Wallet Index: Wage Volatility's \$14B Consumer Spending Gap, November 2025
Fielded Nov. 1, 2025, to Nov. 19, 2025

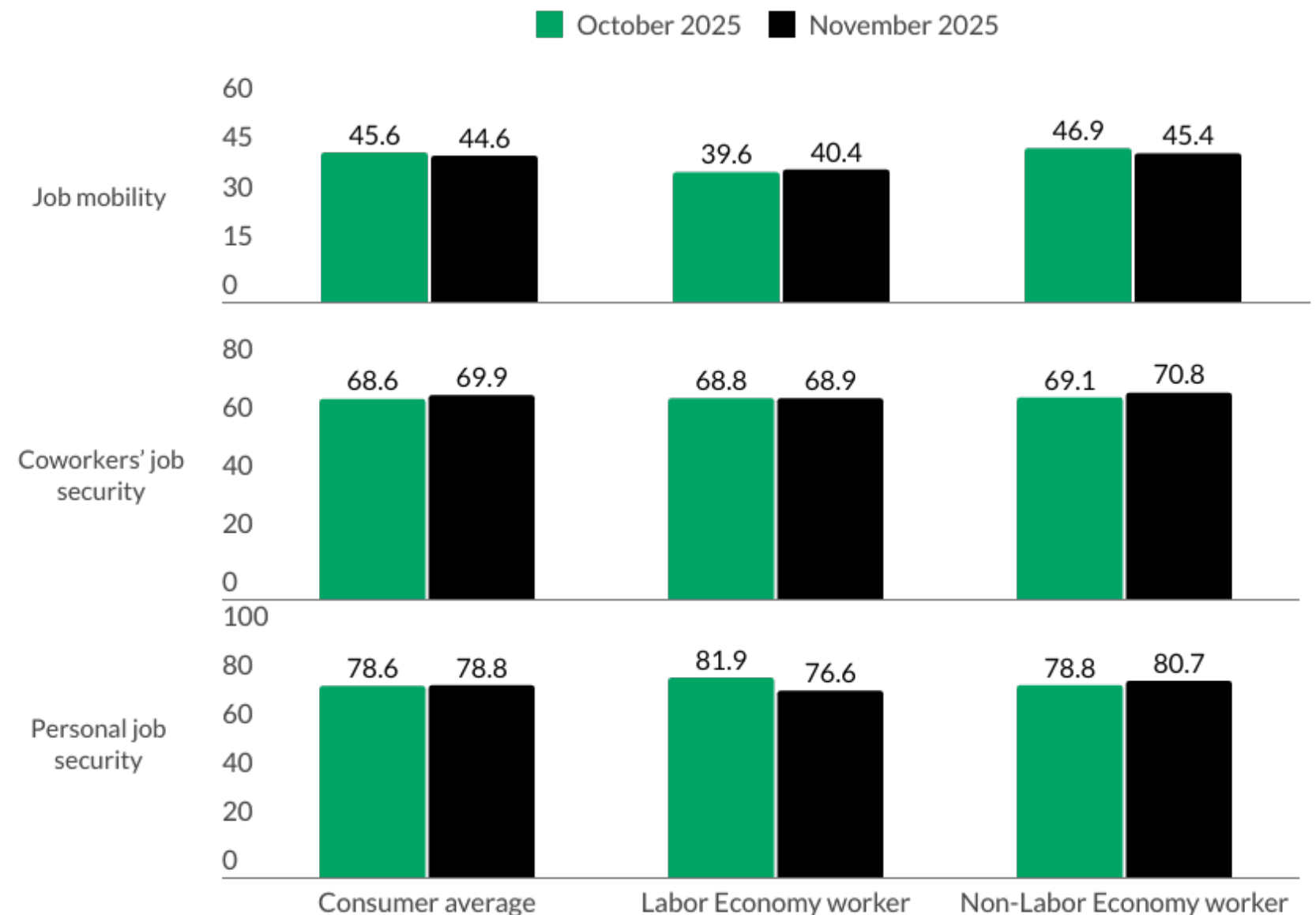


Labor Economy workers' perception of job security fell 6.7 points in November compared to October.

The devil, though, is in the details. These hourly workers' perception of personal job security plunged 6.7 points in a single month to 75.2, while other dimensions like job mobility and the broader job market were comparatively steady. That divergence matters. It signals household concerns about keeping work hours and pay steady even if the current job situation remains intact. This implies that Labor Economy workers feel less secure in their job than they did last month.

FIGURE 5

Job mobility and job security sentiment scores



Source: PYMNTS Intelligence
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Fielded Nov. 1, 2025, to Nov. 19, 2025

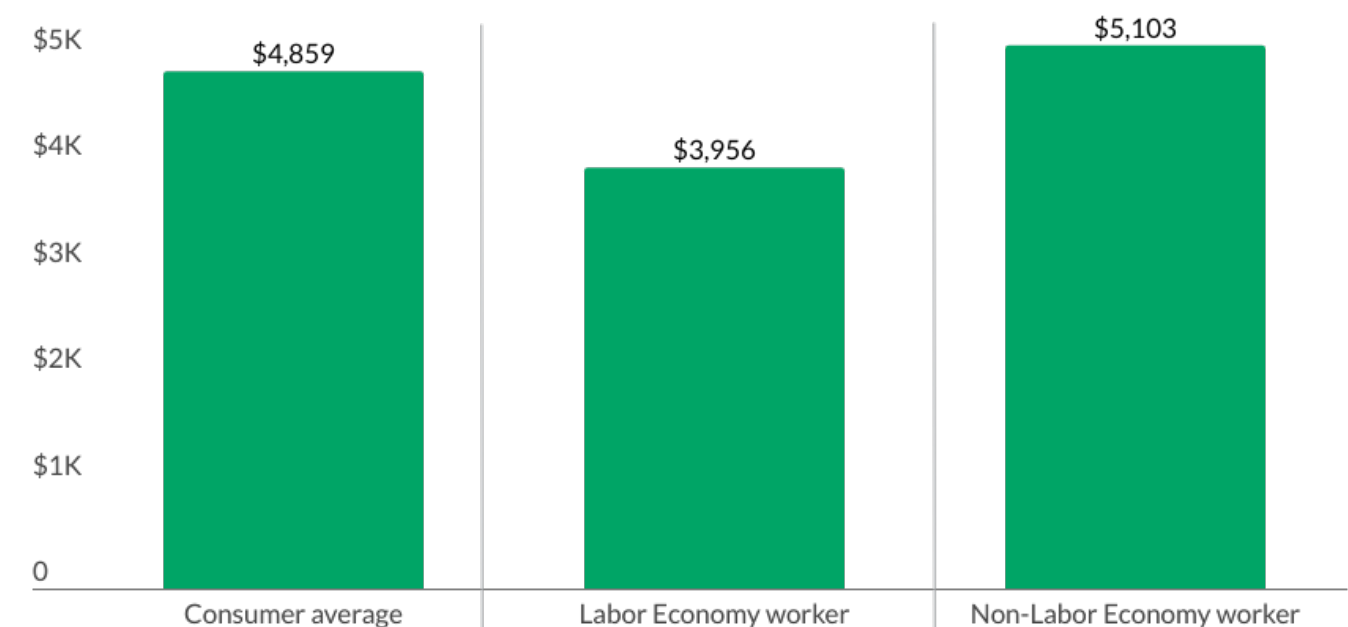


LABOR ECONOMY WORKERS USE CREDIT TO BRIDGE CASH-FLOW GAPS.

Credit is the cash-flow bridge for this group. The critical insight in the chart below is not the nominal dollar balance; it's the debt burden. Across generations, Labor Economy workers' card balances consume a far larger share of income—above 22% on average—compared to their higher-earning peers, who often revolve balances and/or pay the minimum as monthly cash flow circumstances direct.

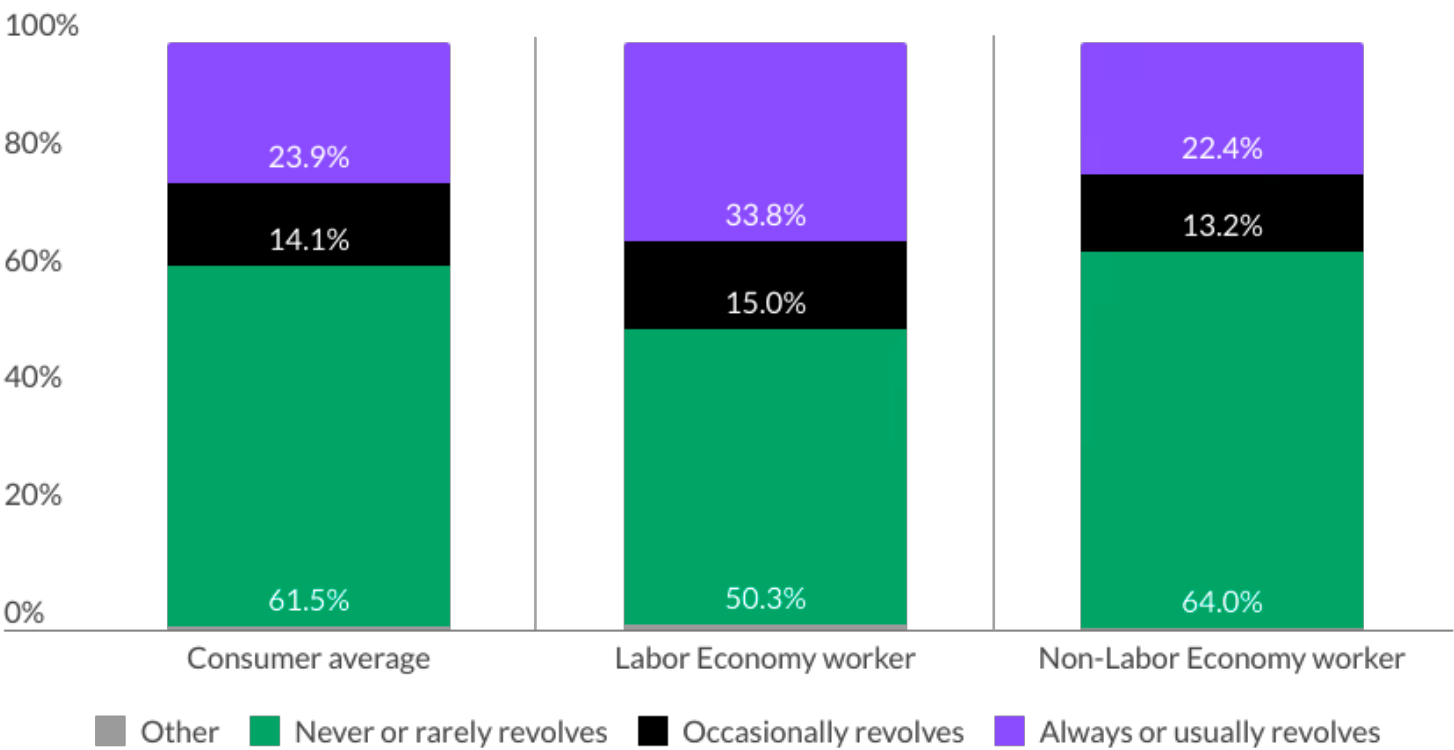
FIGURE 6

Average outstanding credit card balance



Source: PYMNTS Intelligence
The Wage to Wallet Index: Wage Volatility's \$14B Consumer Spending Gap, November 2025
Fielded Oct. 10, 2025, to Oct. 29, 2025

FIGURE 7
Revolving credit card balance



Source: PYMNTS Intelligence
The Wage to Wallet Index: Wage Volatility's \$14B Consumer Spending Gap, November 2025
Fielded Oct. 10, 2025, to Oct. 29, 2025

These may also be the consumers who pay a higher APR given their thin credit files or non-prime credit status. Credit cards and alternative credit like BNPL are the tools these workers use to help manage their own personal household balance sheets. The Labor Economy's average credit score is 677, compared to 722 for non-Labor Economy consumers. More than one-quarter (26.8%) of the Labor Economy would be considered prime interest rate consumers, with 23.3% at subprime. Only 14.1% of non-Labor Economy consumers are considered subprime and 23.4% prime.

Roughly one-third (33.8%) of Labor Economy workers report that they always or usually revolve, compared with a meaningfully lower share for the overall consumer sample.

The bar chart on the left shows usage patterns: One in three (33.8%) of Labor Economy workers report that they always or usually revolve their credit card balances, compared to a meaningfully lower share for the overall consumer sample. That shows that the Labor Economy is using credit cards as a cash-flow management tool when hours fall short or pay is delayed.

Conclusion

The Labor Economy is a distinct economic bloc that magnifies macroeconomic effects when economic conditions tighten. With 60 million workers and a 15% share of total consumer spending, even small wage declines or scheduling cutbacks reduce demand in categories like food service, retail, transport and local services. The November update to the Wage to Wallet Index shows a Labor Economy under increasing strain. Wages slipped. Personal job-security sentiment fell sharply. Reliance on revolving credit rose, and the cost of that liquidity remains steep. These conditions concentrate among younger and lower-income workers—the very consumers who power local services and retail.

1 IN 3 

Labor Economy workers usually or always revolve their **monthly credit card balances.**

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METHODOLOGY

PYMNTS Intelligence built a proprietary model to estimate the spending power of the Labor Economy and its month-to-month changes. The model integrates official government statistics on consumer spending, income and labor force composition with customized demographic and occupational mapping to isolate the Labor Economy share of total outlays. Controlled interpolation and projection techniques tied to macroeconomic benchmarks generate aggregate estimates of wage shifts and their implied impact on consumer spending. This framework allows us to quantify the scale and economic significance of a large but often undermeasured slice of the workforce while protecting the proprietary nature of our underlying calculations.

Visual exhibits in this update connect wage changes to spending, confidence and credit reliance in the Labor Economy. Definitions and occupational scope are detailed on page 4, which defines the group as consisting of approximately 60 million U.S. workers earning \$25 per hour or less across dozens of essential, in-person roles.

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ABOUT

DISCLAIMER ■

The Wage to Wallet™ Index is built on a combination of three complementary data streams:

 **WorkWhile** [WorkWhile](#) data: Provides real-time insights into employment trends, hourly wages, job participation rates and shift utilization across manufacturing, warehousing, logistics, retail, event and hospitality sectors. This data reveals how labor supply and compensation fluctuate at the ground level of the economy.

 **Payments** [Ingo Payments](#) data: Offers visibility into wage disbursement patterns and the adoption of instant pay. It captures how workers choose to access and manage their earnings and how instant availability of wages influences financial behavior and cash flow management.

PYMNTS INTELLIGENCE [PYMNTS Intelligence](#) proprietary data: Supplements these sources with original survey data capturing financial sentiment, spending patterns, savings levels and credit reliance across worker segments. This data identifies the behavioral and emotional contours of the Labor Economy, including confidence, stress, and spending Labor Economy and Wage to Wallet are registered trademarks of PYMNTS Intelligence.

Official U.S. government data: Provides overall data on the U.S. economy and the size of consumer spending and employment cohorts. This includes data from the Census Bureau, Bureau of Labor Statistics and the Bureau of Economic Analysis on consumer spending by age and income level; total number of employed people by detailed occupation group and age; number of people by age and income level; and the level and growth of U.S. GDP.

The integration of these three sources enables the Index to measure relationships between earnings velocity, income access and financial resilience, and to connect these microeconomic realities to macro-level outcomes such as GDP growth, consumer demand and inflation sensitivity.

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