THE HEADLINE

US retail sales hit a record $763.7 billion in May 2026, up 6.9% on the year. The consumer, we are told, is strong.

Now look beneath it.

Strip out inflation, and the story turns on its head.

What the record number is hiding, in five charts.

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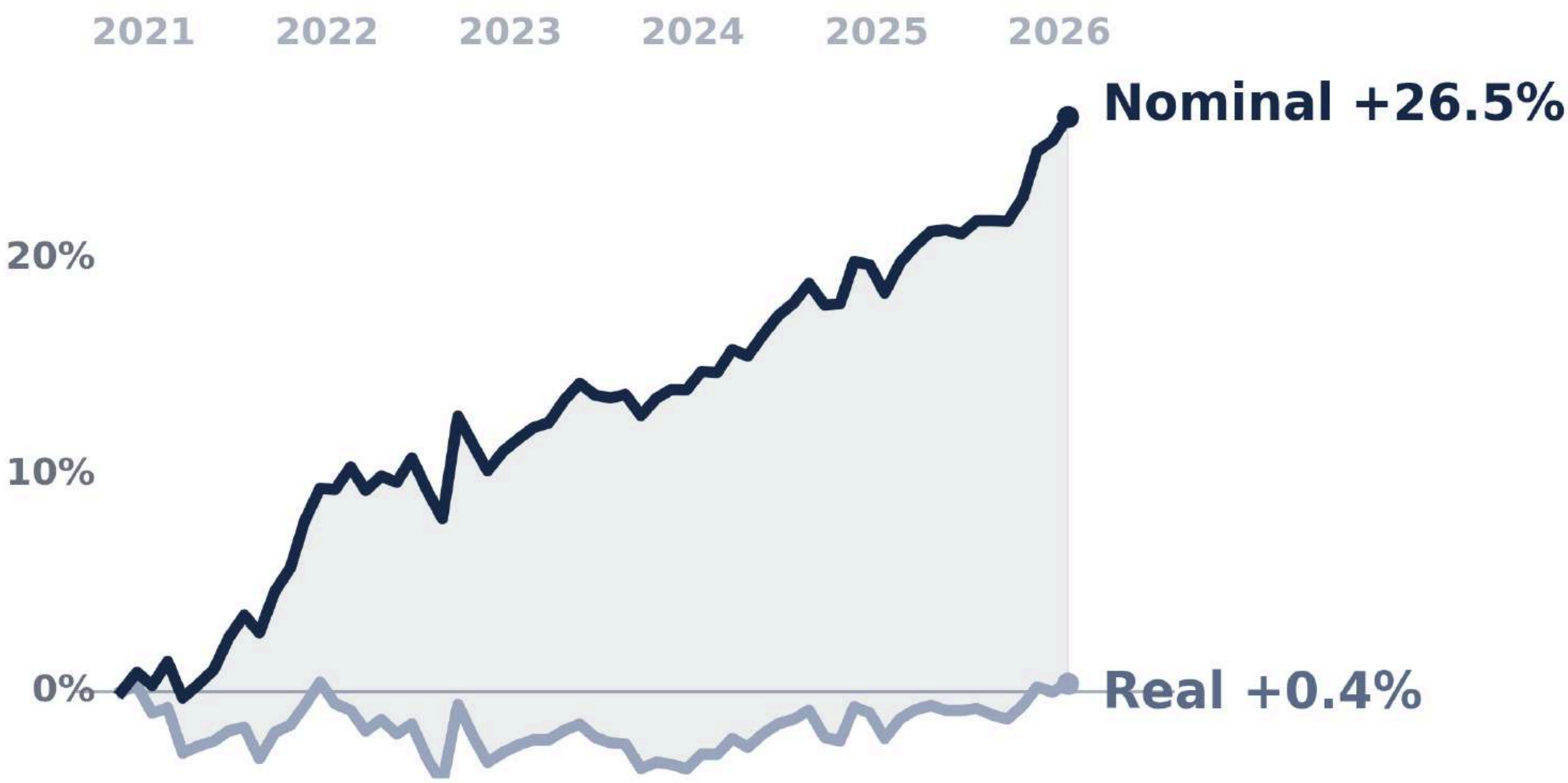
Spending more, buying the same

Adjusted for inflation, **real goods spending has not grown in five years**. The record is price, not volume.



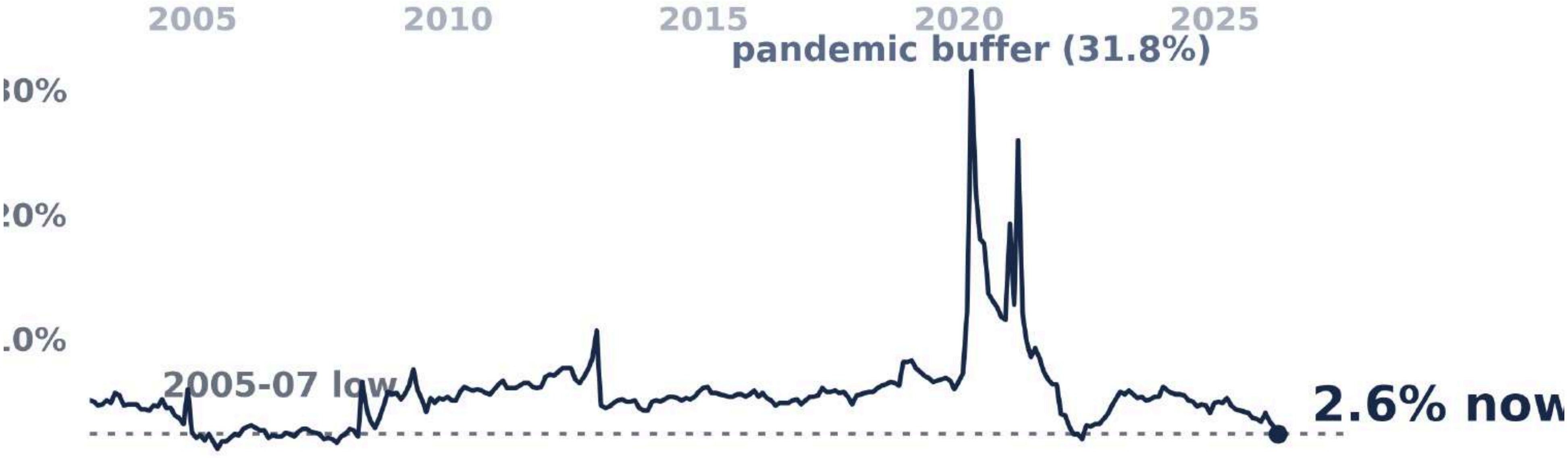
US Advance Retail & Food Services Sales, change since the March 2021 peak (both lines set to 0 there). Real is inflation-adjusted (deflated by CPI, FRED RRSFS); nominal is not. Through May 2026.

Five years on, the cart has not grown. Of the **$763.7bn** rung up in May 2026, only **$605.9bn** is real 2021 goods. The other **$157.8bn is pure inflation.**

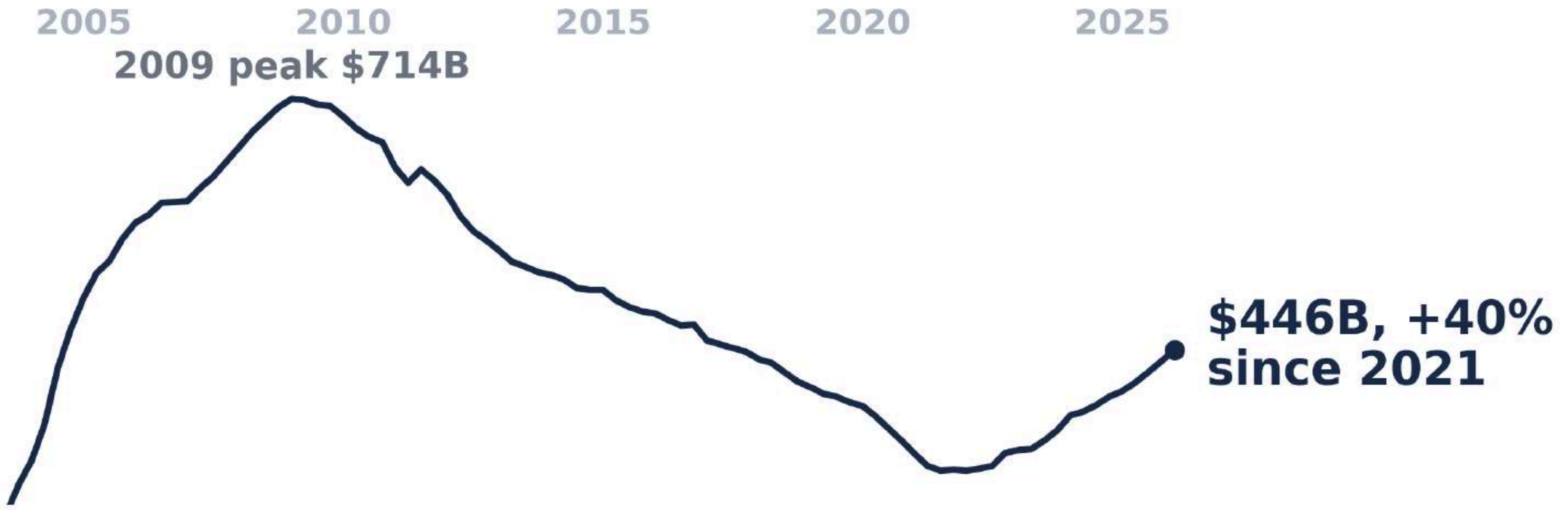
Holding the line by stretching

Even flat real spending has to be funded. Households are doing it by **saving less** and **borrowing against the house**.

Personal saving rate (%)



Home-equity (HELOC) balances ($ billion)



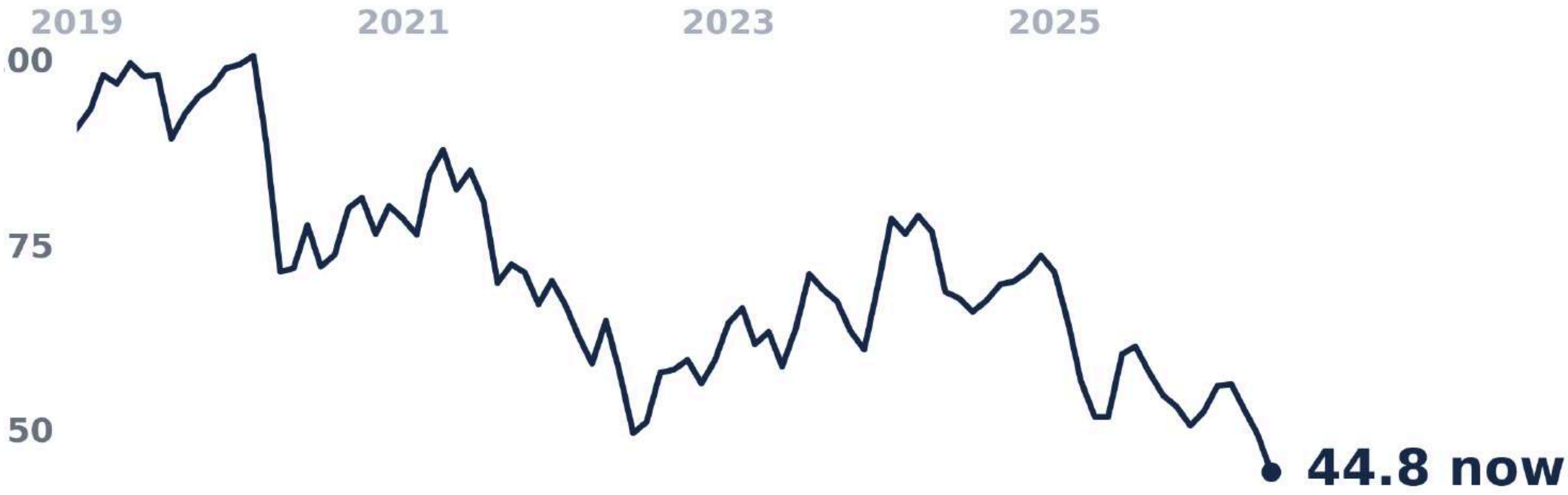
Left: personal saving rate, now 2.6%, back to the 2005-07 lows after the pandemic buffer drained. Right: NY Fed HELOC balances, up 40% from the 2021 trough, reversing a decade of paydown. Through Apr 2026 / Q1 2026.

The saving rate is back to its **pre-2008 lows**, and home-equity borrowing has turned up **40% since 2021**. The buffer is thin and the house is back in play.

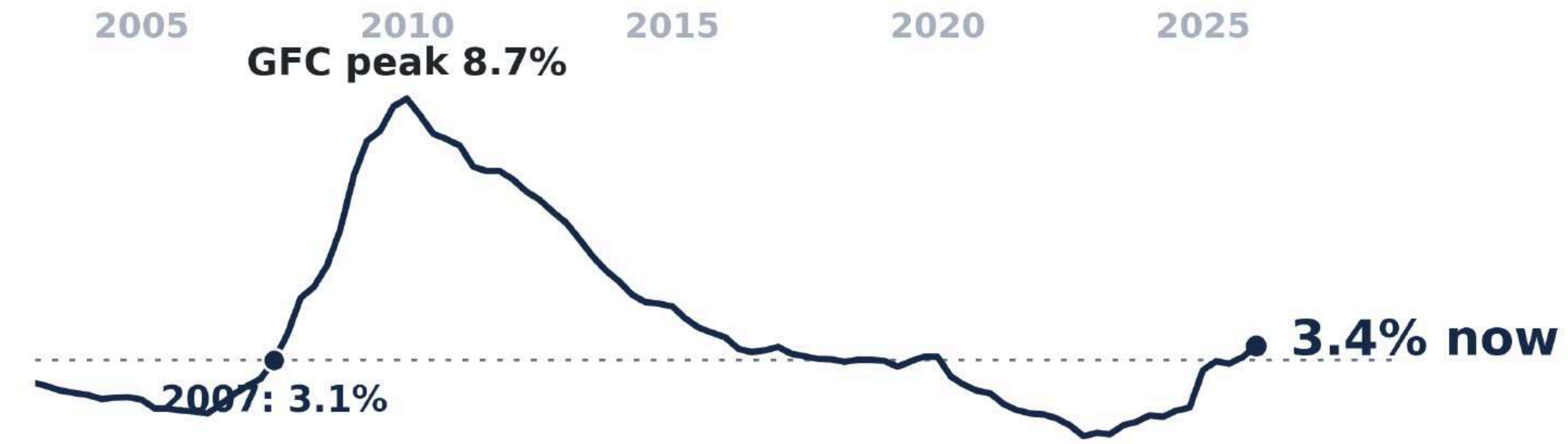
The strain is starting to show

A consumer leaning on a thinning buffer eventually shows it, in how they feel and in what they cannot pay.

Consumer sentiment (University of Michigan)



90+ day delinquency, all consumer debt (%)



Left: University of Michigan consumer sentiment, now 44.8. Right: share of all consumer debt 90+ days past due (NY Fed), back to 3.4%, above the 2007 pre-crisis level. Through May 2026 / Q1 2026.

Sentiment has collapsed to **44.8**, near the lowest on record. And 90+ day delinquencies are back to **3.4%** of all consumer debt, past the 2007 mark.

The consumer is squeezed, not broken.

The “record retail sales” headline is nominal. Real goods spending has not grown in five years, and per person it has fallen.

And yet real GDP still grows about 2%, on services, AI investment and government. This is a squeeze on the household goods budget, not an economy-wide downturn.

The proof is the balance sheet: a thinning savings buffer, home-equity borrowing turning up, delinquencies back past 2007.

More dollars at the till, the same goods in the cart, paid for with less saving and more borrowing. **A stretched consumer, holding on.**

Where I build & analyze

Every series in this note is **live on** tigzig.com → **Tremor**: retail sales (nominal & real), the personal saving rate, NY Fed home-equity balances and 90+ day delinquency, and consumer sentiment.

One place for all of it. Tremor carries **330+ macro and credit indicators** in a single dashboard, so you are not hunting across a dozen sites. Pull any series by **API**, in **Excel**, or by pointing an **AI agent** at it.

Agent-first portal. Point **Claude Cowork**, **Claude Code**, or any AI agent at tigzig.com: it finds the series, pulls it, charts it and analyzes it for you.

Sources & method

THE REAL-VS-NOMINAL TEST

“Real” retail is nominal Advance Retail & Food Services Sales (Census, **RSAFS**) deflated by headline CPI (**CPIAUCSL**), published by FRED as **RRSFS**. Deflating by CPI, not PPI, is the honest test of volume versus price.

PRIMARY SOURCES

Retail & real retail (Census / FRED) · saving rate (BEA) · HELOC & delinquency (NY Fed Household Debt & Credit) · consumer sentiment (University of Michigan). Pulled June 2026, routed via Tremor.

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