

## Economy

# Younger generations move from barstools to barbells

24 February 2026

### Key takeaways

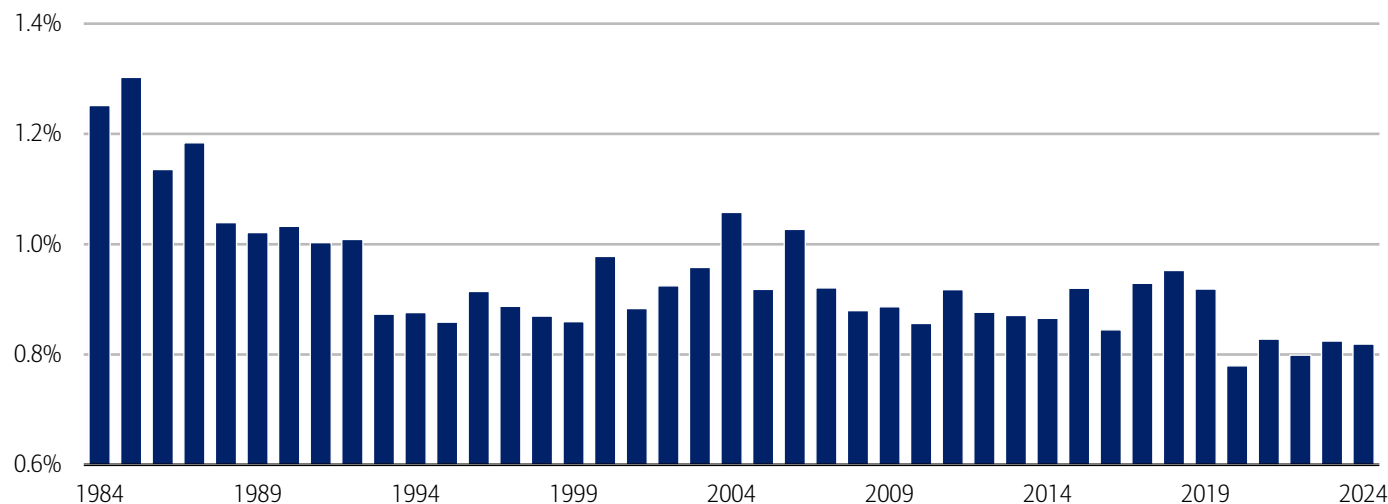
- Alcohol spending as a share of household budgets is hovering near 40 year lows - not due to price changes, but because consumption is falling. People are simply choosing to drink less, especially at home as Bank of America card data shows a clear split: spending at liquor, wine and beer stores is sliding, while bar spending is still rising strongly.
- Additionally, Bank of America card data suggests that "Dry January" is not expanding, although holiday splurges are becoming more muted. So, the long-run trend is more about moderation than abstaining, in our view.
- Younger generations are driving this major shift in behavior: millions fewer 21-34-year-olds are binge drinking compared to a decade ago, according to the US Substance Abuse and Mental Health Services Administration (SAMHSA). And Gen Z in particular are seeing stronger spending growth for fitness and active hobbies than bars, according to Bank of America data. In our view, some socializing is moving from barstools to barbells and that's reshaping consumers' social and spending behavior.

### Alcohol spending remained near four-decade lows

Alcohol consumption continues to decline in the US, led by households abstaining entirely or significantly moderating their intake, in our view. In fact, spending on alcohol as a share of total expenditures is near the lowest level in almost 40 years, according to data from the Bureau of Labor Statistics (BLS) (Exhibit 1).

#### Exhibit 1: Alcohol spending as a share of total expenditures has reached its third lowest level in the past 40 years

Spending on alcoholic beverages as a share of total consumer expenditures (yearly, %)



Source: Bureau of Labor Statistics

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### Consumers pour more money into bars, not alcohol retailers

Are high prices curtailing alcohol spending? Not quite. Bank of America aggregated credit and debit card data shows that spending and transactions have moved in near lockstep over the past two years (Exhibit 2). This suggests to us that consumers are scaling back purchases and spending less overall, as opposed to spending more and getting less.

Furthermore, while the price of alcohol has increased roughly 2% year-over-year (YoY), according to the latest inflation data from BLS, Bank of America card data shows that spending at liquor, wine, and beer stores fell 5% YoY in January. Conversely, spending

at bars increased nearly 4% YoY. There are possible explanations for this dichotomy, in our view: some people may be cutting back on drinking at home while they are still seeking the social aspects that bars have to offer.

**Exhibit 2: Alcohol-related spending and transactions growth have followed similar patterns over the past two years**

Card spending and transaction growth at alcohol retailers and bars (3-month moving average, YoY%)

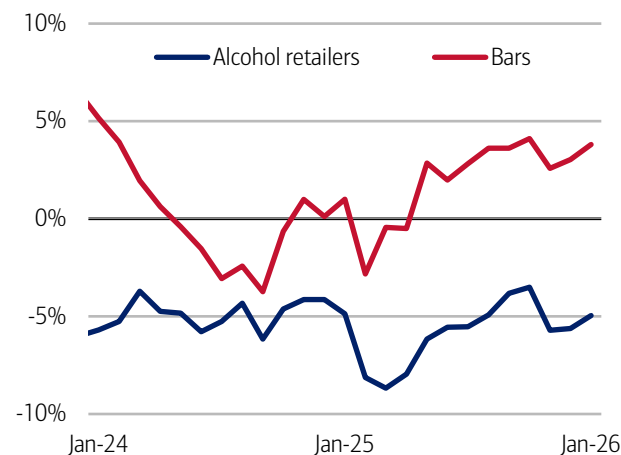


Source: Bank of America internal data

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**Exhibit 3: Spending growth at bars is much stronger than spending on alcohol consumed at home over the past two years**

Card spending growth by select alcohol-related categories (3-month moving average, YoY%)



Source: Bank of America internal data

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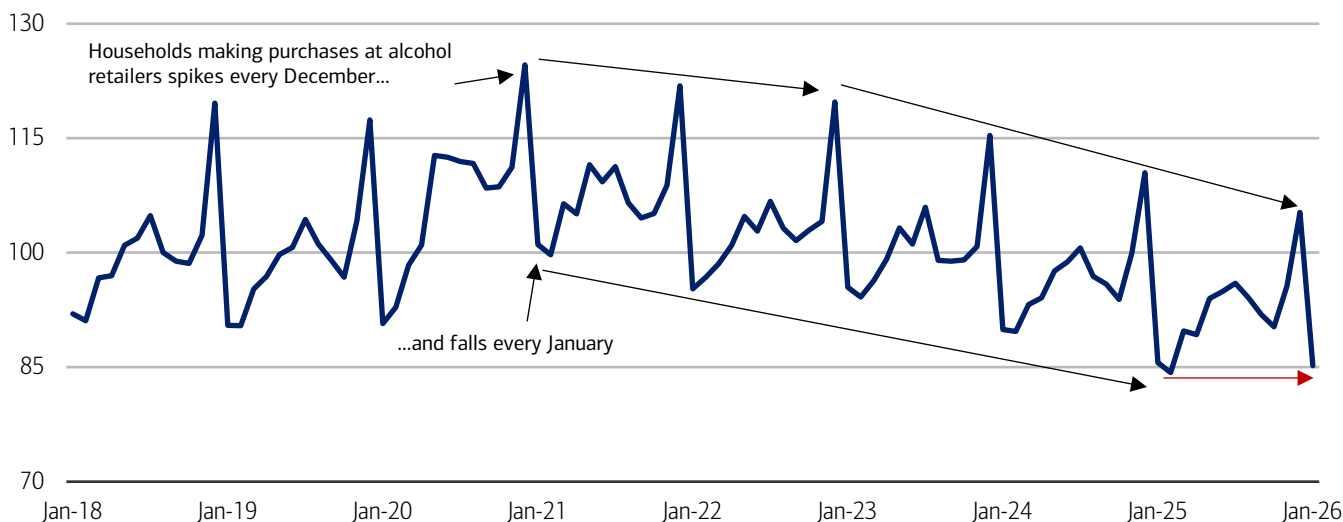
**“Dry January” makes room for “Dry December”**

Another part of the story is that some consumers are abstaining from alcohol or cutting back. So, it could also be that bars may be having success offering mocktails or other alternatives such as non-alcoholic beer and expanded food options, according to BofA Global Research. Trends such as “Dry January” – in which people go sober for the month – increased in popularity immediately following the COVID-19 pandemic (read more in [Resolute resolutions?](#)). In fact, Bank of America data shows that the share of households with a purchase at alcohol retailers declines sharply every January compared to the rest of the year, but has also dropped YoY from 2022 until 2025 (Exhibit 4).

However, this year, the YoY drop in January leveled out, suggesting to us perhaps the movement is not expanding. However, a new trend may be emerging: “Dry December,” in which people navigate the holiday season without alcoholic beverages. While, traditionally, people splurge on alcohol during the holidays, there has been a steady YoY decline in households participating for the past three years.

**Exhibit 4: Alcohol-related spending in January saw a small YoY increase while spending in December 2025 saw a steeper drop YoY**

Share of households with a purchase at alcohol retailers (monthly, index 2018-2019 average = 100)



Source: Bank of America internal data

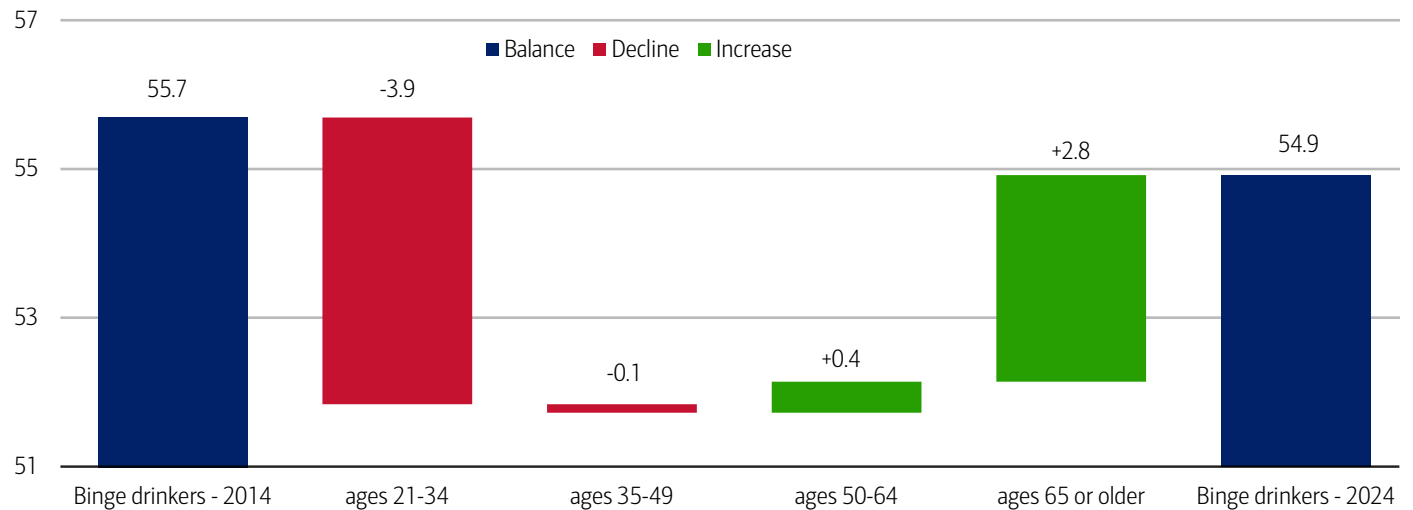
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## Many young people are quitting binge drinking

Also, in our view, people may be moderating their drinking during the holidays to boost health or save money. Data from the US Substance Abuse and Mental Health Services Administration (SAMHSA) supports the moderation trend. While there was an increase in the amount of people over 50 years old who binge drink (more than four or five drinks in one occasion, see Methodology for full details) over the past 10 years (2014 - 2024), this was offset by the almost 3.9 million people ages 21 to 34 that stopped (Exhibit 5).

### Exhibit 5: The decline in the total number of binge drinkers has been driven by 21- to 34-year-olds

Change in the number of binge alcohol users by age group (difference from 2014 to 2024, millions, balance is the 2014 and 2024 total number of binge drinkers)



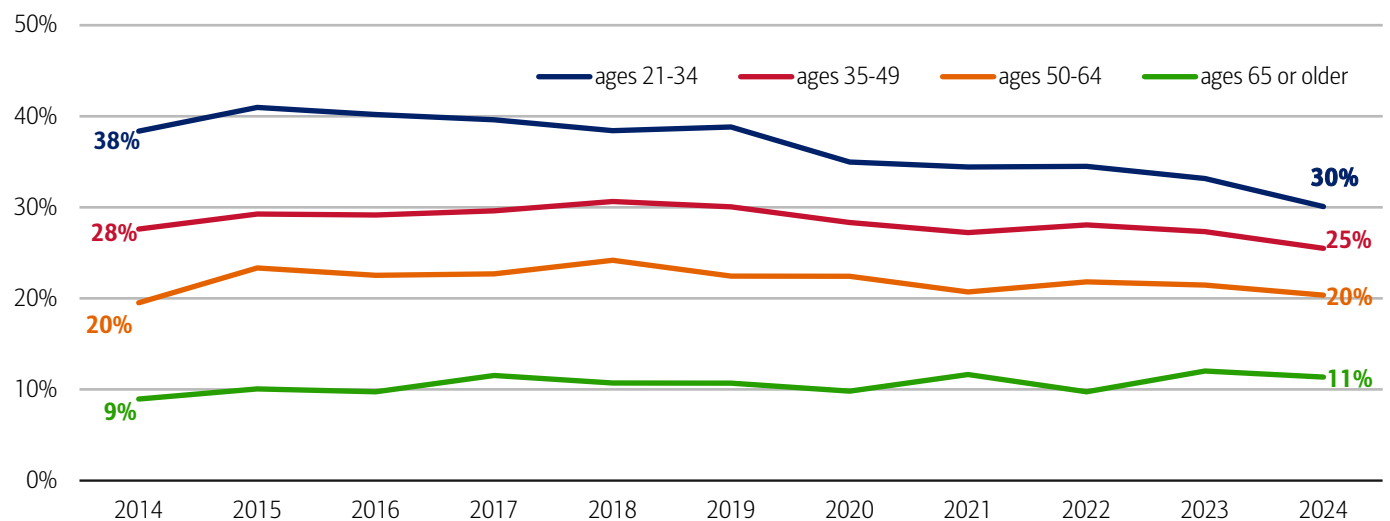
Source: 2014-2024 National Survey on Drug Use and Health, BofA Global Research

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Notably, this huge drop equates to a nearly 10 percentage point decline in the share of those 21- to 34-years old who binge drink (Exhibit 6). In fact, the most recent reading suggests that only 30% of this age group is drinking to excess compared to the nearly 40% seen just a decade ago. Meanwhile, there was also a slight decline among people 35- to 49-years-old, while the share of those over 65 increased slightly. These trends, along with the potential for GLP-1 medications to further curb appetites for alcohol, will be a critical component to alcohol consumption over the next five years, according to BofA Global Research.

### Exhibit 6: Over the past 10 years the share of binge alcohol users has declined for the 21- to 34-year-old group, but has increased for those over 65

Percent share of binge alcohol users by age group (yearly, %)



Source: 2014-2024 National Survey on Drug Use and Health, BofA Global Research

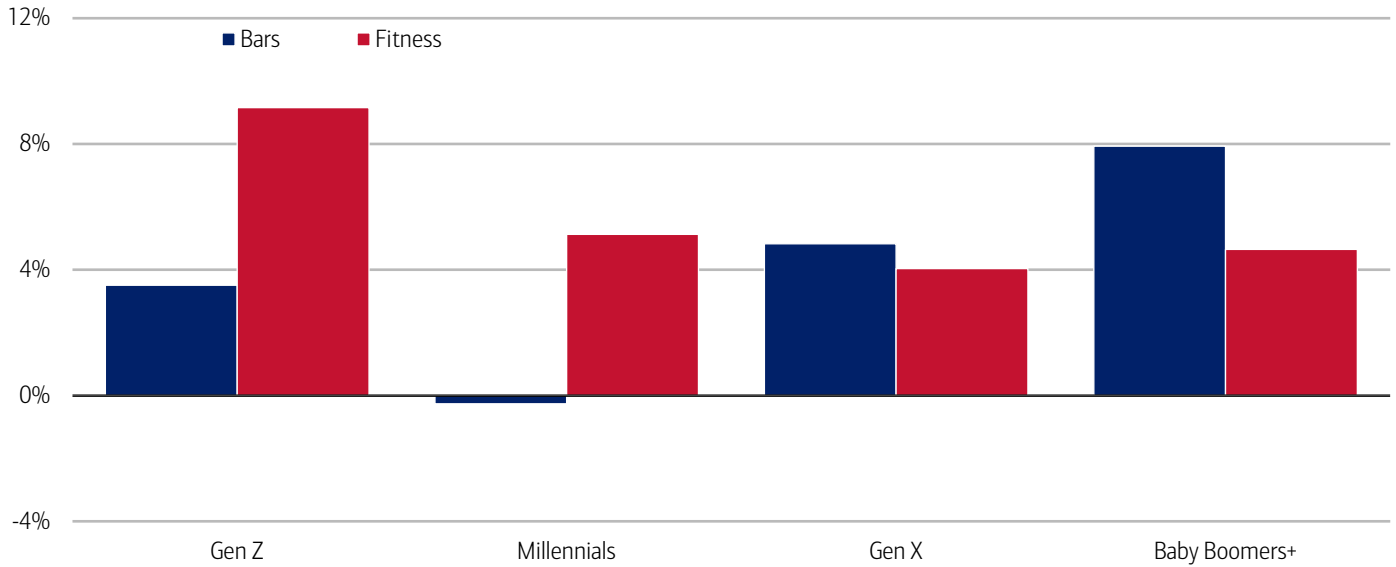
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## Younger generations embrace healthy habits

So, if young people are drinking less, what are they doing instead? According to BofA Global Research, Gen Z – and to a lesser extent Millennials – are still favoring experiences. And Bank of America card data supports the idea that younger Americans may be favoring more active experiences or hobbies. Spending growth on fitness activities (e.g., gyms, golf, country clubs) is much stronger for Gen Z and Millennials whereas Gen X and Baby Boomers saw stronger spending growth at bars (Exhibit 7). So, in our view, it may be that socializing for younger generations have moved from the barstools to the barbells.

### Exhibit 7: For Gen Z and Millennials spending growth was much stronger for fitness activities than at bars

Card spending growth for select categories by age generation (3-month moving average to January 2026, YoY%)



Source: Bank of America internal data

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## Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash, and checks.

Any **Small Business** payments data represents aggregate spend from Small Business clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Small Business client data represents activity spending from active Small Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and generally defined as under \$5mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The differences between the total and per household card spending growth rate (if discussed) can be explained by the following reasons:

1. Overall total card spending growth is partially boosted by the growth in the number of active cardholders in our sample. This could be due to an increasing customer base or inactive customers using their cards more frequently.
2. Per household card spending growth only looks at households that complete at least five transactions with Bank of America cards in the month. Per household spending growth isolates impacts from a changing sample size, which could be unrelated to underlying economic momentum, and potential spending volatility from less active users.
3. Overall total card spending includes small business card spending while per household card spending does not.
4. Differences due to using processing dates (total card spending) versus transaction date (per household card spending).
5. Other differences including household formations due to young adults moving in and out of their parent's houses during COVID.

Any household consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level. Whenever median household savings and checking balances are quoted, the data is based on a fixed cohort of households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through the most current month of data shown.

Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

We consider a measure of services necessity spending that includes but is not limited to childcare, rent, insurance, insurance, public transportation, and tax payments. Discretionary services includes but is not limited to charitable donations, leisure travel, entertainment, and professional/consumer services. Holiday spending is defined as items in which spending in the November-December period is usually at least 20% of total annual spending on the category.

Durables spending is defined as spending on electronics, building materials, auto and furniture. Premium durables spending is based on a selection of retailers who are judged to sell relatively higher value products. Conversely, value durables spending is based on a selection of retailers who are judged to sell relatively lower value products.

Lower, middle and higher household income cuts in Bank of America credit and debit card spending per household, and consumer deposit account data are based on quantitative estimates of each households' income. These quantitative estimates are bucketed according to terciles, with a third of households placed in each tercile periodically. The lowest tercile represents 'lower income', the middle tercile represents 'middle income' and the highest tercile 'higher income'. The income thresholds between these terciles will move over time, reflecting any number of factors that impact income, including general wage inflation,

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changes in social security payments and individual households' income. The income and tercile in which a household is categorised are periodically re-assessed.

Major grocery categories include sugar and sweets, juices and other non-alcoholic beverages, bakery products, processed fruits and vegetables, fresh fruit and vegetables, coffee and tea, fats and oils, milk, cereal and cereal products, other, cheese, and meats, poultry and fish, Other includes soups, snacks, frozen and freeze-dried prepared foods, and spices, seasonings, and condiments.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1995
2. Younger Millennials: born between 1989-1995
3. Older Millennials: born between 1978-1988
4. Gen Xers: born between 1965-1977
5. Baby Boomer: 1946-1964
6. Traditionalists: pre-1946

Any reference to card spending per household on gasoline includes all purchases at gasoline stations and might include purchases of non-gas items.

SAHMSA defines binge drinking for men as having five or more drinks in the same occasion on at least one day in the past thirty days. For women, it was defined as having four or more drinks in the same occasion on at least one day in the past thirty days.

Additional information about the methodology used to aggregate the data is available upon request

## **Contributors**

### **Joe Wadford**

Economist, Bank of America Institute

## **Sources**

### **Li Wei**

Director, Global Risk Analytics

### **Yan Peng**

Vice President, Global Risk Analytics

### **Jon Kaplan**

Senior Vice President, Consumer & Small Business Products and Analytics

### **Peter Galbo**

Managing Director, BofA Global Research

### **Sara Senatore**

Managing Director, BofA Global Research

### **Christian Junquera**

Associate, BofA Global Research

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