China Consumer Dashboard: 2026Q1: Household spending showed divergence

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- **Household spending showed divergence:** According to the NBS quarterly household survey, household disposable income grew by 4.9% yoy (5.4% qoq annualized) in Q1, vs. 4.8% yoy (7.3% qoq annualized) in Q4 last year. Household nominal consumption growth measured in year-over-year terms fell to 3.6% in Q1 from 4.0% in Q4 last year. On a sequential basis after our seasonal adjustment, household consumption per capita in nominal terms gained 4.7% quarter-over-quarter annualized in Q1, vs. an increase of 7.4% quarter-over-quarter annualized in Q4 last year. The deceleration in consumption growth was mainly driven by weaker spending on transportation and entertainment, whereas growth of food and clothing consumption increased. Retail sales growth accelerated slightly from 1.7% yoy in last Q4 to 2.5% yoy in Q1. After seasonal adjustment, home appliance and communication equipment sales rose sequentially on the back of incremental funding support for consumer goods trade-in program early this year, more than offsetting the decline in auto sales.
- **The labor market exhibited modest signs of weakening:** The official urban surveyed unemployment rates rose from 5.1% in December 2025 to 5.3% in March 2026 after our seasonal adjustments. However, the weighted average of employment sub-indexes under various PMI surveys increased in Q1 vs. Q4 last year. Wage-related indicators presented a mixed picture in Q1. Specifically, year-over-year growth of official wage income rose to 4.2% from 3.8% in Q4 last year. However, the labor cost sub-index in the Cheung Kong Graduate School of Business (CKGSB) Business Condition Index (BCI) survey implied slower wage growth in Q1. Taken together, our revamped wage tracker suggests urban wage growth fell to 4.3% yoy in Q1 (vs. 4.6% yoy in Q4 last year).
- **Household savings rate roughly flat:** The household savings rate stayed roughly flat at 32.3% in Q1 after seasonal adjustments, slightly below pre-Covid trend-implied levels. Our estimated "household excess deposits", which compares the actual amount of household bank deposits to their pre-Covid trend, reached RMB 59 trillion in Q1. Despite continued growth in household bank deposits, the ratio of deposit flows to nominal GDP (on a four-quarter sum basis) slowed marginally over the past three quarters.
- **Consumer confidence edged up:** The NBS consumer confidence index increased slightly in January-February (latest available) vs. Q4 last year after our seasonal adjustment. Given the lagged reporting of NBS data, we utilize consumer

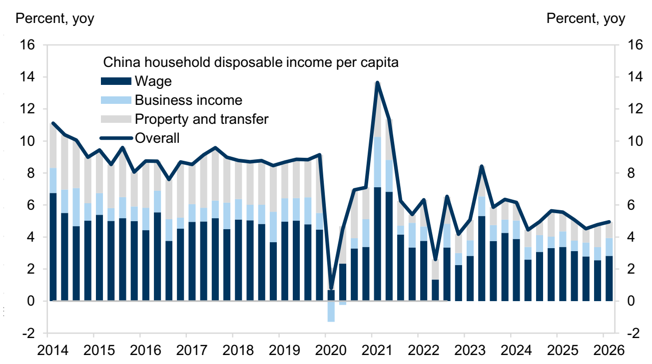
sentiment measures from daily surveys conducted by Morning Consult[1]. This high-frequency data provides a more timely and granular proxy for household sentiment. Morning Consult's survey suggests consumer confidence improved in recent weeks. Moreover, it indicates that younger and lower-income groups exhibited weaker consumer sentiment than other demographic groups in recent years.

- **Others:** In July 2025, the Chinese government launched a nationwide childbirth subsidy program, offering RMB 3,600 annually for each child until they reach three years of age. Guangdong, as China's most populous province, received the highest amount of childcare subsidies in 2025. Most of China's 31 provinces have released their 2025 resident population data which shows significant divergence. Resident population in Guangdong rose the most, followed by Zhejiang. In contrast, Hunan experienced the sharpest decline in resident population. In 2025, Beijing's resident population fell, contrasting with Shanghai's increase, both after slight decreases in 2024.

[1] Morning Consult is a global decision intelligence company that specializes in collecting, organizing, and analyzing survey data on a wide range of topics, including consumer sentiment, household finance and spending, and business conditions.

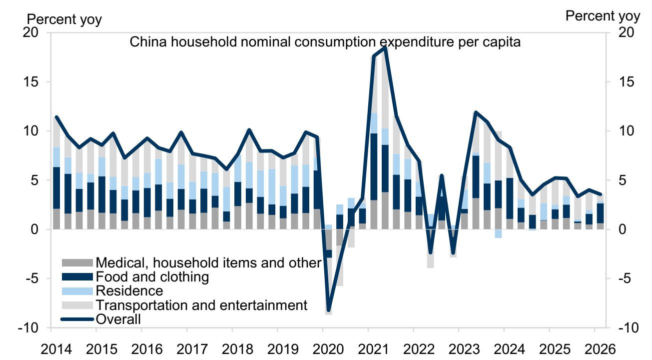
1. **Household income growth rose while spending growth slowed in Q1**

Exhibit 1: Year-over-year growth in household disposable income per capita ticked up in Q1 2026



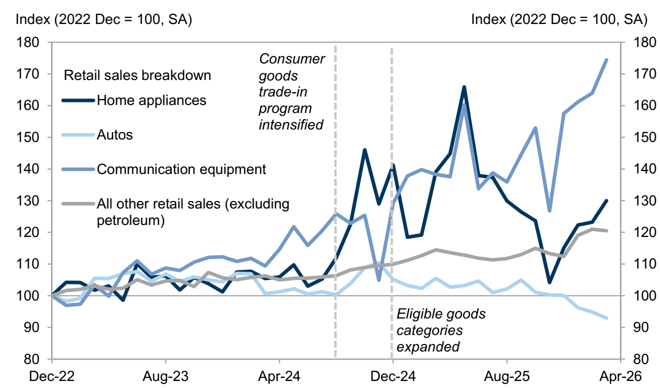
Source: NBS

Exhibit 2: Year-over-year growth in household consumption per capita slowed in Q1 2026



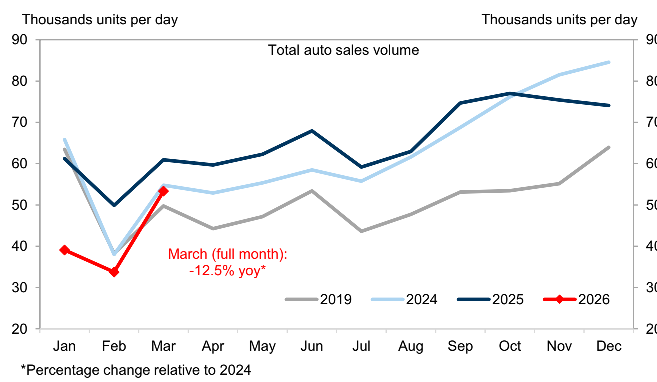
Source: Goldman Sachs Global Investment Research, CEIC

Exhibit 3: The boost from the consumer goods trade-in program diverged across products



Source: NBS, CEIC, Goldman Sachs Global Investment Research

Exhibit 4: Auto sales volume was below last year's level in Q1 2026



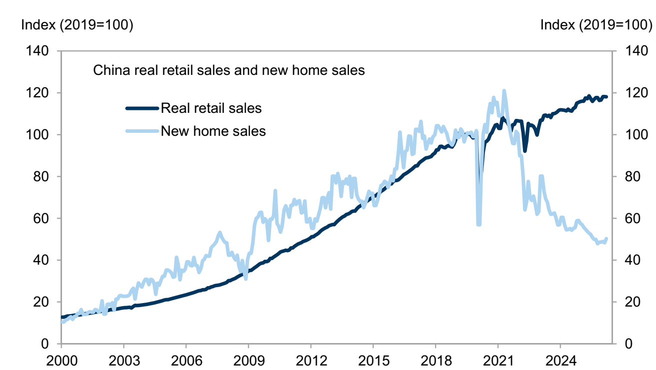
Lunar New Year dates were similar in 2019 and 2024

Source: Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 5: Retail sales growth accelerated in Q1 mainly on stronger online goods sales

Source: NBS, Data compiled by Goldman Sachs Global Investment Research

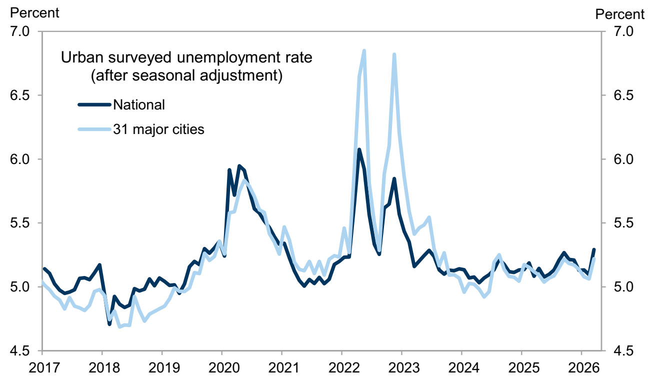
Exhibit 6: Real retail sales have held up despite the large decline in new property sales



Source: Haver Analytics, Data compiled by Goldman Sachs Global Investment Research

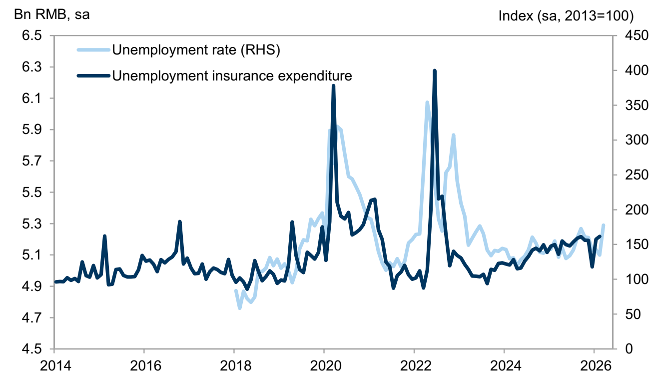
2. The labor market weakened slightly in Q1

Exhibit 7: Official surveyed urban unemployment rates rose in March



Source: NBS, Goldman Sachs Global Investment Research

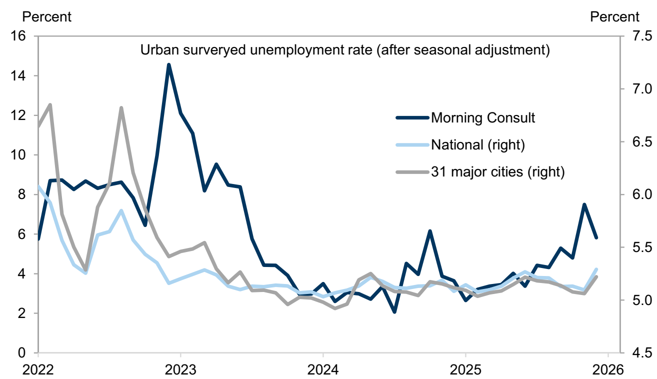
Exhibit 8: Unemployment insurance expenditure rose in January-February (latest available)



To mitigate the impact of rising unemployment benefits over time, we adjust unemployment insurance expenditure using the average monthly unemployment benefit per person.

Source: Wind, Goldman Sachs Global Investment Research

Exhibit 9: Both the Morning Consult and official unemloyment rate rose in Q1 VS. Q4 2025



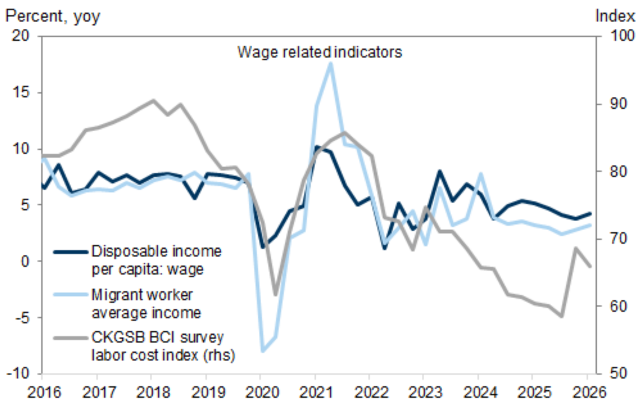
Source: Haver Analytics, Morning Consult

Exhibit 10: The weighted average of employment sub-indexes of various PMIs rose in Q1 vs. Q4 2025

We include employment sub-index under NBS manufacturing PMI, construction PMI, and services PMI, Caixin manufacturing PMI and services PMI, CKGSB recruitment index, and emerging industries PMI.

Source: NBS, Caixin, Haver Analytics

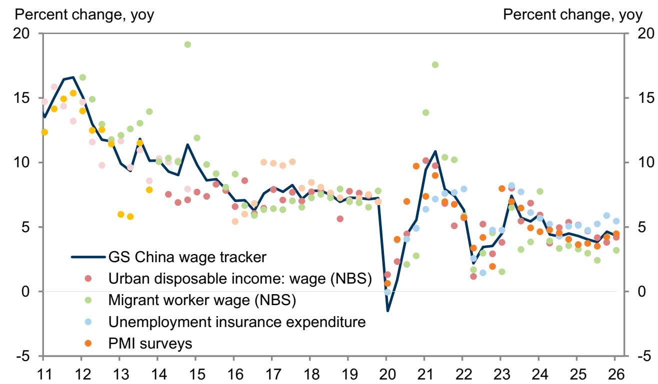
Exhibit 11: Various wage related indicators showed mixed signs in Q1



Q4 2025 migrant worker average income data will be released by the end of April 2026.

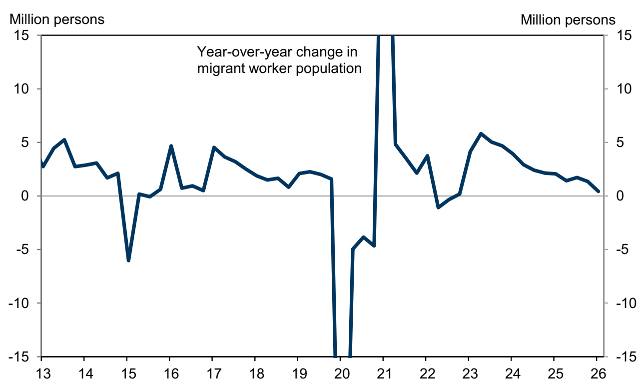
Source: NBS, CEIC, Goldman Sachs Global Investment Research

Exhibit 12: Our wage tracker suggests urban wage growth inched down to 4.3% yoy in Q1



Source: Wind, Haver Analytics, Goldman Sachs Global Investment Research

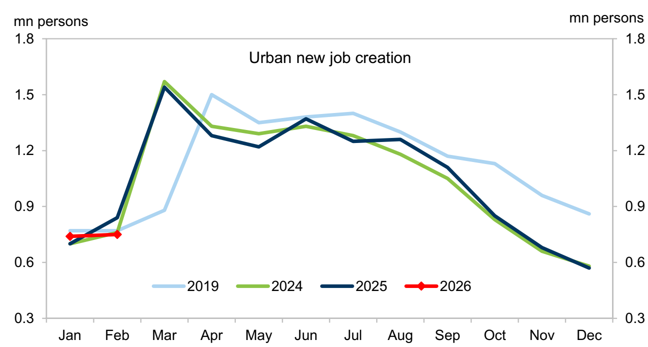
Exhibit 13: The year-over-year change in migrant worker population decreased in Q1



Here migrant workers only include long-distance migrant workers.

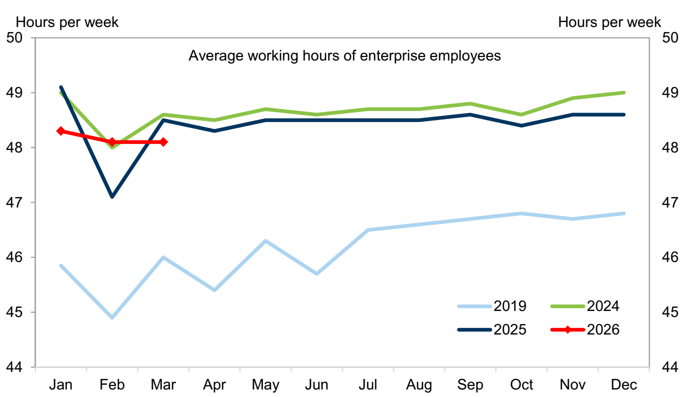
Source: NBS, Goldman Sachs Global Investment Research

Exhibit 14: Urban new job creation in 2026 was slightly below 2025's pace in January-February



Source: Wind

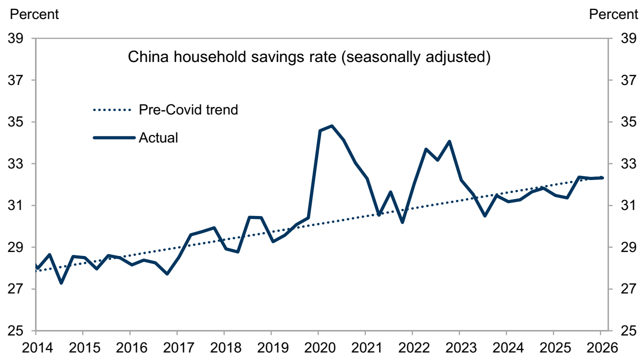
Exhibit 15: Working hours of enterprise employees were close to last year's level in Q1



Source: Wind

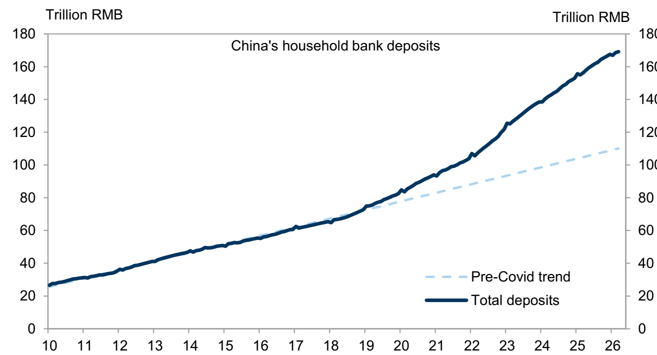
3. Household savings rate roughly flat, and household deposits increased in Q1

Exhibit 16: The household savings rate stayed roughly flat in Q1 2026



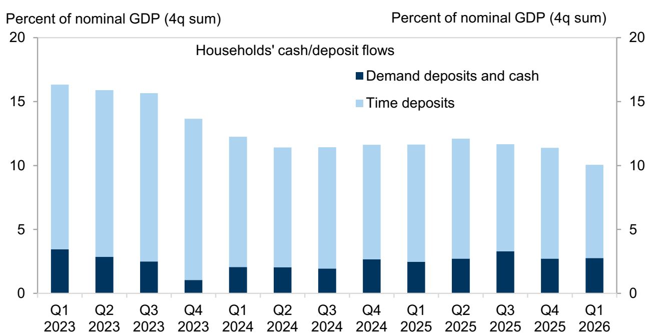
Source: NBS, Goldman Sachs Global Investment Research

Exhibit 17: We estimate RMB 59 trillion of "excess deposits" in Chinese household bank deposits as of Q1 2026



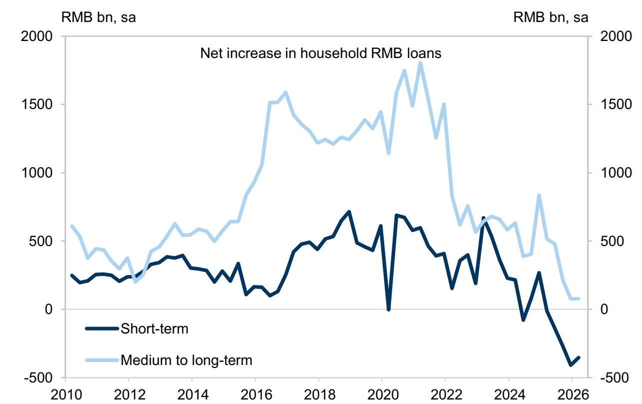
Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 18: Household bank deposit growth slowed marginally over the past three quarters



Source: PBOC, Wind, Goldman Sachs Global Investment Research

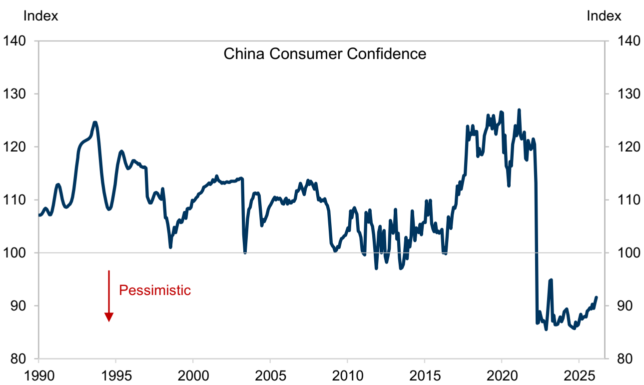
Exhibit 19: Both short-term and medium to long-term household bank loan flows remained weak in Q1



Source: Haver Analytics

4. Consumer confidence index increased gradually

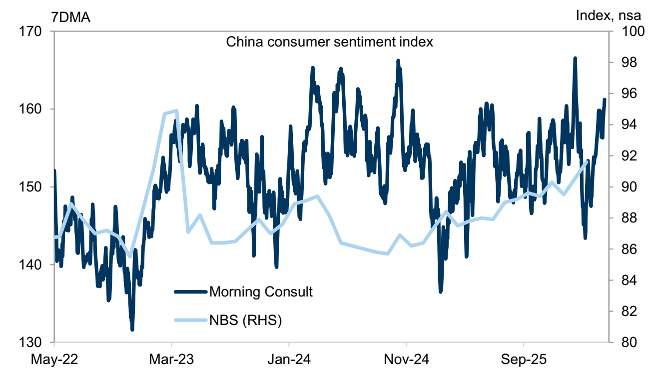
Exhibit 20: The NBS consumer confidence index has been gradually increasing since early 2025



February is the latest data available.

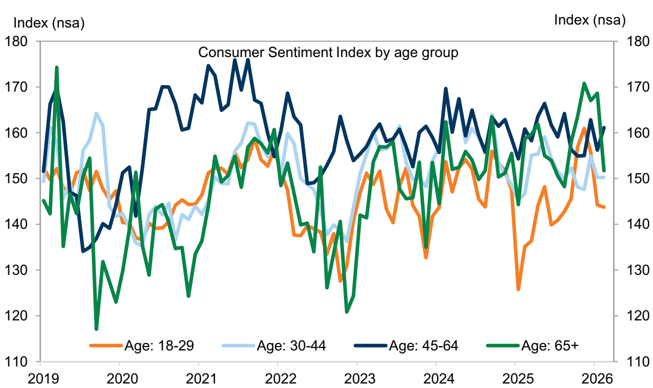
Source: NBS

Exhibit 21: The Morning Consult consumer confidence rose in recent weeks



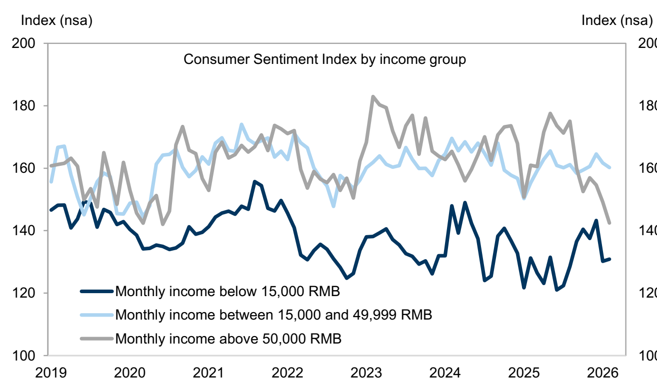
Source: Haver Analytics, Morning Consult

Exhibit 22: Younger population has exhibited lower sentiment compared to other age groups since 2023



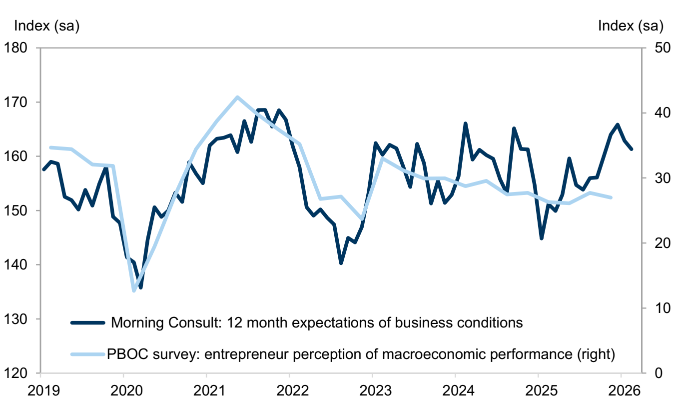
Source: Morning Consult

Exhibit 23: Lower-income group showed weaker consumer sentiment compared to higher-income groups



Source: Morning Consult

Exhibit 24: Morning Consult survey indicated an improvement in business condition expectations during Q1 2026 compared to Q4 2025

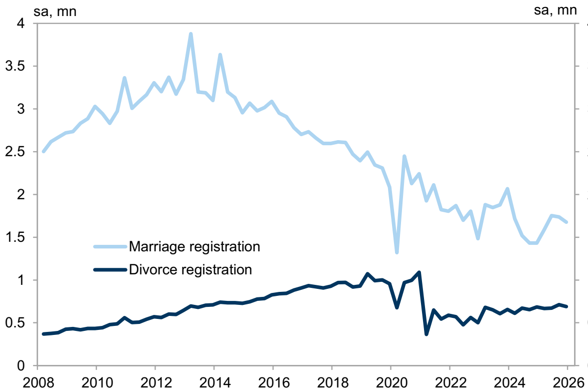


2025 Q4 is the latest data available for PBOC survey.

Source: PBOC, Morning Consult

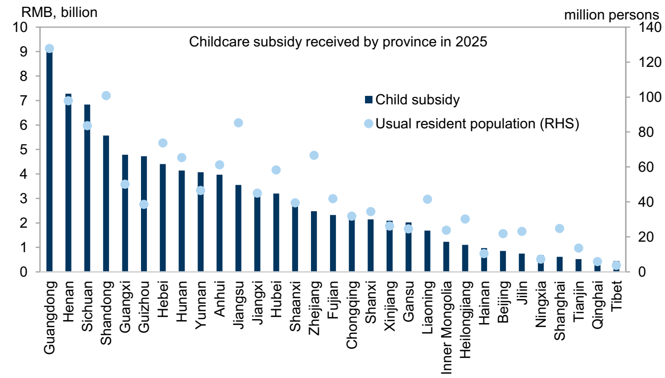
5. Others

Exhibit 25: The number of marriage registrations increased in 2025



Source: Wind

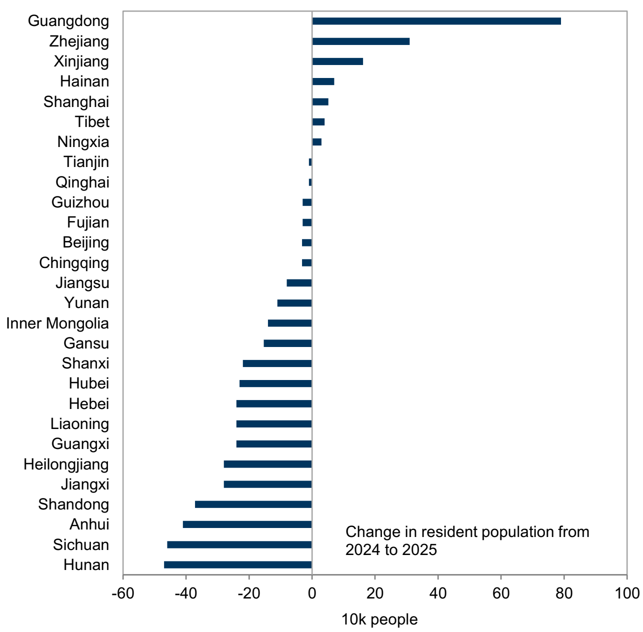
Exhibit 26: Guangdong province received the highest amount of childcare subsidies in 2025



In most cases, childcare subsidies are claimed based on the place of household registration. However, due to the lack of updated registration population data, we use the resident population instead.

Source: Ministry of Finance

Exhibit 27: Resident population increased the most in Guangdong, but fell the most in Hunan in 2025



Henan, Jilin and Shaanxi have not released their 2025 resident population yet.

Source: Wind

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