

**WTNS Radio OSU Extension Update for August 31, 2020**  
**Healthy People. Healthy Finances. Healthy Relationships.**

On today's OSU Extension update for Healthy People, Healthy Finances, and Healthy Relationships we'll talk about spending trends as of late and some upcoming programs from OSU Extension.

An email caught my attention this week. It was from Next Gen Personal Finance, an amazing program with the goal of every high school student graduating with at least one course of personal finance. Their question of the day, "What was the percentage increase in e-commerce retail sales in the April - June quarter compared to 2019?"

I'll have to admit that I hesitated to guess on this one. What is your first reaction? Would you guess it had gone up quite a bit due to stay at home orders for some of that time? Or would the recent reports of our plummeting US Gross Domestic Product (GDP), cause you to estimate a smaller increase?

According to the US Census Bureau, US e-commerce retail sales from the second quarter of 2020 increased by 45 percent, rising to \$211.5 billion. This was also a 31.8 percent increase from the first quarter. According to Federal Reserve Bank of St. Louis (FRED) Economic Data, personal consumption expenditures have made up roughly two-thirds of the GDP since 2001. In a recent Forbes article, Pamela Danziger explained that the true drop in personal consumption was 10.5 percent for the second quarter. There were certainly quite a few reductions in spending categories, but there were also some increases. It is interesting to examine the trends.

Since many people were not driving as much during the second quarter, spending on gasoline decreased by 25 percent. Most consumers also put car purchasing on hold. However, the sales of SUV and light pick-up trucks remained very steady compared to this time last year. We also spent less on luggage and clothing and shoes.

But we definitely did not stop spending money. There is a category economists call "recreational goods and vehicles" that includes all kinds of items. People must have spent some of their usual gas money on this category as it was the second fastest growing category. This included spending on video, audio, computing equipment as well as sporting equipment like balls and bats, home exercise equipment, guns, and boats and motorcycles. People also increased spending

on tools and equipment for home repairs, outdoor furniture, and gardening equipment. The food and beverage category led the spending increase with many grocery segments reporting over 10 percent increases, led by alcoholic beverages with 12 percent growth.

Some of these numbers match with my behavior over the past five months. I painted the shutters on our house in May and am in the middle of what is turning into a multi-month project of painting our family room. (The first paint color just wasn't quite right.) We purchased much more mulch this spring than we did last. Without school lunches or summer daycare, we notice many more grocery purchases than pre-COVID times.

Behavioral finance examines how we as humans make decisions about money- spending, saving, investing, giving, etc. As much as we like to think money decisions are black and white, there is often a lot of gray, because financial decisions can often be driven by emotions rather than logic.

If you are not tracking your spending, at the minimum monthly, then I really encourage you to. It is easy to get sucked into believing that we have to buy certain things. But that is often far from true. In the moment, it may seem that way. When we have a spending plan to guide us, decisions don't seem as urgent. Though that online sales ad is influencing our emotional brain that we only have 24 more hours to save, our spending plan reassures our logical decision-making brain that this item we are looking at it is a want rather than a need.

Now we'll take a look at some upcoming OSU Extension programs. A reminder that I'll be teaching two programs as part of the Coshocton Public Library adult education series. The first is "Declutter Your Life" on Facebook Live on Thursday, September 10 at 7:00 pm. I'm also teaching an interactive workshop virtually on Zoom on Thursday, September 24 at noon called "Who Gets Grandma's Yellow Pie Plate?" This program will give you strategies to jumpstart conversations about inheritance and some key decision-making factors in non-titled property transfer. You are asked to RSVP to the Coshocton Public Library at 740-622-0956. Also, this year the Farm Science Review will offer virtual programs on Food Preservation topics, Tuesday, Wednesday, and Thursday September 22-24. Be sure to check out these presentations on our Facebook page – OSU Extension Coshocton County.

In closing, at OSU Extension, we are proud to work for Coshocton County to help improve our families, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at [coshocton.osu.edu](http://coshocton.osu.edu). Make it a healthy day!