

## ECONOMY &amp; POLICY

# Consumer Spending Comes In Strong as Inflation Data Point to Rate Cut

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Updated Aug 29, 2025 9:54 am EDT / Original Aug 28, 2025 6:37 pm EDT

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Inflation ticked up slightly in July, but that didn't stop shoppers from opening their wallets.

Consumer spending grew by 0.3% last month, the Bureau of Economic Analysis reported Friday, the strongest gain in four months. The increase, fueled by rising compensation, shows households are still willing to spend even as inflation remains elevated.

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Core PCE, the Fed's preferred inflation gauge, which excludes food and energy, rose 0.3% from June and 2.9% from a year earlier. Both figures matched forecasts, according to FactSet. Headline PCE, which includes all categories, gained 0.2% on the month and 2.6% year over year, also in line with expectations.