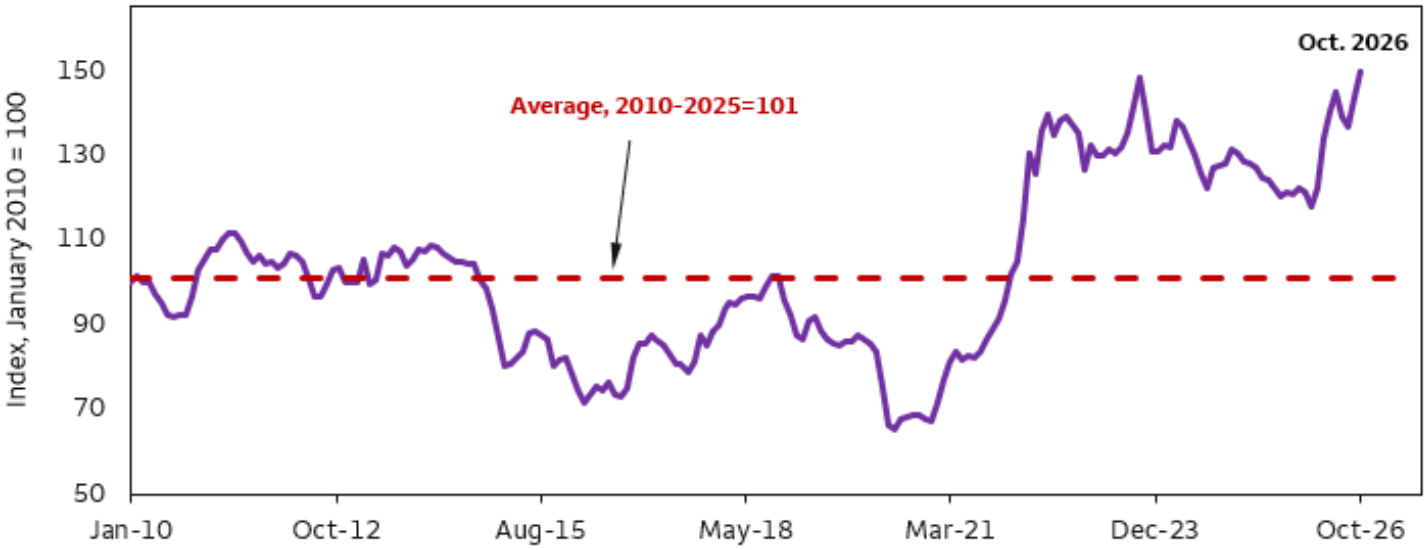
WELLS FARGO
Investment Institute

Chart of the Week



Weekly analysis of key themes in markets **November 17, 2026**

Household "misery index[1]" remains elevated



Sources: Wells Fargo Investment Institute, U.S. Energy Information Administration, and National Association of Realtors. Data as of November 12, 2026.

Consumers feel the squeeze but keep spending

Our household "misery index" combines nominal gas prices with the inverse of a housing affordability index defined as a ratio of median family income to the income needed to qualify for the median-priced home. Together, these highly visible cost measures can impact perceptions of household finances and spending decisions. Historically, the index has had an inverse relationship with consumer spending growth, particularly during periods of sharp movement. However, the relationship has weakened in recent years, highlighting the resilience of consumer spending despite mounting pressure on household budgets. Strength in household demand has been tied to the recent stock market boom, moderate employment growth, and inflation's periodic declines that have boosted real (inflation-adjusted) income gains.

What it may mean for investors

In our view, economic tailwinds have loosened the link between spending and household "misery," even as affordability pressures remain elevated. Pressure on household finances has had less impact on overall spending growth than on spending patterns, contributing to a shift toward discounters and private-label products, for example. For now, however, we believe resilient consumers will support broader economic growth, even as elevated interest rates weigh on housing affordability and the economy's other credit-sensitive areas.

CJ McQuitty, WIM Program Analyst

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

1. Our "misery index" is based on the average of indexed nominal gas prices and the inverse of a housing affordability index, base=2010.

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