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Affordability Tracker

Affordability Has Improved.
The Affordability Mindset Remains.

Despite meaningful gains in grocery purchasing power since 2023, consumers continue to prioritize value, engage with promotions and scrutinize purchases more carefully than before the inflationary period.

A Message from Colin Stewart

EVP, Business Intelligence

For much of the past five years, affordability has been one of the most influential forces shaping consumer behavior.

It has changed how consumers shop, what they buy, which brands they choose and how they define value. It has influenced retailer strategy, pricing decisions, promotional planning and innovation pipelines. Few issues have had a broader impact on the retail and consumer goods industry than the affordability pressures that emerged during the inflationary period of the early 2020s.

Yet despite the attention affordability receives, it is often discussed through an incomplete lens.

Most conversations focus primarily on prices. Consumers see higher shelf prices and conclude affordability has worsened. Retailers and brands monitor inflation rates and category pricing trends to understand how costs are changing across the marketplace. While those measures are important, they tell only part of the story.

Affordability is not determined solely by what consumers pay, but by the relationship between what consumers pay and what they earn.

That distinction matters because affordability is both an economic measure and a deeply personal experience. Consumers understandably evaluate affordability through the prices they see every week at the grocery store and within the context of the many other expenses competing for household budgets. At the same time, the relationship between grocery costs and earnings tells a more nuanced story than prices alone often suggest. Grocery prices increased dramatically between 2021 and 2023, creating one of the most significant periods of food inflation in decades. At the same time, wages also increased, helping many households gradually recover a portion of the purchasing power lost during that period.

As a result, affordability and consumer behavior are no longer moving in lockstep. While grocery affordability has improved from its 2023 low point, many of the shopping behaviors consumers adopted during the inflationary period remain firmly in place. Promotional engagement remains elevated, value-oriented shopping remains widespread and consumers continue evaluating purchases through a more deliberate lens than they did before inflation reshaped household budgets.

In many respects, the affordability environment has changed, and the consumer has changed with it. The Acosta Group Affordability Tracker was developed to bring greater clarity to that conversation.

Rather than measuring prices alone, the Tracker examines the relationship between the cost of a typical grocery stock-up trip and median hourly earnings in the United States. By connecting prices to purchasing power, the Tracker provides a practical view of how grocery affordability is evolving over time and what those changes may mean for shopper behavior.

Acosta Group's inaugural report examines where affordability stands today, how it has changed since 2020 and what the latest trends may signal for retailers, brands and consumers. The findings reveal progress since the peak inflation years, but they also highlight an important reality for organizations competing in today's marketplace: Improving affordability does not automatically mean consumers will return to pre-pandemic shopping habits.

While the inflationary period may be receding into the rearview mirror, many of the behaviors it created appear considerably more durable. Understanding that distinction will be critical for retailers and brands seeking to earn trust, communicate value and build lasting relevance in the years ahead.

About the Tracker

Few economic concepts are as widely discussed or as personally experienced as affordability.

Consumers encounter affordability every time they walk through a grocery store. They encounter it when a familiar basket of essentials costs more than expected, when a weekly shopping budget no longer stretches as far as it once did or when a promotion influences a purchase that might otherwise have been postponed.

Retailers and brands encounter affordability from a different perspective. They see it reflected in changing shopping patterns, evolving category performance, promotional responsiveness and shifting definitions of value.

The challenge is that affordability is often difficult to measure in a meaningful way.

Price increases alone do not tell the whole story. Neither do wage increases. Understanding affordability requires examining both together.

The Acosta Group Affordability Tracker was created to provide a more complete measure of grocery purchasing power by examining the relationship between the cost of a typical grocery stock-up trip and median hourly earnings in the United States.

The inaugural edition of the Affordability Tracker focuses specifically on grocery affordability. Future editions may explore additional dimensions of affordability as consumer spending patterns and market dynamics continue to evolve.

The Tracker measures the number of hours a median full-time worker would need to work to purchase that basket.

Today, shoppers need approximately 11.9 hours of work.

At the center of the Tracker is Acosta Group's Typical Stock-Up Trip, an 84-item basket comprised of high-penetration, high-frequency grocery and household products spanning 10 departments and 67 categories across the store. The basket was designed to represent the types of purchases consumers commonly make when replenishing essential household needs.

The Tracker measures the number of hours a median full-time worker would need to work to purchase that basket.

By connecting prices to earnings, the Tracker provides a practical view of affordability that neither measure can provide independently.

The goal is not simply to monitor inflation. The goal is to understand purchasing power and how changes in purchasing power influence shopper behavior over time.

As the Tracker evolves, Acosta Group intends for it to serve as a recurring source of insight into one of the most important forces shaping today's retail landscape.

“Price increases alone do not tell the whole story. Neither do wage increases. Understanding affordability requires examining both together.”

> *"Affordability and shopper behavior are no longer moving in parallel."*

Executive Summary

A routine grocery stock-up trip now costs more than $366. In the comparable four-week period of 2020, that same basket cost approximately $288.

The more than $78 increase reflects one of the most significant periods of grocery inflation in recent history and helps explain why affordability remains a defining concern for consumers, retailers and brands alike. Grocery prices rose rapidly between 2021 and 2023, creating pressure on household budgets and fundamentally altering the way many consumers approached shopping.

For many households, however, grocery shopping does not exist in isolation. Housing, health care, insurance and other essential expenses continue placing significant pressure on household budgets, making affordability feel like a daily concern even as grocery purchasing power has improved. For millions, hyper-inflation has transformed grocery shopping from a routine activity into a series of decisions and trade-offs. Promotions have become more important, brand preferences have become more flexible and consumers increasingly evaluate purchases through the lens of value.

Yet the central finding of the inaugural Acosta Group Affordability Tracker is that affordability and shopper behavior are no longer moving in parallel.

While grocery prices climbed sharply during the inflationary period, wages also increased. As earnings grew, consumers gradually regained some of the purchasing power lost during the most challenging phase of inflation. As a result, grocery affordability improved from its 2023 low point even as shelf prices remained historically elevated.

Today, shoppers need approximately 11.9 hours of work to afford Acosta Group's Typical Stock-Up Trip. While that remains a significant commitment of time and earnings, it represents an improvement compared with affordability levels experienced during the peak inflation years. At the same time, the pace of recovery appears to be slowing. After improving steadily from 2023 through 2025, affordability has largely plateaued in the latest reporting period. Grocery prices continue to move higher, albeit at a more moderate pace than during the inflationary period, while wage growth remains positive but less transformative than it was during the earlier stages of the recovery.

The result is a marketplace that is no longer defined by inflation shock, but neither has it returned to pre-pandemic norms. Consumers have adapted to higher prices, retailers have adapted to more value-conscious shoppers and brands have adapted to a marketplace where value communication is often as important as product innovation.

Perhaps the most significant finding from this year's analysis is that many of the shopping behaviors developed during the inflation years remain firmly in place. Promotional engagement remains elevated, value-oriented shopping remains widespread and consumers continue approaching purchases with a level of scrutiny that would have been less common before inflation reshaped household budgets.

Taken together, the findings suggest the grocery industry has entered a new affordability era. The acute pressures created by inflation have moderated, but many of the behaviors those pressures produced continue embedded in the shopping process. Consumers have adapted to a marketplace defined by higher prices, and many of the habits developed during that adaptation now appear increasingly durable. For retailers and brands, understanding that distinction may prove more important than understanding inflation itself.

The central implication is straightforward but significant. Improving affordability does not appear to be reversing the shopping behaviors consumers developed during the inflationary period. For retailers and brands, that means future growth may depend less on waiting for economic conditions to normalize and more on understanding how permanently consumer expectations around value have changed.

At a Glance

$366
Typical Stock-Up Trip

+$78
Increase Since 2020

+27%
Increase Since 2020

11.9 Hrs
Required to Purchase Basket

2023
Affordability Low Point

Affordability has improved, but value-seeking behaviors remain firmly in place

Key Findings

The following findings examine grocery affordability through the relationship between grocery costs and earnings, and what those changes may mean for shopper behavior.

1

The Typical Stock-Up Trip Costs Nearly $80 More Than It Did in 2020

The cost of Acosta Group's Typical Stock-Up Trip has increased from approximately $288 in the comparable four-week period of 2020 to more than $366 today, reflecting a 27% increase, driven largely by the inflation surge that occurred between 2021 and 2023.

2

Wage Growth Has Helped Restore Purchasing Power

Median hourly earnings increased from $23.93 in 2020 to $30.88 in early 2026. As wages outpaced grocery price increases during portions of the recovery period, affordability improved from its 2023 low point.

3

The Affordability Recovery Has Leveled Off

After improving steadily between 2023 and 2025, affordability has largely stabilized. Future gains are likely to be more incremental than the recovery observed during the immediate post-inflation period.

4

Inflation-Era Shopping Habits Are Proving Sticky

Consumers continue to engage heavily with promotions, compare prices and evaluate purchases through a value lens even as affordability improves, suggesting many inflation-era behaviors have become embedded in the shopping process.

5

The Affordability Mindset Is Outlasting the Affordability Recovery

The data suggests consumers are behaving as though affordability pressures remain elevated despite measurable improvements in purchasing power. The inflation surge may be fading, but the lessons consumers learned during that period continue to shape purchasing decisions today.

FINDING 1:

The Typical Stock-Up Trip Costs Nearly $80 More Than It Did in 2020

Grocery prices remain substantially higher than pre-pandemic levels despite moderating inflation.

Consumers may not track inflation rates, monitor economic indicators or calculate changes in buying power, but they understand affordability in a deeply practical way. They experience it every time they reach the checkout lane, every time a familiar basket costs more than expected and every time a routine shopping trip requires a new set of trade-offs.

Over the past six years, few aspects of daily life have provided a clearer illustration of changing economic realities than the grocery store.

Acosta Group's Typical Stock-Up Trip, an 84-item basket representing commonly purchased grocery and household essentials, now costs $366.04. In the comparable four-week period of 2020, that same basket cost approximately $288. The more than $78 increase represents a 27% rise in the cost of replenishing the products many households depend on regularly and helps explain why affordability remains such a central concern for consumers today.

Importantly, this increase did not occur gradually over a long period of time. Much of the change was concentrated during the inflationary period that unfolded between 2021 and 2023, when grocery prices accelerated across nearly every department of the store. Consumers experienced a level of food inflation that many had not encountered in decades, creating pressure on household budgets and forcing new spending decisions.

The effects extended well beyond the grocery aisle. As prices climbed, consumers began reassessing the role grocery spending played within broader household budgets. Products that had once been purchased almost automatically became subject to greater scrutiny. Shopping lists became more intentional, promotions became more influential and brand loyalty became more flexible as consumers searched for ways to preserve buying power.

> Consumers continue evaluating purchases through a value lens because higher prices remain embedded in their daily routines and continue influencing how spending decisions are made.

For many households, affordability evolved from an occasional concern into a persistent consideration. While the most dramatic inflationary period has passed, consumers have not returned to the pricing environment that existed before the pandemic. Grocery prices have stabilized relative to their peak rate of growth, but stabilization is not the same as reversal. The cost of the Typical Stock-Up Trip remains substantially higher than it was in 2020, and recent data indicates that upward pressure continues to persist.

In the latest four-week period, the basket increased 3.7% versus year-ago levels. Although that increase is considerably more moderate than the spikes experienced during the peak inflation years, it reinforces an important reality: the affordability

Typical Stock-Up Trip Cost

$288 in 2020 → $366 in 2026

▲ +$78 ▲ +27%

conversation is unlikely to disappear simply because inflation has slowed.

Consumers are now operating within a marketplace that has fundamentally reset its price expectations.

That reality creates a unique challenge for retailers and brands. Shoppers are no longer reacting to rapidly changing prices. Instead, they are adapting to a new baseline in which elevated prices have become part of the everyday shopping experience. While the emotional shock associated with inflation has diminished, many of the behaviors it created remain firmly in place.

Consumers continue evaluating purchases through a value lens because higher prices remain embedded in their daily routines and continue influencing how spending decisions are made.

For retailers, this means pricing and promotional strategies remain critically important even as inflation moderates. For brands, it means product benefits, quality and differentiation must increasingly justify higher price points in the eyes of consumers who have become more selective and more deliberate with every dollar they spend.

The most important takeaway is not simply that grocery prices increased. It is that the inflationary period fundamentally changed the context in which consumers make purchasing decisions. The cost of a stock-up trip may provide the measurement, but the broader story is how households adapted to a marketplace where affordability became impossible to ignore.

Implication

Elevated prices remain embedded in the marketplace, reinforcing the importance of value communication.

FINDING 2:

Wage Growth Has Helped Restore Purchasing Power

Earnings growth helped offset a portion of the affordability pressure created during the inflation surge.

Grocery prices explain what consumers pay, but they do not fully explain what consumers can afford.

One of the most important findings from the inaugural Acosta Group Affordability Tracker is that grocery affordability has improved since reaching its most challenging point in 2023, despite the fact that grocery prices remain historically elevated. Understanding that improvement requires looking beyond prices alone and examining the relationship between grocery costs and earnings.

Between 2020 and early 2026, median hourly earnings for full-time wage and salary workers increased from $23.93 to $30.88. During the same period, the cost of the Typical Stock-Up Trip rose substantially. Yet because earnings increased as well, consumers gradually recovered a portion of the purchasing power lost during the inflationary period.

The relationship becomes clearer when affordability is measured through the lens of work.

> *"Affordability improved as wage growth outpaced grocery inflation."*

Rather than focusing solely on shelf prices, the Acosta Group Affordability Tracker measures the number of hours a median full-time worker would need to work to purchase the Typical Stock-Up Trip. The metric connects two realities consumers experience every day: what groceries cost and what they earn. Viewed through that lens, the affordability story looks considerably different from the inflation story.

At the height of grocery inflation in 2023, consumers needed approximately 12.6 hours of work to purchase the Typical Stock-Up Trip. By 2025, that figure had fallen to approximately 11.8 hours as wage growth outpaced grocery inflation, helping restore buying power. Today, affordability remains significantly improved from peak inflation-era levels even though grocery prices continue to exceed historical norms.

This does not mean consumers feel financially unconstrained.

Housing costs remain elevated. Insurance costs continue to rise. Healthcare expenses, transportation costs and other essential obligations continue competing for household budgets. For many consumers, financial decisions remain shaped by pressures that extend well beyond the grocery aisle.

What the data does suggest, however, is that grocery affordability has become less challenging than it was during the peak inflation years.

Hours Required to Purchase Typical Stock-Up Trip

12.6 Hours
in 2023
(Peak)

11.8 Hours
in 2025
(Improvement)

That distinction helps explain one of the more interesting dynamics emerging across the marketplace. Consumers continue expressing concerns about prices while simultaneously demonstrating resilience in spending behavior. They remain highly attentive to value while continuing to engage with brands and categories that deliver perceived benefits. They continue seeking promotions even as purchasing power improves.

The explanation lies in the difference between price perception and affordability.

Consumers encounter prices every time they shop, which makes those costs highly visible and emotionally resonant. Affordability, by contrast, reflects the cumulative relationship between prices and earnings over time. While higher wages may not eliminate frustration over elevated prices, they can improve buying power. For retailers and brands, understanding that distinction is increasingly important.

The shopper of 2026 is not the same shopper who entered the inflationary period in 2021, nor is that shopper facing the same affordability pressures that existed in 2023. Buying power has improved, but consumer expectations around value have evolved as well. Today's shopper occupies a middle ground between those realities, demonstrating greater financial resilience while maintaining a heightened focus on spending decisions.

That balance may ultimately define the next evolution of the affordability story.

Implication

Improving affordability does not necessarily eliminate price sensitivity.

FINDING 3:
The Affordability Recovery Has Leveled Off

The affordability recovery that began in 2023 appears to be entering a period of stabilization.

For much of the past two years, affordability moved steadily in a positive direction. As wage growth outpaced grocery inflation, consumers gradually regained some of the purchasing power lost during the most challenging years of rising prices. The number of work hours required to purchase the Typical Stock-Up Trip declined, providing measurable evidence that grocery affordability was improving.

That trajectory now appears to be moderating.

The latest Affordability Tracker reading of approximately 11.9 hours is largely unchanged from year-ago levels. While affordability remains meaningfully improved from its 2023 low point, the pace of recovery has slowed considerably. Grocery prices continue to rise, wages continue to grow and shoppers continue to adapt, but the rapid gains that characterized the recovery period have largely given way to stability.

For retailers and brands, that transition carries important implications.

> *"Consumers continue to prioritize value even as affordability improves."*

Shoppers are no longer responding to rapidly changing affordability conditions. Instead, they are beginning to settle into routines shaped by the lessons learned during the previous several years.

Periods of rapid economic change often create equally dramatic shifts in consumer behavior. During the inflationary period, shoppers actively searched for ways to stretch household budgets, sought out promotions and reevaluated purchasing priorities. During the affordability recovery, improving purchasing power provided consumers with a measure of relief and helped restore confidence in many categories.

A stabilizing environment creates a different set of dynamics.

Shoppers are no longer responding to rapidly changing affordability conditions. Instead, they are beginning to settle into routines shaped by the lessons learned during the previous several years. In many respects, today's shoppers appear less focused on whether affordability is improving and more focused on how to operate effectively within a marketplace where higher prices have become the accepted reality. **That shift is significant because it changes the nature of competition.**

When affordability is improving rapidly, retailers and brands can benefit from favorable economic

momentum. When affordability stabilizes, competitive advantage increasingly depends on execution. Pricing architecture, promotional effectiveness, assortment strategies, value communication and shopper experience all become more important because future affordability gains are likely to be more incremental than those observed between 2023 and 2025.

The latest data does not suggest the affordability recovery has ended. Rather, it suggests the recovery has entered a different phase in which progress is likely to occur more gradually and less visibly than it did during the initial rebound from peak inflation conditions.

For retailers and brands, the challenge is no longer helping consumers navigate a period of extraordinary inflation. The challenge is succeeding in a marketplace where shoppers have emerged from that period with new expectations, new habits and a more disciplined approach to spending.

As a result, the affordability conversation is evolving from recovery toward resilience, with long-term success increasingly dependent on how effectively organizations adapt to consumers whose behaviors have changed more permanently than the underlying economic conditions.

Implication

Future gains are likely to come from execution rather than macroeconomic tailwinds.

FINDING 4:

Inflation-Era Shopping Habits Are Proving Sticky

Consumers continue exhibiting many of the value-oriented behaviors they developed during the inflationary period.

Whether inflation-era shopping habits prove temporary or enduring has become one of the defining questions facing the retail industry.

Historically, periods of economic disruption often produce behavioral changes that fade as conditions improve. Consumers adjust budgets, postpone purchases, seek lower-cost alternatives and modify spending patterns in response to financial pressure, only to gradually return to previous behaviors once those pressures ease.

The inflationary period that began in 2021 increasingly appears to be producing a different outcome. Rather than creating a temporary reaction, it may have accelerated a more fundamental shift in how shoppers evaluate purchases and define value. The grocery shopper who emerged from the inflation years appears noticeably different from the one who entered them, reflecting several years of adaptation to an environment characterized by rising prices and persistent budget pressure.

During that period, consumers learned to navigate a marketplace in which prices often changed more quickly than household budgets could adjust. As a result, shoppers became more engaged in the purchasing process. They compared prices more frequently, paid closer attention to promotions, reconsidered long-standing brand loyalties and became more willing to explore alternatives that offered a stronger value proposition.

What began as a practical response to rising costs increasingly evolved into a new way of shopping. What makes this evolution particularly significant is that many of these behaviors remain in place even as affordability has improved.

From Acosta Group's perspective, promotional engagement offers one indication of how durable these changes may be. Across the marketplace, Acosta Group's promotional analysis indicates promotional activity continues to account for a meaningful share of grocery purchases despite measurable improvements in affordability relative to 2023. Shoppers continue actively seeking opportunities to maximize purchasing power, suggesting that many value-oriented shopping behaviors have become embedded in the purchase process rather than serving as temporary responses to economic stress.

The persistence of those behaviors extends beyond promotions alone. Evidence of these trade-offs can also be seen in broader purchasing patterns. While consumer spending has continued to increase in dollar terms, unit sales have remained under pressure in many areas of the store, suggesting that shoppers are not simply paying higher prices but are also making more deliberate choices about what they purchase. In many cases, consumers appear to be prioritizing essential purchases while becoming more selective about discretionary items, reinforcing the idea that value-seeking behaviors extend beyond promotions and into broader spending decisions.

Consumers increasingly appear focused on the relationship between cost and benefit, evaluating whether products justify their price, whether

purchases align with household priorities and whether spending decisions deliver sufficient value relative to available alternatives. In many respects, shoppers have become more deliberate in how they assess trade-offs across categories, brands and purchase occasions.

The inflationary period elevated the importance of the value equation across nearly every department of the store. Shoppers became accustomed to comparing alternatives, weighing trade-offs and actively assessing whether products delivered sufficient utility, quality, convenience, reliability or trust to justify their cost.

The latest evidence suggests those habits have endured. For retailers and brands, that shift carries meaningful implications because it fundamentally changes the criteria consumers use when making purchase decisions. The challenge is no longer simply helping shoppers manage through a period of elevated inflation. The challenge is earning trust and demonstrating value in a marketplace where shoppers have become more intentional, more informed and more discerning.

Consumers remain willing to spend, but they increasingly expect stronger justification before doing so.

As a result, value has become a broader and more sophisticated concept than price alone. Promotions remain important, but they represent only one component of a larger equation that increasingly includes quality, convenience, innovation, reliability and brand trust. Organizations that understand this shift will be better positioned to build loyalty in an environment where shoppers continue scrutinizing spending decisions even as affordability improves.

The inflationary period may eventually fade into economic history. The shopping habits it accelerated appear considerably more likely to remain.

Implication

Promotional engagement remains a critical component of shopper activation.

FINDING 5:

The Affordability Mindset Is Outlasting the Affordability Recovery

Improving affordability has not fully changed how consumers think about spending and value.

Taken individually, each of the preceding findings tells an important part of the affordability story.

The cost of a typical grocery stock-up trip remains substantially higher than it was before the pandemic. Wage growth has helped restore a portion of the purchasing power consumers lost during the inflationary period. Affordability improved from its 2023 low point before beginning to stabilize more recently. At the same time, many of the shopping behaviors that emerged during the inflation years remain embedded in how shoppers make purchasing decisions.

Viewed together, those findings reveal something larger. **The data suggests that improvements in grocery purchasing power have not been accompanied by corresponding changes in consumer behavior. While grocery purchasing power has improved from its 2023 low point, shoppers continue demonstrating elevated levels of promotional engagement, heightened price awareness and a persistent focus on value across categories. That disconnect may be the most important insight emerging from the inaugural Acosta Group Affordability Tracker.**

> *"The inflationary period reshaped the economics of grocery shopping. Its more enduring legacy may be that it reshaped the consumer as well."*

Historically, shoppers have often returned to prior spending patterns once economic conditions improved. The latest affordability data suggests a different outcome may be emerging. While buying power has recovered from its 2023 low point, many consumer behaviors continue reflecting assumptions, habits and decision-making frameworks developed during a period of prolonged financial pressure.

Economic events often leave behavioral legacies that outlast the conditions that created them. The inflationary period appears increasingly likely to be one of those events.

For several years, consumers were required to make difficult trade-offs. They learned how to compare prices more aggressively, stretch budgets further and evaluate purchases more critically than they had in the past. Those behaviors were initially driven by necessity, but over time they became integrated into the shopping process itself.

Today, many shoppers possess greater purchasing power than they did at the height of inflation. Yet the decision-making frameworks developed during that period remain remarkably durable. Shoppers continue looking for proof of value, seeking reassurance that purchases are worthwhile and approaching spending decisions

> Success will increasingly depend not only on helping consumers afford purchases, but also on helping shoppers feel confident about them.

with a level of discipline that reflects lessons learned during one of the most inflationary periods in recent memory. The implications extend beyond grocery affordability alone.

Even if affordability continues improving, consumer expectations around value may remain permanently elevated. Consumers who learned to compare alternatives, evaluate trade-offs and scrutinize purchases more carefully are unlikely to abandon those behaviors simply because economic conditions become more favorable.

For retailers and brands, that reality changes the nature of the challenge. Success will increasingly depend not only on helping consumers afford purchases, but also on helping shoppers feel confident about them. Organizations that clearly communicate value, reinforce differentiation and provide compelling reasons to buy will be better positioned to succeed than those relying solely on improving economic conditions to drive consumer demand.

While affordability pressures may continue to ease, the mindset consumers developed during this inflationary period appears considerably more sticky.

Implication

Consumer expectations around value may remain elevated even as affordability improves.

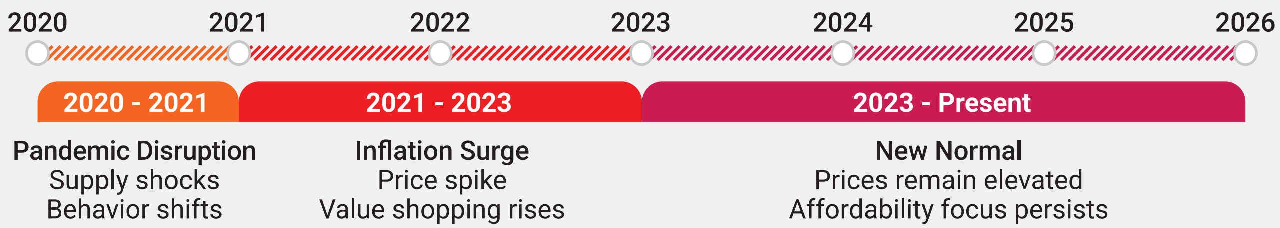
What We're Watching

Six years after the pandemic disrupted everyday life and three years after grocery inflation reached its peak, the affordability landscape has entered a new phase.

The extraordinary inflationary pressures that reshaped consumer behavior between 2021 and 2023 have largely moderated. Yet the marketplace that emerged from that period looks fundamentally different from the one consumers knew before. Grocery prices remain elevated relative to historical norms, value-oriented shopping behaviors remain widespread and retailers and brands continue operating in an environment where affordability influences a broad range of purchase decisions.

The question now is not whether affordability matters. The question is how affordability will evolve from here and whether the behavioral shifts created during the inflationary period prove temporary, cyclical or enduring. Several indicators will help answer that question in the months ahead.

Affordability Landscape Timeline



Wage Growth

The affordability recovery observed since 2023 has been driven largely by the relationship between earnings growth and grocery prices. While grocery costs remained elevated, wage growth helped restore a portion of the purchasing power shoppers lost during the inflationary period.

Whether that recovery continues will depend heavily on future wage trends. If earnings continue increasing at a pace that outstrips grocery inflation, affordability could continue improving gradually. If wage growth slows while grocery costs continue moving higher, consumers may once again face increasing pressure on household budgets.

Just as importantly, wage growth may help determine whether the affordability mindset that emerged during the inflation years begins to soften or becomes more deeply embedded in consumer behavior. Sustained gains in purchasing power could gradually restore spending confidence, while slower earnings growth could reinforce the disciplined shopping habits consumers have developed over the past several years.

Grocery Inflation

Although inflation has moderated significantly from peak levels, grocery prices continue moving higher.

Shoppers are no longer navigating the extraordinary price increases that characterized 2022 and 2023, but even modest increases accumulate over time, particularly within a marketplace where prices already sit well above pre-pandemic levels.

Future affordability gains will depend in part on whether grocery inflation remains relatively contained or begins accelerating again. While consumers have demonstrated remarkable adaptability throughout the past several years, persistent price increases would likely reinforce the value-oriented behaviors that have become increasingly common across the marketplace.

Equally important is the psychological dimension of inflation. Consumers may respond differently to future price increases than they did before the inflationary period because elevated prices have become a more visible and emotionally resonant part of everyday shopping.

As a result, even moderate inflation could exert an outsized influence on consumer perceptions of affordability. Retailers and brands will also be monitoring upstream cost pressures as potential indicators of future grocery pricing trends. Producer price movements and other input cost signals can provide early insight into pricing pressures that may eventually reach consumers, making them important indicators to watch as the affordability landscape continues to evolve.

Promotional Activity

Promotions played a critical role in helping consumers navigate the inflationary period and continue to influence shopping behavior today.

Promotional engagement remains elevated across many categories, suggesting shoppers continue seeking opportunities to maximize purchasing power even as affordability improves. The persistence of promotional responsiveness offers an important window into how consumers view their financial circumstances and how they define value in the current environment.

Future promotional trends may provide one of the clearest indicators of whether inflation-era shopping habits are beginning to moderate. If promotional engagement gradually declines as purchasing power improves, it could suggest consumers are becoming more comfortable with current spending levels. If promotional engagement remains elevated despite improving affordability, it would provide additional evidence that many value-oriented shopping behaviors have become lasting components of the purchase process.

Seasonal Spending Pressures

The second half of 2026 will provide an important test of consumer resilience.

Summer travel, back-to-school spending and the holiday shopping season will compete for share of wallet at a time when affordability improvements appear to be leveling off. Consumers who have benefited from improved purchasing power since 2023 will soon face a series of spending periods that traditionally place additional demands on household budgets.

How shoppers navigate those competing priorities may provide valuable insight into the durability of the affordability mindset that has emerged during the past several years. If shoppers continue demonstrating elevated promotional engagement and disciplined spending behaviors despite relatively stable affordability conditions, it would further reinforce the notion that many inflation-era habits have become embedded within the shopping process itself.

Consumer Confidence and the Evolution of Value

Affordability and confidence do not always move together. Consumers may experience improving purchasing power while remaining cautious about future economic conditions. Similarly, shoppers who feel optimistic about their financial outlook may demonstrate greater flexibility in spending decisions even when affordability remains under pressure.

Understanding how consumers feel about their financial future will therefore remain an important complement to understanding how affordability is evolving in the present.

Perhaps most importantly, retailers and brands will need to continue monitoring how consumers define value. The inflationary period expanded the role value plays in purchase decisions, encouraging shoppers to evaluate trade-offs among price, quality, convenience, innovation and brand preference more carefully than before.

The extent to which those behaviors persist may ultimately determine how retailers and brands compete in the years ahead. While affordability will continue to fluctuate over time, the heightened attention consumers now place on value appears increasingly likely to remain a defining characteristic of the marketplace.

> *Retailers and brands will need to continue monitoring how consumers define value.*

Implications for Brands and Retailers

The affordability story entering the second half of 2026 is not primarily a story about inflation. It is a story about adaptation.

For several years, retailers, brands and consumers operated in an environment defined by extraordinary economic disruption. Grocery prices rose at a pace many households had never experienced before. Consumers responded by changing how they shopped, how they evaluated purchases and how they defined value. Affordability became a source of pressure, and value became a necessity rather than a preference.

Today, the environment looks different. Affordability has improved from its 2023 low point as wage growth has helped restore a portion of the purchasing power lost during the inflationary period. Shoppers are no longer navigating the same degree of financial pressure they experienced at the peak of grocery inflation. Yet the behaviors developed during that period have proven remarkably durable. **That distinction fundamentally changes how retailers and brands should interpret consumer behavior.**

Many organizations continue viewing elevated promotional engagement, heightened price sensitivity and increased purchase scrutiny primarily as responses to economic stress. The findings from the inaugural Acosta Group Affordability Tracker suggest something more significant may be occurring. Increasingly, these behaviors appear less like temporary reactions to inflation and more like lasting adaptations to a marketplace in which consumers have become more deliberate, more informed and more intentional in how they spend.

As a result, the basis of competition is evolving. During the height of inflation, success often depended on helping consumers manage rising costs. Moving forward, success may depend less on helping shoppers cope with inflation and more on helping them navigate choice. Consumers have demonstrated that they remain willing to spend, but they are increasingly selective about where, when and why they do so. Purchases that clearly communicate value continue earning consideration. Purchases that fail to justify their cost face greater scrutiny than they might have received before the inflationary period reshaped household budgets. **For retailers, this reinforces the importance of value communication throughout the shopping journey.**

Consumers continue seeking reassurance that they are making smart purchasing decisions. Effective pricing strategies, relevant promotions, compelling merchandising, personalized loyalty programs and clear value messaging all contribute to that confidence. The retailers best positioned for success will be those that make value visible, understandable and easy for shoppers to recognize.

At the same time, retailers should be cautious about equating value exclusively with low prices. The inflationary period encouraged consumers to think more critically about what they receive in exchange for what they spend. As a result, shoppers increasingly evaluate purchases through a broader lens that includes quality, convenience, assortment, trust and overall shopping experience. While price remains important, it is only one component of a much larger value equation.

For brands, the implications may be even more profound. The inflationary period disrupted patterns of loyalty that had been built over years and, in some cases, decades. Consumers experimented with private brands, alternative products, different retailers and new purchase behaviors as they searched for ways to manage rising costs. In the process, many discovered options that met their needs at different price points and challenged long-standing assumptions about what deserved a place in the basket.

> *Consumers adapted to a period of sustained economic pressure and emerged with a fundamentally different approach to spending.*

That reality raises the bar for brand relevance. Familiarity alone is no longer sufficient. Historical loyalty alone is no longer sufficient. Increasingly, shoppers expect brands to communicate clear and meaningful reasons to buy. They want to understand what differentiates one product from another, what benefits justify a premium price and why a particular purchase deserves their attention.

Brands that succeed in this environment will be those that make their value proposition immediately apparent. Product quality, innovation, convenience, performance and trust all remain important, but their importance is magnified when consumers are actively evaluating whether purchases align with household priorities and budgets.

Perhaps most importantly, the findings suggest that the industry's long-term challenge is shifting from affordability to confidence. Affordability will always matter. Consumers will continue responding to changes in prices, wages and broader economic conditions. Yet the more enduring opportunity may lie in helping consumers feel confident about spending decisions regardless of the economic environment. Consumers who trust that a retailer offers fair value or that a brand consistently delivers meaningful benefits are more likely to remain engaged even when economic uncertainty persists.

The central finding of this report is that affordability and consumer behavior are no longer moving in parallel. Purchasing power has improved since the peak inflation years, yet many consumer expectations around value remain elevated. Those realities now coexist within the marketplace, creating both opportunities and challenges for organizations seeking sustainable growth.

Ultimately, the most important insight from the inaugural Acosta Group Affordability Tracker may not be that affordability improved following the inflation peak. It may be that consumers adapted to a period of sustained economic pressure and emerged with a fundamentally different approach to spending.

For retailers and brands, that distinction carries significant implications. The competitive challenge is no longer simply helping consumers manage higher prices. It is helping consumers navigate a marketplace in which every purchase is increasingly evaluated through the lens of value, relevance and justification.

The inflationary period reshaped the economics of grocery shopping. Its more enduring legacy may be that it reshaped the consumer as well.

Methodology

The Acosta Group Affordability Tracker measures grocery affordability by examining the relationship between the cost of a typical stock-up grocery trip and median hourly earnings in the United States.

At the center of the Tracker is Acosta Group's Typical Stock-Up Trip, an 84-item basket composed of high-penetration, high-frequency grocery and household products spanning 10 departments and 67 categories across the store. The basket was designed to reflect the types of products consumers commonly purchase when replenishing household essentials and was aligned to USDA guidance for a four-person household operating under a moderate-cost food plan. A detailed basket composition is available upon request.

Pricing data is sourced from NIQ Discover Total U.S. Food sales data. Basket costs are calculated using average prices across the selected items and tracked over time to measure changes in the cost of a representative stock-up shopping occasion.

To evaluate affordability, basket costs are compared against median hourly earnings for full-time wage and salary workers as reported by the U.S. Bureau of Labor Statistics. The Affordability Tracker is expressed as the number of work hours required for a median full-time worker to purchase the Typical Stock-Up Trip.

This approach is designed to provide a practical measure of grocery purchasing power by linking what consumers earn with what they spend. While price measures alone indicate how grocery costs are changing, the Affordability Tracker evaluates how those changes interact with consumer earning power over time.

The Tracker is intended to measure directional changes in affordability rather than estimate the experience of any individual household. Actual affordability will vary based on income, geography, household composition and spending priorities.

By combining grocery pricing data with wage information, the Acosta Group Affordability Tracker provides a consistent framework for monitoring affordability trends and understanding one of the most important forces shaping consumer behavior, retailer performance and brand growth.

Future editions of the Tracker will continue monitoring changes in grocery costs, earnings and purchasing power to provide ongoing insight into how affordability influences shopping behavior and value perceptions across the marketplace.

Typical Stock-Up Trip ÷ **Median Hourly Earnings** = **Affordability Tracker**

The inflationary period reshaped the economics of grocery shopping. Its more enduring legacy may be that it reshaped the consumer as well.

Data Sources

The Acosta Group Affordability Tracker combines proprietary Acosta Group analysis with external data sources to evaluate affordability and purchasing power over time.

Grocery pricing data is sourced from NIQ Discover Total U.S. Food sales data and is used to calculate the cost of Acosta Group's Typical Stock-Up Trip. Wage data is sourced from the U.S. Bureau of Labor Statistics and reflects median hourly earnings for full-time wage and salary workers.

The analysis, findings and conclusions presented in this report are those of Acosta Group.

About Acosta Group

Acosta Group is a collective of the most trusted retail, marketing and foodservice agencies empowering brands and retailers to win in the modern marketplace. By delivering transformative, commerce-focused solutions and MORE THAN a century of expertise, Acosta Group connects its partners with people at every point in the consumer journey. Comprised of Acosta, ActionLink, ADW, CORE Away From Home, CROSSMARK, Mosaic, Premium Retail Services and Product Connections, Acosta Group understands and anticipates evolving consumer needs, fueling accelerated performance to connect tomorrow's commerce today. For more information, please visit acosta.group.

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