



Eight Quirky Indicators of a Recession

industry update economy consumer sentiment

Summary: There are more ways than one to discern whether the US economy is in or headed for a recession. Instead of looking for the usual suspects, here are eight unconventional indicators that a recession is coming.

In poker, many players have a “tell”: a personal tic or habit that indicates something about their hand. Maybe a player twirls a ring when he’s bluffing, or taps her foot when she has a particularly good hand. It turns out that the economy has tells, too.

You can read the latest employment numbers, follow interest rate changes, note housing market trends, and chart the ups and downs of the US gross national product as you try to discern whether or not the US economy is either in or headed for a recession.

However, there are other interesting and unusual signs to look out for that may indicate a recession, even before conventional data can. From lipstick sales to Super Bowl wins, the world is (apparently) full of economic signals that wink and nudge to the discerning observer.

Here are eight quirky signs that a recession may be on its way, or is already here:

1. **Lipstick sales surge.** The “lipstick effect,” a fairly well-known theory put forward by economist and sociologist Juliet Schor, says that [people buy more lipstick during an economic downturn](#) when they can’t afford more expensive beauty products. The lipstick effect was a reliable barometer during the post-9/11 recession, when Estée Lauder reported an uptick in lipstick sales.
2. **Men’s underwear sales stagnate.** Former federal reserve chair Alan Greenspan hypothesized that when times are hard, people wait longer to replace worn-out items. Men’s underwear, typically utilitarian and hidden from view, is a prime candidate for slower replacement when shoppers feel a financial pinch. According to the newspaper The Guardian, the men’s underwear market sagged in 2002 and Hanesbrands stock lost 50% of its price YoY.
3. **Tipping decreases.** Exotic dancers supposedly get better tips when times are good; their earnings plunge when times are hard. A dancer quoted in The Guardian says that her income was down by half in December YoY, and heard similar stories from dancers in Vegas. *“They’re like the oracles we consult,” she says. “If Vegas girls aren’t making money, no one’s making money.”*
4. **Dating habits change.** Online dating apps perform well when singles have less money to spend. Instead of spending money at bars and clubs, where they might meet eligible counterparts, daters go online to meet when they’re pinching pennies. In November 2022, Match Group, which owns Tinder and Hinge, saw a 2% increase in paying subscribers.
5. **Hair salon services decrease.** More people rock their natural hair color during an economic slump. Expect to see fewer adults with platinum-blond hair or obvious dye jobs, and more people wearing their natural dark or grey shades. It’s hard to justify spending \$200 a month or more to maintain a salon-quality dye treatment in a recession.
6. **Company fridges fill up.** More packed lunches appear in office refrigerators when hungry people don’t have room in their budgets for restaurant meals. By contrast, restaurants do better when people have more money to spend on eating out.

7. **Luxury watch sales decline.** In good economic times, firms that pay employees bonuses issue bigger bonuses. That in turn drives up Rolex sales. It's mostly middle-aged men who buy these and other expensive watches when they reach a professional level that lets them afford the purchase, but luxury watch sales decline during economic downturns. In the year after the 2008 financial crisis, [the export sales of Swiss watches fell 22%](#).
8. **An American Football Conference team wins the Super Bowl.** According to this (unscientific) idea, when a team from the American Football Conference (AFC) wins the Super Bowl, the stock market will decline in the coming year. A win for the National Football Conference team, on the other hand, predicts a bull run in the upcoming year. This indicator has no discernable connection to the economy, but it has been correct 41 out of 56 times as of the end of 2022: [a success rate of about 73%](#). The Kansas City Chiefs, winners of the most recent Super Bowl, are part of the AFC.

If you're eager to know whether the market is headed into recession territory, official economic indicators are important, but don't ignore what you see and hear as you live your life. Nontraditional economic indicators can add a bit of fun and provide surprisingly accurate answers.

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ECONOMY & RATES

Rates As Of: 03/28/2023 02:36PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	4.80	-0.08	0.38
6M	4.90	-0.27	0.14
1Y	4.54	-0.47	-0.17
2Y	4.09	-0.74	-0.34
5Y	3.68	-0.51	-0.33
10Y	3.57	-0.35	-0.31
30Y	3.77	-0.15	-0.19
FF Market	FF Disc	IORB	
4.83	5.00	4.90	
SOFR	Prime	OBER	
4.81	8.00	4.82	

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