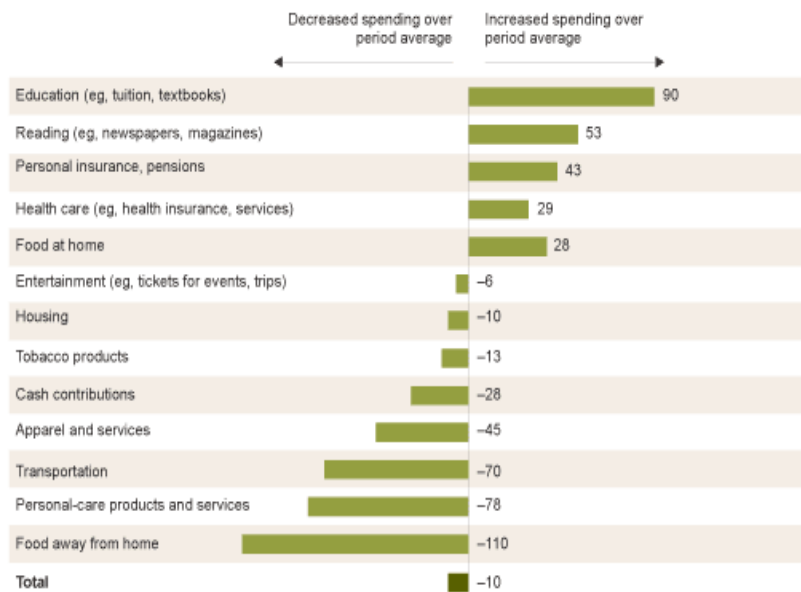


# The McKinsey Quarterly

## Industry trends in recessions

Many companies can anticipate the performance of their sectors in a recession. McKinsey research shows that during the 1990–91 and 2001–02 downturns, for example, US consumers reprioritized their spending rather than cutting it across the board. Consumer spending dropped in discretionary categories like dining out, personal care products, and charitable donations. But expenditures for groceries, reading materials, and other options that substitute for more expensive ones actually rose. So did outlays on insurance, health care, and, above all, education.

Average growth in US consumer expenditures for recession (1990–91 and 2001–02) compared with average growth for entire period (1984–2006); index: average growth for entire period = 0



To learn more about how long-term currents will probably affect the performance of the consumer goods, steel, technology, and chemical sectors during the present recession, read [“Industry trends in the downturn: A snapshot”](#) (December 2008).

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