

Forget The Wall Street Charts, Keep Tabs On The Lipstick Uptick Instead

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There's something disarming about the Finance Bro in his element, with his slicked-back hair, glimmering Rolex, and sentences that start with "statistically speaking" and end with "per annum." Economics is treated as abstract equation on an economist's chalkboard and recession is defined by dips in GDP, market volatility or dry graphs of industrial output. But if we widen our lens we begin to see the human fingerprints on the downturn-trend in community optimism, spending behaviours and even subtle changes in mental health and social wellbeing. Markets may crash on paper but recessions are truly measured in the lives they touch. Let's find out if these real time signals are the true reflectors of recession.

Bulls and bears jargon

For the Average Joe, opening a news site and being confronted by rapidly changing numbers along with confusing jungle of Bulls and Bears, Candlesticks and Mountain Graphs, tells nothing about why their heart races every time they check their bank account or why a sense of existential dread seems to coexist with economic discontent. But if economics is the study of human choices, then why is there so little humanity in it? To combat this fundamental gap, economists and journalists are in-

Unconventional Recession Clues

creasingly interested in studying unconventional recession indicators.

Dresser draw maths

It might be surprising that economics has somehow climbed down from its high horse and reached your dresser drawer. Offbeat indicators like the Lipstick index, Nail Polish index and the Men's Grooming index follow the logic of a spike in sale of products that are free-size, easy to use and provide a boost in confidence at a lesser cost compared to other discretionary fashion purchases such as handbags, during recessions. Estee Lauder reporting increased lipstick sales despite falling luxury fashion revenue in 2008, and global men's grooming grew 11% in 2008-2010. This is due to their urge to indulge in cheaper personal care during financial restrictions. Who knew that all those big buildings or bling gold jewellery that people love to flaunt might be an

indicator of something other than prosperity? Indicators such as the Skyscraper index and Scrap gold supply theory validate the cyclical nature of business postulated by theories such as Austrian Business Cycle Theory.

Another economic trend that is projected for future recessions is consumers turning to resale markets for affordability, with ThredUp's 2023 Resale Report projecting the second-hand apparel market to double by 2027.

Offbeat signals

These quirky indicators seem more valid due to their relatability and also overcome the flaw of the lagging nature of traditional economic indicators. The recent acceptance of a more nuanced approach to understand recession, is part of a larger movement to democratise economics by considering it as a study of human behaviour rather

than a cookie-cutter behaviour which matches data-points. These clues may be an off-kilter approach but offers more immediate real time signals of economic sentiment and stress. They immediately capture changes in public mood and financial confidence that traditional data misses or reports belatedly. Hence, there is no doubt that these indicators hold importance as they are channelising macro-economic analysis through a micro-economic lens to find hidden patterns.

Criticism and cynicism

However these offbeat indicators haven't been a mainstream choice because of their frivolity. Critics have expressed that these indicators pander to changing consumer sentiments, which are easily moulded through channels such as social media, reducing their validity. For example, the Lipstick index theory didn't ring true during the Covid-19 pandemic as sales of makeup declined, because consumers were restricted to staying at home.

The path forward

Fortunately, we don't have to pit mainstream and unconventional economic indicators against each other, because they both serve a different purpose. One holds up a mirror to the society, picking up signals before balance sheets, while the other is a targeted metric, having a nearly perfect record in predicting recessions.

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THE GT POLL

With the SC banning firecrackers, Delhi CM Rekha Gupta suggests allowing 'green' ones this Diwali. What are your views on this?

- A) Environment comes first
- B) Green crackers are costly
- C) Culture must be preserved

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AIMUN 2025



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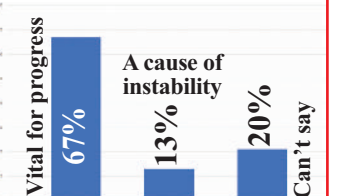
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POLL RESULT

for GT Edition October 6, 2025

Gen Z in Indonesia, Peru, and Madagascar are protesting against corruption using social media to demand change. How do you view this trend?



Results as on October 10, 2025