



Consumer pulse

Back-to-school fall forecast 2024

Consumer and Retail

Fall 2024



Executive Summary (1 of 2)

01

Consumer spend

- Consumers report spending a higher percentage of income on regular monthly living expenses and essential goods and services compared to last year and they expect this to continue in Fall 2024.
- Furthermore, 62 percent of consumers feel they are in the same or better place financially than they were this time last year.
- Most consumers expect to spend more on essential goods and services in 2024 compared to 2023, specifically in groceries (81 percent).
- However, on average, consumers expect to spend only slightly more on essentials and only slightly less on discretionary products and services, compared to summer 2023
- Consumers report that online share of wallet as been highest in personal care products in essential category (34 percent) and entertainment, apparel (43 percent) in discretionary category over the last 3 months.
- Most consumers expect to purchase either more or the same amount online this fall across all 12 essential and discretionary categories compared to last fall.
- Consumers continue to use credit and debit cards as their preferred payment method for online purchases; however, there is a slight increase in both credit and debit card usage.
- Compared to 2023, online shoppers are placing higher importance on price and company's reputation and similar importance on ESG factors such as consumer privacy, environmental impact, and social impact.

02

Inflation

- Majority of consumers (94 percent) continue to feel the pressure of inflation; 76 percent claim that their cost of living has increased by more than 5 percent.
- Fewer consumers agree that price increase are an inevitable part of life, an 8 percent decrease compared to 2022.
- 69 percent of consumers plan to change their discretionary spending habits due to price increases; Consumers are most likely to cut back on restaurants and bars, travel, entertainment / media and luxury goods.
- Most consumers believe that prices have increased over the last six months across a variety of categories, especially groceries (79 percent) and restaurants (77 percent), but also including travel, automotive, apparel, personal care products and services, entertainment / media, and home improvement products / supplies.
- Observed price increases are highest in travel and restaurants, with 84 percent and 80 percent of respondents who've observed price increases reporting price increases over 5 percent.
- Consumers are most concerned with inflation in grocery (66 percent) and automotive (59 percent) prices.
- Within grocery, 68 percent of consumers who have observed price increases plan to change their purchasing behaviors; 41 percent of these consumers plan to purchase more groceries on promotion or discount.
- Within Automotive, 53 percent of consumers who have observed price increases plan to change their purchasing behaviors; 36 percent of these consumers plan to shop at different retailers to find better bargains.

Executive Summary (2 of 2)

03

Back-to-School

- Of households with students, 29 percent have pre-school going children, 24 percent have children that are going to elementary school, and nearly half of the households have college going students.
 - Back-to-school shoppers start their shopping in different months depending on region due to different school start dates by state; 57 percent of Northeast BTS shoppers plan to start in August.
 - 36 percent of BTS shoppers feel that they are in worse financial standing than this time last year.
 - However, BTS shoppers still expect to spend more in 2024 across all education levels with average spend per student expected to increase 14 percent (\$43). The highest increase in spend is for pre-school child (25 percent; \$31)
 - 42 percent of BTS shoppers plan to spend more per student on back-to-school in 2024 versus 2023, primarily due to the expectation of rising prices (77 percent). 47 percent of BTS shoppers who expect to spend less report that they would need fewer items.
 - 52 percent of BTS shoppers plan to spend more on back-to-college in 2024 versus 2023, primarily due to the expectation of rising product costs. Those that expect to spend less on back-to-college shopping report that they need to buy less expensive items.
- Consistent with their 2022 and 2023 share of wallet estimates, BTS shoppers expect core school supplies, apparel, and footwear to be their largest BTS spend categories in 2024, driving a combined 54 percent of spend.
 - In line with 2023, BTS shoppers plan to do 59 percent of their shopping in-store.
 - Gen Z and Millennial BTS shoppers expect to spend more online than Gen X and Baby Boomer+ BTS shoppers. Higher income households also prefer to do more of their BTS shopping online compared to lower income households.
 - Mass merchants remain the top channel for back-to-school shopping with an expected 34% share of wallet in summer 2024.
 - High income households are more likely to do their BTS shopping at online only retailers.
 - For lower income households, mass merchants and online only retailers are taking away back-to-school share of wallet from dollar stores and apparel retailers
 - 75 percent of BTS shoppers consider apparel and 76 percent of BTS shoppers consider footwear to be essential parts of BTS shopping; slightly lower than last year – 78 percent for apparel and 82 percent for footwear
 - 43 percent of households consider luxury items as part of their back-to-school budget this year versus 37 percent last year.
 - 55 percent of BTS apparel shoppers have seen price increases for apparel and 65 percent of them plan to change their purchasing behaviors to mitigate price increases, 42 percent of whom plan to buy more products that are on promotion or discount.
 - 34 percent of BTS office / school supply shoppers have seen price increases in this category and 60 percent of them plan to change their purchasing behaviors to mitigate price increases, 44 percent of whom plan to buy fewer items and 36 percent plan to search for better bargains.

Key talking points

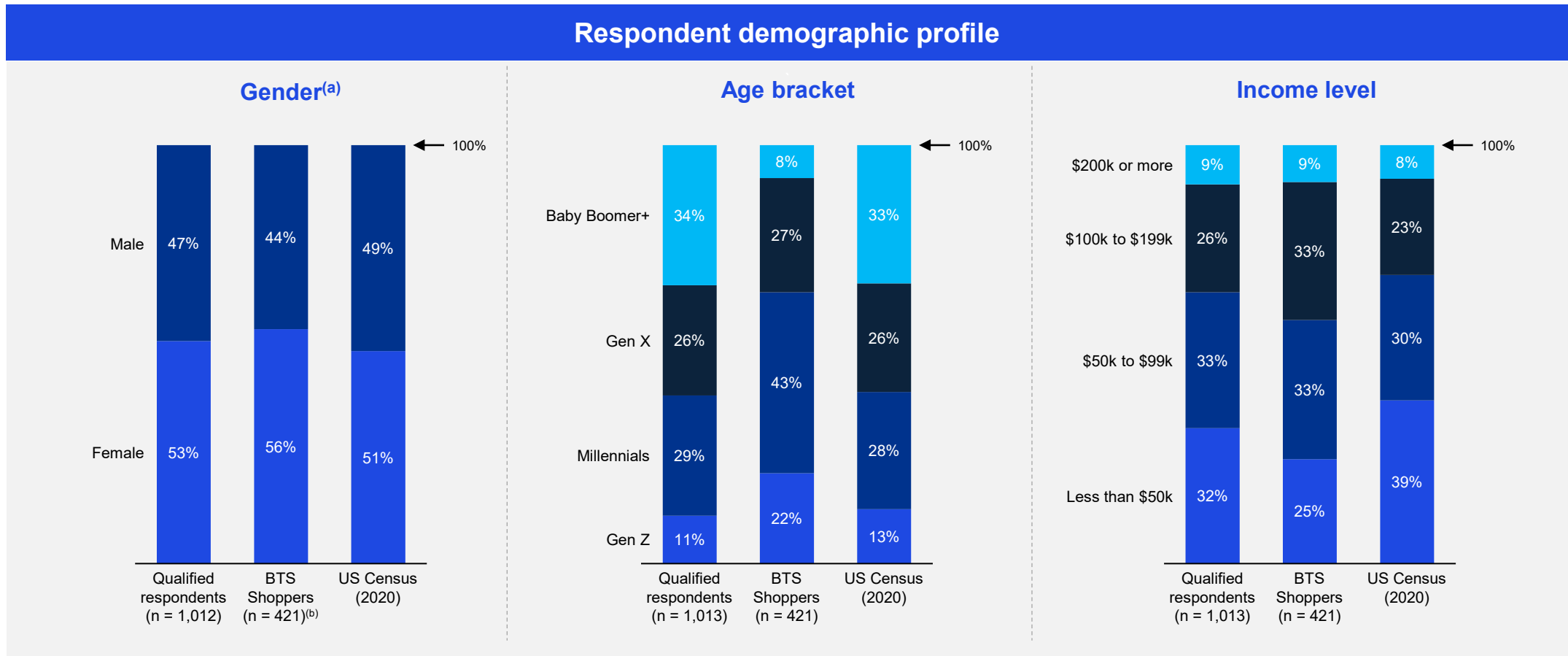
04

Consumers are discerning but not defeated

- The KPMG consumer pulse survey reveals the dichotomy we are seeing unfold in the broader economy. Over 60% of consumers feel that they are doing the same or better than they were a year ago. The majority expect to spend more on back-to-school purchases than they did a year ago.
- The jump in those with preschool-aged children is the largest, which reflects the crisis in childcare and exacerbated by pandemic. [Childcare problems](#) – cost and availability – remain a major obstacle to hours worked, especially for working women.
- The improvements in spending masks the juggling that households must endure to get there. The majority expect to spend a larger share of their budgets on essentials than discretionary items. That has upped the pressure on retailers to discount.
- The pivot toward essentials from discretionary purchases is thus far contained. We have yet to see a full pull back in consumer spending. Travel is still a priority, just not at any price.
- Consumers complain the most about the escalating cost of groceries, dining out and travel. Large retailers and fast-food chains, which can more easily rely on discounts to buoy the volume of spending are gaining market share. The same is likely to be true of more value-based vacations.
- Online spending continues to gain momentum and occupy more of consumer wallets. That has increased leverage those households have to shop online and price check.
- High-income households are more likely to buy online than middle- and low-income households for back-to-school purchases. That means that high-income households are reaping more on the benefits of price discovery and comparison shopping; young and subprime borrowers are more likely to have maxed out their credit cards.
- Inflation remains a concern for most households, especially when it comes to grocery budgets. However, the ranks of those who expect automatic price hikes have fallen significantly from the peak of inflation in 2022. That is welcome news to the Federal Reserve, which is looking for inflation to recede from top of mind for most consumers.

Demographic

Representative sample is within a +/- 5 percent variance compared to the 2020 United States census across all demographic segments; however, households with students have significantly fewer Baby Boomer+ respondents.



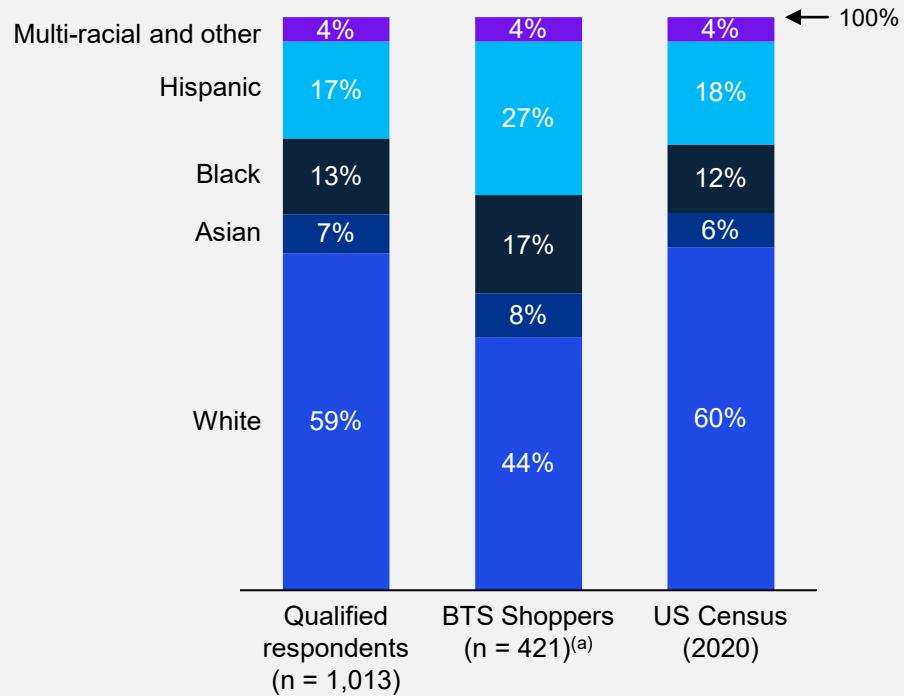
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "Please select your gender.", "Please enter your current age.", "Please select the annual income range that best describes your total household income in 2024."; (a) Gender identification omits one respondent that mentioned "Prefer to self-describe"; (b) BTS shoppers include the 421 households with children and/or adult students
 Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024–July 23, 2024



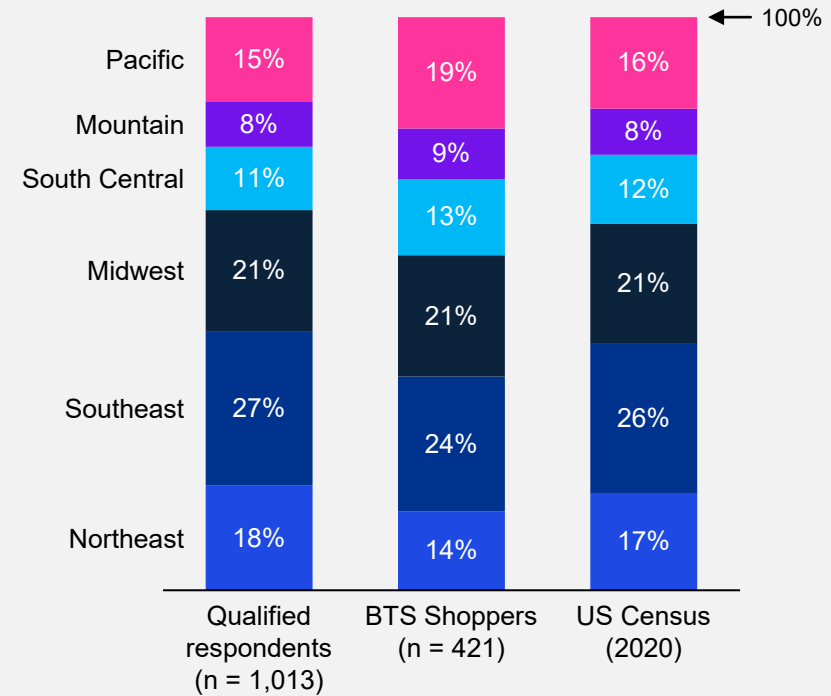
Representative sample is within a +/- 5 percent variance compared to the 2020 United States census across all demographic segments.

Respondent demographic profile

Race / Ethnicity



Region



Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "Are you Hispanic, Latino/a/x, or of Spanish origin?," "Please select the option which best describes your race:", "Please enter your current zip code"; (a) BTS shoppers include the 421 households with children and/or adult student

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024–July 23, 2024



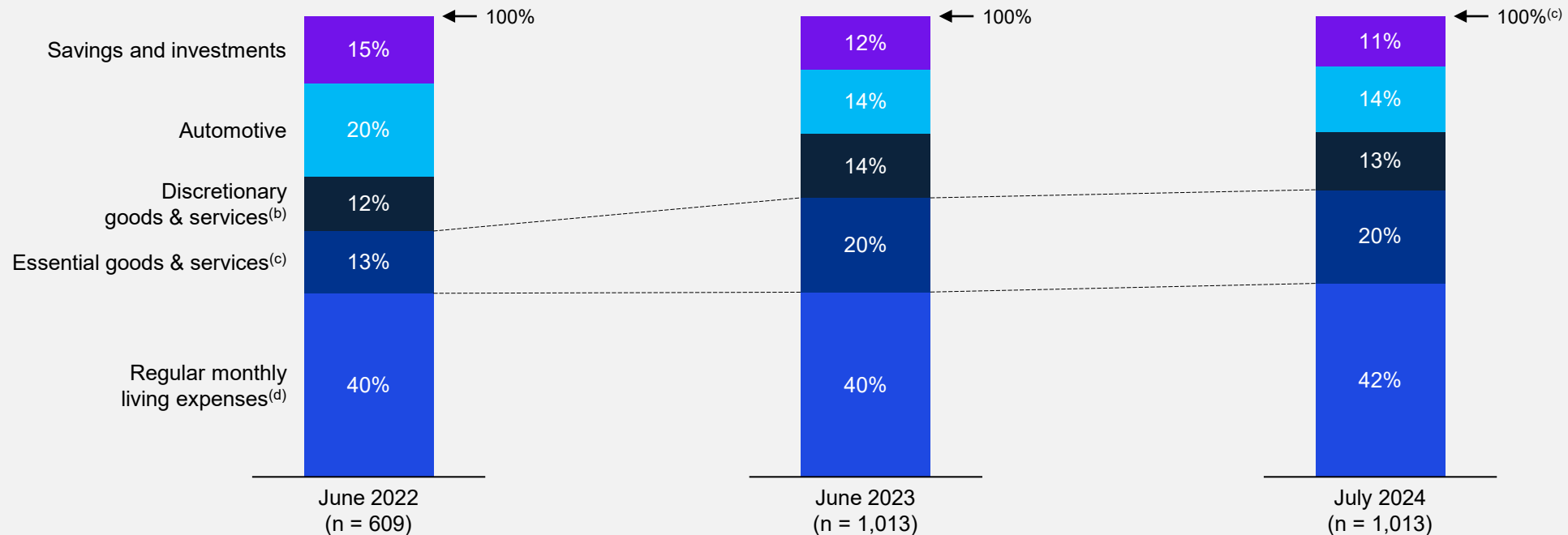
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01

Consumer spend

Consumers report spending a higher percentage of income on regular monthly living expenses and essential goods and services compared to previous years.

Percentage of household income spend per category (a)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked “Please estimate to the best of your ability what percent of your monthly household income was spent on each of the following categories in the fall of 2023 and what percent will be spent on each of the following categories in the fall of 2024”; (a) Values for 2022 taken from 2023 Consumer Pulse Survey and values for 2023 and 2024 taken from 2024 Consumer Pulse Survey.; (b) Discretionary goods and services include restaurants, clothing, entertainment; (c) Essential goods and services include food, prescription medications, and personal care products; (d) Regular monthly living expenses include housing costs, utilities, home insurance, health insurance, and education.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

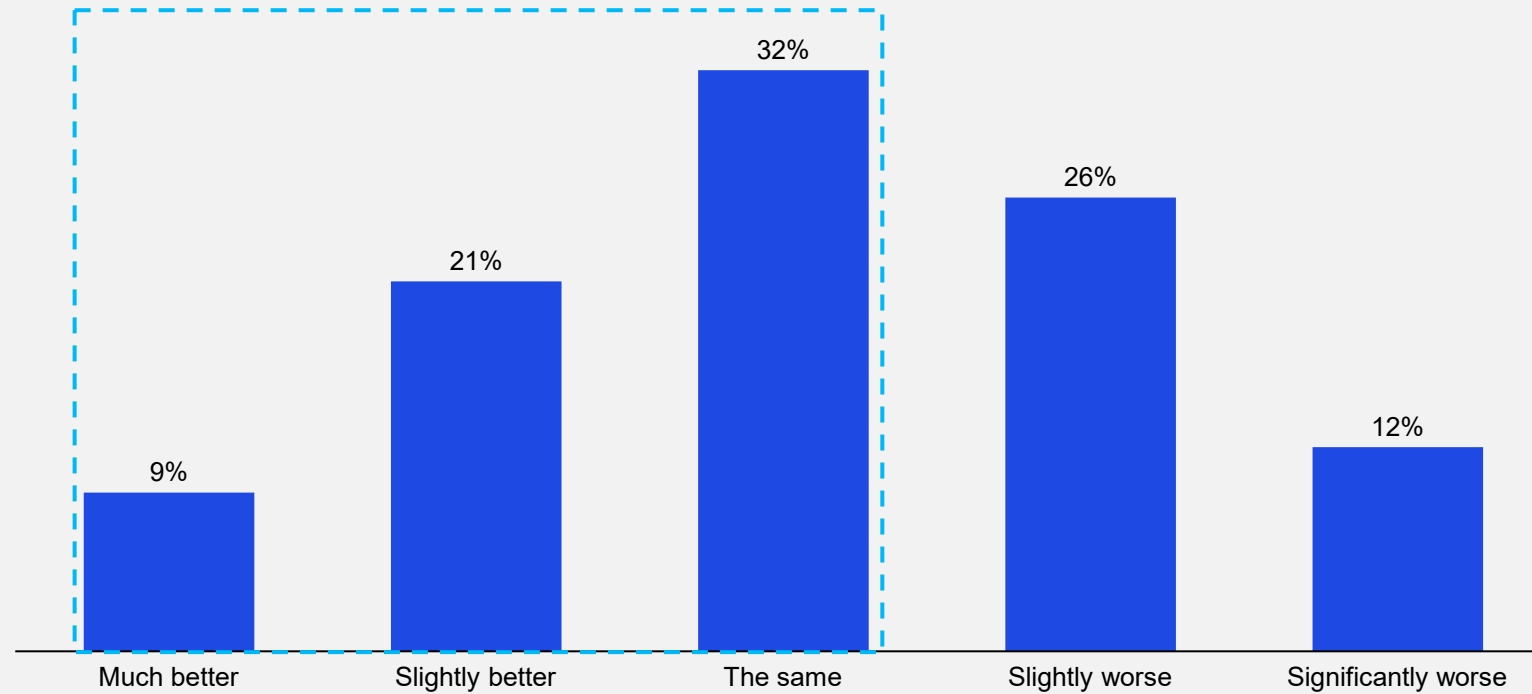


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Furthermore, 62 percent of consumers feel they are in the same or better place financially than they were this time last year.

Financial security compared to this time last year, 2023 vs 2024

n = 1,013 respondents

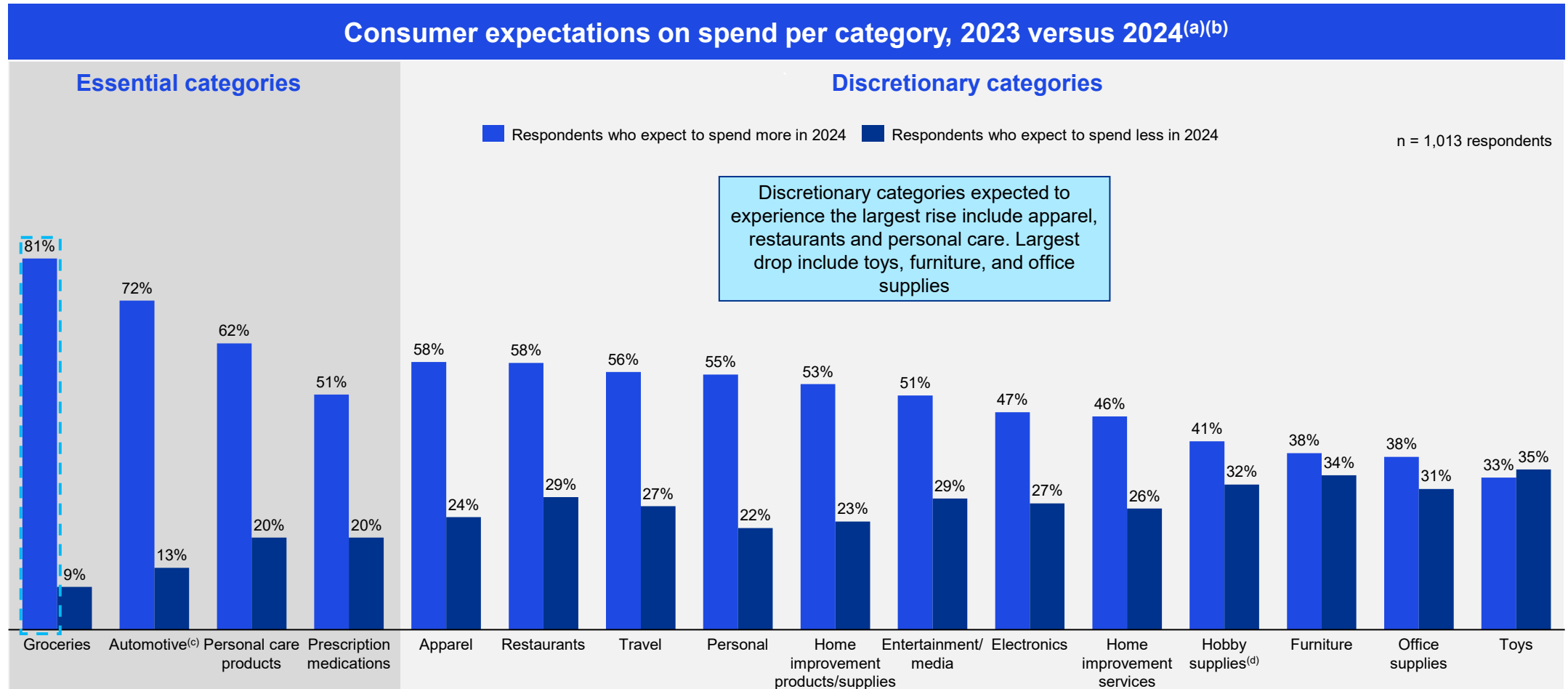


Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "Compared to last year how do you feel financially compared to last year?"
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Most consumers expect to spend more on essential goods and services in 2024 compared to 2023, specifically in groceries (81 percent).

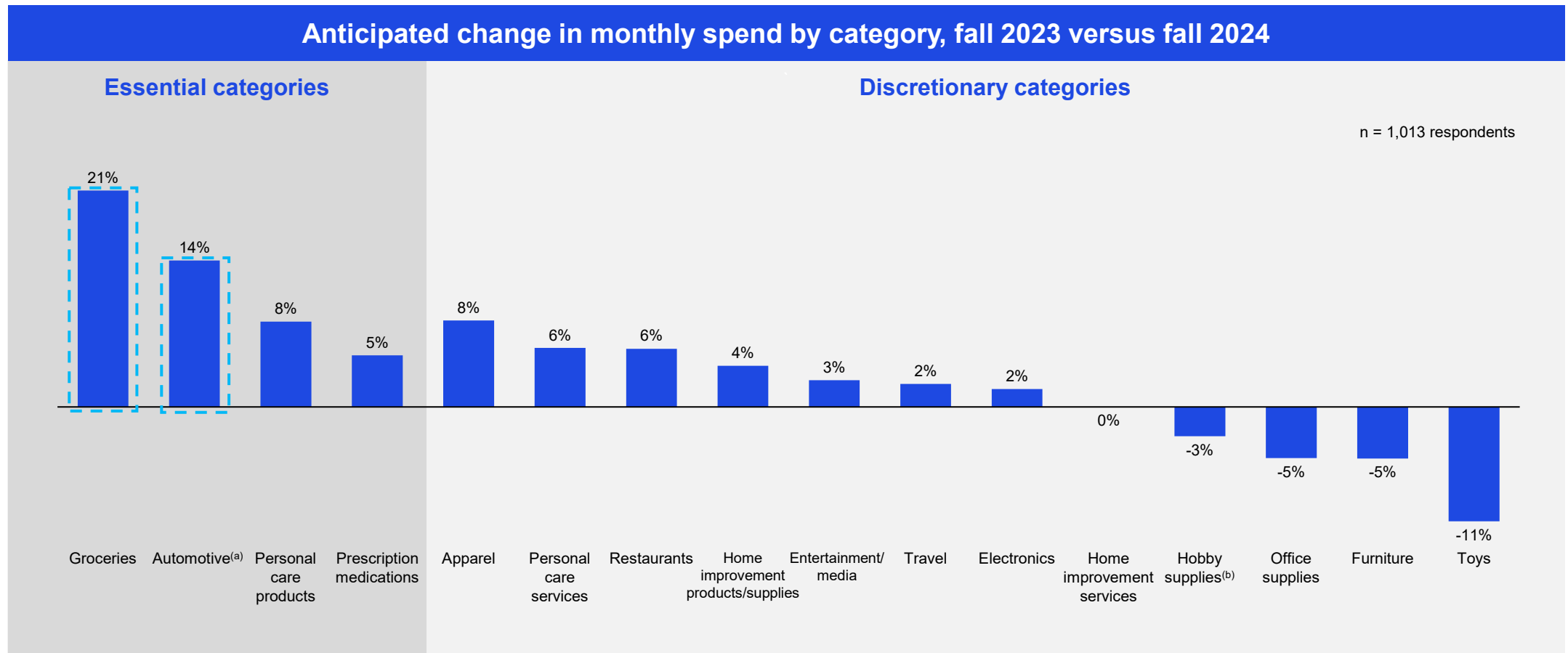


Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "How much do you think your monthly household spend on each of the following products / services will change in the fall of 2024 compared to fall of 2023?"; (a) Respondents who mentioned change in their monthly household spend for a category greater than 0 are considered as respondents who expect to spend more in 2024 and respondents who mentioned change in their monthly household spend for a category less than 0 are considered as respondents who expect to spend less in 2024.; (b) Sum for each category is not equal to 100% since it does not include respondents who mentioned changed in their monthly household spend equal to 0.; (c) Automotive includes gas, tolls, auto insurance, and auto maintenance; (d) Hobby supplies include sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 - July 23, 2024; a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS018925



On average, this fall consumers expect to spend only more each month on 11 of 16 categories, with largest increases for groceries, automotive, personal care products, and apparel.



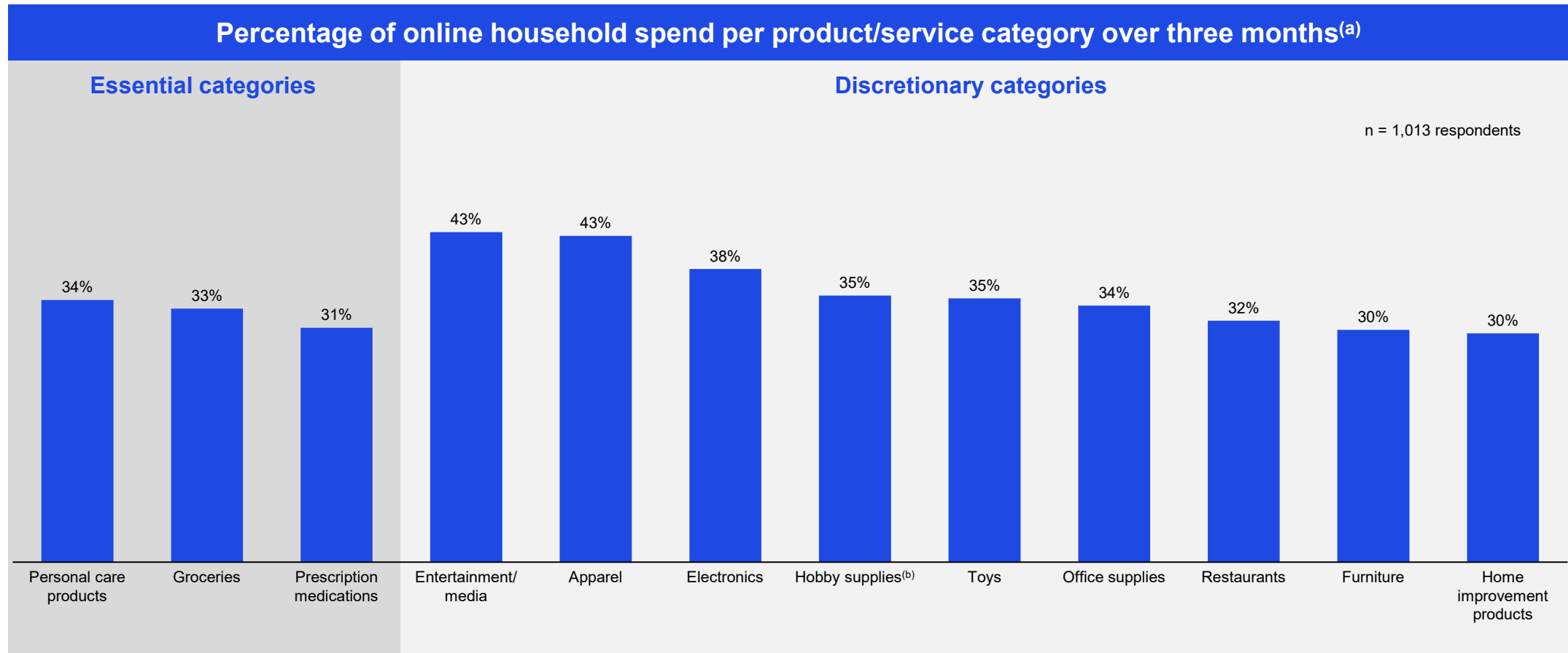
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "How much do you think your monthly household spend on each of the following products / services will change in the fall of 2024 compared to fall of 2023?"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Consumers report that online share of wallet as been highest in personal care products in essential category (34 percent) and entertainment , apparel (43 percent) in discretionary category over the last 3 months.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "In the last 3 months (April through June 2024), approximately what percent of your household spend on each of the following product categories occurred online / via mobile app?"; (a) Product categories sorted in descending order of percentage of online household spend over the last three months within essential and discretionary categories separately; (b) Hobby supplies includes sporting goods, musical instruments, and books.

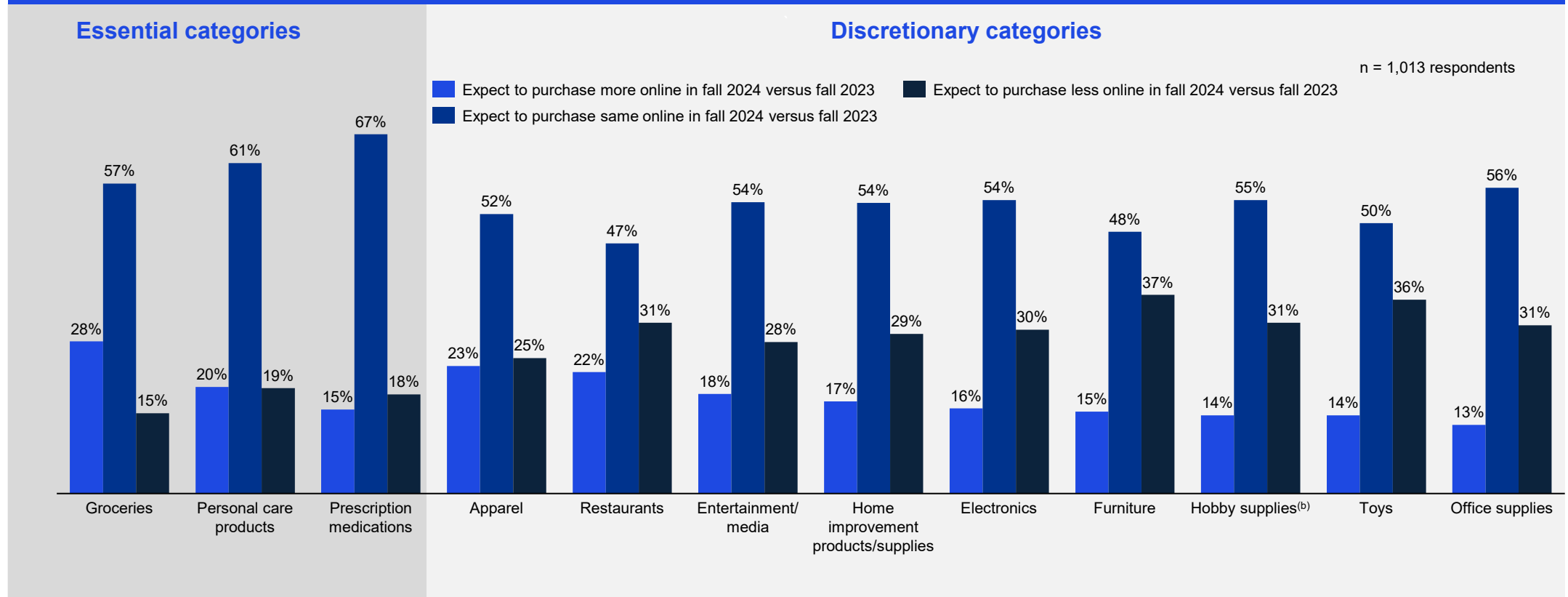
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Most consumers expect to purchase either more or the same amount online this fall across all 12 essential and discretionary categories compared to last fall.

Consumer expectations on fall purchase per category, Online, 2023 versus 2024^(a)

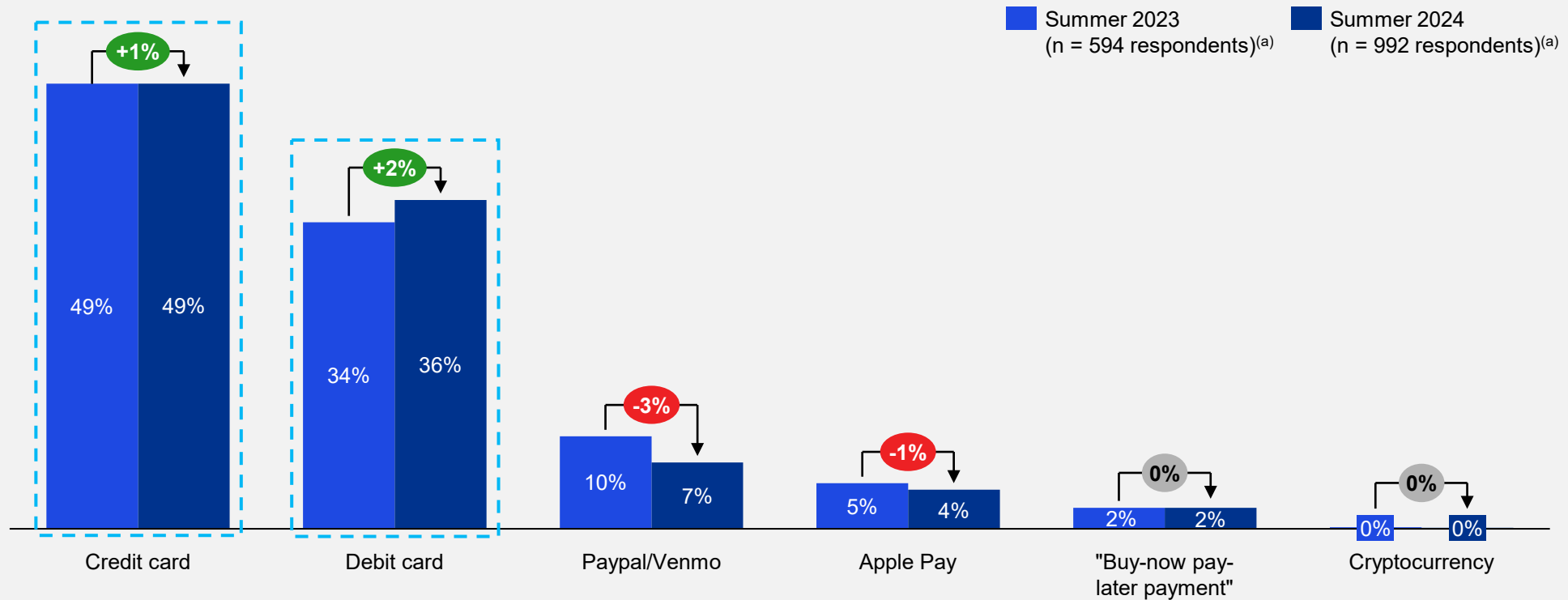


Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "In the fall of 2024 compared to the fall of 2023, do you expect to purchase more, the same, or less online for each of the following product categories?"; (a) Product categories sorted in descending order of percentage of households that expect to spend more online in fall of 2024 versus fall 2023 within essential and discretionary categories separately; (b) Hobby supplies includes sporting goods, musical instruments, and books.
 Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



Consumers continue to use credit and debit cards as their preferred payment method for online purchases; however, there is a slight increase in both credit and debit card usage.

Preferred payment methods for online purchases (summer 2023 versus summer 2024)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "When making a purchase online what method of payment do you typically select?" (a) Excluded 15 respondents from Summer 2023 survey and 21 respondents from Summer 2024 survey who selected pay-it cheap now and other payment methods.

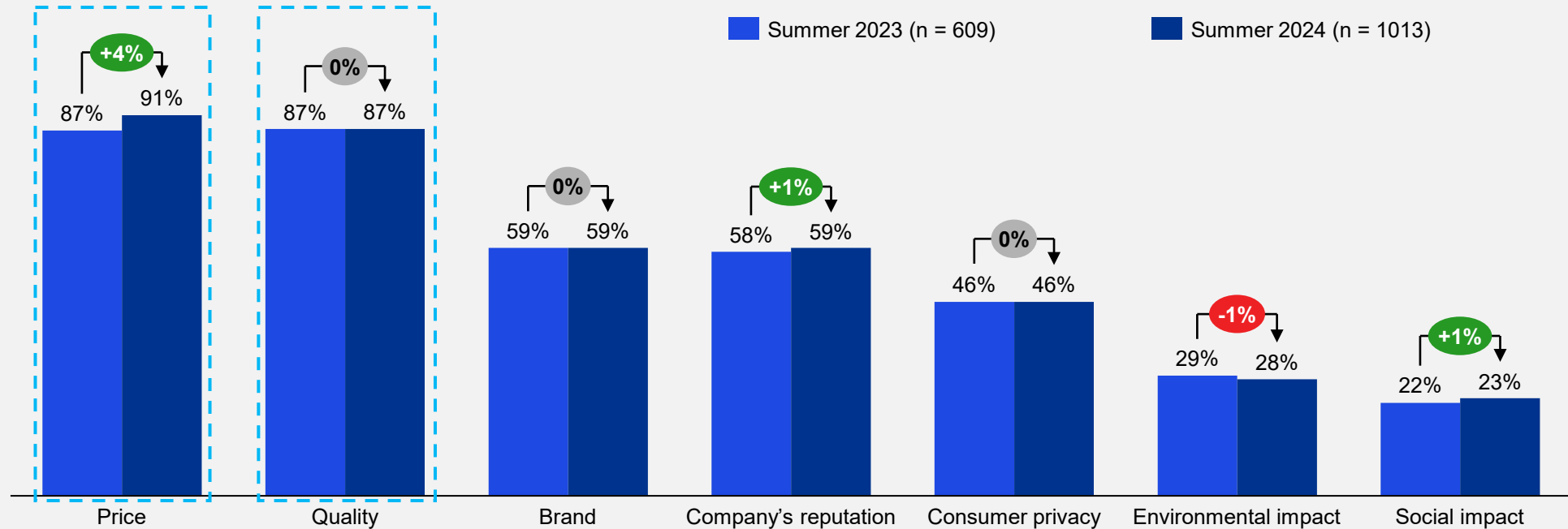
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Compared to 2023, online shoppers are placing higher importance on price and company's reputation and similar importance on ESG factors such as consumer privacy, environmental impact, and social impact.

Top considerations when purchasing online/in-store (summer 2023 versus summer 2024)^(a)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "When making a purchase online or in-store to what extent do you typically consider the following?"; (a) The data reflects ratings of 4 and 5 from a scale of 1= "not at all" and 5 = "a great deal".

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



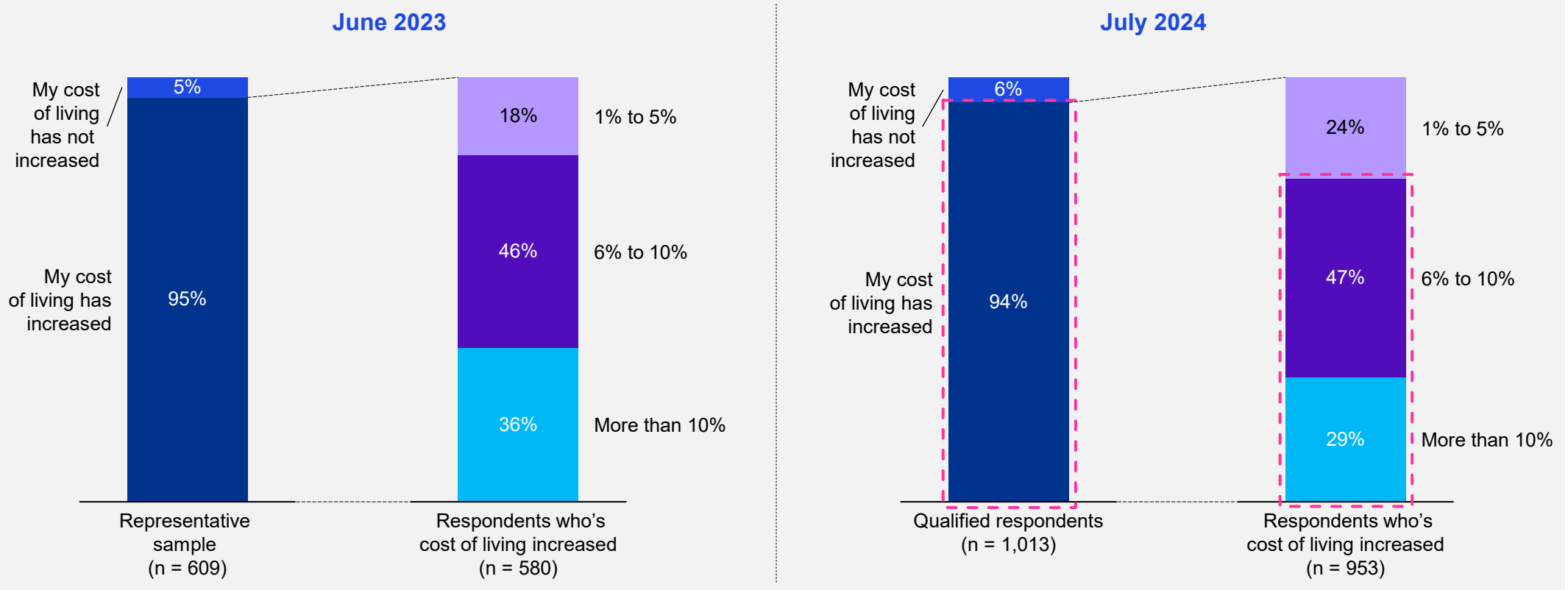
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02

Inflation

Majority of consumers (94 percent) continue to feel the pressure of inflation; 76 percent claim that their cost of living has increased by more than 5 percent.

Consumer perceptions regarding cost of living (summer 2023 versus summer 2024)



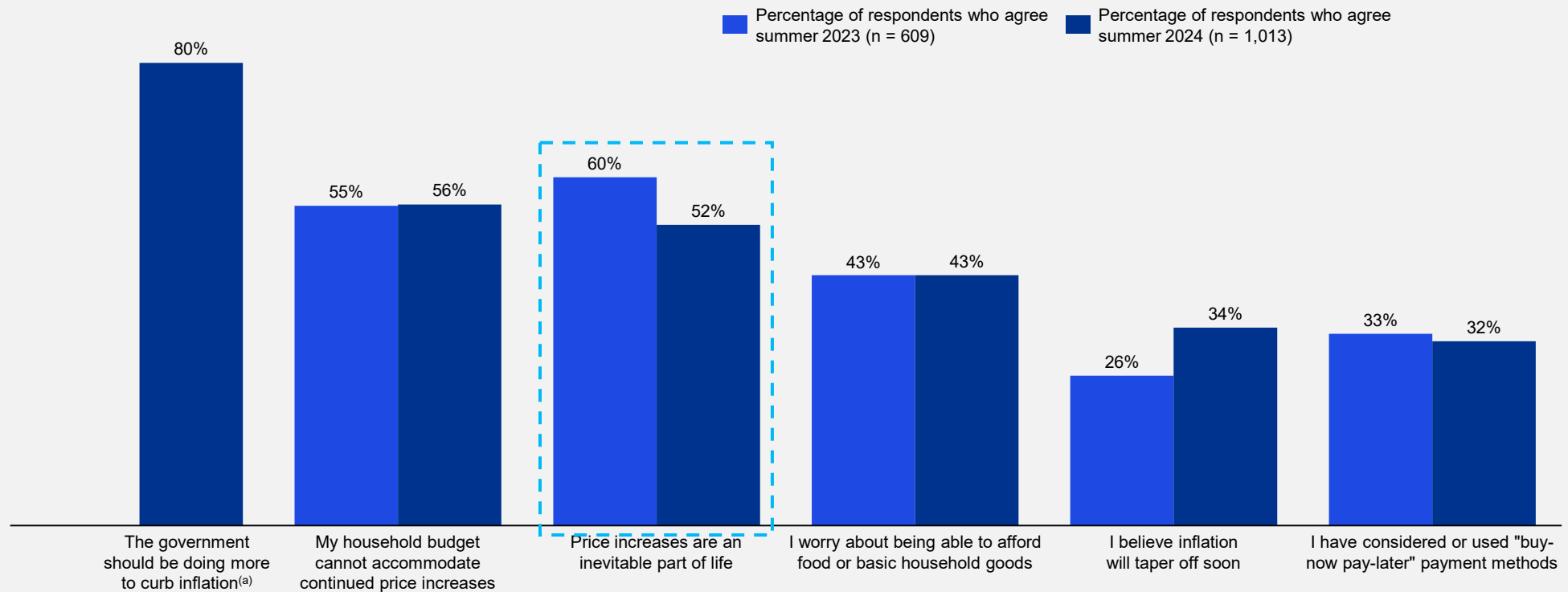
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "Do you believe that your cost of living has gone up in the last year?"; "How much do you believe your cost of living has gone up in the last year?".
 Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



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Compared to 2023, there has been an 8 percent decline in the number of consumers who perceive price increases as an inevitable part of life.

Consumer sentiment on inflation (summer 2023 versus summer 2024)



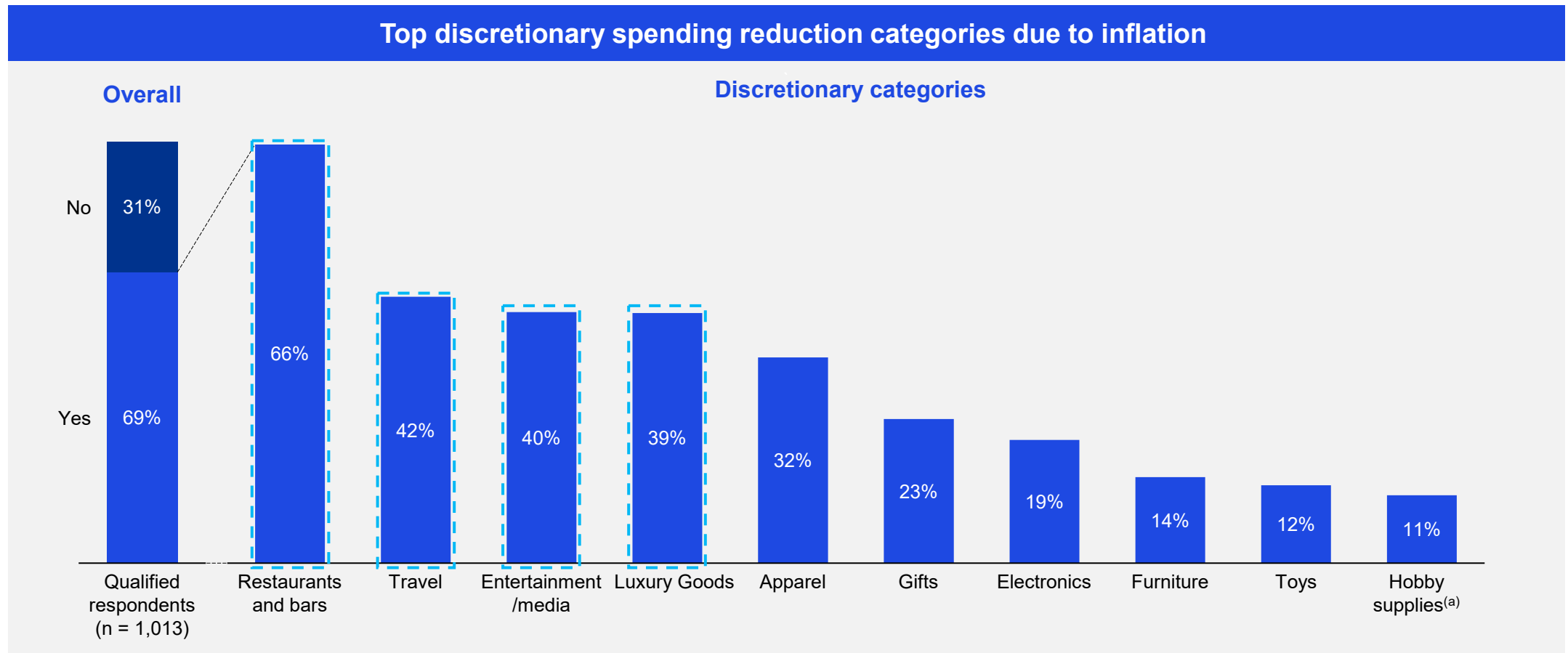
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "To what extent do you agree with the following statements? (disagree: 1-3= disagree to strongly agree 5-7= agree to strongly agree)"; (a) There were no responses for this option in 2023 since this option was added in this year's survey and was not present in previous year's survey.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



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69 percent of consumers plan to change their discretionary spending habits due to price increases; Consumers are most likely to cut back on restaurants and bars, travel, entertainment/media and luxury goods.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, to all adult respondents, asked "Do you plan to change your discretionary spending as a result of recent price increases?"; "Please select and rank up to 3 top discretionary spending categories where you expect to reduce your spending the most due to inflation."; (a) Hobby supplies includes sporting goods, musical instruments, and books.

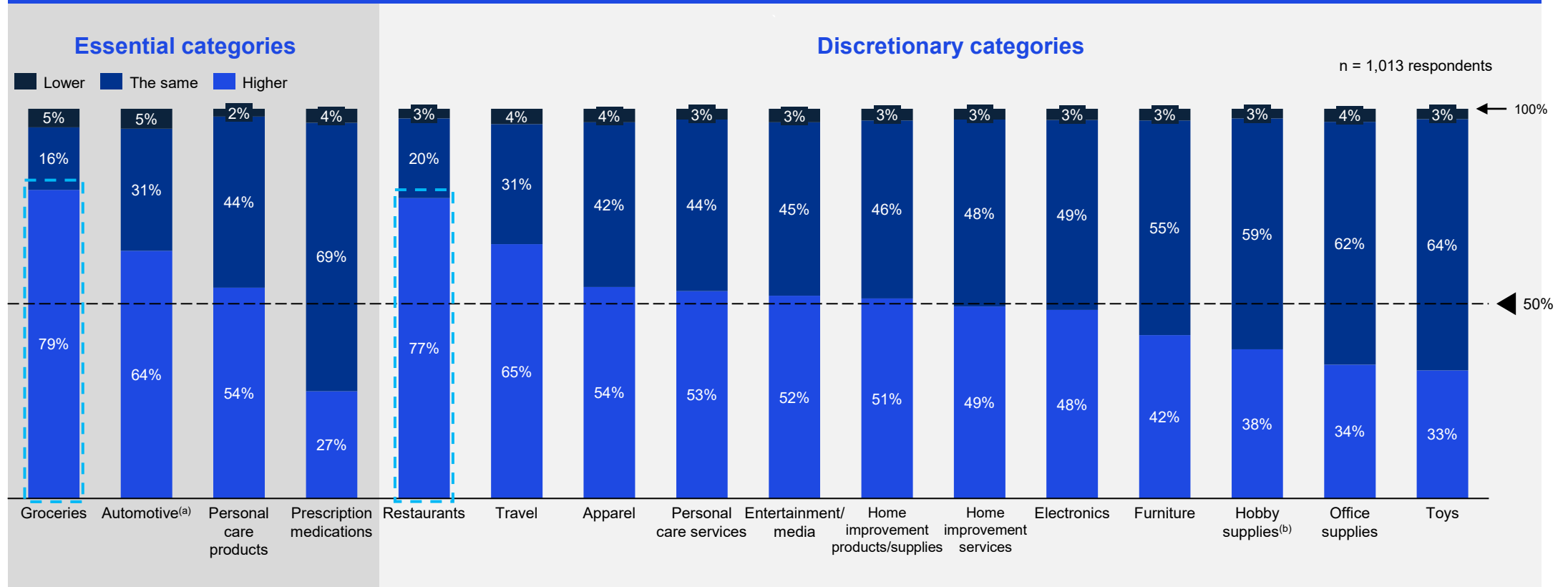
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Most consumers believe that prices have increased over the last six months across a variety of categories, especially groceries (79 percent) and restaurants (77 percent), but also including travel, automotive, apparel, personal care products and services, entertainment/media, and home improvement products/supplies.

Price variation over the last year by product category



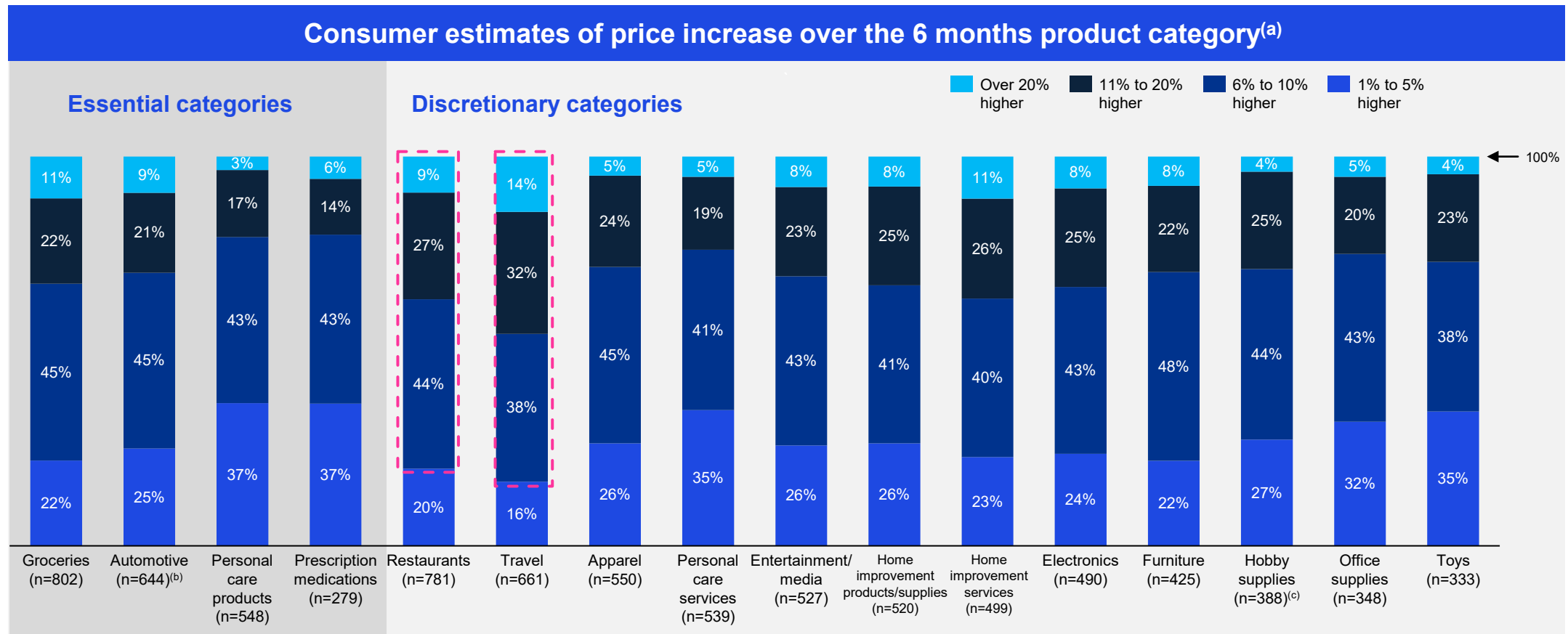
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.

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Observed price increases are highest in travel and restaurants, with 84 percent and 80 percent of respondents who've observed price increases reporting price increases over 5 percent.



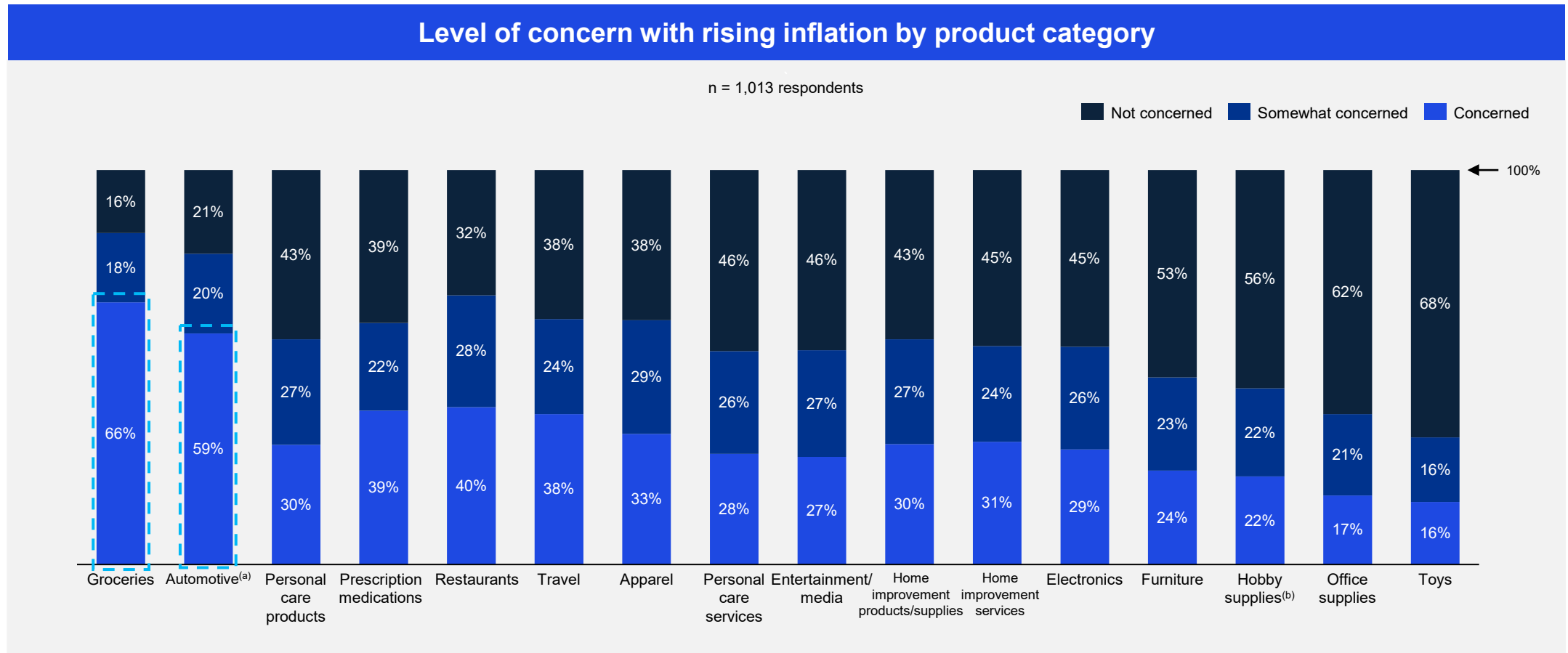
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked “You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.”; (a) The n count for each category varies since this question was asked to those respondents who mentioned “Prices are higher than they were 6 months ago” for the product when asked “For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.”; (b) Automotive includes gas, tolls, auto insurance, and auto maintenance; (c) Hobby supplies include sporting goods, musical instruments, and books.

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Consumers are most concerned with inflation in grocery (66 percent) and automotive (59 percent) prices.



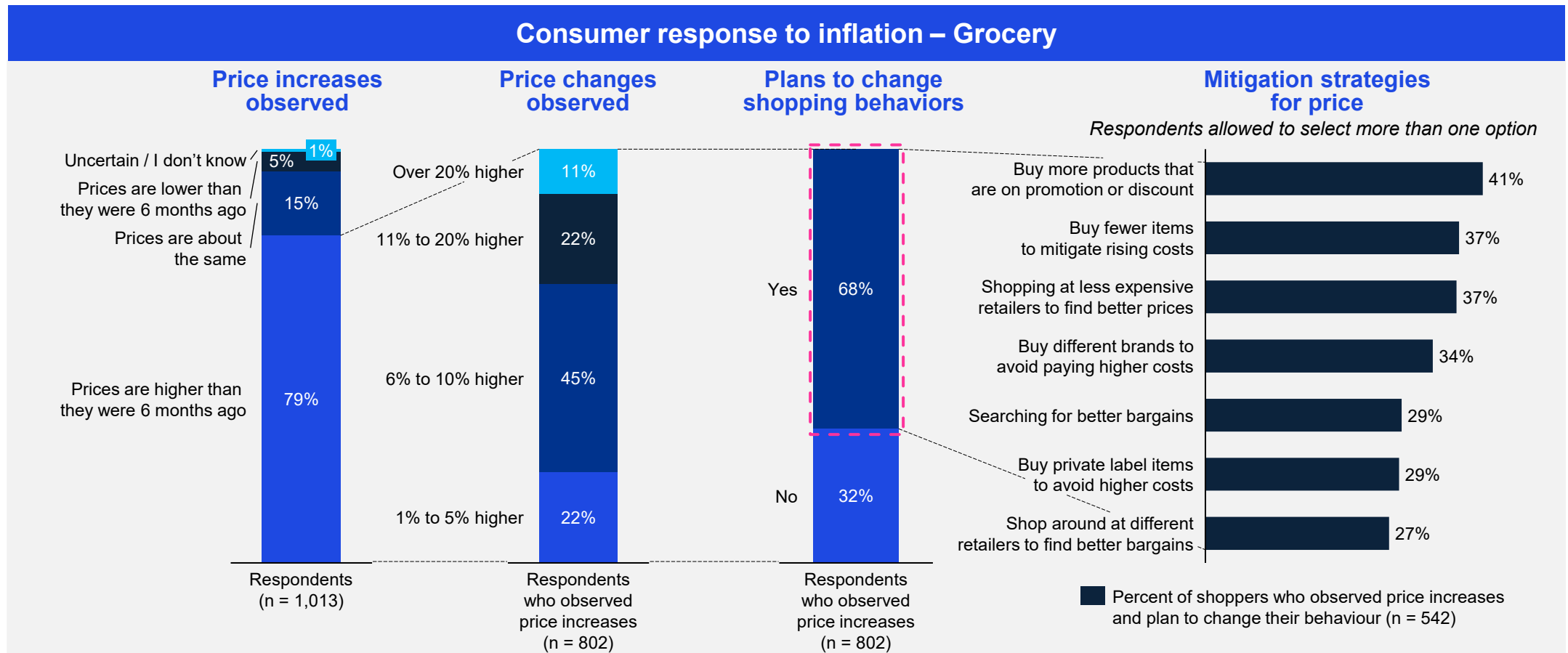
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "How concerned are you with rising prices / inflation?"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.

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Within grocery, 68 percent of consumers who have observed price increases plan to change their purchasing behaviors; 41 percent of these consumers plan to purchase more groceries on promotion or discount.



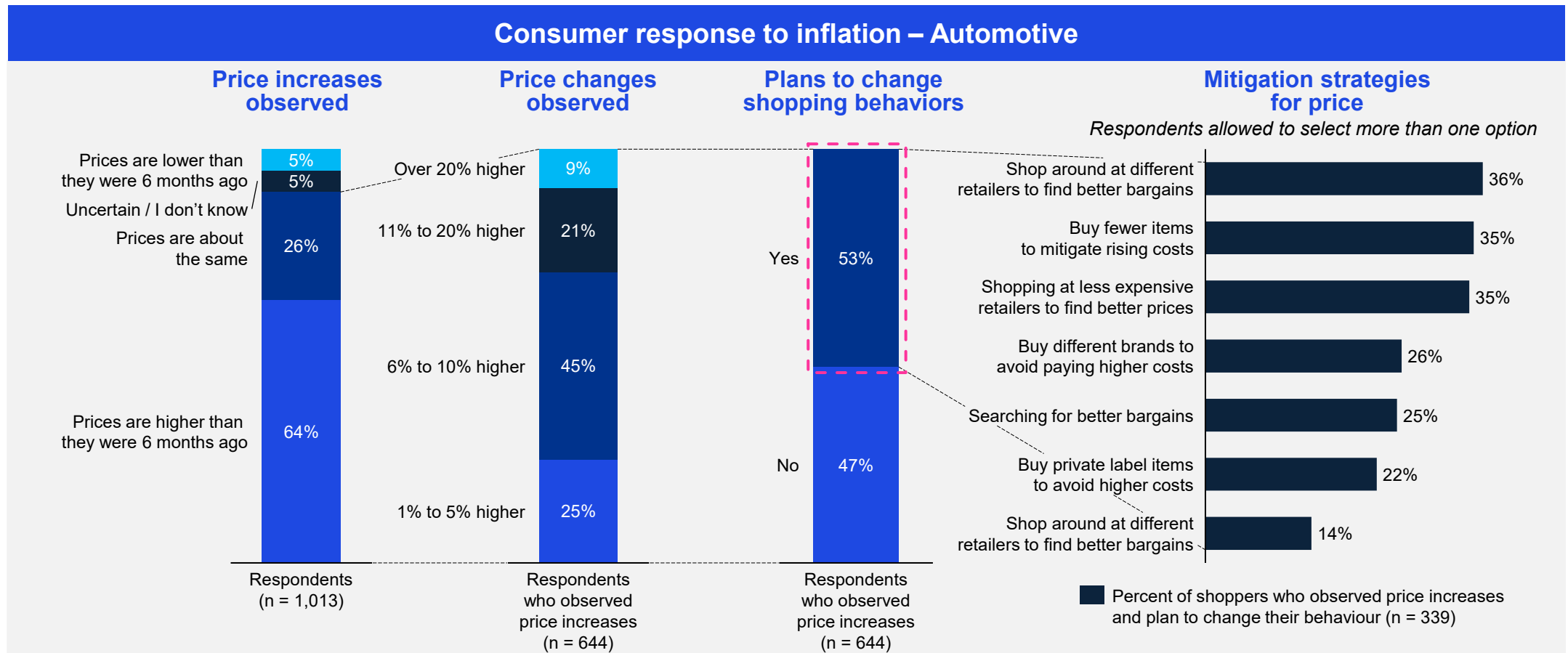
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices, do you plan on changing your shopping behaviors to mitigate rising prices?", "How do you plan on changing your behaviors to mitigate rising prices for groceries (food and beverage)?".

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Within Automotive, 53 percent of consumers who have observed price increases plan to change their purchasing behaviors; 36 percent of these consumers plan to shop at different retailers to find better bargains.



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Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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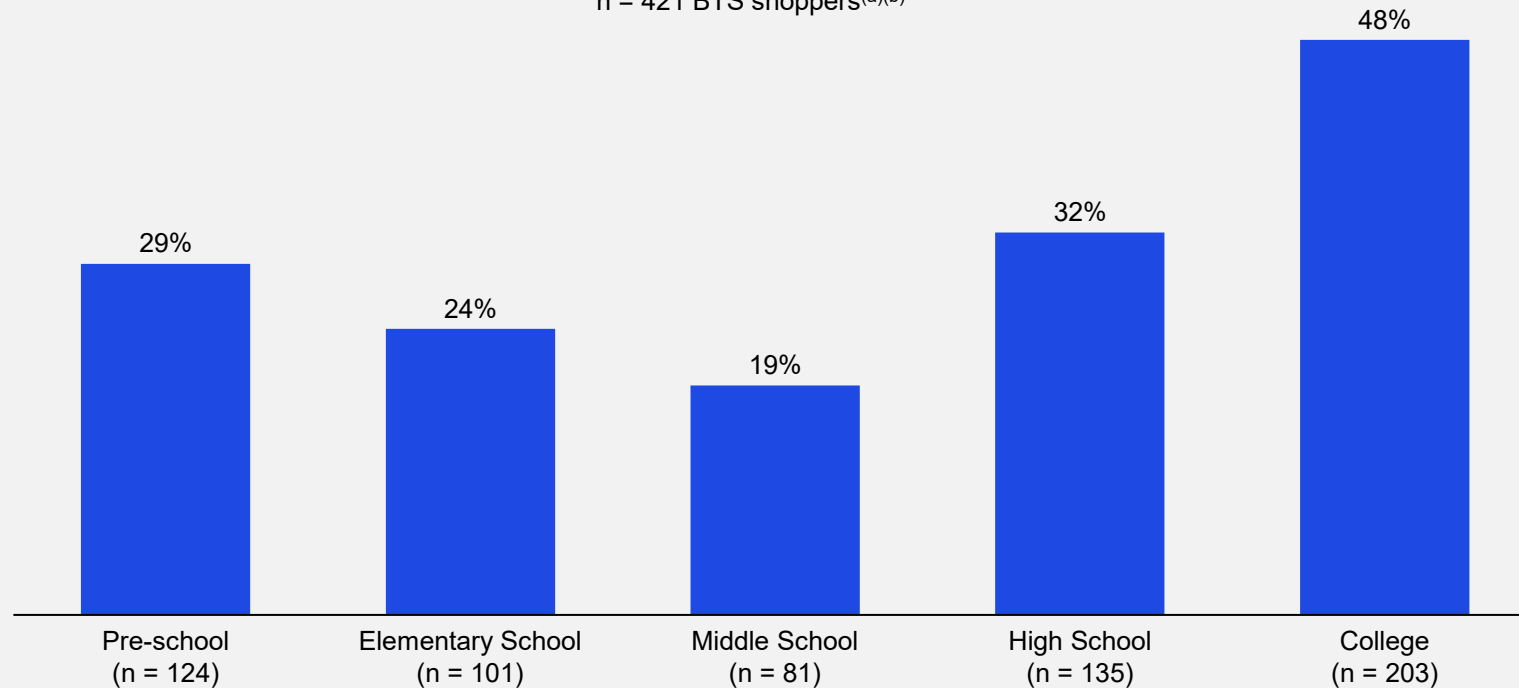
03

Back-to-School

Of households with students, 29 percent have pre-school going children, 24 percent have children that are going to elementary school, and nearly half of the households have college going students.

Mix of age groups in households with students

n = 421 BTS shoppers^{(a)(b)}



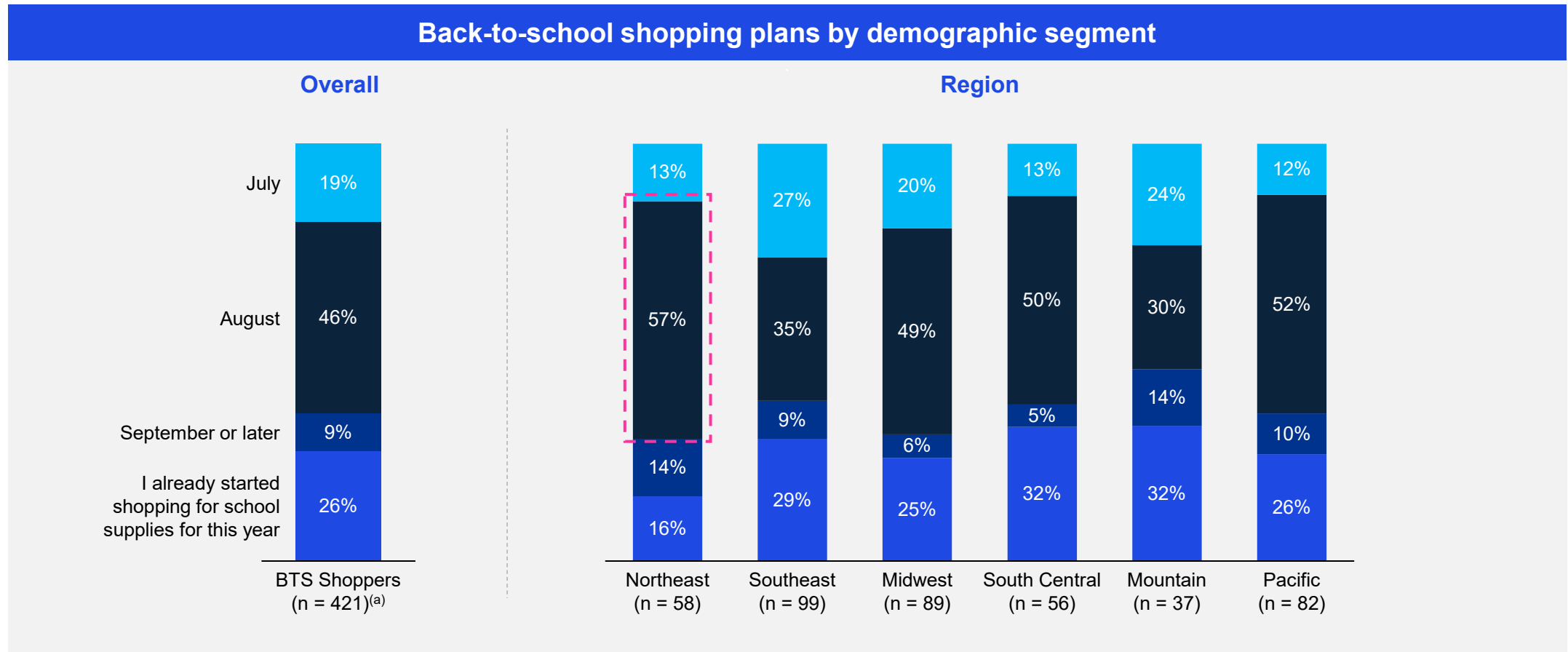
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "How many children under the age of 18 live in your household?", "How many children of each of the following age ranges are in your household?"; (a) BTS shoppers include the 421 households with children and/or adult students; (b) Pre-school indicates children up to 5 years old, elementary school indicates children from 6 to 9 years old, middle school indicates children from 10 to 12 years old, high school indicates children from 13 to 17 years old & college indicates adults more than 18 years old

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Back-to-school shoppers start their shopping in different months depending on region due to different school start dates by state; 57 percent of Northeast BTS shoppers plan to start in August.



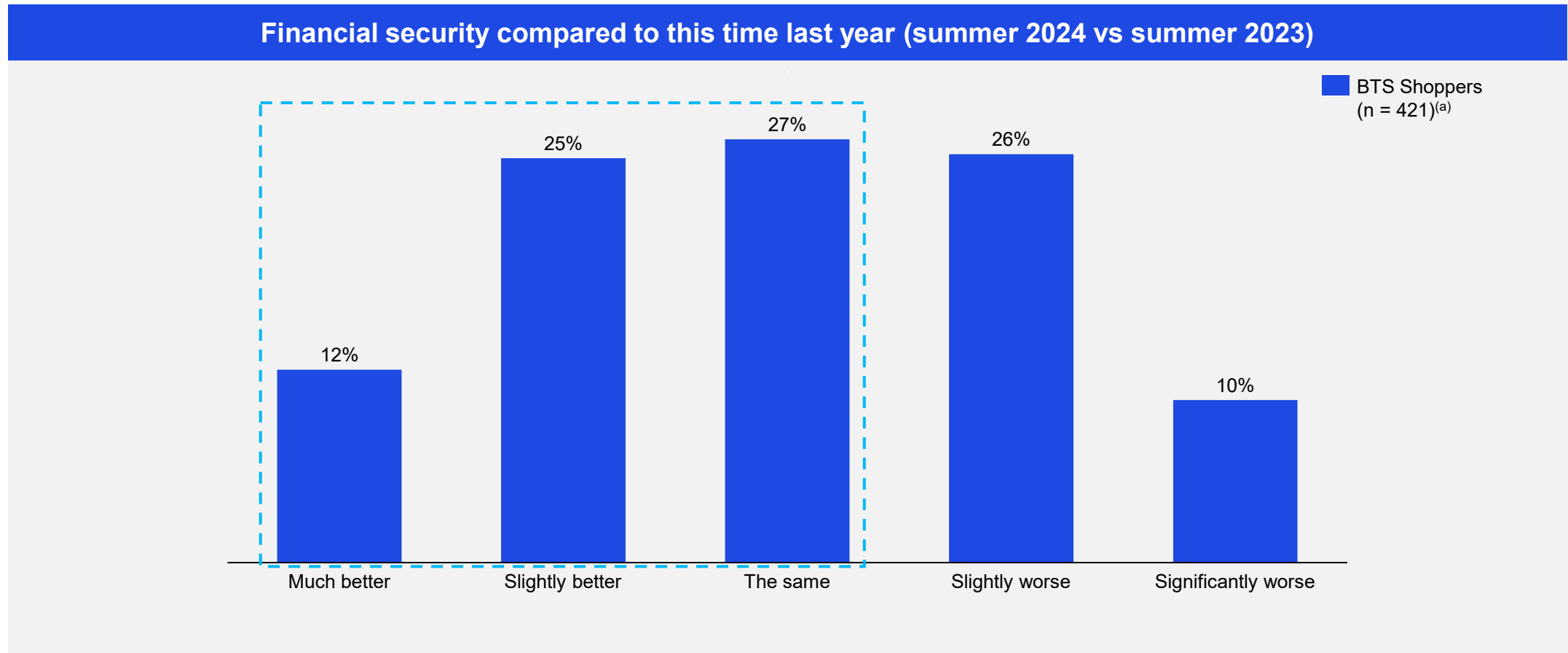
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "When do you plan to start shopping for back-to-school?"; and "Please enter your current zip code"; (a) BTS shoppers include the 421 households with children and/or adult students

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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64 percent of BTS shoppers feel they are in the same or better place financially than they were this time last year.



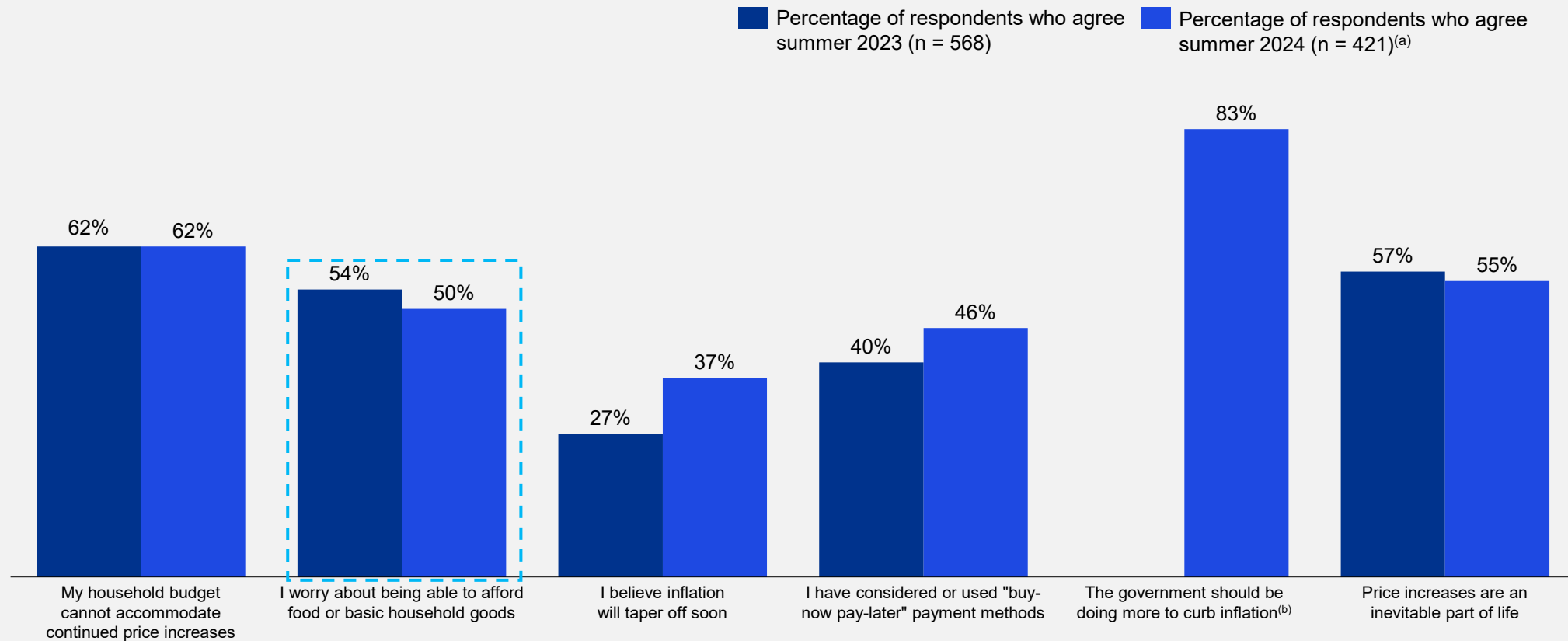
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, in all instances, asked "Compared to last year how do you feel financially compared to last year?"; (a) BTS shoppers include the 421 households with children and/or adult students.
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Fewer BTS shoppers are worried about being able to afford food or basic household goods, a 4 percent decrease in 2024 compared to 2023.

Consumer sentiment on inflation (summer 2023 versus summer 2024)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, in all instances, asked "To what extent do you agree with the following statements? (disagree: 1-3= disagree to strongly agree 5-7= agree to strongly agree)"; (a) BTS shoppers include the 421 households with children and/or adult students.; (b) There were no responses for this option since this option was added in this year's survey and was not present in previous year's survey

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023

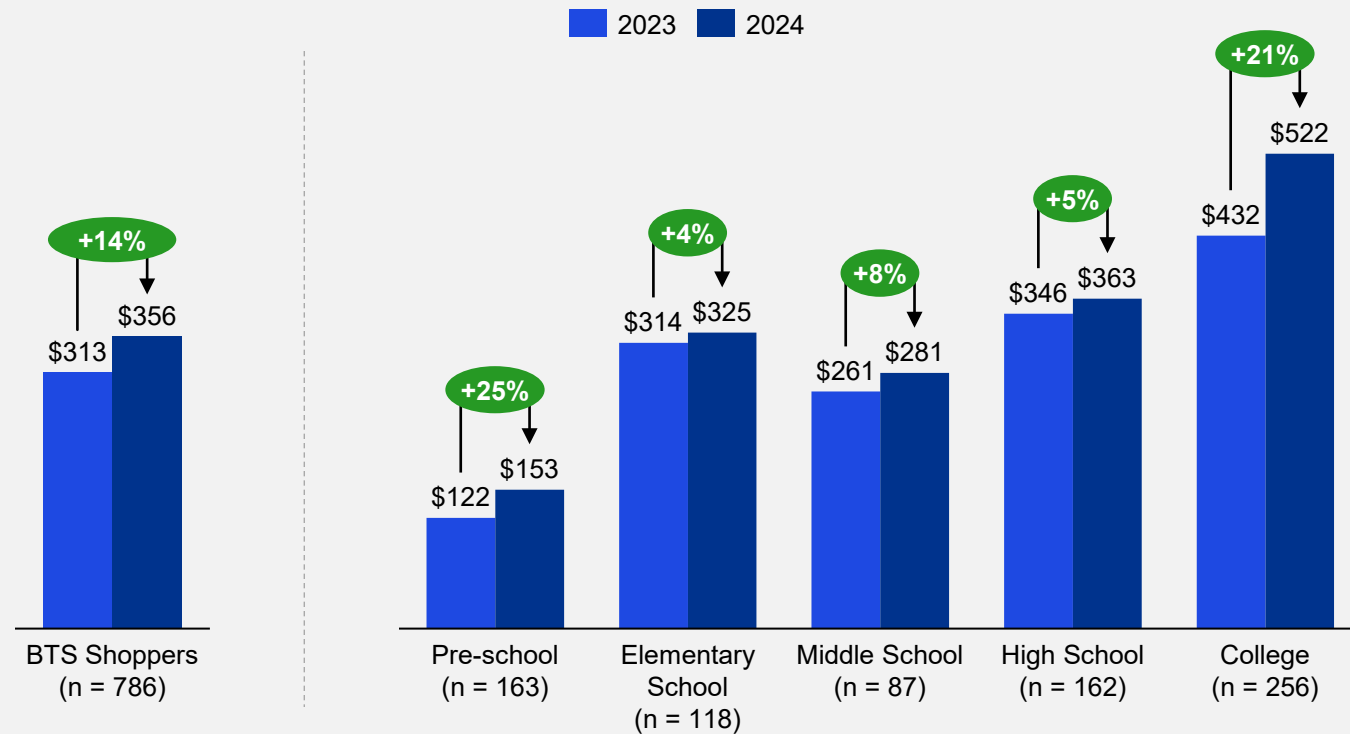


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BTS shoppers expect to spend more in 2024 across all education levels with average spend per student expected to increase ~14 percent with highest increase in spend for pre-school child (25 percent)

Back-to-school shopping spend per child by academic level (2023 versus 2024)

Average spend on back-to-school supplies per child^(a)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "On average, how much did you spend on back-to-school supplies per child in each of the following academic age groups last year (2023)? On average, how much do you plan on spending on back-to-school supplies per child in each of the following academic age groups this year (2024)? Please include apparel / uniforms and footwear spend."; and "How much did you spend on back-to-school supplies per college student last year (2023)? How much do you plan on spending on back-to-school supplies per college student this year (2024)? Please include apparel, footwear / uniforms, and dorm furnishings"; (a) n count represents number of responses and is higher than the number of households that have students in each of the category since each respondent was asked to provide average spend for every child in each age group

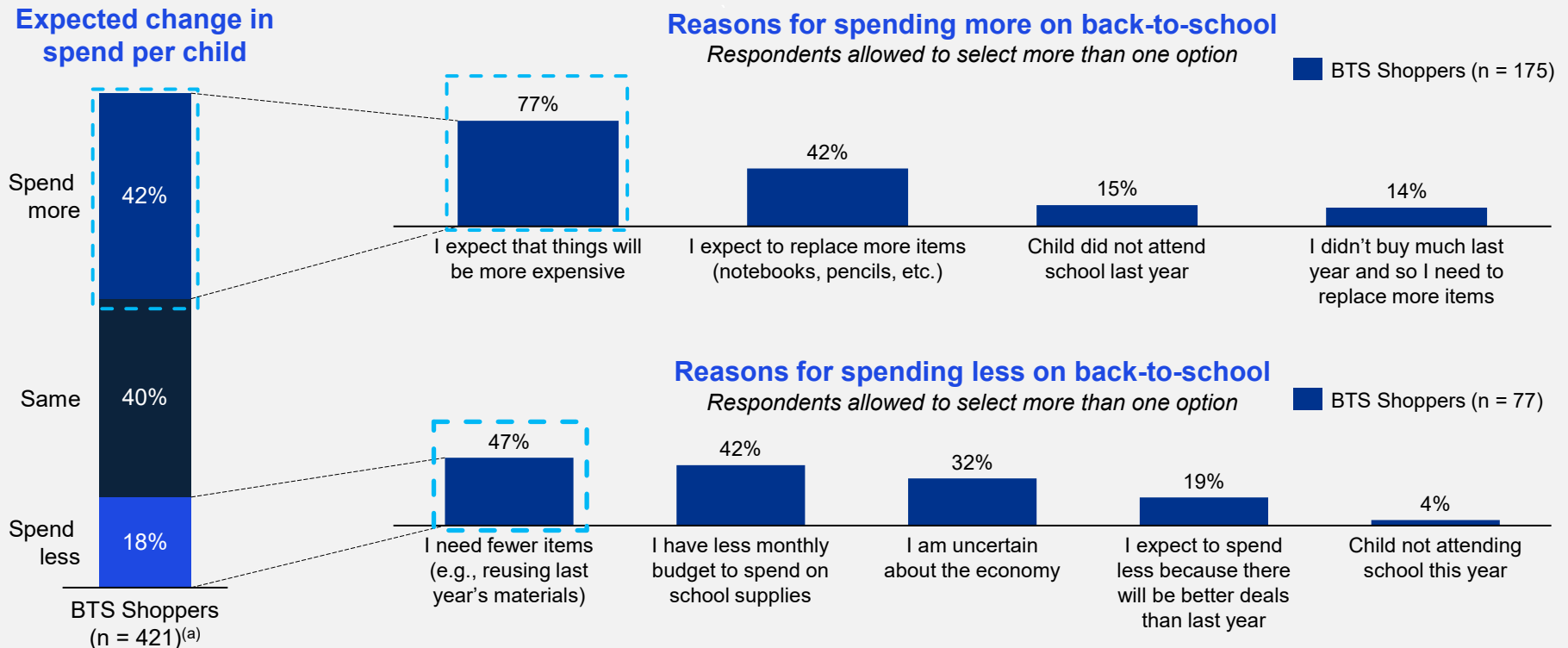
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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42 percent of BTS shoppers plan to spend more per student on back-to-school in 2024 versus 2023, primarily due to the expectation of rising prices (77 percent). 47 percent of BTS shoppers who expect to spend less report that they would need fewer items.

Reasons for expected change in back-to-school spend per child (2023 versus 2024)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "How much did you spend on back-to-school supplies per last year (2023)?, How much do you plan on spending on back-to-school supplies per this year (2024)? Please include apparel/uniforms spend.", "Why do you plan to spend less per child?", "Why do you plan to spend more per child?"; (a) BTS shoppers include the 421 households with children and/or adult students;

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024

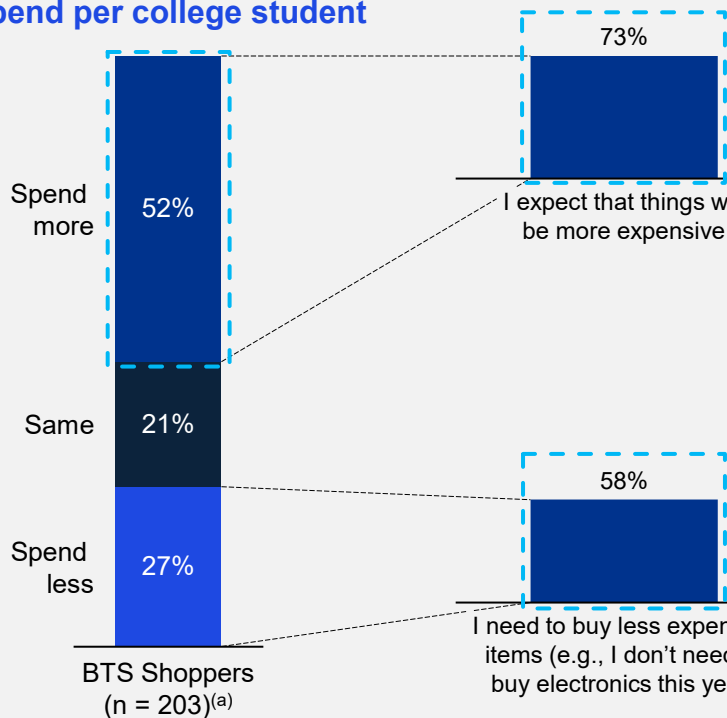


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52 percent of BTS shoppers plan to spend more on back-to-college in 2024 versus 2023, primarily due to the expectation of rising product costs. Those that expect to spend less on back-to-college shopping report that they need to buy less expensive items.

Reasons for expected change in back-to-school spend per college student (2023 versus 2024)

Expected change in spend per college student



Reasons for spending more on back-to-school

Respondents allowed to select more than one option

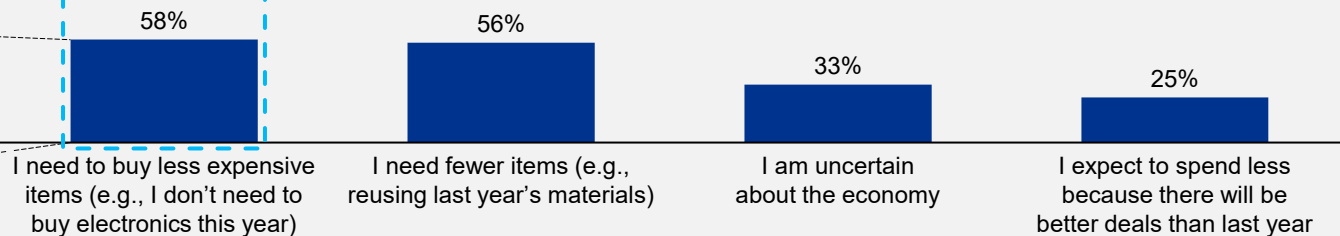
■ BTS Shoppers (n = 105)



Reasons for spending less on back-to-school

Respondents allowed to select more than one option

■ BTS Shoppers (n = 55)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "You indicated that you have at least one college student in your household. How much did you spend on back-to-school supplies per college student last year (2023)?, How much do you plan on spending on back-to-school supplies per college student this year (2024)? Please include apparel / uniforms, footwear and dorm furnishings.", "Why do you plan to spend less per college student?", "Why do you plan to spend more per college student?"; (a) BTS shoppers include the 203 households with adult students in college

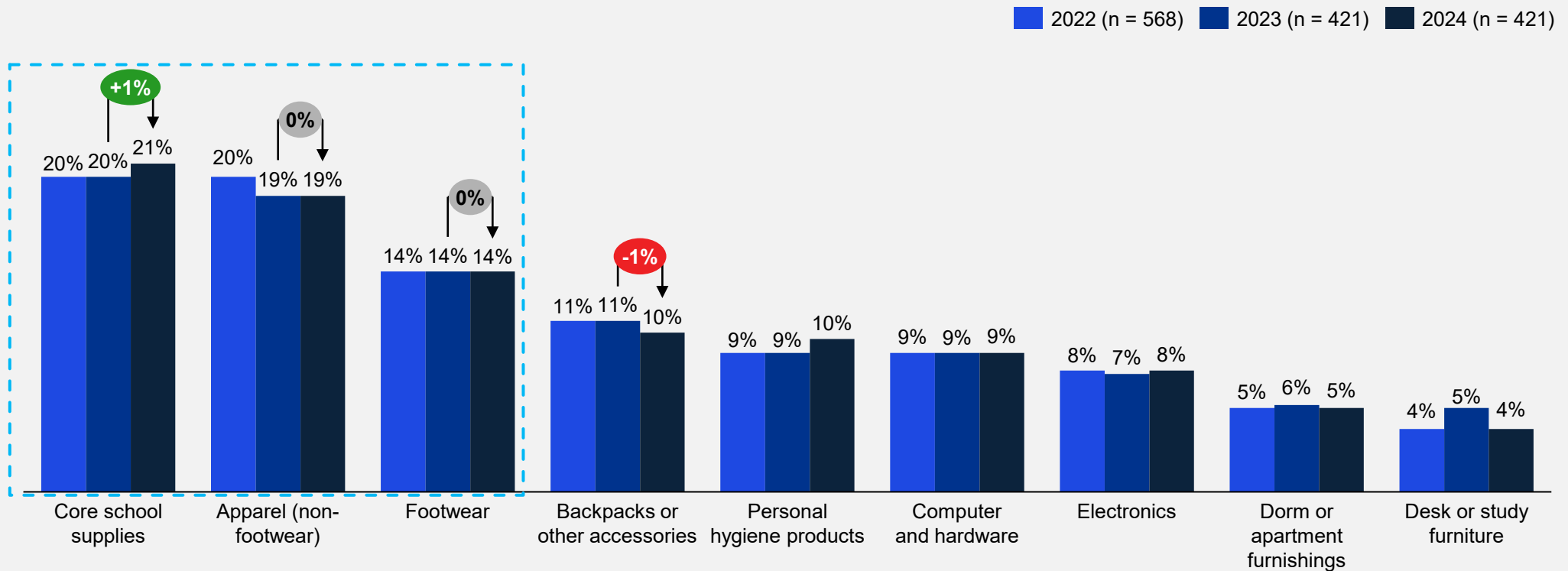
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Consistent with their 2022 and 2023 share of wallet estimates, BTS shoppers expect core school supplies, apparel, and footwear to be their largest BTS spend categories in 2024, driving a combined 54 percent of spend.

Back-to-school share of wallet by category (2022 - 2024)^{(a)(b)(c)}



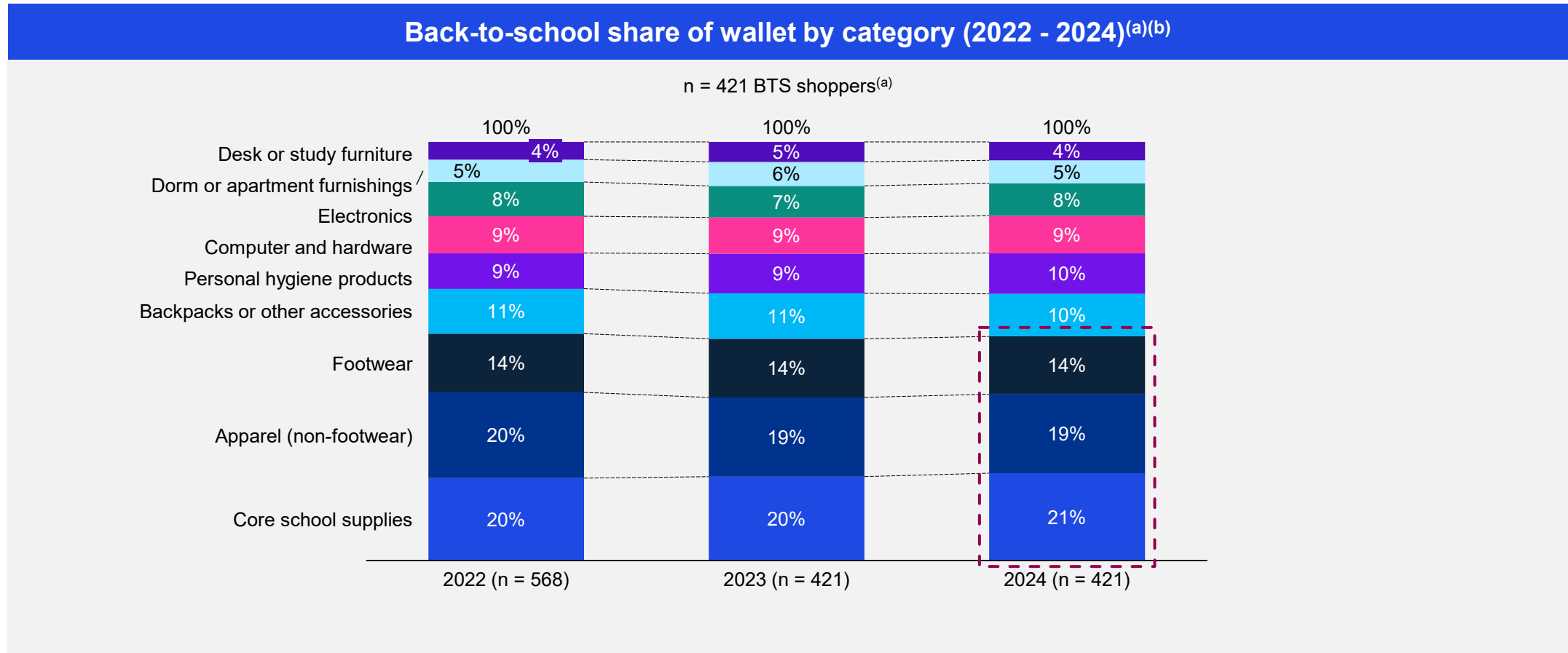
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "What percent of your back-to-school budget did you spend on each of the following product categories last year (2023)? What percentage of your back-to-school budget do you expect to spend on each of the following product categories this year (2024)?" (a) BTS shoppers include the 421 households with children and/or adult students; (b) Numbers highlighted are not growth rates. They are an absolute increase between 2023 and 2024.; (c) Values for 2022 taken from 2023 Consumer Pulse Survey and values for 2023 and 2024 taken from 2024 Consumer Pulse Survey

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023



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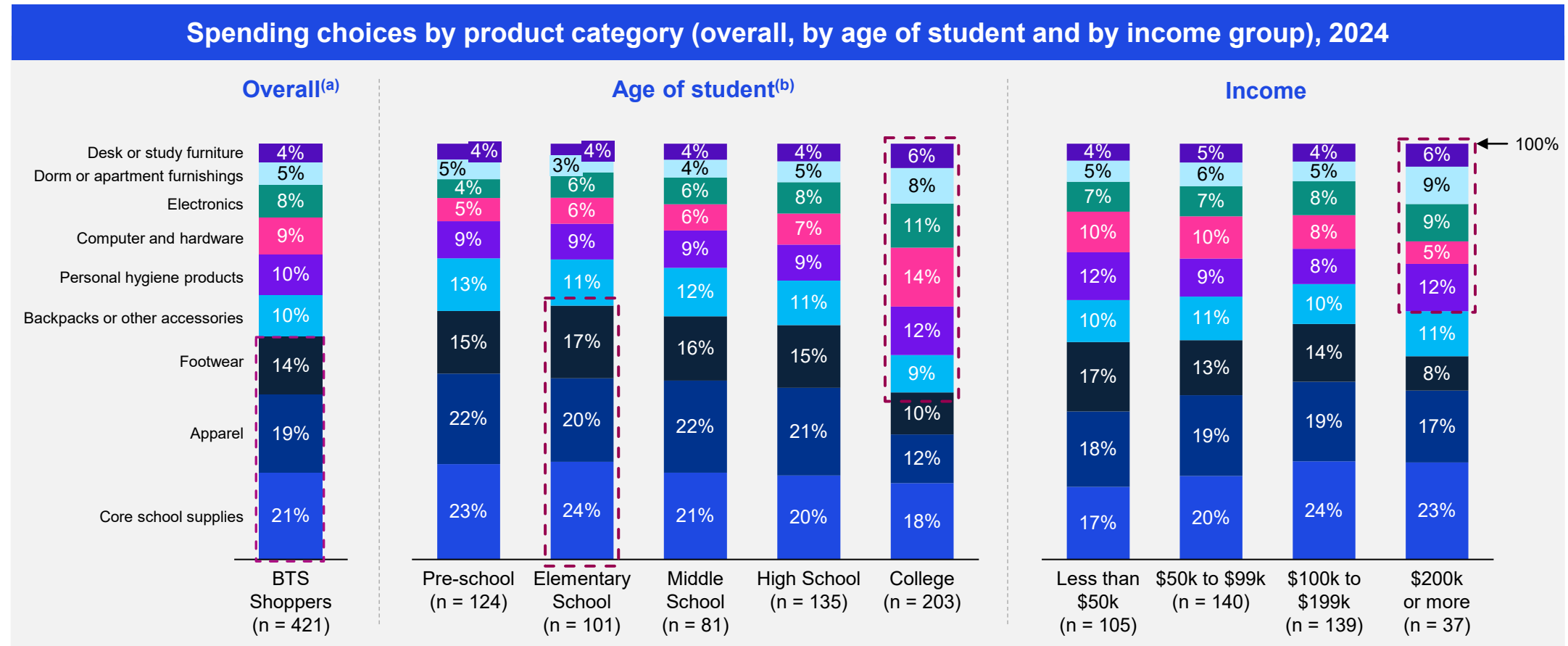
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "What percent of your back-to-school budget did you spend on each of the following product categories last year (2023)? What percentage of your back-to-school budget do you expect to spend on each of the following product categories this year (2024)?"; (a) BTS shoppers include the 421 households with children and/or adult students; (b) Values for 2022 taken from 2023 Consumer Pulse Survey and values for 2023 and 2024 taken from 2024 Consumer Pulse Survey

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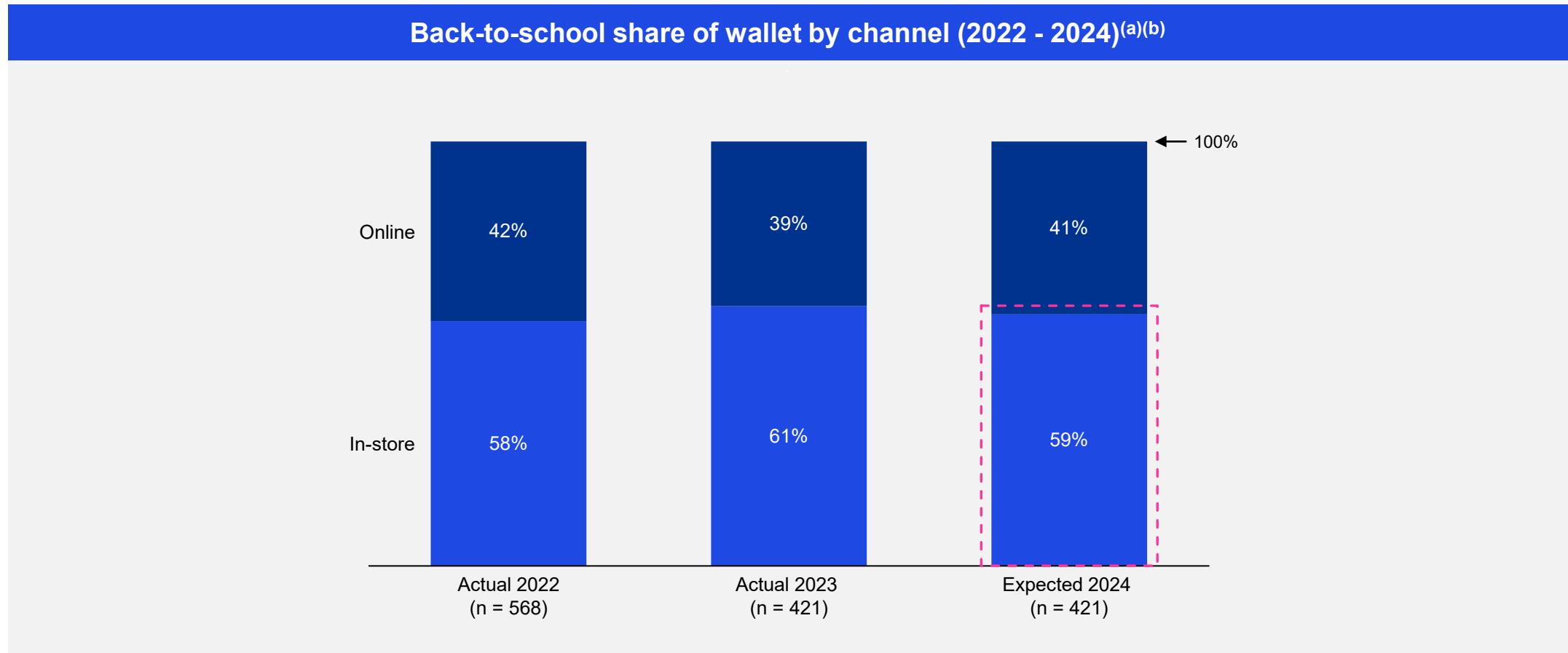
BTS Core school supplies, apparel, and footwear account for 54 percent of back-to-school and back-to-college.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "What percent of your back-to-school budget did you spend on each of the following product categories last year (2023)?, What percentage of your back-to-school budget do you expect to spend on each of the following product categories this year (2024)?"; (a) BTS shoppers include the 421 households with children and/or adult students; (b) Sum of segment within age-group does not add to the total BTS shoppers since a household may have more than one student across different age groups



In line with 2023, BTS shoppers plan to do nearly 60 percent of their shopping in-store.



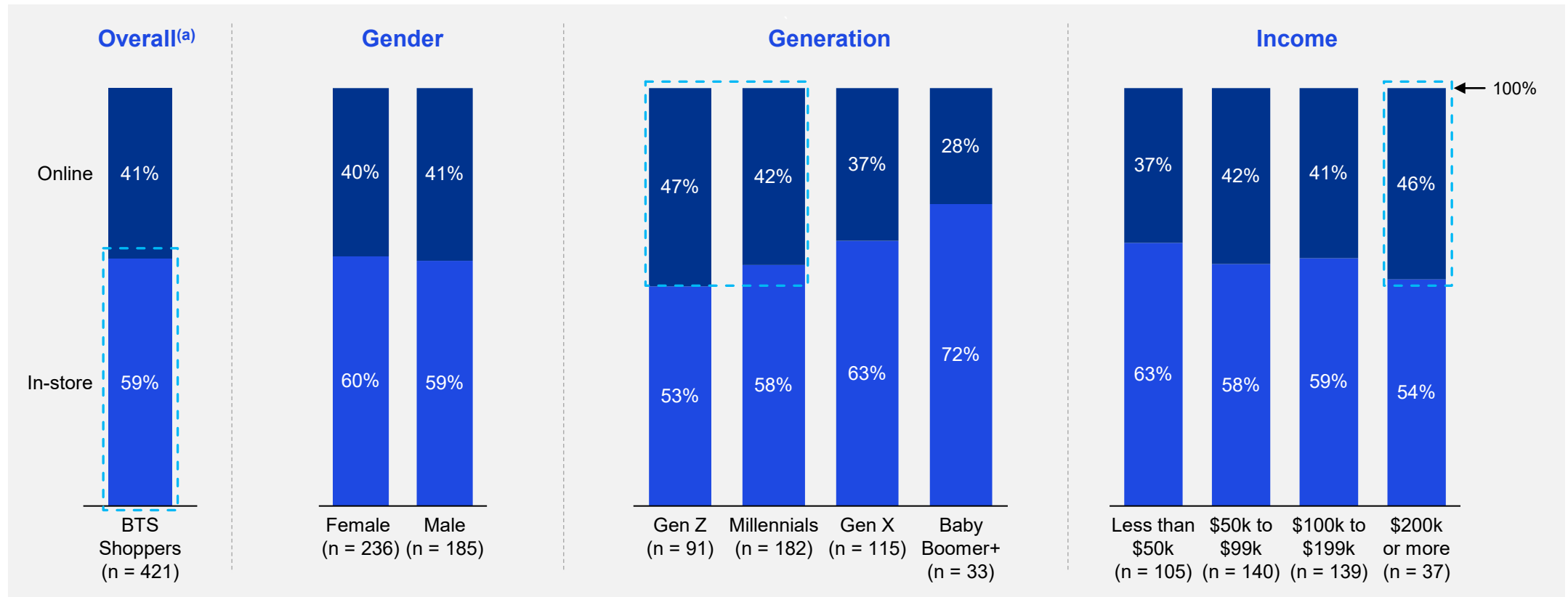
Note(s): KPMG conducted a survey of 1,013 consumers across the United States and, if applicable, asked "How do you expect to shop for back-to-school this year vs last year vs the previous year?"; (a) BTS shoppers include the 421 households with children and/or adult students.; (b) For 2022, values taken from 2023 Consumer Pulse Survey and for 2023 and 2024, values taken from 2024 Consumer Pulse Survey

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023



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Gen Z and Millennials shoppers expect to spend more online than Gen X and Baby Boomers+ shoppers. Higher income households also prefer to do more of their BTS shopping online compared to lower income households.



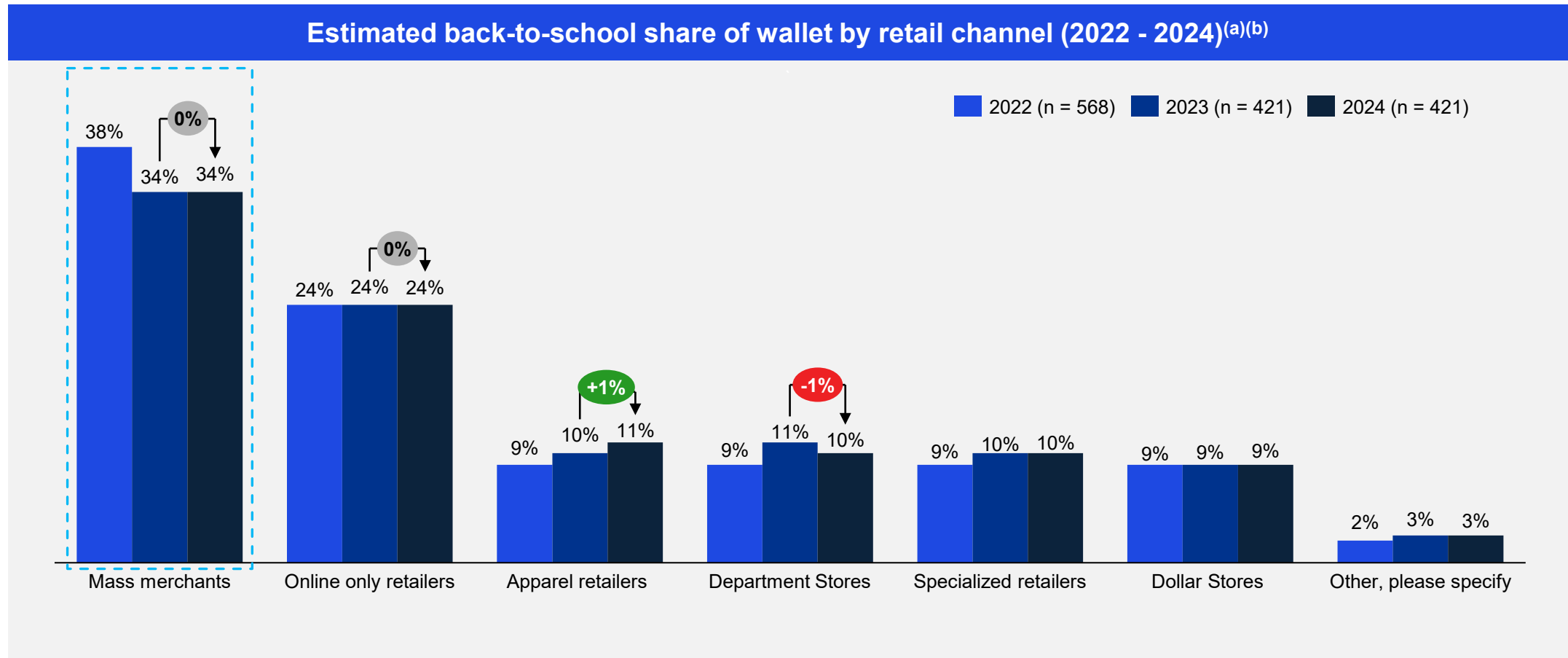
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "How do you expect to shop for back-to-school this year?"; Please select your gender"; "Please select the generation"; "Please select the annual income range that best describes your total household income in 2024.; (a) BTS shoppers include the 421 households with children and/or adult students

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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Mass merchants remain the top channel for back-to-school shopping with an expected 34 percent share of wallet in summer 2024.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked “Where did you shop last year / where do you plan to shop this year for back-to-school?”; (a) BTS shoppers include the 421 households with children and/or adult students; (b) Survey respondents were prompted with a table to enter percent of spend by channel. (c) Values for 2022 taken from 2023 Consumer Pulse Survey and values for 2023 and 2024 taken from 2024 Consumer Pulse Survey

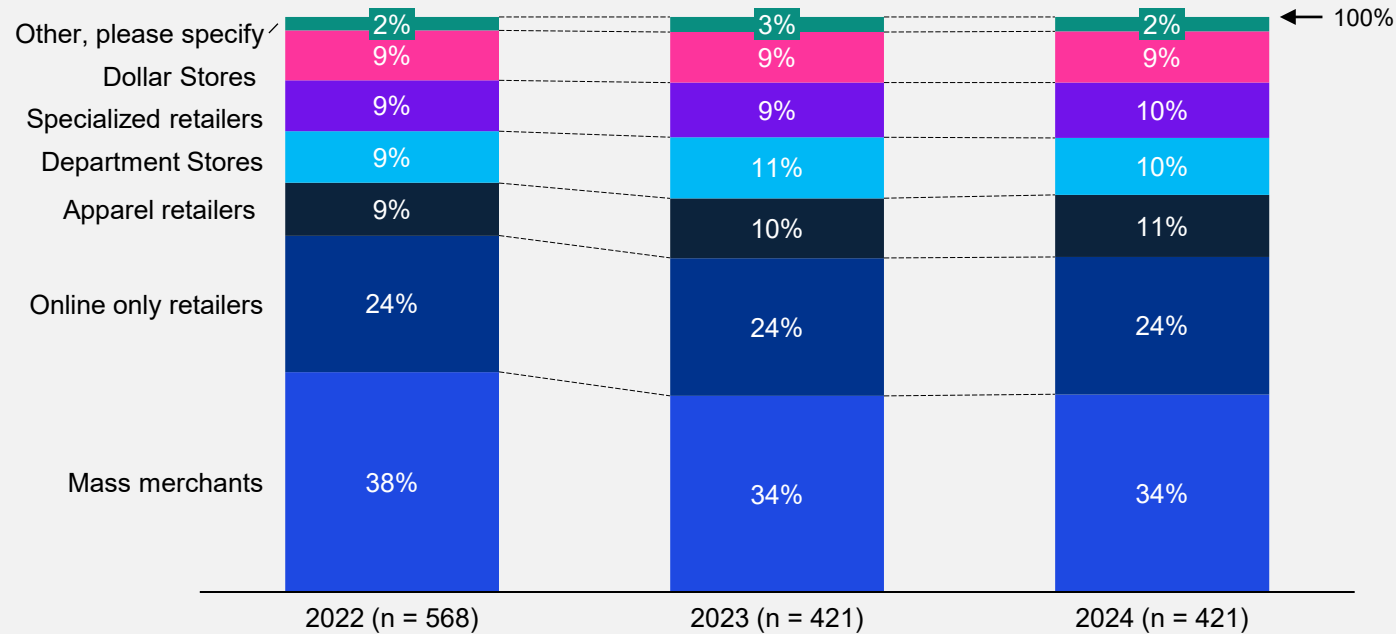
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023



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Mass merchants remain the top channel for back-to-school shopping with an expected 34 percent share of wallet in summer 2024.

Estimated back-to-school share of wallet by retail channel (2022 - 2024)^{(a)(b)(c)}



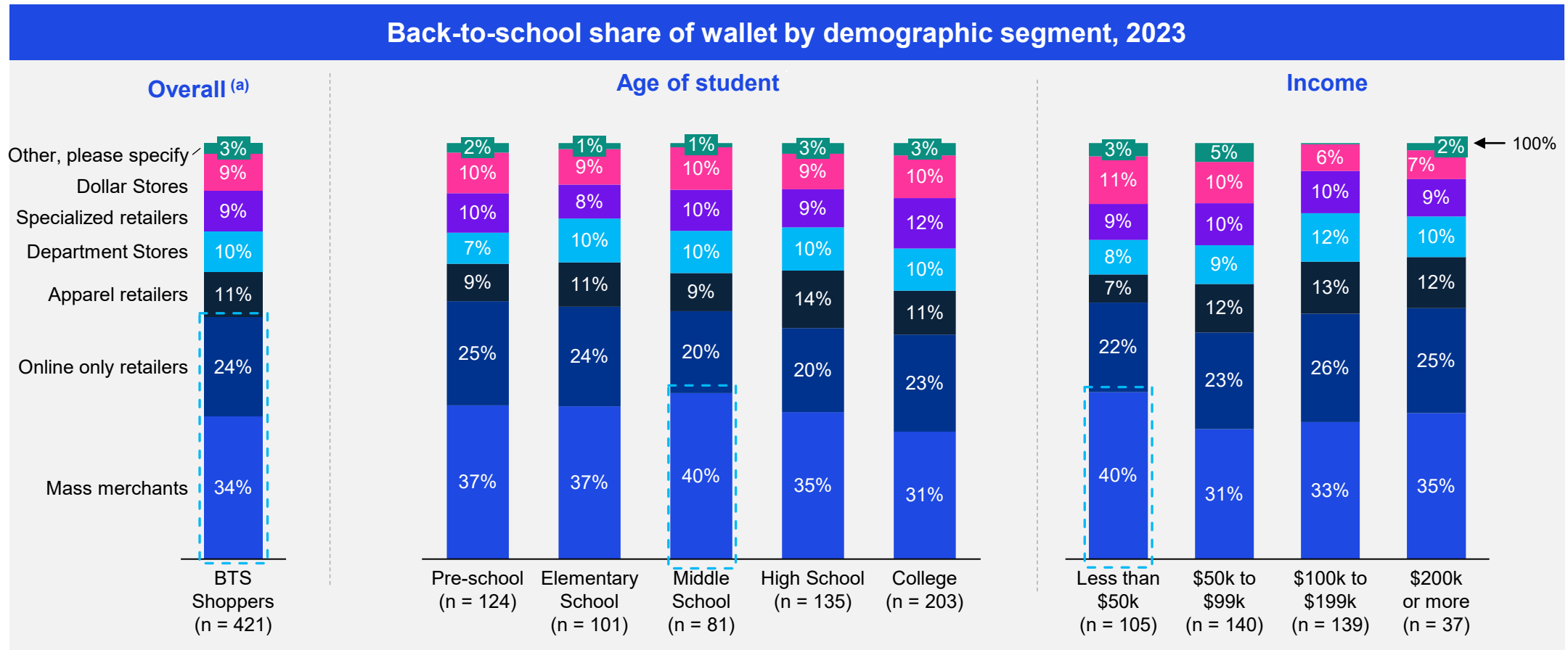
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "Where did you shop last year / where do you plan to shop this year for back-to-school?"; (a) BTS shoppers include the 421 households with children and/or adult students; (b) Values for 2022 taken from 2023 Consumer Pulse Survey and values for 2023 and 2024 taken from 2024 Consumer Pulse Survey.; (c) Survey respondents were prompted with a table to enter percent of spend by channel.

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Households with middle school children and lower income households are expected to shop more at mass merchants



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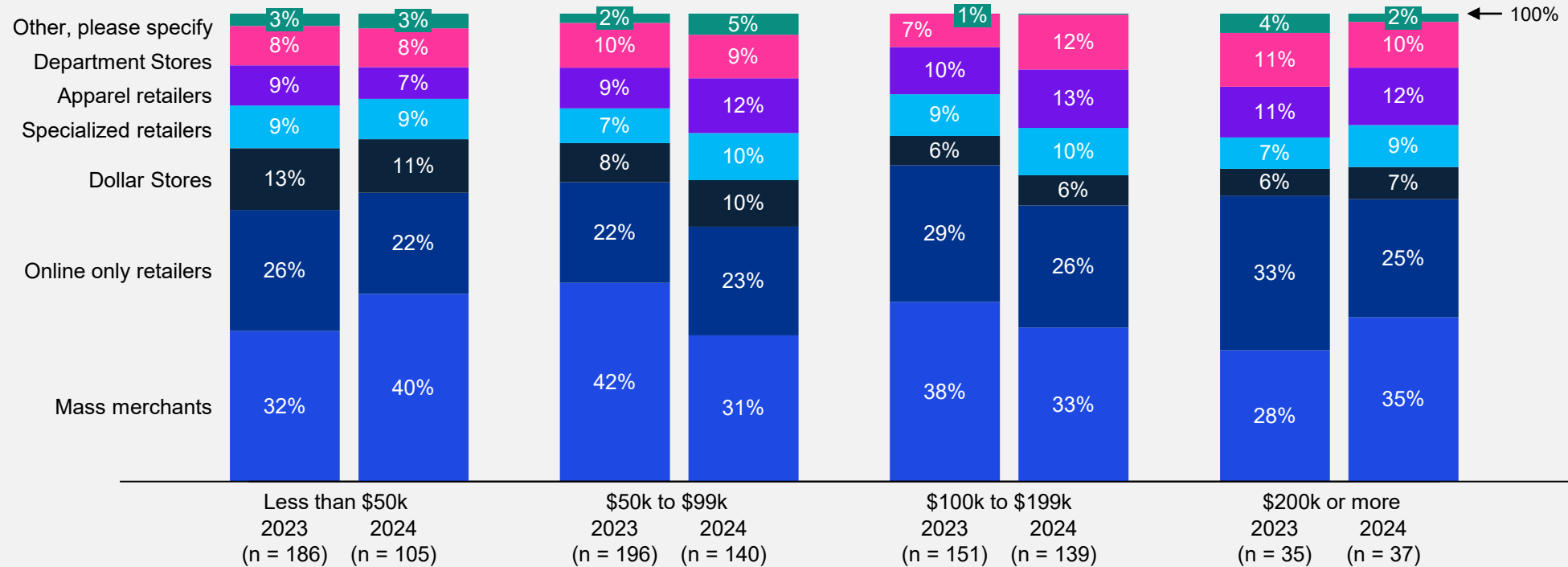
Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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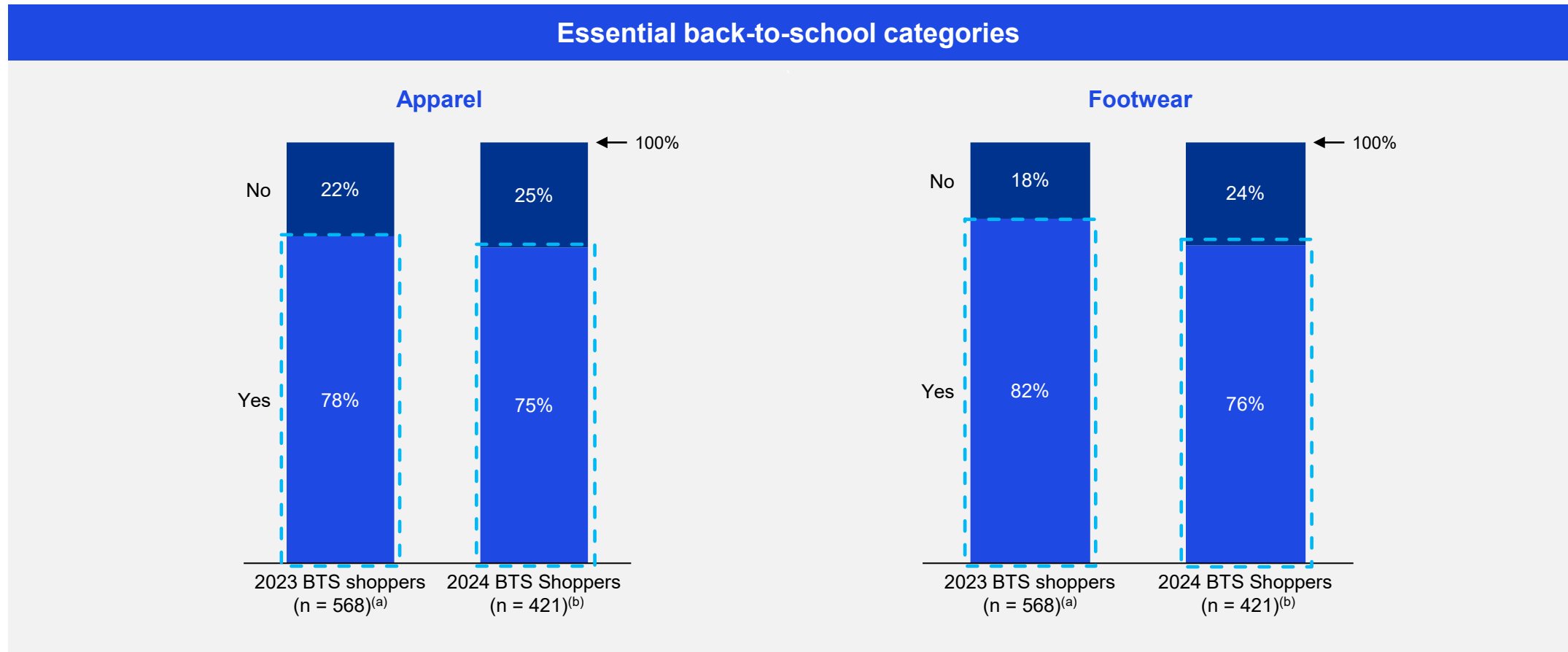
For lower income households, mass merchants are taking away back-to-school share of wallet from online only retailers, dollar stores and apparel retailers.

Back-to-school share of wallet by channel by income segment (2023 versus 2024)^(a)



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "Where did you shop last year / where do you plan to shop this year for back-to-school?"; (a) BTS shoppers include the 421 households with children and/or adult students for Consumer Pulse Survey 2024 and 568 households with children and/or adult students for Consumer Pulse Survey 2023.
 Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023

75 percent of BTS shoppers consider apparel and 76 percent of BTS shoppers consider footwear to be essential parts of BTS shopping.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked “Do you consider back-to-school apparel to be an essential part of your back-to-school spend?”, “Do you consider footwear to be an essential part of your back-to-school spend?”; (a) Values for 2023 BTS shoppers taken from 2023 Consumer Pulse Survey; (b) BTS shoppers include the 421 households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023

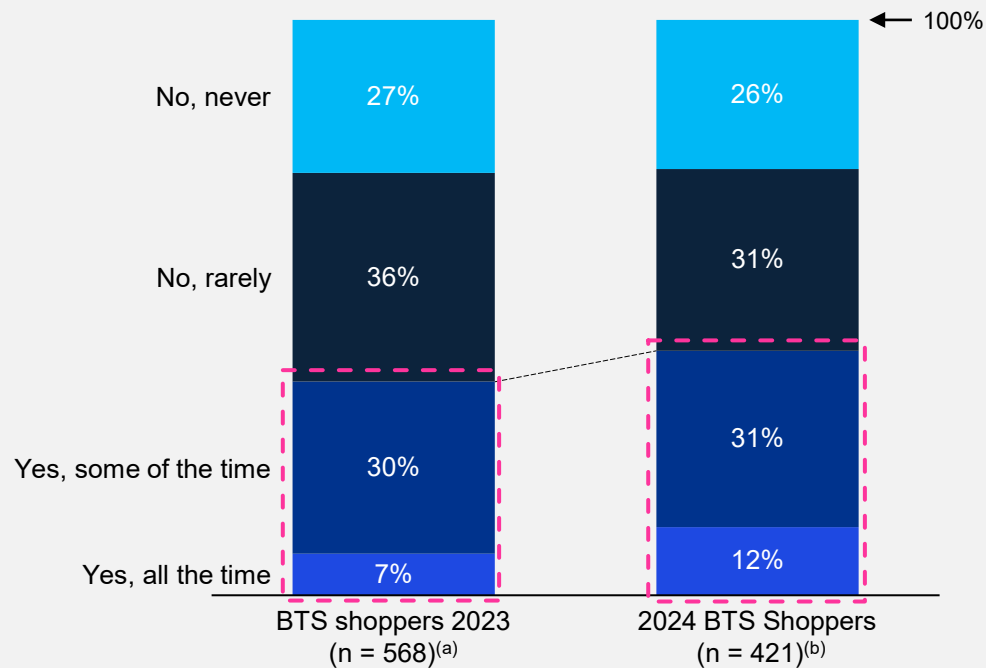


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43 percent of households consider luxury items as part of their back-to-school budget this year versus 37 percent last year.

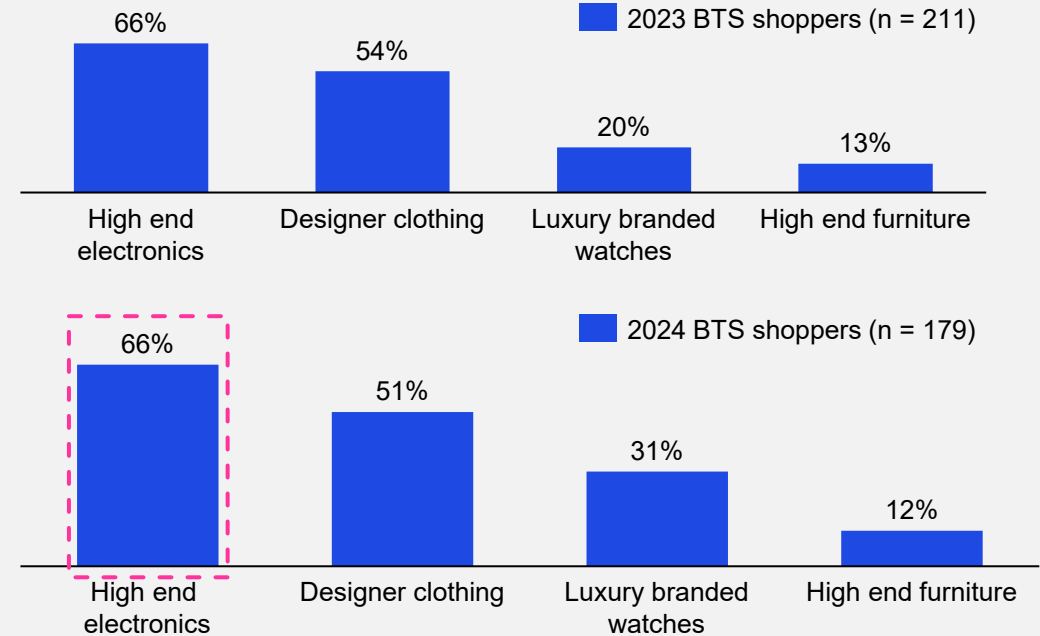
Consumer perceptions regarding luxury items as part of back-to-school spends and types of luxury items purchased

Percentage of consumers who purchase luxury items as part of their back-to-school spend



Percentage of consumers who have purchased following luxury items as part of their back-to-school spend

Respondents allowed to select more than one option



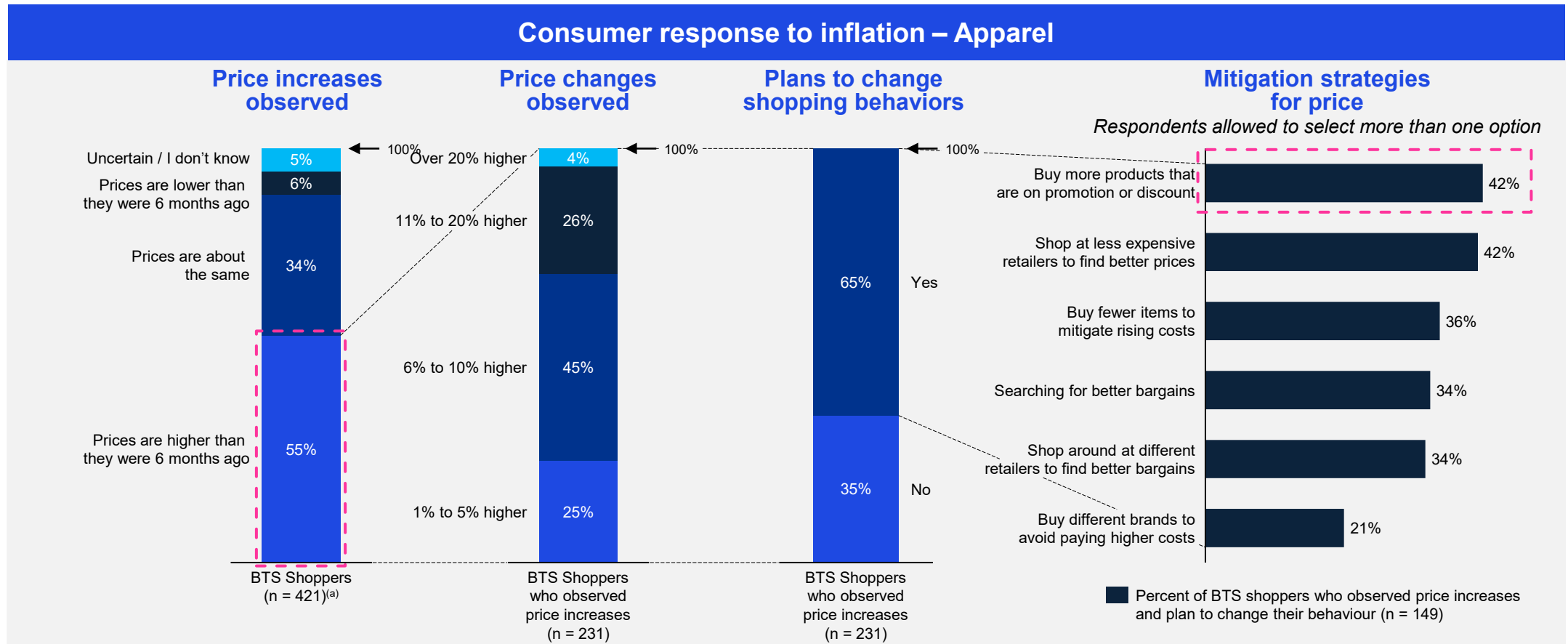
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and, if applicable, asked "Do you typically purchase items that are considered luxury items as part of your back-to-school purchases (high-end electronics, designer apparel, designer watches, luxury furniture, etc.?)" and if applicable, "You mention that you purchase items considered luxury as part of your back-to-school spend, what items do you typically purchase.;" (a) Values for 2023 BTS shoppers taken from 2023 Consumer Pulse Survey; (b) BTS shoppers include the 421 households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024; KPMG Consumer Pulse Survey, fielded Jun 30, 2023 - Jul 7, 2023



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55 percent of BTS apparel shoppers have seen price increases for apparel and 65 percent of them plan to change their purchasing behaviors to mitigate price increases, 42 percent of whom plan to buy more products that are on promotion or discount.



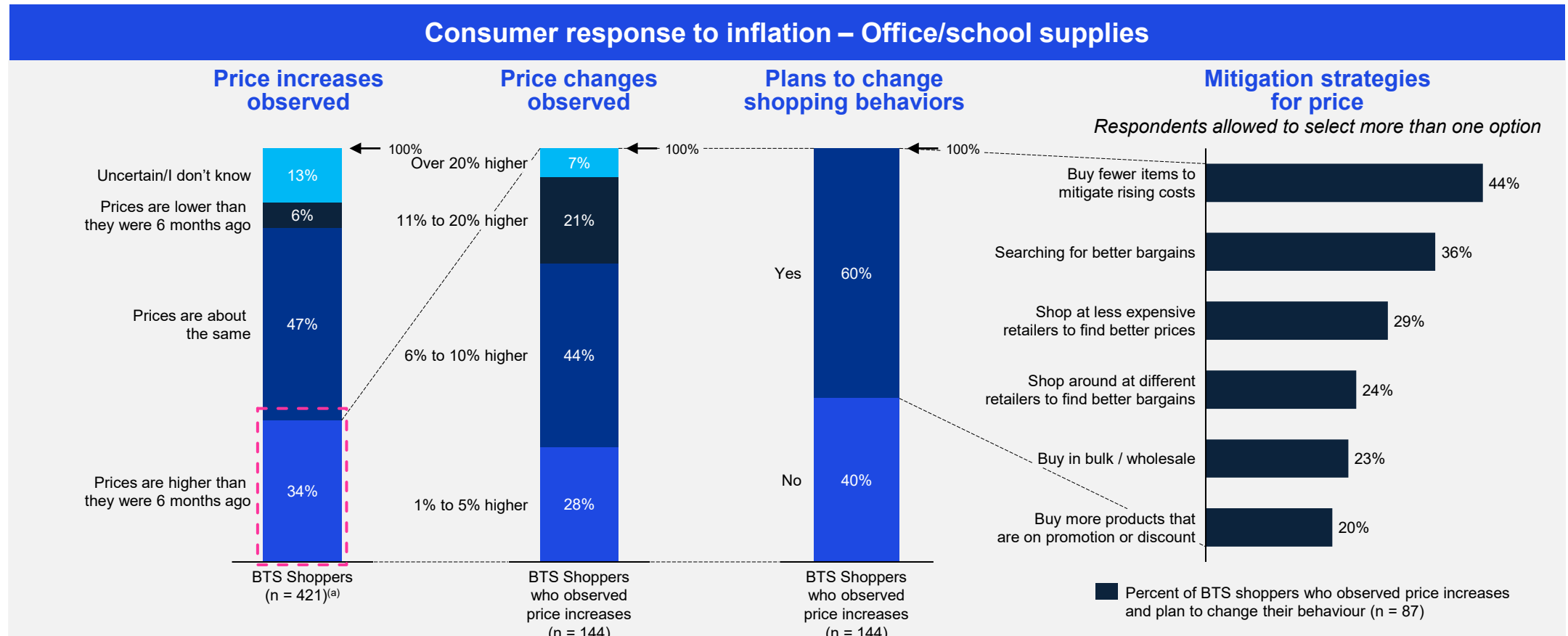
Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and asked, "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices for apparel, do you plan on changing your shopping behaviors to mitigate rising prices for apparel?", "How do you plan on changing your behaviors to mitigate rising prices for apparel?"; (a) BTS shoppers include 421 households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded July 15, 2024 – July 23, 2024



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34 percent of BTS office/school supply shoppers have seen price increases for office/school supplies and 60 percent of them plan to change their purchasing behaviors to mitigate price increases, around 44 percent of whom plan to buy fewer items.



Note(s): KPMG conducted a survey of 1,013 consumers across the United States, and asked, "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices for office/school supplies, do you plan on changing your shopping behaviors to mitigate rising prices for office/school supplies?", "How do you plan on changing your behaviors to mitigate rising prices for office/school supplies?"; (a) BTS shoppers include the 421 households with children and/or adult students.