



'Tis the season to shop and gather

Consumers plan bigger holiday budgets and more together time



Up close with today's holiday shopper

Shoppers will be in the holiday spirit soon, and retailer expectations are high. There is a lot to be excited about. The holiday budget for gifts is expected to grow 4 percent over last year. Eighty-two percent of consumers also plan to celebrate with a special meal or gathering. Last year it was 45 percent. Thirty-nine percent plan to increase their spending on holiday trips, mainly due to extending their stay. With experience spending and gift giving higher,

retailers should be in high spirits. The 4 percent rise in overall gift budget translates into 49 percent of consumers planning to increase their spend, while 28 percent plan to keep spend the same. The Federal Reserve's recent .5 point interest rate cut could make holiday consumers feel better about their economic situation, thus more willing to expand their gift giving or increase spend on holiday events.

About the survey:

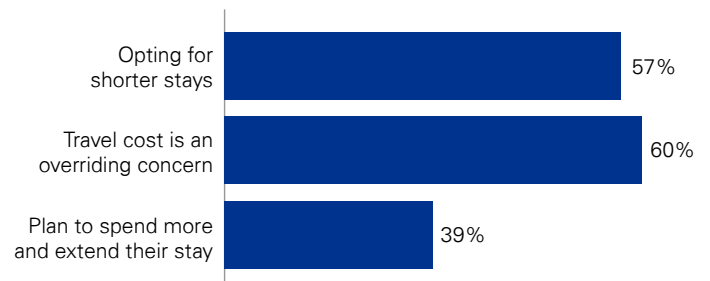
Our annual holiday survey seeks to accurately represent U.S. demographics with +1,000 respondents and a +/- 5 percent variance compared to the U.S. census across the variables such as income, region, race, ethnicity, and age.



Getting together will shine brightly

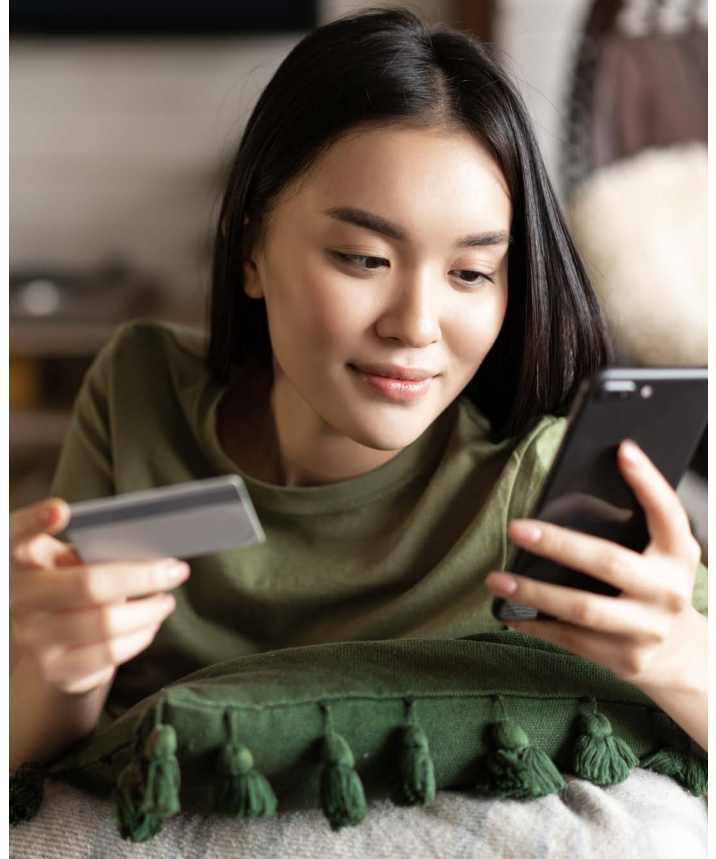
With COVID-19 less of a concern and inflation ebbing, Americans want to celebrate the holidays with family and friends. 82 percent, an increase of 33 percent from last year, plan to celebrate with a special meal or gathering. More plan to travel during Thanksgiving, with 57 percent opting for shorter stays. With travel, cost is an overriding concern for 60 percent, while 39 percent plan to spend more and extend their stay. Meanwhile, the holiday budget allocated for gifts is projected to be slightly higher this year.

American travel plans for Thanksgiving

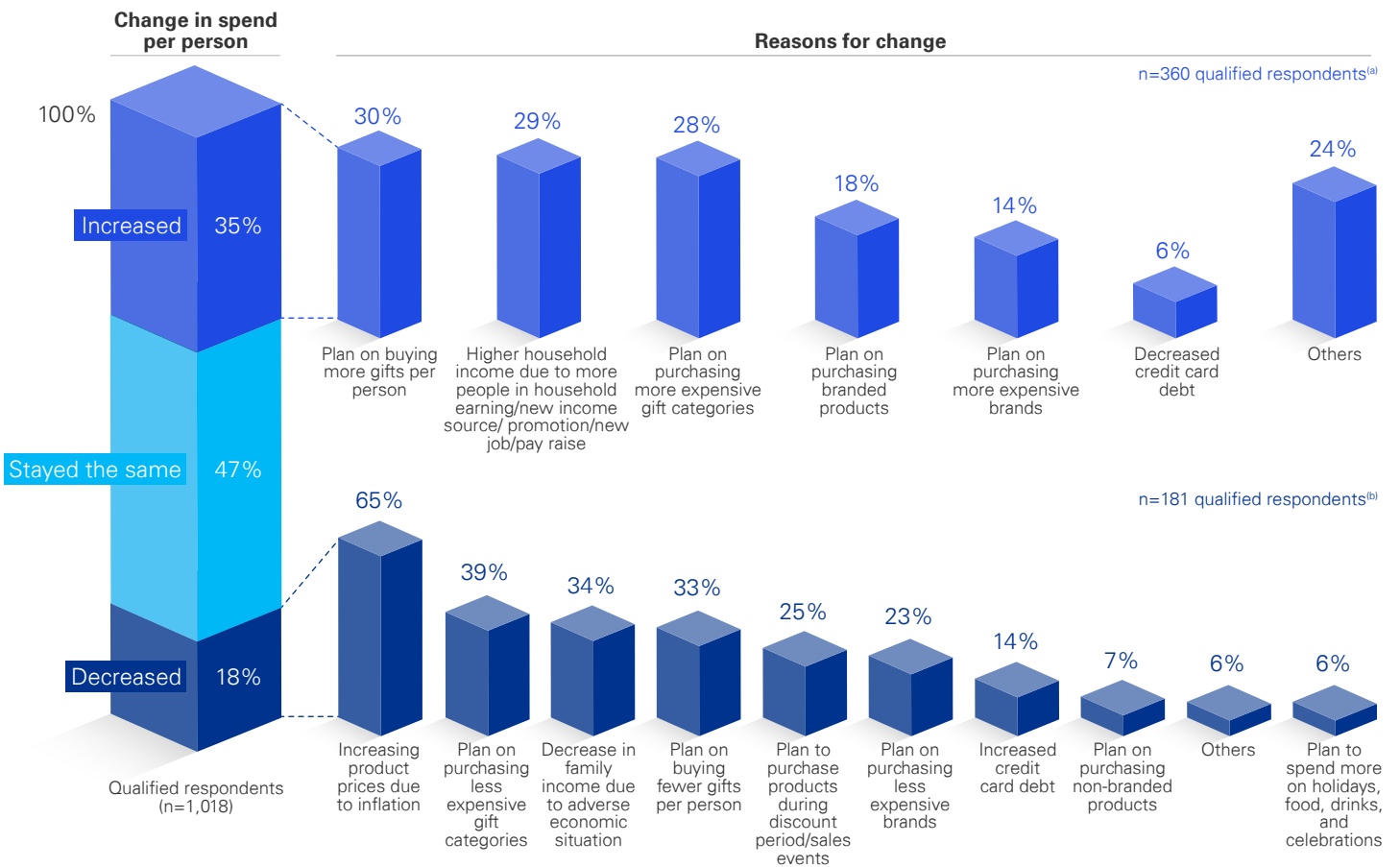


Holiday budgets higher this year

Our survey shows 35 percent of consumers plan to increase their gift-giving budgets, while 47 percent intend to keep their budget the same as last year. Most plan to shop between October and November and take advantage of Black Friday, Cyber Monday, and special promotions. If consumers spend more, the likely reason will be more gifts per person. Gift cards/certificates (58 percent) and apparel (53 percent) are the top priorities for gifts. Consumers prefer buying online (39 percent) versus in-store shopping (19 percent).



Spend per person: 2023 versus 2024



Note(s): KPMG conducted a survey of 1,018 consumers across the United States and asked, "On average, how much did you spend per person in 2023? And how much do you plan to spend per person in 2024?"; "What are the reasons for decreasing the spend per person in 2024?"; and "What are the reasons for increasing the spend per person in 2024?"; (a) Based on respondents who plan to increase the spend per person; (b) Based on the respondents who plan the decrease the spend per person.

Source(s): KPMG Consumer Pulse Survey, fielded Sep. 4, 2024 – Sep 6, 2024

Treat yourself:

For consumers, one name is at the top of their holiday shopping list—their own. Fifty percent of survey respondents plan to treat themselves, a 21 percent increase over last year with average spend of \$341 overall.



The season is brimming with optimism

Could retailers be in for a holiday surprise? Our survey was conducted in September prior to The Federal Reserve announcing a major interest rate cut designed to maximize employment, stabilize prices, and keep inflation on its downward trajectory. The Fed's half point rate cut could make big ticket items like houses and cars more affordable. Credit card interest rates should come down, but not immediately. Even so, good economic news could buoy the collective psyche of consumers and inspire them to spend more during the holidays.

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