KPMG

Consumer pulse survey

Holiday 2025

Executive summary

KPMG surveyed ~2,000 consumers across the United States to understand holiday and winter spending trends

Household financial trends are mixed

- 49% say their household income has increased this year
  - 80% of households with over $200k in income reported increases
- 48% say household income has decreased—including one-fifth whose income decreased by over 25%
  - 62% of households with income less than $50k reported decreased income

Spending is up, but mainly for essentials

- Overall winter spending is expected to rise across essential categories—led by year-over-year increases in groceries (+23%) automotive (+12%), and personal care products (+7%)
- However, discretionary categories see decreases—especially in furniture (-12%) and toys (-15%)

Holiday spending rises in expectation of higher costs

- Holiday spending is expected to rise 4.6% year-over-year
  - Spending is up 9% among households with over $200k income
  - Spending is down -2%among households with less than $50k income
- Consumers report spending 20% more this year on themselves
- 79% expect tariffs to drive higher prices, and 57% report higher priced decorations

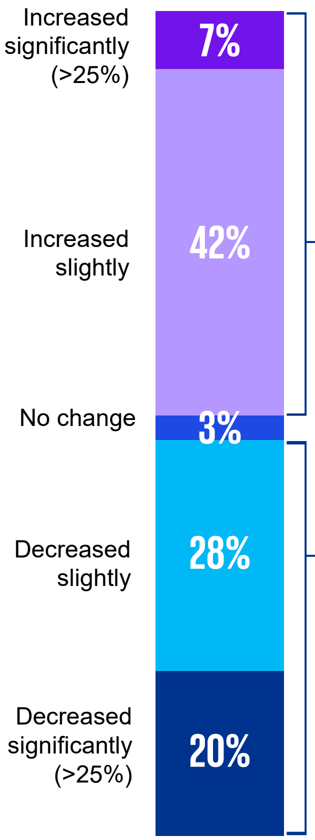
Travel , gatherings, and gift preferences

- Holiday travel spending is expected to rise 10% year-over-year
- 67% will celebrate with a special meal or gathering
- About one-third have made a purchase after seeing content on YouTube, Instagram, or TikTok
- 41% have used AI for gift research
- Money and gift cards are the top choices for gifts to receive

Household financial situation and winter spending trends

Household financial outlooks are mixed

49% of respondents say their household income has increased while 48% say it has decreased



- 58% cited a new job or promotion as the reason for increased income
- 80% of households with income over $200k reported increased income

- 38% cited a job loss as the reason for decreased income
- 62% of households with less than $50k income reported decreased income

Consumers are selective—with spending up in essential categories and down in others

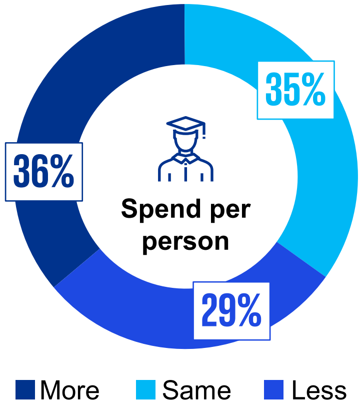
Category	Planned change in monthly spend—Holiday 2025	
Groceries	23%	Essential categories
Automotive	12%	Essential categories
Personal care products	7%	Essential categories
Prescription medications	7%	Essential categories
Apparel	3%	Discretionary categories
Personal care services	2%	Discretionary categories
Home improvement products	-1%	Discretionary categories
Restaurants	-3%	Discretionary categories
Home improvement services	-4%	Discretionary categories
Entertainment	-4%	Discretionary categories
Electronics	-4%	Discretionary categories
Travel	-6%	Discretionary categories
Office supplies	-8%	Discretionary categories
Hobby supplies	-9%	Discretionary categories
Furniture	-12%	Discretionary categories
Toys	-15%	Discretionary categories

Expected holiday spending increases – influenced by higher costs

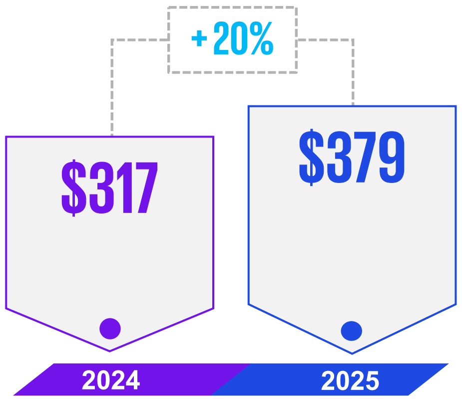
Holiday spending up 4.6% year-over-year

Consumers plan to spend more on gifts – and themselves – driven partly by expected higher prices

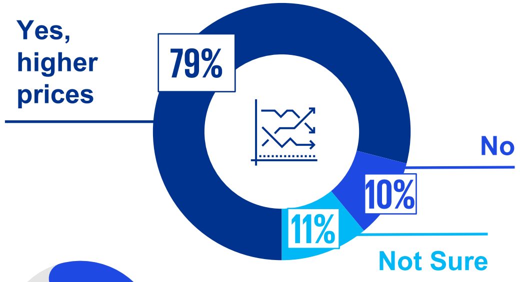
Consumers spend slightly more on gifts per person

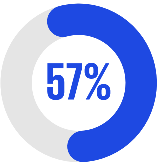


Higher spending on oneself for the holidays



Expect tariffs to drive higher prices

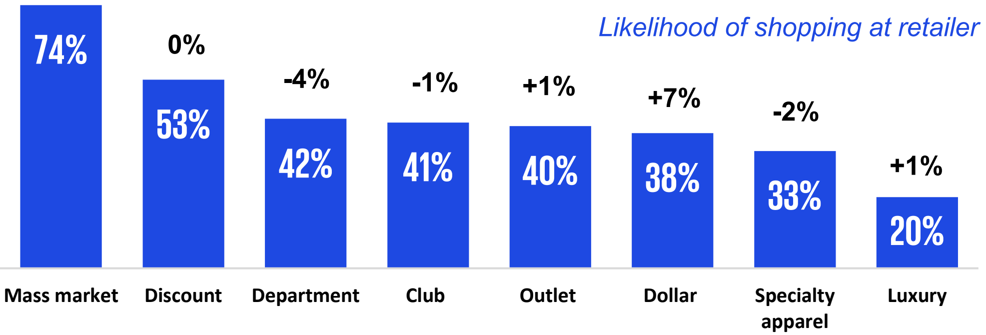




57% say holiday **decoration** prices have increased

Consumers prefer to shop at mass market retailers and online

+2% *Year-over-year*



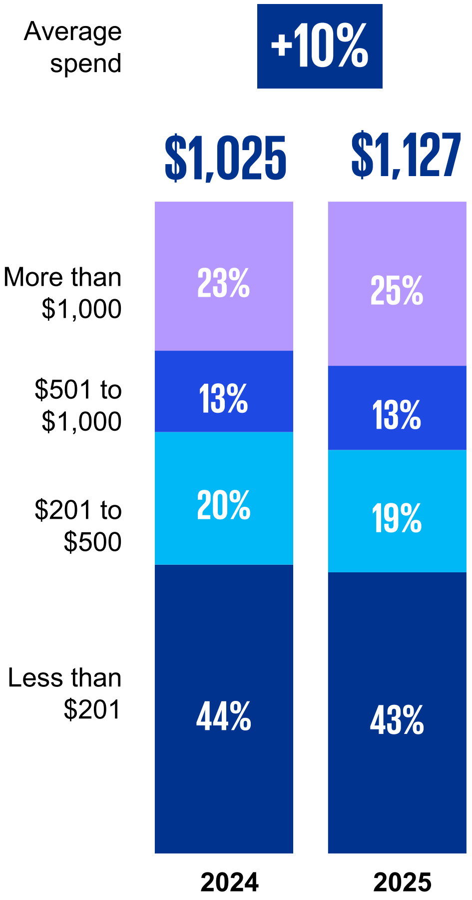
Online is still preferred over in-store

	Online	Neutral	In store
2025	33%	49%	18%
2024	39%	42%	19%

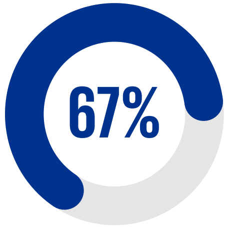
Consumer holiday priorities for travel, gatherings, and gifts

Travel and gatherings are priorities for consumers

Average travel spending up 10%



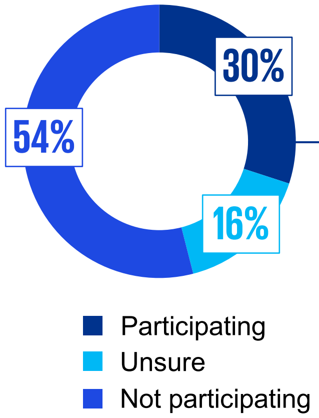
67% will celebrate the holidays with a special meal or gathering



$95 Average spend on events attended

$231 Average spend on events hosted

30% will participate in "dry January" - showing continued interest for wellness



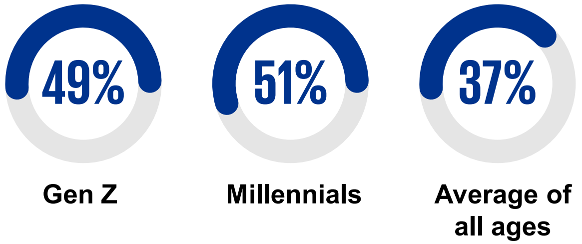
Of those participating in dry January, 48% are doing so for health reasons and 37% to save money

Holiday shopping is influenced by social media and AI

About one-third have made a purchase after seeing content on social media platforms

- 32% YouTube
- 29% Facebook
- 31% Instagram
- 28% TikTok

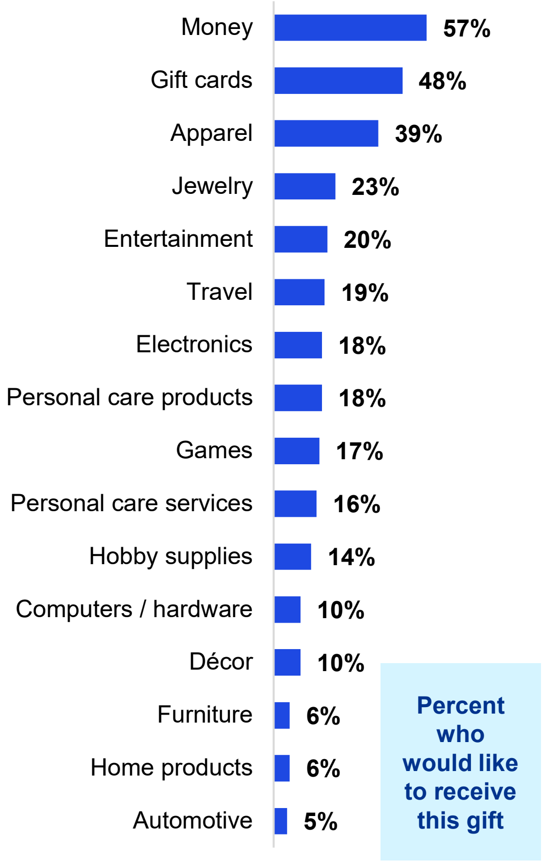
Social shopping is more popular with Gen Z and Millennials



41% of consumers use AI to research gift ideas

- 41% Use AI for gift research
- 22% Interested in using AI
- 42% Not interested in using AI

Money and gift cards are top choices for gifts



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DAS-2025-18873

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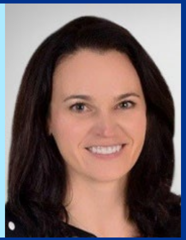

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