

2023 Deloitte back-to-school survey

A season of economizing



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Table of contents

2

Authors

4

Executive summary

5

Executive perspectives

6

Cheat sheet

7

Survey findings

Executive summary

The inflation story takes center stage in our 16th annual back-to-school (BTS) survey. Although parents were willing to endure higher prices last year for replenishing BTS items after the pandemic, 18 months of inflation have changed their tune. Uneasiness about the economic situation is creating price sensitivity and causing parents to reassess how they'll approach shopping for the upcoming school year.

BTS is typically the second largest spending event for families after the holiday season,¹ which causes shoppers to be heavily motivated by deals. With prices of school supplies increasing 23.7% in the past two years,² BTS shoppers' need for a bargain is even more palpable.

Consumers are also reflecting on priorities. Findings in our [Global State of the Consumer Tracker](#) indicate consumers are looking to (re)pad their savings accounts.³ They also plan to shift more of their budget to experiences, like leisure travel, over goods.³ Half of consumers plan to go on a summer trip that includes paid lodging, versus 46% last year.⁴

So where does that put BTS on the priority list? Parents—across all three income groups—plan to pull back this year, with total spend dropping 10% year over year (YoY). The focus is on replenishing the necessities, such as school supplies, while holding off on nonessential purchases like tech and apparel.

The shopping journey will be centered around finding ways to economize—for instance, researching the best deals, shopping earlier, and homing in on how to get items (and return them) in the most affordable manner.

But it's not all doom and gloom for retailers. This is back-to-school, after all—an event that invokes nostalgia, family traditions, and a desire to please our children. Nearly 6 in 10 parents surveyed say they would be willing to splurge for the right reasons, like treating their child, self-expression, or better quality. Retailers that can understand the drivers of splurging may be able to capitalize on those willing to part with a little extra cash.

Sources: (1) National Retail Federation; (2) Consumer price index, Bureau of Labor Statistics; (3) Deloitte Global State of the Consumer Tracker, June 2023; (4) Peter Caputo et al., *The experience economy endures: 2023 Deloitte summer travel survey*, Deloitte Insights, May 22, 2023.

Executive perspectives

Inflation takes a toll

As persistent inflation weighs on parents, many are having to make strategic decisions when it comes to their BTS budgets this year. Spending per child is expected to decrease 10% to \$597, with all three income groups pulling back YoY.

Parents protect their wallets

With parents looking to economize, they're focusing on necessities like school supplies (+20%), while pulling back on apparel (-14%) and tech (-13%). Sustainable items—once a priority—are on the back burner, with only 35% planning to purchase them (versus 50% in 2022).

Financial fatigue shapes shopping behaviors

The entire shopping journey is about minimizing costs this year. Parents are shopping earlier for deals (59% of the budget will be spent by the end of July versus 53% in 2022), and they're choosing to pay with cash (77% versus 72% in 2022). They're prioritizing in-store purchases, but when they do shop online, they expect low purchase minimums for free shipping and returns.

Cheat sheet

Parents plan to spend less in the face of inflation

Average spend per child is expected to **decrease 10%** to \$597 (versus \$661 in 2022); all income groups plan to spend less

68% plan to spend the same or less YoY (versus 63% in 2022)

Among parents spending less, 51% attribute it to **reduced disposable income**, while 75% of those spending more point to **increased prices**

However, many parents are **willing to splurge on clothing/accessories** (57%) and **tech items** (56%) for **better quality** or to treat their child

Financial fatigue shapes economic outlook

51% anticipate a weakening economy in the next six months

Prolonged inflation has led to a **worse financial situation for 31% of parents** over the past year

Parents are pulling back spending in clothing (-14% YoY) and tech (-13% YoY) categories, while **school supplies (+20% YoY) are expected to be the bright spot**

Overall BTS market size is projected to come in at \$31.2B, down 9% YoY

BTS shoppers look to economize

Parents plan to **use cash, check, and debit more prominently** (77% versus 72% in 2022)

By the end of July, **59% of BTS spending is expected to be completed**, up from 53% in 2022

49% research online before buying in-store; **55% review return policies** before shopping

Shoppers prioritize retailers with competitive pricing, favoring mass merchants (80%), online retailers (60%), and off-price retailers and dollar stores (33%)

Shoppers are **willing to spend** an average of **\$32 to qualify for free shipping**

59% will only shop at retailers offering **free returns**

Digital preferences

62% plan to use social media for deal seeking (versus 56% in 2022); overall usage, however, is on the decline (21% in 2023 versus 35% in 2022)

Nearly half of parents are concerned about their child's mental health; 36% of those say smartphones have complicated their children's lives

Generative AI adoption in schools is nascent; 15% of children use it for schoolwork, and only 26% of parents see it as a positive tool for academic performance

Spending trends



BTS shoppers plan to rein in spending and focus on the necessities

All income groups are pulling back spending on BTS proportionally¹

34%

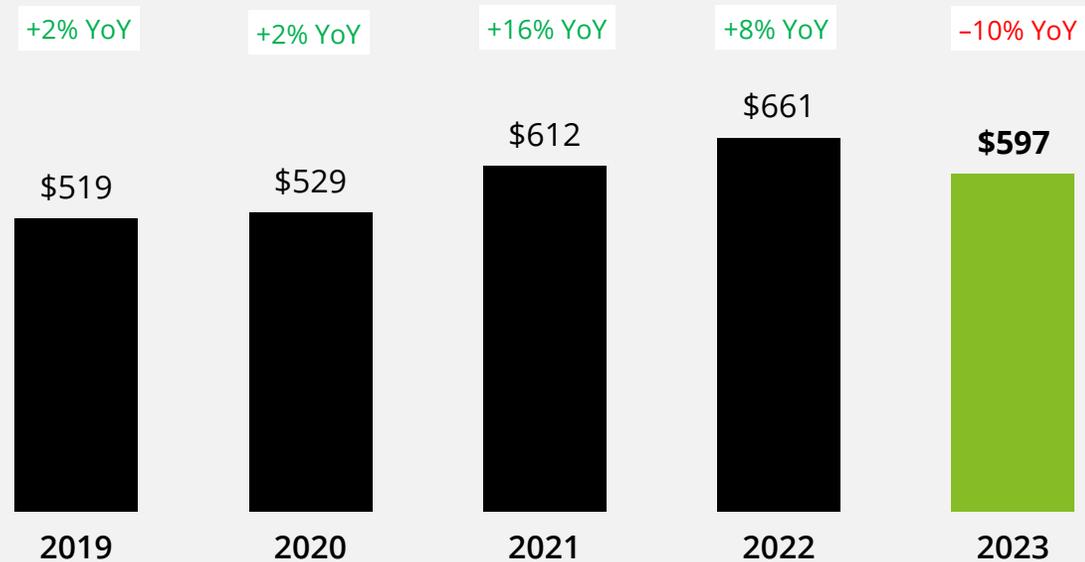
are postponing nonessential BTS purchases² versus 31% in 2022

Questions: (1) "How much do you plan to spend on these categories during this back-to-school shopping season?"; (2) % agree/strongly agree.

Notes: N = 1,212; *Deloitte calculations on BTS spend based on annual consumer survey projections (N = 1,212) and K-12 enrollment figures from US Census Bureau's Current Population Survey (CPS)—School Enrollment Supplement; ^Average spend per child only takes into consideration those who plan to shop for BTS items this season.

After replenishing BTS items the past two years, parents are planning to pull back their spend to \$597 per child

BTS average spend per child^{1^}



Market spend*

\$27.7B

\$28.1B

\$32.2B

\$34.4B

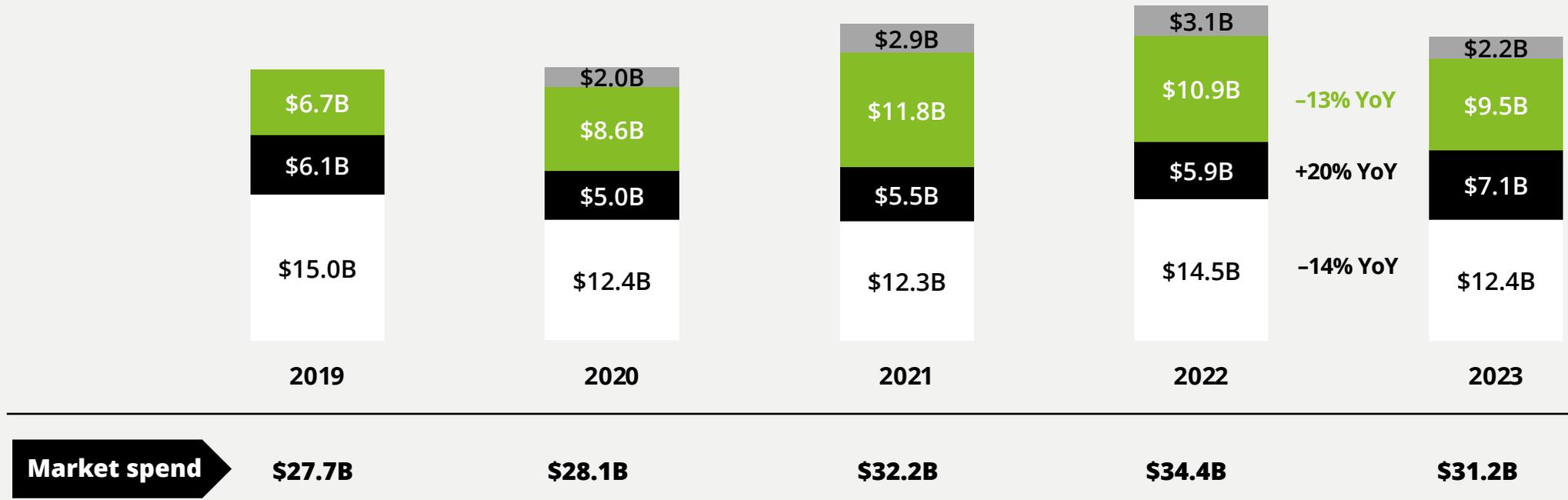
\$31.2B

Parents are prioritizing school supplies, while tech and clothing take a back seat

Tech has emerged from the pandemic as a dominant category, helping to boost overall market spend since 2019

○ Clothing and accessories ● School supplies¹ ● Tech products² ● Other³

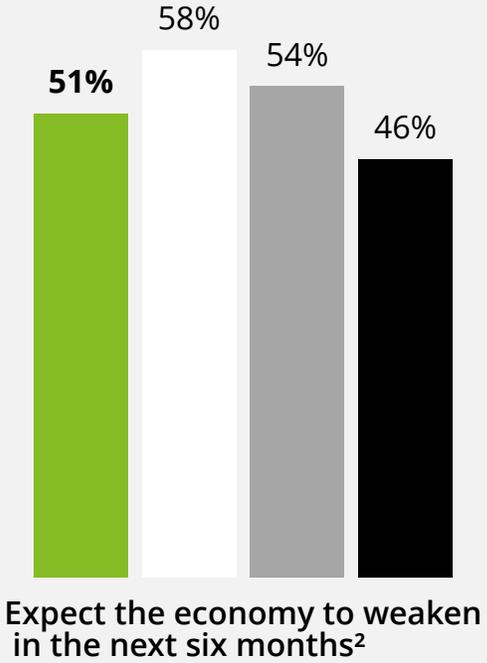
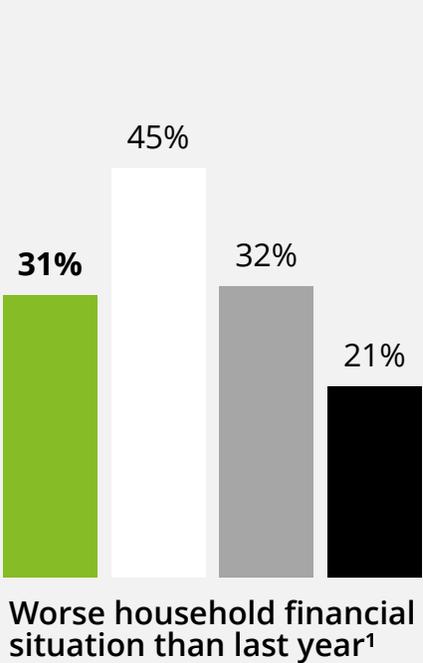
BTS share of estimated market spend, by category



Notes: Deloitte calculations on BTS spend based on annual consumer survey projections (N = 1,212) and K-12 enrollment figures from US Census Bureau's Current Population Survey (CPS)—School Enrollment Supplement. (1) "Preconfigured school kits" were added to school supplies in 2023 and are not included in 2022 or prior years; (2) Tech products include computers and hardware, electronic gadgets, digital subscriptions, and voice/data plans; (3) Other includes COVID-19-related items like sanitizers, face masks, and furniture for home (desks, chairs, etc.).

The pullback comes as families are feeling fatigued by continuing financial stress

- Overall
- Less than \$50k
- \$50–99k
- \$100k+



Questions: (1) "Thinking about your household's assets (home, cash, car, etc.) and your liabilities (credit card bills, mortgage, etc.), would you say your household's financial situation today is worse than it was last year?"; (2) "What is your overall outlook for the US economy in the next six months in 2023 compared with today?"
Note: N = 1,212.

Whether spending more or less, inflation is playing a role ...

68%

expect to spend same or less on BTS YoY¹ versus 63% in 2022

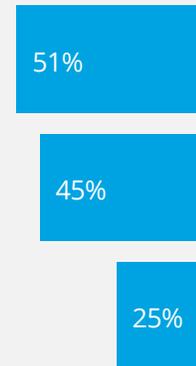
Questions: (1) "How will your overall spending on back-to-school items compare to what you spent last year?" (N = 1,212); (2) "Why will you likely spend less on back-to-school items this year?" #multi-select (N = 198); (3) "Why will you likely spend more on back-to-school items this year?" #multi-select (N = 390).

*Source: Consumer price Index, Bureau of Labor Statistics.

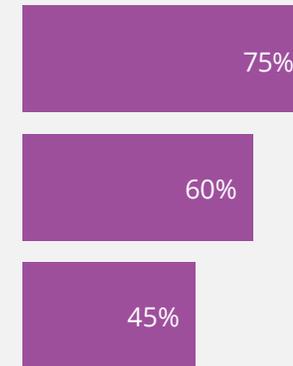
Parents feel the squeeze as BTS items rise in price

Top reason for planned YoY change in BTS spending

Of those spending less, shoppers who say their household has less money to spend this year²



Of those spending more, shoppers who say prices are higher compared to last year³



CPI, YoY % change, (May 2021–2023)*

Stationery/stationery supplies/gift wrap

+23.7

Boys' apparel

+7.6

Girls' apparel

+7.4

Boys' and girls' footwear

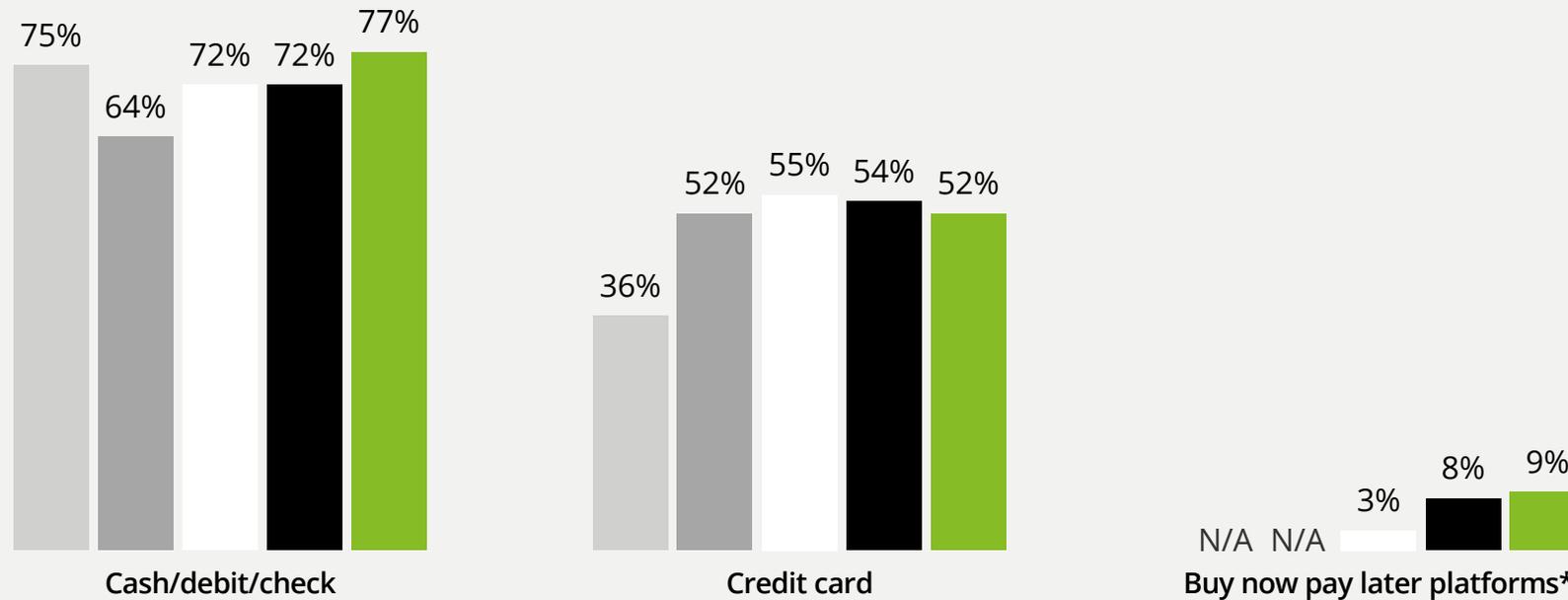
+5.4

... causing shoppers to be cognizant of credit and up their cash spending

Credit card use holds steady, while “buy now pay later” platforms are rarely being utilized for BTS

● 2019 ● 2020 ○ 2021 ● 2022 ● 2023

BTS purchases will be financed using:



Question: “Which payment options will you likely use for your upcoming back-to-school purchases?” #multi-select.
Notes: N = 1,212; *Buy now pay later was introduced in 2021.

Economizing the shopping journey



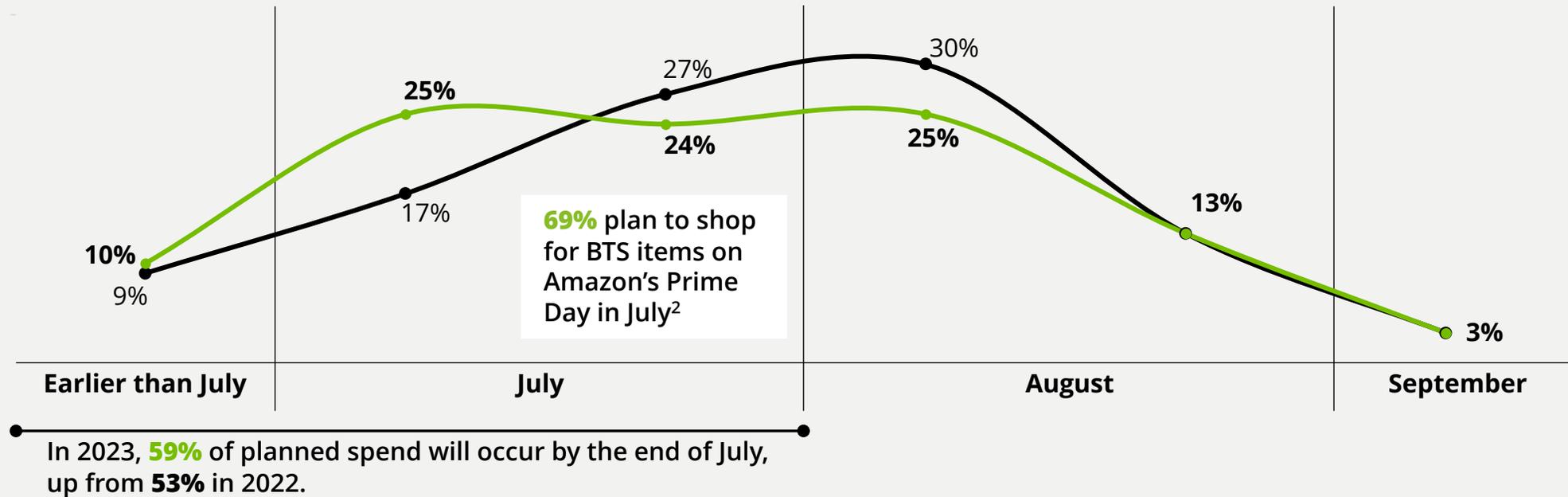
Hungry for deals, parents plan to get an early jump on BTS shopping

The July spending surge is expected to contribute to a front-loaded BTS shopping season

— 2022 — 2023

BTS total spend by shopping periods¹

35% believe better deals occur earlier in the season versus **26%** who believe they occur later in the season³



Questions: (1) "Out of your plan to spend on back-to-school shopping, how much do you plan to spend during the following periods?" (N = 1,212); (2) "Do you plan to shop for back-to-school items on Amazon's Prime Day sales event in July 2023?" (N = 677); (3) "Which of the following statements would you agree with about your back-to-school shopping?" #multi-select (N = 1,212).

BTS shoppers are seeking out retailers with competitive pricing ...

Consumers plan to spend the most at ...²

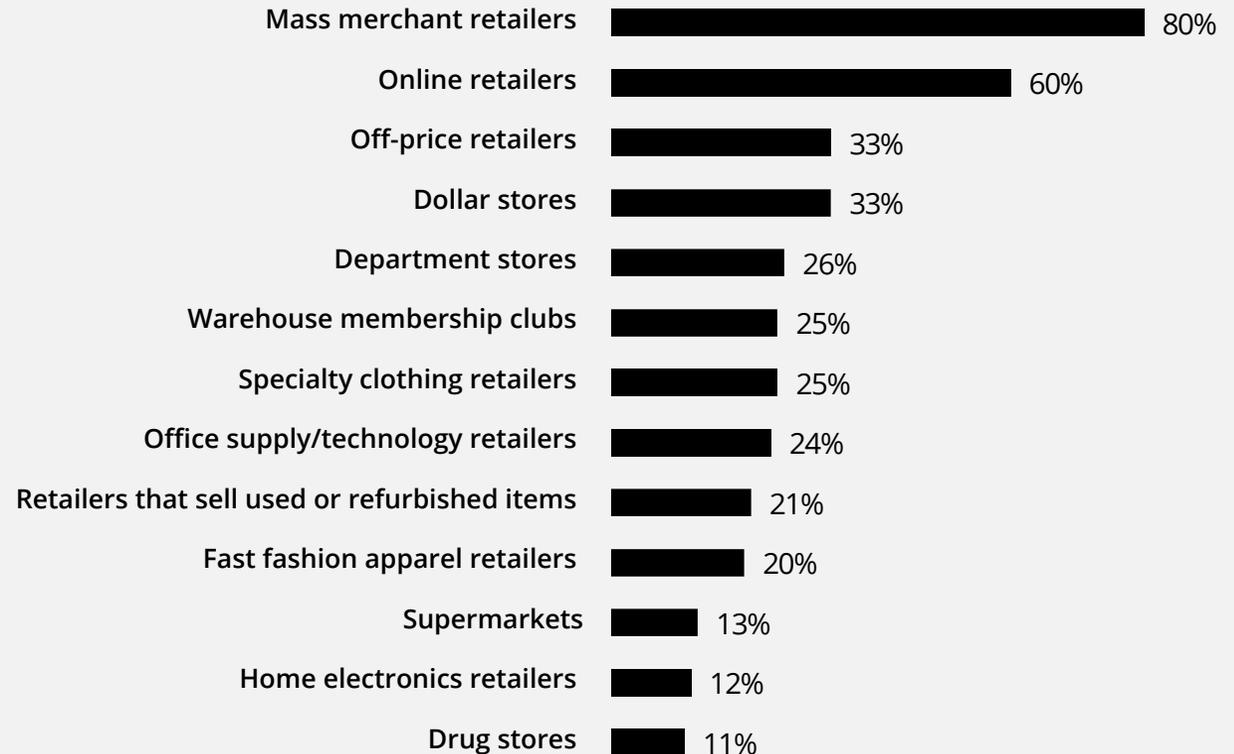
- 46% Mass merchant retailers
- 16% Online retailers
- 6% Specialty clothing retailers
- 6% Off-price retailers
- 5% Retailers that sell used/refurbished items
- 4% Department stores
- 4% Fast fashion apparel retailers

Questions: (1) "Which type of retailer(s) do you plan to visit for your back-to-school shopping?" #multi-select; (2) "At which type of retailer do you anticipate spending the most money this back-to-school shopping season?"

Note: N = 1,212.

Mass merchants and online retailers remain top destinations

Preferred retail formats for BTS shopping¹



... and choosing to shop in-store for better bargains

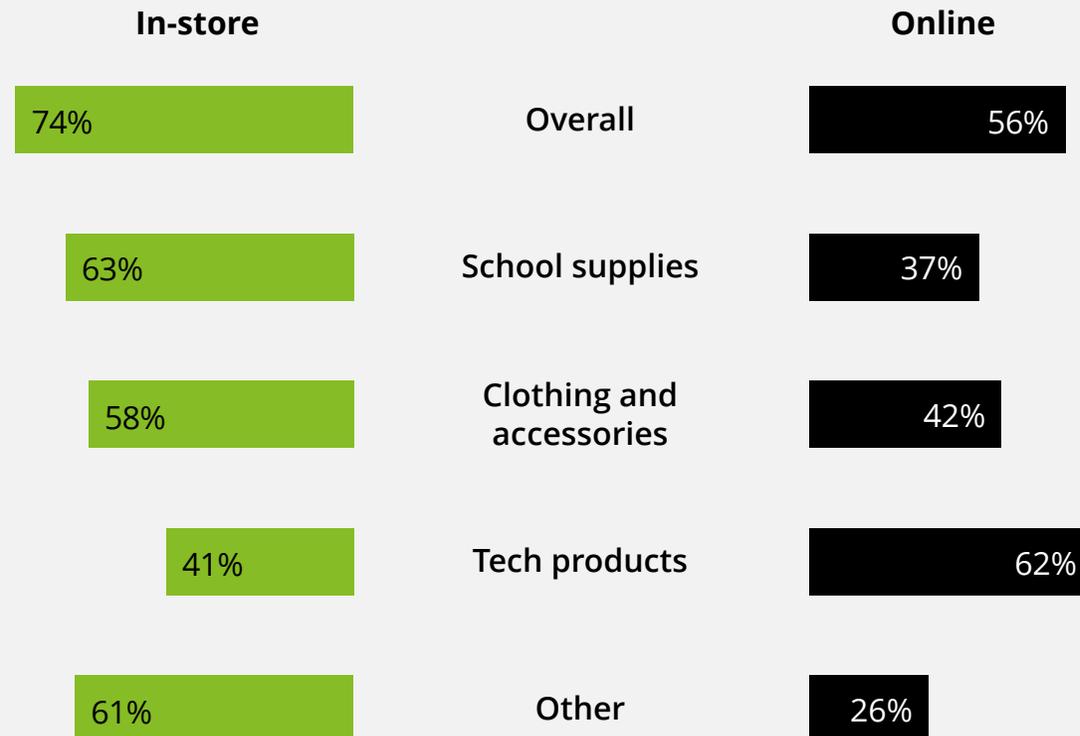
only 34%

say they often find lower prices online than in stores²

Questions: (1) "For the following items you plan to purchase this back-to-school season, please mention the amount you expect to spend online or in-store." (N differs by number of shoppers shopping in each category); (2) "Which of the following statements would you agree with about your back-to-school shopping?" #multi-select.
Note: N = 1,212.

Consumers lean toward in-store shopping, especially for school supplies and apparel

Shopper traffic, by category¹



With price top of mind, 2 in 10 are undecided about channel preference

\$6.3B

Undecided market spend

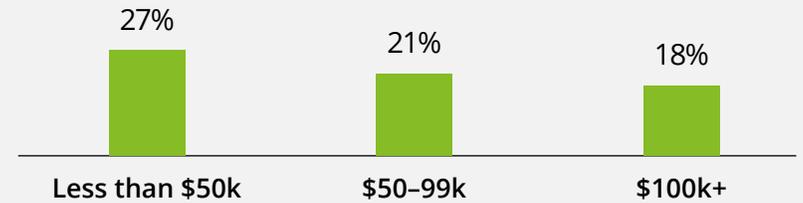
Question: "For the following items you plan to purchase this back-to-school season, please mention the amount you expect to spend online or in-store."

Notes: N = 1,212; *Undecided shoppers are those who are not sure of the channel (online or in-store) where they will shop.

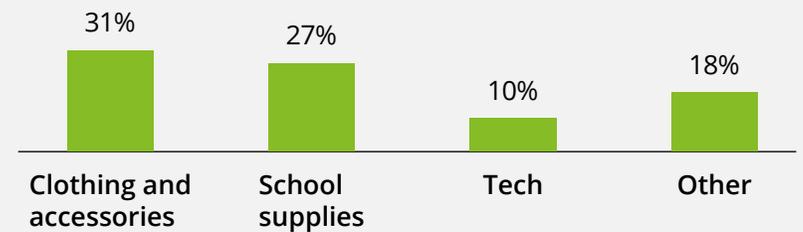
Retailers have opportunities to direct undecided shoppers to more profitable channels



By income



By category



Social media's relevance for BTS shopping is receding, and parents are primarily using it to economize

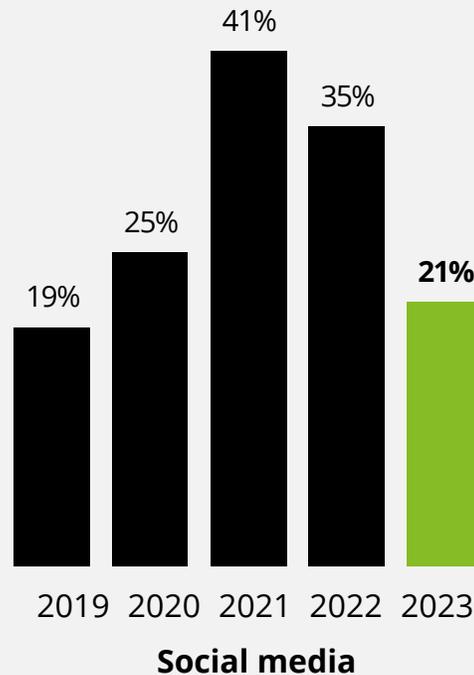
62%

of those who use social media are using it to economize BTS spend² versus 56% in 2022

Questions: (1) "Do you plan to use social media sites (i.e., blogs, discussion groups, social networks, etc.) to assist in your back-to-school shopping?" (N = 1,212); (2) "Regarding your back-to-school shopping, how do you plan to use social media sites?" #multi-select (N = 258 overall, 162 millennials, 74 Gen X).
Notes: Millennials refer to those born between 1981 and 1996; Gen X refers to those born between 1965 and 1980.

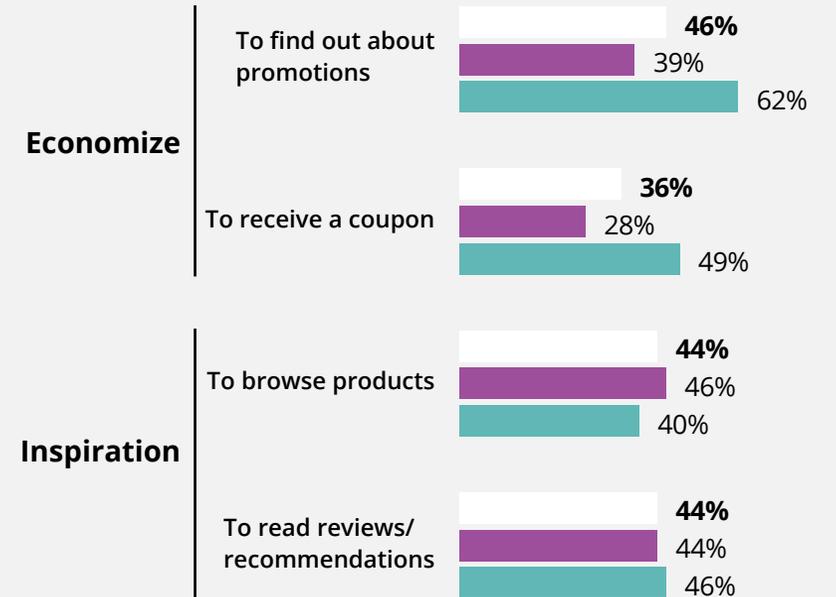
Gen Xers are using social media to track down deals, while millennials seek inspiration

Use for BTS shopping¹
(% of shoppers)



Social media use by generation index, 2023²

○ Overall ● Millennials ● Gen X



Retailers will have to offer online researchers value to help seal the deal

49%

will research online before purchasing BTS products in the physical store¹

versus 60% in 2022, 65% in 2021, 57% in 2020, and 54% in 2019

55% will research retailers' return policies before making a purchase³

Questions: (1) % agree/strongly agree (N = 1,212); (2) "Which of the factors below would encourage you to purchase at the time of your online research?" #multi-select (N = 1,212); (3) % agree/strongly agree (N = 677).

Free shipping and tempting deals will encourage parents to act while researching

Consumers are open to shopping online while researching if retailers offer ...²



Online shoppers are looking for low purchase thresholds to earn free shipping ...

88%

are willing to meet a minimum purchase threshold for free shipping

Question: "If there is a minimum order to get free shipping, what dollar amount are you willing to place in your online shopping cart/bag to get that free shipping?"
Note: N = 677.

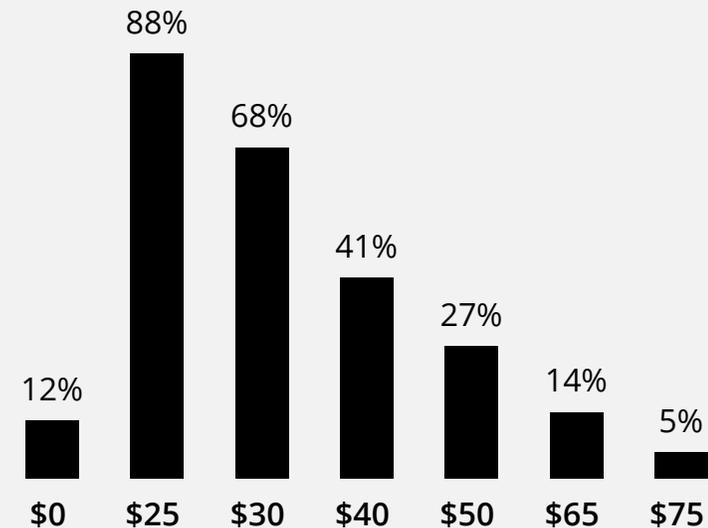
With loyalty at risk, retailers can look to find the sweet spot between shipping costs and customer satisfaction

\$32

Average order amount consumers willing to spend for free shipping

By income:
\$27 Less than \$50k
\$29 \$50–99k
\$36 \$100k+

Minimum order thresholds for online shoppers



... and are seeking out free returns

59%

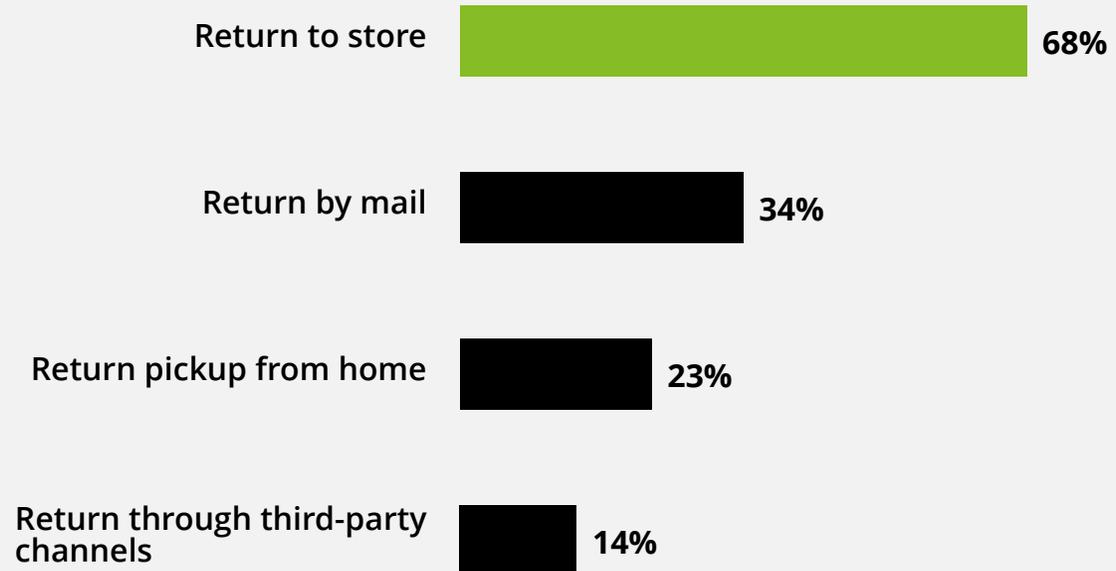
will only shop at retailers that have free returns²

68% will return items in-store to avoid paying return fees²

Questions: (1) Please select your most preferred channel(s) for product returns this back-to-school season. #multi-select; (2) % agree/strongly agree.
Note: N = 677.

With consumers preferring to return items to stores, retailers with omnichannel capabilities have opportunities to save a sale

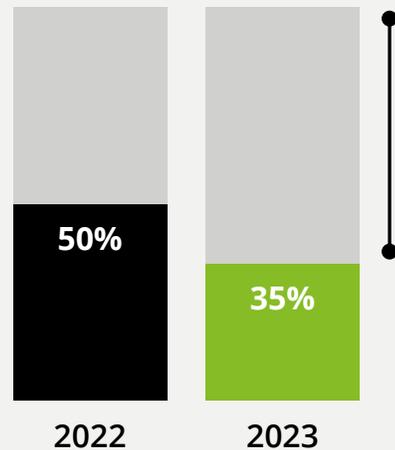
Preferred channels for product returns¹



As parents protect their wallets, interest in sustainable products wanes

However, younger generations are embracing sustainable goods at a higher rate

Parents buying sustainable BTS products¹



Reasons for not choosing sustainable products:³
47% They are not affordable
27% Identifying sustainable products is difficult

By generation:
38% Millennials
31% Gen X

Parents who prefer to buy a used or refurbished product, by category:²

27% Tech products
28% Apparel

Sustainable BTS shoppers spend **36% more** than others*

Questions: (1) "I choose environmentally friendly and/or responsibly sourced back-to-school products whenever possible" (N = 1,212); (2) % agree/strongly agree (N = 1,212); (3) "Which factors stopped you from choosing environmentally friendly and/or responsibly sourced back-to-school products whenever possible?" #multi-select (N = 791).

*Deloitte calculations based on back-to-school consumer survey projections (N = 1,212).

Despite keeping an eye on the budget, many are willing to splurge for the right reasons

% of parents say their child could convince them to splurge on ...¹

57% Clothing and accessories
56% Tech items

Questions: (1) "Could your child/children convince you to splurge on back-to-school clothing and accessories/tech?" % shopping for clothing and accessories/tech (N = 1,032 clothing and accessories, 366 tech items); (2) "What are your top two reasons why you would splurge on those clothing and accessories/tech items?" % of those who said they would splurge #multi-select (N = 592 clothing and accessories, 204 tech items).

Retailers may have opportunities to encourage splurge purchases

Reasons for splurging on ...²

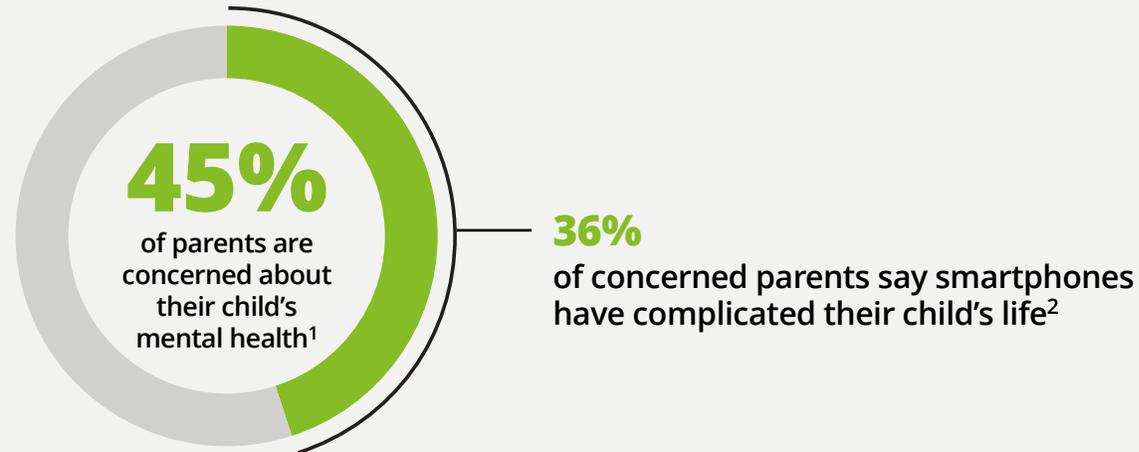
	Clothing/accessories		Tech products
	56%	Better quality	59%
	62%	Treat my child	40%
	NA	More features/latest tech	46%
	42%	Child can express themselves	NA
	20%	Child can fit in with their peers	21%

Digital preferences



Mental health remains a concern as parents weigh the impact of smartphones

Nearly half of the parents surveyed wish they would have delayed their child's smartphone use



53% of parents say their children have smartphones; of these:³

- **45%** would have preferred to delay their child's use of smartphone⁴
- **31%** say societal pressures played a part in when their child received their smartphone⁴

Questions: (1) % agree/strongly agree (N = 1,212); (2) % agree/strongly agree (N = 549); (3) "Which connected device does your child(ren) have?" #multi-select (N = 1,212); (4) % agree/strongly agree (N = 645).

Adoption of generative AI for school is nascent

- Agree
- Disagree

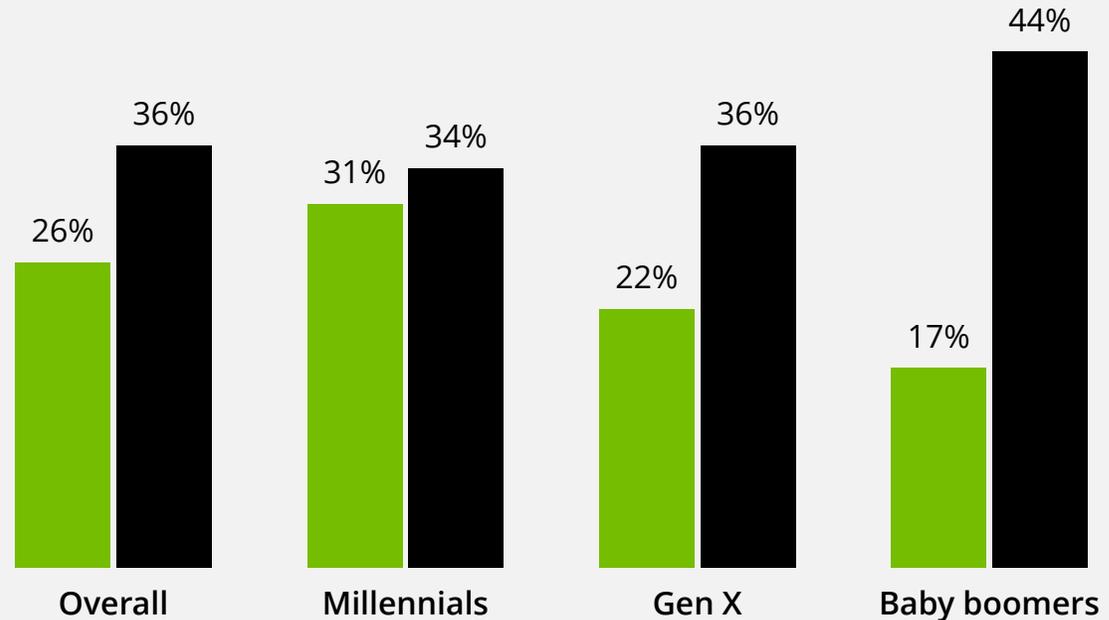
15%

say children are using generative AI in their schoolwork¹

Question: (1) "How would you answer the following when it comes to using generative AI tools in schools?"; % yes.
Notes: N = 1,143; Gen Z is not included due to low sample size.

Younger generations are more likely to embrace generative AI

Parents who say use of generative AI is a positive tool for academic performance and overall learning experiences¹



About the survey

Survey timing

May 26 to June 01, 2023

Sample

The survey polled a sample of 1,212 parents of school-aged children, with respondents having at least one child attending school in grades K to 12 this fall. The survey has a margin of error of plus or minus three percentage points for the entire sample.

In 2023, Deloitte revised our sampling approach to more tightly target US households with children ages 5–18 and ensure a nationally representative sample based on household income, parent’s gender, age, education, and race/ethnicity matched to known US Census figures as closely as possible.

Methodology

The survey was conducted online using an independent research panel.

Thank you

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Consumer Industry Center

The Deloitte Center for Industry Insights is the research division of Deloitte LLP's Consumer and Industrial Products practices. The center's goal is to inform stakeholders of critical business issues, including emerging trends, challenges, and opportunities. Using primary research and rigorous analysis, the center provides unique perspectives and seeks to be a trusted source for relevant, timely, and reliable insights.

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