

2021 Deloitte
back-to-college survey

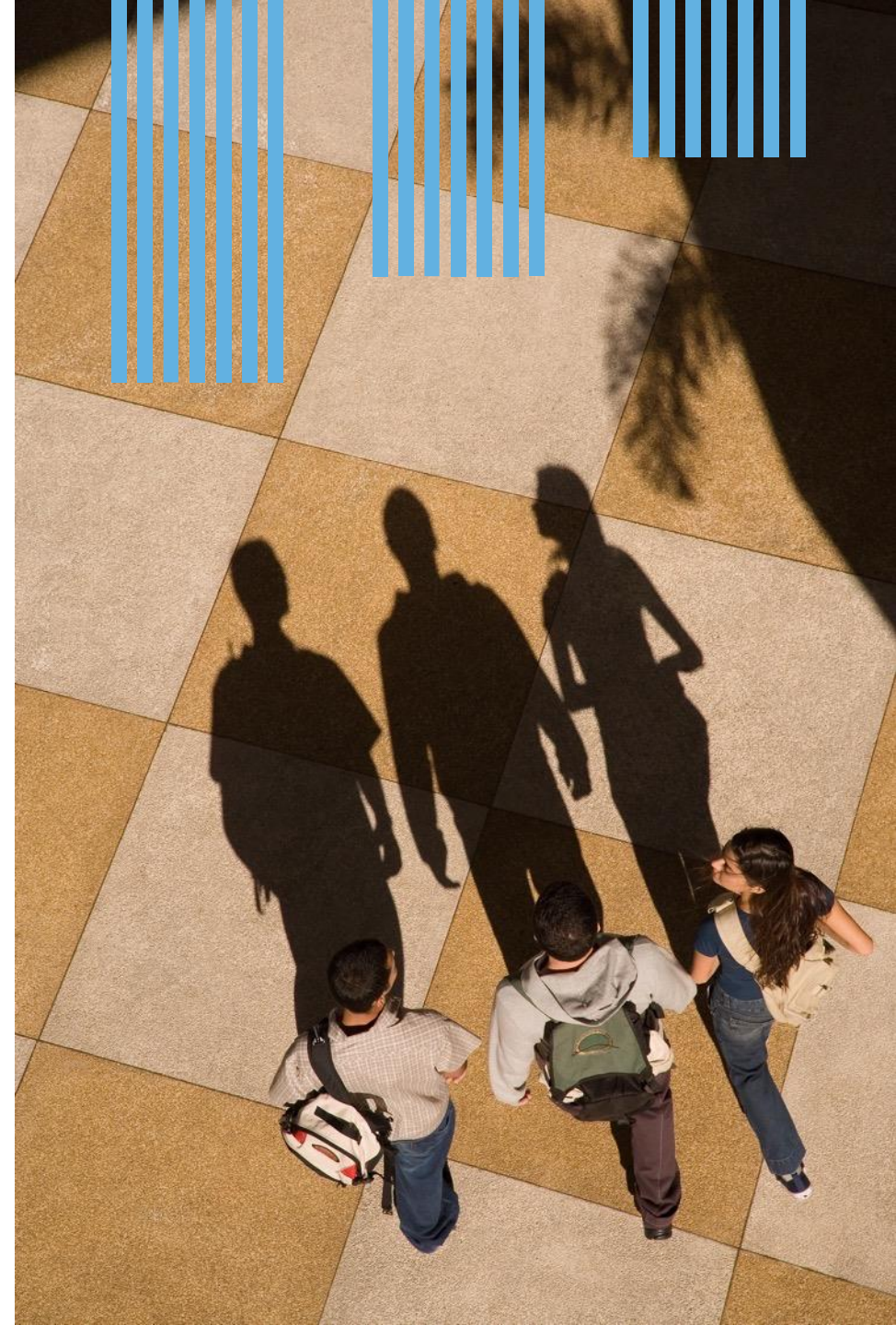
Rebounding and refocusing

July 2021



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Executive summary

Our 2021 Back-To-College (BTC) Survey shows how resilient students, professors, and parents have been navigating a hybrid learning environment that often fell short of the social energy that accompanies campus life. After several months of -young adults missing out on moments that matter—graduations, proms, homecomings, sporting events and the like—the return to campus is being met with open arms.

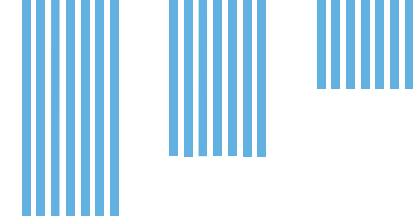
As COVID-19 rates fall in the United States and hundreds of colleges are requiring vaccinations,¹ parents are feeling more at ease about sending kids back to college and are opening their wallets to make sure kids are going out the door prepared. Middle-income families, in particular, are optimistic and expect to spend at record levels.

Like other industries, higher education was forced into the digital realm during the pandemic, with colleges instituting hybrid formats seemingly overnight that were originally

planned to roll out in a matter of years.² Despite tech being a part of daily college life for decades, the acceleration of digital learning spurred an even greater investment in the category this year, including computers, printers, and wearables. In addition, with students leaving virtual classrooms and returning to campus, clothing and accessories sales are seeing a nice uptick.

There will be opportunities for retailers this year, as improving sentiment about the economy and clarity around the upcoming semester are giving consumers the confidence to up their spend and shop earlier. Those that can capitalize on the impacts the pandemic have had on consumers—changes in how, what, and when they are purchasing—should be well positioned.

For further details on how BTC shoppers are planning for the upcoming year, please view our findings in the following slides.



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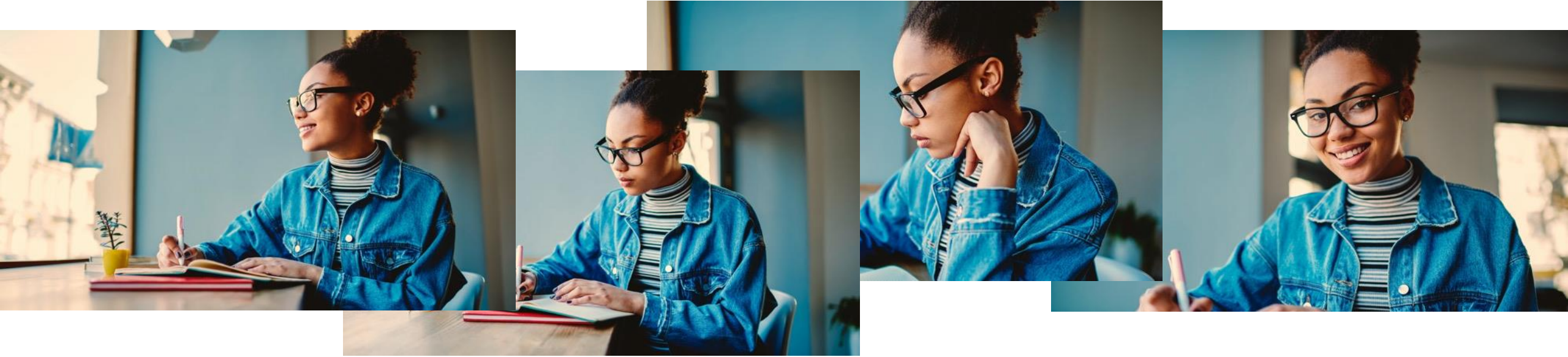
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¹ Jessica Dickler, "[Hundreds of colleges say COVID vaccinations will be required for Fall 2021](#)," CNBC, May 11, 2021.
² Jeffrey L. Selingo et al., "[The hybrid campus: Three major shifts for the post-COVID university](#)," January 27, 2021.

Cheat sheet



Signs of optimism

High vaccine rates among college-goers reduce parental anxiety to 34% versus 62% last year, while 46% are more confident in the economy (versus 14% in 2020)

An urge to splurge

Average overall spend up 8% YoY to \$1,459 per child, boosted primarily by a rebound in middle-class spend that reached record levels

Timeless tendency toward tech

The pandemic, like downturns before, spurred digital structural change that is sticking. As these shopping behaviors linger, 35% of BTC spend is projected online, while the tech category is expected to grow 16% YoY

Season in transition

Use of social media and tech shopping tools are higher in BTS consumers versus BTC—in some cases double—leaving an opportunity for retailers to capitalize on generational behaviors as school shoppers transition to college

Key findings

Signs of optimism

- 46% of consumers are **more confident about the economy's prospects** (14% in 2020), while 43% of consumers believe that the **economy will improve** in the next six months (31% in 2020)
- Household financial situations improve, with **75% in similar or better positions than last year** (versus 65% in 2020)
- Significant decline in anxiety about sending children back to college (34% in 2021 versus 62% in 2020), as **78% of parents expect their college students to be vaccinated** by September 2021

An urge to splurge

- Consumer spending will reach \$26.7B, up 5% YoY, with **parents spending \$1,459 per child**
- **34% of parents expect to spend more** this year (23% in 2020)
- **Middle-income spend rebounds** with parents spending \$1508 per child (\$1275 in 2020)
- **Electronic gadgets, computers, and hardware**, along with dorm and apartment furniture, are the middle-income consumer's biggest investment categories

Timeless tendency toward tech

- Pandemic shopping trends are sticking, with **35% of BTC budgets expected to be spent online** (similar YoY)
- **Tech sees the largest growth (up 16% YoY)** as parents and students adjust to the realities of a more digitally oriented education system
- **Home electronics stores benefit** from the tech trend, with 34% of BTC shoppers planning to visit (29% in 2020); mass merchants are still expected to capture the majority of overall spend

Season in transition

- **Social media usage is lower for BTC shoppers** (22%) than BTS shoppers (41%)
- **Social media use is more prevalent at the beginning of the shopping journey**, with BTC and BTS shoppers mostly using to browse products and read reviews
- **Tech shopping tools are on the rise for BTS shoppers**, with 44% planning to use them for their shopping journey, but only 29% of BTC parents are interested
- **Digital wallets and voice assistants** are the top-used tech shopping tools for both BTC and BTS shoppers



Consumer sentiment

Signs of optimism

Confidence on the rise

75%

Households' financial situation same or better than last year³

versus 65% in 2020

46%

More confident about the economy's prospects²

versus 14% in 2020

43%

Expect economy to improve in the next six months¹

versus 31% in 2020

Questions: (1) In your opinion, what is your overall outlook for the US economy in the next six months in 2021 compared with today? Would you say it will likely...? - Percentage improve modestly and improve significantly; (2) Question: Are you more confident about the US economy's prospects now (June 2021) than you were at the end of 2020? - Percentage yes; (3) 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: - Percentage same/better than it was a year ago. Note: N=941.

Health and safety concerns decline aided by strong vaccination rates

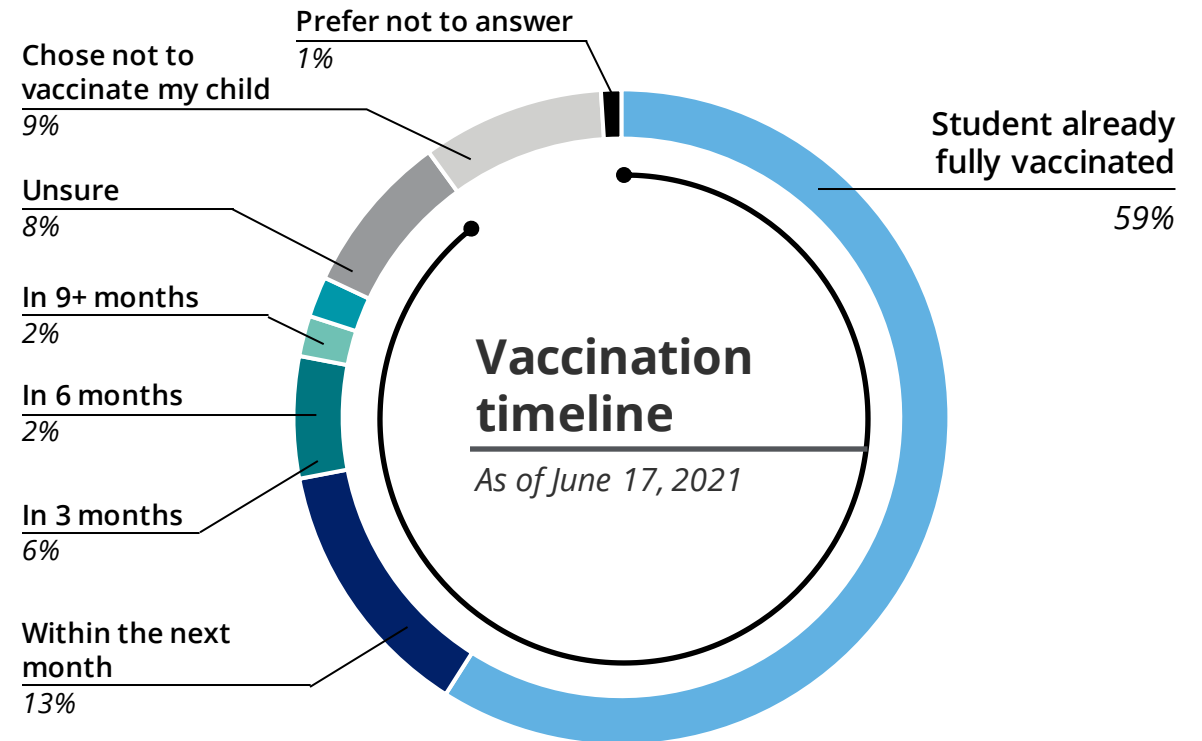
34% ▼
62% in 2020

anxious about sending children back to college¹

49% ▼
73% in 2020

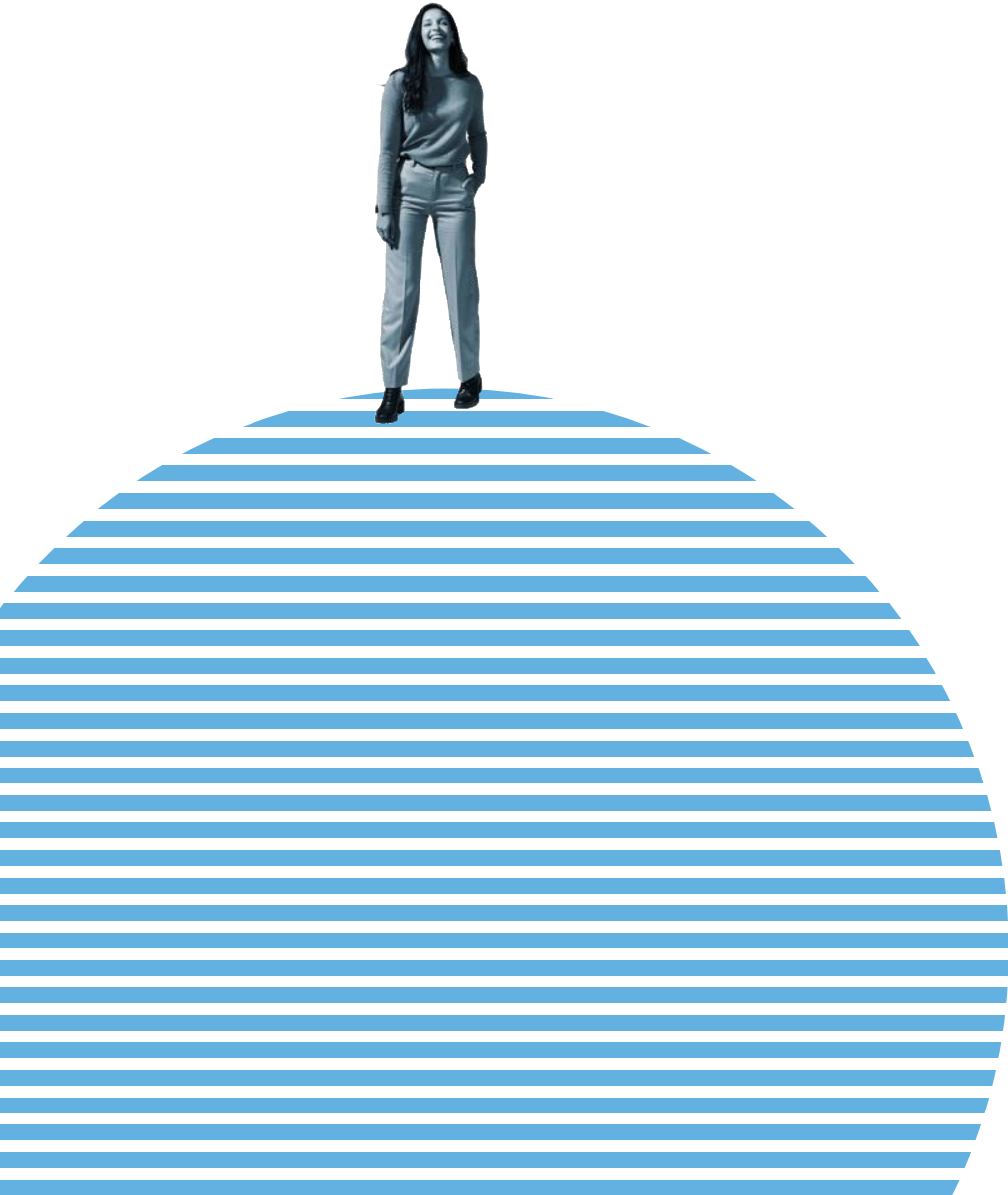
concerned about personal and family's health²

Most of the parents expect their college students to get vaccinated by September³



Question: (1) To what extent do you agree or disagree with the following statements? I'm anxious about sending my student(s) back to college due to COVID-19 – Percentage agree/strongly agree; (2) To what extent do you agree or disagree with the following statements? I'm concerned about my family's health, and my own – Percentage agree/strongly agree; (3) When do you expect your college student(s) to be fully vaccinated (i.e., receiving all the doses needed for immunity)?

Note: N=941.



Spend and category

An urge to splurge

Back-to-campus spurs sales—up \$1.3B

34% ▲
23% in 2020

Expect to spend more on back-to-college items this year¹

Parents' projected spend
+5% YoY

2021
\$26.7 billion

\$1,459 average spend per child

2020
\$25.4 billion

\$1,345 average spend per child

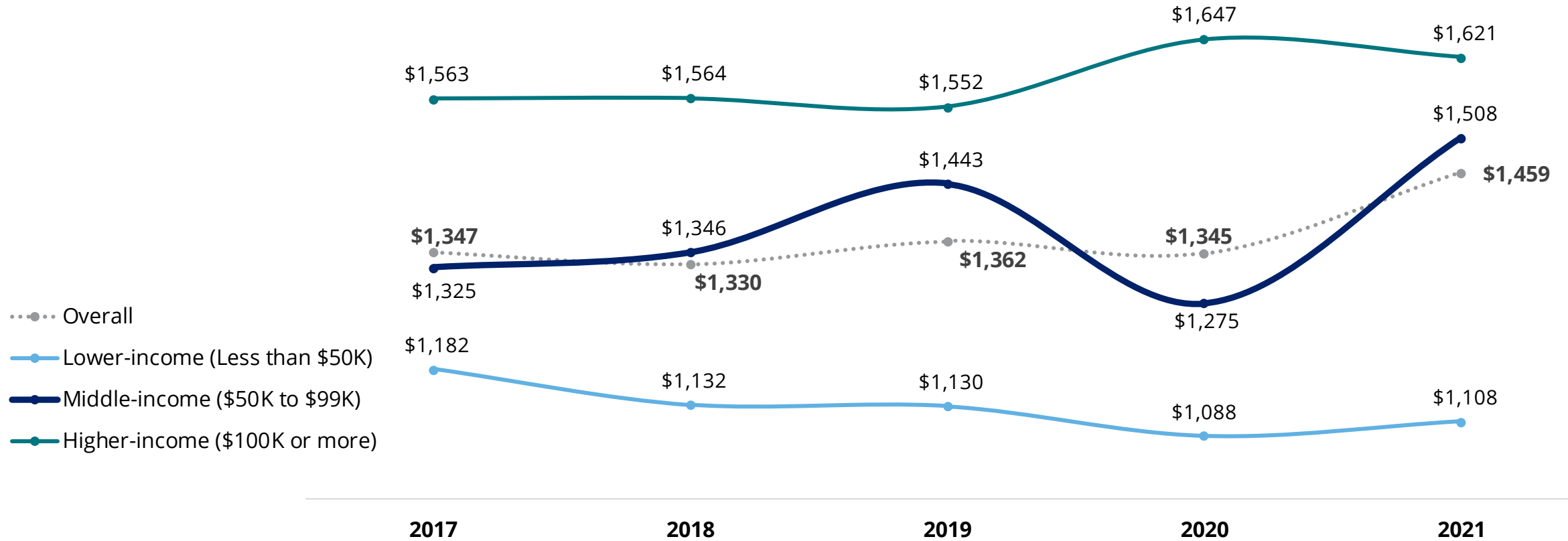
Deloitte calculations on the estimated BTC market size based on Deloitte survey and US Current Population Survey

Question: (1) How will your spending (excluding your student's spending) this year on back-to-college items compare with what you spent on back-to-college items last year? – Percentage I expect to spend more this year than I did last year.

Notes: N=941. All currency values are in US dollar.

Middle-income spend surpasses prepandemic levels

BTC: Average spend by household income

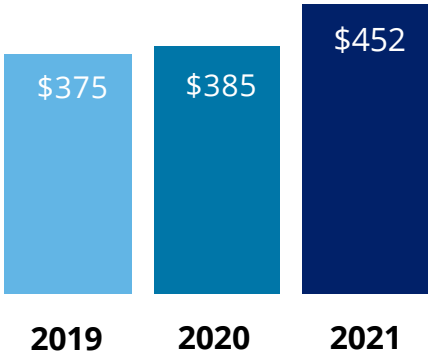


Deloitte calculations on BTC market spend based on Deloitte survey and US Current Population Survey
Notes: N=941. All currency values are in US dollar.

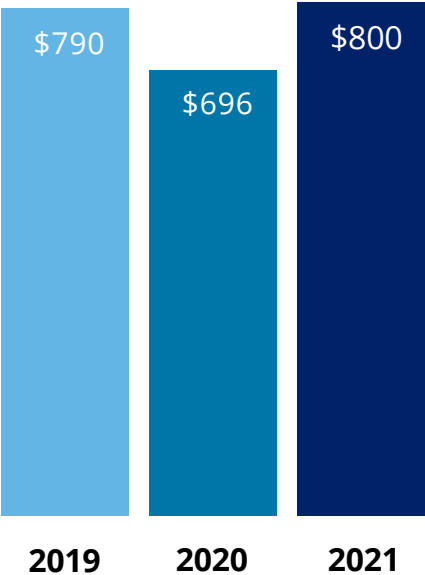
The middle-income rebound is largely based on three major categories

Average middle-income spend by category

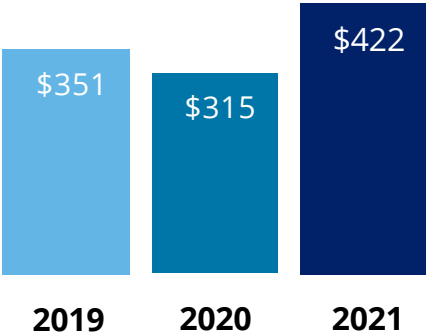
Electronic gadgets and digital subscriptions



Computers and hardware

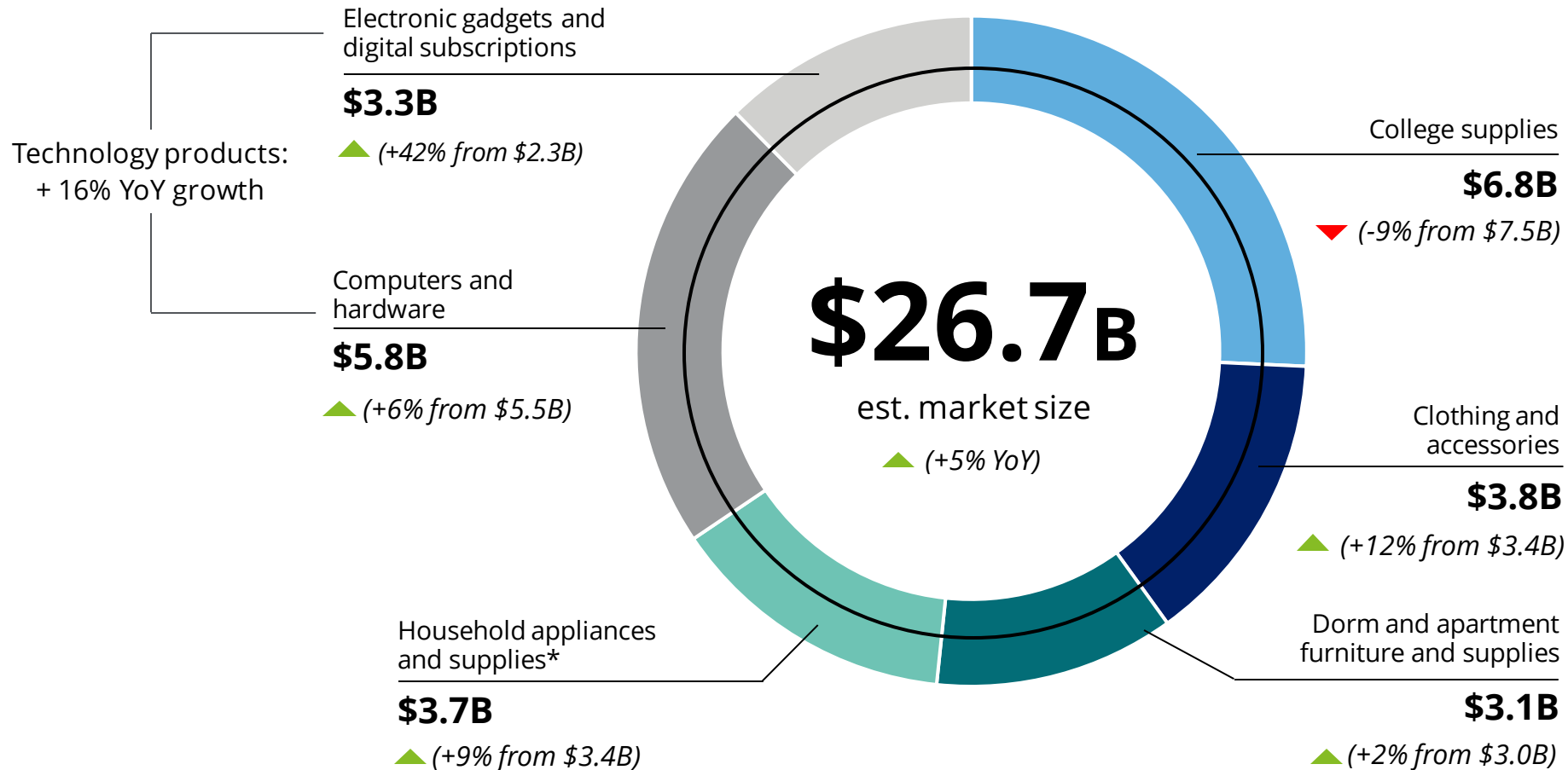


Dorm and apartment furniture



Deloitte calculations on the estimated BTC market size based on Deloitte survey and US Current Population Survey
Notes: N=941. All currency values are in US dollar.

A rising tide lifts most categories

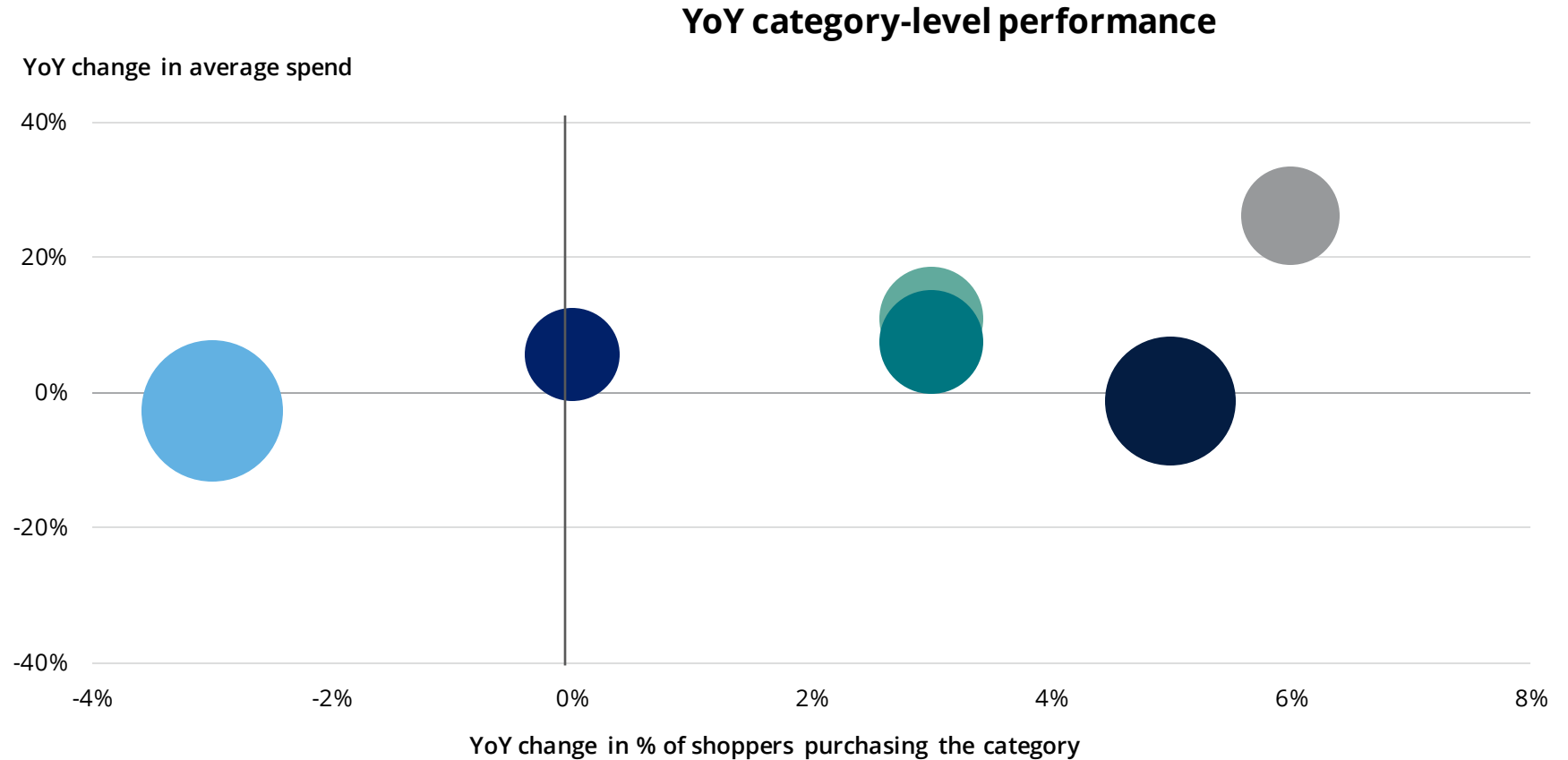


Notes: N=941. Electronic gadgets include cell phones/smartphones, tablet/e-reader, game console, and wearable devices; digital subscriptions include voice and mobile data plans.
 #Other category of \$0.2B not depicted in chart; *Disinfecting wipes, hand sanitizers, and face masks newly included in this category in 2021 (\$0.5B in BTC spend);
 Deloitte calculations on the estimated BTC market size based on Deloitte survey and US Current Population Survey.

Tech products are at the top of the list, seeing the largest gains

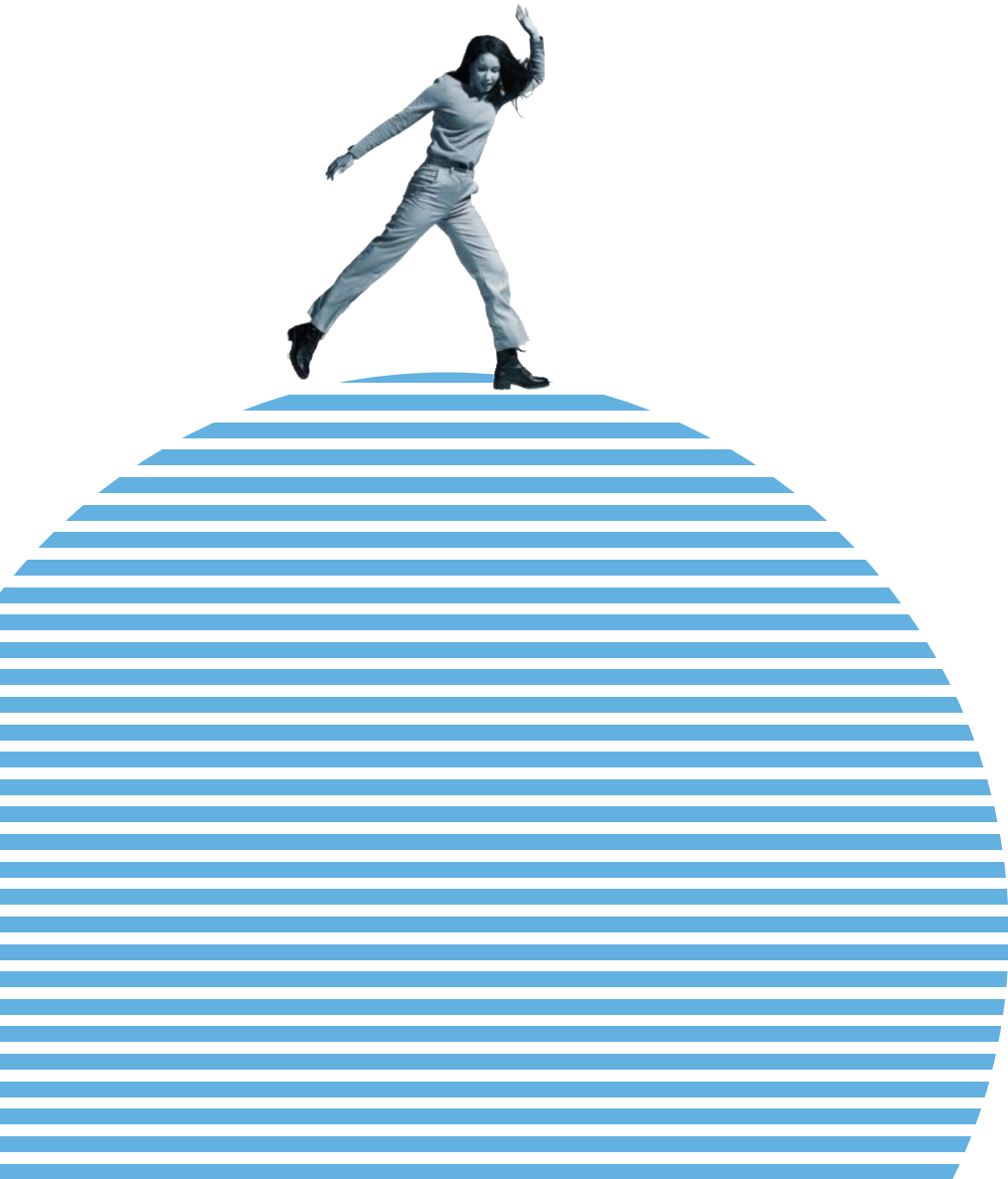
Consumers are purchasing across a broader set of categories than in the past

- College supplies
- Dorm/apartment supplies
- Household appliances and supplies*
- Clothing and accessories
- Computers and hardware
- Electronic gadgets and digital subscriptions



Bubble size indicates the estimated BTC spend in 2021 (e.g., dorm and apartment furniture and supplies = \$3.1B)

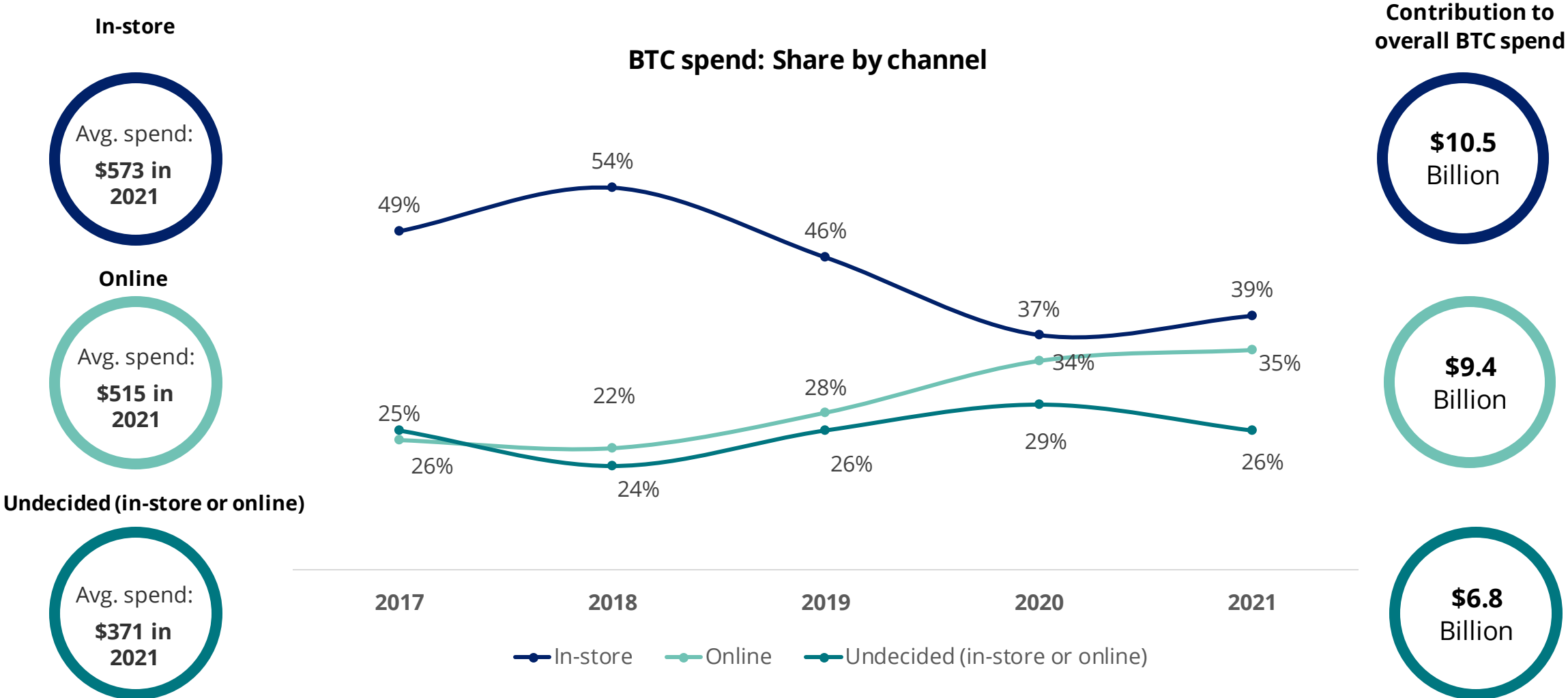
Notes: N=941. Average spend includes only respondents who will purchase the above-mentioned category.
*Disinfecting wipes, hand sanitizers, and face masks newly included in this category in 2021 (expected BTC spend of \$0.5B).
Sources: Deloitte calculations on the BTC market spend; Deloitte survey; US Current Population Survey.



Channel and format

Timeless tendency toward tech

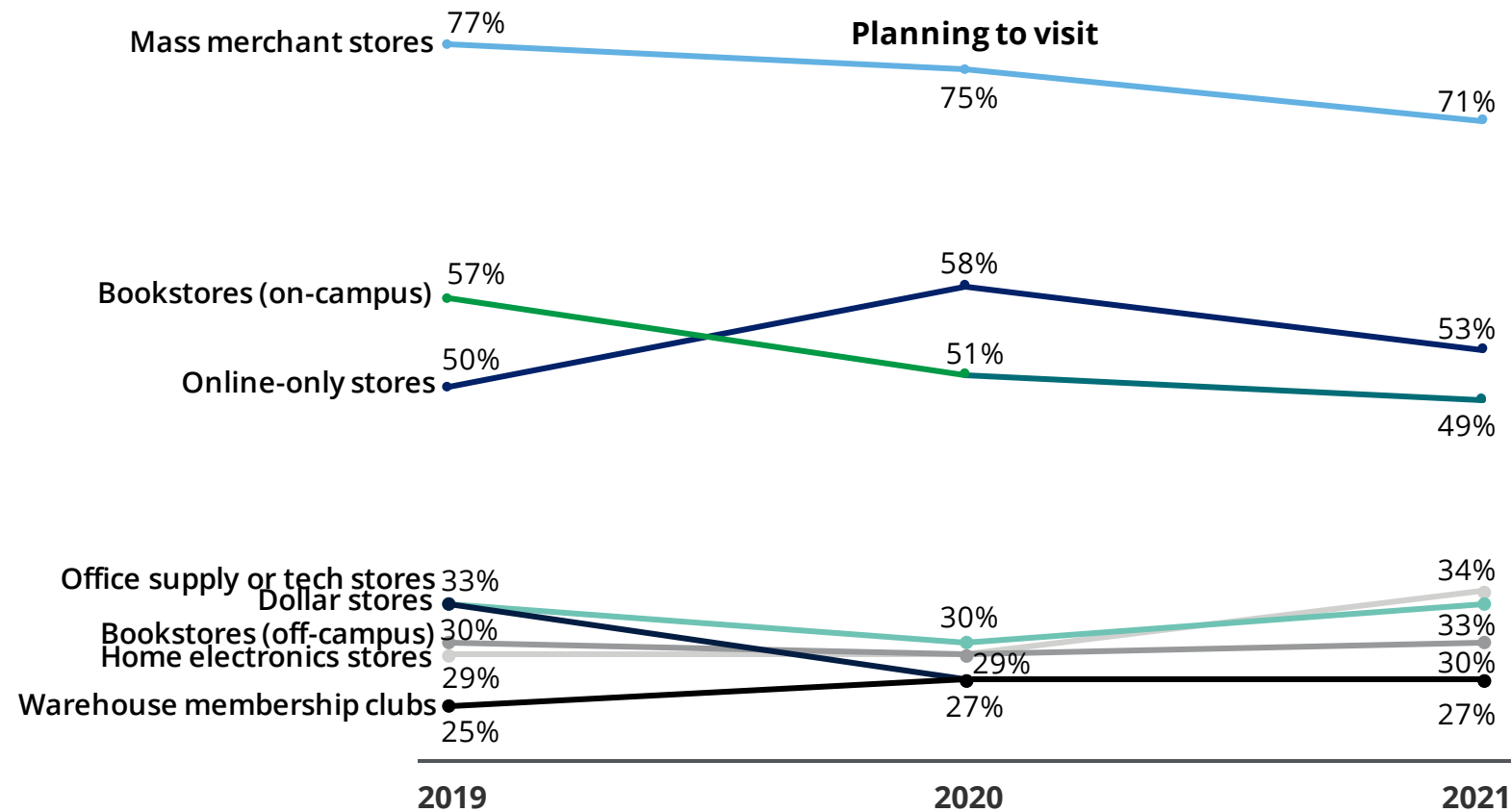
Like other downturns, pandemic shopping behaviors linger



Question: Please indicate the % of the budgeted amount you expect to spend in-store or online or undecided.
 Notes: N=941. All currency values are in US dollar.

Home electronics retailers benefit from digital integration

Retail formats most preferred* for BTC shopping



Planning to spend the most in 2021

- 29%** Mass merchant stores

- 16%** Online-only stores

- 14%** Bookstores (on-campus)

- 13%** Home electronics stores

- 2%** Office supply or technology stores

- 4%** Bookstores (off-campus)

- 2%** Dollar stores

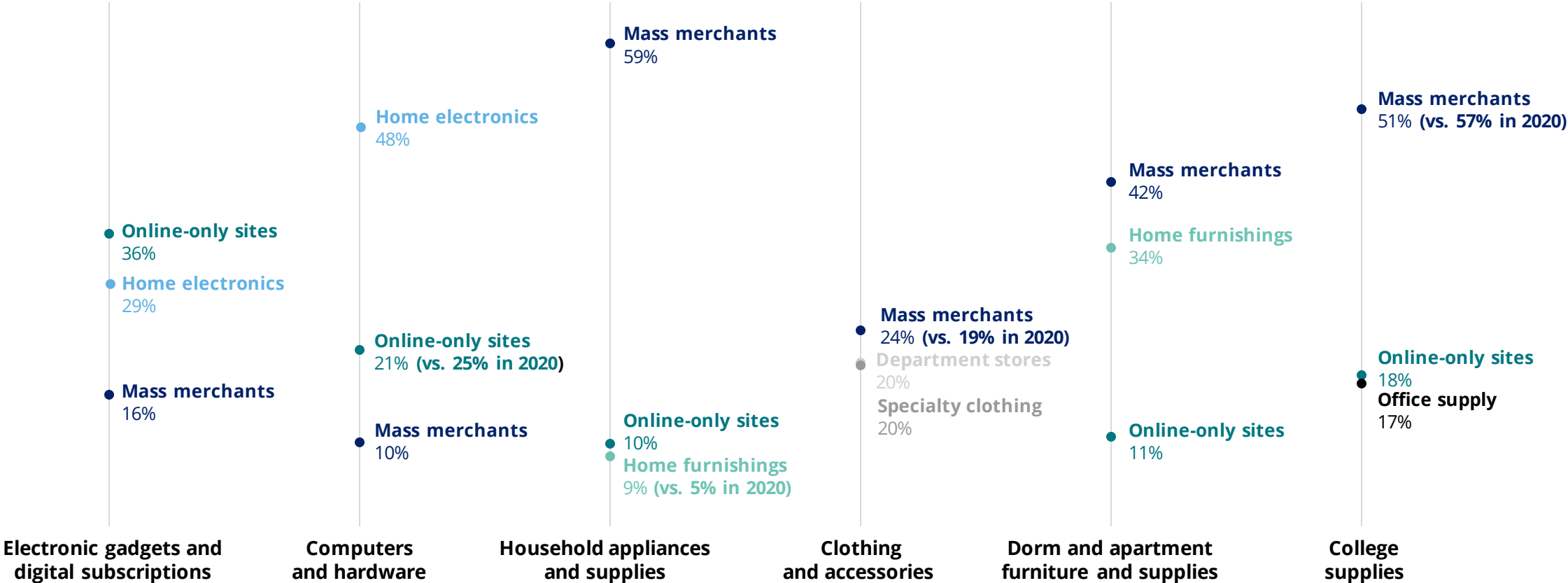
- 4%** Warehouse membership clubs

Questions: (1) Which type of retailer do you anticipate spending the most money this year on back-to-college shopping?
 Note: N=941.

Which retailer do you anticipate spending the most money this year on back-to-college shopping?

Mass merchants lead for traditional categories, while home electronics stores and online retailers are favored for tech

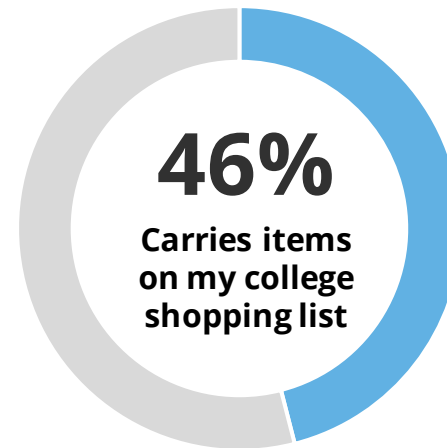
Top three preferred retail formats by category



Question: Which type of retailer will you shop the most for _____ during this BTC season? – Single-response question.
 Note: Sample size includes only respondents who will purchase the above-mentioned category (N is between 374 and 781).

Preference for price reigns

Most important considerations when doing BTC shopping

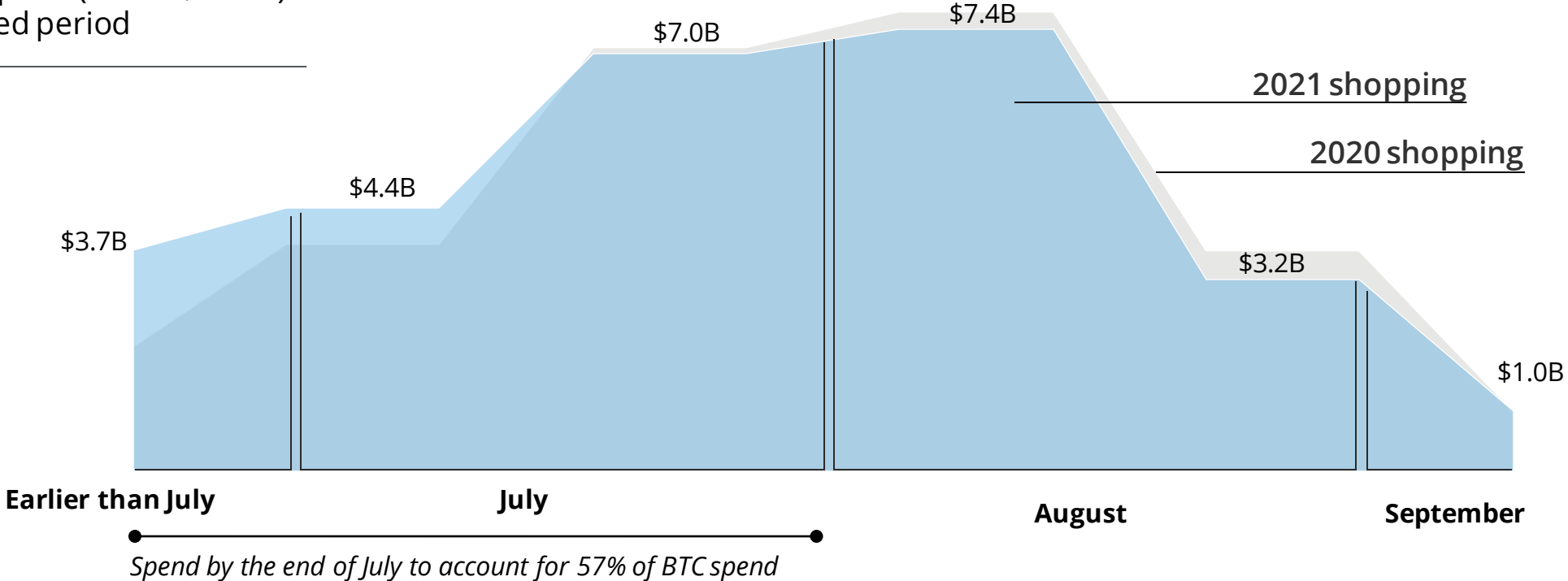


Question: What are the most important considerations for you when doing back-to-college shopping?
Note: N=941.

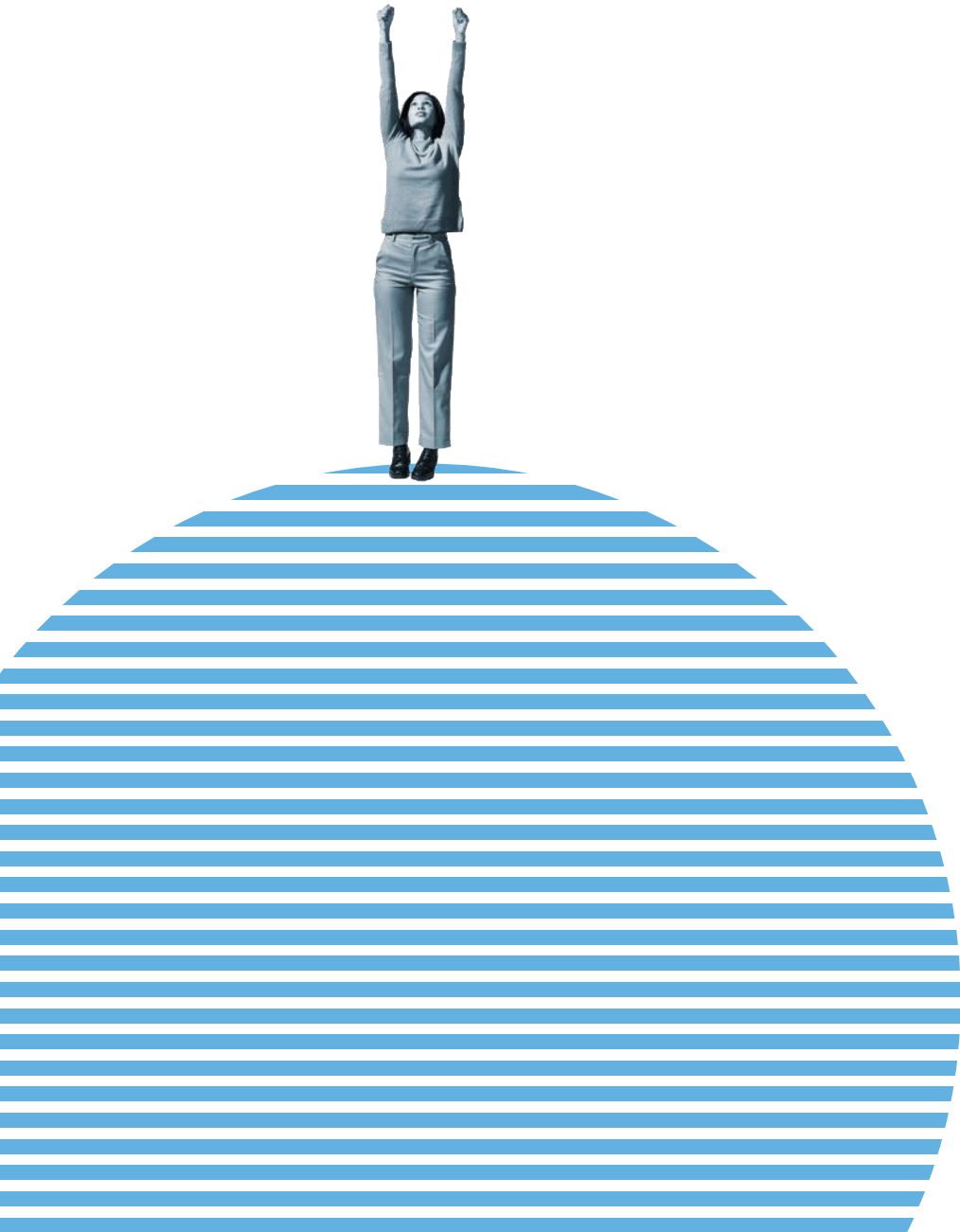
Clarity around campus reopenings pulls spend forward

BTC shopping periods by total spend

Total BTC spend (out of \$26.7B) during noted period



Question: Out of \$__ you plan to spend on BTC shopping, how much do you plan to spend during the following periods?
Notes: N=941. All currency values are in US dollar.



Digital adoption

A season in transition

On average, the BTS shopper is twice as likely to use social media as the BTC shopper

Shoppers planning to use social media to assist in shopping¹

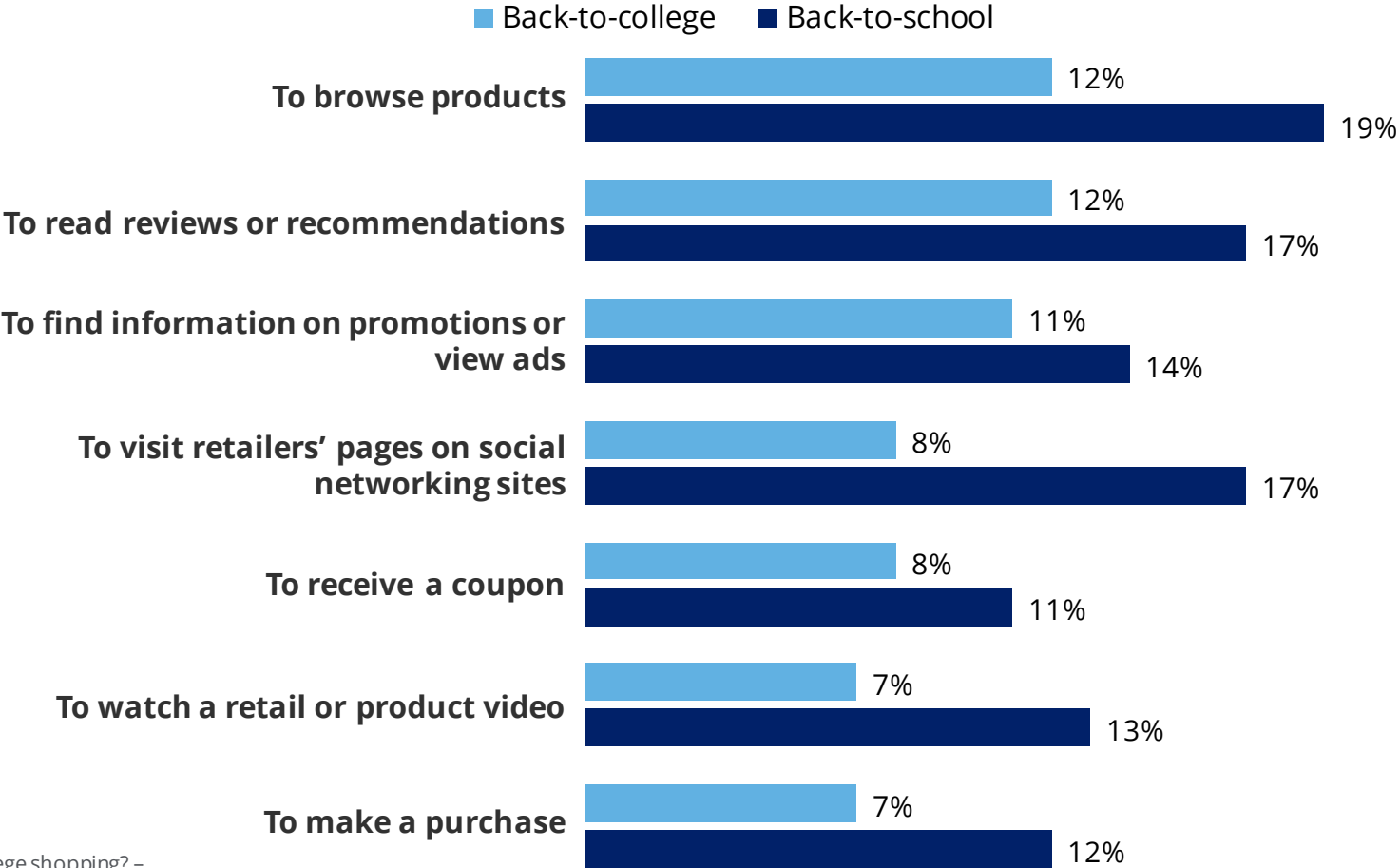
Back-to-college

22%

Back-to-school

41%

Social media usage index²



Questions: (1) Do you plan to use social media sites to assist in your back-to-school or college shopping? – Multi-response question; hence, the total may not equal 100%; (2) With your back-to-school or college shopping, how do you plan to use social media sites?
Note: Sample size for back-to-school 2021: (N=1,099); back-to-college 2021: (N=890).

Tech shopping tools are also used significantly more by BTS shoppers

Shoppers plan to use **at least one** of these technologies

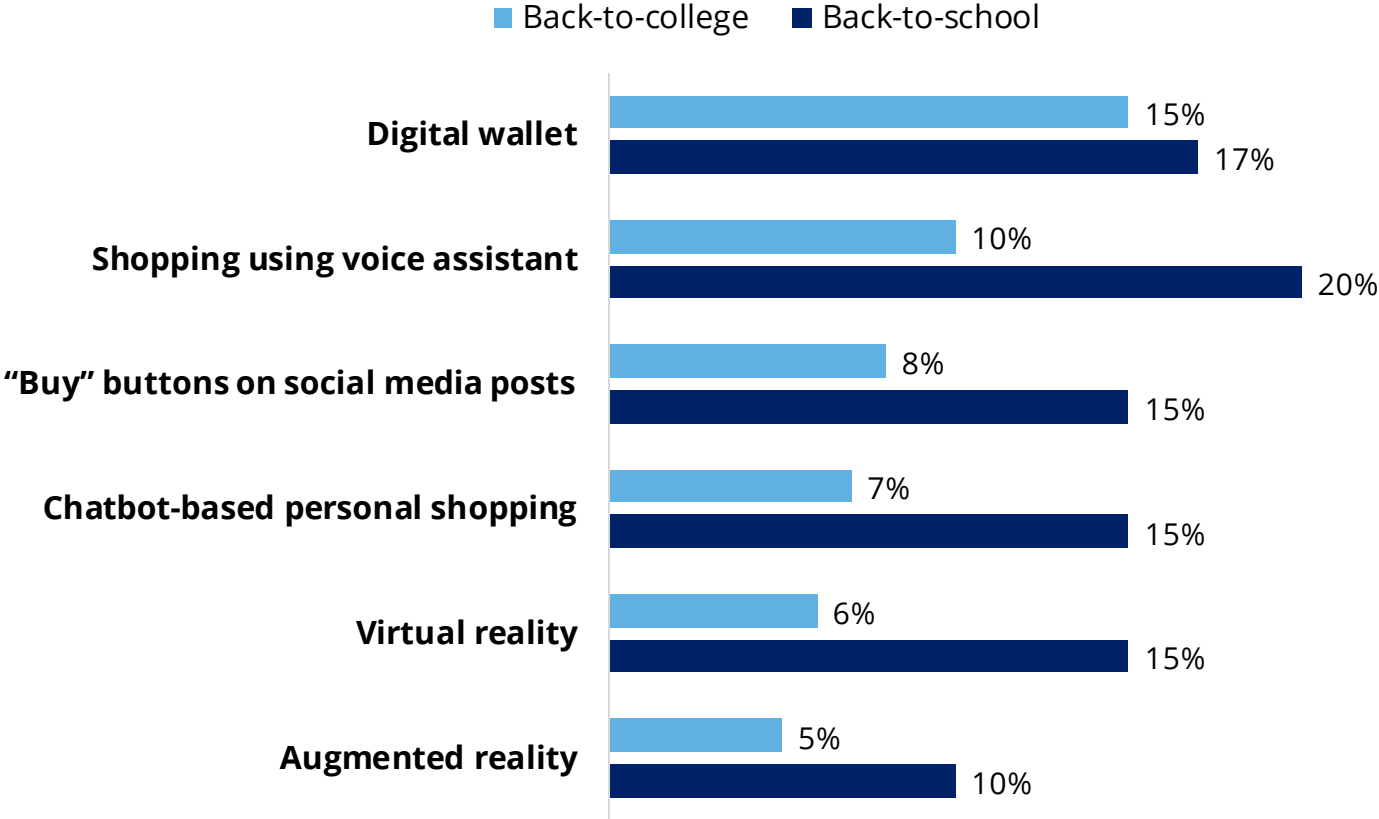
Back-to-college

29%

Back-to-school

44%

Emerging technology usage, percentage of shoppers



Question: Which of the following do you plan to use during the back-to-school/college shopping season? - Multi-response question; hence, the total may not equal 100%.
Note: Sample size for back-to-school 2021: (N=1,200); back-to-college 2021: (N=941).

About the survey

Survey timing

May 28 to June 17, 2021

Sample

The survey polled a sample of 941 parents of college-aged children and has a margin of error for the entire sample of plus or minus three percentage points. All respondents had at least one child attending college this fall.



Methodology

The survey was conducted online using an independent research panel.

Thank you

The authors would like to thank Srinivasarao Oguri, Venkata Sangadi, and Anup Raju for their contributions to this survey.

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Insights



Deloitte Consumer Industry Center

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