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Insights

# 2024 Deloitte back-to-school survey

Value moves to the top of the class

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# Executive summary

In our 17th annual back-to-school (BTS) survey, families are caught in a balancing act as they prepare to embark on their second-largest spending expenditure of the year.[1] Respondents are weighing the need to check necessities off school lists against splurging on the novelty items their children want. They're balancing the need for low prices with their desire for convenience. And they're juggling a cost-of-living squeeze while wanting to prioritize repadding their savings and enrolling their children in extracurricular activities.

In short, it's an exhausting time for parents and an opportunity for retailers to take some of the friction out of the occasion, especially as $31.3 billion in potential sales (flat YoY) are up for grabs.

So, what behaviors should retailers pay attention to as the season begins? In our survey findings, consumers made it loud and clear that value is at the top of their minds. They're looking to shop earlier in the season to find the best deals, especially around the mid-July promotional events. The more money they can save early on, the more wiggle room they could have for a few indulgences, as 85% of those surveyed said they could be influenced to splurge on their children, while 50% planned to purchase something for themselves.

To help capture these incremental dollars during an event focused on economizing, retailers should consider leaning on their loyalty levers. Shoring up loyalty programs and creating consistent in-store and online experiences will likely be crucial for retailers to build trust and encourage loyal behavior.

There will likely be other opportunities for retailers as well. After the hottest year on record,[2] sustainability and circularity are growing in popularity, with four in 10 parents (across income groups) expected to purchase a used or refurbished item this season. Retailers that can expand circular assortments and messages around the benefits of buying through a trusted source may be able to hedge against the growing popularity of peer-to-peer marketplaces.

And finally, consumers say they want value, but 70% surveyed said convenience is the No. 1 driver of where they will spend the most. It seems retailers are also expected to be caught in the balancing act of how far to roll out the red carpet.

Sources: (1) National Retail Federation; (2) National Oceanic and Atmospheric Administration, "2023 was the world's warmest year on record, by far," January 12, 2024.

# Executive perspectives

### Parents weigh prices and priorities

As families continue to navigate a cost-of-living squeeze, they're having to prioritize where their incremental dollars go. With a focus on repadding their savings and investing in extracurricular activities, respondents are taking a cautious approach to back-to-school spending. They plan to spend an average of $586 per child, similar to last year.

### Value tops loyalty

Consumers surveyed are prioritizing value over loyalty, by shopping earlier to find the best deals (66% of the budget is expected to be spent by the end of July versus 59% in 2023), shifting to private label (50% versus 36% in 2023), and shopping at more retail formats to find the best deals (4.7 versus 3.9 in 2023).

### Splurging for the right reasons

Despite parents focusing on necessities, 85% of respondents said they could be influenced to splurge on a must-have item or brand to make the start of school exciting or help boost their child's self-esteem. In addition, 50% said they plan to purchase something for themselves, offering retailers opportunities to secure add-on sales.

# Cheat sheet

## Spending trends

Parents surveyed plan to spend **$586 per child on BTS items** this season (down just $11 from 2023).

The **overall BTS market spend holds relatively steady at $31.3 billion**, versus $31.9 billion in 2023. **Clothing and school supplies are flat** YoY, while **tech takes a backseat** (-11% YoY).

**Low-income (–4% YoY) and middle-income (–9% YoY) parents pull back spending** as they struggle with finances and are concerned about economic conditions. **High-income parents expect to spend more** (+5% YoY) as prices for BTS items rise.

If budgets become too tight and costs must be cut, **parents will cut back on school supplies (40%) and clothing (28%)**.

**86% have enrolled their children in extracurricular activities** and plan to spend $582 (including fees and equipment).

**85% would splurge on their child's must-have BTS product, and 50% would shop for themselves** while shopping for their children.

## Shopping journey

In 2024, **66% of planned spending is expected to occur by the end of July**, up from 59% in 2023. 59% of respondents say the best deals occur early in the season.

**48% plan to shop during the Amazon Prime Day sales** for BTS products, up from 39% in 2023.

**Parents plan to shop across 4.7 retail formats** on average, up from 3.9 in 2023.

When deciding where to spend the most, **70% of respondents are looking for retailers in convenient locations**, offering convenient delivery options and hassle-free returns.

**Mass merchants (77%) and online retailers (65%) are top destinations** for those surveyed, appealing in price and convenience.

**70% are multichannel shoppers** (versus 66% in 2023), accounting for 80% of the total spend this season (versus 73% in 2023). **33% of online shoppers plan to utilize the buy online pick up in-store** (BOPIS) option, up from 21% in 2023.

**33% of BTS shoppers surveyed plan to use social media** (versus 21% in 2023), and 12% plan to use it to purchase while shopping for BTS products (versus 6% in 2023).

## Consumer preferences

**18% plan to use generative AI** for BTS shopping, and 23% say children are using it in their schoolwork, up from 15% in 2023.

**Gen AI can help enhance the shopping experience** by providing product reviews, helping to economize and saving time. 76% find product reviews helpful, 62% use AI to economize, and 35% use it to save time.

**35% of respondents say gen AI is a positive tool** for academic performance and overall learning experiences.

**43% buy pre-owned products** when available, up from 40% in 2023; **74% don't feel guilty about** sending their children to school with **pre-owned items**.

**Circular BTS shoppers surveyed spend only 7% less** than others**.**

# Spending trends

# BTS spending is likely to remain unchanged from last year ...

## Clothing and school supplies account for the lion's share of planned BTS market spending

### Average BTS spend per child[1]

**$586**

versus **$597** in 2023
flat YoY, +11% since 2020

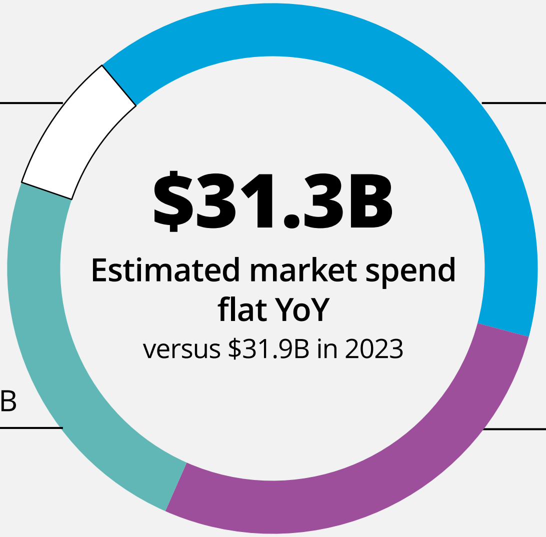
#### CPI, percentage change (April 2020–2024)[6]

| Stationery/stationery supplies/gift wrap | Boys' apparel | Girls' apparel | Boys' and girls' footwear |
|---|---|---|---|
| **+24.5%** | **+15.7%** | **+12.9%** | **+9.3%** |

### Share of total spend on BTS, by category[2]

**Other** $2.7B
+22% YoY
versus $2.2B
in 2023[5]

**Clothing and accessories** $12.6B
flat YoY
versus $12.7B in 2023




**School supplies** $7.4B
flat YoY
versus $7.3B in 2023[3]

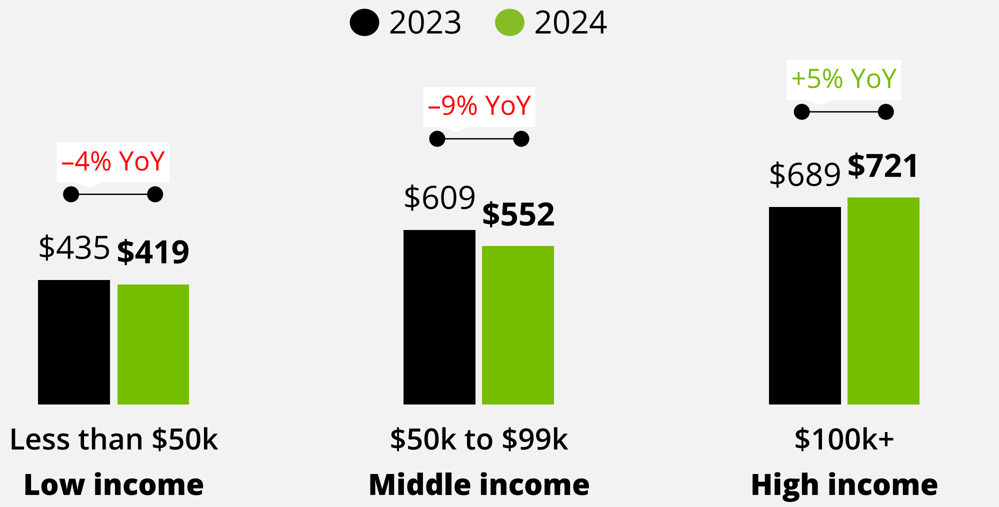
**Tech products** $8.6B
–11% YoY
versus $9.76B in 2023[4]

Sources: (1) Deloitte calculations on BTS spend based on annual consumer survey projections (N = 1,198); (2) Deloitte calculations on BTS spend based on annual consumer survey projections (N = 1,198) and the latest available K-12 enrollment figures from the US Census Bureau's Current Population Survey (CPS); (3) "Preconfigured school kits" were added to school supplies in 2023; (4) Tech products include computers and hardware, electronic gadgets, and digital subscriptions; (5) Other includes personal hygiene items like sanitizers, face masks, and furniture for home (desks, chairs, etc.); (6) Consumer Price Index, Bureau of Labor Statistics.

# … however, low- and middle-income parents are having to strategize

## They are planning to spend less YoY and are cutting back on other expenses to budget for BTS

Average BTS spend per child, by household income[1]




The top reason for spending less/more YoY[3]

**47%** have less money to spend

**44%** are concerned about the economy

**67%** say prices are higher than last year

Many families surveyed are strategizing to budget for BTS spending …[2]

| | Low income | Middle income | High income |
|---|---|---|---|
| **Cut back on other expenses*** | **64%** | **57%** | 39% |
| **Delay major household purchases** | **52%** | **45%** | 35% |

Note: *Other expenses include eating out, entertainment, etc.
Questions: (1) How much do you plan to spend during this BTS shopping season (June to September)? (N = 1,198); (2) % agree/strongly agree (N = 1,198 overall, 346 low-income, 335 middle-income, and 516 high-income parents); the income groups are based on self-identification by surveyed respondents; (3) Why do you plan to spend less/more on BTS? (N = 99 low-income, 101 middle-income, and 91 high-income parents).

# The cautious spending comes as consumers navigate higher expenses

**73%**
are concerned about rising prices for everyday purchases

Source: Deloitte ConsumerSignals, May 2024.

## Inflation perceptions persist as consumers face a cost-of-living squeeze

Cost-of-living squeeze

Consumers are allotting higher budgets for non-discretionary expenses …
(change in monthly expenses)

**+13% YoY** household goods

**+12% YoY** health care

**+7% YoY** groceries

**+3% YoY** child care

… while any incremental dollars are being budgeted toward savings

**+8% YoY** savings

# Price takes precedence over loyalty

## But if push comes to shove, parents expect to cut back on school supplies first

Parents will economize and make trade-offs[1]

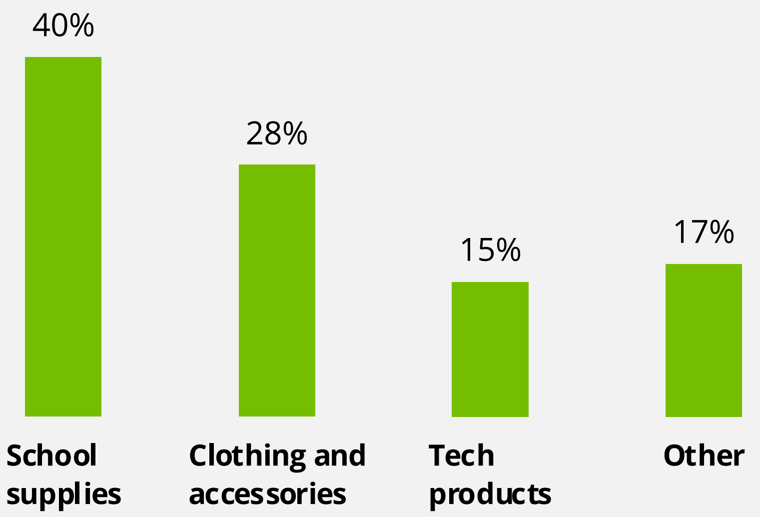
| | | | |
|---|---|---|---|
| **Frugal behavior** | **62%** will aim to shop within a fixed budget | **50%** will save money by buying in bulk | **41%** will buy smaller packs and replenish as needed |
| **Low loyalty** | **67%** will shift brands if the preferred brand is expensive | **62%** will shop at affordable retailers over preferred ones | **50%** will shop for private labels over name brands |

**RETAIL EXTRA CREDIT**

*Consider shoring up loyalty programs and offering incentives to keep consumers shopping all season long as loyal BTS shoppers spend 35% more.[4]*

**50%** of retail executives surveyed say that consumers will value lower prices over loyalty[3]

If the budget becomes too constrained, parents will cut back on[2] ...




Sources: (1) % agree/strongly agree (N = 1,198); (2) I will not buy/buy less of this item ... (N = 1,198); (3) 2024 Deloitte retail outlook executive survey; (4) Deloitte calculations based on annual consumer survey projections.

# Parents are having to prioritize, and extracurricular activities make the cut

**In addition to shelling out for supplies, respondents are planning to spend a sizeable portion on extracurricular activities**

## 8 in 10

surveyed parents plan to enroll their children in extracurricular activities[1]

By household income:
**71%** Less than $50k
**87%** $50k to $99k
**95%** $100k+

## $582

average annual spend per child on extracurricular activities[1]

By household income:
**$326** Less than $50k
**$491** $50k to $99k
**$765** $100k+

**RETAIL EXTRA CREDIT**

*Consider ways to take advantage of parents willing to go beyond school necessities as they stock up on supplies and gear for extracurricular activities.*

Why are extracurricular activities important?[2]

**73%** They are an investment for children's future

**58%** They are positive for children's mental health

**56%** They keep children busy while parents are at work

Sources: (1) Extracurricular activities (e.g., dance, art, sports, etc.) including sign-up fees and equipment (N = 1,198); (2) % agree/strongly agree (N = 1,028).

# Budget constraints are not holding parents back from splurging for the right reasons

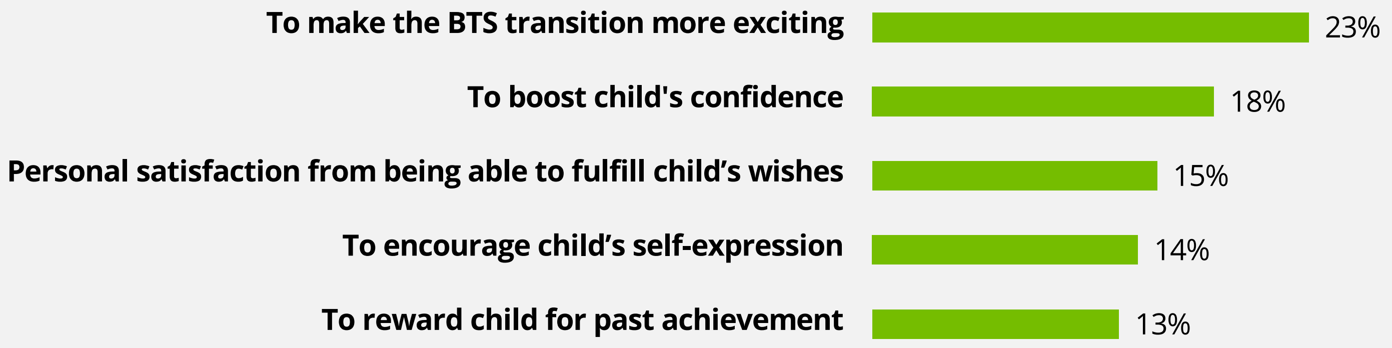
# 85%

of respondents can be influenced by their children to splurge on their must-have BTS brands/products,[1] similar across all income groups

**61%** say their children's preferences generally influence them to spend more[2]

## After purchasing the necessities, parents are often swayed by emotional drivers to purchase a must-have item

Why would parents splurge on must-have brands/products?[3]




**RETAIL EXTRA CREDIT**

*Consider engaging children in the shopping journey, as many parents are often influenced by their children to spend more. By creating a fun and memorable shopping experience for children, retailers could increase their appeal to parents and encourage impulse purchases.*

Top three sources of discovery for must-have BTS brands/products:[4]

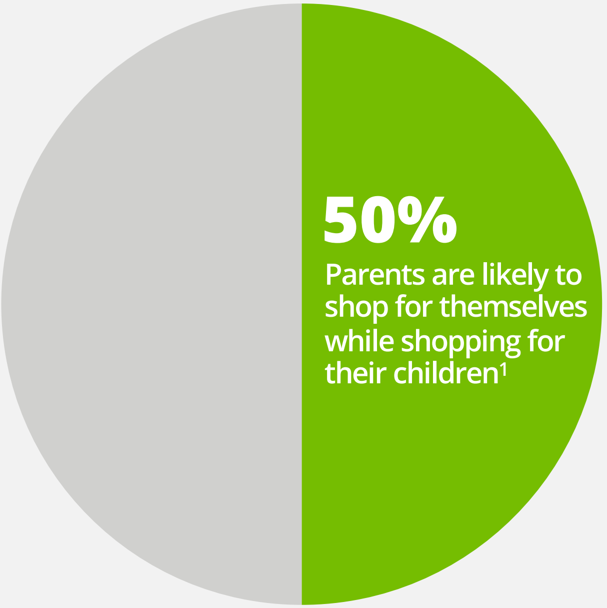
**33%** Friends/family
**27%** Retail stores/websites/apps
**17%** Social media

Questions: (1) Can your child/children influence you to splurge on this product? (N = 1,198); (2) % agree/strongly agree (N = 1,198); (3) Which of the following best describes why you would consider splurging on this product? (N = 1,020); (4) Where did your child discover this product? (N = 1,198).

# Parents can be enticed to shop for themselves too

Parents who self-gift while BTS shopping are likely to spend **40%** more than those who don't shop for themselves

## Parents in higher-income households are more likely to shop for themselves




**By household income:**

- **39%** Less than $50k
- **52%** $50k to $99k
- **56%** $100k+

**By generation:***

- **55%** Millennials
- **46%** Gen X
- **37%** Baby boomers

**RETAIL EXTRA CREDIT**

*Parents who plan to shop at apparel stores for BTS items are more likely to shop for themselves too.*

Sources: (1) % agree/strongly agree (N = 1,198); *millennials (28–43 years), Gen X (44–59 years), baby boomers (60–81 years).

# Shopping journey

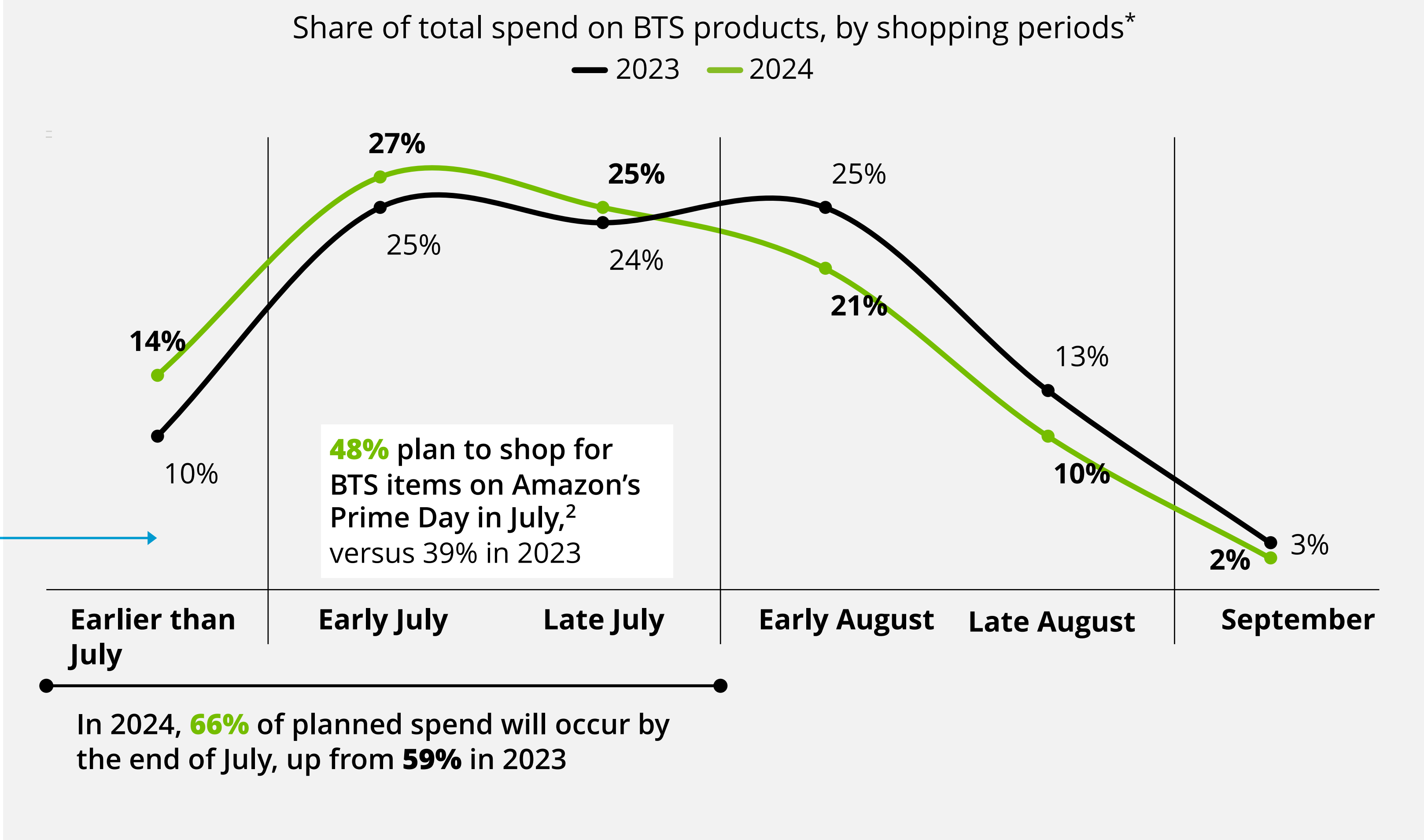
# Parents have been trained to expect early discounts …

**59%** of respondents believe best deals occur **earlier** in the season versus **41%** who believe they occur **later** in the season[1]

**RETAIL EXTRA CREDIT**

*Consider messaging and promoting early on digital channels, as early shoppers spend 1.5x more than late shoppers and frequent digital formats more often.**

**As major online retailers discount mid-July and others react, the shopping season continues to be pulled forward, with the majority of shopping expected to occur before the end of July**




Questions: (1) When do you expect to find the best back-to-school deals? (N = 1,198); (2) Do you plan to shop for back-to-school items on Amazon's Prime Day sales event in July 2024? (N = 1,198).
Source: *Deloitte calculations based on annual consumer survey projections.

# ... and are seeking out retailers with value

## Mass merchants and online retailers are top destinations for respondents, appealing in price and convenience

### Consumers plan to spend the most at:[2]

**40%** Mass merchant retailers
**21%** Online retailers
**7%** Department stores
**7%** Specialty clothing retailers
**5%** Off-price retailers
**3%** Home electronics retailers
**3%** Supermarkets

**7 in 10** look for **convenience****—the top driver for where people spend the most

Preferred retail formats for BTS shopping[1]


**4.7**
**average retail formats visited**
versus 3.9 in 2023

**RETAIL EXTRA CREDIT**

*Highlighting value early on will likely be important, but retailers should also consider messaging how they plan to make the shopping journey easy.*

Note: *Convenience includes convenient location, easy returns, and convenient delivery options.
Questions: (1) Which type of retailer(s) do you plan to visit for your back-to-school shopping? (N = 1,198); (2) At which type of retailer do you anticipate spending the most money this back-to-school shopping season? (N=1,198).

# Retailers with multichannel presence are likely to win

# 70%

of respondents plan to shop both in-store and online,[2] versus 66% in 2023

They account for **80%** of the total spend on BTS products,[2] versus 73% in 2023

**RETAIL EXTRA CREDIT**

*Create consistency across channels, as three in four customers are more loyal to retailers that provide uniform experiences.[4] Learn from competencies in other channels to strengthen the overall appeal.*

Questions: (1) When shopping for back-to-school items, where are you most likely to find the following benefits? (N = 1,198); (2) What percentage of your budget do you expect to purchase online or in-store? (N = 1,198); (3) Are you likely to use BOPIS during the upcoming BTS season? (N = 765); (4) Merkle, *2022 loyalty barometer report,* 2022.

## Retailers should look to provide consistent omni-channel services as parents note a disconnect between online and in-store experiences

The channel where shoppers can best experience these benefits[1]


**33%** of online shoppers will use BOPIS,[3] versus 21% in 2023

# Social commerce penetration rises among parents surveyed

# 1 in 3

of BTS shoppers are social media users,[1]
+8 percentage points YoY

**1 in 8** plan to make a purchase on social media,[2]
+6 percentage points YoY

By generation:

| 2023 | 2024 | |
|---|---|---|
| 9% | 16% | Millennials |
| 4% | 9% | Gen X |

Questions: (1) Do you plan to use social media sites to assist in your back-to-school shopping? (N = 1.198); (2) Regarding your back-to-school shopping, how do you plan to use social media sites? (N = 393); (3) How do you plan to use social media sites? (N = 393).
Source: *Deloitte calculations based on annual consumer survey projections.

## Social media and the exposure to influencers tend to bring out hedonic behavior while also diminishing the importance of brands

### Characteristics of social media shoppers*

**Splurge on kids**
**95%** can be influenced to splurge on their children,
versus 81% others

**Shop for self**
**68%** plan to buy something for themselves,
versus 41% others

**Less focused on brand name**
**59%** are likely to buy private labels over name brands,
versus 46% others

**RETAIL EXTRA CREDIT**
*Two in three social media users follow their preferred retailers on their social media channels.*

### How are shoppers using social media?[3]

**Inspiration**
**78%** plan to use it to browse products and read reviews/recommendations

**Find deals**
**62%** plan to use it to find a coupon code or learn about ongoing retail sales/promotions

# Consumer preferences

# Use of gen AI for BTS shopping is in its nascent stage

# 18%

of respondents plan to use gen AI for BTS shopping[1]

How does gen AI enhance the shopping experience?

**76%** Product reviews
**62%** Economize
**35%** Save time

Questions: (1) Do you plan to use generative AI for your back-to-school shopping? (N = 1,198); (2) How would you answer the following when it comes to using generative AI tools in schools? (N = 1,141).

## But its use in schoolwork is picking up

### Gen AI in schoolwork

# 23%

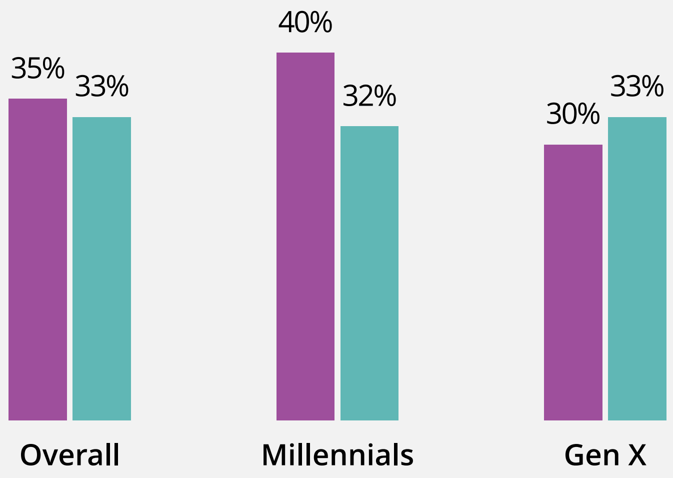
say children are using gen AI in their schoolwork,[2] versus 15% in 2023

By school grade:

| 2023 | 2024 | |
|---|---|---|
| **15%** | **22%** | Grammar school |
| **17%** | **30%** | Middle school |
| **15%** | **27%** | High school |

Parents surveyed say gen AI is a positive tool for academic performance and overall learning experiences

Agree Disagree



# Circularity comes to the forefront as families look to purchase used items

**43%**

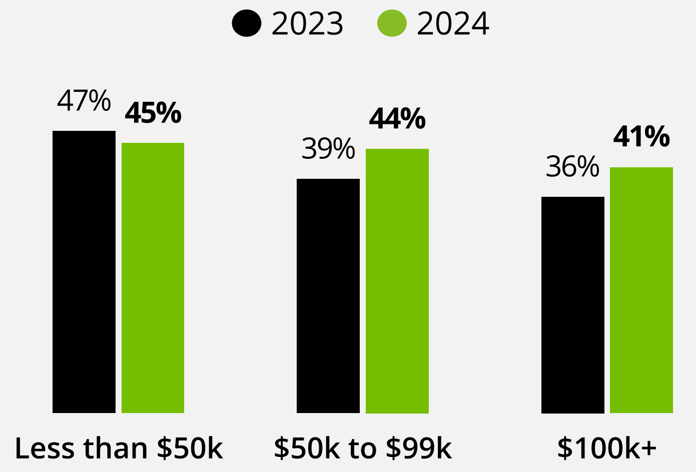
buy pre-owned products when available,[1]
versus 40% in 2023

By category:
**28%** Tech products
**28%** Apparel

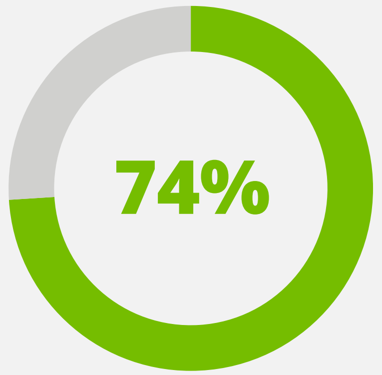
Circular BTS shoppers spend only **7%** less than others

## With growing interest in value and sustainability, purchases in circularity programs grow

Parents buy pre-owned products when available, by household income[1]




Respondents don't feel guilty about sending their children to school with pre-owned items[1]




By household income:
**71%** Less than $50k
**69%** $50k to $99k
**80%** $100k+

**RETAIL EXTRA CREDIT**

*The used apparel market is estimated to grow 11% annually, yet only two in 10 used apparel items are sold through retailers, creating an opportunity to expand used assortments and messaging about purchasing from a trustworthy source.*

Question: (1) Which of the following statements do you agree with for your back-to-school shopping? (N = 1,198).

# About the survey

## Survey timing

May 22 to May 30, 2024

## Sample

The survey polled a sample of 1,198 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.

## Methodology

The survey was conducted online using an independent research panel.


## Thank you

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The retail industry is transforming at lightning speed, and retailers are being forced to find ways to grow profitably while also meeting rising consumer expectations. Today's customers don't just expect the retail industry to operate efficiently, but empathetically too. They are buying into better and are demanding that brands share their values around purpose, inclusion, trust, transparency, and innovation.

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