Inflation’s grip on the economy is apparent in parents’ back-to-school shopping plans
IN THIS REPORT

3 Executive Summary

4 Inflation Impacts Spending Plans

11 Shoppers Head to Stores

15 The Data Behind the Report
Inflation poses a major challenge for retailers as the back-to-school shopping season takes off. The good news for retailers is that parents are planning to spend more than in previous years to account for inflationary pressures. The bad news is that it will still be an ultra-competitive season as retailers weigh promotions against their own increasing costs and consumers continue trading down to more affordable options.

Retail’s second busiest season comes at a critical economic tipping point: Inflation is surging and consumer spending is softening, but parents are planning to accommodate inflation with their back-to-school budgets.

As pressure mounts on everyday expenses, more parents feel that they’ll have trouble or outright can’t afford their children’s back-to-school needs compared with previous years. Parents’ planned spending has increased significantly from prior years as families wrangle budgets to accommodate anticipated higher prices for school necessities. Larger economic trends indicate that essentials like notebooks, pencils and new clothes for growing kids will still make it into shopping carts, but discretionary items might be at risk of getting cut or at least traded down to less expensive options.

The majority will shop in stores or mix online and in-store shopping, highlighting opportunities for retailers to use location and loyalty data to push additional shopping trips for customers buying back-to-school items. Retailers juggling inventory challenges and inflation pressure must precisely target cross-channel promotions and push in-store upsell opportunities to earn their share of wallet from these eager but stressed-out shoppers.

**EXECUTIVE SUMMARY**

Survey conducted June 23-25, 2022, among a representative sample of 272 U.S. parents who are planning to make back-to-school purchases for their children, with an unweighted margin of error of +/-6 percentage points.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>Late July</td>
</tr>
<tr>
<td>31%</td>
<td>Early August</td>
</tr>
<tr>
<td>8%</td>
<td>Late August</td>
</tr>
<tr>
<td>1%</td>
<td>Early September</td>
</tr>
</tbody>
</table>
Inflation Impacts Spending Plans

Economic conditions will increase parents’ anticipated back-to-school spending, as well as their stress levels.
WHAT RETAILERS SHOULD EXPECT

Shoppers are less excited about the school year, and budgets will be stretched thin

Parents shopping for school are stressed out and deal-hungry this year. When back-to-school shopping picks up in late summer — 36% of U.S. parents said they’ll start back-to-school shopping in late July, and 31% said early August — parents said they plan to spend more than they have in previous years to accommodate inflation.

And as the shopping season ramps up, parents are nearly evenly split on feeling either stressed or excited about back-to-school shopping, which is a marked change from last summer, when more parents were excited about returning to a more “normal” school year in classrooms. This is likely because parents’ planned spending levels this year have increased substantially over previous back-to-school seasons, indicating that parents anticipate inflation to hit key categories like apparel and school supplies this summer.

The back-to-school shopping season comes with sales, and 82% of parents plan to take advantage. Discounts can help stretch budgets but are hardly a panacea. Parents who are less worried about affording back-to-school shopping — and those who have already gotten a head start on it — are planning to shop sales at slightly higher rates than those who are concerned about affording school supplies.

WHAT RETAILERS SHOULD EXPECT

42% of parents say they’re excited ▼ down from 56% last year
37% of parents say they’re stressed ▲ up from 32% last year

26% of shoppers plan to spend more than $500 on back-to-school this year, up from just 7% in 2021

82% of back-to-school shoppers plan to take advantage of sale shopping, including Amazon Prime Day, state tax holidays and Labor Day sales
Parents have significant worries about financial strain

Back-to-school affordability in 2022 stands in sharp contrast to that of the last four years, with far fewer parents saying they can afford their kids’ back-to-school shopping without any issues (36% in 2022 versus 52% in 2021). In 2021, more families had the benefit of stimulus checks and advance child tax credit payments in their pockets, as well as pandemic savings from reduced service-sector spending — but now these savings are depleting as the burden of inflation gets heavier.

While higher-income households are absorbing increased prices, lower-income ones are making hard trade-offs. Parents who aren’t worried about affording this year’s back-to-school lists and new outfits are planning to spend more than in previous years, while those who are more worried are planning to spend less, given the pressure on families to afford essentials like gas and groceries.

Surveys conducted in August 2018, August 2019, July 2020, August 2021, and May and June 2022, among 2,760 total U.S. parents planning to make back-to-school purchases for their children, with unweighted margins of error of up to +/-6 percentage points. “Don’t know/no opinion” responses are not shown.
Planned spending for 2022 back-to-school shopping shoots upward

Respondents were asked how much they plan to spend on their children’s back-to-school shopping this year

- $0-$100
- $101-$250
- $251-$500
- Over $500

Since early May, the share of back-to-school shoppers planning to spend more than $500 on their children’s supplies has increased from 11% to 25%. Just 7% of parents doing back-to-school shopping for the previous school year planned to spend more than $500.

This is consistent with consumers’ ongoing expectations of high inflation, which will impact their decision-making through the summer months. In fact, parents who have already started shopping — and have seen what their kids’ lists will cost this year — are more likely to report that they’ll spend more than last year (34% of those who have started shopping versus 26% of those who have not).

Parents of college students plan to spend the most overall, as college textbooks and outfitting dorm rooms add significant expenses over other education levels.

Surveys conducted in August 2018, August 2019, July 2020, August 2021, and May and June 2022 among 2,760 total U.S. parents planning to make back-to-school purchases for their children, with unweighted margins of error of up to +/-6 percentage points. “Don’t know/no opinion” responses are not shown.
Spending will not vary much, regardless of level of concern over affordability

Respondents were asked how much they plan to spend on their children’s back-to-school shopping this year

<table>
<thead>
<tr>
<th>Spent on Back-to-School Shopping</th>
<th>$0-$100</th>
<th>$101-$250</th>
<th>$251-$500</th>
<th>Over $500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can’t afford back-to-school shopping</td>
<td>10%</td>
<td>23%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Can afford, but concerned</td>
<td>7%</td>
<td>25%</td>
<td>36%</td>
<td>28%</td>
</tr>
<tr>
<td>Can afford back-to-school shopping without issue</td>
<td>10%</td>
<td>25%</td>
<td>32%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Surveys conducted in May and June 2022 among a representative sample of 2,820 U.S. parents planning to make back-to-school purchases for their children, with unweighted margins of error of up to +/-4 percentage points. “Don’t know/no opinion” responses are not shown.

Parents’ planned overall spending levels are similar whether they feel they can afford back-to-school shopping this year or not, so retailers can expect families to shop in full force despite the financial stress. That likely means this year’s shopping will add to household debt, as we know that consumers are already increasingly relying on credit cards.

There’s naturally a direct relationship between household income and back-to-school affordability; households earning $100,000 or more annually are much more likely to say they can afford their children’s needs without issue. Urban and suburban parents and those with higher educational attainment themselves are also more confident about back-to-school affordability than rural parents and those without a college degree.
Apparel comprises the largest share of back-to-school budgets

Apparel dominates parents’ planned spending for this school year, and spending plans are similar to the last two years, aside from a dip for the 2020-2021 remote school year. Planned spending on school supplies has risen more sharply since 2021, with a plurality of parents planning to spend $101-$250, up 7 percentage points year over year.

Apparel spending has trended upward in recent months — as travel and events return to pre-pandemic levels, so does the need for new outfits, and the same goes for children’s clothing. Back-to-school shopping will help buoy apparel-sector spending across the summer months, even as price sensitivity rises.

Respondents were asked how much they plan to spend in each category

<table>
<thead>
<tr>
<th>Category</th>
<th>$0</th>
<th>$1-$50</th>
<th>$51-$100</th>
<th>$101-$250</th>
<th>$251-$500</th>
<th>More than $500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothes</td>
<td>5%</td>
<td>13%</td>
<td>44%</td>
<td>25%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>School supplies</td>
<td>25%</td>
<td>26%</td>
<td>34%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>22%</td>
<td>16%</td>
<td>13%</td>
<td>21%</td>
<td>13%</td>
<td>5%</td>
</tr>
<tr>
<td>Books</td>
<td>27%</td>
<td>19%</td>
<td>13%</td>
<td>20%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Home goods</td>
<td>36%</td>
<td>13%</td>
<td>10%</td>
<td>20%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Average reported monthly spending on apparel

Surveys conducted in May and June 2022 among a representative sample of 1,781 U.S. parents planning to make back-to-school purchases for their children, with unweighted margins of error of up to +/-2 percentage points. “Don’t know/no opinion” responses are not shown.

Source: Morning Consult Economic Intelligence
Consumers’ ability to absorb inflationary increases might not last beyond the back-to-school season

Consumer confidence has reached a new low — even when compared with the onset of the pandemic — gutted by factors including inflation, political divisiveness and the constant drumbeat of negative headlines.

However, consumer spending remained relatively strong through the early part of 2022, with service-sector spending rising in the first half of the year. While that’s good for an overall economic recovery because it signals a return to pre-pandemic spending patterns, it’s not great for retailers, who have enjoyed a larger share of household budgets while consumers limited their travel and dining because of COVID-19.

For parents right now, back-to-school shopping is unavoidable, but consumers more broadly will eventually hit a breaking point. Ongoing economic hardships — particularly inflation — are putting increasing pressure on household budgets and could lead to a reduction in spending just in time for the holidays.
Shoppers Head to Stores

As school shopping season peaks, retailers will have to compete on promotions to draw shoppers to their stores.
Back-to-school shopping will take place mostly in person

Respondents were asked if they plan to make back-to-school purchases online or in stores.

<table>
<thead>
<tr>
<th></th>
<th>In stores</th>
<th>A mix of both</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>School supplies</td>
<td>57%</td>
<td>36%</td>
<td>7%</td>
</tr>
<tr>
<td>Clothes</td>
<td>48%</td>
<td>42%</td>
<td>10%</td>
</tr>
<tr>
<td>Electronics</td>
<td>39%</td>
<td>42%</td>
<td>19%</td>
</tr>
<tr>
<td>Books</td>
<td>39%</td>
<td>41%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Picking out the right notebooks and pencils is still largely an in-person experience, but that’s not because parents aren’t digitally savvy. Millennials, who make up a large portion of the parents of school-age Gen Zers and Gen Alpha, are the most e-commerce-friendly generation. On a category level, school supplies and clothes tend to be purchased more in stores, while electronics and books are more likely than other categories to be purchased online.

In-store promotions are particularly attractive for parents with less than $50,000 in household income, so retailers should use digital channels to push in-store deals for this cohort. Meanwhile, wealthier shoppers with household income of $100,000 or more are shopping online because it’s convenient, so highlighting local inventory and pickup options will be more attractive messaging for this group.

While most parents (76%) are working from school-provided lists, retailers still have an opportunity to use in-store promotions and displays to entice impulse buying, especially for parents shopping with kids in tow. Most will shop in stores or mix online and in-store shopping, highlighting opportunities for retailers to use location and loyalty data to push additional shopping trips for customers buying back-to-school items.

Surveys conducted in May and June 2022 among a representative sample of 194 to 370 U.S. parents planning to make back-to-school purchases for their children, with an unweighted margin of error of up to +/-7 percentage points. Figures may not add up to 100% due to rounding.
Walmart wins parents’ shopping plans

Walmart Inc. is consistently a top performer among parents doing back-to-school shopping, retaining its status as the top brand surveyed for three years running. Amazon.com Inc. and Target Corp. also maintained their strong positions over that time period.

Big-box stores like Walmart and Target have an advantage with omnichannel service offerings, and Amazon will dominate in the e-commerce lane after kicking off the July sales season with Prime Day.

In addition, per Morning Consult Brand Intelligence tracking, Walmart, Target, Amazon and Old Navy all have higher brand favorability among parents than non-parents. Among the apparel retailers evaluated, Old Navy and T.J. Maxx gained ground in purchase consideration among parents in the last year.

Among back-to-school retail leaders, a common offering is their robust loyalty programs. With nearly a third of parents already having started their back-to-school shopping, retailers should take advantage of sales and loyalty data to draw customers back in for second and third shopping trips as summer promotional calendars also ramp up.

Respondents were asked which of the following retailers they’ve made or plan to make purchases from for the upcoming school year:

<table>
<thead>
<tr>
<th>Retailer</th>
<th>I’ve made a purchase</th>
<th>I plan to make a purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart</td>
<td>51%</td>
<td>37%</td>
</tr>
<tr>
<td>Amazon</td>
<td>53%</td>
<td>26%</td>
</tr>
<tr>
<td>Target</td>
<td>47%</td>
<td>22%</td>
</tr>
<tr>
<td>Old Navy</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Kohl’s</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>Staples</td>
<td>29%</td>
<td>11%</td>
</tr>
<tr>
<td>Office Depot</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>Best Buy</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>T.J. Maxx</td>
<td>21%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Survey conducted June 23-25, 2022, among a representative sample of 419 U.S. parents planning to make back-to-school purchases for their children, with an unweighted margin of error of +/- 5 percentage points.
Secondhand and school-provided supplies help parents afford necessities

Respondents were asked how they will get the following back-to-school items:

- **Books**
  - Buy used: 11%
  - Hand-me-downs: 4%
  - School provides: 33%
  - I will not get these items: 7%
  - Don’t know: 7%
  - Buy new: 38%

- **Electronics**
  - Buy used: 9%
  - Hand-me-downs: 5%
  - School provides: 18%
  - I will not get these items: 15%
  - Don’t know: 8%
  - Buy new: 45%

- **Clothes**
  - Buy used: 9%
  - Hand-me-downs: 5%
  - School provides: 4%
  - I will not get these items: 80%

- **Home goods**
  - Buy used: 6%
  - Hand-me-downs: 5%
  - School provides: 35%
  - I will not get these items: 10%
  - Buy new: 42%

- **School supplies**
  - Buy used: 4%
  - Hand-me-downs: 5%
  - School provides: 4%
  - I will not get these items: 84%

Surveys conducted in May and June 2022 among a representative sample of 931 U.S. parents planning to make back-to-school purchases for their children, with an unweighted margin of error of +/-3 percentage points. Figures may not add up to 100% due to rounding.

Outfitting students to head back to school doesn’t mean buying everything brand new, as those with older siblings likely know well. Buying used textbooks is common, and secondhand apparel is increasingly trendy for Gen Z. Schools also often provide books and, to a lesser extent, electronic devices.

Parents who said they’re concerned about or can’t afford back to school shopping are more likely than unconcerned shoppers to go to secondhand stores for clothing and books, so retailers who have made investments in resale should feature secondhand options in back-to-school promotions. Meanwhile, wealthier families are more likely than low- and middle-income ones to buy new products across all categories.

College students are more likely than other grade levels to need new electronics and home goods as they move out of the house and into dorm life.
METHODOLOGY

This report draws from survey research conducted in May and June 2022 among 2,178 U.S. parents of school-aged children planning on shopping for the 2022-2023 school year.

The interviews were conducted online, and the data was weighted to approximate respective populations of adults based on gender, educational attainment, age, race and region. Topline results from the survey have a margin of error of +/-2 percentage points.
Claire Tassin is the retail and e-commerce analyst at Morning Consult, where she leads the company’s efforts to deliver real-time insights to industry leaders.

Before joining Morning Consult, Claire spent 14 years at Gartner, where she conducted research on shifting consumer behaviors and expectations, as well as trends relevant to marketing leaders in the retail sector.