



Consumer pulse Back-to-school Consumer and Retail

June 6, 2023 – June 13, 2023



Executive Summary

01

Consumer spend

- Consumers report spending a higher percentage of income on regular monthly living expenses and essential goods and services compared to last year, and they expect this to continue in Fall 2023.
- Furthermore, 40 percent of consumers feel they are in a worse place financially than they were this time last year.
- Most consumers expect to spend more on essential goods and services in 2023 compared to 2022, specifically in grocery (57 percent) and (46 percent) automotive.
- However, on average, consumers expect to spend only slightly more on essentials and only slightly less on discretionary products and services, compared to summer 2022.
- Consumers report that online share of wallet has been highest in grocery (18 percent) and apparel (17 percent) over the last 3 months.
- Nearly 1 out of 3 of consumers expect to purchase groceries online more in the Fall of 2023 versus the Fall of 2022; However, across all other categories, more consumers expect their online share of wallet to decrease than increase.
- Consumers continue to use debit and credit cards as their preferred payment method for online purchases; however, there is a slight increase in credit card usage.

02

Inflation

- Majority of consumers (95 percent) continue to feel the pressure of inflation; 82 percent claim that their cost of living has increased by more than 5 percent.
- Fewer consumers are worried about being able to afford food or basic household goods, a 10 percent decrease compared to 2022.
- Over 72 percent of consumers plan to change their discretionary spending habits due to price increases; Consumers are most likely to cut back on restaurants and bars, luxury goods, travel and entertainment/media.
- Most consumers believe that prices have increased over the last six months across a variety of categories, especially groceries (84 percent) and restaurants (77 percent), but also including travel, automotive, apparel, personal care products and services, entertainment/media, and electronics.
- Observed price increases are highest in travel and home improvement services, with 88 percent and 84 percent of respondents who've observed price increases reporting price increases over 5 percent.
- Consumers are most concerned with inflation in grocery (71 percent) and automotive (64 percent) prices.
- Within grocery, nearly 70 percent of consumers who have observed price increases plan to change their purchasing behaviors; 45 percent of these consumers plan to purchase more groceries on promotion or discount.
- Within Automotive, 56 percent of consumers who have observed price increases plan to change their purchasing behaviors; nearly 40 percent of these consumers plan to search for better bargains.

Executive Summary

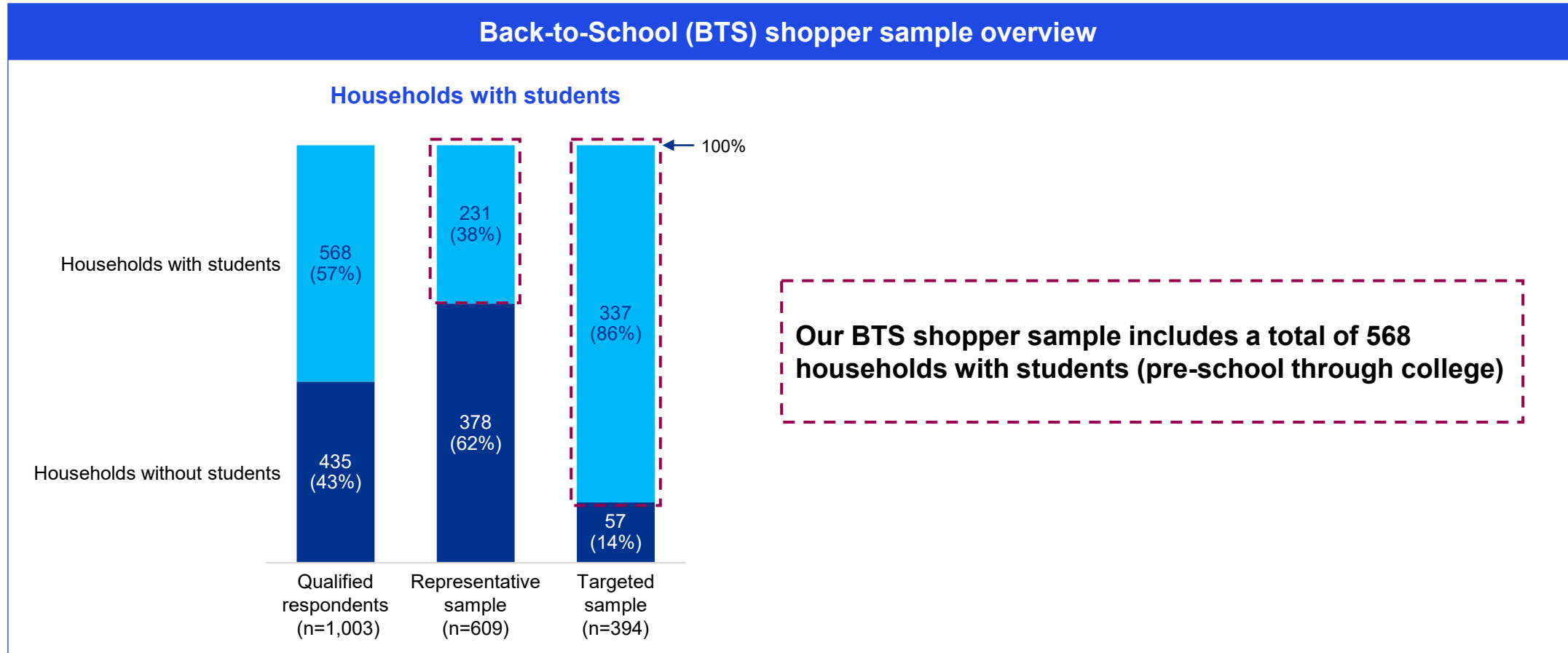
03

Back-to-School

- Of households with students, over 30 percent have children who are going to be in elementary school, over 30 percent have children that are going to be in high school, and nearly 40 percent have students who are going to be in college this coming academic year.
 - Back-to-school shoppers start their shopping in different months depending on region due to different school start dates by state; Nearly half of Northeast BTS shoppers plan to start in August and nearly half of Southeast BTS shoppers plan to start in July.
 - Over 40 percent of BTS shoppers feel that they are in worse financial standing than this time last year.
 - However, BTS shoppers still expect to spend more in 2023 across all education levels with average spend per student expected to increase 21 percent.
 - Over 50 percent of BTS shoppers plan to spend more per student on back-to-school in 2023 versus 2022, primarily due to the expectation of rising prices (82 percent). Nearly 50 percent of BTS shoppers who expect to spend less report that they have less monthly budget to spend on school supplies.
 - 50 percent of BTS shoppers plan to spend more on back-to-college in 2023 versus 2022, primarily due to the expectation of rising product costs. Those that expect to spend less on back-to-college shopping report that they need fewer items this year.
 - Consistent with their 2021 and 2022 share of wallet estimates, BTS shoppers expect apparel, core school supplies, and footwear to be their largest BTS spend categories in 2023, driving a combined 54 percent of spend.
- In line with 2022, BTS shoppers plan to do nearly 60 percent of their shopping in-store.
 - Gen Z and Millennial BTS shoppers expect to spend more online than Gen X and Baby Boomer+ BTS shoppers. Higher income households also prefer to do more of their BTS shopping online compared to lower income households.
 - Mass merchants remain the top channel for back-to-school shopping with an expected 37 percent share of wallet in summer 2023. Consumers expect to spend slightly more (2 percent) with online only retailers this BTS season.
 - High income households are more likely to do their BTS shopping at online only retailers.
 - Compared to 2022, online only and mass appear to be taking share from department stores, apparel, and specialty retailers in 2023.
 - Almost two thirds of BTS shoppers are concerned with inflation, 70 percent of whom will look out for early discounts to mitigate rising prices.
 - Consistent with last year, approximately 80 percent of BTS shoppers consider apparel and footwear to be essential parts of BTS shopping.
 - Significantly fewer households consider luxury items as part of their back-to-school budget this year, 37 percent versus 53 percent last year.
 - Over 60 percent of BTS apparel shoppers have seen price increases in this category and 74 percent of them plan to change their purchasing behaviors to mitigate price increases, nearly 50 percent of whom plan to buy fewer items.
 - Nearly 50 percent of BTS office/school supply shoppers have seen price increases in this category and 54 percent of them plan to change their purchasing behaviors to mitigate price increases, over 30 percent of whom plan to either buy more products on promotion or discount or search for better bargains.

Demographics

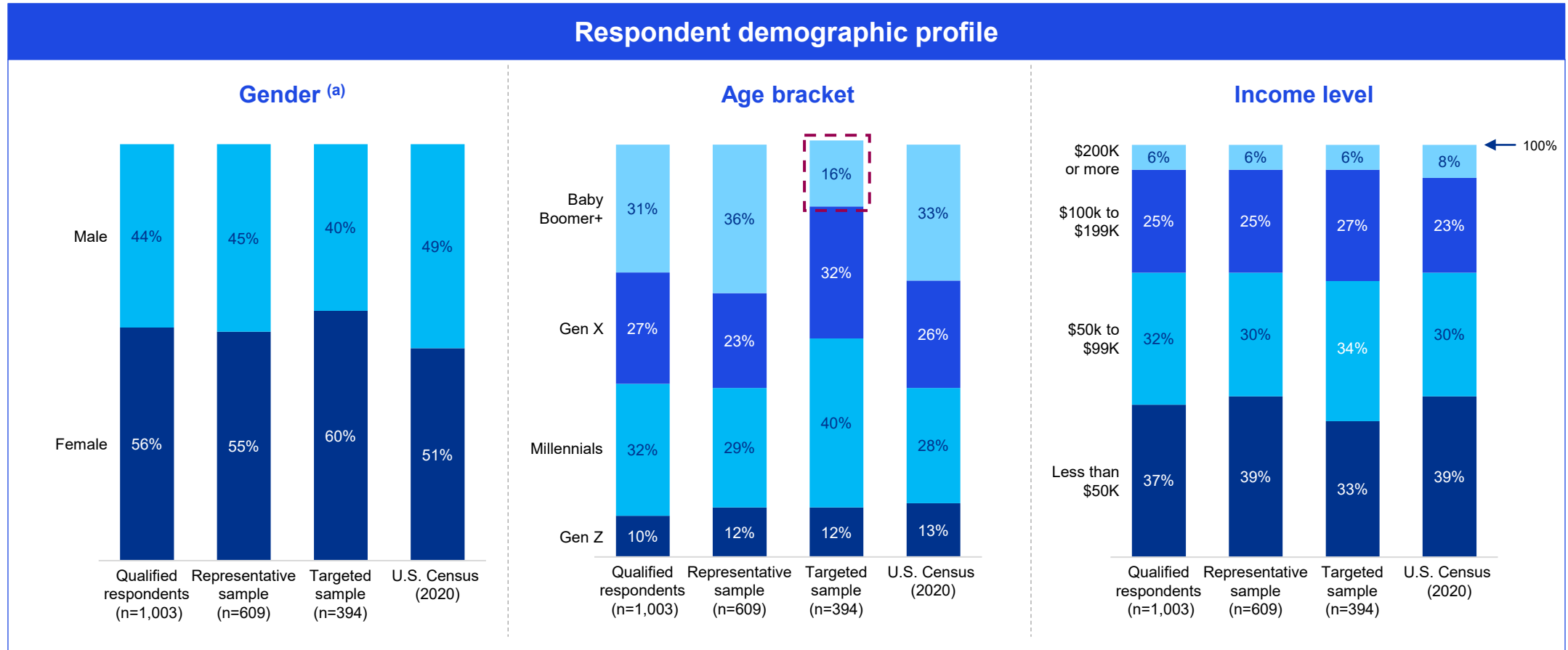
Our Back-to-School (BTS) survey of 1,003 qualified respondents includes 2 sample groups: a representative sample of 609 consumers and a targeted sample of 568 BTS shoppers.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "How many children under the age of 18 live in your household?", "How many people are in your household (including yourself and any dependents that live outside the home, e.g., college age children)?".

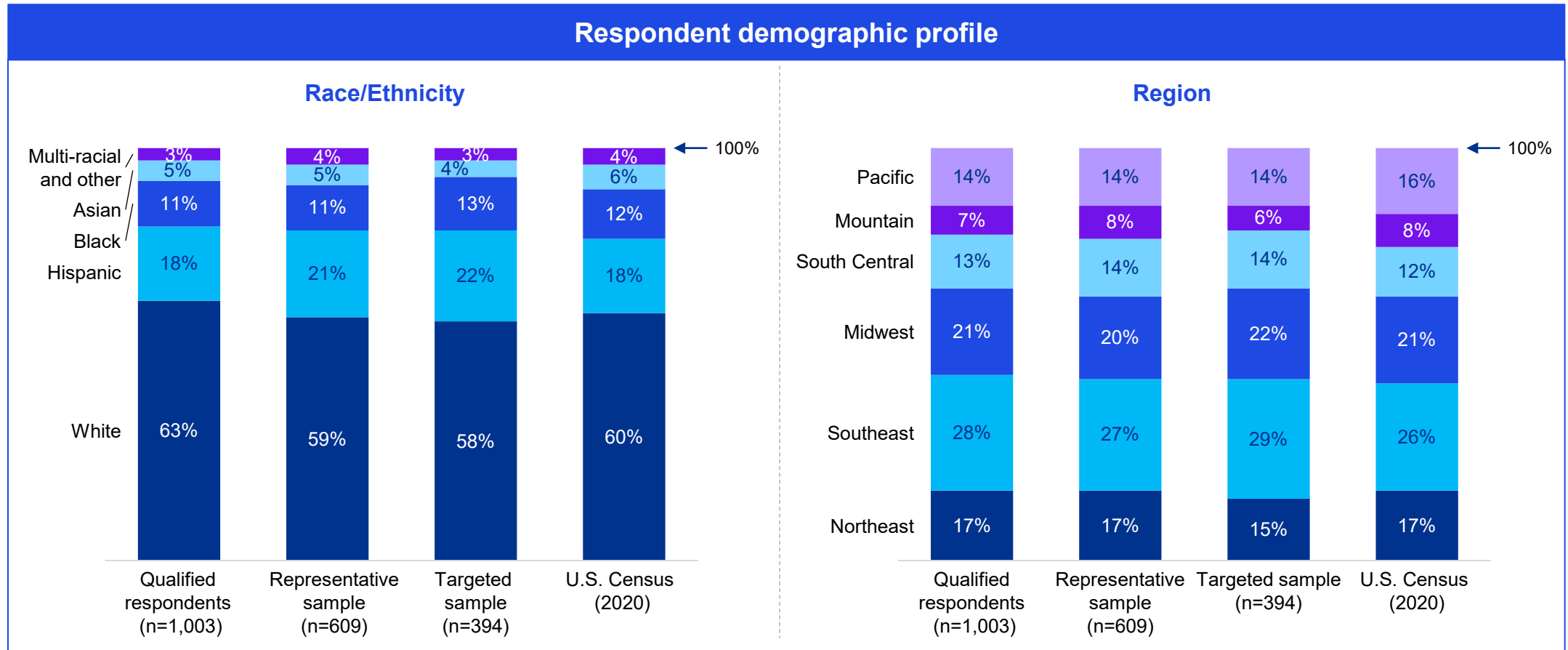
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Representative sample is within a +/- 5 percent variance compared to the 2020 United States census across all demographic segments; however, households with students have significantly fewer Baby Boomer+ respondents.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "Please select your gender.", "Please enter your current age.", "Please select the annual income range that best describes your total household income in 2022."; (a) Respondents who selected "Prefer to self describe" have been excluded due to low sample size.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Representative sample is within a +/- 5 percent variance compared to the 2020 United States census across all demographic segments.



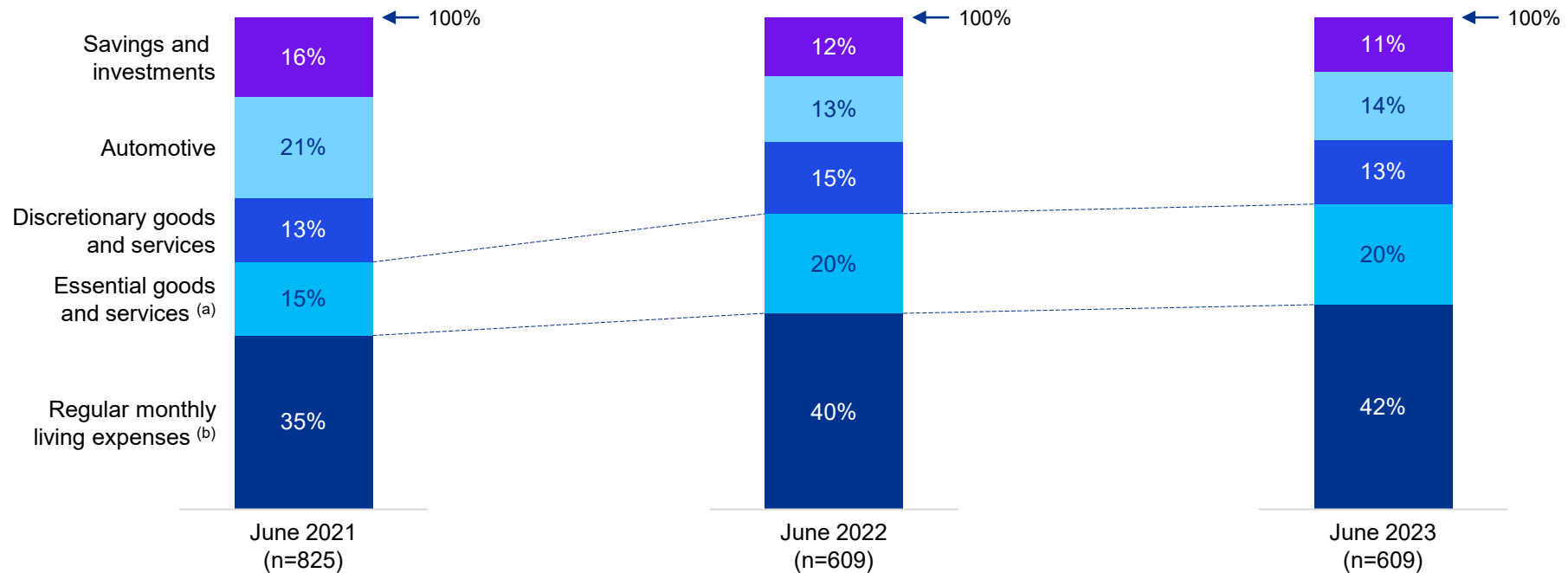
Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "Are you Hispanic, Latino/a/x, or of Spanish origin?," "Please select the option which best describes your race:," "Please enter your current zip code".
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

01

Consumer spend

Consumers report spending a higher percentage of income on regular monthly living expenses and essential goods and services compared to last year and they expect this to continue in Fall 2023.

Percentage of household income spend per category, Summer 2021–Summer 2023

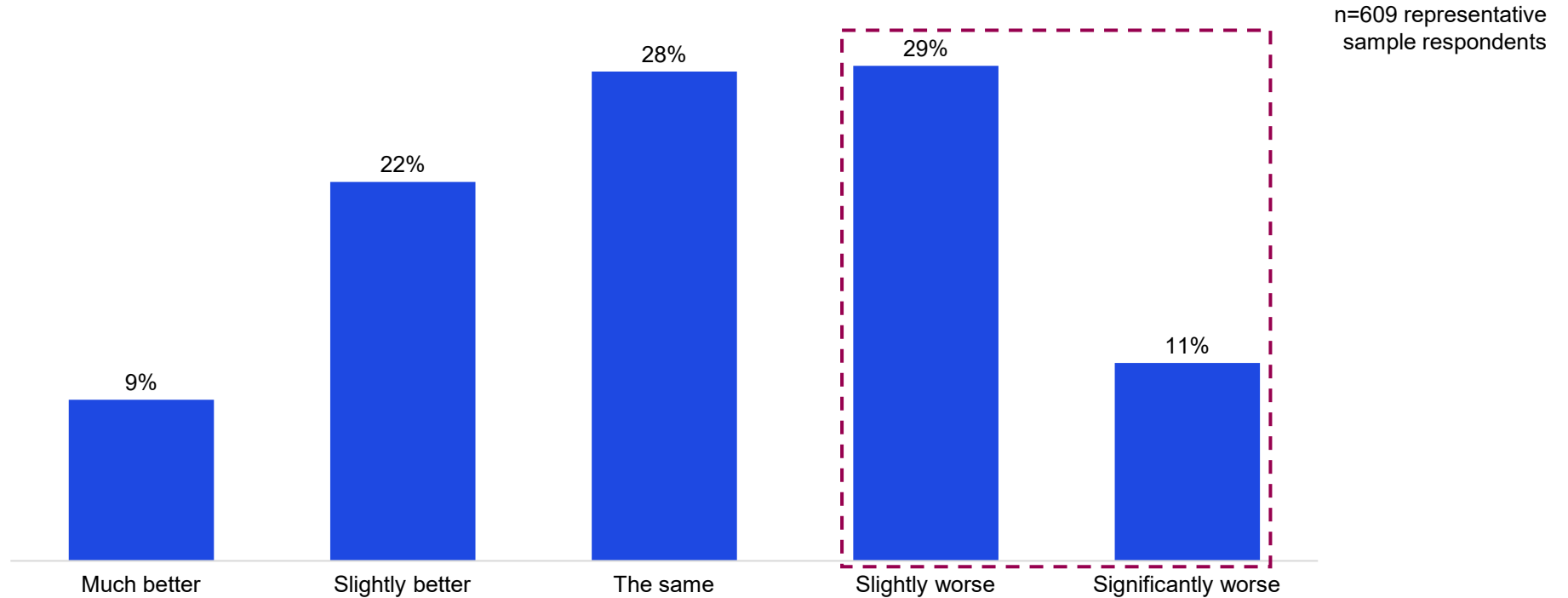


Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked “Please estimate to the best of your ability what percent of your monthly household income was spent on each of the following categories in the fall of 2022 and what percent will be spent on each of the following categories in the fall of 2023.”; (a) Essential goods and services refer to food, prescription medications, and personal care products; (b) Regular monthly living expenses refer to housing costs, utilities, home insurance, and education.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

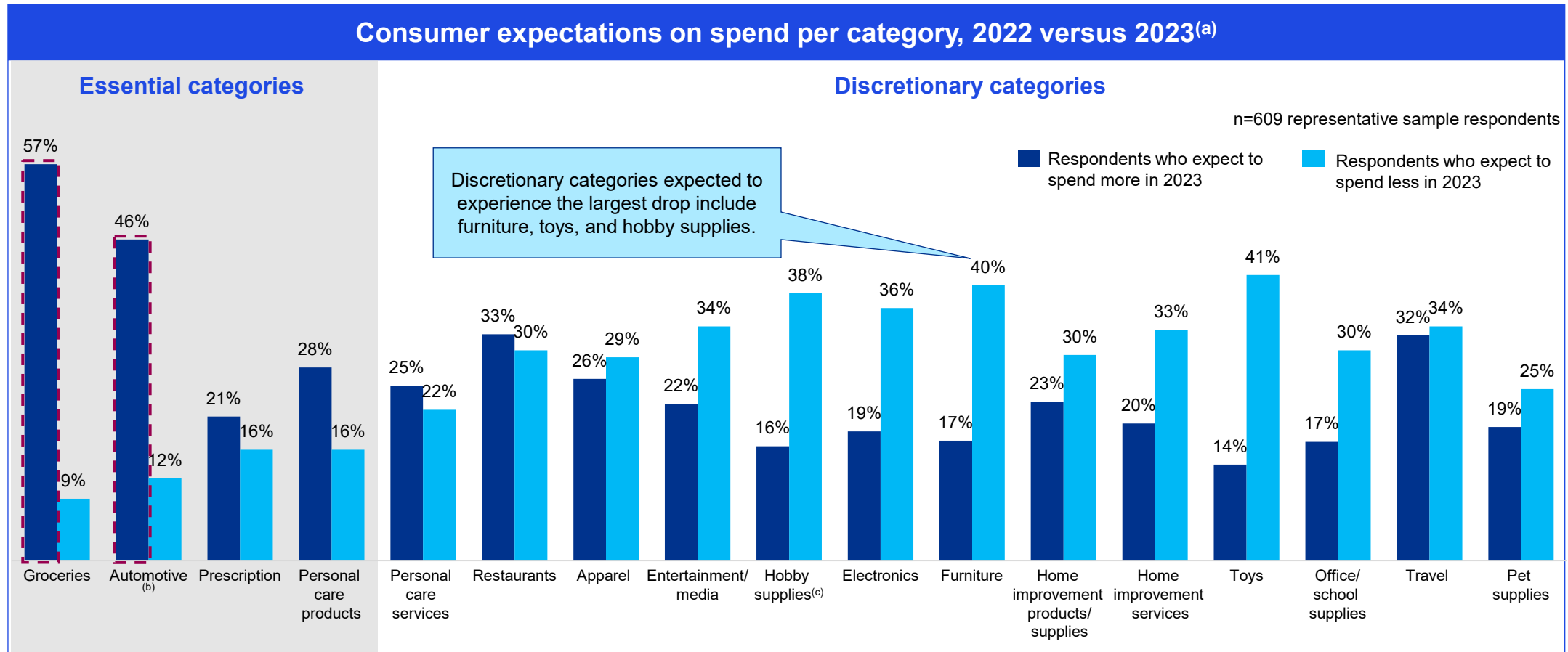
Furthermore, 40 percent of consumers feel they are in a worse place financially than they were this time last year.

Financial security compared to this time last year (Summer 2023 vs Summer 2022)



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked “How do you feel financially compared to this time last year (Summer 2023 vs Summer 2022)?”.
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

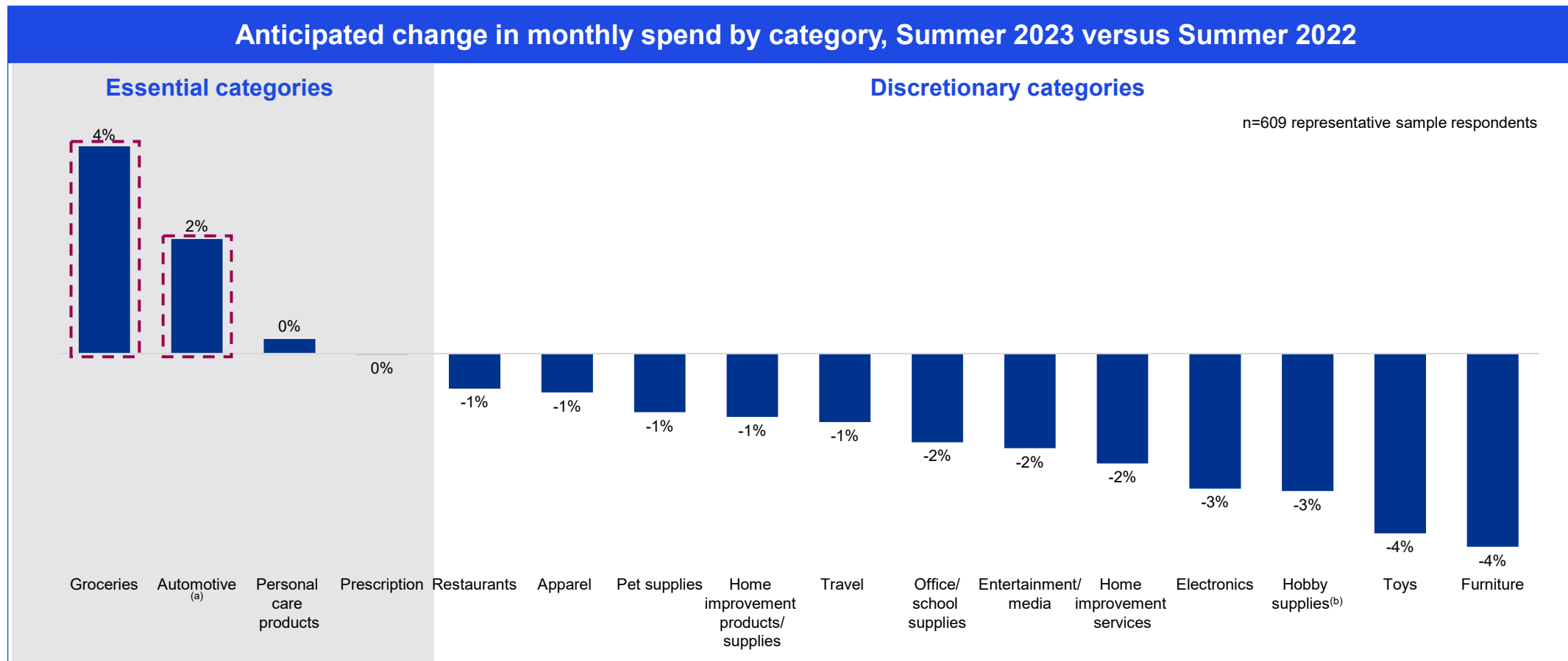
Most consumers expect to spend more on essential goods and services in 2023 compared to 2022, specifically in groceries (57 percent) and (46 percent) automotive.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked “Do you expect to spend more, less, or the same amount of money on each of the following products/services this Fall (2023) compared to last Fall (2022)?”; (a) Respondents allowed to select more than one option; (b) Automotive includes gas, tolls, auto insurance, and auto maintenance; (c) Hobby supplies include sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

However, on average, consumers expect to spend only slightly more on essentials and only slightly less on discretionary products and services, compared to Summer 2022.

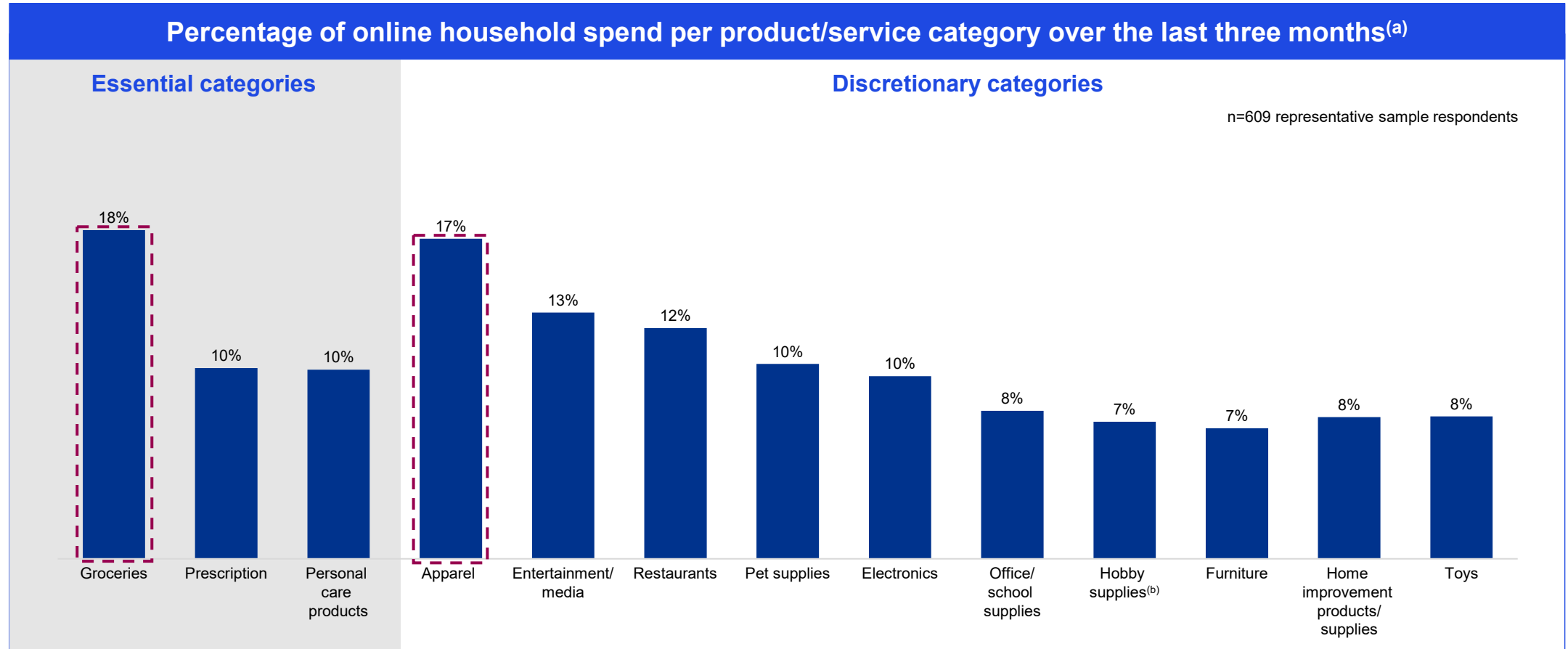


Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "How much do you think your monthly household spend on each of the following products/services will increase this Fall (2023) compared to last Fall (2022)?", "How much do you think your monthly household spend on each of the following products/services will decrease this Fall (2023) compared to last Fall (2022)?"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



Consumers report that online share of wallet as been highest in grocery (18 percent) and apparel (17 percent) over the last 3 months.

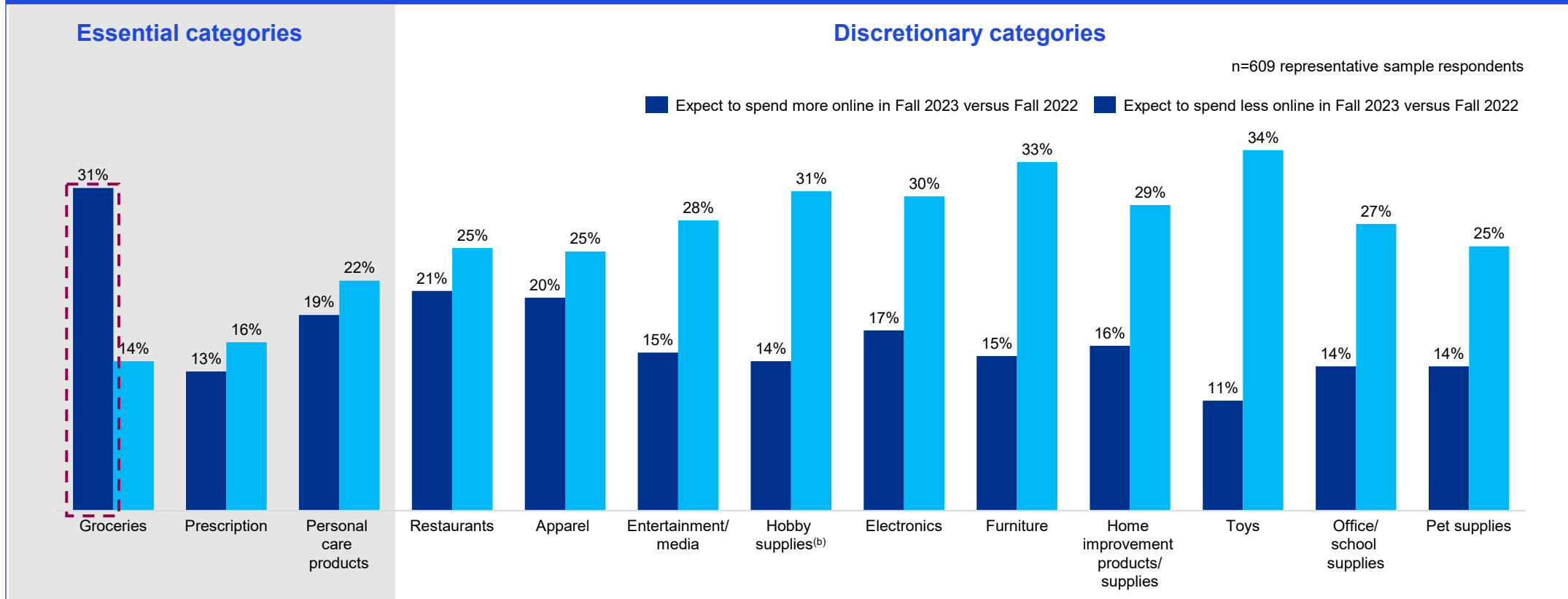


Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "In the last 3 months (March through May 2023), approximately what percent of your household spend on each of the following product categories occurred online/via mobile app?"; (a) Respondents allowed to select more than one option; (b) Hobby supplies includes sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Nearly 1 out of 3 of consumers expect to purchase groceries online more in the Fall of 2023 versus the Fall of 2022; However, across all other categories, more consumers expect their online share of wallet to decrease than increase.

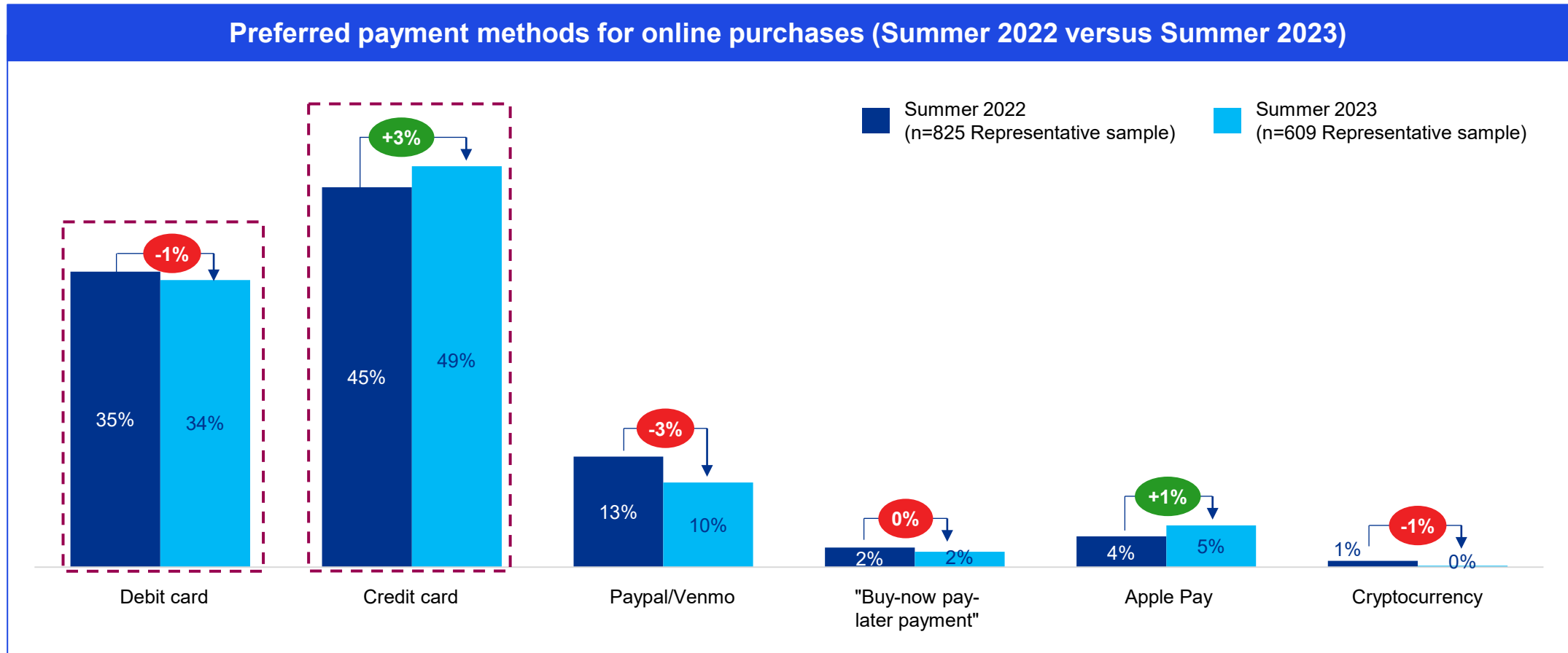
Consumer expectations on spend per category, online, 2022 versus 2023^(a)



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "In the Fall of 2023 compared to the Fall of 2022, do you expect to purchase more, the same, or less online for each of the following product categories?"; (a) Respondents allowed to select more than one option; (b) Hobby supplies includes sporting goods, musical instruments, and books.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

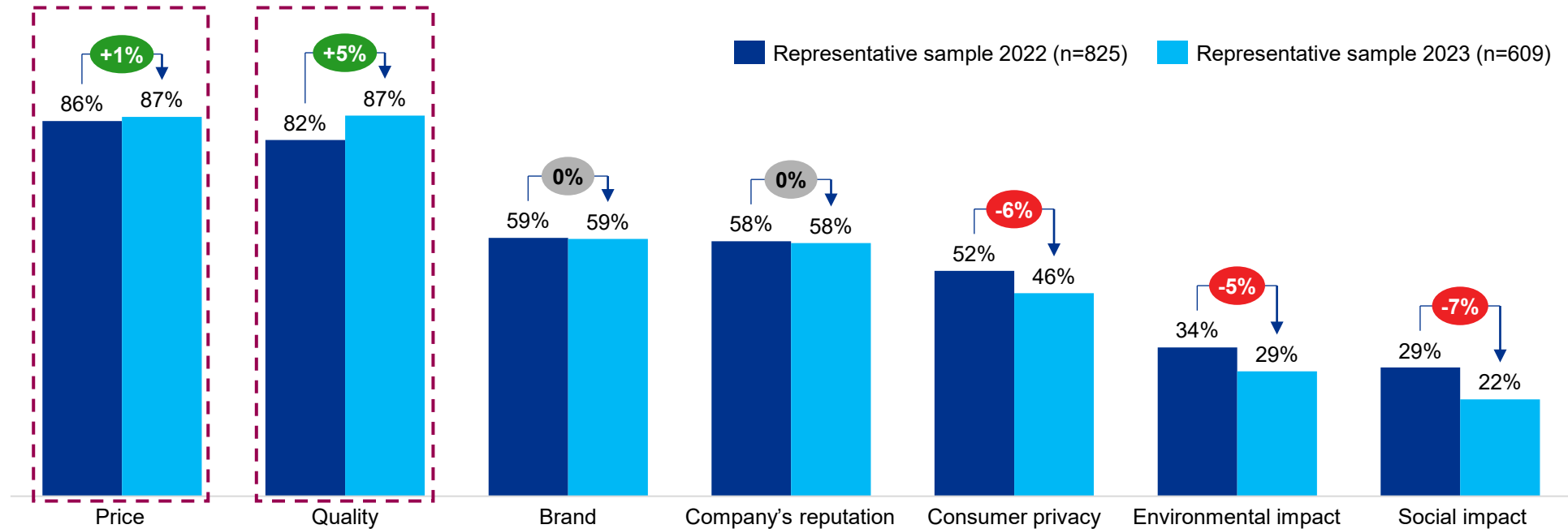
Consumers continue to use debit and credit cards as their preferred payment method for online purchases; however, there is a slight increase in credit card usage.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked "When making a purchase online what method of payment do you typically select?"
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

Compared to 2022, online shoppers are placing higher importance on price and quality and a lower importance on ESG factors such as consumer privacy, environmental impact, and social impact.

Top considerations when paying online (Summer 2022 versus Summer 2023) (a)(b)



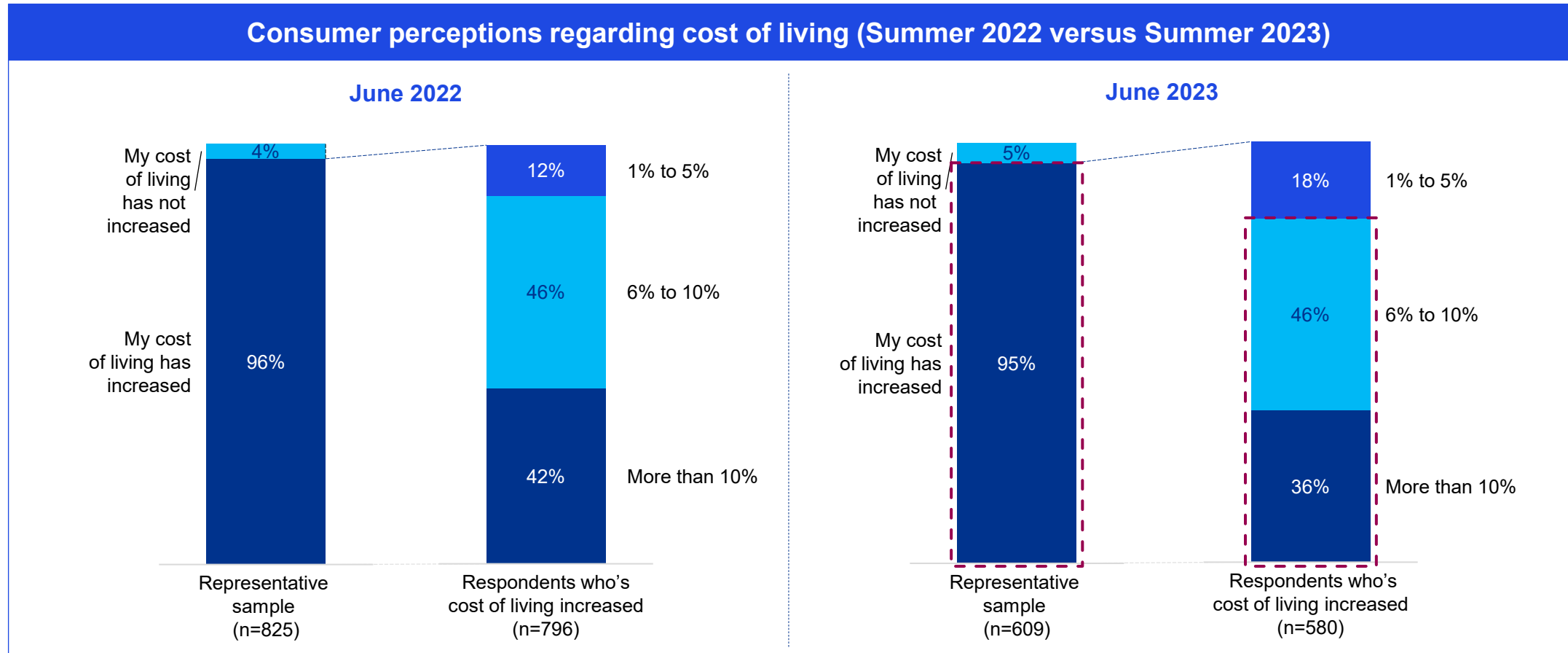
Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked "When making a purchase online or in-store to what extent do you typically consider the following?"; (a) The data reflects ratings of 4 and 5 from a scale of 1= "not at all" and 5 = "a great deal"; (b) Respondents allowed to select more than one option.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022 – Jul 7, 2022

02

Inflation

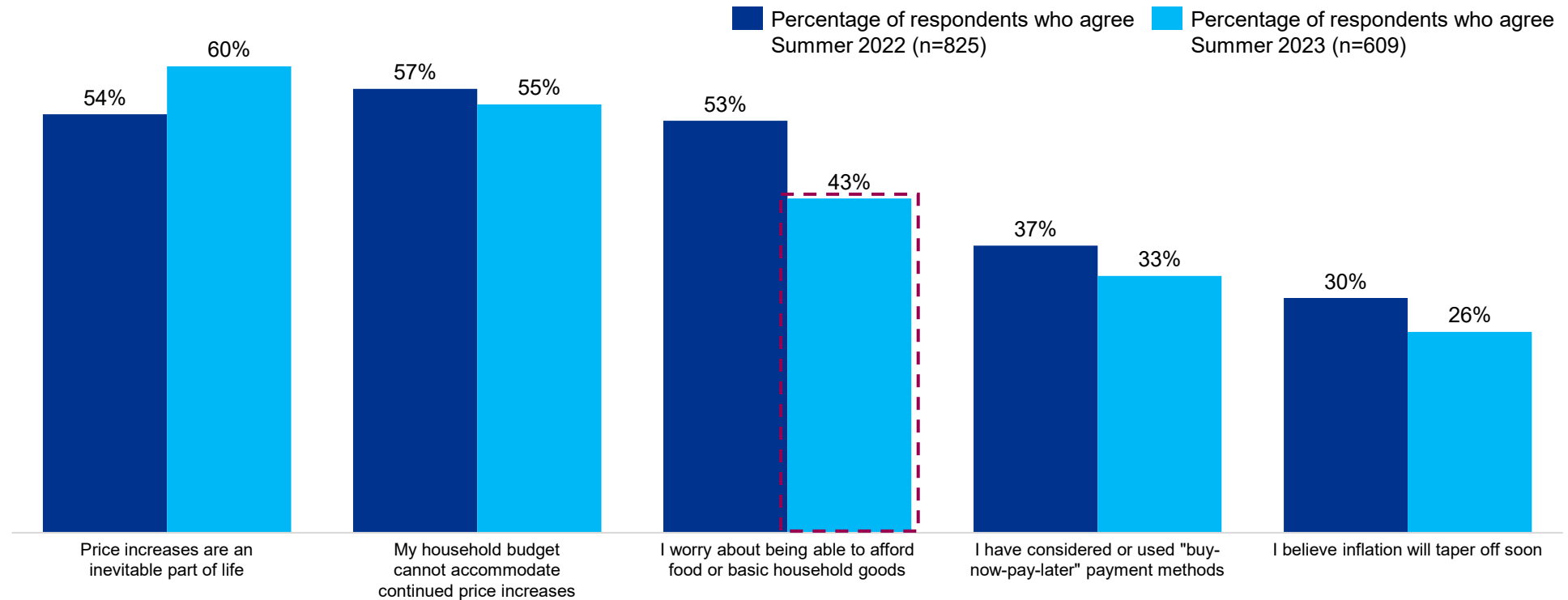
Majority of consumers (95 percent) continue to feel the pressure of inflation; 82 percent claim that their cost of living has increased by more than 5 percent.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "Do you believe that your cost of living has gone up in the last year?"; "How much do you believe your cost of living has gone up in the last year?".
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022-Jul 7, 2022

Fewer consumers are worried about being able to afford food or basic household goods, a 10 percent decrease compared to 2022.

Consumer sentiment on inflation (Summer 2023 versus Summer 2022)^(a)

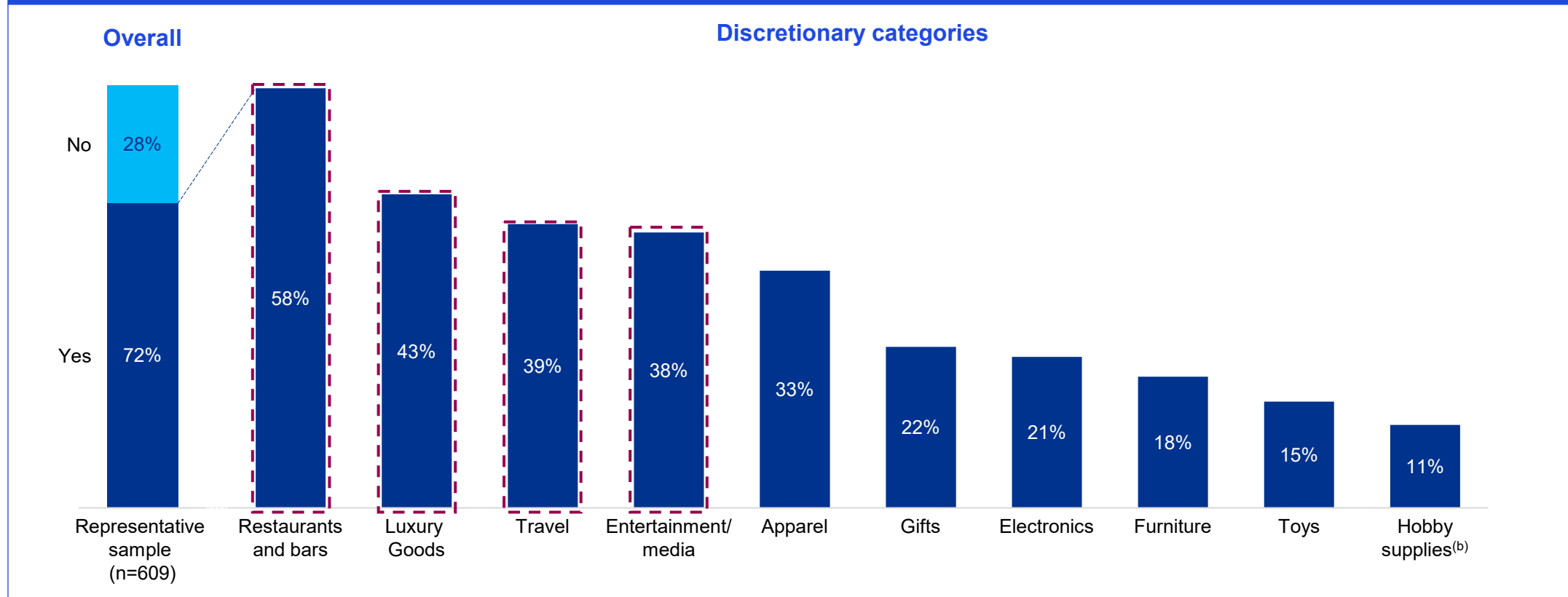


Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "To what extent do you agree with the following statements? (disagree: 1-3= disagree to strongly agree 5-7= agree to strongly agree)"; (a) Respondents allowed to select more than one option.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

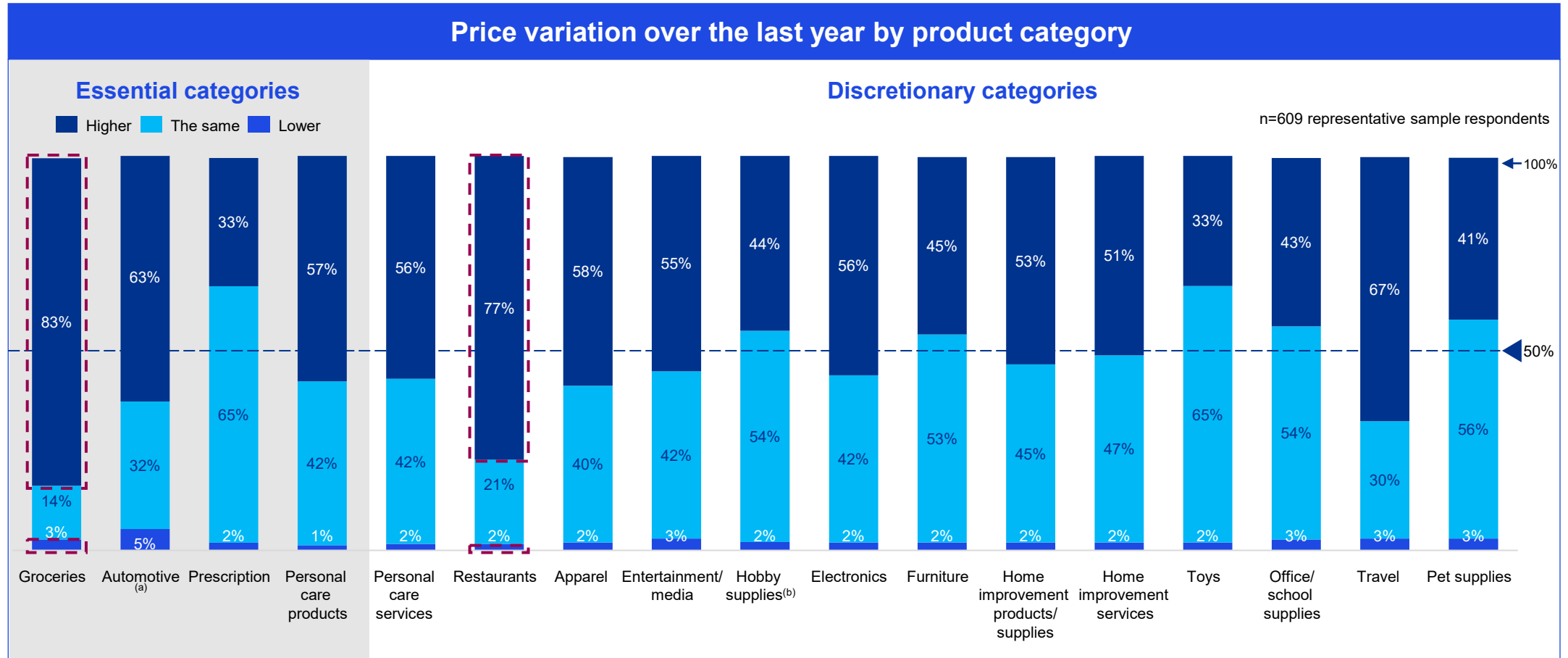
Over 72 percent of consumers plan to change their discretionary spending habits due to price increases; Consumers are most likely to cut back on restaurants and bars, luxury goods, travel and entertainment/media.

Top discretionary spending reduction categories due to inflation^(a)



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, to all adult respondents, asked "Do you plan to change your discretionary spending as a result of recent price increases?"; "Please select and rank up to 3 top discretionary spending categories where you expect to reduce your spending the most due to inflation."; (a) Respondents allowed to select more than one option. (b) Hobby supplies includes sporting goods, musical instruments, and books.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

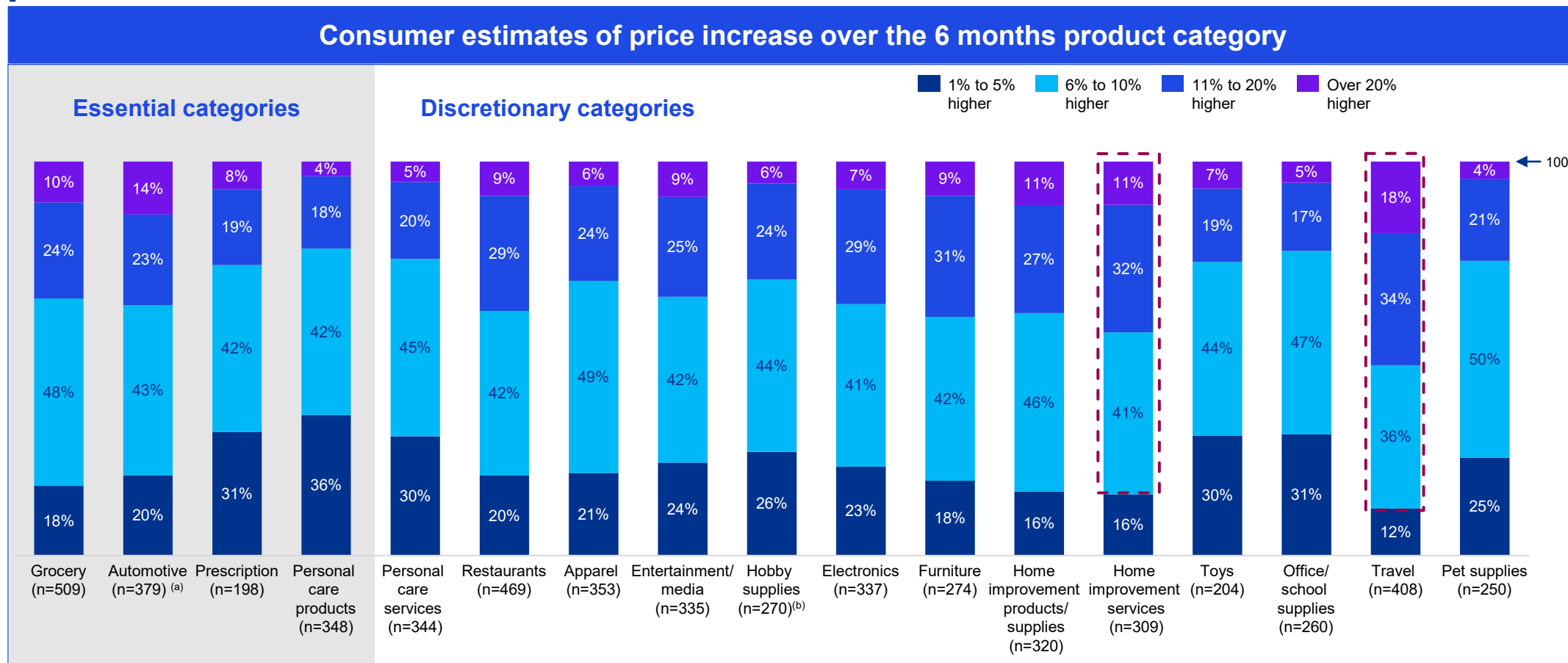
Most consumers believe that prices have increased over the last six months across a variety of categories, especially groceries (84 percent) and restaurants (77 percent), but also including travel, automotive, apparel, personal care products and services, entertainment/media, and electronics.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.

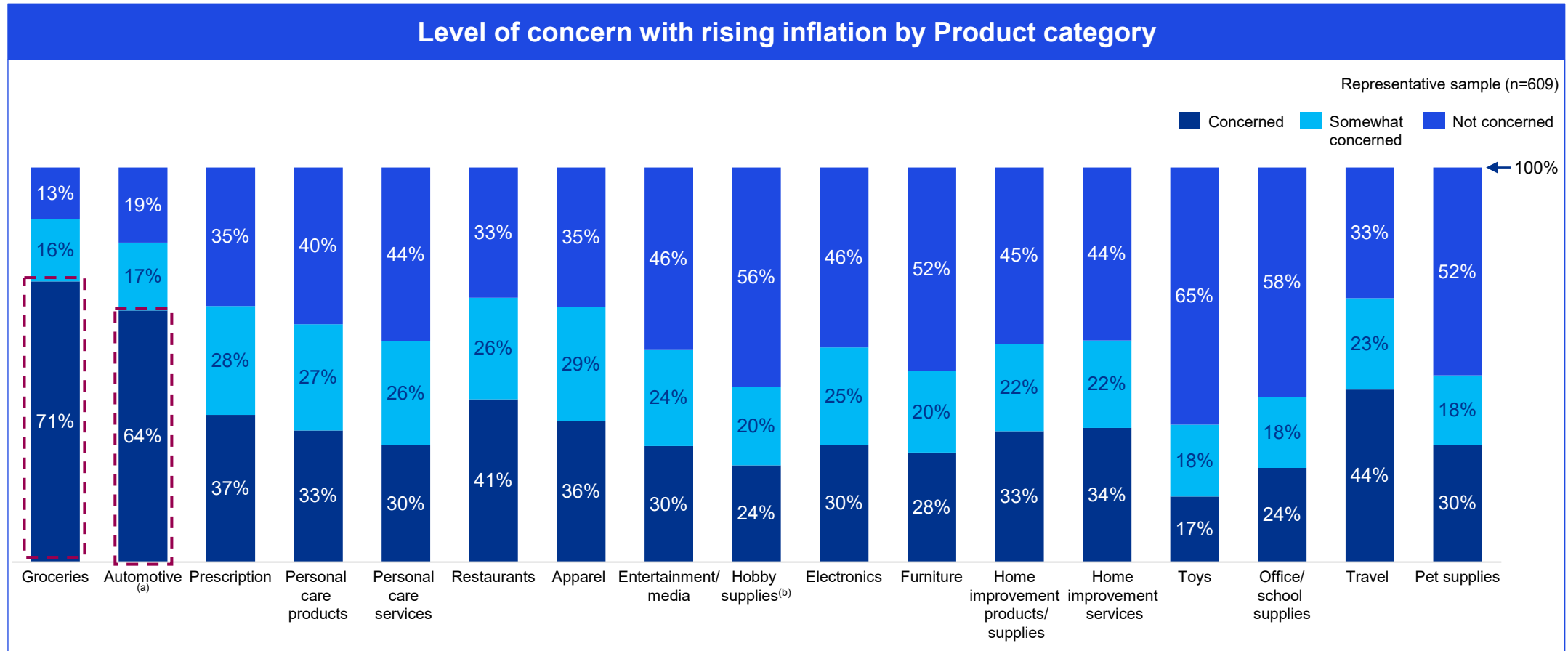
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Observed price increases are highest in travel and home improvement services, with 88 percent and 84 percent of respondents who've observed price increases reporting price increases over 5 percent.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories."; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

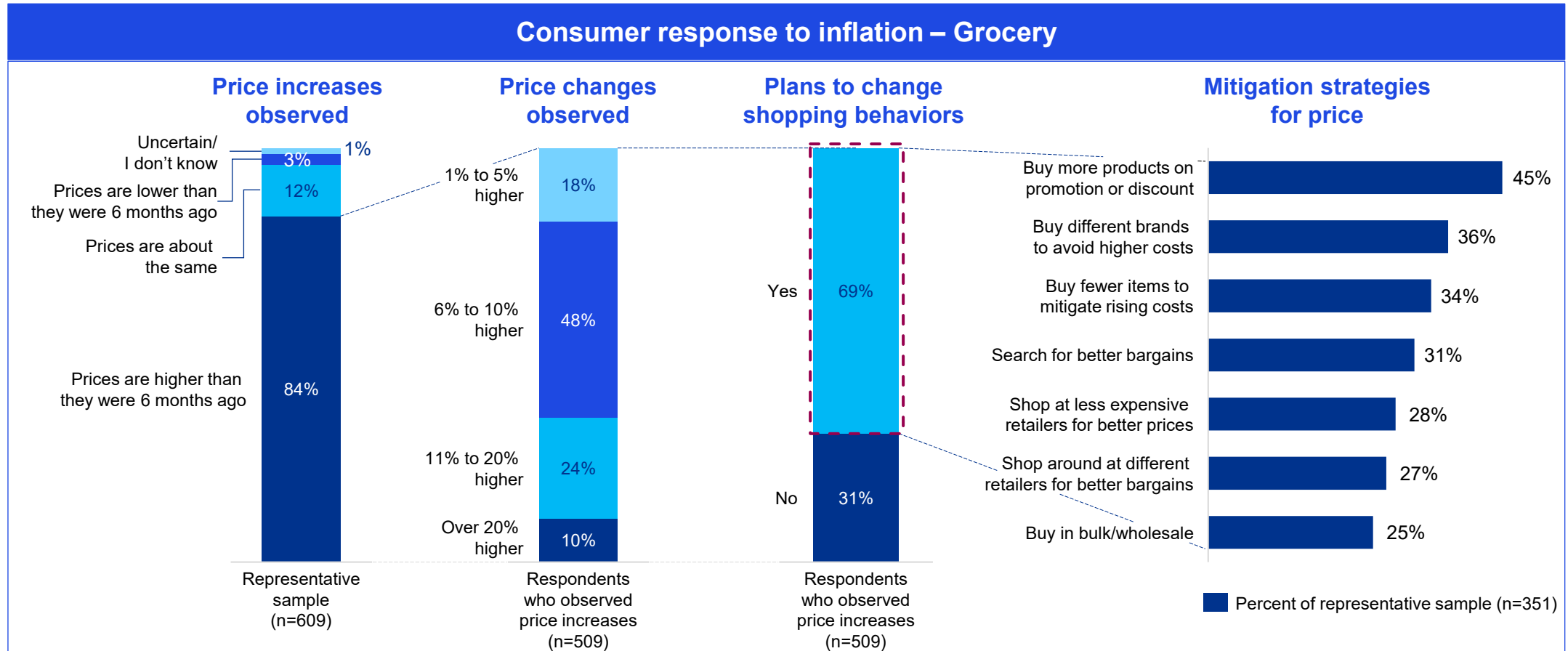
Consumers are most concerned with inflation in grocery (71 percent) and automotive (64 percent) prices.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked "How concerned are you with rising prices/inflation?"; (a) Automotive includes gas, tolls, auto insurance, and auto maintenance; (b) Hobby supplies include sporting goods, musical instruments, and books.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



Within grocery, nearly 70 percent of consumers who have observed price increases plan to change their purchasing behaviors; 45 percent of these consumers plan to purchase more groceries on promotion or discount.

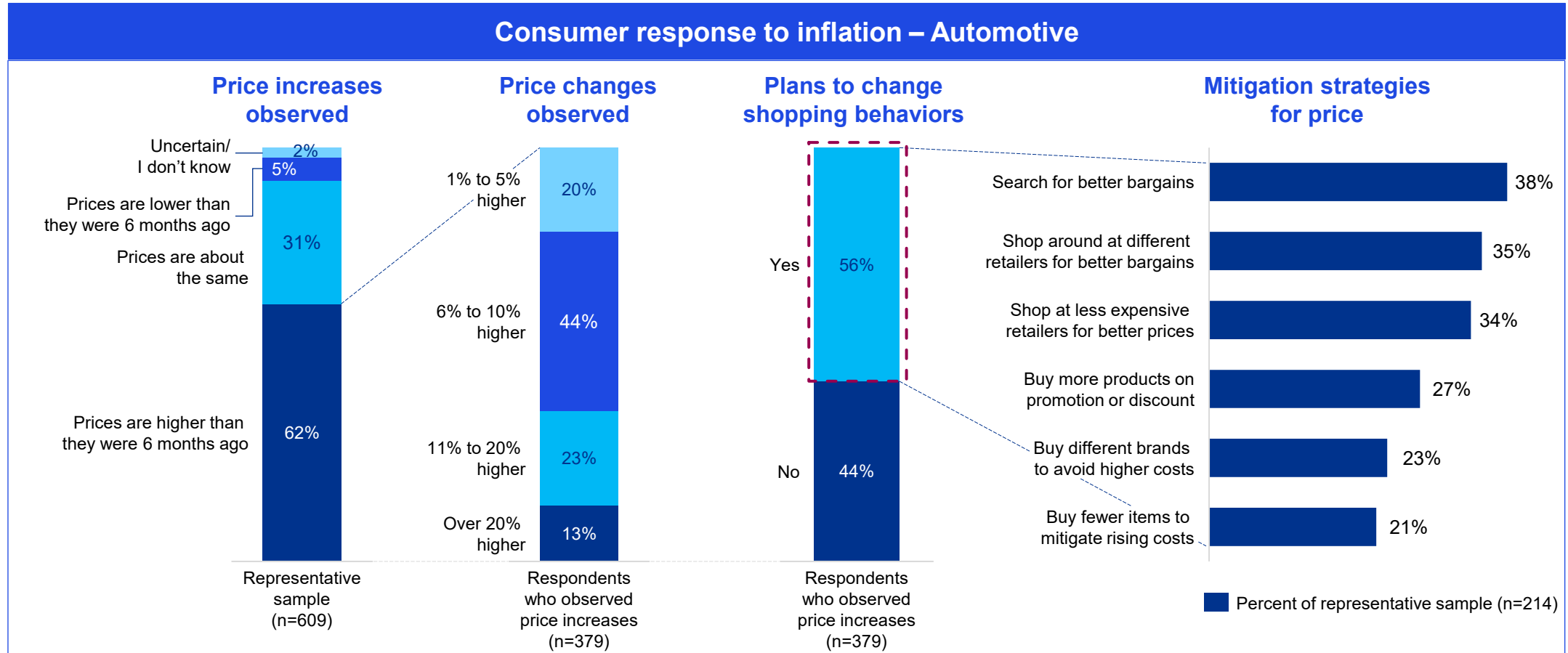


Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices, do you plan on changing your shopping behaviors to mitigate rising prices?", "How do you plan on changing your behaviors to mitigate rising prices for groceries (food and beverage)?".

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



Within Automotive, 56 percent of consumers who have observed price increases plan to change their purchasing behaviors; nearly 40 percent of these consumers plan to search for better bargains.



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Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

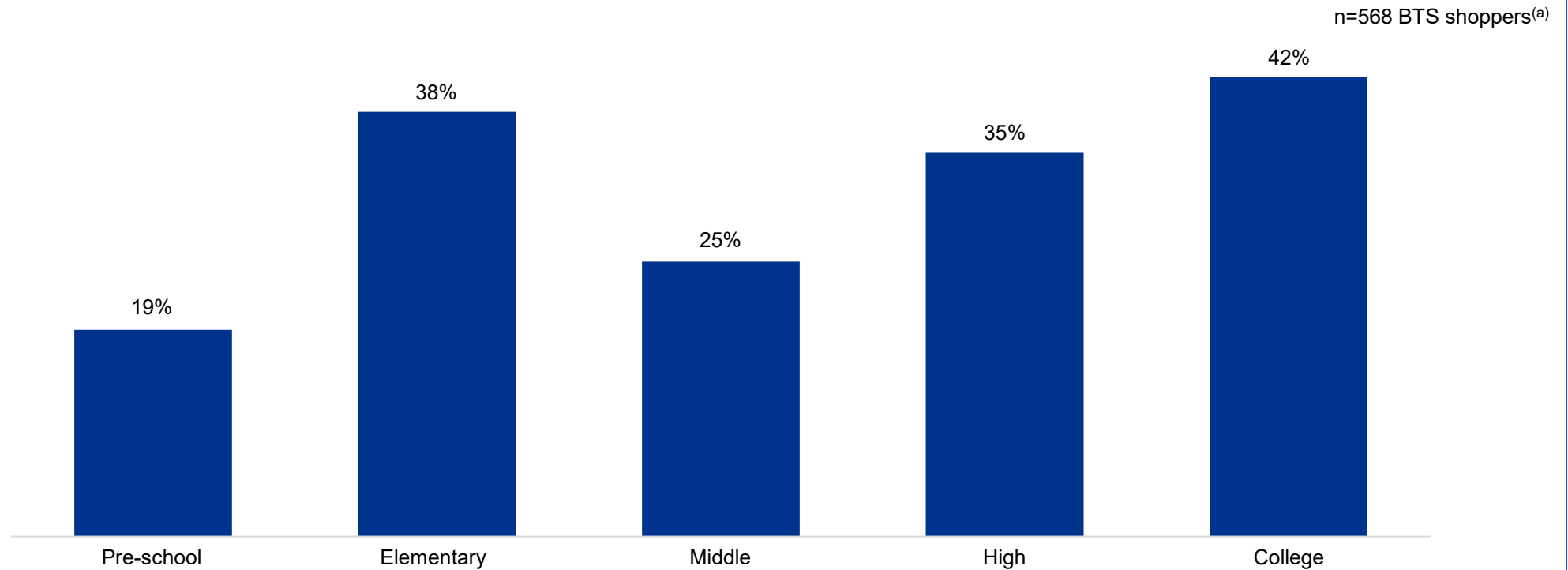


03

Back-to-School

Of households with students, over 30 percent have children who are going to be in elementary school, over 30 percent have children that are going to be in high school, and nearly 40 percent have students who are going to be in college this coming academic year.

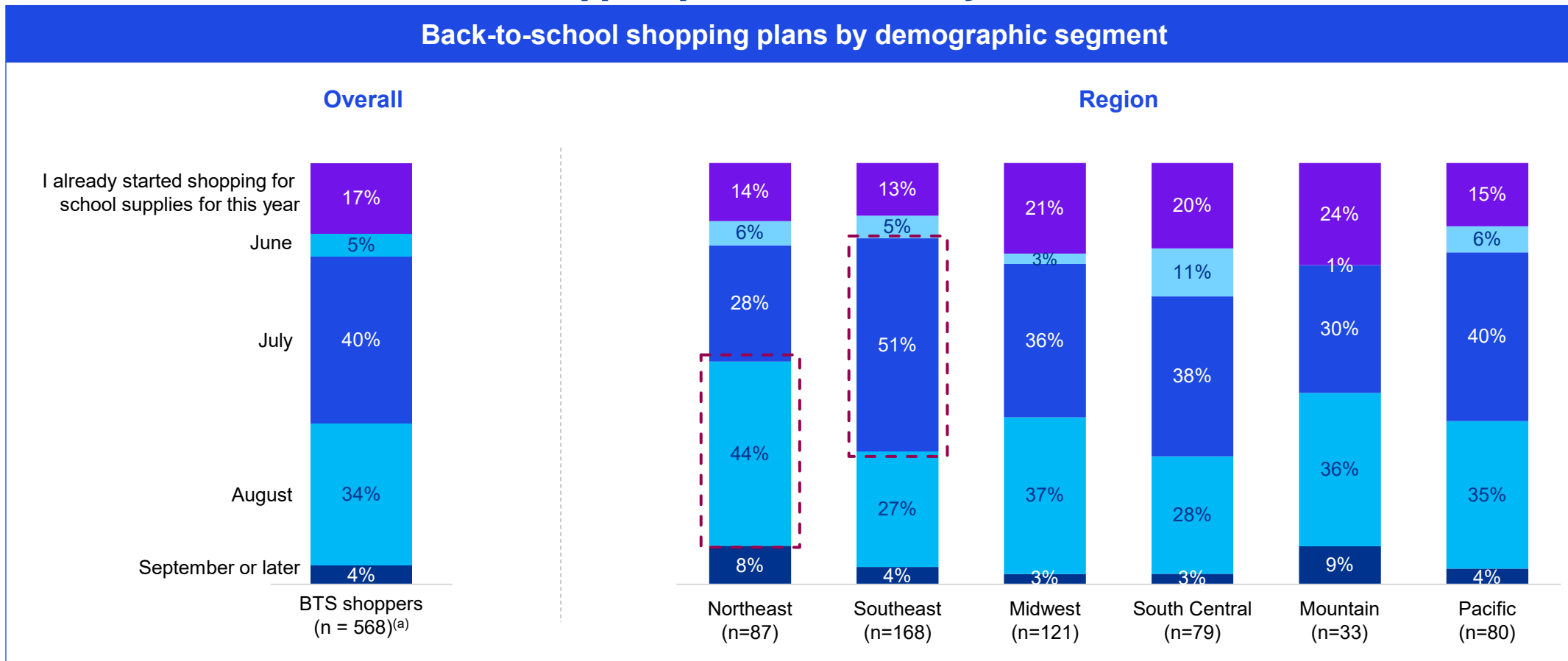
Mix of upcoming school year education levels in households with students



Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked “How many children under the age of 18 live in your household?”, “For the upcoming school year (2023-2024), how many of the children (under 18) in your household will be in each of the following academic age groups?”, “How many people in your household are currently enrolled in or starting college this upcoming school year (2023-2024)?”; (a) BTS shoppers include the 568 households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

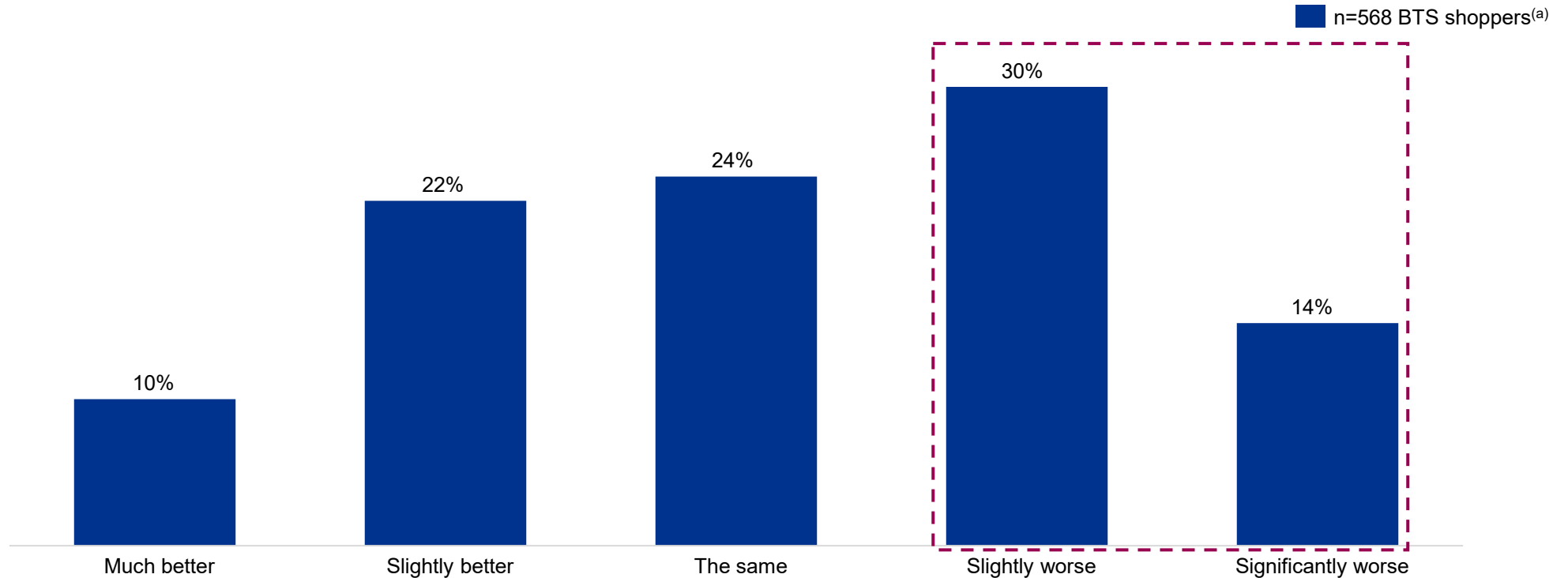
Back-to-school shoppers start their shopping in different months depending on region due to different school start dates by state; Nearly half of Northeast BTS shoppers plan to start in August and about half of Southeast BTS shoppers plan to start in July.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "When do you plan to start shopping for back-to-school?"; (a) BTS shoppers include the 568 households with children and/or adult students.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Over 40 percent of BTS shoppers feel that they are in worse financial standing than this time last year.

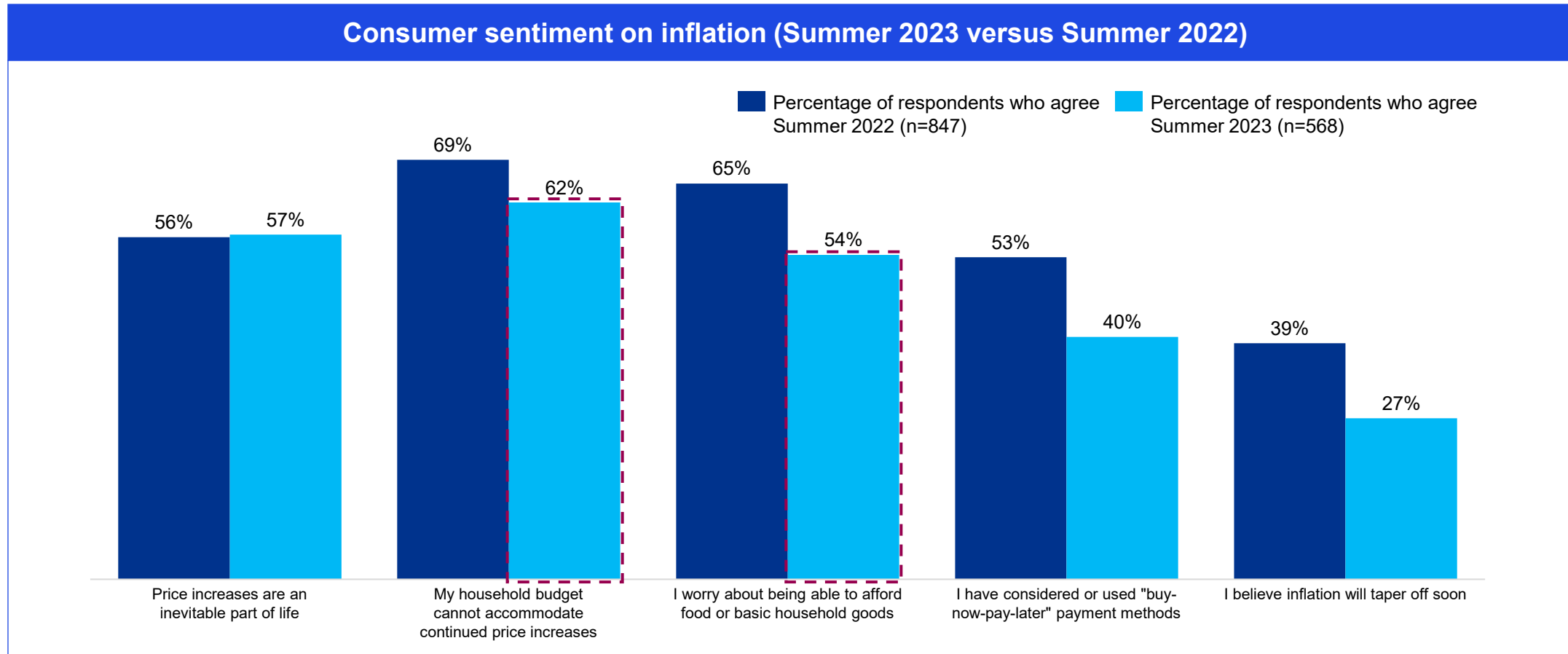
Financial security compared to this time last year (Summer 2023 vs Summer 2022)



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Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Fewer BTS shoppers are worried about being able to afford food or basic household goods, a 9 percent decrease from 2023 compared to 2022.



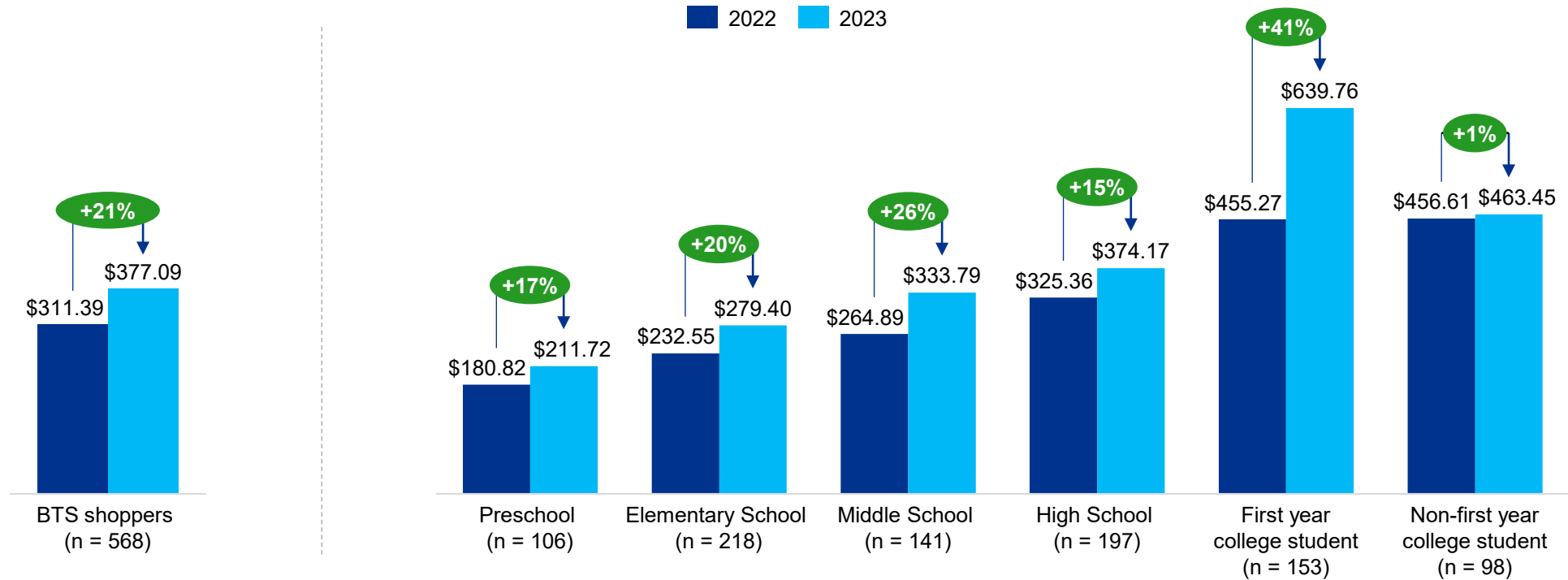
Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, in all instances, asked "To what extent do you agree with the following statements? (rating of 1-3= strongly disagree to disagree and 5-7= agree to strongly agree)"; (a) n count includes households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

BTS shoppers expect to spend more in 2023 across all academic levels. BTS shoppers plan to spend significantly more on their first-year college students compared to when they were seniors in high school. However, expected spend on non-first year college students is comparable to last year.

Back-to-school shopping spend per child by academic level (2023 versus 2022)

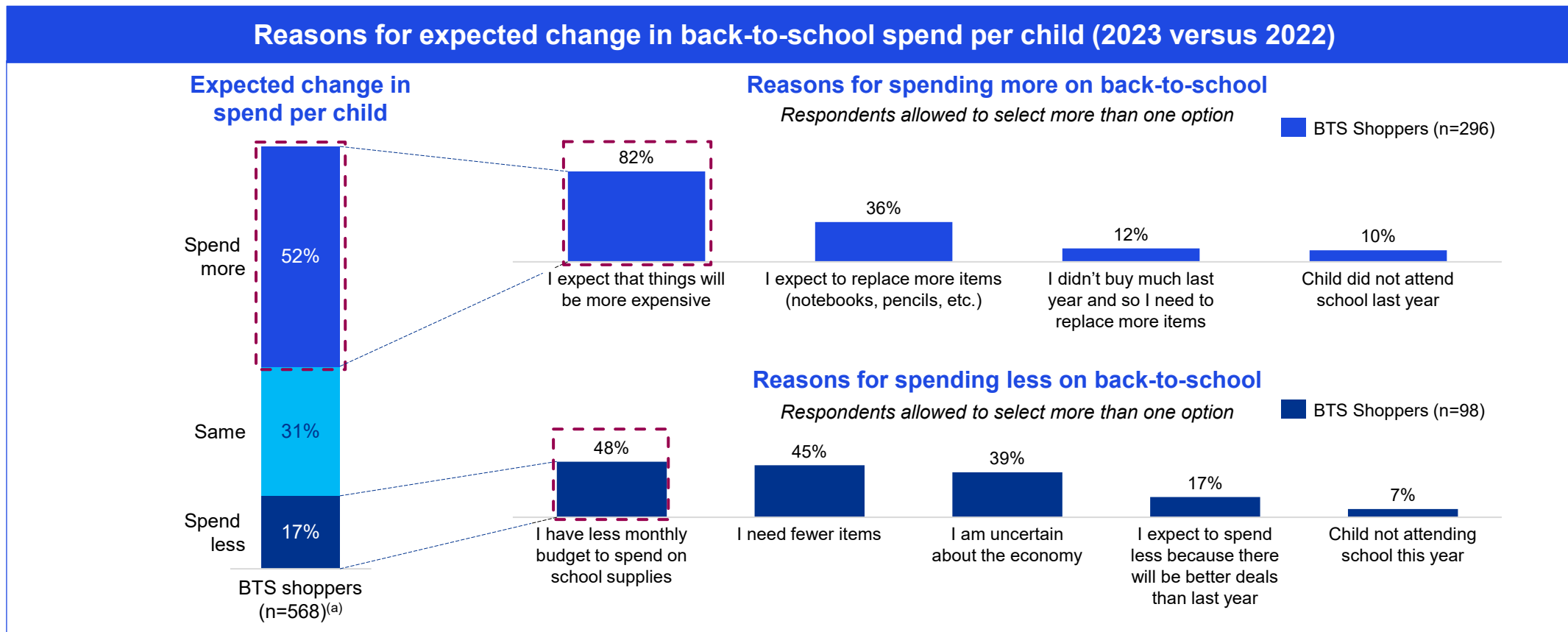
Average spend on back-to-school supplies per child^(a)



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "On average, how much did you spend on back-to-school supplies per child in each of the following academic age groups last year (2022)?, On average, how much do you plan on spending on back-to-school supplies per child in each of the following academic age groups this year (2023)? Please include apparel/uniforms and footwear spend."; (a) BTS shoppers include the 568 households with children and/or adult students. Total n count of 913 for academic levels refers to the number of students reported in respondent households by academic level. Last year spend estimates for 30 respondents who reported \$0 spend per pre-school child in 2022 were excluded as these children were likely not in school prior to this coming academic year.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Over 50 percent of BTS shoppers plan to spend more per student on back-to-school in 2023 versus 2022, primarily due to the expectation of rising prices (82 percent). Nearly 50 percent of BTS shoppers who expect to spend less report that they have less monthly budget to spend on school supplies.



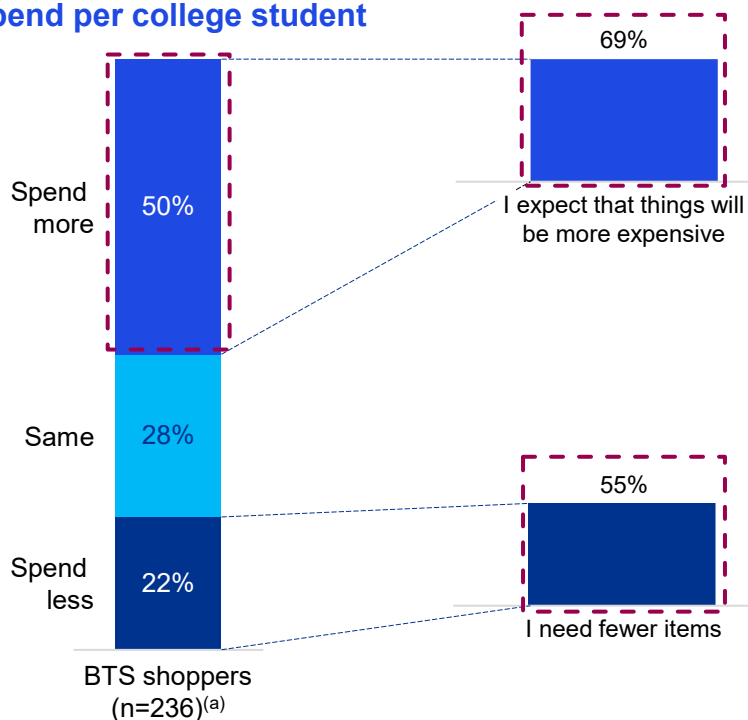
Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "On average, how much did you spend on back-to-school supplies per child in each of the following academic age groups last year (2022)?, On average, how much do you plan on spending on back-to-school supplies per child in each of the following academic age groups this year (2023)? Please include apparel/uniforms spend.", "Why do you plan to spend less per child?", "Why do you plan to spend more per child?". (a) BTS shoppers include the 568 households with children and/or adult students.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

50 percent of BTS shoppers plan to spend more on back-to-college in 2023 versus 2022, primarily due to the expectation of rising product costs. Those that expect to spend less on back-to-college shopping report that they need fewer items this year.

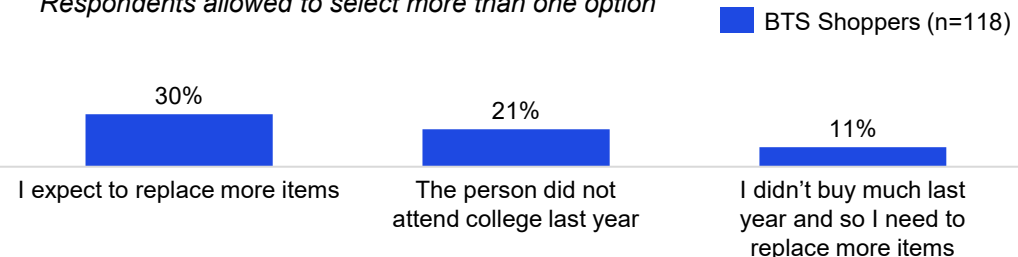
Reasons for expected change in back-to-school spend per college student (2023 versus 2022)

Expected change in spend per college student



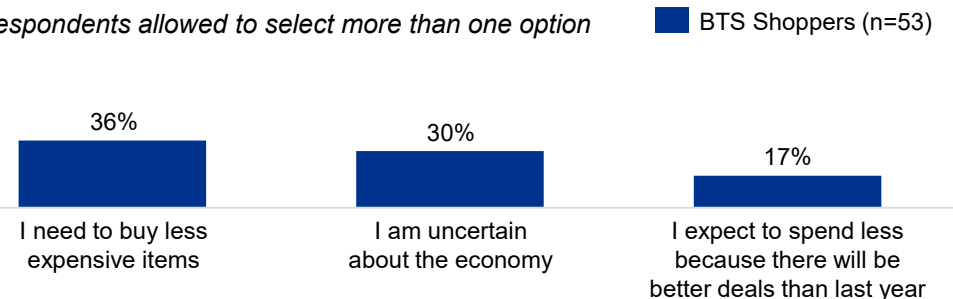
Reasons for spending more on back-to-school

Respondents allowed to select more than one option



Reasons for spending less on back-to-school

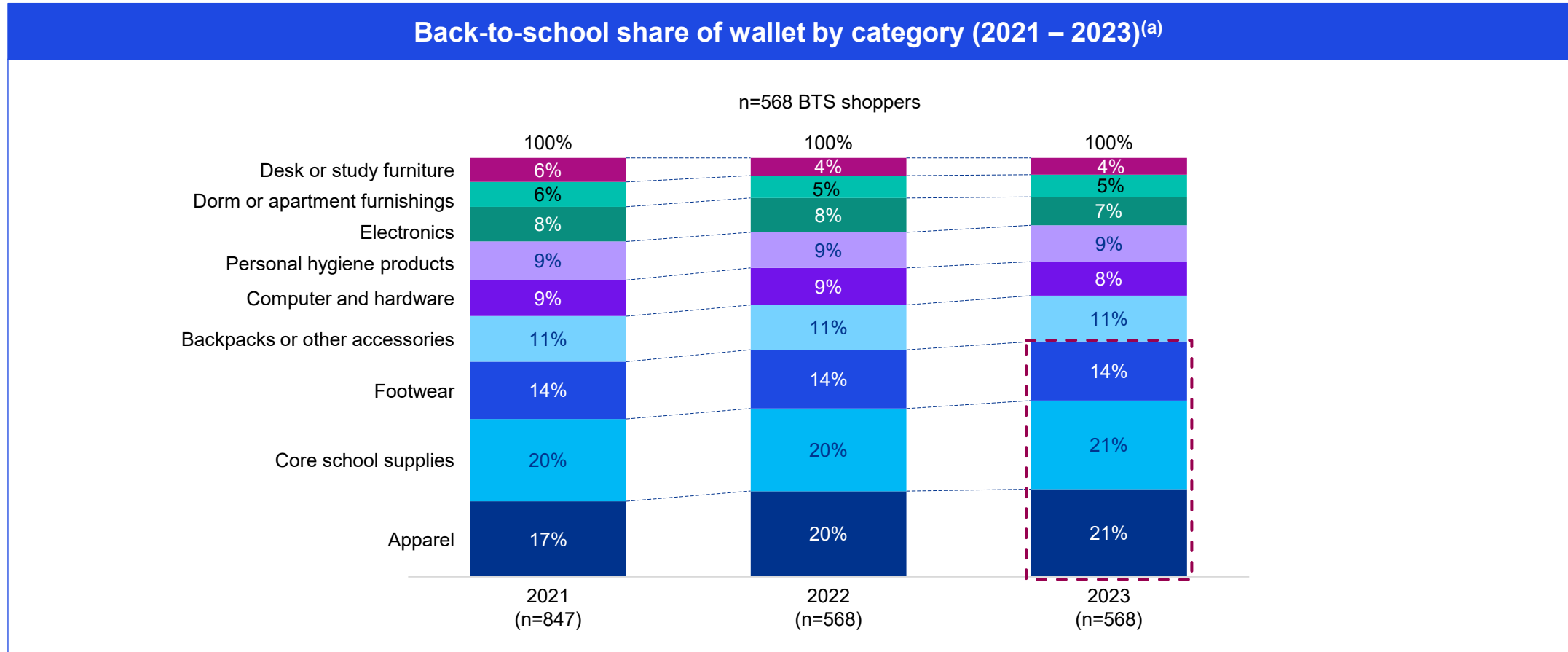
Respondents allowed to select more than one option



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "You indicated that you have at least one college student in your household. On average, how much did you spend on back-to-school supplies per college student last year (2022)?, On average, how much do you plan on spending on back-to-school supplies per college student this year (2023)? Please include apparel/uniforms, footwear and dorm furnishings.", "Why do you plan to spend less per college student?", "Why do you plan to spend more per college student?"; (a) Includes BTS shoppers with students who will be in college in the 2023-2024 academic year.

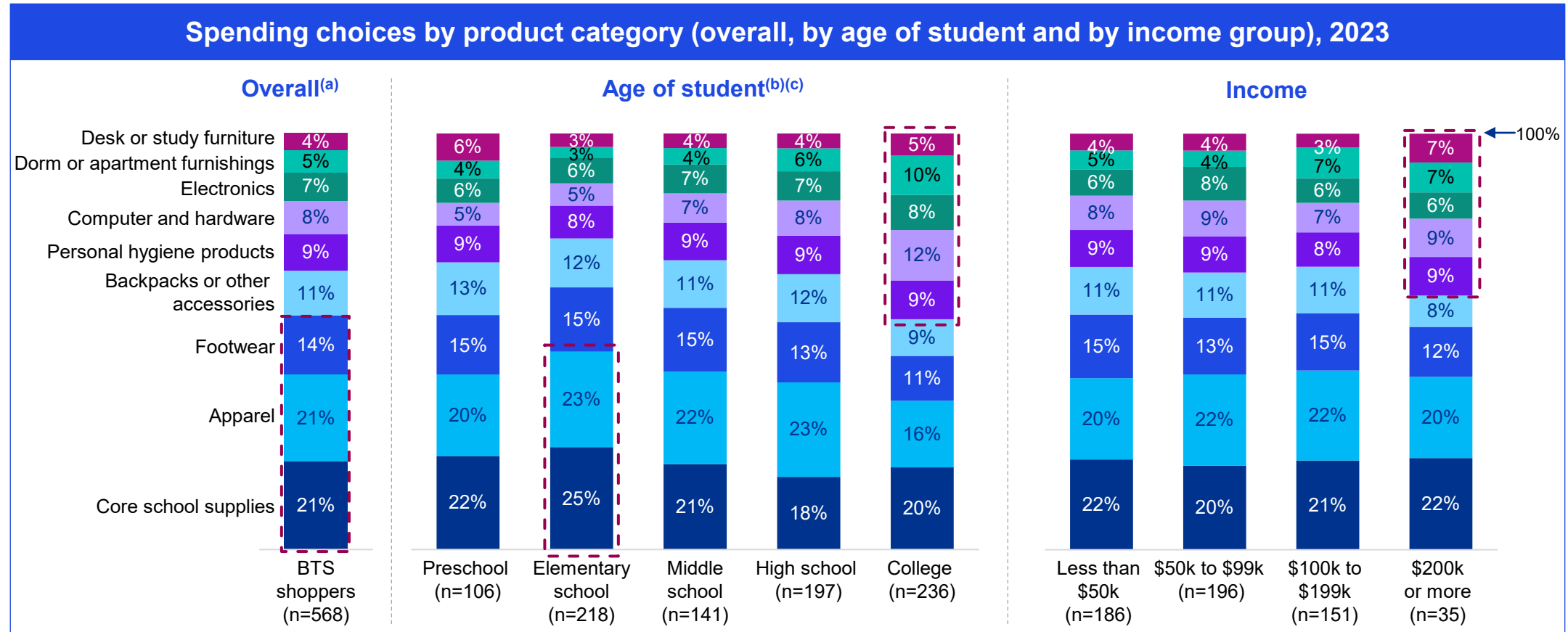
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Consistent with their 2021 and 2022 share of wallet estimates, BTS shoppers expect apparel, core school supplies, and footwear to be their largest BTS spend categories in 2023, driving a combined 56 percent of spend.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "What percent of your back-to-school budget did you spend on each of the following product categories last year (2022)?, What percentage of your back-to-school budget do you expect to spend on each of the following product categories this year (2023)?;" (a) n count includes households with children and/or adult students.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

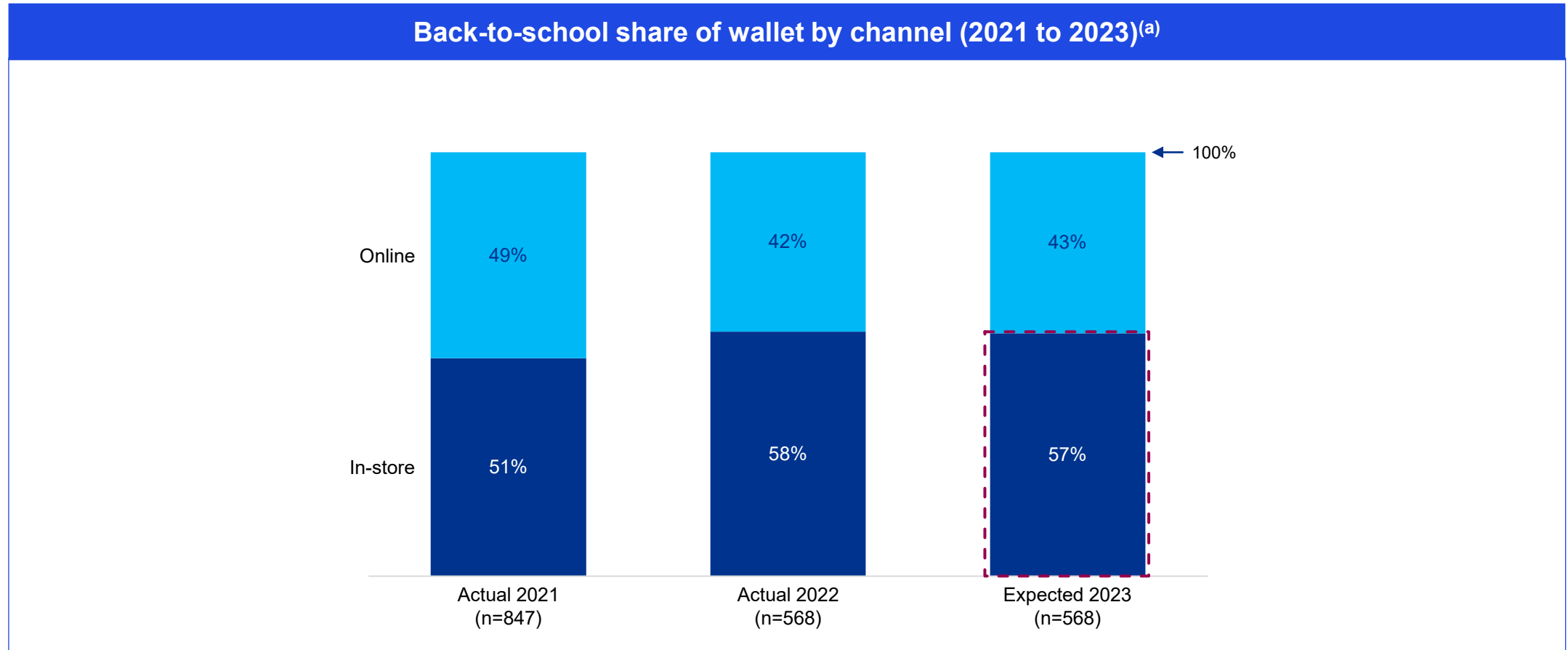
BTS Core school supplies, apparel, and footwear account for 56 percent of back-to-school and back-to-college spend across all ages and income levels.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "What percentage of your back-to-school budget do you expect to spend on each of the following product categories this year (2023)?" (a) n count includes the 568 households with children and/or adult students; (b) Pre-school indicates children up to 5 years old, elementary school indicates children from 6 to 9 years old, middle school indicates children from 10 to 12 years old, high school indicates children from 13 to 17 years old & college indicates adults more than 18 years old; (c) BTS shoppers represent the number of households with children in each respective school level.

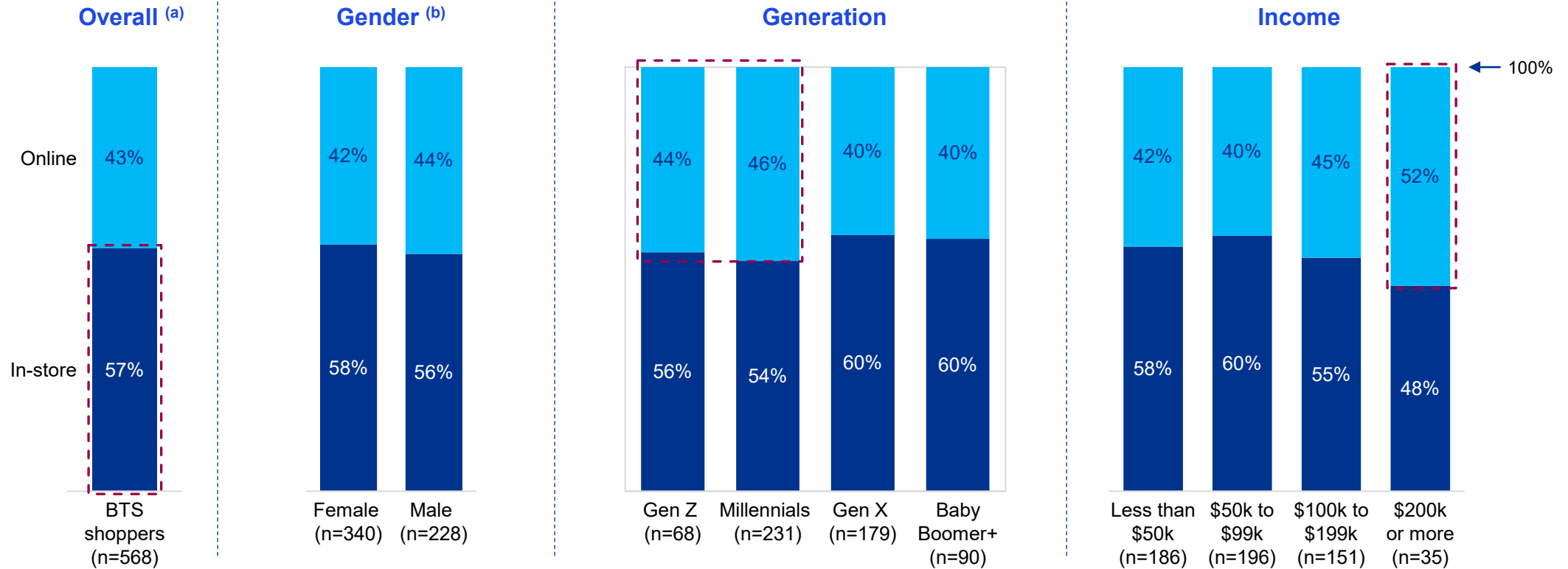
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

In line with 2022, BTS shoppers plan to do nearly 60 percent of their shopping in-store.



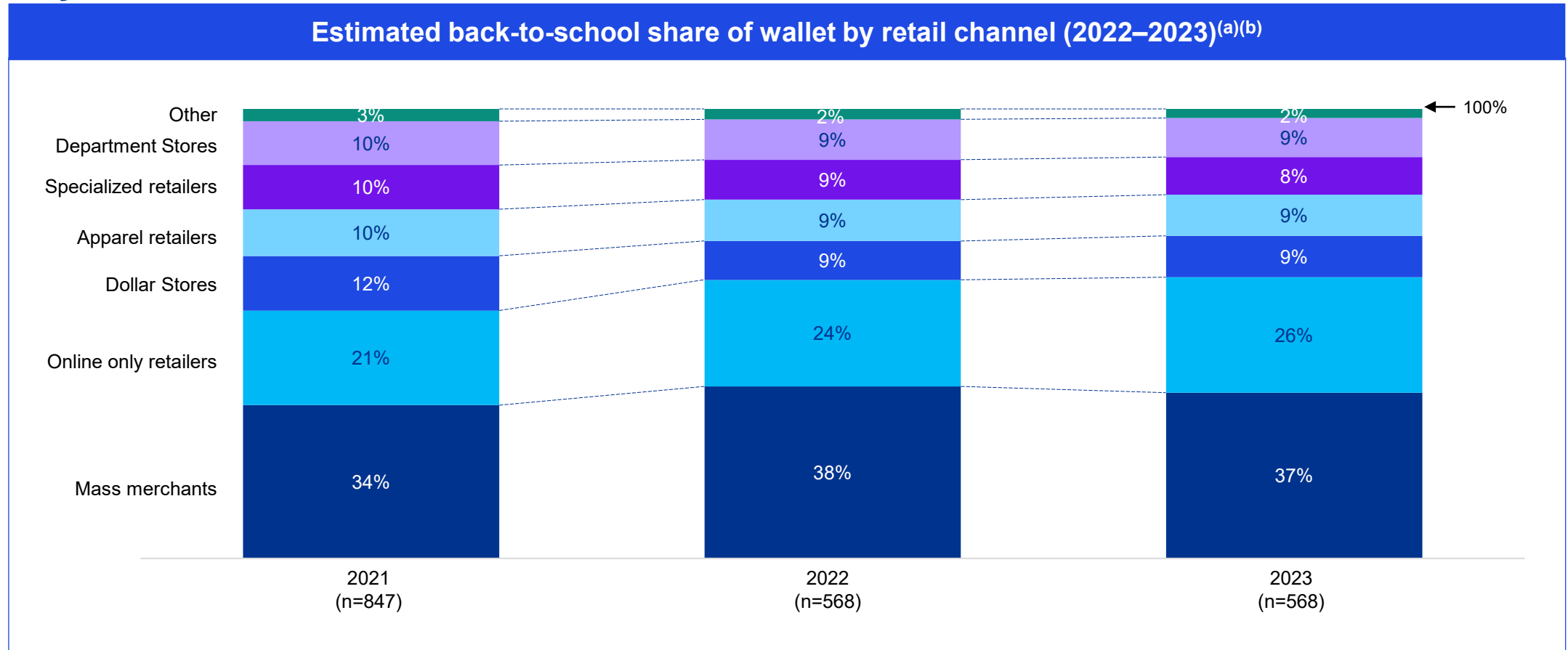
Note(s): KPMG conducted a survey of 1,003 consumers across the United States and, if applicable, asked “How do you expect to shop for back-to-school this year vs last year vs the previous year?” and prompted to enter share of wallet by channel by year. (a) n count includes households with children and/or adult students
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

Gen Z and Millennial BTS shoppers expect to spend more online than Gen X and Baby Boomer+ BTS shoppers. Higher income households also prefer to do more of their BTS shopping online compared to lower income households.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked “How do you expect to shop for back-to-school in fall of 2023?”; (a) n count includes the 568 households with children and/or adult students (b) Gender identification omits one survey respondent who selected “prefer to self-describe” due to low sample size.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Mass merchants remain the top channel for back-to-school shopping with an expected 37 percent share of wallet in summer 2023. Consumers expect to spend slightly more (2 percent) with online only retailers this BTS season.

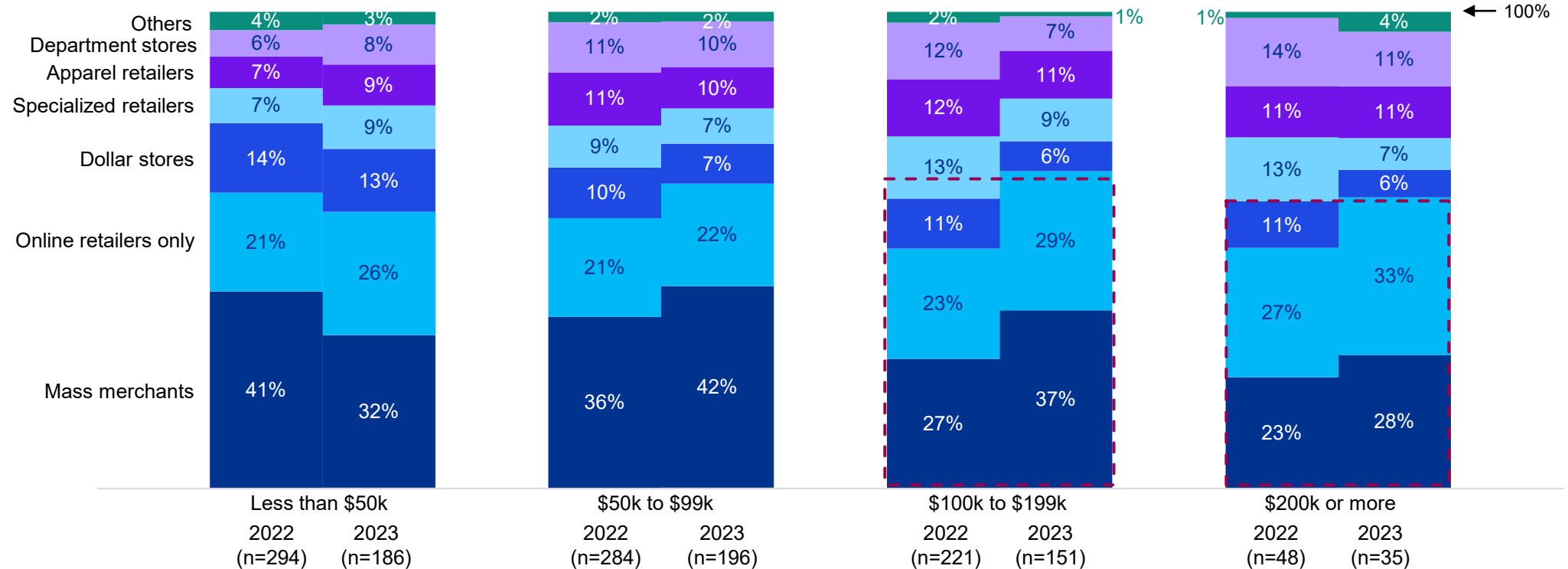


Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "Where did you shop for back-to-school last year/where do you plan to shop for back-to-school this year?"; (a) n count includes households with children and/or adult students; (b) Survey respondents were prompted with a table to enter percent of spend by channel.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

Compared to 2022, online only and mass appear to be taking share from department stores, apparel, and specialty retailers in 2023.

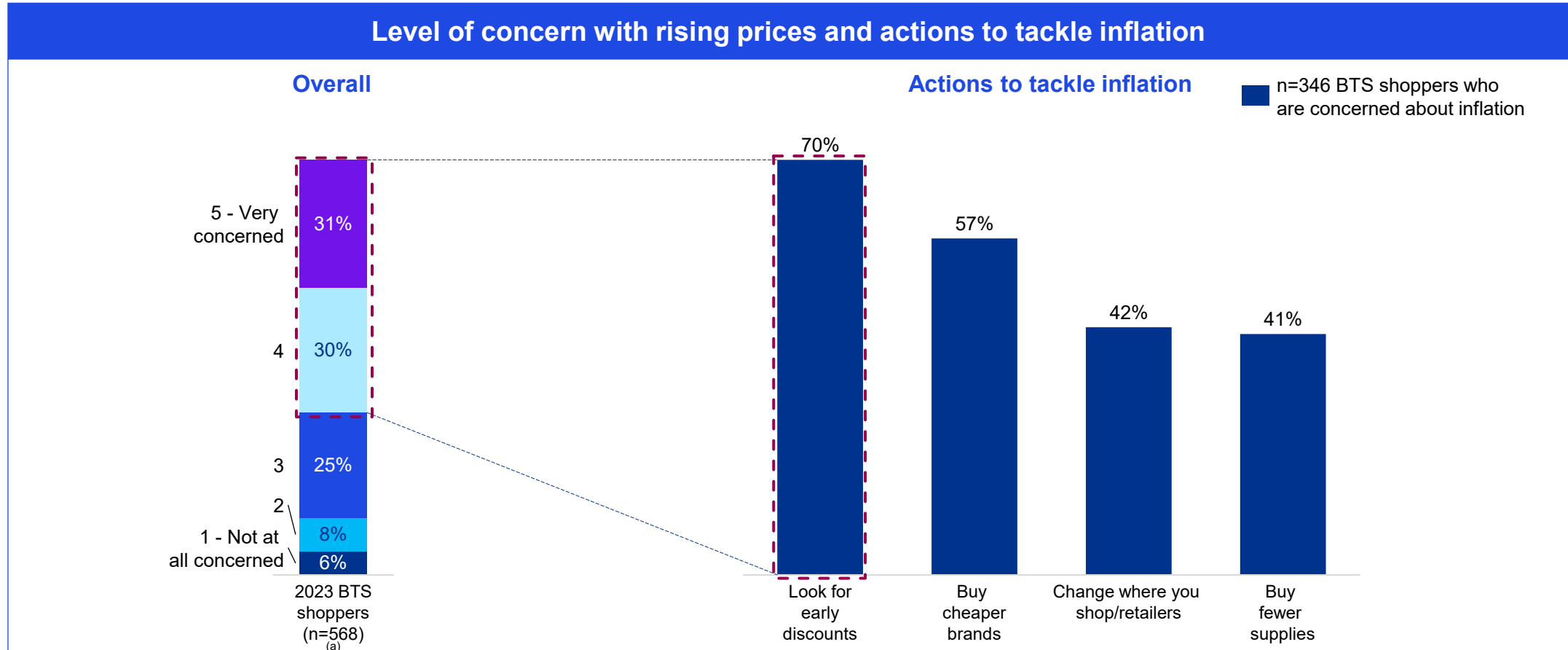
Back-to-school share of wallet by channel by income segment (2022 versus 2023)^(a)



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "Where did you shop for back-to-school last year/where do you plan to shop for back-to-school this year?"; (a) n count represents the number of households with children in each annual household income level.

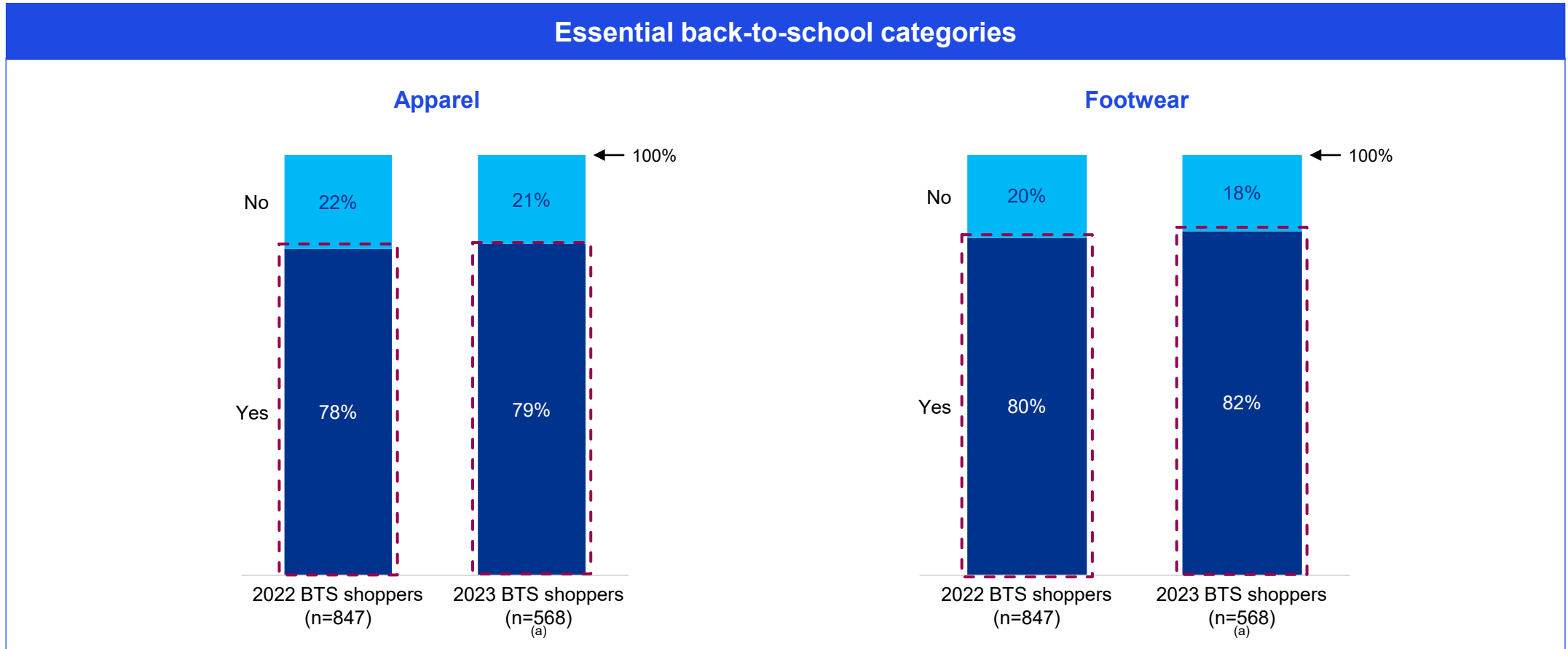
Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

Almost two thirds of BTS shoppers are concerned with inflation, 70 percent of whom will look out for early discounts to mitigate rising prices.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, in all instances, asked "On a scale of 1 to 5, how concerned are you with inflationary pricing for back-to-school supplies?"; "You mentioned you are concerned with inflationary pricing, what actions will you take because of these concerns?"; (a) BTS shoppers include the 568 households with children and/or adult students
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Consistent with last year, approximately 80 percent of BTS shoppers consider apparel and footwear to be essential parts of BTS shopping.



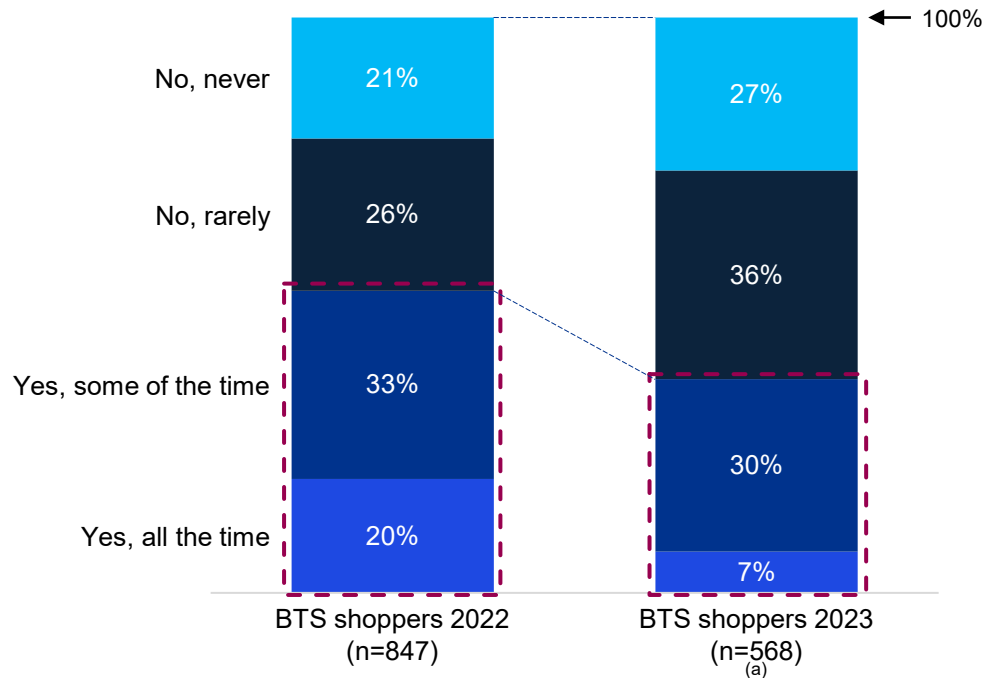
Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "Do you consider back-to-school apparel to be an essential part of your back-to-school spend?", "Do you consider footwear to be an essential part of your back-to-school spend?"; (a) BTS shoppers include the 568 households with children and/or adult students

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

Significantly fewer households consider luxury items as part of their back-to-school budget this year, 37 percent versus 53 percent last year.

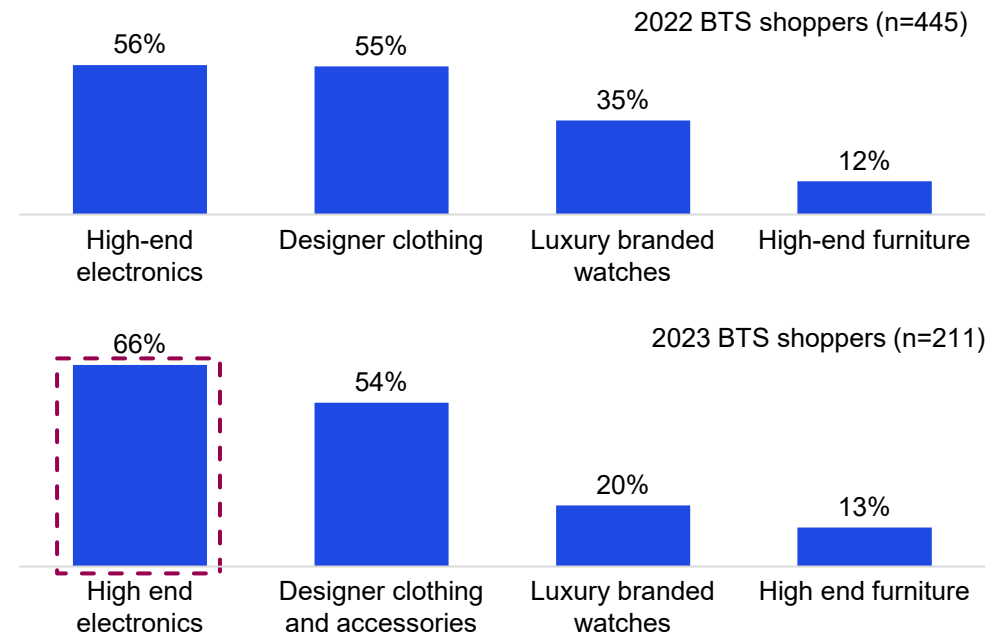
Consumer perceptions regarding luxury items as part of back-to-school spends and types of luxury items purchased

Percentage of consumers who purchase luxury items as part of their back-to-school spend



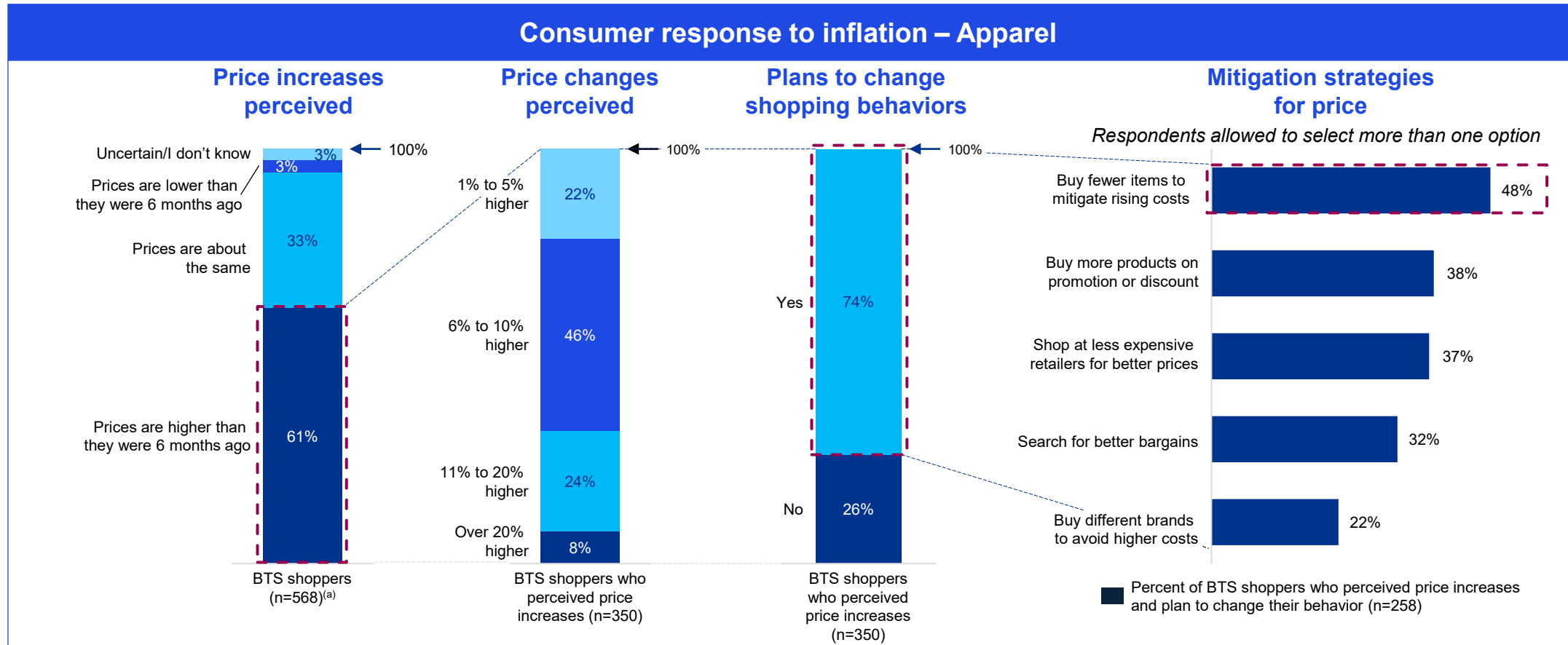
Percentage of consumers who have purchased following luxury items as part of their back-to-school spend

Respondents allowed to select more than one option



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "Do you typically purchase items that are considered luxury items as part of your back-to-school purchases (high-end electronics, designer apparel, designer watches, luxury furniture, etc.?)" and if applicable, "You mention that you purchase items considered luxury as part of your back-to-school spend, what items do you typically purchase."; (a) BTS shoppers include the households with children and/or adult students.
 Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023; KPMG Consumer Pulse Survey, fielded Jun 30, 2022–Jul 7, 2022

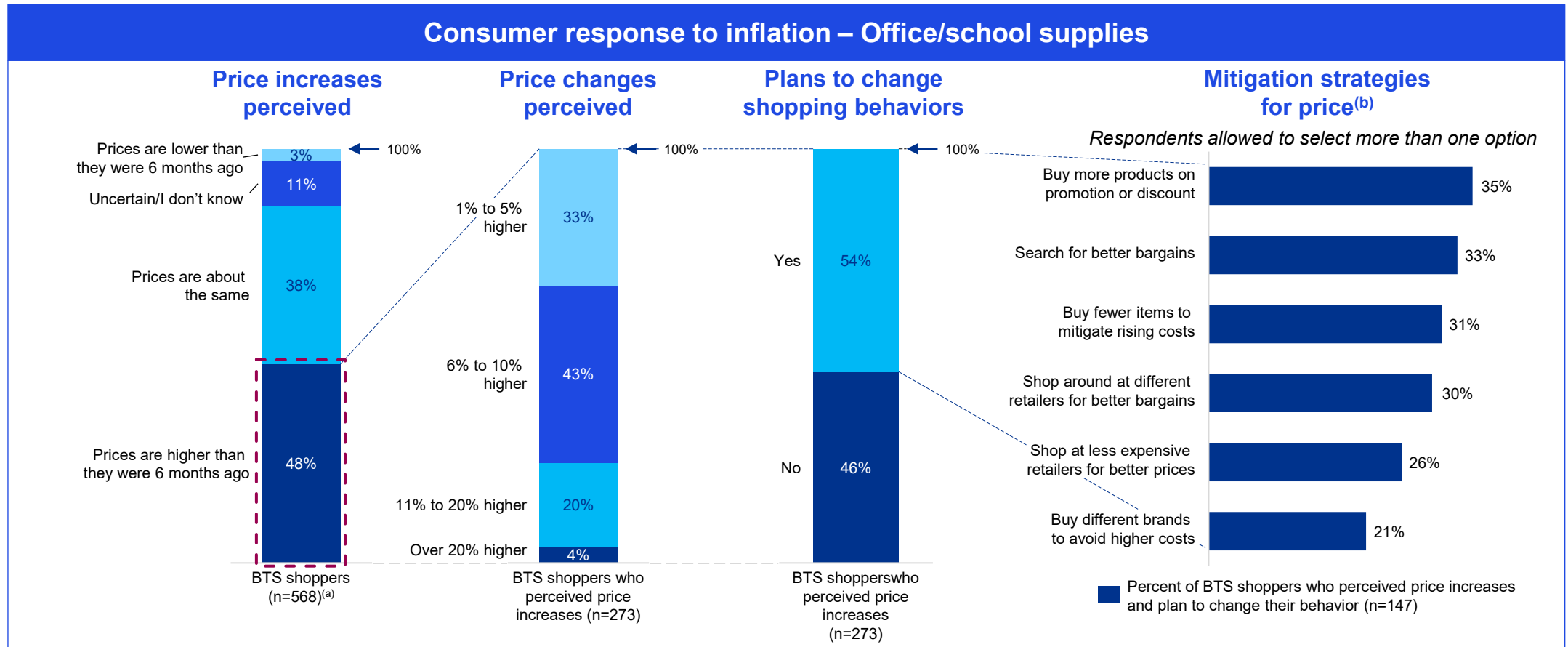
Over 60 percent of BTS apparel shoppers have seen price increases in this category and 74 percent of them plan to change their purchasing behaviors to mitigate price increases, nearly 50 percent of whom plan to buy fewer items.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices, do you plan on changing your shopping behaviors to mitigate rising prices?", "How do you plan on changing your behaviors to mitigate rising prices for apparel?"; (a) BTS shoppers include the 568 households with children and/or adult students. (b) Price changes perceived are based on consumer sentiment which may diverge from economic data.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023

Nearly 50 percent of BTS office/school supply shoppers have seen price increases in this category, and 54 percent of them plan to change their purchasing behaviors to mitigate price increases, over 30 percent of whom plan to either buy more products on promotion or discount or search for better bargains.



Note(s): KPMG conducted a survey of 1,003 consumers across the United States, and, if applicable, asked "For each of the following product categories, please indicate whether you believe prices are lower, about the same, or higher than they were 6 months ago.", "You indicated that you believe prices are higher for each of the following product categories now than they were 6 months ago. Please indicate how much higher you believe prices are for each of the following product categories.", "You indicated that you have noticed rising prices, do you plan on changing your shopping behaviors to mitigate rising prices?", "How do you plan on changing your behaviors to mitigate rising prices for office/school supplies?"; (a) BTS shoppers include the 568 households with children and/or adult students. (b) Price changes perceived are based on consumer sentiment which may diverge from economic data.

Source(s): KPMG Consumer Pulse Survey, fielded June 6, 2023–June 13, 2023



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