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Insights

2022 Deloitte back-to-school survey

New priorities emerge in a season of replenishment

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Let’s talk.

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Executive summary

In our 15th annual back-to-school (BTS) survey, parents face uncertain times once again. Headlines of war, climate change, and the pandemic's health and financial toll abound. As parents prepare for the upcoming school year, mounting inflation is yet another reminder of an unpredictable future.

Back-to-school is typically the second largest spending event for parents, behind holiday expenditures,[1] so it's no surprise that nearly three in five said they were concerned about higher BTS prices. However, the replenishment nature of BTS means that parents find ways to make it happen, and this year's survey indicates parents are ready to spend.

After investing heavily in tech during the pandemic for virtual learning, parents are returning to more traditional purchases. Apparel, in particular, is in high demand as families are back on the go, returning to offices, attending events and celebrations, and shifting away from the home-centric focus of the pandemic.

With families on the move, the digital acceleration of the past few years has slowed. Parents plan to shop more in-store year over year, while relying less on social media and emerging tech tools. Despite these shifts, it's clear that our reliance on digital is here to stay, as usage is on par or higher than prepandemic findings.

The other major trend we are seeing this year is around sustainability. In our recent Global State of the Consumer Tracker, nearly every country had fewer shoppers purchase what was sustainable for the planet. With inflation top of mind, they chose what was sustainable for their wallets.[2] But BTS shoppers are bucking that trend. Half plan to seek out sustainable BTS products whenever possible, as they prioritize being better guardians of the planet they are handing over.

For retailers, there is an opportunity to gain mindshare with these holistic consumers. However, our recent retail sustainability paper found only one in four top retailers have set definitive near-term targets to reduce carbon emissions.[3] And our Accountable Sustainability survey found only 3% of retailers produce verifiable sustainability data.[4] With sustainable BTS shoppers willing to spend 22% more on average, retailers that can welcome and address these consumer priorities will be well-positioned for a strong BTS season and beyond.

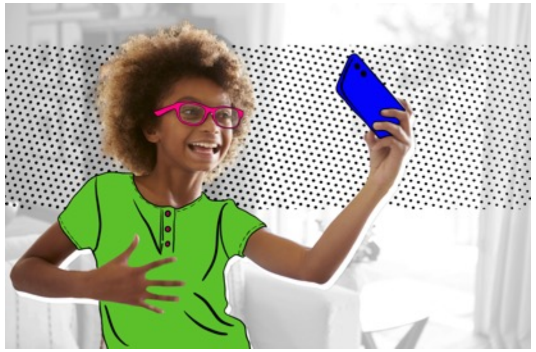
As we approach fall against a backdrop of uncertainty, it's important to note that the BTS market has grown 24% since 2019, despite unprecedented disruption. In 15 years of analysis, perhaps the most resounding takeaway is that consumers and the retail industry are resilient.

For further details on BTS shopping trends, please browse our additional findings in the following slides.

Sources: (1) "Mastercard SpendingPulse forecasts 7.5%* growth for US back-to-school retail sales," Mastercard press release, June 14, 2022; (2) Stephen Rogers, *We've had a lot of time to think, and we're thinking a lot about time*, Deloitte Insights, April 11, 2022; (3) Rodney Sides and Lupine Skelly, *Why Making Good on Green Promises Can Be a Win for Retailers* , MIT Sloan Management Review, June 30, 2022.(4) James Cascone et al., *Driving Accountable Sustainability in the consumer industry*, Deloitte Insights, June 9, 2022.

Inflation drives spend up 8%

Despite over half having a negative economic outlook, parents plan to spend $661 this BTS season, up 8% YoY, as they look to replenish apparel and traditional school supplies.



Digital cools

The pandemic-fueled digital acceleration has reached a saturation point but remains higher than prepandemic levels. In-store shopping will get a boost, representing 49% of the BTS budget versus 43% in 2021.

Market size swells

The BTS estimated market size will reach $34.4B this year, up 24% since 2019, in spite of unprecedented disruption. However, decreasing K-12 enrollment, and a rise in homeschooling could impact growth.

New priorities emerge

The pandemic caused many to reassess priorities around mental health and sustainability. Retailers should take note, as sustainable BTS shoppers spend 22% more on average, while mental wellness shoppers spend 8% more than average.

Cheat sheet

Parents plan to spend despite concerns

54% expect the economy to weaken in the next six months (versus 28% in 2021)

33% say their household financial situation has worsened since last year (versus 22% in 2021)

57% are concerned about the increase in BTS **product prices due to inflation**

37% of parents expect to spend more on BTS items YoY (versus 40% in 2021), of which 60% find prices to be higher this year (versus 45% in 2021)

Market size is likely to be **up 5.8% YoY to $34.4B**, with parents spending US$661 per child on average (versus US$612 in 2021)

Consumers reassess priorities

50% are concerned about their child's mental health, and 36% have purchased products or services to address this issue. Concerned parents will likely spend 8% more than the average BTS shopper

50% choose environment friendly or responsibly sourced BTS products whenever possible. Such parents are likely to spend 22% more than the average BTS shopper

8% are homeschooling their child (versus 4% in 2021). Such parents will likely spend 15% less than the average BTS shopper

Tech takes a breather after pandemic surge

BTS spend on technology products is down 8% YoY (versus 37% growth in 2021), while **traditional products are up 14%** YoY (versus 2% growth in 2021)

49% in-store share of BTS spend is expected (versus 43% in 2021), while **online takes 35%** (versus 39% in 2021)

Use of **smartphones for shopping is on the rise** (65% in 2022 versus 58% in 2021) as people are on the move again

42% plan to use at least one **emerging technology for BTS shopping** (versus 44% in 2021)

81% say their child's school provides devices and other technology to students

Stockouts expected, timing remains earlier

53% of BTS spend expected to occur by the end of July, **down from 59% in 2021,** but still higher than 45% in 2020

63% are expecting stockouts during the BTS shopping season due to supply chain disruptions. **77% will shift to another brand** if their preferred brand is not in stock or if it is too expensive

In-store formats like mass merchants and department stores gain traction, up by 7 percentage points from 2021

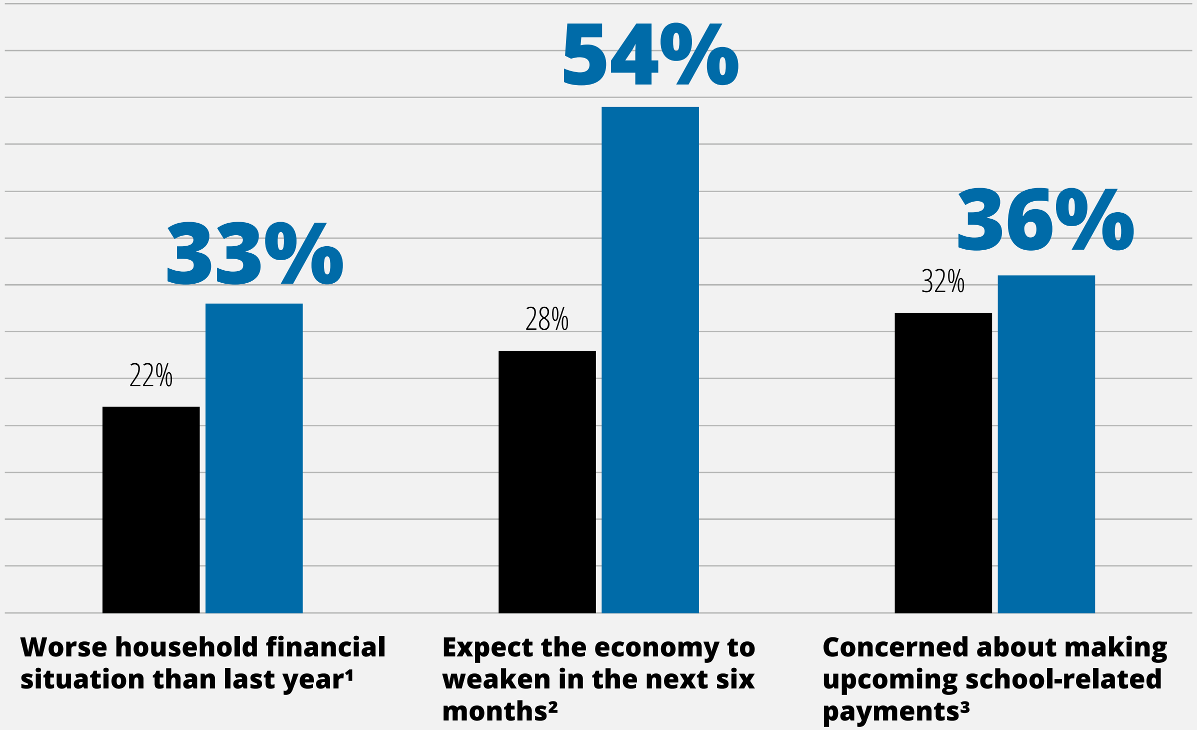
Nearly half (46%) plan to purchase pre-configured BTS "kits," and one in five (17%) have already placed their orders for the same

Uncertainty looms—will it impact the BTS season?

2021
2022

Questions: (1) Thinking about your household's assets (home, cash, car, etc.) and your liabilities (credit card bills, mortgage, etc.), would you say your household's financial situation today is...; (2) In your opinion, what is your overall outlook for the US economy in the next six months in 2022 compared with today? Would you say it will likely...?; (3) To what extent do you agree or disagree with the following statements? – % agree/strongly agree.
Note: N=1,200.

Economic sentiment worsens and many are struggling financially



Parents are making it happen—BTS spend increases 8% YoY

Market size increases at a slower rate because of waning enrollment

$661

BTS average spend per child[1]

▲ +8% vs 2021, +27% vs 2019

$34.4B

BTS estimated market size[1]

▲ +5.8% vs 2021, +24% vs 2019

52M **K-12 school enrollments*[2]**

-2%

8% **Are currently homeschooling their child[3]**

+4% vs. 2021

Homeschoolers are likely to spend 15% less than the average BTS shopper

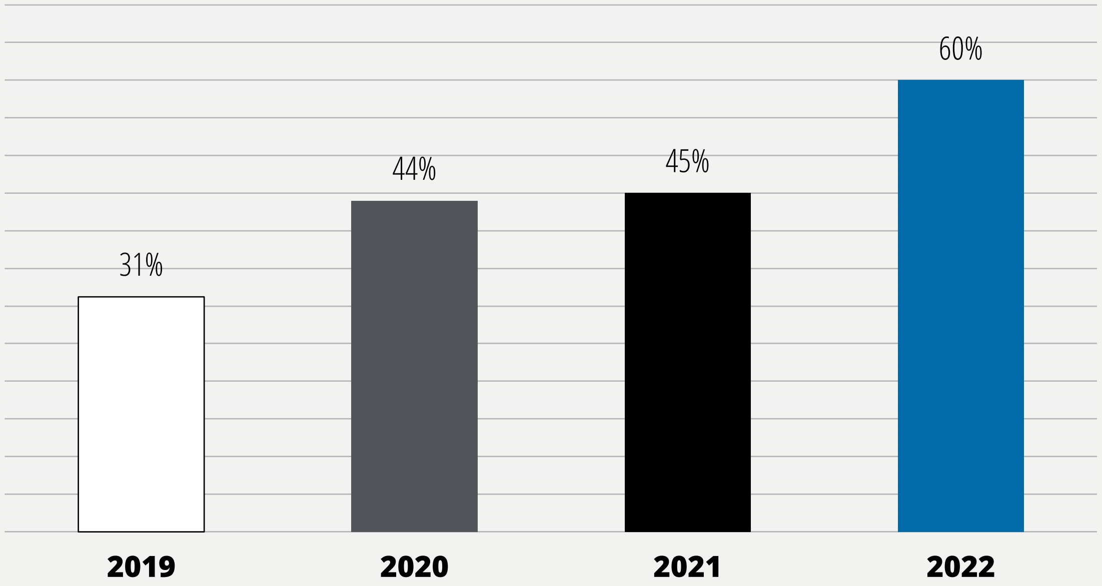
Sources: (1) Deloitte calculations on BTS spend based on annual consumer survey projections (N=1,200) and K-12 enrollment figures from US Census Bureau's Current Population Survey (CPS) – School Enrollment Supplement; (2) US Census Bureau; *Latest estimates from CPS – School Enrollment Supplement are used, i.e., October 2020 enrolment figures are used for 2022, October 2019 figures are used for 2021 and so on; (3) Which type of school (online or on-campus) does your child attend? #multi-select question (N=1,200).
Note: All figures are in US$, unless otherwise specified.

However, inflation is top of mind for over half

Higher prices are the main driver for those who expect to spend more

○ 2019 ● 2020 ● 2021 ● 2022

Top reason for spending more[1]
"I find that prices are generally higher when compared to last year"



37% **expect to spend more on BTS YoY[2]**

57% **are concerned about inflation on BTS products[3]**

64% **say companies are profiting off of inflation[4]**

77% **will trade brands if prices are too high[5]**

Questions: (1) Why will you likely spend more on back-to-school items this year? – #multi-response question (N=448); (2) How will your spending on back-to-school items compare with what you spent on back-to-school items last year?; (3) How concerned are you about the following? – % moderately/extremely concerned; (4) Lately, inflation means that prices are rising. Do you believe that companies are increasing their prices… #single-select question: "More than they need to (i.e., to increase their profits)" (N=1,112); (5) Please indicate your level of agreement with the following statements in the context of this back-to-school shopping season – % agree/somewhat agree.
Note: N=1,200, unless otherwise specified.
:

Traditional categories spur BTS growth

Middle-income
spend increases 23% YoY

Higher-income
spend decreases 10% YoY and tech participation significantly declines

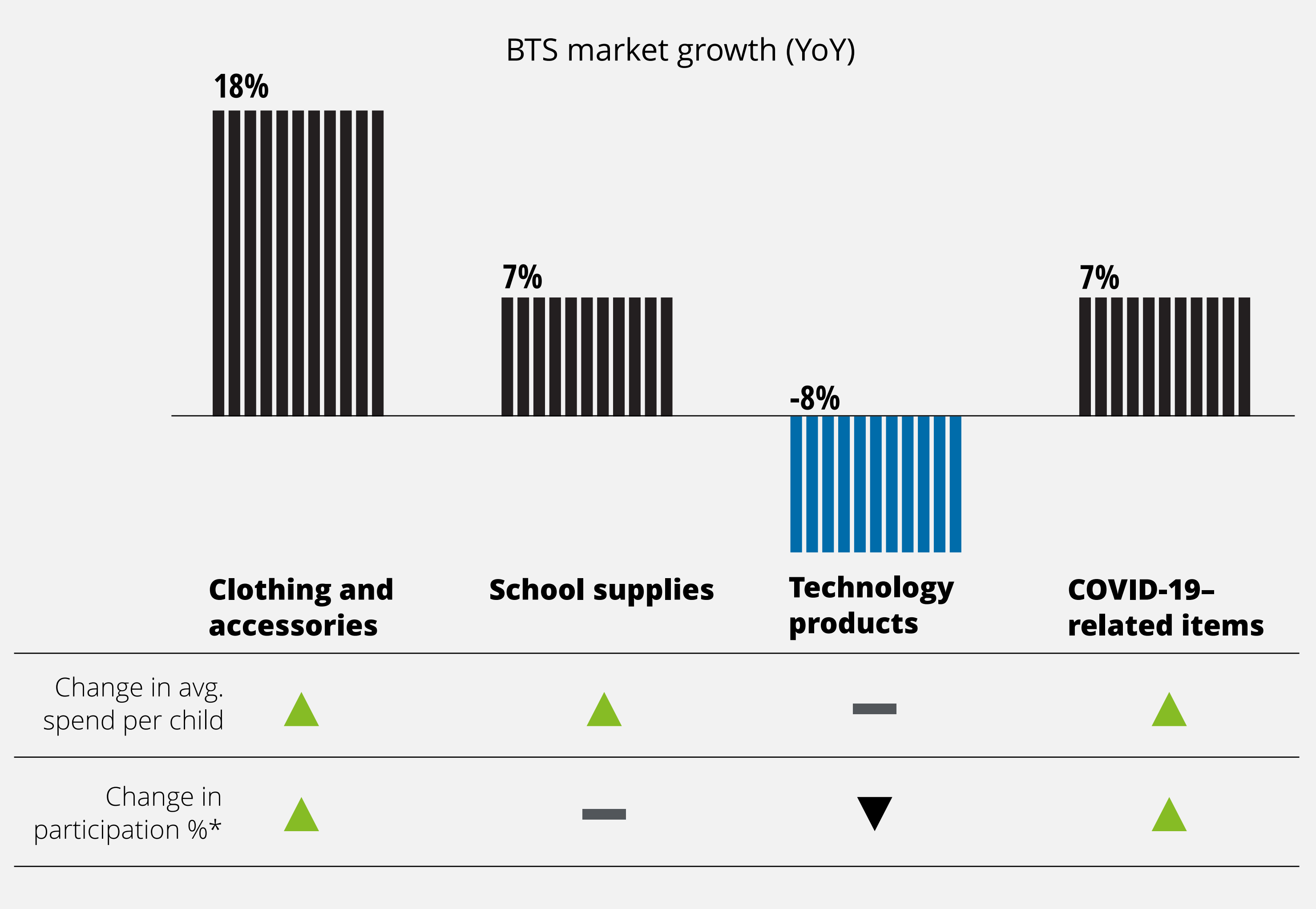
Notes: N=1,200. All figures are in US$.
Technology products include computer and hardware (PC, software and printer), and electronic gadgets and digital subscriptions (cell phones/smartphones, tablets/e-readers, wearable devices, digital subscriptions and voice/data plans).

COVID-19–related spend category in 2020 includes personal hygiene products (e.g., wet wipes, hand sanitizers) and desks, worktables, and chairs for home.

*Change in participation % refers to the growth/decline in the percentage of shoppers purchasing a category.

Sources: Deloitte calculations on BTS spend based on annual consumer survey projections and revised US current population survey (CPS) – School Enrollment Supplement. YoY percentage change is calculated based on change in estimated market size (US$B) for each category compared to 2021.

After a pandemic-fueled tech spree, replenishment needed for clothing and school supplies

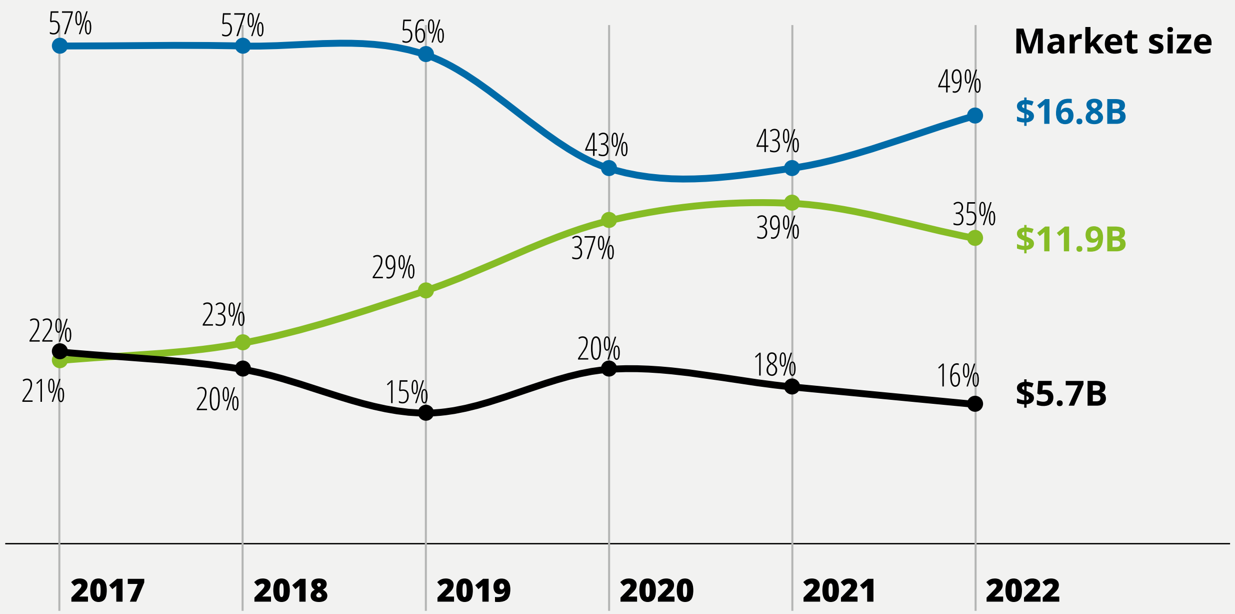


Digital channels reach a saturation point

Although still higher than prepandemic levels, consumers indicate digital fatigue

In-store Online Undecided

BTS spend: Share by channel[1]



35% **use social media for BTS shopping[2]**
vs. 41% in 2021, 19% in 2019

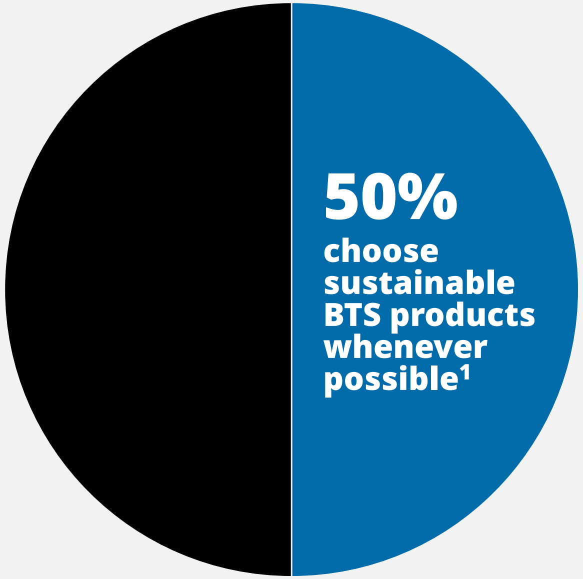
42% **use emerging tech for BTS shopping[3]**
vs. 44% in 2021, 15% in 2019

59% **wary about shopping in the metaverse[4]**

Questions: (1) What percentage of the budgeted amount do you expect to spend online or in-store or undecided?; (2) Do you plan to use social media sites (i.e., blogs, discussion groups, or social networks) to assist in your back-to-school shopping? – this question was only asked to those who plan to use digital devices to aid their BTS shopping (N=1,086); (3) Which of the following do you plan to use during this back-to-school shopping? #multi-select question; (4) To what extent do you agree or disagree with the following statements about the metaverse: "I am interested in shopping at retail stores in the metaverse" – % neutral/disagree/strongly disagree.
Notes: N=1,200. All figures are in US$.

Parents willing to spend for sustainable BTS products

Opportunity for retailers as sustainable shoppers spend 22% more than average



Sustainable shoppers spend 22% more than average

29% prefer to buy a used or refurbished product than a brand-new one for their children[2]

Of those not choosing sustainable products:[3]

- **50% say they are not affordable**
- **20% say it's difficult to identify genuinely sustainable products**

Question: (1) Please indicate your level of agreement with the following statements pertaining to your back-to-school shopping – % agree/somewhat agree; (2) Please indicate your level of agreement with the following statements in the context of this back-to-school shopping season – % agree/somewhat agree; (3) Which of the below factors stopped you from choosing environmentally friendly and/or responsibly sourced products whenever possible? #multi-select question (N=246).

Note: N=1,200, unless otherwise indicated.

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Mental health and wellness also a focus for parents

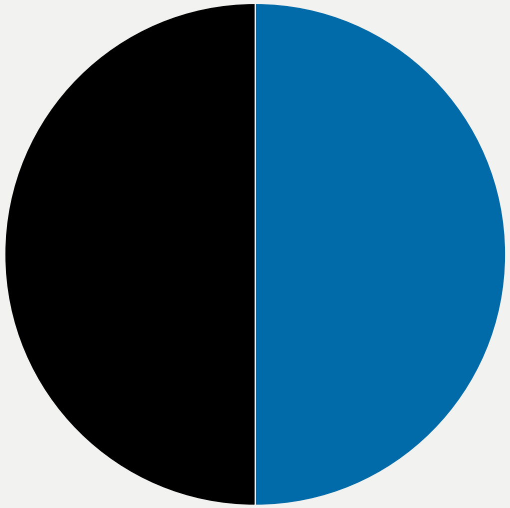
Students tend to lose focus and struggle to maintain social connections when they are not physically face-to-face with teachers and other students.
– Teacher

Question: (1) To what extent do you agree or disagree with the following statements? – % agree/strongly agree; (2) You mentioned you are concerned about your child's mental health. Which products/services have you purchased to help your child's mental health in the past year? #multi-select question.
Notes: N=1,200.

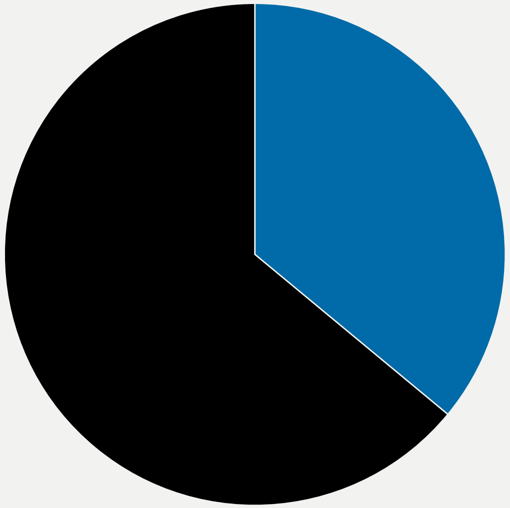
The pandemic has caused people to reassess priorities, giving retailers opportunity to address new needs

Parents who have this concern spend 8% more than average

50%
are concerned about their child's mental health[1]



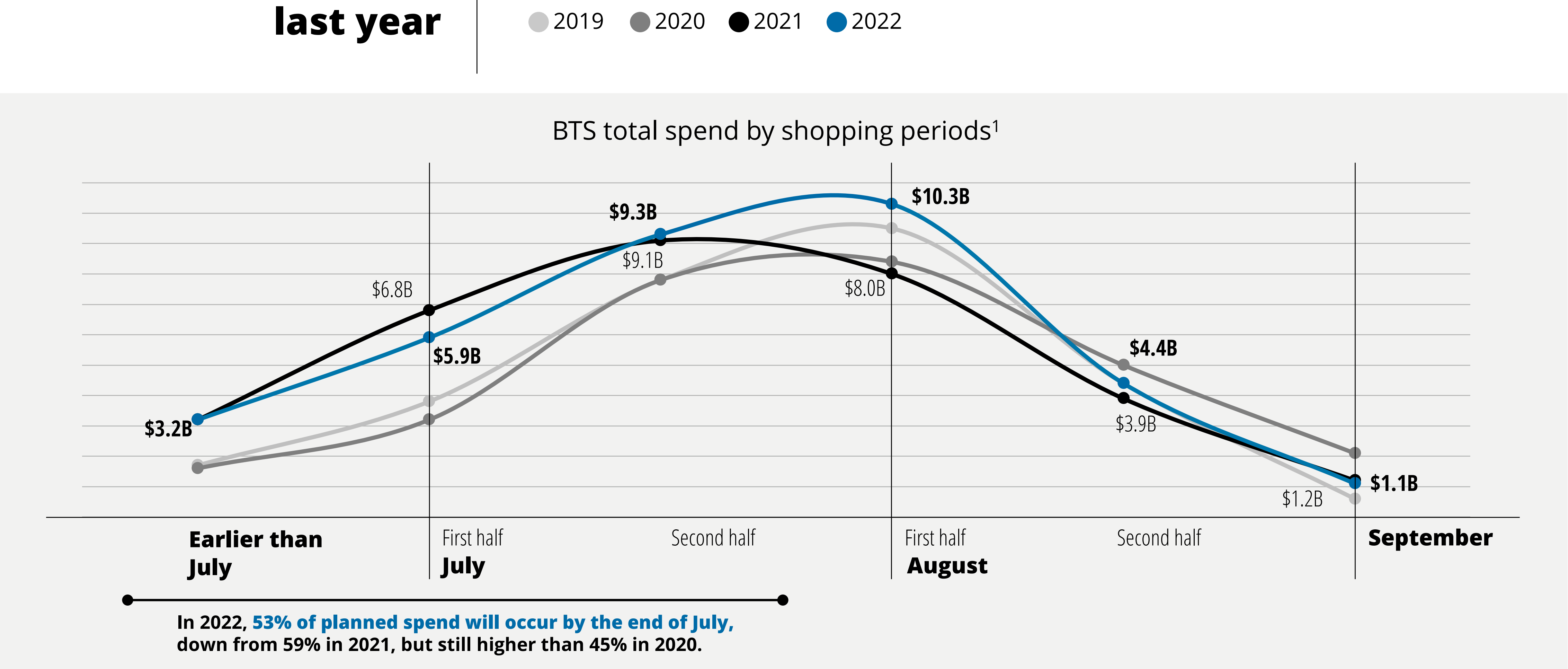
36%
have spent on products/services to address their child's mental health[2]



Survey findings

BTS spending less front-loaded than last year

Despite stockouts and inflationary concerns, timing returning to normal pattern



Question: (1) Out of US$__ you plan to spend on BTS shopping, how much do you plan to spend during the following periods?
Note: N=1,200. All figures are in US$.

Brand loyalty may be hit by stockouts

Over half are expecting stockouts and are prepared to shop at another retailer

63% **Expect BTS stockouts**[1]
vs. 50% in 2021*

77% **Will trade brands if their preferred brand is not in stock**[2]

60% **Will check stock availability before making a shopping trip**[3]

In case of stockouts, parents would likely shop at...[4] (top 2 options)

39% at another retail store
36% at an online retailer

Questions: (1) Please indicate your level of agreement with the following statements in the context of this back-to-school shopping season: "I am expecting stockouts during this year's back-to-school shopping season due to supply chain disruptions" – % agree/somewhat agree. *In 2021, this question was asked as "I am expecting stockouts during this year's back-to-school shopping season due to coronavirus (COVID-19) disruptions"; (2) "I will shift to another brand if my preferred brand is not in stock" – % agree/somewhat agree; (3) "I will check online if an item is in stock at the store before making a shopping trip " – % agree/somewhat agree; (4) What are you most likely to do if an item on your back-to-school shopping list is out of stock when you go shopping for it at a retail store? #select two options.
Note: N=1,200.

Online-only retailers continue to gain popularity

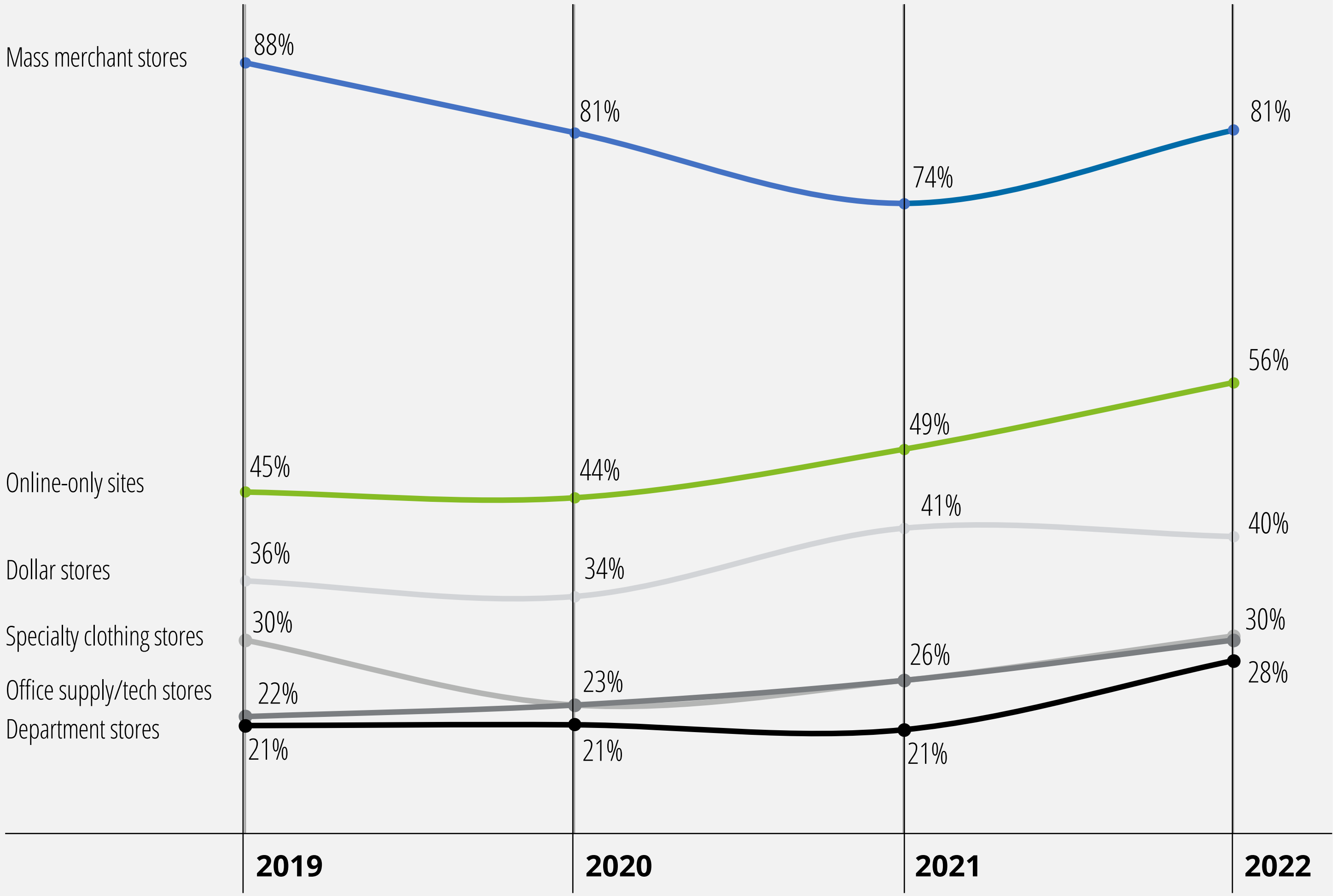
Others benefit from a return to store as they try to return to prepandemic levels

Planning to spend the most (2022)[2]

49% Mass merchant stores
16% Online-only sites
5% Department stores
5% Fast fashion apparel retailers
4% Specialty clothing stores
4% Dollar stores

Questions: (1) Which type of retailer(s) do you plan to visit for your BTS shopping? #multi-response question (N=1,200); (2) At which type of retailer do you anticipate spending the most money this BTS shopping season? (N varies, as respondents are asked to select one of their retail format choices);
*Includes retail formats that at least 20% of respondents plan to visit for BTS shopping.

Top 6 preferred* retail formats for BTS shopping[1]



Free shipping is a priority for most

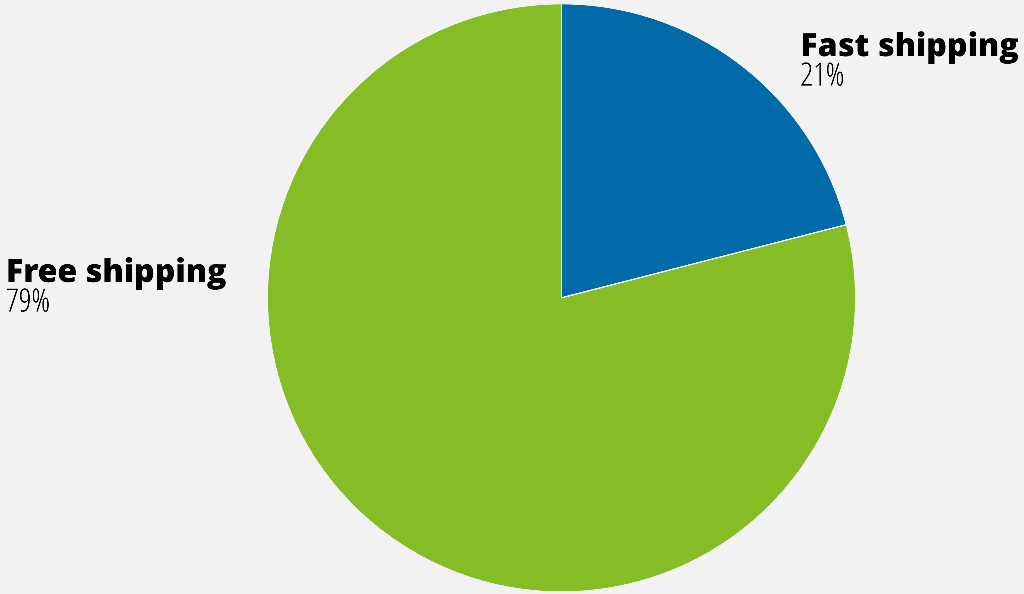
26%

expect delivery within 2 days (of those expecting free shipping)[2]
vs. 30% in 2021

Questions: (1) When you are shopping online, which of these two promises below would be more important to you?; (2) When you opt for ______, how long are you willing to wait to receive your product?; (3) Which of the following delivery services are you likely to use during the upcoming back-to-school shopping season? #multi-select question.
Note: N=1,200.

Consumers have been conditioned by the pandemic to wait longer to receive their order

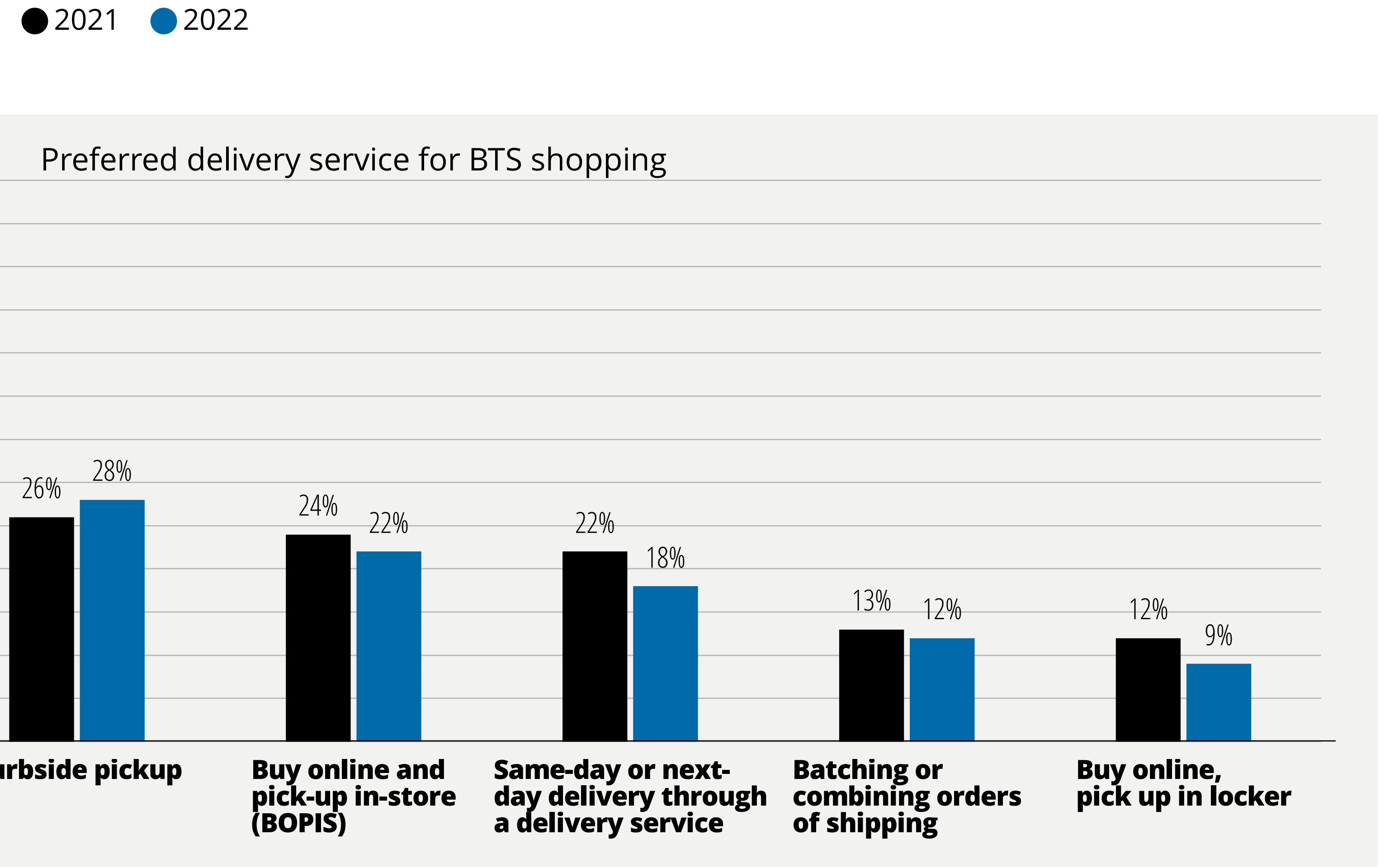
Importance of free versus fast shipping[1]



59% **prefer standard delivery services[3]**
vs. 48% in 2021

...and customers prefer delivery to the doorstep

Traditional shipping remains the frontrunner, while shipping services fueled by the pandemic hold steady

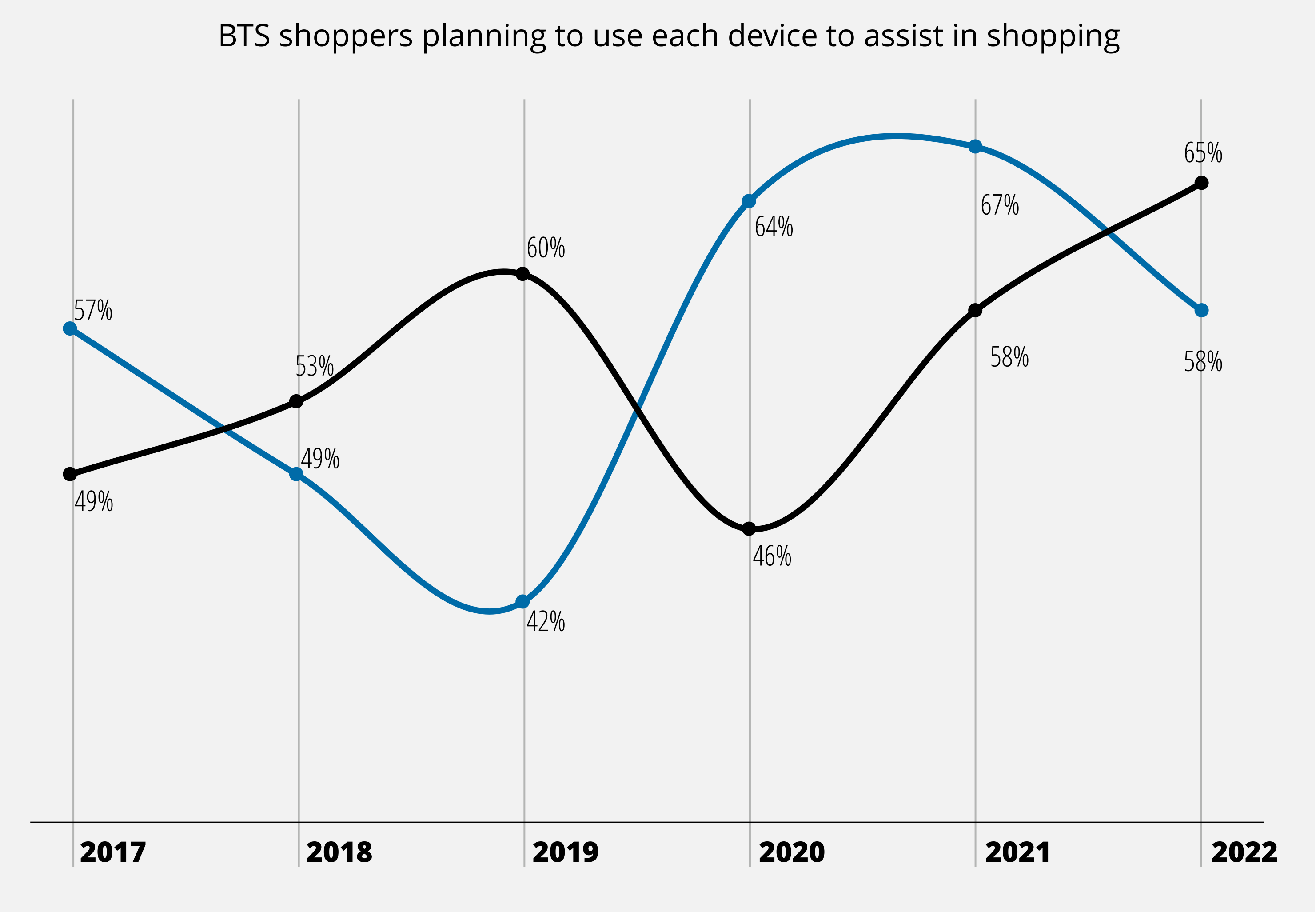


Question: Which of the following delivery services are you likely to use during the upcoming back-to-school shopping season? #multi-select question.
Note: N=1,200.

Smartphone shopping reaches peak usage

Personal computer for shopping
Smartphone for shopping

On the move once again, consumers return to smartphone shopping



Question: With regard to your BTS shopping, are you likely to use a _______ for the following actions? #multi-response question.
Note: Sample size for each year: 2016 (N=1,194), 2017 (N=1,200), 2018 (N=1,200), 2019 (N=1,200), 2020 (N=1,200), 2021 (N=1,200), and 2022 (N=1,200).

Many have already purchased BTS kits

Questions: (1) Do you plan to take advantage of pre-configured "kits" of school supplies this year? (N=1,143); (2) Have you already purchased or placed the order for pre-configured "kits" for the upcoming school year? (N=526); (3) What is the main reason for buying pre-configured "kits" of school supplies this year? (N=526);

Popularity of pre-configured kits is driven by convenience and cost savings

46% **Plan to buy pre-configured kits for fall**[1]

39% **Have already purchased kits for fall (of those who plan to purchase)**[2]

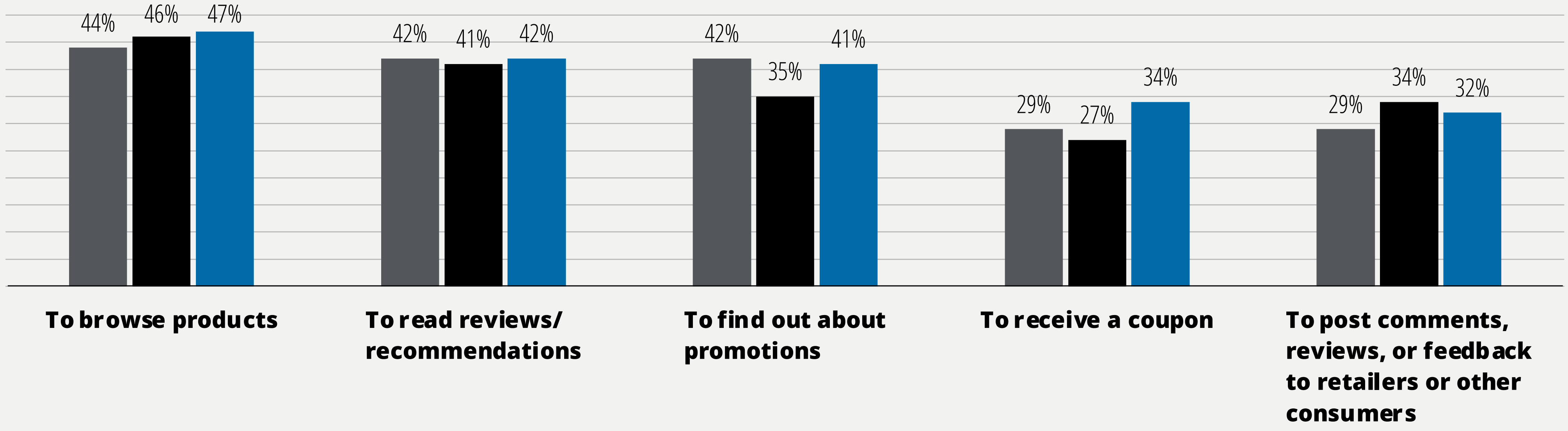
Top drivers for buying pre-configured BTS kits[3]

47% Convenience
32% Cost savings
21% Support PTA and/or other local charities

Social media drivers differ by generation

Gen X looks for deals while Millennials seek out advice

2020 2021 2022



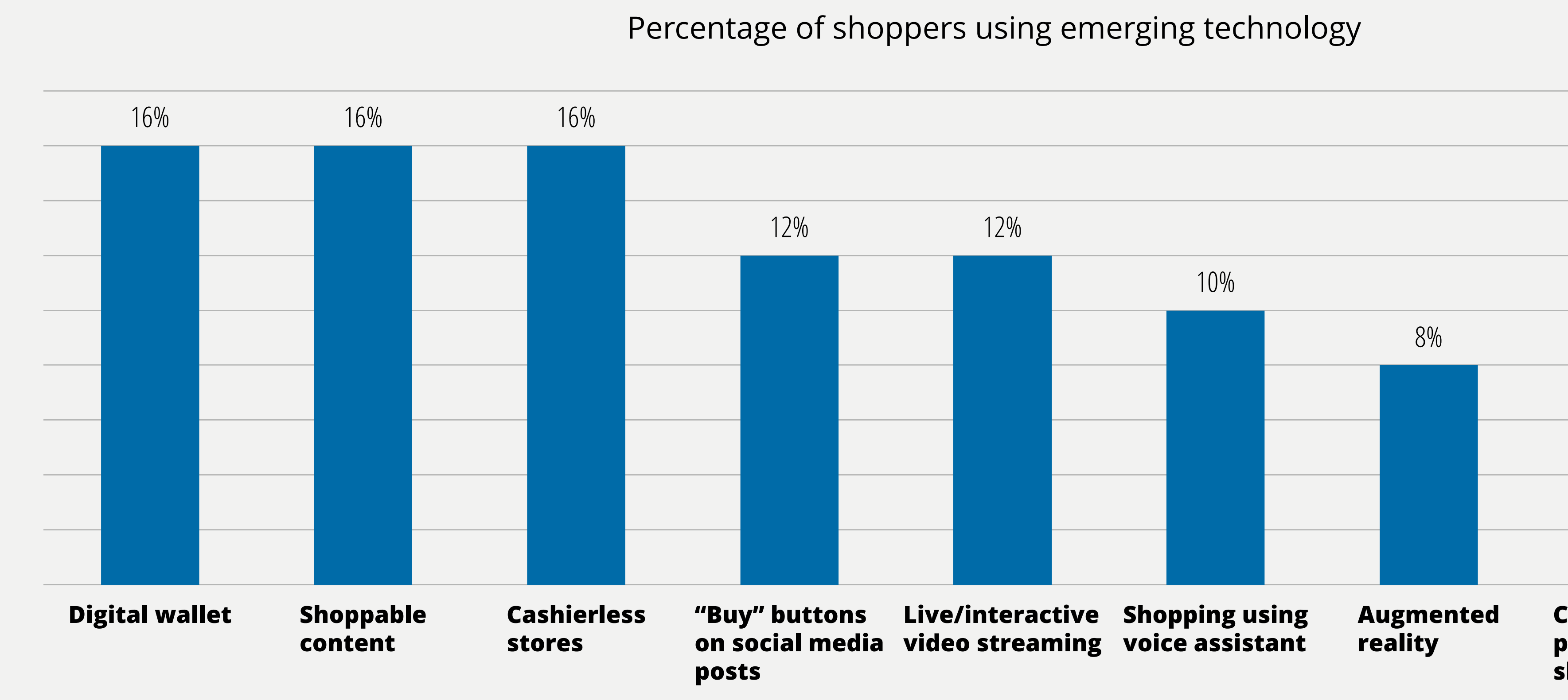
Social media use by Millennials and Gen X in 2022

	To browse products	To read reviews/ recommendations	To find out about promotions	To receive a coupon	To post comments, reviews, or feedback to retailers or other consumers
Millennials	47%	**42%**	37%	30%	33%
Gen X	46%	38%	**46%**	**39%**	29%

Question: With regard to your back-to-school shopping, how do you plan to use social media sites? #multi-select question.
Note: Overall N=377 (Gen X=117, Millennials=243).

Four in 10 dabbling in emerging retail technologies

Convenience drives interest in emerging tech tools



42%

respondents plan to use at least one of these technologies

Questions: (1) Which of the following do you plan to use during the BTS shopping season? #multi-response question; (2) Which of the following will you likely use for your BTS purchases? #multi-response question.
Note: N=1,200.

Millennials drive metaverse interest

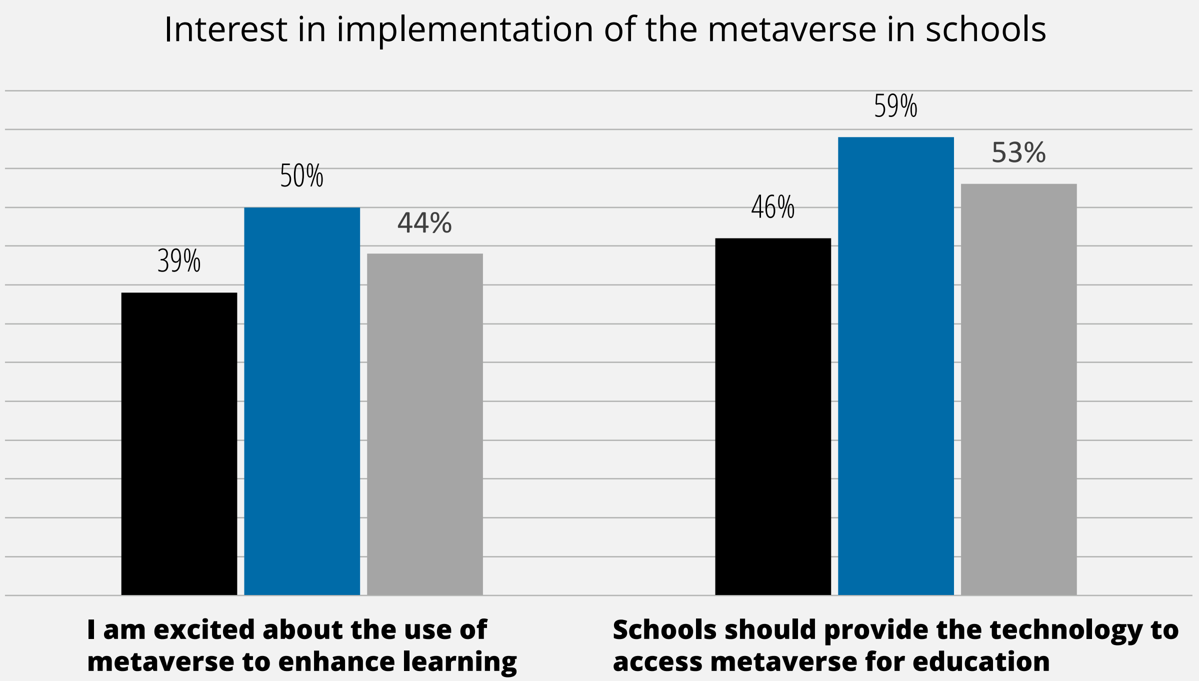
Gen x
Millennials
Overall

The benefits to a digitalized educational system include a focus on skills over memorization. We can use research skills, critical thinking skills, and analytic reasoning to sift through all the information at our fingertips.

– Teacher

Question: (1) To what extent do you agree or disagree with the following statements about the "metaverse" – % agree/strongly agree.
Note: N=985.

Many Gen Xers are still wary about the use of the metaverse in learning and for shopping



41% **are interested in shopping in the metaverse**

Gen X: 31%, Millennials: 50%

Interest in digital educational resources stalls

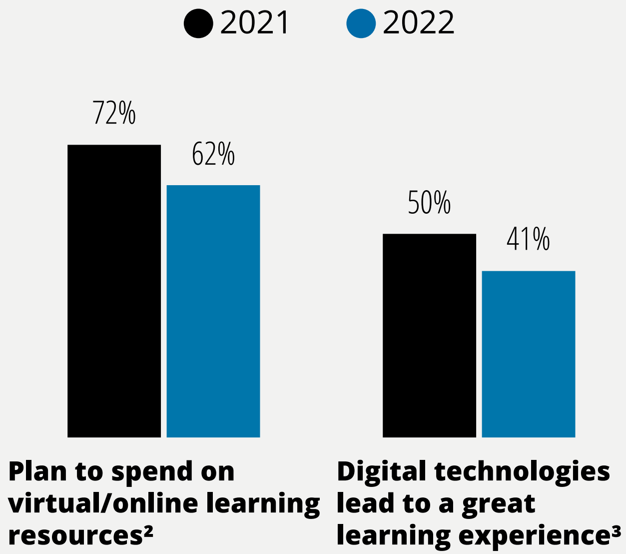
As schools provide tech, parents pull back on digital learning resources

81%

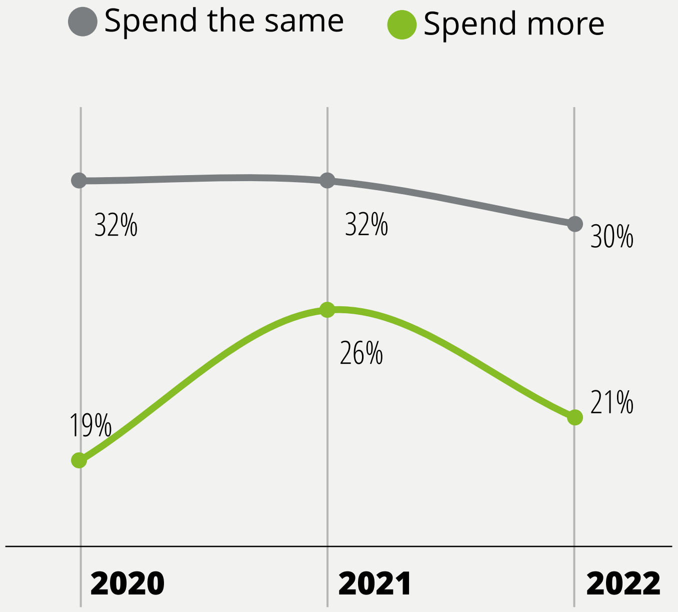
are provided devices and technological tools by schools[1]

> **This allows parents to interact more with their child's learning because everything is so easily accessible.**
>
> **– Teacher**

Demand for digital learning is decreasing



Fewer plan to spend the same or more on online learning resources[4]



Questions: (1) To what extent do you agree or disagree with the following statements? – % agree/strongly agree (N=1,144); (2) Compared to last year, how are you planning to change your spending on virtual/online learning resources for children this year? – % spending more/same/less than last year (N=1,200); (3) What are the reasons behind your child's increasing use of digital technologies at school? #multi-select question, asked to those who agreed that "Compared to a year ago, I'm buying fewer traditional school supplies (e.g., pencils, crayons, notebooks) because my child is using more digital technologies (e.g., laptops, tablets) in and out of the classroom" (N=534); (4) Compared to last year, how are you planning to change your spending on virtual/online learning resources for children this year? (N=1,200).

Thoughts from teachers on the front line

“Students have access to everything at all times. If a student is forgetful or misplaced an assignment, they are able to easily access the assignment from any location as long as there is an internet connection. This allows parents to interact more with their child’s learning because everything is so easily accessible.”

”Students tend to lose focus and struggle to maintain social connections when they are not physically face-to-face with teachers and other students.”

“Students are so often interrupted by distractions online like games or communicating with people outside of the classroom. Exacerbated by the pandemic, schools are struggling to meet the balance between giving students technology and maintaining any sort of educational environment.”

“Students also suffer socially and aren’t able to create friendships that are as meaningful in online classes.”

“Students are likely to need laptops or internet accessible devices. I see this moving toward using styli and touch screens to do work rather than paper and pencil.”

“Type of school supplies will change from textbooks and consumables to online resources. I think kids need something tangible.”

“The benefits to a digitalized educational system include a focus on skills over memorization. We can use research skills, critical thinking skills, and analytic reasoning to sift through all the information at our fingertips. A digitized classroom is one that can be more student centered than teacher centered, where students have to take some agency in their learning.”

“What I hope to see change after these last three pandemic school years is higher regulated systems for incorporating technology into the classroom.”

“It’s difficult to give valuable feedback online.”

About the survey

Survey timing

May 20 to June 2, 2022

Sample

The survey polled a sample of 1,200 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 for the entire sample of plus or minus three percentage points.

Methodology

The survey was conducted online using an independent research panel.

Thank you

The authors would like to thank Srinivasarao Oguri, Kusum Manoj Raimalani, Anup Raju, Ram Sangadi, and Michele Stoffel for their contributions to this survey.

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