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Survey: Few Americans plan on cutting back holiday spending this year

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About 72% of the 1,000 U.S. consumers polled in a recent ICSC survey plan to spend about the same, more or substantially more on gifts and other holiday related expenditures this year compared to 2006. On average, respondents said they will spend \$1,116 this season on gifts, entertaining, travel and decorations.

About half of the shoppers surveyed expect to spend about the same on gifts and other holiday-related expenditures this year, while 19% anticipate spending more or substantially more than they did during the 2006 holiday season. However, slightly more than a quarter (27%) of respondents plan to spend less or substantially less than last year.

For those households planning to spend more this holiday season, half will do so because they have a new job or more income, while 49% of respondents cited more people on their list. A generous 40% will spend more because they plan to buy more expensive gifts.

Of those households expecting to spend less this holiday season, 60% plan to buy less expensive gifts. Consumers with a household income of between \$25,000 and \$35,000 are most pessimistic on their holiday spending with 42% of that group planning to be more frugal this year.

At the top of shoppers' list this year is apparel, cited by 69% of respondents, followed by, music CDs and DVDs (62%); and gift cards at 61%. Other popular items include toys and games (56%) cash (51%); perfume/cologne or cosmetics and books/magazines (both 42%); jewelry (38%); consumer electronics or appliances (37%); house-wares/appliances and hardware/tools (both 32%); and experiential gifts (31%).

The survey also found that respondents spent about 18% of their 2006 total holiday gift expenditures on gift cards, which was up from an estimated 13% in 2005. For 2007, respondents plan to hold the gift-card share of total holiday spending about even with last year's record expenditure share—with 54% reporting the same and 20% both higher and lower.

The survey is based on a telephone survey conducted among a national probability sample of 1,009 adults comprising 507 men and 502 women 18 years of age and older, living in private households in the continental U.S. The poll has a margin of error of plus or minus four percentage points for the entire sample. The survey was conducted via telephone by Opinion Research Corp. during the period of Oct. 25-28, 2007.

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