

Back-to-school sales will return to a more normal, prepandemic growth rate this year

Article

The forecast: Our [back-to-school forecast](#) expects sales will rise 2.9% to \$71.74 billion this year.

- Zooming in, we expect spending on students who are in kindergarten through high school (K-12) will grow 2.1% to \$40.67 billion, and spending on college-age students will increase 3.8% to \$31.07 billion.
- The overall back-to-school sales growth rate is a far cry from the massive 13.2% surge in 2021. But that's understandable because the shift back to in-person learning drove parents and guardians to buy new uniforms and other clothes for K-12 students, and college students had two years of pent-up demand for dorm-related purchases. Then in 2022, the 5.5% growth was largely due to inflation.
- This year's growth will still be markedly higher than the 1.3% rate in prepandemic 2019, and right in line with our [US Total Retail Sales forecast](#).

Slow growth: One reason we expect modest growth is that two of the primary back-to-school categories, consumer electronics and apparel, have had middling results this year.

- Through the first five months of the year, electronics and appliance store sales are down 2.7%, while clothing and clothing accessories stores are up just 1.0%.
- Those results drove us to slightly adjust our back-to-school forecast from the 3.5% growth we expected in Q1 to 2.9%.

Differing views: Two other back-to-school forecasts—both of which are based on consumer surveys—offer starkly different outlooks (from us and each other) for the back-to-school season. (For the sake of comparison, our forecast is based on a category-by-category model that considers critical elements such as how inflation impacts sales.)

- The National Retail Federation's [forecast](#) expects spending on K-12 students will grow 10.8% to \$41 billion, and spending on college-age students will soar 27.0% to \$94 billion.
- Deloitte's [forecast](#) expects K-12 spending will decline 9.3% to \$31.2 billion.

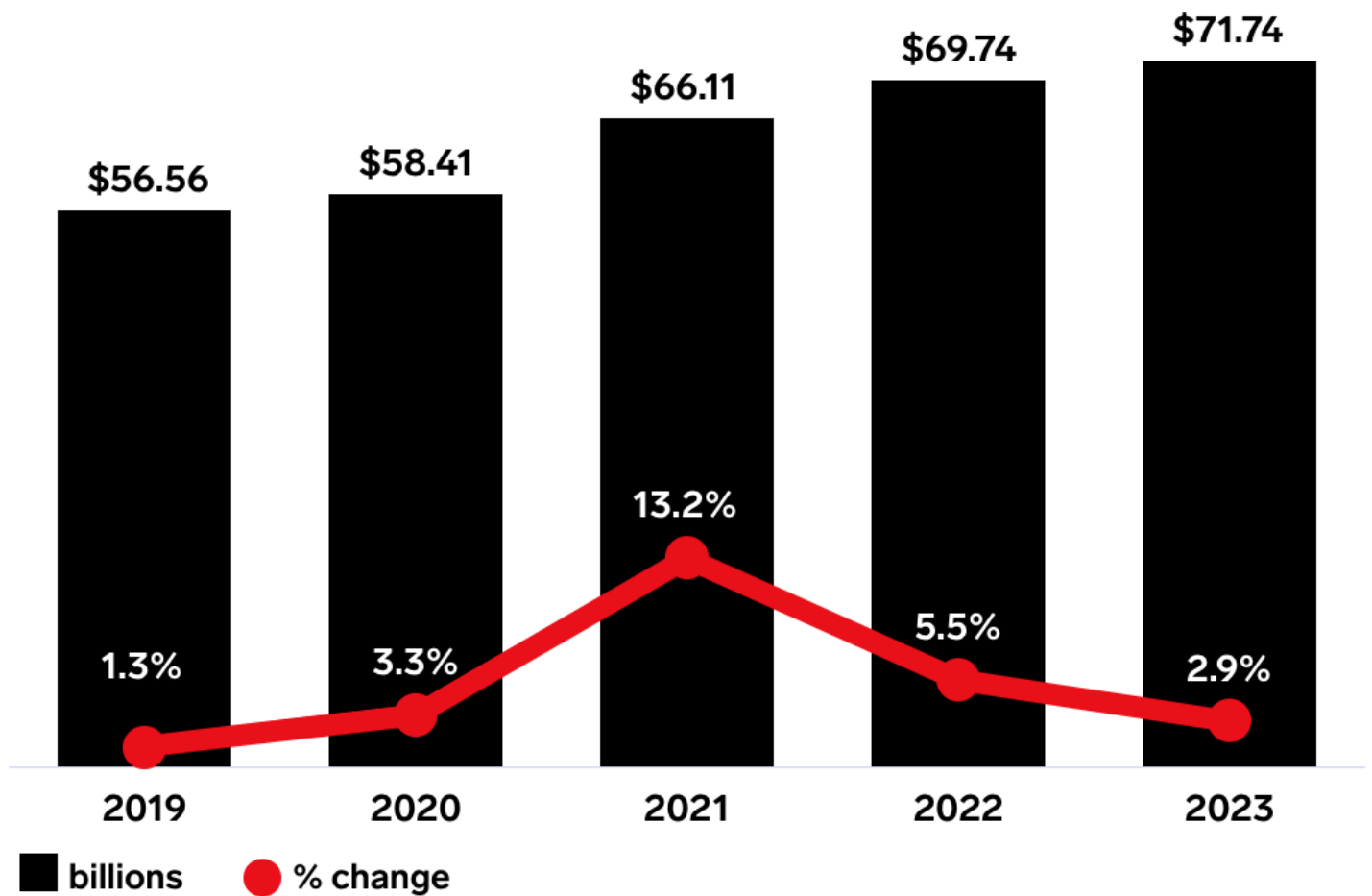
A wide swing in expectations for technology-related purchases helps explain the significant discrepancy between the models. NRF expects big-ticket electronics purchases will fuel growth because 69% of respondents to its survey expect to buy electronics or other computer-related accessories this year. Deloitte takes a very different view as it expects technology-related purchases to decline 12.8%.

The big takeaway: Modest back-to-school sales growth appears likely given the results that we've seen so far this year.

- Even though many consumers are likely to look for deals given that they've grown increasingly cost conscious this year, they've continued to spend.

Retail Back-to-School Season Sales

US, 2019-2023



Note: sales are for the period in Q3 before the start of school each year among households with a child under 18 present and/or adults ages 18 to 24 attending postsecondary education

Source: Insider Intelligence | eMarketer, June 2023

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