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the average holiday budget over the last five years.

**Isaac M. O'Bannon** • Oct. 24, 2023



Those celebrating Christmas and other winter holidays expect to spend \$875 on average on gifts, decorations, food and other key seasonal items, according to the National Retail Federation's latest consumer survey conducted by Prosper Insights & Analytics. The amount is \$42 more than consumers planned to spend in 2022, and is in line with the average holiday budget over the last five years.

“The winter holidays are an important tradition to many American families, and shoppers are prioritizing their holiday purchases for the people most important to

them,” NRF President and CEO Matthew Shay said. “Retailers have been preparing

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Hanukkah or Kwanzaa this year, on par with last year.

Similar to previous years, 43% of holiday shoppers say they generally start their holiday shopping before November. The top reasons people begin their shopping ahead of time are to spread out their budget (60%), avoid the stress of last-minute shopping (46%) and avoid crowds (45%). Regardless of how early consumers start, the majority (62%) expect they won't finish until December.

“However, early sales may sway consumers to shop even earlier,” Prosper Executive Vice President of Strategy Phil Rist said. “This year, seven in 10 holiday shoppers say they are considering taking advantage of October sales events to pick up holiday gifts, décor and other items on their list.”

Shopping destination trends continue with 58% of consumers planning to shop online this holiday season. That is followed by department stores (49%), discount stores (48%), and grocery stores and supermarkets (44%).

Gift cards continue to be the most popular gift, with 55% of holiday shoppers saying they would like to receive them this year, followed by clothing or accessories (49%), books, video games or other media (28%), and personal care or beauty items (25%).

Almost one-quarter (23%) of holiday shoppers say they plan to give a gift of experience, in line with last year and up from 19% in 2021.

Even as consumers are budgeting more than last year for the holidays, they are looking for ways to make the most of their budget. When shopping for gifts, 62% say sales and promotions are even more important to them this year than last year. About one-third (36%) say they are cutting back in other areas to cover the cost of holiday items, 30% are purchasing gifts for fewer people and another 27% are buying

less for themselves.

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