

Consumers Plan to Spend Less on Holiday Gifts This Year

Finances are top-of-mind for many

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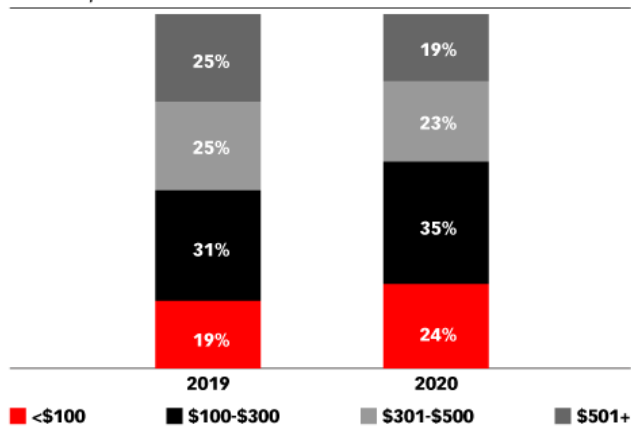
Rimma Kats

Many consumers are being more cognizant about the money they're spending amid the pandemic and economic downturn, and the upcoming holiday season is no exception.

According to September 2020 data from Morning Consult, a smaller share of US adults expected to spend over \$300 on holiday gifts in 2020 compared with the year prior. Just 19% of respondents said they planned on spending more than \$500 on gifts this holiday season — that's a decrease of 6 percentage points from 2019.

Amount US Adults Spent on Holiday Gifts in 2019 vs. Expected Spend in 2020, Sep 2020

% of respondents



Note: numbers may not add up to 100% due to rounding
Source: Morning Consult, "How COVID-19 Is Changing the Holiday Shopping Season"; eMarketer calculations, Sep 10, 2020

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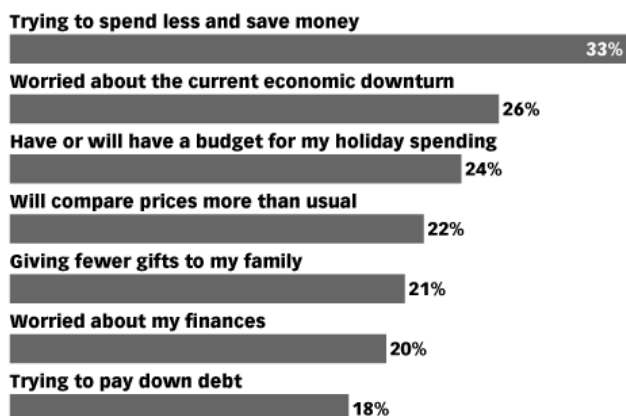
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While consumers may not be putting the brakes on gift spending completely, they are planning to spend less than they have in the past. Some 35% of those surveyed by Morning Consult said they would set aside between \$100 and \$300 for holiday gifts this year, up from 31% in 2019. Another 24% said they would lay out less than \$100 on gifts this holiday season, an increase of 5 percentage points from last year.

Overall, money is top-of-mind for many consumers. A third of the respondents to the same Morning Consult survey said that when it came to holiday gift spending, they were trying to spend less and save money. Meanwhile, nearly a quarter (24%) said they had, or would have, a budget for holiday gifts this year.

Attitudes Toward Spending on Holiday Gifts in 2020 Among US Adults, Sep 2020

% of respondents



Source: Morning Consult, "How COVID-19 Is Changing the Holiday Shopping Season," Sep 10, 2020

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About 22% of respondents said they'd compare prices more than usual, while 21% said they'd be giving fewer presents to family members this year. One in five said they were worried about their finances.

By and large, **the pandemic has greatly affected consumer spending**, not only among consumers with low incomes, but upper-income consumers as well. People at all income levels have economized during the pandemic, and at least some of this economizing is bound to persist.

"Bargain hunting will have special urgency for low-income households, as it did during their slow recovery from the Great Recession," said Mark Dolliver, eMarketer principal analyst at Insider Intelligence and author of our recent report "**Gauging Consumers Across Income Brackets.**"