

RETAIL

Holiday spending expected to reach \$1.3T

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Deloitte expects holiday shopping to increase up to 9 percent. Image credit: Unsplash

By LUXURY DAILY NEWS SERVICE

Holiday retail sales are likely to increase between 7 and 9 percent in 2021 totaling \$1.28 to \$1.3 billion between November and January, according to an annual holiday retail forecast by consulting firm [Deloitte](#).

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Deloitte projects strong growth spurred by elevated consumer spending on services such as restaurants and travel, as well as continued growth in ecommerce sales. Ecommerce is expected to grow by 11-15 percent year-over-year, during the 2021-2022 holiday season, resulting in sales reaching \$210-\$218 billion.

"As vaccination rates rise and consumers are more comfortable being outside of the home, we are likely to see increased spending on services, including restaurants and travel, while spending on goods will continue to hold steady," said Daniel Bachman, U.S. economic forecast at Deloitte, in a statement.

"A steady decline in the savings rate to pre-pandemic levels will support consumer spending and keep retail sales elevated this season."

Holiday rebound

The 2021 forecast projects a strong growth rate amid already elevated retail sales and growth in disposable personal income that is likely to remain flat going into the holiday season.



Ecommerce is expected to reach up to \$218 billion. Image credit: Unsplash

Further, the delta variant and ongoing uncertainty caused by the pandemic may actually drive more spending on goods.

Retail sales between November 2020 and January 2021 grew 5.8 percent and totaled \$1.19 trillion according to the [U.S. Census Bureau](#). Ecommerce sales between November 2020 and January 2021 grew 34.8 percent totaling \$189 billion.

In terms of spending behavior, millennials and Gen Z consumers are looking for social and environmental accountability from businesses after a year of political conflict, climate crises, global health threats and racial injustice.

The 2021 Millennial and Gen Z Survey by Deloitte found that young people are channeling their energy towards meaningful action by increasing political involvement, aligning spending and career choices with their values and driving change on societal issues that matter to them.

In turn, these generations expect institutions such as businesses and governments to do more ([see story](#)).

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