

Bankrate

Half of Holiday Shoppers to Begin by Halloween With Inflation Set to Play Major Role

Over 1 in 4 (27%) Will Go into Debt for These Purchases

NEW YORK – September 8, 2022 – Half of winter holiday shoppers plan on starting their holiday shopping by October 31, according to a new Bankrate.com report. Amidst economic turbulence, though, 2 in 5 (40%) say that inflation will change the way they shop. Click here for more information:

<https://www.bankrate.com/finance/credit-cards/early-holiday-shopping/>

More than 1 in 10 (11%) holiday shoppers started before the end of August, with 14% planning to start in September, 25% in October, 38% in November, and 12% waiting until December. Nearly 3 in 4 (74%) consumers plan to participate in winter holiday shopping this year.

More than 4 in 5 (84%) holiday shoppers will employ a money-saving tactic this year, including seeking out coupons, sales, and discounts (41%); buying fewer items (40%); starting shopping earlier (27%); buying cheaper brands (21%); using credit card rewards to offset costs (17%); shopping at stores where they have loyalty accounts or store-specific cards (17%); making gifts or crafts (14%); and obtaining used or secondhand items (11%).

Winter holiday 2022 consumer shopping habits are best understood in the context of inflation. Of those who plan on holiday shopping this year, 40% say inflation will change the way they shop. 45% of the lowest-income holiday shoppers (under \$50,000 in annual household income) say inflation will change how they shop, versus 41% who make between \$50,000 and \$79,999, 33% who make between \$80,000 and \$99,999 and 34% who make \$100,000 or more.

Astoundingly, 95% of holiday shoppers who said inflation will change the way they shop plan to employ a money-saving strategy of some sort compared to 77% who are not making changes due to inflation. Nearly 3 in 5 (59%) inflation-conscious shoppers will buy fewer items, and over half (52%) plan on seeking out coupons, discounts, or sales.

“Holiday shopping will look different this year with inflation around 40-year highs,” said Bankrate.com senior industry analyst Ted Rossman. “Consumers are still spending, but they’re being especially thoughtful about where each dollar goes. I think starting your holiday shopping early is a good strategy because it gives you more time to research the best deals and spread out your cash flow. I’m also a big fan of stacking discounts such as rewards credit cards, online shopping portals and store coupons.”

Worryingly, over 3 in 5 (65%) don’t plan on having money set aside/budgeted for these expenses, and holiday shopping will place a strain on over 1 in 4 (27%) shoppers’ budgets. Also troublingly, 27% of holiday shoppers plan to take on debt for these purchases. This includes 21%

who will pay a credit card off over time and 10% who will use a buy now, pay later service, adjusting for overlap.

Overall, the most popular payment method for holiday shoppers is by credit card (54%), with 38% planning to pay in full and 21% in multiple billing cycles. Additionally, 50% will use debit cards, 43% cash, 10% buy now, pay later services, and 7% checks. Respondents could choose more than one answer.

Holiday shoppers with higher incomes are much more likely than lower income shoppers to plan on using credit cards that they pay in full and much less likely to use cash. 52% of those shoppers earning \$100,000+ and 51% earning \$80,000 - \$99,999 plan on using a credit card that they pay in full, contrasted with 41% who make \$50,000 - \$79,999 and only 27% who earn less than \$50,000. Conversely, only 34% of \$100,000+ earners and 37% of shoppers making \$80,000 - \$99,999 plan on paying with cash, followed by 43% earning \$50,000 - \$79,999 and 50% who make under \$50,000.

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,415 adults, including 1,813 winter holiday shoppers. Fieldwork was undertaken between August 17 – 19, 2022. The survey was carried out online and meets rigorous quality standards. It employed a nonprobability-based sample using quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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