

Ally Consumer Research

Survey Insights

Consumer holiday spending trends.

1,000 U.S. Consumers // October 2023



Holiday forecast: merry, bright, and expensive.

Holiday planning is in full swing. How are consumers feeling about travel, gatherings, gifts and trade-offs? **Our recent study found:**

In the battle of inflation versus deck the halls, making merry wins.



Nearly 2 out of 3 consumers (64%) plan to spend the same or more for the holidays than they did last year.

Despite rising costs, holiday spirits remain bright with **9 in 10 consumers (90%)** expecting to purchase gifts for their loved ones.

2 out of 3 consumers (67%) will entertain friends and loved ones over the holidays.

7 in 10 consumers (71%) expect to travel.

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Summary

What's the not so ho-ho-hum price tag?

- **An average of \$1,400** will be spent on travel, gifts, entertainment, decorations, and other festivities for consumers celebrating Christmas.
- Holiday travelers expect to spend 33% more for their journey, with anticipated 2023 costs rising to \$1,200 over 2022 levels of \$900.
- And the same goes for presents. Consumers expect to spend 10% more on gift giving (\$1,100 vs. \$1,000).
- Smart shoppers also plan to spend 16% more (\$700 vs \$600) during Black Friday/Cyber Monday sales.

The clock is ticking...

- The majority of consumers say holiday budget planning kicks off with back-to-school, gains momentum during the fall, and peaks immediately prior to Thanksgiving.
- This year, the overall ramp up has been slower compared to 2022. Why?
 - **4 out of 5 consumers** are watching their cash flow.
 - **35%** are intentionally relying solely on available cash.
 - **28%** are sticking to a budget.
 - **25%** have set aside money throughout the year and do not plan to exceed that amount.

Consumers are feeling a roller coaster of emotions when it comes to money & the holidays.

- **Don't worry, be happy.** Nearly 4 out of 10 consumers are confident about their financial situation – a slight increase over last year (39% vs 33%).
- **A little worry goes a long way.** A quarter (25%) of consumers are worried about how to pay for holiday expenses, and nearly half (46%) are at least slightly concerned.
- **When it comes to the real worry story, top concerns are:**
 - Affording gifts: 44%
 - Taking on debt: 40%
 - Missing monthly bills: 36%
 - Exceeding holiday budget: 34%

It's beginning to cost a lot like the holidays.

- Half of consumers (52%) plan to take on debt to pay for holiday expenses.
- The average amount of holiday expense debt is expected to be \$1,100.
- Approximately 1 in 4 (23%) who take on debt believe they will pay it off in 1 to 2 months.
- 2 of 5 (44%) consumers expect it will take them at least 5 months to pay off their holiday expenses.
- 2 of 5 (42%) with student loan debt say it will limit their holiday gift spending.

Making a list and checking it twice (especially when it comes to expenses).

To combat expense creep, consumers are:

- Making homemade meals (44%)
- Traveling by car versus flying (38%)
- Staying home versus traveling (34%)
- Spending less on gifts (30%)
- Gifting in-person visits to loved ones versus purchased presents (27%)
- Sending a gift instead of traveling (16%)