



FTI Consulting Survey: Holiday Spending Plans, Economic Outlooks Split Across Income Levels

November 22, 2021 at 7:30 AM EST

Retail & Consumer Products Practice Revises 2021 U.S. Online Retail Sales Forecast to \$873 Billion, a 14.9% Year-Over-Year Increase from 2020

WASHINGTON, Nov. 22, 2021 (GLOBE NEWSWIRE) -- Despite strong retail sales to date in 2021 and wide expectations of robust holiday spending, consumers have become more cautious in their spending intentions as the all-important holiday season approaches, according to a new report released today by FTI Consulting, Inc. (NYSE: FCN).

FTI Consulting's [2021 Holiday Retail Report](#) provides insight into the mindset of holiday shoppers this year, from changing preferences and shopping habits to economic trends as the U.S. continues to recover from the COVID-19 pandemic. The [Retail & Consumer Products](#) practice at FTI Consulting surveyed 600 consumers who spent at least \$500 on holiday shopping in 2020.

Only 18% of consumers surveyed said they plan to spend slightly more than in 2020, and just 12% said they plan to spend significantly more, while 32% plan to spend the same. Thirty-eight percent said they plan to spend less than last year, the survey found.

Responses differed notably among income groups. Higher-income respondents, who account for a disproportionately large share of total spending, were more upbeat on the season, with 35% saying they intend to spend more during the 2021 holiday season compared to 24% of lower-income respondents.

"Inflation and supply-chain concerns are top of mind for consumers this year, which leads to a wide range of spending behaviors," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "Retail sales have shown impressive strength throughout 2021, but the forces driving this growth have abated somewhat. The dissipation of federal financial relief payments and other support, ongoing supply bottlenecks and rising costs could inject more uncertainty into the market, but it's unlikely these forces will undermine the prospects for a respectable holiday season for retailers. However, any expectations of a stellar season seem to be ignoring or minimizing these various headwinds."

Other key findings from the survey include:

- 51% of respondents said they have experienced rising inflation recently, which has impacted — and will continue to impact — their shopping decisions or behaviors.
- Nearly 40% of respondents said they would reduce gift purchases if supply-chain issues have a detrimental effect on product availability or prices this holiday season.
- 44% of respondents are shopping online as much as they did during the COVID-19 pandemic, and 22% are trying to shop online as much as possible.
- Only 13% said they had reverted to pre-COVID-19 online shopping habits.
- In-store shopping made a comeback in 2021, with 40% of respondents saying they shopped in stores as much as they did pre-pandemic.

The Retail & Consumer Products practice at FTI Consulting also revised its forecast for 2021 U.S. online retail sales to \$873 billion, up from the mid-year forecast of \$865 billion, which represents a 14.9% year-over-year increase from 2020. The upward revision to online sales in 2021 was mostly the result of stronger retail sales generally, which exceeded expectations heading into the year, rather than sizeable market-share gains.

Respondents have different outlooks for the upcoming year, which are especially noteworthy between income groups. Overall, 35% of respondents believe COVID-19 will be mostly or entirely passed in 2022 and it will be a strong year for the economy, while 34% believe COVID impacts will linger and will hold back the economy from full strength. Another 31% either have negative expectations for 2022 or believe COVID-19 has permanently changed the workings of the economy and increased divides between winners and losers.

"No one truly knows what the ultimate impact of recent headwinds will be on product availability or consumer demand as we close out this year and look ahead," said [J.D. Wichser](#), Leader of the Retail & Consumer Products practice at FTI Consulting. "Heading into that uncertain outlook, most retailers would be content with a 'good-but-not-great' holiday season to end an otherwise standout year in an unprecedented time."

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 6,600 employees located in 29 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$2.46 billion in revenues during fiscal year 2020. In certain jurisdictions, FTI Consulting's services are provided through distinct legal entities that are separately capitalized and independently managed. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

FTI Consulting, Inc.

555 12th Street NW
Washington, DC 20004
+1.202.312.9100

Investor Contact:

Mollie Hawkes

+1.617.747.1791

mollie.hawkes@fticonsulting.com

Media Contact:

Matthew Bashalany

+1.617.897.1545

matthew.bashalany@fticonsulting.com



Source: FTI Consulting, Inc.