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## **INFLATION NOW BIGGEST CONCERN FOR PACIFIC NORTHWEST SHOPPERS AS SPENDING INTENTIONS MIRROR COVID 19 PANDEMIC**

32% say they plan to spend less this year—a significant drop since 2021, but on par with the height of the COVID 19 pandemic

**PULLMAN, Wash., Nov. 17, 2022** – As inflation becomes the biggest concern, Pacific Northwest shoppers aim to be more fiscally conservative with spending intentions this holiday season, mirroring those at the height of the COVID-19 pandemic, according to a [new report](#) from Washington State University’s Carson College of Business.

Today, the college released its sixth annual holiday retail report. The report found 39% are expecting to spend a similar amount as last year, uncovering a decrease in consumer demand compared to previous years (2019: 46%, 2020: 42%, 2021: 48%). Additionally, 32% say they plan to spend less, a drop in 10 percentage points since 2021 as spending intentions return to COVID levels (32%).

Of the four generations surveyed (Gen X, Gen Z, millennials, and boomers), boomers are more likely to spend an equivalent amount to last year (up 7 percentage points from 2021). The report also found 37% of millennials are most likely to slash their budget in comparison to 24% in 2021. Behind inflation, PNW shoppers say high gas prices are the second biggest reason why they plan to decrease their spending.

As concerns over vaccines and mask mandates decrease, PNW residents are feeling safer in store (up 18 percentage points since 2021), although 81% say they are most likely to shop online for holiday spending, compared to 79% in 2021. Of those who plan to shop in store, nearly half are more likely to purchase a product from a company that is maintaining consistent staffing levels.

“As we enter the holiday season with a greater sense of normalcy than we’ve had in the past two years, excitement is increasing. Although concerns have greatly shifted away from safety, PNW residents now look at inflation as having the greatest impact on their shopping experience this year,” said Joan Giese, associate professor of marketing. “Residents plan to continue doing their shopping in store and online but will start earlier than usual to avoid delays and stocking issues.”

This year’s report surveyed more than 1,000 respondents in Washington, Oregon and Idaho. The survey sought to understand how inflation, inadequate staffing and ongoing supply chain issues have changed consumer behaviors, as well as how attitudes and perceptions toward the holiday shopping season have shifted.

### **Key findings include:**

**Inflation is now the number one concern, with PNW shoppers saying they plan to spend less this holiday season—similar to spending intentions during the height of the COVID-19 pandemic.**

- In total, 85% of PNW residents noted frustrations with the increasing price for goods, while 65% said the unreliability of what’s in stock will have the biggest impact on their holiday shopping.

- Among those who plan to decrease their spending, inflation is the number one reason (80%) followed by high gas prices (57%) and the possibility of a recession (47%).
- 39% plan on spending the similar amount as last year, showing a decrease in consumer demand compared to previous years
- This year, 32% report intentions to spend less, which is a 10 percentage point (PP) jump from 2021; however, it's similar to how PNW shoppers responded in 2020 at the height of the pandemic (32%) (2019: 26%).

**While PNW residents are increasingly returning to in-store shopping, inadequate staffing and supply chain issues are among their biggest concerns.**

- For those who do plan to shop in store, nearly half are more likely to purchase a product from a company that is maintaining consistent staffing levels in order to provide a positive shopping experience.
- 52% say poor in-store shopping experience (not enough staff, staff seem stressed out, etc.) will impact their holiday shopping/spending.
- Last year, despite a greater concern for safety due to COVID-19, PNW shoppers said they were more likely to shop in store to avoid supply chain issues and shipping delays, with 44% declaring in-store shopping to be easier. This year, despite nearly 18 PP more shoppers feeling safe to shop in store, 81% say they are most likely to shop online for holiday spending, compared to 79% in 2021.
- 9 PP more PNW shoppers say they are likely to purchase online from local stores and have items delivered to their homes, compared to 43% in 2021 and 47% in 2020.
- More PNW residents are shopping earlier this year, stating their biggest motivators are stretching their holiday budget (58%) and avoiding sold-out stock (46%) and supply chain delays (45%).

**Small and local businesses remain top of mind for PNW shoppers this season despite economic concerns.**

- Regional support for small businesses peaked in 2020, marking the first major holiday season spent in a pandemic.
- While local businesses are still top of mind, 3% PP more say shopping there is not as important as last year (2022: 69%; 2021: 72%).
- Consistent with last year, 54% reported their likelihood to purchase from a company is based on how that company helps its local community, with 56% reporting it impacts their purchasing decisions; compared to 54% in 2021 and 55% in 2020 who stated it impacts their purchasing decisions.
- While curbside pickup was popular last year, 52% of PNW residents are more likely to support local businesses with home delivery.

**Holiday cheer is on the rise for another year in the PNW.**

- After the initial impact of the COVID-19 pandemic in 2020, the PNW region has continued to show an increased interest in traveling, especially from boomers whose interest in traveling to visit friends and family has risen by 14 PP.

- The overall enthusiasm toward PNW residents traveling this holiday season has increased by 3 PP since last year, but with last year's enthusiasm to travel having been reported at 8%, the rate at which enthusiasm has risen has slowed down.
- Although younger generations continue to show the most enthusiasm toward holiday shopping and celebrating compared to older generations, there has been a slight dip in Gen Z enthusiasm levels this year.
- Gen X and boomers have seen the biggest jump in enthusiasm to celebrate (up 5 PP and 9 PP from last year, respectively), although millennials and Gen Z have the highest levels of enthusiasm overall.

For additional details, you can view the full report at: [business.wsu.edu/holidayretailstudy-2022/](https://business.wsu.edu/holidayretailstudy-2022/)

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### **About the Carson College of Business**

The WSU Carson College of Business is accredited across all business disciplines at the baccalaureate, master's and doctoral levels by the Association to Advance Collegiate Schools of Business. Faculty across disciplines produce scholarly and applied research at the main campus in Pullman as well as at Vancouver, Everett and Tri-Cities locations and Global Campus. International activities include academic centers in China and Switzerland as well as thriving partnerships with several schools around the globe. Innovative online programs supplement face-to-face offerings.

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