

How much do Americans spend on major national holidays? Holiday Spending Sized Up

Americans love a celebration, so it's no surprise that total holiday expenditure is expected to be \$228.4 billion this year. IBISWorld looked at some of the nation's biggest holidays to see how they will stack up in 2010.

Consumers will spend more money on gifts during major holidays

By far, the largest holiday in terms of spending is Christmas, which is why retailers rely on the fourth quarter retailing season. Of the \$228.4 billion (which includes spending on food, gifts and parties related to holiday events), Christmas is estimated to account for 59.2% of sales alone.

The second highest holiday in relation to spending is Thanksgiving, with 13.4% of annual holiday expenditure (excluding Black Friday, which falls into Christmas spending). Most of these sales are food related, since it is a large gathering event in which people go out

of their way to make a delicious meal for family and friends.

The holidays that follow Thanksgiving concerning the amount of money spent include Valentine's Day (7.7%), Mother's Day (6.5%), Easter (6.1%), Father's Day (4.5%) and Halloween (2.6%).

Top purchases

Gifts are the most common purchase that consumers make during the major holidays. People are generous over the holidays, so gifts account for 47.2% of total sales. The majority of these gifts are related to Christmas, but Mother's Day,

Holiday expenditure

	2008 (\$ billion)	2009 (\$ billion)	2010 (\$ billion)	2010 spending (%)
Christmas	127.87	128.11	135.16	59.2
Thanksgiving	29.00	29.88	30.50	13.4
Valentines	18.41	17.04	17.60	7.7
Mothers Day	16.76	14.29	14.88	6.5
Easter	15.02	13.77	14.02	6.1
Fathers Day	9.75	9.00	10.20	4.5
Halloween	5.77	5.92	6.00	2.6
Total	222.58	218.00	228.36	100.0

Note: Numbers for Christmas, Thanksgiving, Fathers Day and Halloween are preliminary estimates

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Father's Day, Easter and Valentine's Day are also sizeable gift-giving days.

Food, drinks and candy make up the second largest category, accounting for 36.2% of purchases. Christmas and Thanksgiving push food sales high, while people frequently dine out on Valentine's Day, Mother's Day and Father's Day. Additionally, strong candy sales occur during Halloween and Easter, increasing the food and drink segment.

The third largest category is decorations and costumes, which account for 5.8% of purchases. Christmas and Halloween boost retail sales for companies involved in this area; therefore, businesses in the decorations and costume side depend on the fourth quarter as a make or break season.

Cards (5.8%), flowers (3%) and other goods (2.1%) are also fairly large categories, accounting for the rest of holiday purchases.

Gifts

With gifts being the number one category, what are the top items given? Clothes rank as the top gift, coming in at 20.6% of total spending, or \$21.16 billion.

Spending categories (2010)

	Spending (\$ billion)	% of total
Gifts	107.68	47.2
Food, drinks, and candy	82.64	36.2
Decorations and costumes	13.34	5.8
Cards	13.24	5.8
Flowers	6.74	3.0
Other	4.71	2.1
Total	228.36	100.0

Gift cards make up the second largest category, at 16.9% of all gift sales during the holidays.

Electronics rank third with 12.4%, followed by jewelry at 11.9% and the other items (i.e. books, CDs, tools and appliances) at 11.6%. Home and garden products accounts for 11.3% of total gift sales, while personal care and pampering account for 9.9% and toys, sporting goods and hobbies make up 5.5%.

Note: Flowers may also be a gift, along with cards and dining out; however, IBISWorld has allocated those into their own separate categories.

Top gifts (2010)

	Spending (\$ billion)	% of total spending
Clothes	21.16	20.6
Gift cards	17.33	16.9
Electronics	12.72	12.4
Jewelry	12.22	11.9
Home and garden	11.60	11.3
Personal care, cosmetics and pampering	10.14	9.9
Toys, sporting goods and hobbies	5.69	5.5
Other	11.94	11.6
Total	102.80	100.0

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