

Nevada retailers expect back-to-school sales to increase

By Sean Whaley, Nevada News Bureau

Nevada retailers and their online counterparts expect to see \$245 million in spending on back-to-school merchandise for public school children this year, a 15.4 percent increase over spending levels in 2011, the Retail Association of Nevada reported this week.

College spending in Nevada is expected to generate another \$134 million in what is as the second biggest consumer event for retailers behind the winter holidays, according to the National Retail Federation. The NRF reports that combined K-12 and college spending will reach \$83.8 billion this year.

“Parents want to make sure their kids have everything they need to start the new school year and are willing to spend more than ever on school-related necessities,” said Mary Lau, president of RAN. “However, the economy remains a concern in most households, which will have an impact on the way families shop. Bargain-hunting will remain important to budget-conscious consumers.”

According to the latest survey results from the NRF, families nationwide with children in grades K-12 are expected to spend an average of \$689 on clothing, backpacks and other supplies. The latest estimate is a 14.1-percent increase from the estimated \$604 spent last year.

According to demographics released by Nielsen Marketplace, there are approximately 1 million households in Nevada, and 34 percent (or 355,000 households) have one or more children in grades K-12. Assuming national trends as reported by the NRF generally hold true for Nevada families, total spending in the state will reach approximately \$245 million. Due to an

increase in both the count of families with children entering elementary or middle school, and an increase in spending per family, back-to-school spending in the state is expected to increase 15.4 percent compared to last year when total spending was an estimated \$212 million.

As for college-bound students, the NRF estimates families will spend an average of \$907 on new clothes, dormitory or apartment furniture and other college supplies. Compared to last year's estimate of \$809, college spending is expected to increase 12.2 percent.

Utilizing the latest estimate of Nevada residents who will be enrolled in undergraduate and graduate degree programs within and outside of Nevada in the coming school year released by the U.S. Census Bureau's American Community Survey, aggregate back-to-school spending on college supplies is expected to increase this year as well. Again, assuming Nevada residents follow national trends, college spending is estimated to reach \$134 million, compared to \$120 million in 2011.

Bryan Wachter, director of government affairs for RAN, said back-to-school spending is exceeded only by the Christmas holiday season.

"Back-to-school is for a specific purpose, and we feel we can measure it pretty accurately," he said.

Wachter said clothing and electronics, from calculators to laptops to phones, are the big spending categories.

"Electronics, not quite but almost, total clothing," he said. "The average person is going to spend about \$250 per student on clothing and we're going to spend about \$225 on electronics."

The spending increase is due in part to some increased confidence among Nevadans that their jobs are more secure, Wachter said.

The Internet is continuing to grow as a preferred shopping “destination” for back-to-school items. Approximately 39.6 percent of consumers will be using the Internet to shop for needed supplies, nearly double the 2007 estimate. That said, discount stores are expected to be the most popular shopping destination, with 67.1 percent of consumers planning to shop there. Department stores followed with 59.9 percent.