



## Back-to-School Spending Estimated to Generate \$174 Million in Sales for Nevada Retailers if National Spending Trends Prevail Locally

### Additional \$78 Million Generated by Back-to-College Spending

Purchases of crayons, pencils, and \$606 worth of other back-to-school expenditures are expected to be made this month by households with school-aged children across the nation. Nevada's estimated 435,000 school children are headed back to school at the end of August, and if spending trends in Nevada resemble those being reported nationally, they will be spending approximately 10.5 percent more per family than last year.

Just under 30 percent of an estimated one million households in Nevada are estimated to have one or more children in grades K-12. According to the National Retail Federation (NRF), the average American family will spend \$606 on clothes, shoes, supplies and electronics to prepare to head back to school this fall. This translates into approximately \$174 million in back-to-school spending by Nevada families.

Mary Lau, President of the Retail Association of Nevada, noted, "If national forecasts hold true, a 10.5-percent increase in back-to-school spending would be fantastic news for Nevada retailers. However, increased national spending forecasts this past Christmas-shopping season did not come to pass for many of them. Consequently, we remain cautiously optimistic that increased expectations for spending during this back-to-school shopping season will materialize within the state. As Nevada continues to suffer the highest unemployment rate in the nation at 14.2 percent (4.7-points above the national average of 9.5 percent) it seems somewhat unlikely that we will witness the extent of increases expected for the nation's retailers."

Last year, survey results found that nationwide, the average family would spend \$549 (a dismal figure compared to the \$594 reported in 2008) on back-to-school purchases. 2010 survey results top both 2008



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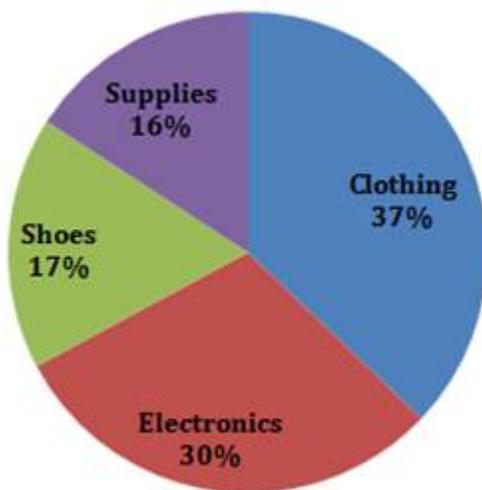
and 2009 estimates, with the NRF finding families estimating they will spend approximately \$606 to ready their kids for the upcoming school year.

The largest category of back-to-school spending is clothing, with families estimating they will spend \$225 on pants, shirts, and jackets, among other apparel. The latest taxable sales results in Nevada suggest clothing sales are on the rise, with sales up 10.7-percent year-over-year for the month of May. Apparel sales may continue to buck the generally negative sales trends in Nevada if back-to-school clothing purchases live up to national expectations. In the NRF survey, electronics were a close second, with families expecting to spend \$182 on laptops, smart phones and MP3 players. Families expected to spend \$103 on shoes, and finally, \$96 on school supplies.

Families with college-aged students are expected to spend \$616 (down slightly from the previous year's \$618) on new apparel, furniture, school supplies and electronics. With the U.S. Census Bureau's American Community Survey estimating 127,000 students enrolled in college and graduate programs in Nevada, this translates into an estimated additional \$78 million spent by those requiring back-to-school purchases to pursue higher learning.

Unfortunately, in addition to reporting the highest unemployment rate in the nation, Nevada has one of the highest rates of homelessness among school children, as well as school children living in poverty. Despite smatterings of positive developments in the state, challenging economic conditions may depress back-to-school expenditures for a significant number of families this season.

### Back-to-School Shopping | Largest Spending Categories National Survey Results, 2010



Source: National Retail Federation

#### About The Author

**Applied Analysis**, founded in 1997, is a Nevada-based advisory services firm providing information and analyses for both the public and private sectors.



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