



NEWS RELEASE

Back-to-School U.S. Retail Sales Expected to Grow 5.5%* Compared to Last Year, According to Mastercard SpendingPulse

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Anticipated growth builds on positive retail momentum, as Total Retail Sales rose 12%* year-over-year in May, fueled by pent-up demand and reopenings

PURCHASE, N.Y.--(BUSINESS WIRE)-- As students wrap up the current school year, retailers – and parents – are already preparing for a robust back-to-school shopping season as more kids head back into the classroom.

According to **Mastercard SpendingPulse™**, which measures in-store and online retail sales across all forms of payment, U.S. retail sales are expected to grow 5.5% excluding automotive and gas during the critical July 15 through September 6 back-to-school period compared to 2020. Compared to 2019, sales are expected to grow 6.7%.

"Back to school has always been a prime season for retailers. This year, the broader reopening brings an exciting wave of optimism as children prepare for another school year, and the grown-ups in their lives approach a similar 'return to office' scenario," said Steve Sadove, senior advisor for Mastercard and former CEO and Chairman of Saks Incorporated. "This back-to-school season will be defined by choice as online sales remain robust, brick and mortar browsing regains momentum and strong promotions help retailers compete for shoppers' wallets."

Anticipated Back-to-School Retail Sales		
Anticipated Year-Over-Year (YOY) Growth	Anticipated Year-Over-Two Years (YO2Y) Growth	
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	2021 (July 15-September 6) vs. 2020 (July 16-September 7)	2021 (July 15-September 6) vs. 2019 (July 13-September 4)
Total Retail Sales (ex. Auto and Gas)	+5.5%	+6.7%
Total Retail Sales (ex. Auto)	+10.0%	+9.1%
E-commerce Sales	-6.6%	+53.2%
Apparel	+78.2%	+11.3%
Electronics	+13.0%	+9.6%
Department Stores	+25.3%	+9.5%

Source: Mastercard SpendingPulse, which measures overall retail sales across all payment types, including cash and check

Sector-Level Back-to-School Trends:

As the broader U.S. reopening occurs and consumers return to brick and mortar, we anticipate e-commerce sales will ease slightly compared to last year (-6.6%) but will remain up a significant amount (+53.2%) when compared to 2019. In terms of what consumers are buying this back-to-school season, we anticipate the following retail trends:

- Apparel Refresh: While athleisure was the fashion statement of 2020, this year brings the diversification of the wardrobe as in-person schooling, reunions and other events drive consumers to make their social debuts in style. Apparel is expected to grow 78.2% YOY / 11.3% YO2Y.
- Department Store Shopping Returns: Department Stores, outdoor shopping centers and malls offer a fresh change of scenery for shoppers. We forecast a 25.3% YOY / 9.5% YO2Y increase in the Department Store sector as they rebound from last year's dip in foot traffic. Buy online, pick-up in store as well as technologies such as contactless will remain important as consumers continue to seek low-contact experiences.
- Tech Upgrade: If we learned one thing this past year, it's that technology keeps us connected. With many states and schools determining the virtual/in-person cadence, we anticipate Electronics will be up 13.0% YOY / 9.6% YO2Y.

Building on Ongoing Retail Momentum:

The anticipated back-to-school sales growth is a continuation of ongoing retail sales momentum, with May marking the eighth consecutive month of Total Retail Sales growth*. According to Mastercard SpendingPulse, U.S. retail sales excluding automotive and gasoline, increased 12.2% year-over-year in May, and 10.2% compared to May 2019. Online sales in May grew 1.1% and 94.8% respectively, compared to the same periods.

Mastercard SpendingPulse™ U.S. Snapshot – May 2021		
	Sales Growth May 2021 vs. 2020	Sales Growth May 2021 vs. 2019
Total Retail Sales (ex. Auto and Gas)	+12.2%	+10.2%
Total Retail Sales (ex. Auto)	+16.4%	+9.9%
E-commerce Sales	+1.1%	+94.8%
By Sector		

Apparel	+75.9%	+14.7%
Department Stores	+212.0%	+4.2%
Furniture & Furnishings	+22.5%	+20.2%
Grocery	+4.8%	+14.4%
Jewelry	+203.4%	+44.7%
Lodging	+254.4%	-1.5%
Restaurants	+84.7%	+7.9%

Source: Mastercard SpendingPulse, which measures overall retail sales across all payment types, including cash and check

*excluding auto and gas sales

About Mastercard SpendingPulse

Mastercard SpendingPulse™ reports on national retail sales across all payment types in select markets around the world. The findings are based on aggregate sales activity in the Mastercard payments network, coupled with survey-based estimates for certain other payment forms, such as cash and check. As such, SpendingPulse™ insights do not in any way contain, reflect or relate to actual Mastercard operational or financial performance, or specific payment-card-issuer data.

Mastercard SpendingPulse defines "U.S. retail sales" as sales at retailers and food services merchants of all sizes. Sales activity within the services sector (for example, travel services such as airlines and lodging) are not included.

About Mastercard (NYSE: MA)

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

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