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As Holiday Budgets Tighten, Shoppers Rediscover The Value Of Purpose

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Published Nov 24, 2025, 11:05am EST, Updated Dec 03, 2025, 10:06am EST



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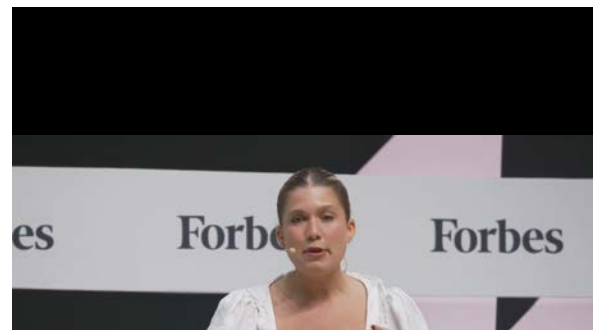


Bargain-hunting is no longer a temporary habit born from inflation; it has become a permanent part of how Americans shop.

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After a strong few years of post-pandemic recovery, American shoppers are finally showing signs of slowing down this holiday season. Long gone are

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the days of fighting over door busters as people are choosing to pause before they purchase and shop with purpose rather than excess. The result is a season shaped less by impulse and more by intention.

Prices haven't spiked dramatically this year, but persistent costs in essentials like food, fuel, and housing are reshaping how households think about discretionary spending. While shoppers are still showing up in stores, decorating their homes, and exchanging gifts, they're doing so consciously with a sharper focus on value and meaning. For many, the joy of the holidays now comes from being deliberate: opting for experiences that bring people together, stretching budgets strategically, and finding satisfaction in making every dollar count.

What's emerging is a new kind of consumer confidence, rooted in practicality and human centricity. According to JLL's latest [Holiday Shopping Report 2025](#), five key trends are shaping how Americans are approaching the holidays this year. Together, they reveal a great deal about what's next for retail, experience, and spending behavior.

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How Retail Can Win During A Holiday Shopping Season Marked By Fatigue



By Kristen Classi-Zummo

1. Holiday Budgets Shrink 10% As Economic Reality Sets In

Inflation has finally caught up and Americans are adjusting their spending habits. Average holiday budgets are down roughly 10% from last year, with

many shoppers pulling back on categories like food, decor, and entertainment to protect what they care about most: gift giving.

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Gifts make up just over half of anticipated spend, while celebration and experiential categories comprise the rest. That shift signals something important: generosity still defines the holidays, even as families spend more carefully. It reflects a more mindful approach to celebration that prioritizes meaning over abundance.

2. Dwell Time Equals Dollars

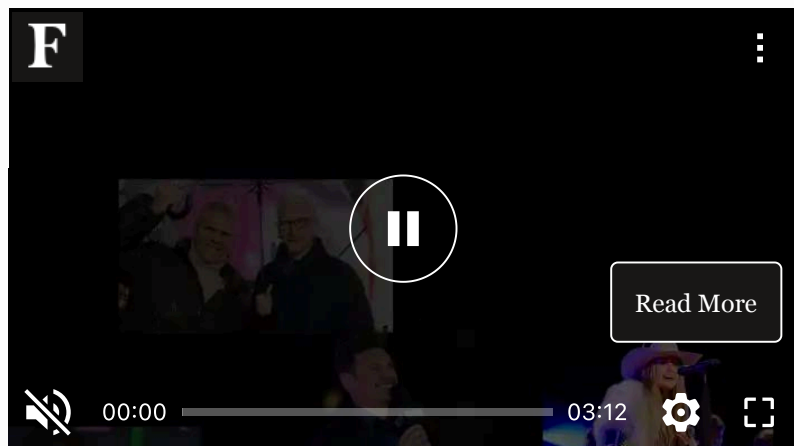
Even with leaner budgets, time remains one of the most powerful drivers of retail performance. Shoppers who stay in stores longer continue to spend more, with those browsing for more than 90 minutes generating 79% more revenue than those spending less than 30 minutes. Dwell time is especially relevant among high-income and Gen X shoppers, who typically have the means to spend more.

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For retailers, this relationship between time and transaction is both intuitive and actionable. When people linger, they are more likely to discover something unexpected, enjoy a meal, or be influenced by the environment around them. In fact, over 70% of shoppers plan to participate in two or more holiday experiences, including dining out and going to the movies. Providing reasons to stay, such as phone charging areas with comfortable seating, free WiFi, engaging displays, festive music, and inviting food and beverage options, can turn shopping from a chore into an experience that translates into sales.



3. Stores Remain Central

Despite the conveniences of e-commerce, there's no substitute for the in-store holiday experience. More than 80% of consumers plan to shop in person this year, typically combining digital research with in-store visits to compare products, confirm quality, and enjoy the seasonal atmosphere.

Mass merchandisers have reclaimed their role as top shopping destinations for 2025, reflecting consumers' renewed focus on value, convenience,

and efficiency. Many shoppers are planning fewer stops, choosing one or two reliable retailers that meet most of their needs. The same mindset applies to self-spending: a growing share of shoppers plan to skip personal purchases altogether, saving their resources for others.

This shows that the store still serves a social and emotional role that can't be replicated online.

From gift wrapping to holiday music, people remain drawn to experiences that feel tangible.

Retailers that invest in that connection will see it returned in both loyalty and spend.

4. Shoppers Focus Less On themselves

Self-gifting, once a hallmark of modern holiday behavior, is in clear decline. A quarter of consumers plan to forgo personal purchases this year, compared to just 17% in 2024. Electronics and apparel—two popular self-gifting categories—have seen the largest drops, while gift cards have climbed to 43.4%, reflecting a more pragmatic and flexible approach to gift-giving.

This shift reflects a rebalancing of priorities as households refocus on shared experiences and a return to traditional gift giving. Consumers are showing that they can be generous without being indulgent. For retailers, this means highlighting the emotional value of purchases, not just the price tag.

Leaning into the human touch, such as setting up holiday helper stations for quick gift recommendations and personal shopping services, can help reduce decision fatigue and help time-pressed shoppers.

How BNPL And Cash-Back Apps Influence Holiday Spending Behavior



By Shelley E. Kohan

5. Deal-Hunting Becomes A Way Of Life

Bargain-hunting is no longer a temporary habit born from inflation; it has become a permanent part of how Americans shop. Empowered by technology and real-time price comparisons, shoppers now plan purchases around sales events, track discounts across channels, and keep value front of mind. More than 70% of consumers rank low prices and sales as their top priority, and over 60% say they are looking for more deals than usual.

Timing matters too. Consumers are shifting toward later start dates, often waiting for better deals or managing cash flow more carefully in response to ongoing economic pressures. Only 27.7% of shoppers plan to begin their holiday purchases before October this year—a drop from 41.1% in 2024.

Retailers that can balance competitive pricing with meaningful experiences will capture both the budget-conscious and the brand-loyal. The challenge is ensuring consumers feel confident and satisfied with how they spend.

Spending With Purpose For The Holidays And Beyond

As the 2025 holiday season moves from abundance to strategic spending, consumers are proving they

can celebrate meaningfully while staying financially mindful. Making thoughtful purchases, staying connected to physical retail, and seeking value in every sense of the word signals a maturing market. When shoppers become more intentional, they also become more engaged, and that’s the kind of confidence that carries well beyond the holidays.



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