

Wednesday January 21, 2026

Back-to-School spending lifts – but fewer families can afford to take part

Australian back-to-school spending is set to rise in 2026 – but across a smaller pool of shoppers, highlighting growing financial strain on lower-income households.

New data from the Australian Retailers Association (ARA) and Roy Morgan shows 21% of Australians aged 18+ – around 4.5 million people – plan to spend on back-to-school purchases, down from around 5.1 million last year.

Despite fewer people spending, total back-to-school outlay is forecast to climb to \$2.9 billion, up \$200 million year-on-year, driven by higher average spending of \$573 per shopper – up \$48 (9.1%) on 2025.

ARA CEO Chris Rodwell said the cashflow boost for retailers is welcome, but the lower participation rate points to a worrying pattern:

“Back-to-School is the first major seasonal moment for retail after Boxing Day and peak-season trading. While these are largely essential purchases, they provide important early-year momentum for many retailers,” he said. “At the same time, we are seeing fewer households participating in major retail events in the past year, while those that can afford to spend are spending more. It’s a narrowing market, and it reflects the pressure many families remain under.”

Women continue to drive most back-to-school spending, with 2.6 million women (24%) participating compared with 1.9 million men (18%), though participation has fallen across both groups.

Importantly, around one in two (49%) of shoppers say they will spend more than last year, while 34% plan to spend less – reinforcing the shift toward higher-value baskets.

Spending is concentrated into higher-ticket purchases, with 44% of shoppers budgeting more than \$500 and 22% planning to spend more than \$1,000, compared with just 15% planning to spend \$1000 or more a year ago.

“With 600,000 fewer Australians able to take part in essential school spending this year, it’s a strong sign some household budgets are still under stress,” said Mr Rodwell. “Now is not the time to add further pressure through interest rate hikes, with consumer demand clearly constrained.”

More key findings of the ARA–Roy Morgan research:

- Back-to-school purchasing remains heavily weighted to physical retail, with 60% of shoppers planning to buy in-store, compared with 39% online.
- Spending again this year is being driven by everyday essentials, with school uniforms the top purchase for 56% of shoppers, followed by stationery (55%), footwear including school shoes (47%), books (44%), and lunch boxes and drink bottles (25%).
- Of those participating, 49% are making purchases for primary school, 57% for high school, and 10% for university or TAFE. Around 4% of purchases are for postgraduate study (participants could select multiple options).
- Women remain the main household decision-makers, accounting for 75% of back-to-school purchases, followed by men at 13%, guardians at 6% and students themselves at 2%.

Many schools provide exemptions and financial support for those experiencing financial hardship – while some State Governments also operate assistance programs.

* Other retailing (specialty, variety and smaller-format stores not included in major categories)

**This ARA-Roy Morgan Snap SMS survey was conducted with an Australian-wide cross-section of 10,977 Australians aged 18+ between Thursday December 11 and Monday December 15, 2025, and Monday January 5 and Thursday January 8, 2026, including 1,703 who are spending money on 'back-to-school' purchases.*

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About the Australian Retailers Association (ARA) & National Retail Association (NRA)

About us: The ARA and NRA, soon to amalgamate into the Australian Retail Council (ARC) on 1 February 2026, represents a \$444 billion sector that employs 1.4 million Australians across metropolitan, regional, and remote communities – making retail the largest private sector employer in the country and a significant contributor to the Australian economy. Our memberships span the full spectrum of Australian retail, from family-owned small and independent retailers that make up 95% of our membership, through to our largest national and international retailers that employ thousands of Australians and support both metropolitan and regional communities every day.

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