

Holiday Preview 2026

Key Takeaways

- 1 Forecasts call for holiday sales growth to accelerate to 4% to 5.5%, with NRF projecting a record \$1.013 trillion season, though much of the gain reflects higher prices and not higher volume.
- 2 Consumers are budgeting more tightly and leaning on deals, AI tools and BNPL, while spending power is increasingly concentrated among higher-income households.
- 3 Retailers again jumpstarted the season with overlapping Amazon, Target and Walmart promotions in early October.

The 2026 holiday season is shaping up to be a stronger season on paper than in the shopping cart. Forecasters expect nominal sales growth to accelerate from 2025; the National Retail Federation (NRF) projects that November and December retail sales will rise 4.2% to a record \$1.013 trillion, after growing 3.1% to \$972 billion last year. However, with most merchandise categories experiencing inflation of 3% to 5%, a large share of the gain reflects higher prices rather than higher volume. Mastercard estimates that 280 bps of its 5.5% growth forecast reflects higher prices as retailers pass on their higher costs to consumers. Consumers, meanwhile, are signaling caution. PwC expects average gift spending to dip 2% to \$708. However, its forecast has missed before; last year's survey predicted an 11% decline for 2025, and PwC later reported that spending grew 6.5%.

The tariff landscape has shifted since last year. In February 2026, the Supreme Court ruled that IEEPA does not authorize the president to impose tariffs, striking down the core of the 2025 tariff program. Most retailers received the bulk of their IEEPA refunds in the second quarter. However, tariffs imposed under other laws remain in place, and the administration has turned to alternative legal authorities to levy duties of 10% to 12.5% on most imports, below last year's levels but still a headwind. Relief from the lower rates has yet to reach shelves. Toy prices rose 6.6% year over year in September, and toymakers note that current prices still reflect previously higher tariff rates. Inflation has also picked up following the Iran war, resulting in sharp increases in fuel and energy prices that are flowing through the broader economy, along with rising shipping costs.

Spending power is increasingly concentrated at the top. NRF's chief economist describes a K-shaped consumer, with higher-income households spending more while the spike in gas and energy prices combined with the prior years of rising food costs pressures lower-income shoppers. Consumer sentiment remains weak, with the University of Michigan index falling to 49.5 in June 2026 from 60.7 a year earlier, and the personal saving rate dropped to 2.7% in June from 4.5% in January, leaving many households with less cushion. Retailers will need to compete harder for a more selective shopper while protecting margins against deeper discounting and elevated input and freight costs.

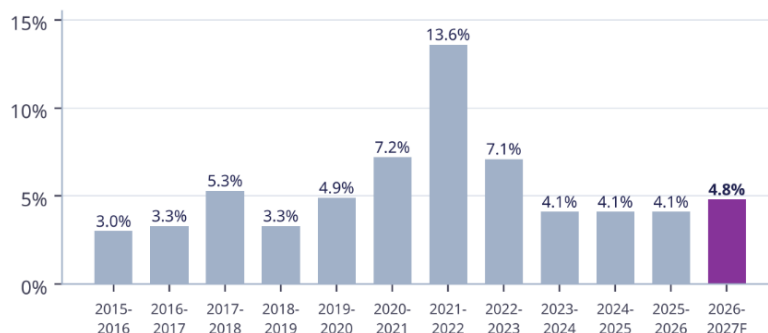
2026 Holiday Forecasts			
Source	Total Holiday Retail Sales	YoY % Growth	E-commerce Growth
Adobe (online sales)	\$275.1 billion	N/A	6.7%
Deloitte	\$1.70 trillion - \$1.71 trillion	4% - 4.8%	7.5% - 8.4%
Mastercard	N/A	5.5%	11%
NRF	\$1.013 trillion	4.2%	N/A
PwC (gift spend per consumer)	\$708	-2%	N/A
Simon-Kucher (household budget)	\$1,018	-5.5%	N/A

2026 Holiday Forecasts

According to Deloitte's 2026 annual holiday retail forecast, sales are expected to rise 4% to 4.8% to between \$1.70 trillion and \$1.71 trillion, compared with 4.1% growth during the 2025 holiday period (November to January). At the high end, this would mark the fastest growth since the 2022–2023 season. Online sales are projected to grow 7.5% to 8.4%, reaching \$316.1 billion to \$318.9 billion, compared with 7.5% growth to an estimated \$294 billion in 2025. Deloitte expects disposable personal income to rise 4.5% to 5.2% over the season, supporting spending even as shoppers trade down.

Holiday Sales Growth, Nov.–Jan.

2026–2027 shown at high end of Deloitte's 4.0%–4.8% forecast

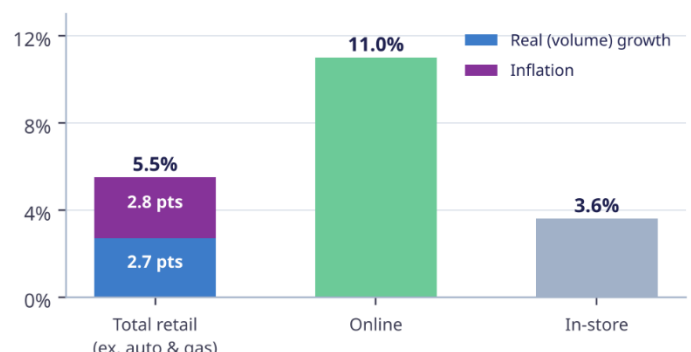


Source: Deloitte; U.S. Census Bureau

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Mastercard 2026 Holiday Forecast

YoY growth, Nov. 1–Dec. 24



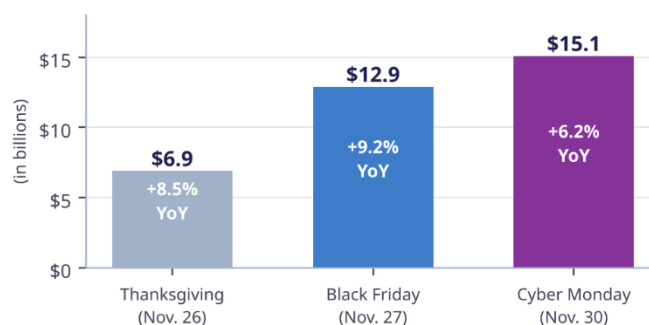
Source: Mastercard SpendingPulse, Mastercard Economics Institute

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Mastercard has a more bullish outlook, anticipating a 5.5% increase in holiday retail sales excluding autos and gas (November 1 to December 24), the strongest holiday growth since 2022, with online sales projected to grow 11% and in-store sales rising 3.6%. As in 2025, inflation is expected to be a large contributor, accounting for 280 bps of the 5.5% gain. Unlike last year, when tariffs drove prices higher, Mastercard attributes this year's price pressure to elevated energy costs and the AI buildout.

2026 Cyber Week Online Spend Forecast

Cyber Week total: \$47.5 billion (+7.4%), 17.3% of season



Source: Adobe Digital Insights

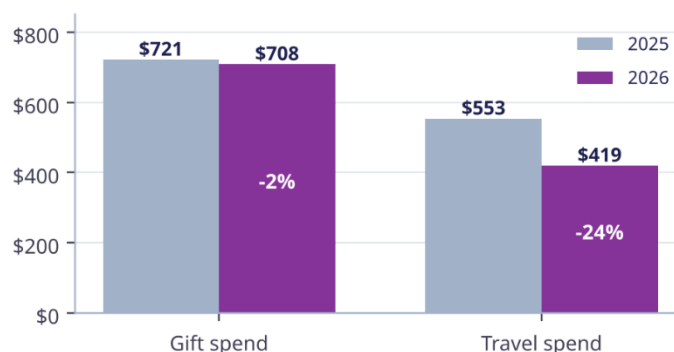
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Adobe predicts Cyber Week (the five days encompassing Thanksgiving, Black Friday, and through Cyber Monday) online spending to grow 7.4% to \$47.50 billion, accounting for more than 17% of total holiday online spending this year. While Cyber Monday (November 30) is expected to remain the season's biggest online shopping day at \$15.10 billion (+6.2%), Adobe predicts Black Friday will again show stronger momentum, with sales climbing 9.2% to \$12.90 billion. Thanksgiving Day online spending is expected to rise 8.5% to \$6.90 billion.

Consumer Behavior and Shopping Timing

Expected Holiday Spend per Consumer

PwC Holiday Outlook, 2025 vs. 2026



Source: PwC Holiday Outlook 2026 (survey of 4,093 U.S. consumers)

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Consumers are again signaling restraint, though data from PwC shows that last year shoppers spent 6.5% more on gifts after planning to cut back 11%. PwC's 2026 survey projects average gift spending will dip 2% to \$708 from \$721, while holiday travel spending is expected to fall 24% to \$419 from \$553. Millennials, still the season's biggest spenders, plan to cut gift spending 10% and travel 37%, while Gen Z plans cuts of 9% and 29%, respectively. Eight in ten consumers plan to adopt a budgeting strategy, and 29% plan to use AI for holiday shopping, up from 22% last year.

Promotions and Retail Strategy

Early promotional activity ramped up again in the first week of October:

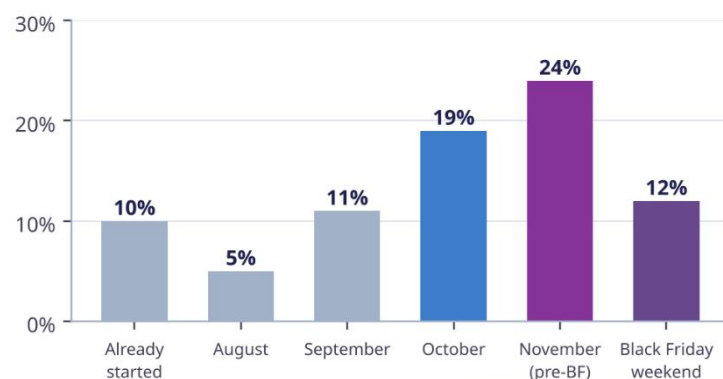
- Amazon held its October Prime Big Deal Days from October 6 to October 7, which drove \$9.86 billion in U.S. online spending across retailers (+8.5%), according to Adobe.
- Target ran its fall Target Circle Deal Days from October 6 to October 7 and cut prices on nearly 2,000 home and apparel items ahead of the event.
- Walmart ran its Walmart Deals event from October 5 to October 11, with discounts of up to 40% on tech and home items.
- Kohl's ran Deal Days October 6 to October 8.
- Best Buy offered Techtober sale events from October 4 to October 11.

BNPL continues to gain traction among shoppers seeking flexibility, although growth is slowing. Adobe expects BNPL spending to rise 6.6% to \$21.30 billion this season, with usage projected to hit a new high of \$1.09 billion on Cyber Monday.

A McKinsey survey conducted in early August found 45% of consumers expected to start holiday shopping by the end of October.

When Consumers Plan to Start Holiday Shopping

Share of U.S. consumers; 45% expect to start by end of October



Source: McKinsey ConsumerWise, survey fielded July 29-Aug. 5, 2026

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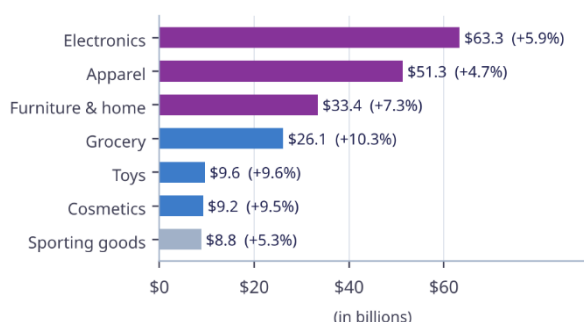
Seasonal hiring is expected to slip again after a historically weak 2025. Challenger, Gray & Christmas, the reference point for seasonal retail hiring, reported that retailers added 461,500 jobs in 4Q25, the smallest seasonal gain since 2008 and 15% below 2024, and projects hiring will fall further to 450,000 this year. The NRF expects retailers will hire 325,000 to 375,000 seasonal workers, in line with last year's estimated 356,000. UPS will hire 100,000 seasonal workers, down from 125,000 in 2024, after announcing in January that it would cut up to 30,000 operational jobs this year. Dick's Sporting Goods and Foot Locker plan to hire over 11,000 seasonal workers combined, about 28% below last year's plan of over 14,000, including approximately 8,400 across the Dick's banners (down from 9,600) and approximately 2,900 across the Foot Locker banners (down from 4,750). Michaels again expects to hire more than 10,000 workers, matching last year's target. Bucking the overall trend, Amazon announced that it plans to hire more than 300,000 workers for seasonal, part-time and full-time roles this holiday season, up from 250,000 in each of the past three years. As of mid-October, Walmart, Target and Kroger had not disclosed 2026 targets.

Category Performance

Adobe forecasts online sales will reach a record \$275.10 billion this holiday season (+6.7%), following 6.8% growth to \$257.80 billion in 2025. Three categories are expected to drive more than half of total spending: electronics (\$63.30 billion), apparel (\$51.30 billion) and furniture and home goods (\$33.40 billion), while grocery (+10.3%), toys (+9.6%) and cosmetics (+9.5%) are expected to post the fastest growth. Mobile devices are expected to capture 57.4% of online holiday sales (\$158.10 billion). Discounts are expected to reach up to 14% in early November and 21% just before Thanksgiving before peaking at 30% during Cyber Week, led by electronics (30%) and toys (29%).

2026 Holiday Online Spend by Category

Nov. 1–Dec. 31 forecast; top three categories = 54% of spend



Source: Adobe Digital Insights

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U.S. Holiday Season Online Spend

Nov.–Dec. online spend; YoY growth shown in bars



Source: Adobe Digital Insights

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Conclusion

The 2026 holiday season is expected to deliver faster headline sales growth than 2025, but much of that growth will come from higher prices rather than higher volume. Consumers remain engaged yet are budgeting more tightly, shopping earlier, scrutinizing promotions and using AI tools and BNPL to stretch their dollars, with spending power increasingly concentrated among higher-income households.

At the same time, margins are expected to remain under pressure from deeper discounting to win price-sensitive shoppers, lingering tariff costs and elevated energy and freight expenses. Retailers best positioned for the season will be those that manage inventory cautiously, time promotions effectively and meet shoppers in AI-assisted and mobile channels, while protecting profitability.

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