

2026

Consumer Holiday Spending Study

TSG and the **Electronic Transactions Association (ETA)** conducted a survey consisting of 1,099 U.S.-residing, adult consumers to better understand how economic factors are shaping shopping patterns this holiday season, how shoppers will be using artificial intelligence, and sentiment toward BNPL services.

The survey was conducted between September 8 and September 13, 2026. The survey represents consumers across several demographics such as state, gender, age, geographical region and household income, with a margin of error of $\pm 3\%$ at a 95% confidence level.



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Background & Executive Summary



Background

TSG + ETA Seventh Annual Consumer Holiday Spending Survey



TSG and the **Electronic Transactions Association (ETA)** conducted their 7th annual Consumer Holiday Spending Survey this year with the goal of gauging consumers' spending concerns and appetites, their omnichannel preferences and gift card planned behavior, as well as their usage of newer payment methods and BNPL patterns.



2025 Consumer Holiday Spending Report



2024 Consumer Holiday Spending Report



2023 Consumer Holiday Spending Report

Executive Summary

Key Findings

Economic Conditions

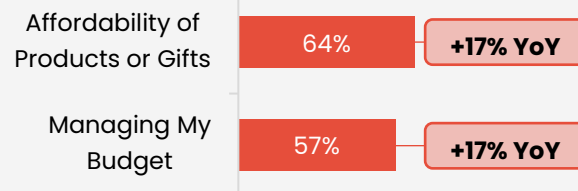
Debt & Financial Stress

Consumers are walking into the 2026 holiday season more financially stressed than last year and with more debt now, likely due to economic conditions and inflation impacting affordability of basic necessities.

Top Holiday Concerns

This means that the holidays will be competitive, with merchants looking to prove the quality and value of their products. Budget-friendly gifts are likely to be top sellers this year as consumers shop for deals that fit within their budget.

Top Holiday Concerns¹ ■ % Concerned



Holiday Shopping

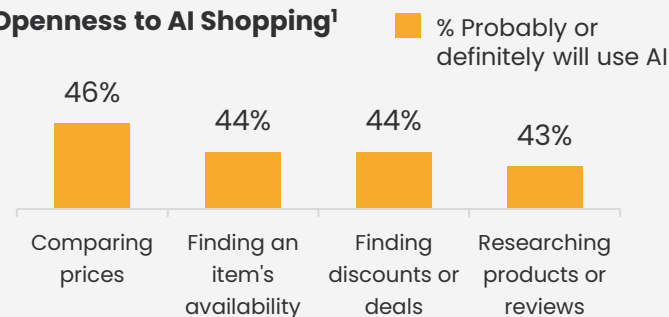
Omnichannel Shopping Plans

In-store shopping remains central. At the same time, 62% expect to use retailer websites or apps with home delivery, and 35% expect to use online marketplaces.

Artificial Intelligence Shopping Assistance

Although shoppers are less open to AI being used to make autonomous purchases on their behalf, nearly half of consumers plan to use AI technology to research products, reviews, prices, availability, and find deals.

Openness to AI Shopping¹



Payment Method Usage

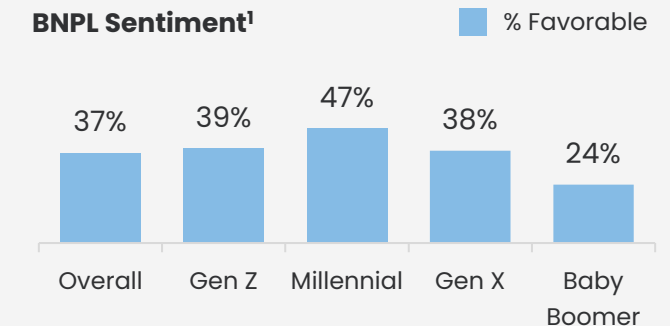
Payment Method Usage

Over half of consumers who try newer payment methods end up using them on a regular basis, except with cryptocurrency.

BNPL Sentiment Reasons

Favorable consumers primarily value BNPL for managing large or unexpected expenses and, in some cases, avoiding interest. Unfavorable consumers are concerned about accumulating debt, fees, interest, and overspending.

BNPL Sentiment¹



¹N (2026) = 1099

Takeaways for Acquirers, ISOs, and Processors

Help your audiences tailor their messages this holiday season

See below for a summary of targeted recommendations.



Help merchants compete on value and payment flexibility, as consumers increasingly prioritize affordability, free shipping, discounts, and budgeting.



Expand omnichannel payment acceptance across in-store, online, mobile, and gift card, as well as alternative payment experiences.



Position broad payment acceptance as a conversion and retention tool, since unavailable preferred payment methods can drive abandonment, switching, and lower repeat business.



Accelerate adoption by simplifying the merchant and consumer's first successful transaction:

- Tap-to-pay
- Digital wallets
- Saved-account checkout



Offer responsible BNPL capabilities targeted to specific purchases, with transparent terms and messaging tailored by generation and customer segment.

2026 Holiday Forecast



Financial pressure and selective spending will push merchants to compete on value, omnichannel convenience, and payment choice, making reliable checkout and broad acceptance critical to conversion and customer retention. Acquirers, ISOs, and processors should help merchants adopt digital payments, gift cards, loyalty, and responsibly positioned BNPL while strengthening fraud controls and preparing for concentrated holiday transaction volumes.

Takeaways for Financial Institutions and Fintechs

Help your audiences tailor their messages this holiday season

See below for a summary of targeted recommendations.



Lead with financial wellness and control, reflecting consumers' rising financial stress, increased budgeting, and greater concern about holiday debt.



Deliver flexible payment and credit products with clear disclosures, safeguards, and responsible-use features, particularly for financially pressured younger consumers.



Strengthen digital wallet, tap-to-pay, P2P, and credential-on-file experiences as convenience and familiarity increasingly drive repeat usage.



Treat gift cards, rewards, discounts, and personalized offers as tools for acquisition, engagement, and customer retention, not just seasonal promotions.



Approach AI-enabled commerce incrementally, prioritizing price comparison, deal discovery, budgeting, and product research before autonomous purchasing.



Collaborate with merchants and processing partners to deliver secure, omnichannel payment choice while maintaining authorization controls, credential protection, and clear dispute processes.

2026 Holiday Forecast



Financially pressured and budget-conscious consumers will prioritize value, payment flexibility, and greater control over holiday spending, increasing demand for rewards, digital payment tools, and responsibly structured financing options. Financial institutions and fintechs should pair seamless experiences with transparent terms, strong safeguards, and practical AI tools that help customers compare prices, find deals, and manage budgets rather than execute purchases autonomously.

Economic Conditions



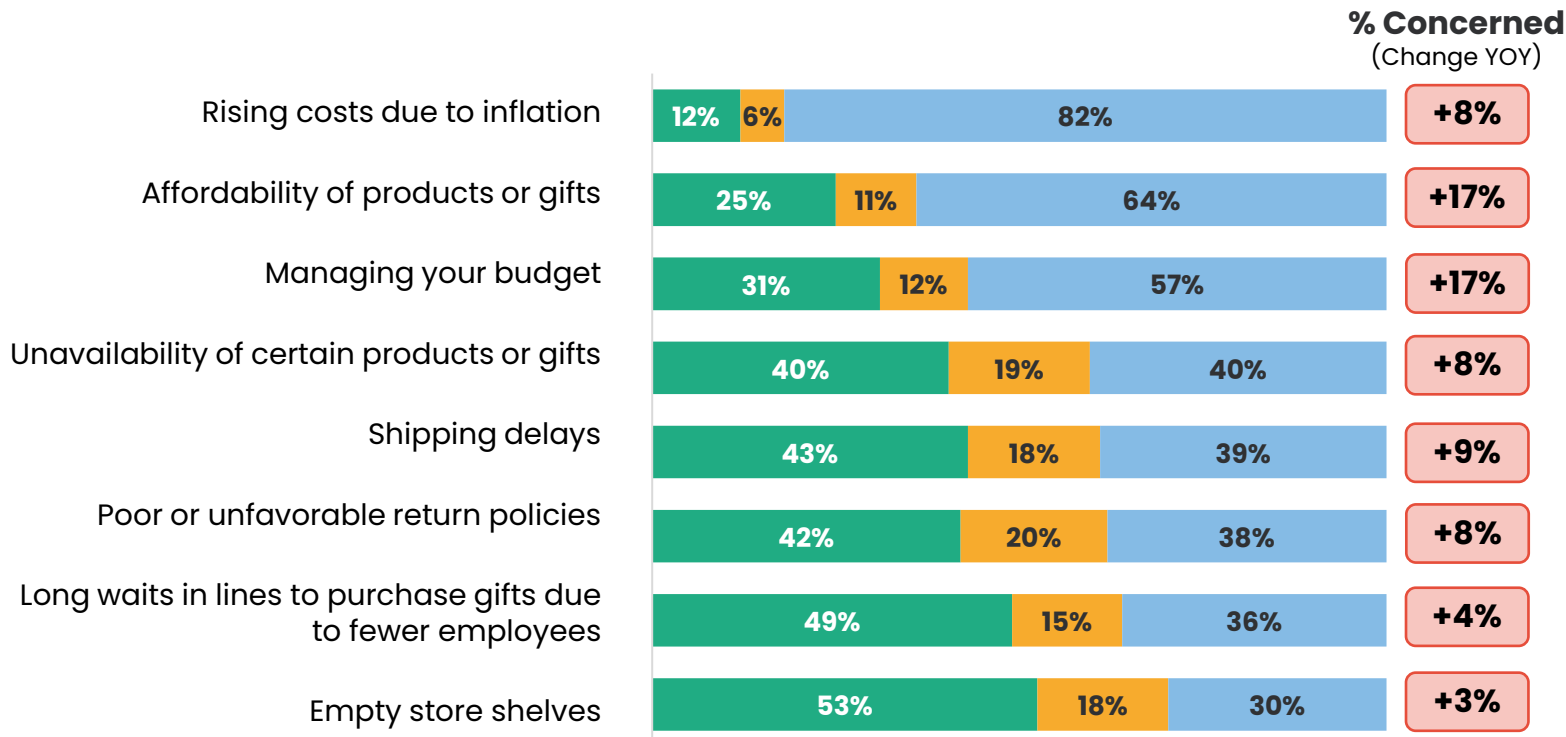
Potential Shopping Deterrents

A majority of consumers are worried about affordability and have lost confidence in managing their holiday budget

How are consumers feeling this holiday season?

N (2025) = 1027; N (2026) = 1099

■ % Unconcerned ■ % Unsure ■ % Concerned



Key Insight

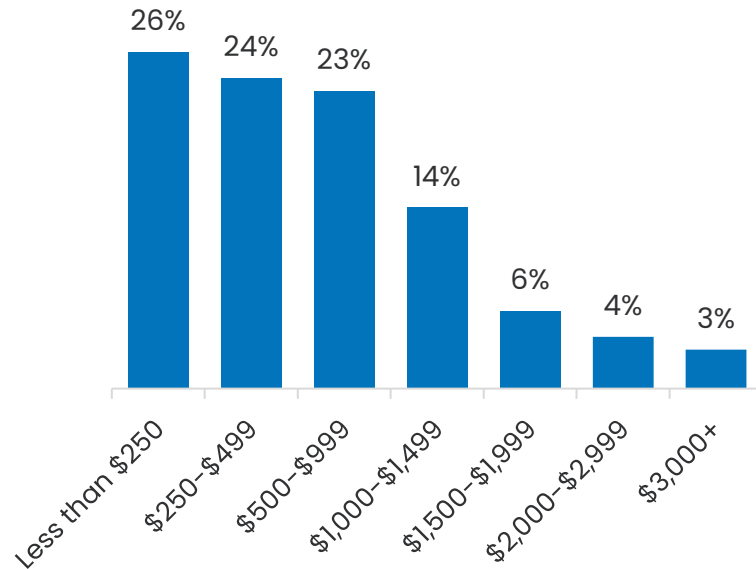
Inflation remains the dominant concern, cited by 82% of consumers. Affordability follows at 64%, while 57% are concerned about managing their budget. Concerns increased year over year across every issue measured. Holiday performance will therefore depend not only on product availability, but also on whether merchants can demonstrate value and give consumers confidence in the total cost of the purchase.

Holiday Spending Amounts

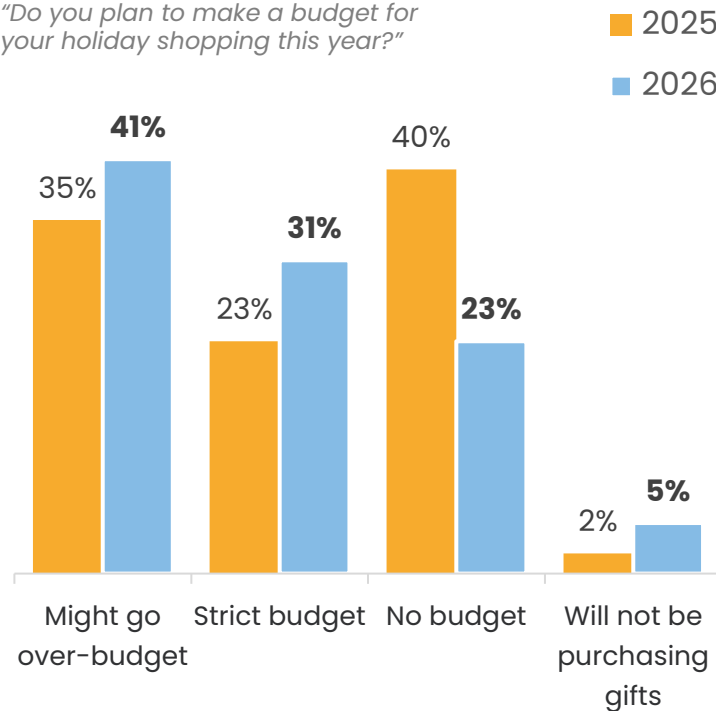
73% of consumers plan to spend under \$1,000

How much do you plan to spend this holiday season?

N (2025) = 1027; N (2026) = 1099



"Do you plan to make a budget for your holiday shopping this year?"



Key Insight

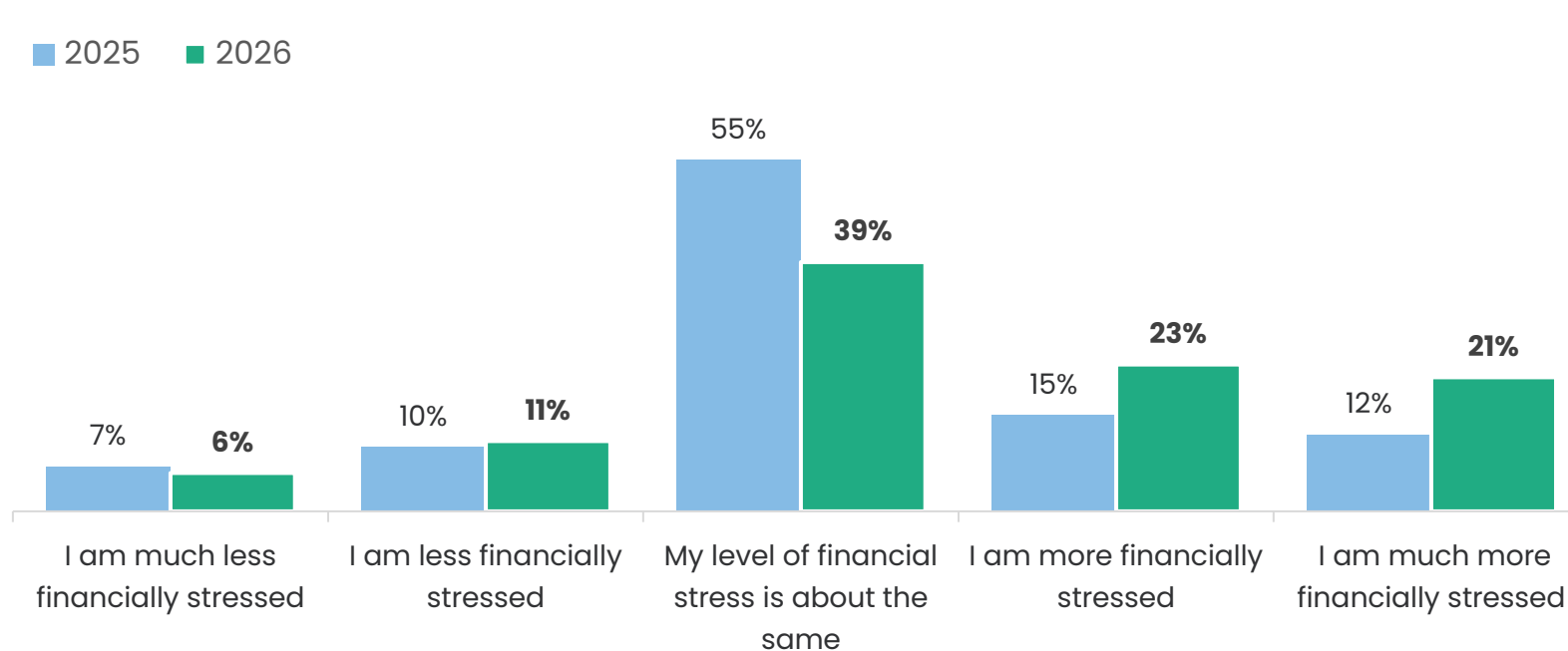
Consumers may still spend, but they are approaching those purchases with greater structure and scrutiny. This is evidenced by the growing number of consumers creating budgets to manage their expenses.

Financial Stress

Consumers report more financial stress in 2026 compared to two years ago

Are you more or less financially stressed going into the holiday season this year than you were last year?

N (2025) = 1027; N (2026) = 1099



Key Insight

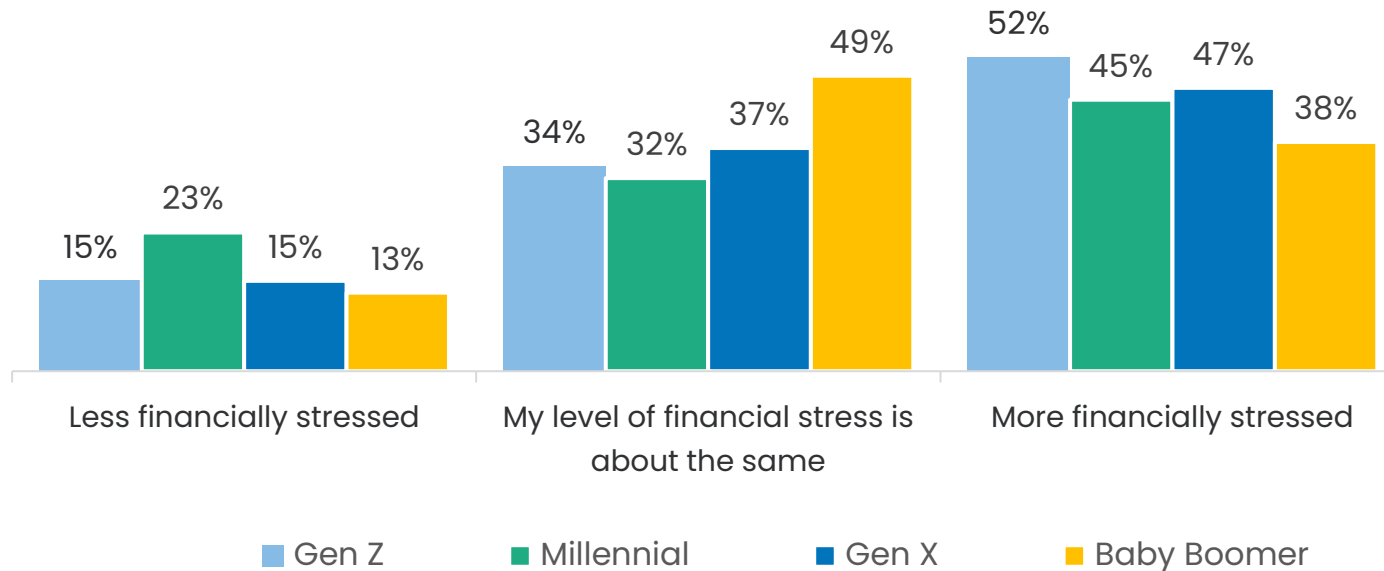
Financial stress has risen sharply. 44% say they are more financially stressed than last year, compared with 27% in 2025. Only 17% report less stress. This gap helps explain the appeal of discounts, free shipping, gift cards, and flexible payment options, but it also increases the need for responsible financing and transparent consumer communication.

Financial Stress by Generation

Younger generations are feeling the financial stress the most

Are you more or less financially stressed going into the holiday season this year than you were last year?

N (2026) = 1099



Key Insight

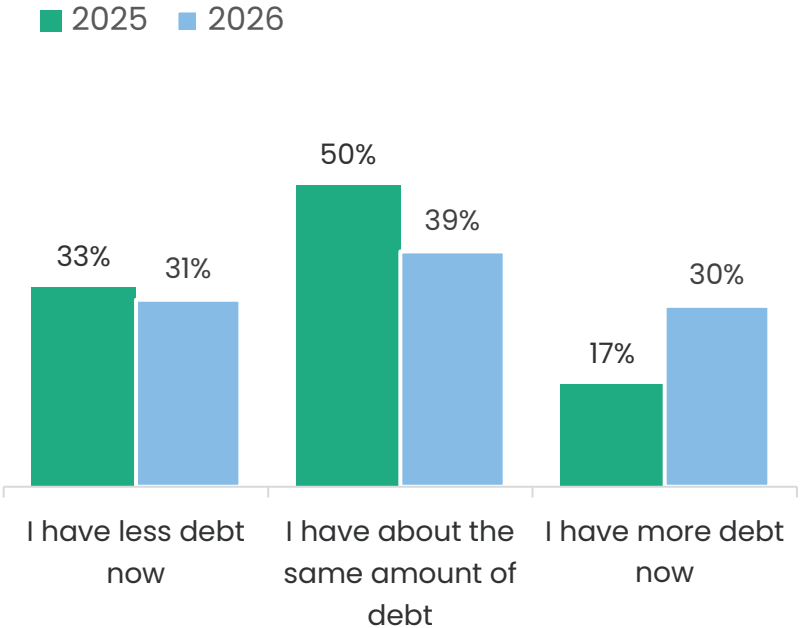
Younger consumers may be more open to digital and flexible payment products, but they are also entering the holiday season under greater financial pressure. Product accessibility should therefore be paired with appropriate safeguards.

Debt Accumulation

Consumer debt reports increase

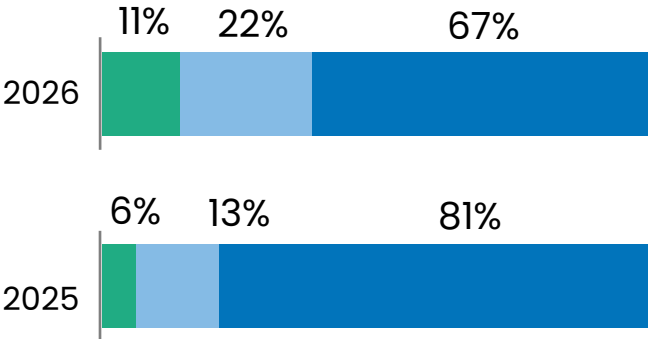
Do you have more or less debt now than you did two years ago?

N (2025) = 1027; N (2026) = 1099



“Do you think you will go into debt during the holidays this year?”

- Yes, I usually do
- Yes, there is a good possibility
- No



Key Insight

The debt findings reinforce the financial-stress story. Up from 17% last year, 30% now say they have more debt than two years ago. In addition, 33% believe there is a possibility they will take on holiday debt, compared with 19% in 2025. This is a material warning for the ecosystem; payment flexibility can support commerce, but providers must balance conversion, consumer outcomes, transparency, and long-term trust.

Holiday Shopping Trends

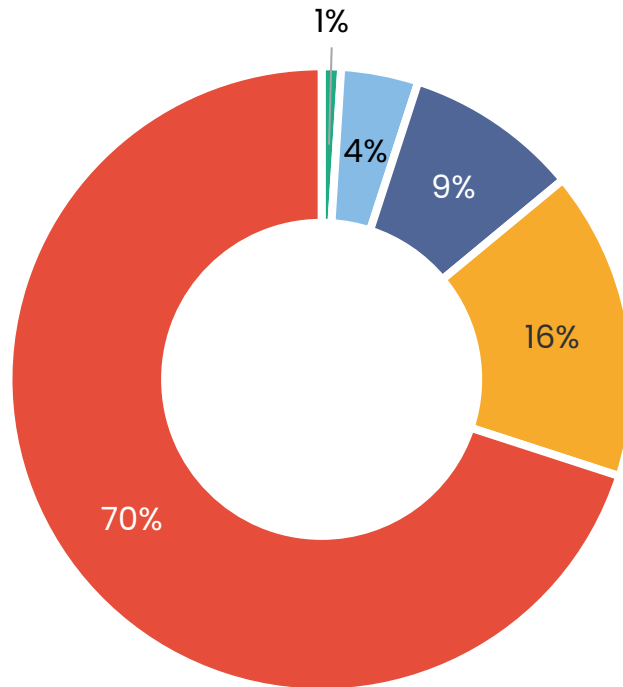


Early Holiday Shopping

Shopping pace similar to last year

How much of your total gift shopping would you say you have completed as of today?

N (2026) = 1099



30%

Of shoppers have begun their holiday shopping as of **September 2026**

-  I am completely finished
-  I am more than halfway finished
-  I am halfway finished
-  I am less than halfway finished
-  I have not started



Key Insight

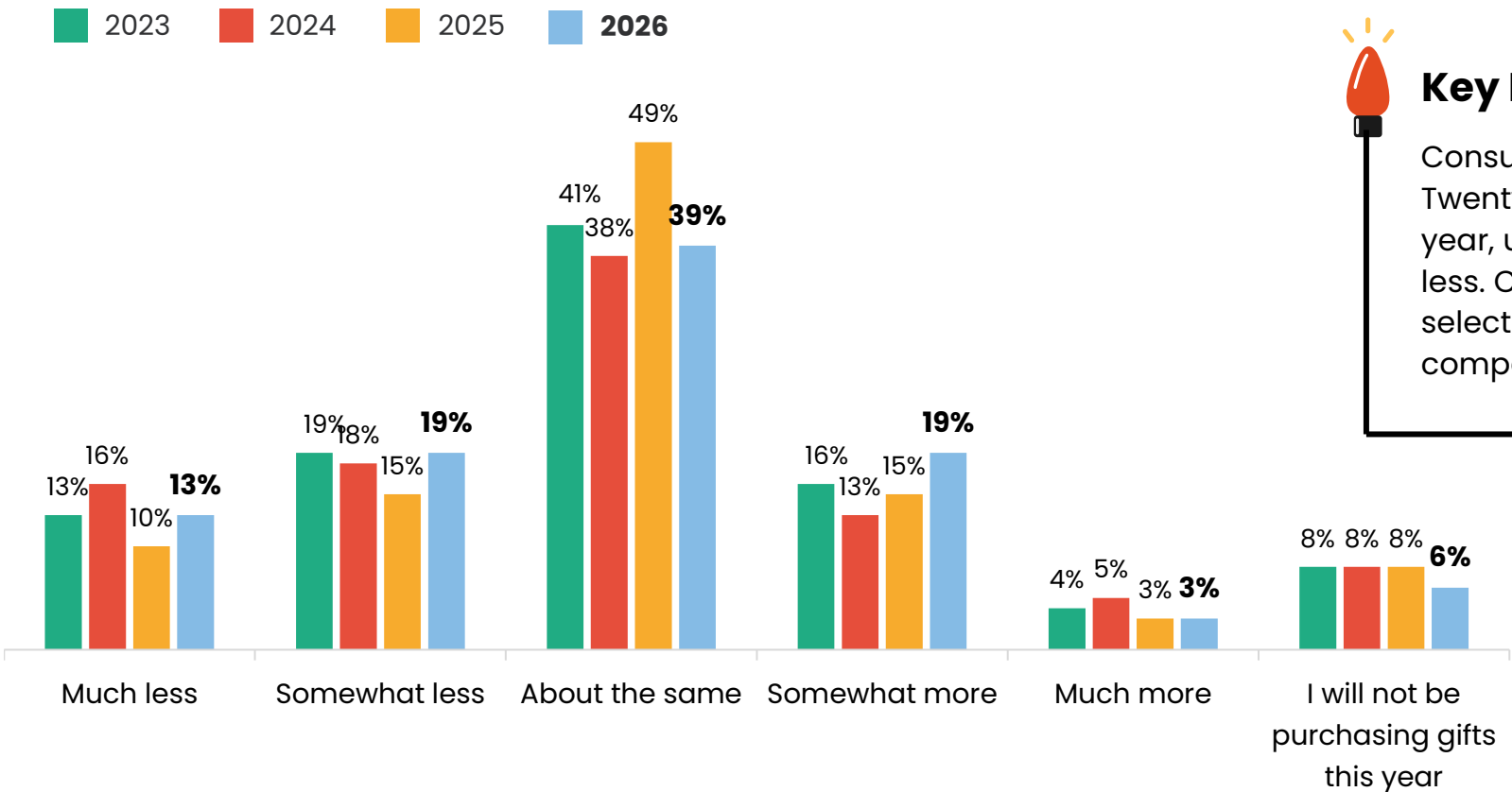
As of September, 30% of consumers had started their holiday shopping, essentially unchanged from 31% at the same time last year. Most shopping activity is therefore still ahead. For merchants and payments providers, this creates a concentrated window in which promotions, checkout readiness, uptime, fraud controls, and fulfillment performance will matter.

Annual Holiday Spending Comparison

Some shoppers plan to spend more this year than last year

Do you think you will spend more, less, or about the same as you did last year?

N (2023) = 1005; N (2024) = 992; N (2025) = 1027; N (2026) = 1099



Key Insight

Consumer spending plans are somewhat polarized. Twenty-two percent expect to spend more than last year, up from 18% in 2025, but 32% expect to spend less. Consumers may therefore be spending selectively rather than broadly, creating greater competition among merchants for each purchase.

71%

Plan to **Spend Less or the Same**

2025: 74%
2024: 72%
2023: 73%

22%

Plan to **Spend More**

2025: 18%
2024: 18%
2023: 20%

Gift Cards

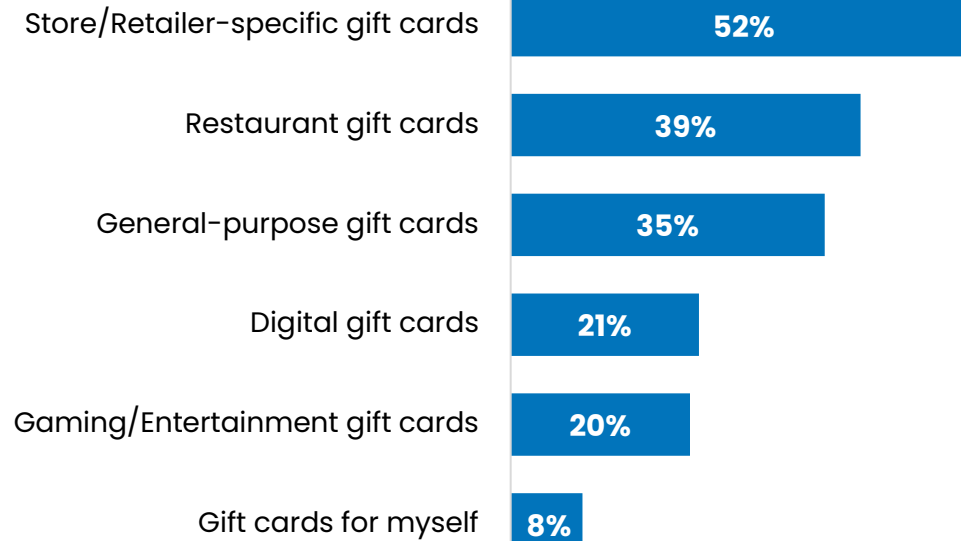
Nearly 3 in 4 plan to purchase gift cards

If you plan to purchase gift cards this holiday season, which types do you expect to purchase? Select all that apply.

N (2026) = 1030

71%

Plan to purchase gift cards this holiday season



Key Insight

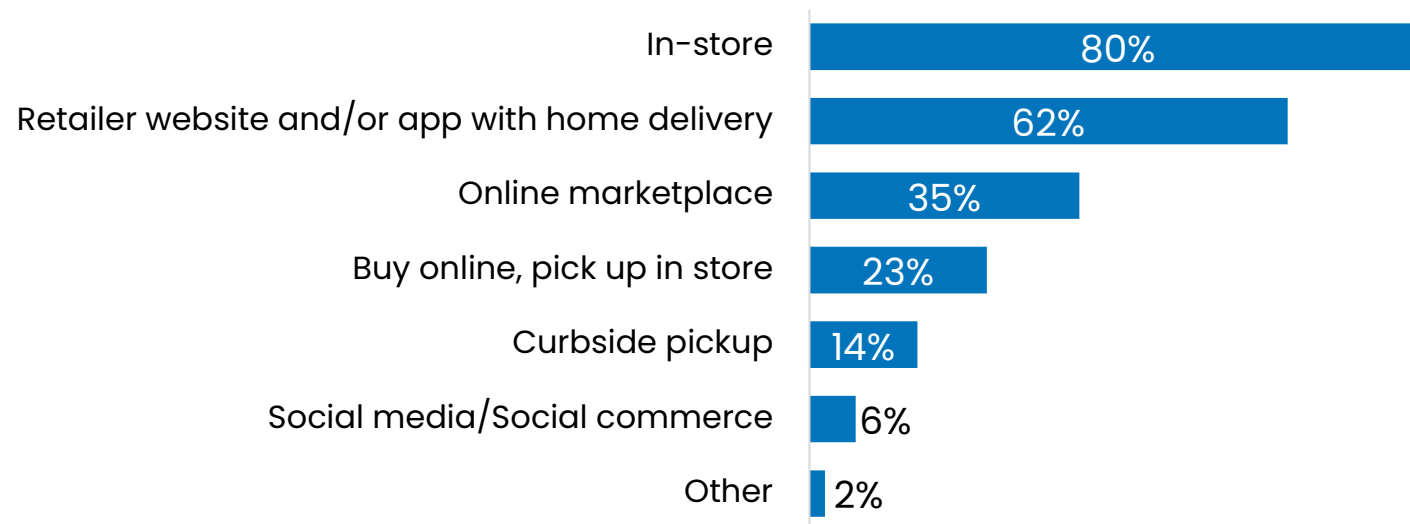
Gift cards remain a major holiday category. For payments companies, gift cards are more than a seasonal product. They can support acquisition, customer retention, incremental spend, and omnichannel engagement, particularly when physical and digital programs are integrated.

Omnichannel Shopping Plans

In-store and delivery are the top two channels for holiday purchases

Which of the following ways do you expect to shop for holiday purchases this year? Select all that apply.

N (2026) = 1030



Key Insight

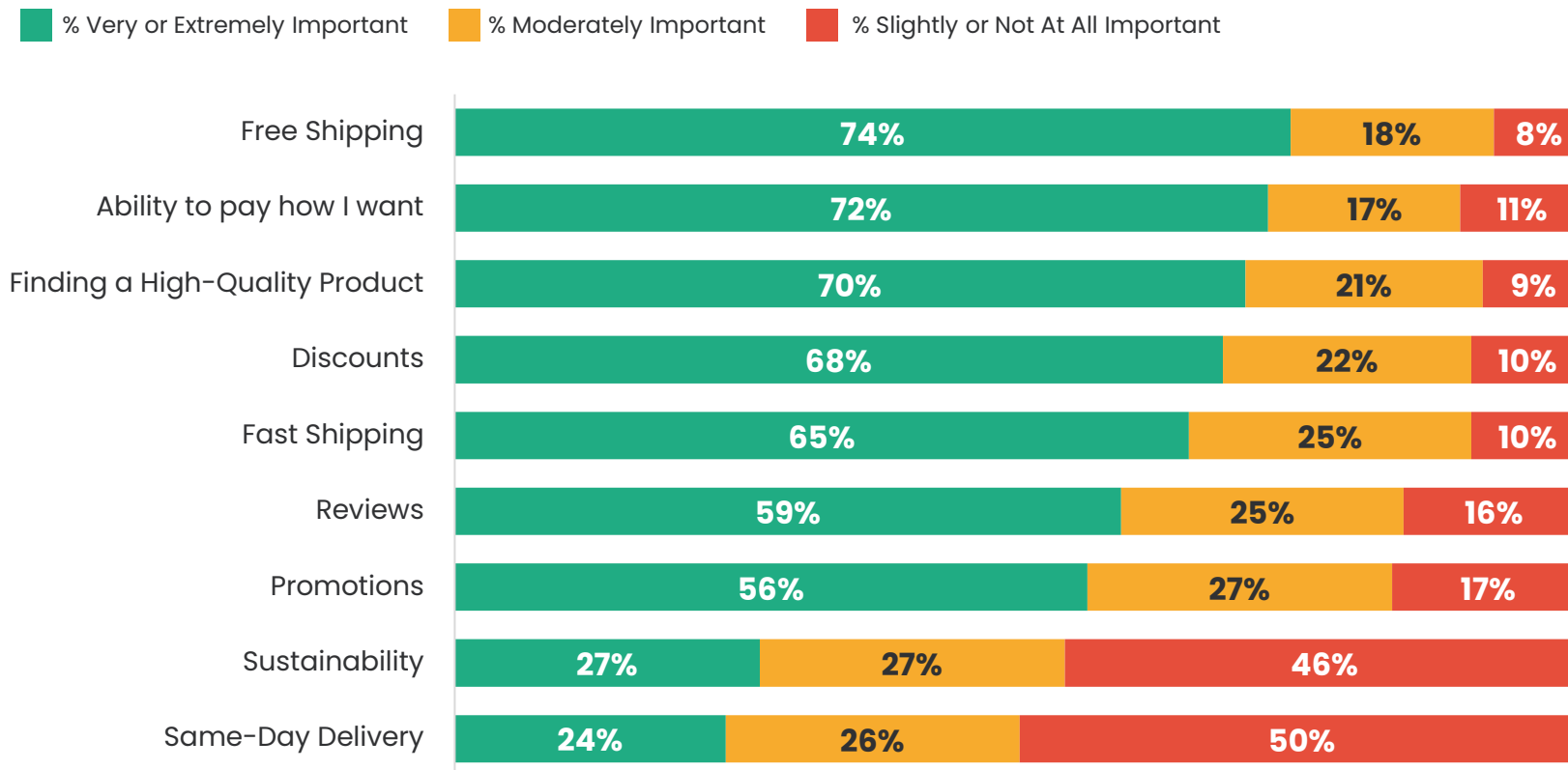
The holiday shopper is clearly omnichannel. Merchants need consistency across inventory, pricing, identity, loyalty, payment credentials, refunds, and customer service.

Holiday Online Shopping Features

Value + Flexibility + Quality > Speed

How important are the following items to you when making an online gift purchase?

N (2026) = 1099



Key Insight

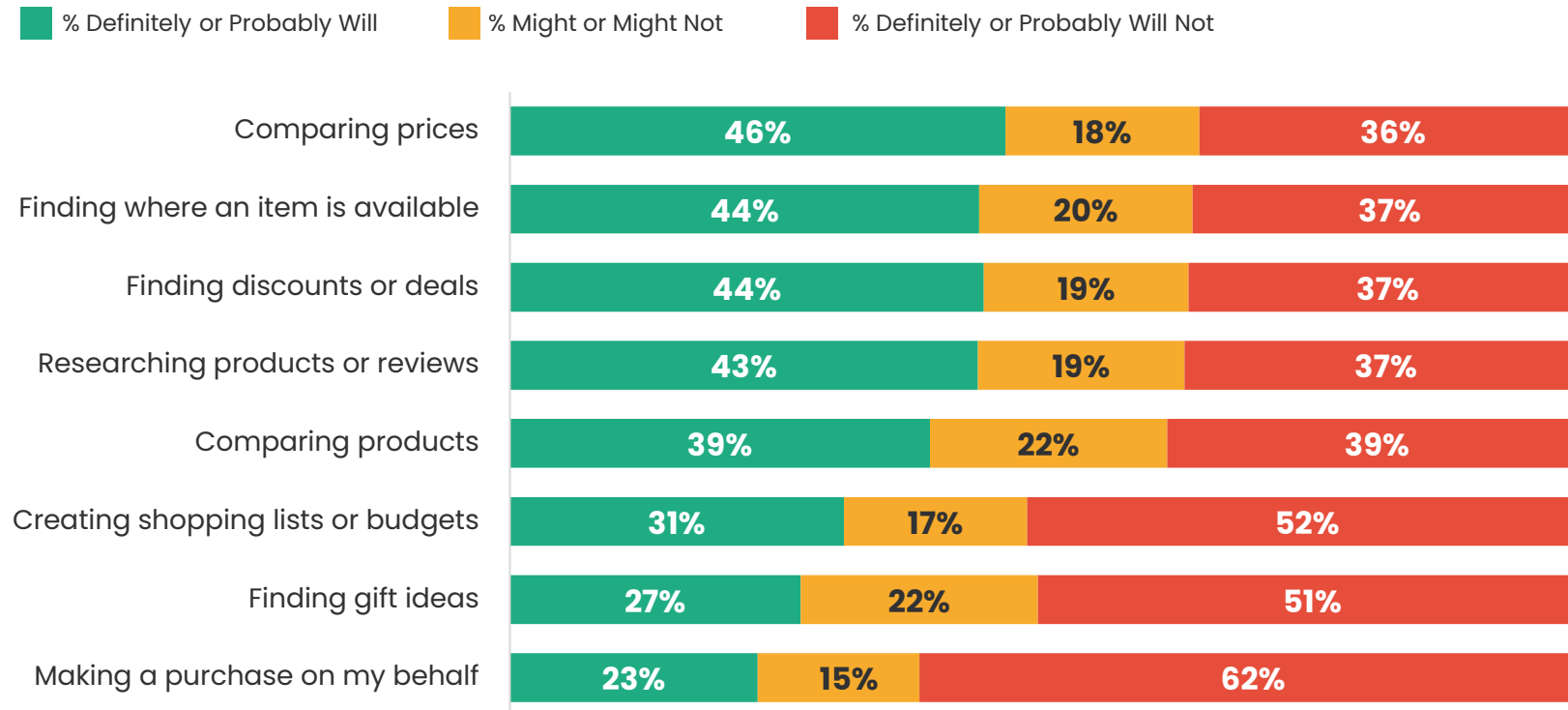
Consumers are effectively telling merchants that economic value and checkout flexibility matter more than maximum speed. That is an important distinction when merchants are deciding where to place limited investment dollars.

Openness to Artificial Intelligence Assistance

AI most likely to be used for product research and comparisons

Do you expect to use an AI-powered tool or assistant for any of the following during your holiday shopping this year?

N (2026) = 1099



Key Insight

Consumers are most open to using AI for practical, low-risk shopping tasks. Openness declines as AI takes greater control: only 23% would allow it to make a purchase on their behalf. Millennials are the most receptive to agentic commerce, but comfort remains limited across every generation. Near-term adoption is therefore more likely to occur in discovery and comparison than in autonomous payment execution.

Payment Method Use

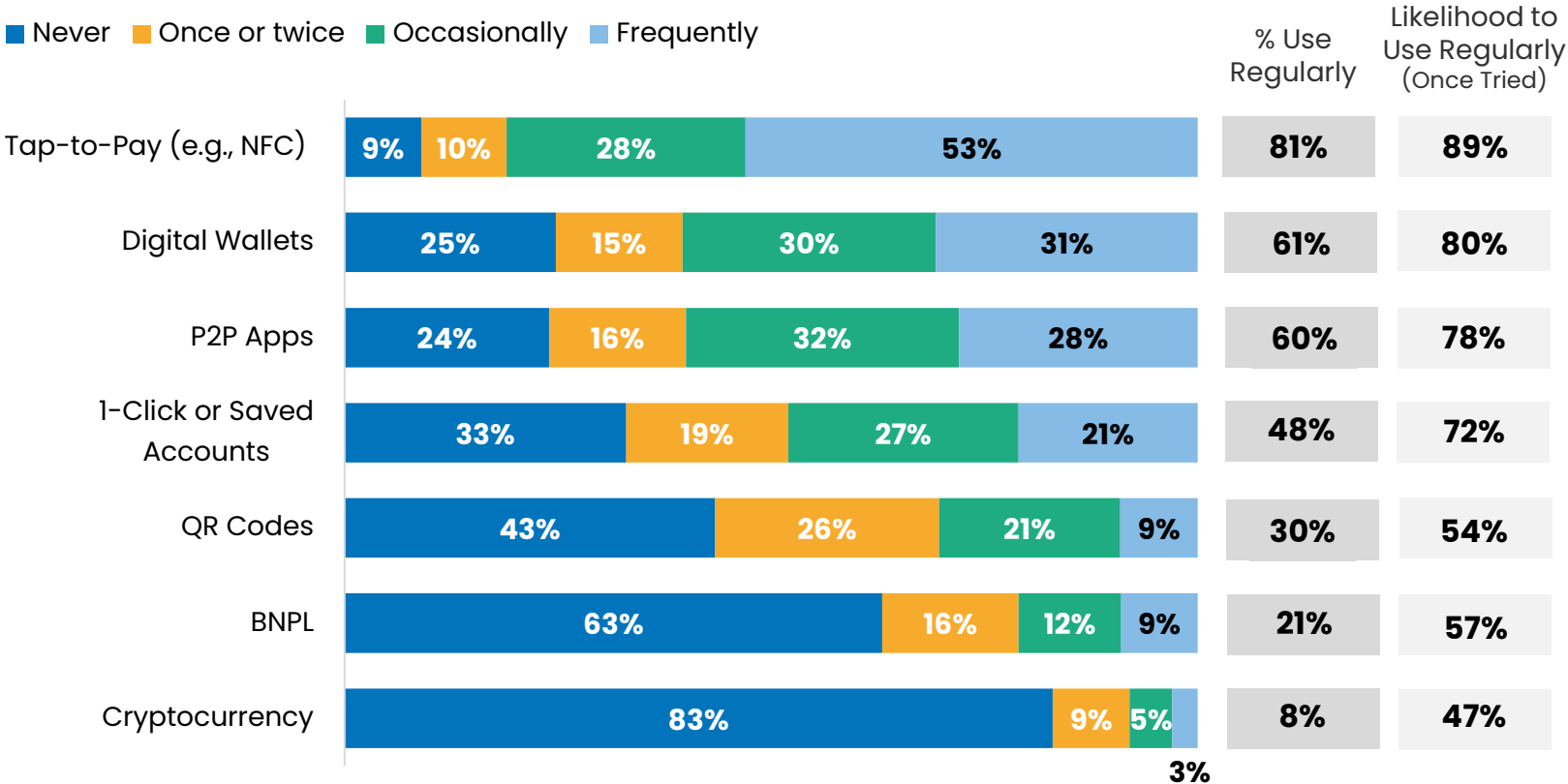


Payment Method Comparison

Tap-to-pay is the clear leader

Have you tried any of the following newer payment methods in the past year?

N (2026) = 1099



Key Insight

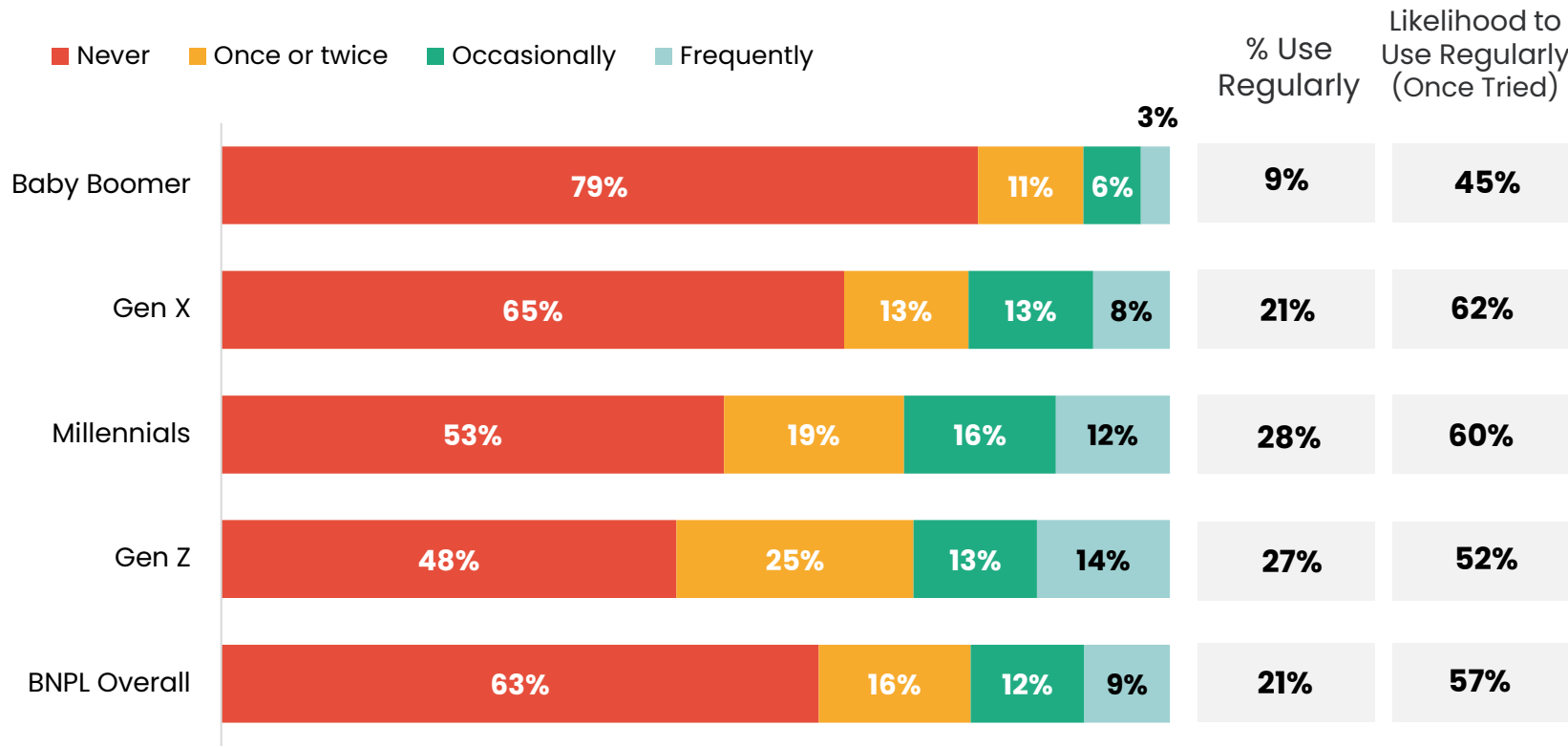
Convenience and familiarity are converting trial into repeat behavior more effectively than novelty alone. Once consumers try tap-to-pay, digital wallets, and P2P apps, a large share continue using them; driving the first successful transaction remains an important adoption lever.

BNPL Usage Comparison

Millennials use BNPL most regularly

Have you tried any of the following newer payment methods in the past year? –BNPL

N (2026) = 1099



Key Insight

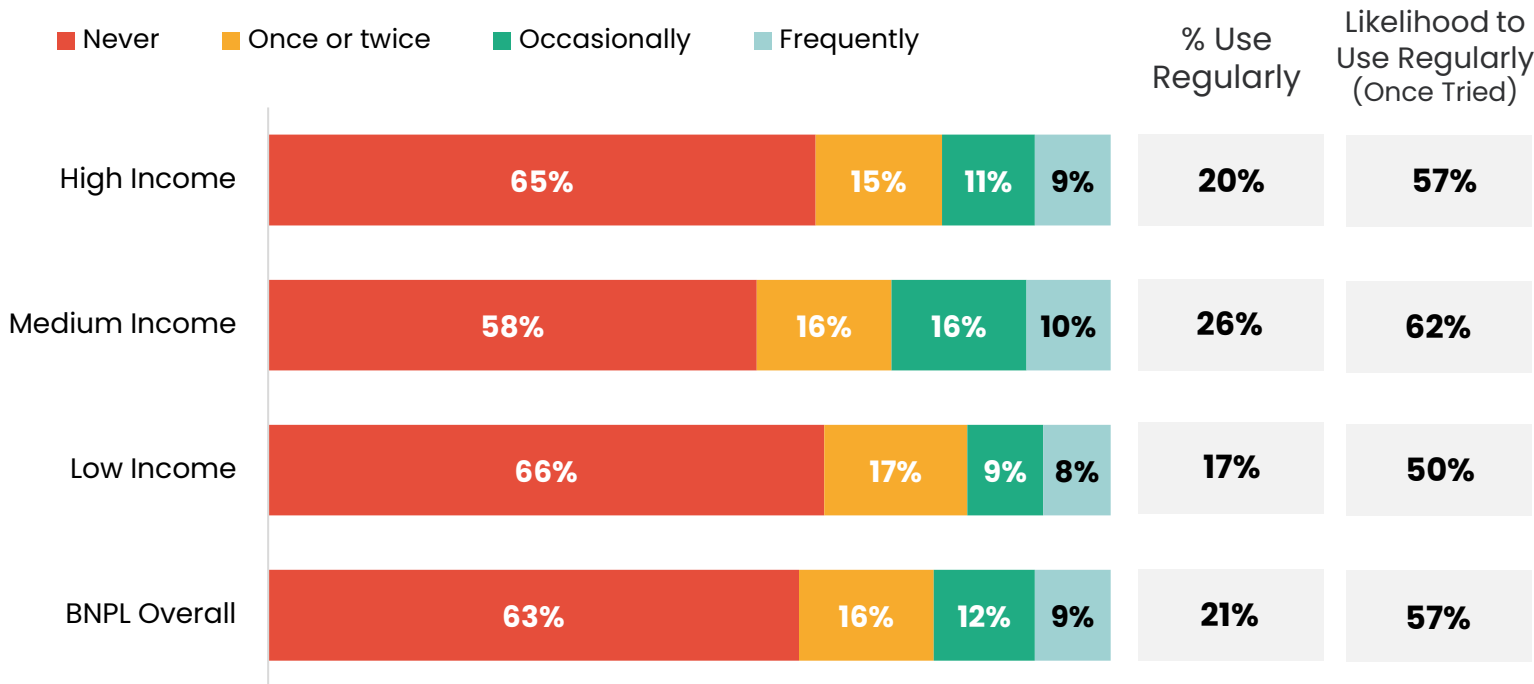
BNPL adoption is highly generational. Gen Z and Millennials are the most likely to have tried BNPL, while Baby Boomers are the least likely. However, this is not exclusively a Gen Z product. Millennials show the highest frequent usage, suggesting that BNPL resonates particularly with consumers balancing larger household expenses with a desire for short-term payment flexibility.

BNPL Usage Comparison

BNPL most popular with middle-income consumers

Have you tried any of the following newer payment methods in the past year? –BNPL

N (2026) = 1099



Key Insight

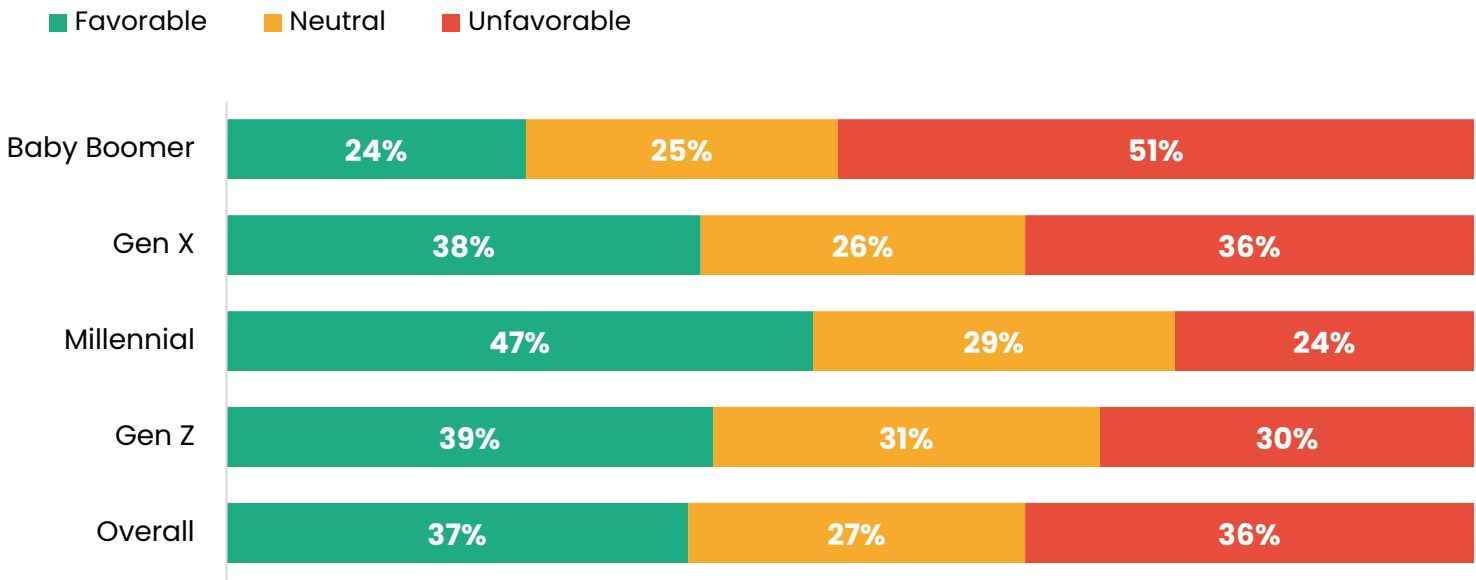
BNPL usage does not follow a simple low-income versus high-income pattern. Middle-income consumers show the strongest usage, while adoption among low- and high-income consumers is relatively similar. This suggests that BNPL should be framed less as a hardship product and more as a budgeting and cash-flow tool, while still ensuring transparent terms and responsible usage.

BNPL Sentiment by Generation

Consumer sentiment toward BNPL is nearly evenly divided overall

How do you feel about BNPL services where you purchase a product or service and pay in installments over a few months?

N (2026) = 1030



Key Insight

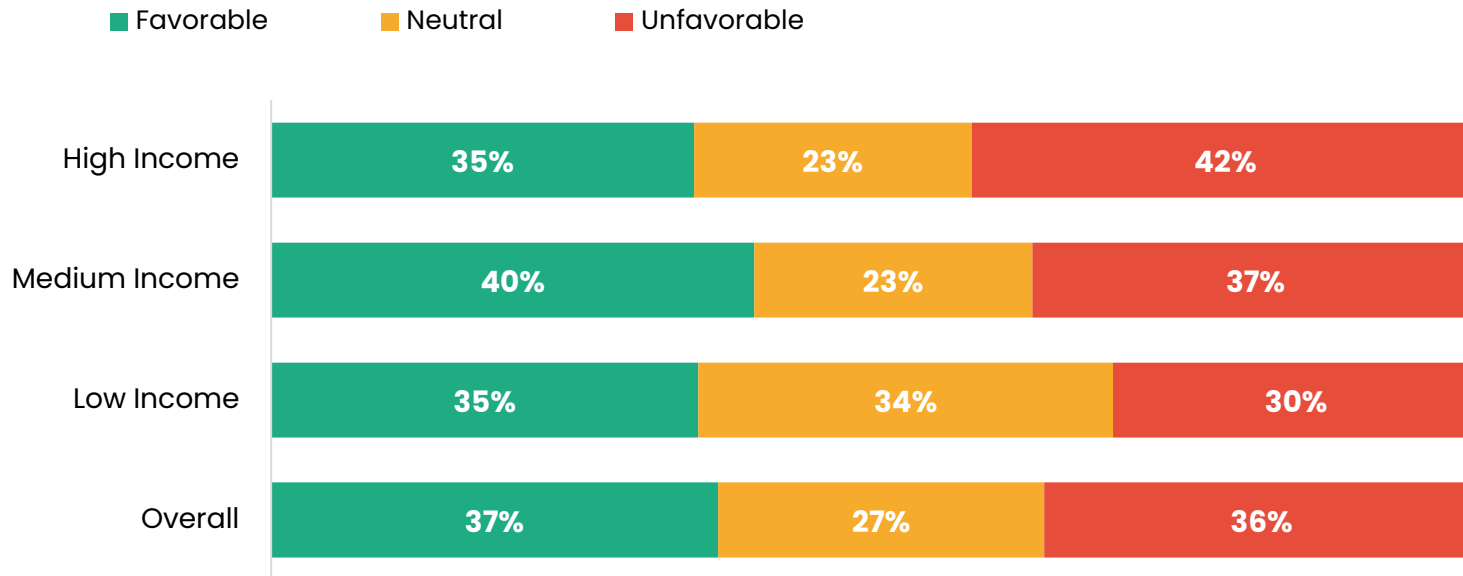
Generational differences reveal that BNPL messaging should be segmented. Convenience and control may resonate with younger consumers, while transparency and protection may be needed to address older consumers' concerns.

BNPL Sentiment by Income Level

Income produces a less dramatic sentiment difference than generation

How do you feel about BNPL services where you purchase a product or service and pay in installments over a few months?

N (2026) = 1030



Key Insight

Middle-income consumers are the most favorable toward BNPL, while high-income consumers are the most unfavorable. Again, the findings suggest that BNPL's appeal is not concentrated solely among financially constrained households. It is also being used by consumers who value flexibility and expense management.

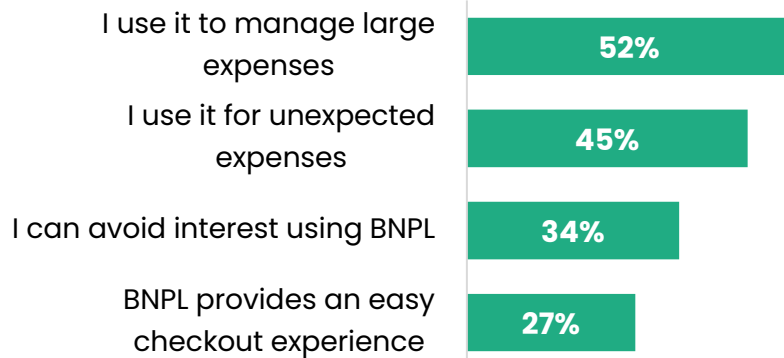
Top Reasons to Like/Dislike BNPL

Favorable consumers use it primarily for large, unexpected expenses

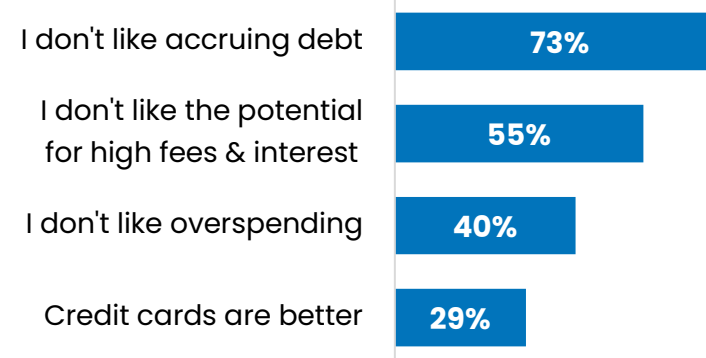
Why do you feel positively or negatively about BNPL services? Select all that apply.



Favorable



Unfavorable



Key Insight

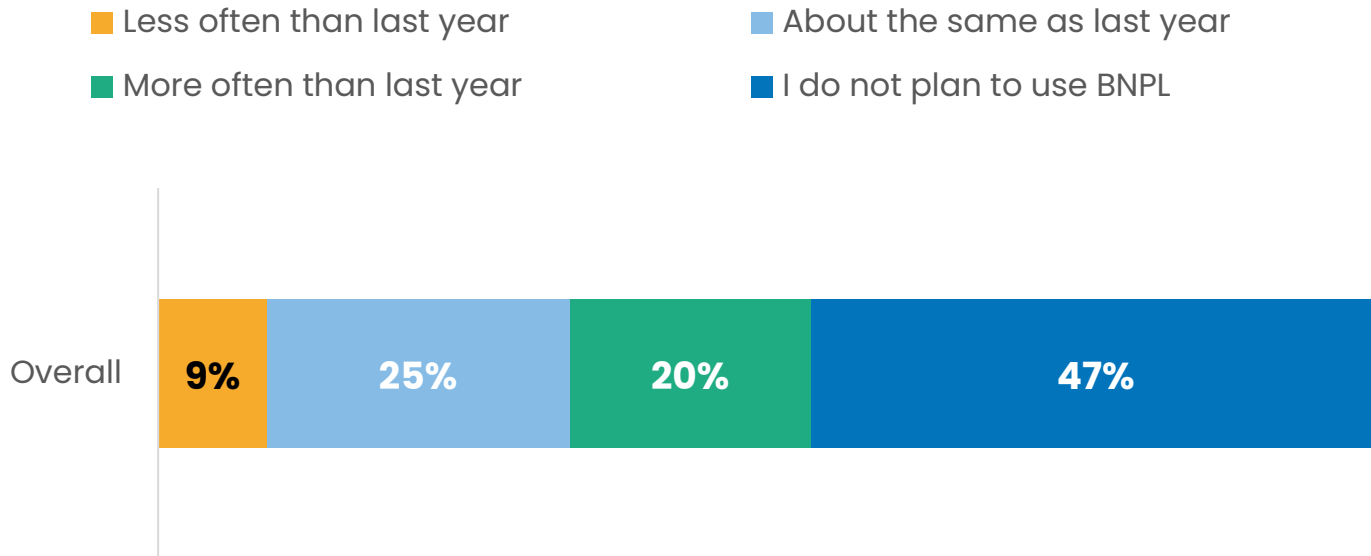
These sentiment patterns reinforce the importance of clear disclosures, responsible product design, and merchant education alongside conversion benefits.

BNPL Planned Usage

BNPL remains relevant for holiday purchases, with 20% expecting to use it more often

Compared to last holiday season, do you expect to use BNPL for holiday purchases this year?

N (2026) = 1099



Key Insight

Nearly half of consumers do not plan to use BNPL for holiday purchases. However, 20% expect to use it more often than last year, while 25% expect similar usage. That means BNPL will remain relevant at holiday checkout, particularly for higher-ticket purchases, even though it is not a universally preferred option.

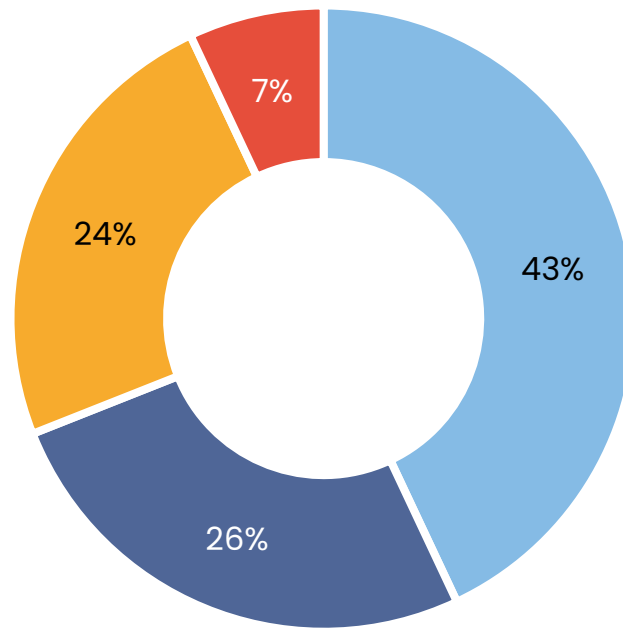
Preferred Payment Method Acceptance Consequences

Acceptance is a customer retention tool

If a merchant did not accept your preferred payment method, what would you be most likely to do?

N (2026) = 1099

- Use another payment method, does not bother me
- Complete the purchase using another method, and be less likely to return
- Shop for the same product at another merchant
- Abandon or postpone the purchase



Key Insight

Payment acceptance can directly affect both conversion and retention. In total, 57% indicate some negative consequence when their preferred payment method is unavailable. Acceptance is therefore not only a checkout issue; it is a customer lifetime value issue.

Demographics



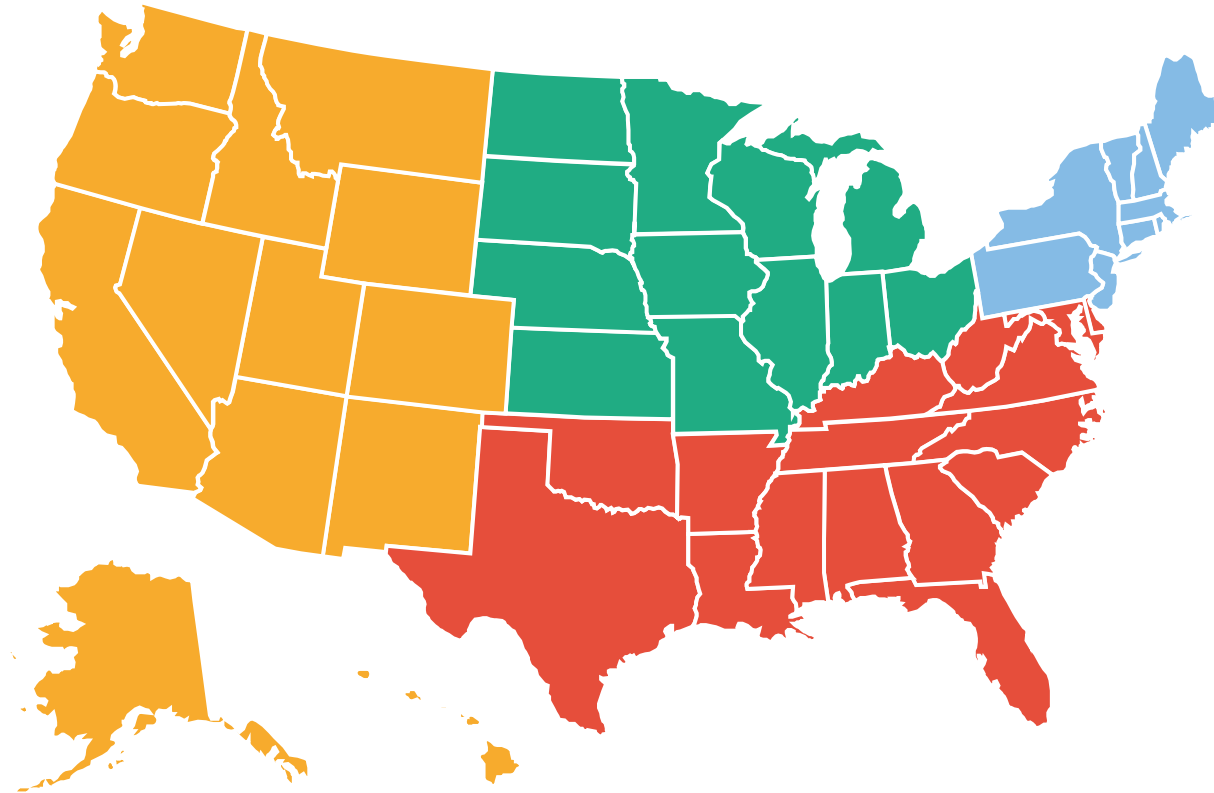
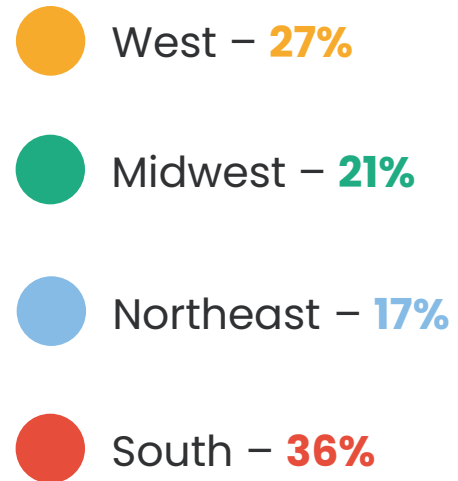
Shopper Demographics

This survey captured a sample of 1,099 U.S. shoppers

Shopper Regional Analysis



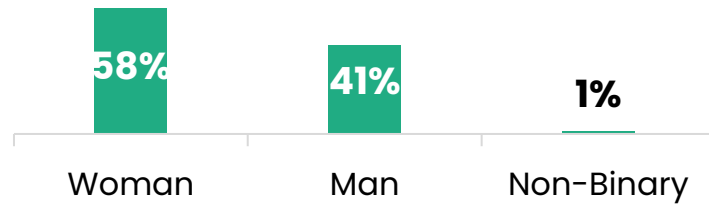
📍 Only U.S. consumers 18+ years old were surveyed



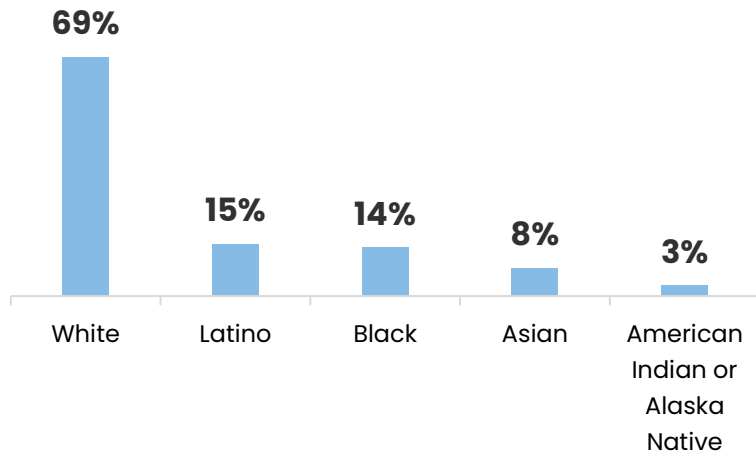
Shopper Demographics

The sample of shoppers was well-represented by income level and gender

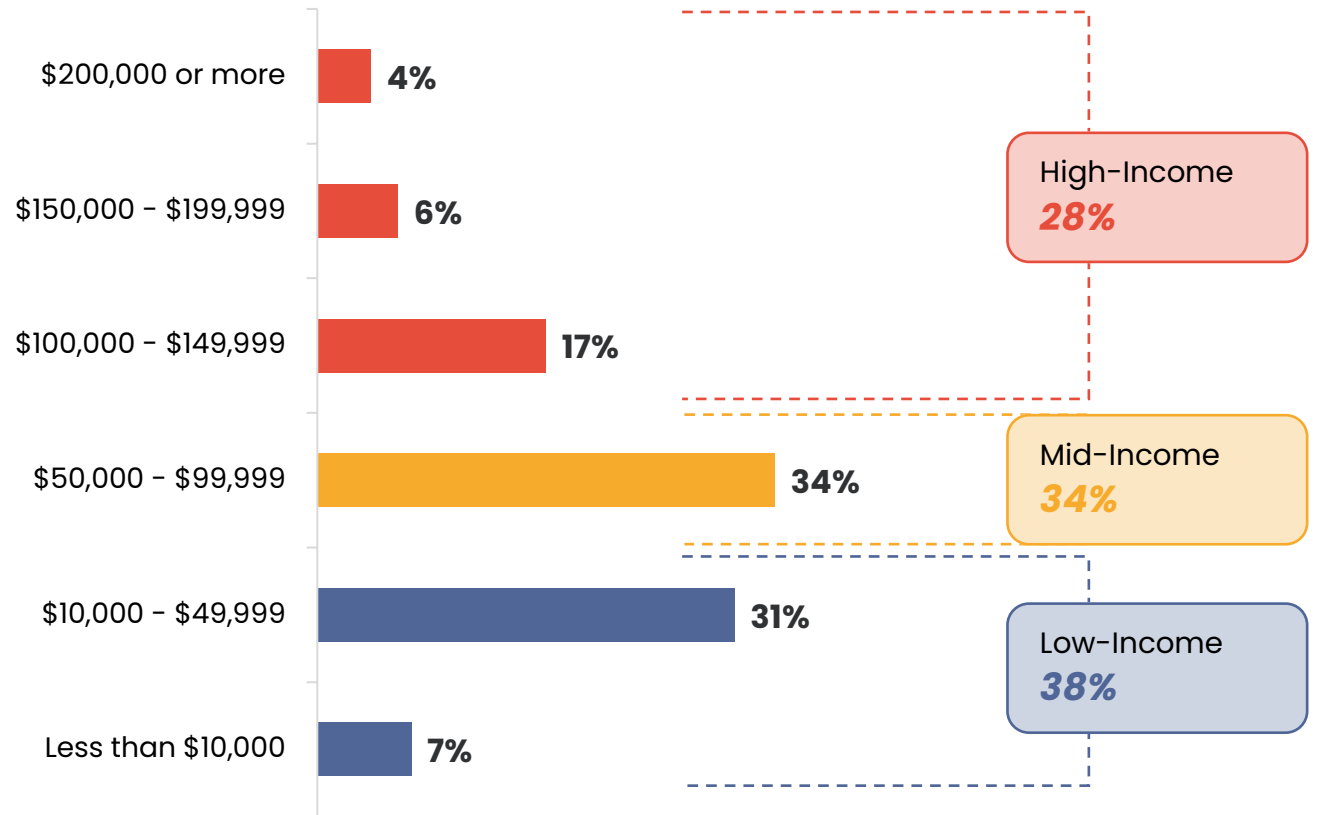
Gender



Race



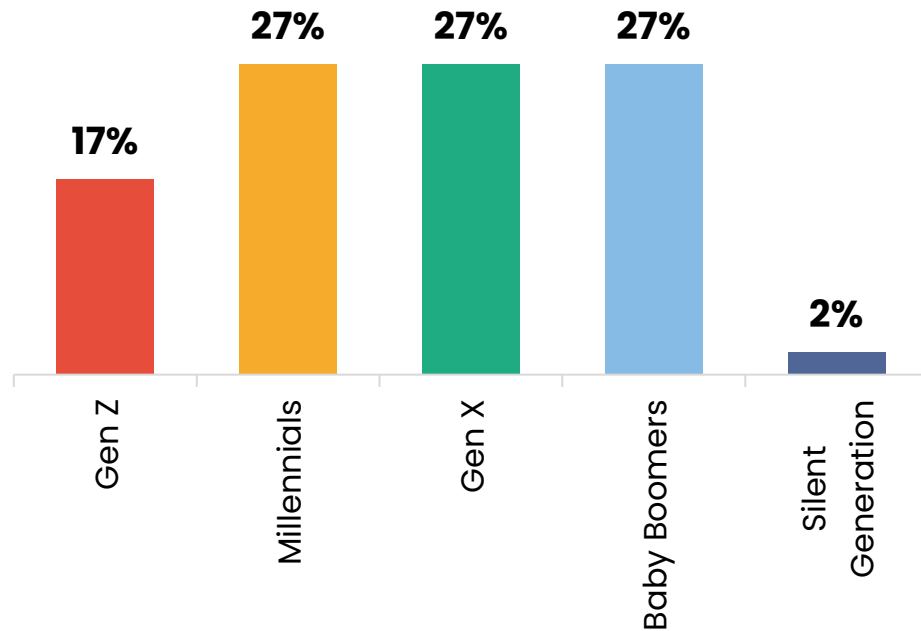
Annual Household Income



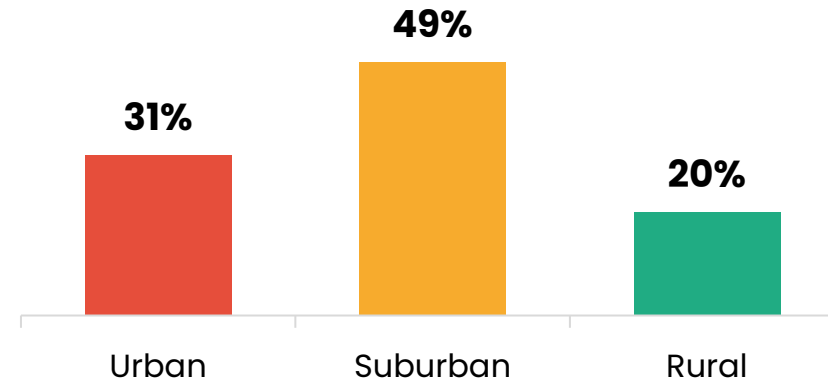
Shopper Demographics

Generations and geographical areas were also well-represented in the sample

Generation



Geographical Area





The **Electronic Transactions Association (ETA)** is the world's leading advocacy and trade association for the payments industry. Our members span the breadth of significant payments and fintech companies, from the largest incumbent players to the emerging disruptors in the U.S. and in more than a dozen countries around the world.

ETA members make commerce possible by processing approximately \$52.7 trillion annually in purchases and P2P payments worldwide and deploying payments innovation to merchants and consumers. For more information, visit electran.org



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