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Back-to-school shoppers keep tight budgets

Jaclyn Trop / The Detroit News

Budget-minded families are keeping a sharp eye on prices as they shop for back-to-school items this year.

With little disposable income for frills, shoppers are prioritizing purchases based on necessity, hunting for school supplies, electronics and clothing -- in that order, according to retail experts. And to stretch their dollars, more consumers are turning to dollar stores for back-to-school basics such as pens, pencil sharpeners, locker mirrors and calculators.

"People aren't going to buy a whole new wardrobe," said Kenneth Dalto, a Farmington Hills-based retail consultant. "Everyone's going for the bread-and-butter stuff."

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Nationally, back-to-school spending is expected to dip 7.7 percent this year -- with total sales at \$17.42 billion, according to the National Retail Federation. The average family of four, with students in kindergarten through 12th grade, is expected to spend \$549, down from \$594 last year.

August sales figures from the Michigan Retailers Association won't be available until late September, but Tom Scott, an association spokesman, said they'll most likely be in line with the national spending trends.

Big box retailers, hoping to cash in on the second busiest shopping season of the year and concerned about frugal consumers, are holding blowout sales, sweepstakes and [promotions](#).

"You have to be out there constantly trying to be relevant to customers," said Tom Aiello, a spokesman for Sears Holdings Corp., which owns Kmart and Sears.

With shoppers eschewing fancy gadgets in favor of basic supplies, retailers are waging a sticker war, Dalto said.

"School supplies are so generic that they're competing on pure price," he said.

Retailers roll out deals

Meijer Inc. rolled out its back-to-school promotions on July 5, earlier than usual, with price cuts on 150 items, including several for less than \$1, such as scissors for 99 cents and spiral notebooks for 5



"We're getting down to basics," said Brooke Copher, of the kinds of items she's buying for her two kids for back to school. (John M. Galloway / Special to The Detroit News)



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cents.

"We were much more aggressive this year in terms of deep [discounts](#)," said spokesman Frank Guglielmi.

Other big box retailers are doing their part to compete. Kmart is promoting layaway, while Target has

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increased the number of [coupons](#) it prints.

The big stores are offering more bargains amid strong traffic at dollar stores.

"We've seen a lot of new faces," said Eddie Denha, owner of the Hazel Park-based Dollar Castle chain. Shoppers usually spend between \$10 and \$50 per child while crossing items off their school supply lists, he said.

Woodland Elementary second-grade teacher Brooke Copher said she is stocking up on dry erase markers, arts and crafts supplies and "anything in bulk" at the dollar store, instead of Target, her usual standby, because "the sales weren't as good as last year."

Copher will be sending her own two children back to school with simple supplies instead of the embellished Star Wars notebooks they prefer.

"We're getting down to basics."

Jobless rate fosters thrift

A rocky economy will dictate when and how shoppers spend their money, experts said.

This summer's lower gas prices might leave more money in the average shopper's pocket, but a higher unemployment rate means they might be more cautious about spending. Any gains may also be offset by the "cash for clunkers" program, which could hurt non-auto retail sales, Scott said.

"We can almost make a case for either (scenario)," he said.

Retailers may get a late boost from shoppers who are spreading their purchases throughout the fall and winter, rather than buying everything up front, said Marshal Cohen, chief retail industry analyst at market researcher NPD Group in Port Washington, N.Y.

"They think, 'Hey, wait a minute, why am I buying corduroy and wool sweaters in the middle of August?'"

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