

HOW SCHOOL START DATES AND TAX FREE HOLIDAYS IMPACT RETAIL

A lively debate is gaining attention across the United States about the date an education system starts the school year. State lawmakers, school boards, tourism officials, children's retailers, school uniform manufacturers, parents – and more – are monitoring the impact school start dates have on their families and their business.

With several states starting school years earlier than the traditional after-Labor-Day date, some as early as July, pressure from parents has pushed for legislation to limit how early school may begin. School boards are resisting, trying to maintain local control of their calendars and create more time to prepare students before state-mandated testing occurs. The tourism industry at large has joined the push for a change to later start dates citing lost income and a lack of student workers after school starts.



Classroom School Uniforms

Beth Silver of New York City-based Doubet Consulting is a spokesperson for Classroom School Uniforms and has been tracking school start dates and tax free holidays by state for the manufacturer. She tells us that Classroom is re-evaluating the information to better guide their retailers and e-tailers on appropriate times to stock their stores with back to school (BTS) merchandise as they forecast and create their merchandising plans.

“From a retail perspective, the later start dates allow retailers to extend their summer sales cycle,” she says. “If school starts after Labor Day, a retailer does not have to start stocking BTS until early August. Then summer merchandise can be in the store longer, and in most stores will not have to be marked down.” If a school has an August start date, for instance, Beth explains that BTS can appear in stores as early as July 5, “forcing summer-themed items to be discounted and put away.”

Beth has found that the tourism industry is an important factor in determining later school start dates in popular summer destinations of the country, allowing parents to take vacations with their families, fueling longer lasting leisure activities. Plus starting school after the traditional summer season allows retailers “to offer their customers a more leisurely back to school shopping experience,” she says. Especially for those retailers carrying school uniforms, “their shipments are made in May and June, so their customers don’t have to rush to get their back to school wardrobe,” says Beth. “Retailers with multi-departmental stores are better able to create BTS packages consisting on uniforms, supplies, shoes, etc. This also allows their customers to take advantage of layaway programs.”

Tax free holidays are certain days of the year when many states offer incentives to shoppers; usually sales tax is not charged for certain items or spending limit. For the children’s wear industry, these incentives are offered on clothing and shoes – some states include

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-Beth Silver, Spokesperson for Classroom School Uniforms

computer equipment, school supplies and books. “Basically, almost every company in children’s wear can benefit from these incentives,” Beth says. “With a state rolling back its sales tax to customers - an average of five to eight percent off their regular purchases – they can focus their attention on buying what they need.”

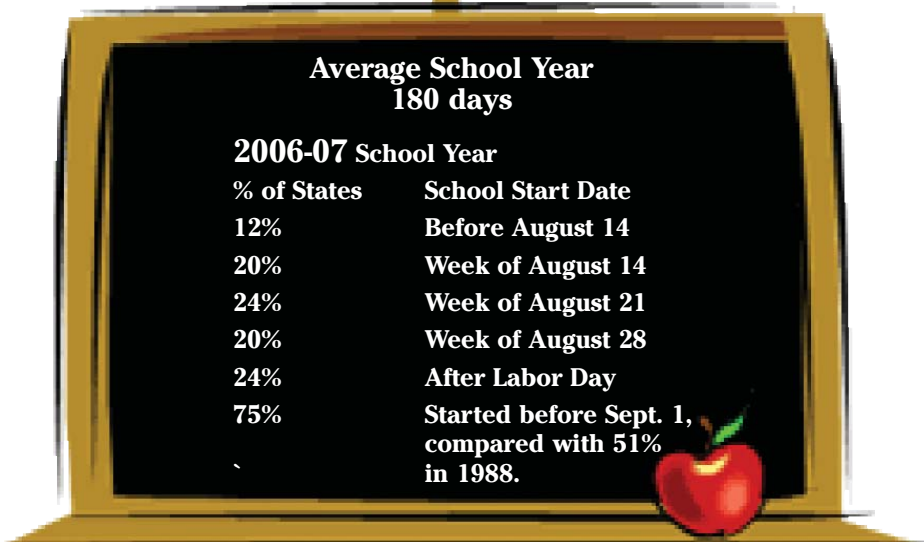
Beth and Classroom have used information on tax free holidays to help their retailers forecast their re-orders. “With uniforms being so SKU intensive and the per item price being lower than fashion items, leveraging these holidays is no brainer,” she says. Beth maintains that if retailers use this information wisely, they can position their BTS and uniform programs so parents can purchase more. “Since most states plan these sales tax holidays in August, it’s actually better for retailers to have their school uniform departments up and

ready, as parents will be focused to get their back to school goods during those days,” Beth says. “This also allows parents to get what they need in the summer and come back for more goods when school starts.”

Changing the school start schedule in more states causes a school uniform manufacturer to look at their overall business from the perspective of goods sold to ensuring their warehouses can hold more inventory until a later date. “The great thing about Classroom is that we are prepared for the changes should they occur,” Beth says, good advice for anyone in the children’s wear business. In fact, when Beth and Classroom originally looked at school start date and tax free holiday information with regard to uniforms, “we thought just how important this information is for all retailers whether in school uniforms or not.”

-Written by Janet Gray Muniz 

SCHOOL SMARTS



New laws took affect in Florida, Texas and Michigan. Pennsylvania, Tennessee, Alabama and Kentucky are debating the start date issue
Sources: Department of Education and Market Data Retrieval

Aa Bb Cc Dd Ee Ff Gg Hh Ii



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From left to right: Outfit by French Toast tights by Country Kids, Outfit by Carter's "Watch the Wear" shoes by Polo
Outfit by Create Your Uniform shoes by Timberland, Outfit by Classroom School Uniform
Photos by Joan M. Dooley