

# Money and Mortarboards: The Growing Graduation Business

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Football fans may remember the Chevy commercial that debuted during this year's Superbowl, featuring an ecstatic graduate (dressed in cap and gown) receiving a yellow Camaro convertible as a gift from his parents – or so he thought. His actual present was a mini refrigerator for his dorm room, embellished with a giant red bow.

Graduation – from late May through June — is a season of giving, and while cars may not be the present *du jour* during these tough economic times, grads everywhere are looking forward to a little something special for their hard work from Mom, Dad, Grandma and even Aunt Alice.

“We decided to be thrifty, and I just got a cap and gown,” says Joshua Ostermann, who graduated May 27 from North High School in Des Moines, Iowa, and will attend the University of Northern Iowa in the fall. “There are 10 people in my family, so we try not to spend too much money on things we don't have to. I was perfectly happy with a graduation party, and many of my friends said they and their families were also pretty reasonable when it came to graduation gifts.”

Thomas Hart, who graduated June 7 from Deering High School in Portland, Maine, and will attend Bentley College in the fall, says he got some cash from his family, “but the important thing was the accomplishment of successfully graduating high school.”

## **\$99.94 per Gift**

Sure, that diploma is nice – but bring on the gifts. Businesses stand to pull in about \$4.7 billion this year, up from about \$3.8 billion in 2011, according to the National Retail Federation, which noted that nearly 60% of the graduation gifts will be cash, with gift cards, apparel and other items making up the rest of the spoils.

Overall, about one-third of Americans will buy graduation gifts this year, up from 30.7% in 2011 and from 31.4% in 2010, according to the organization. For the most part, gift-givers aren't going for big-ticket items like automobiles; instead they're spending about \$99.94 apiece on graduation gifts this year, up from about \$90 last year and from \$89.85 in 2010.

In that kind of price range, Things Remembered, an online and bricks-and-mortar company, offers products that can be engraved or otherwise personalized, like an Apple iPod Touch 4G Photo Case that can display the owner's photo, or eight-inch silver digital frame with an LCD screen that can hold up to 2,000 pictures. "We continue to see a lot of folks excited about personalizing graduation gifts," says Andy Netzel, the company's manager of creative services. "We see both classmates buying gifts for each other and parents receiving gifts to commemorate the occasion."

He sees "two big segments of customers for graduation gifts," made up of sentimental gift givers who buy things like graduation water globes, and tech-savvy shoppers who go for iPad Bluetooth keyboards or Amazon Kindle cases.

Companies that are targeting the graduation market have to keep innovating in order to capture teens' evolving interests. Even traditional items like class rings have been adapted to meet the digital age, according to Richard Stoebe, director of communications at Jostens, a Minneapolis, Minn.-based company that sells rings, yearbooks and other goods and services that help people across the U.S. celebrate events like graduation and other achievements.

Students can create a "unique" class ring using an online design process on Jostens' website. "We see continued opportunities for growth in the ring categories for both high school and college and other markets," notes Stoebe. "Innovation in design and manufacturing technology along with online consumer capabilities definitely supported consumer demand through a difficult economy." Stoebe adds that the company is continuing to pump money into its design and manufacturing so it will be able to offer "even more customization and personalization to individuals and groups."

### **A Car Might Turn People Off**

Some retailers are even customizing the gift-shopping experience for both givers and receivers, with outlets like Bed Bath & Beyond providing online gift registries for new college students and returning ones that let students create wish lists that are visible to friends and family.

Sites like MyRegistry.com let users add products and services from any spot on the Internet to a universal gift registry. Visions of yellow Chevy convertibles flashing before your eyes? Not so fast. Establishing a registry like that comes with guidelines, warns Colleen Harding, founder of the Cleveland School of Etiquette and Corporate Protocol. "Generally, whatever you'd need for college life, like a microwave or even a computer, would be acceptable [for the registry]. But listing something really expensive like a car might turn off some people."

Perhaps more importantly is the way you promote the registry, she adds. "It's definitely not acceptable to list your registry on your graduation or other invitation," Harding says. "It looks like you're inviting people for their gifts. Instead, if someone asks you what you'd like for your graduation, it's perfectly acceptable to tell him or her about your registry, because then you're simply responding to a request. Etiquette is all about making others feel comfortable; it's not about satisfying your own needs."

Even so, it's important to remember that the graduation business – gifts in particular – is an important process to both giver and receiver, says Wharton marketing and psychology professor Barbara Mellers. "There's a sense of pride in the accomplishment," she says. "People like to 'officially' end one chapter of their lives and begin a new one with celebrations, gifts and parties. Both the givers and the recipients get pleasure and value."

Still stumped for that perfect gift? Alarm clocks feature prominently in annual graduation gift top 10 lists. Time management is the high school grad gift that keeps on giving.

### **Questions**

How big is the graduation gift market? How has it grown?

What is customization and why is it an important strategy in high school gift giving?

What is the proper graduation gift-registry etiquette? How might etiquette apply to the workplace, as well?

### **Related Links**

- [Top Graduation Gifts and More](#)
- [YouTube: Chevy Happy Grad Commercial](#)
- [National Retail Federation: Gift Giving in 2012](#)
- [Forbes: 3 Tips to Save Money on Graduation Gifts](#)