

BUYING HABITS OF MILLENNIALS

- **CEB: Infographic: Inside the Millennial Mind**
- <http://www.executiveboard.com/exbd/marketing-communications/iconoculture/millennials/millennial-mind-infographic/index.page>
- **15 Economic Facts about Millennials: White House Council of Economic Advisors**

THE MILLENNIALS

- Ages 19-36 (or 14-35)
- Average household income \$60,000
- 75.7 million – largest generation in the US
- \$1.68 trillion in purchasing power

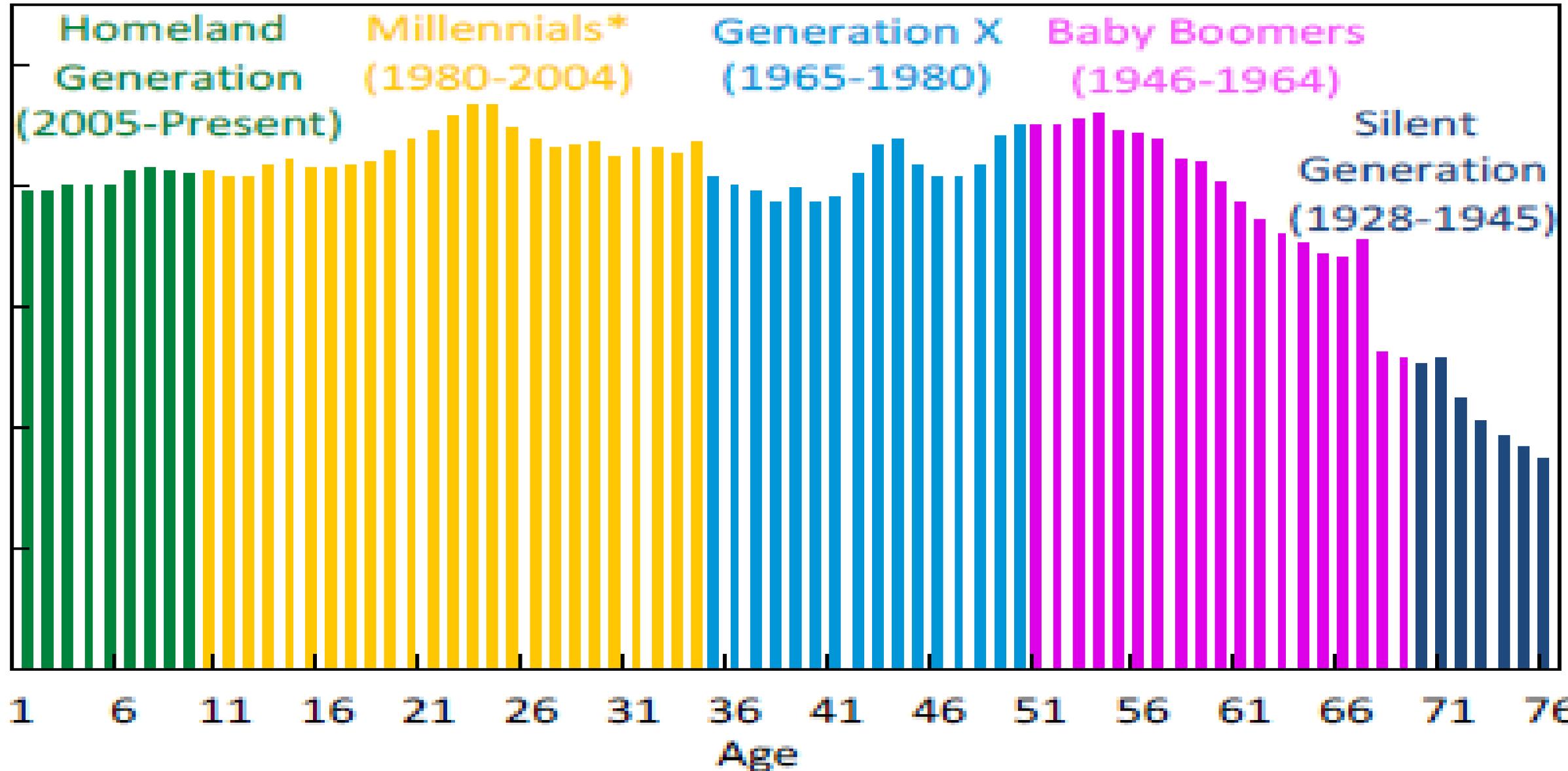


CONFLICTING VIEWS

- The Selfie generation
- The boomer echo

Figure 1: US Population Distribution by Age, 2013

Millions

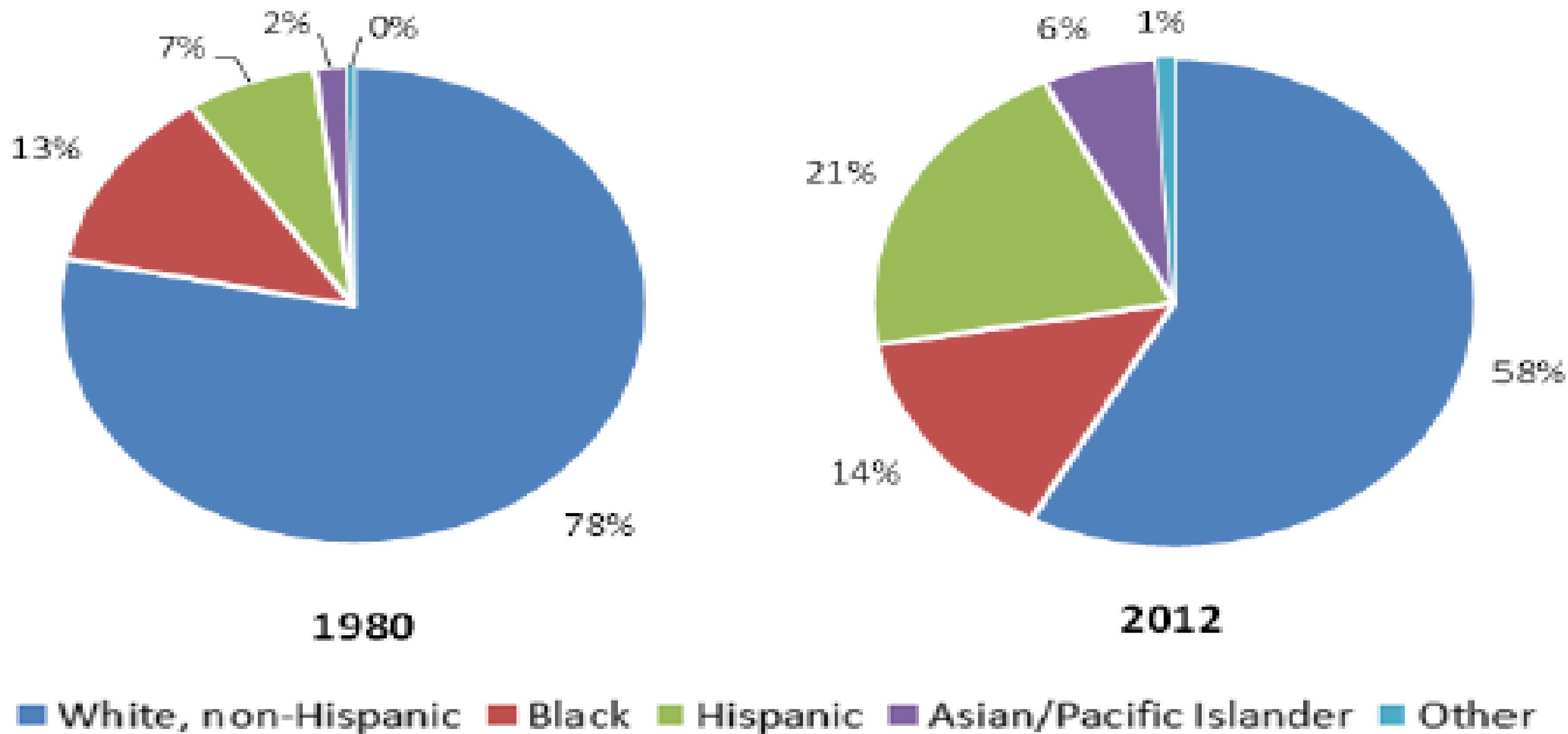


Source: Census Bureau.

THEY FACE A DIFFERENT WORLD

- One-third or more of their life at war
- They look different
- First generation where prospects are uncertain
- Increased job mobility – less job stability
- Housing prices compared to wages have increased greatly
- Better educated but student debt has nearly tripled between 2005 and 2014

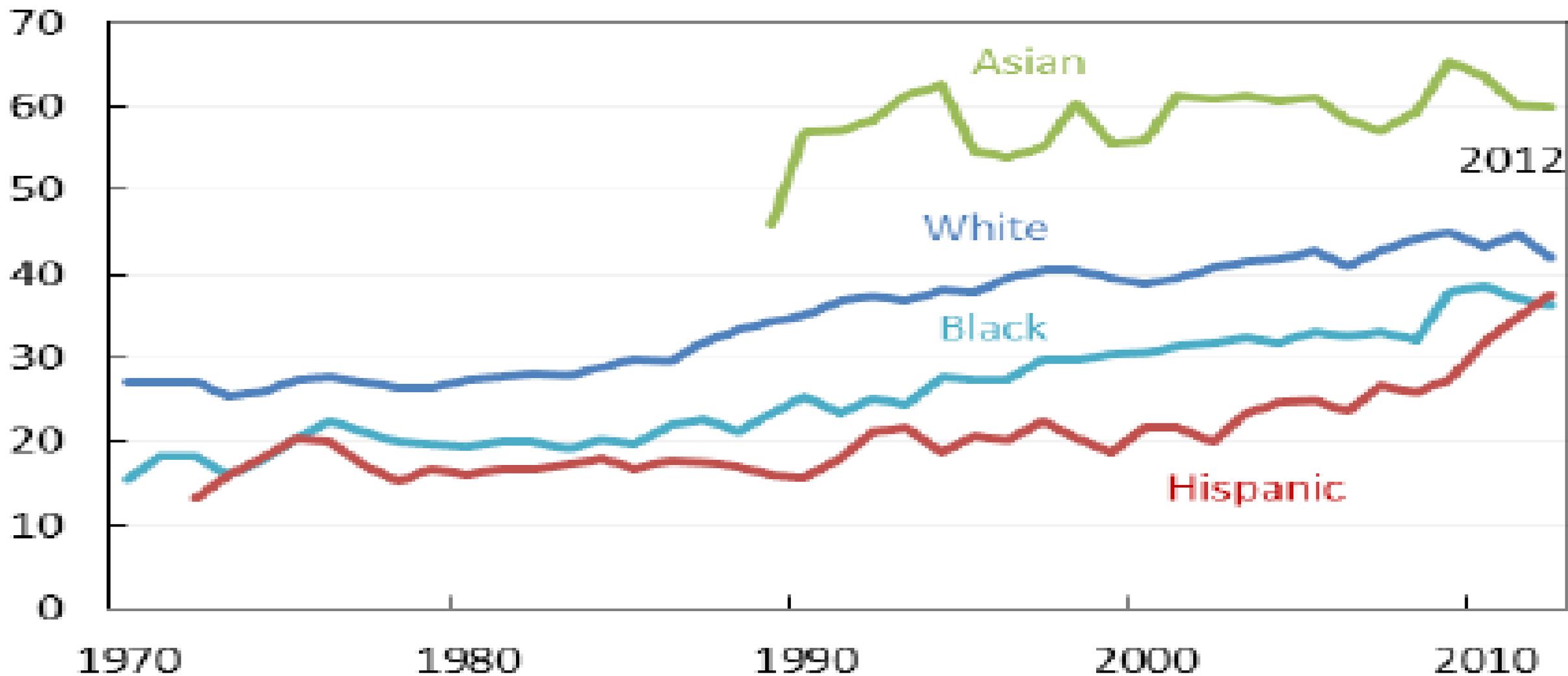
Figure 3: Race and Ethnic Group, 15 to 34 Year-Olds



Sources: Census Bureau.

Figure 7: Enrollment rates of 18 to 24 year-olds in degree-granting institutions

Percent



Source: National Center for Education Statistics; CEA calculations.

Figure 8: Major Field of Study, by Generation

Percent

25

20

15

10

5

0

Baby Boomers

Generation X

Millennials

Business

STEM

Social Science

Education

Humanities

Health

Applied

Source: American Community Survey, 2009-2012; CEA calculations.

Note: Millennials: born 1980 or later, Gen X: born 1965-79, Baby Boomers: born 1946-64. The "applied" category includes communications, library science, criminal justice, culinary arts, and similar fields.

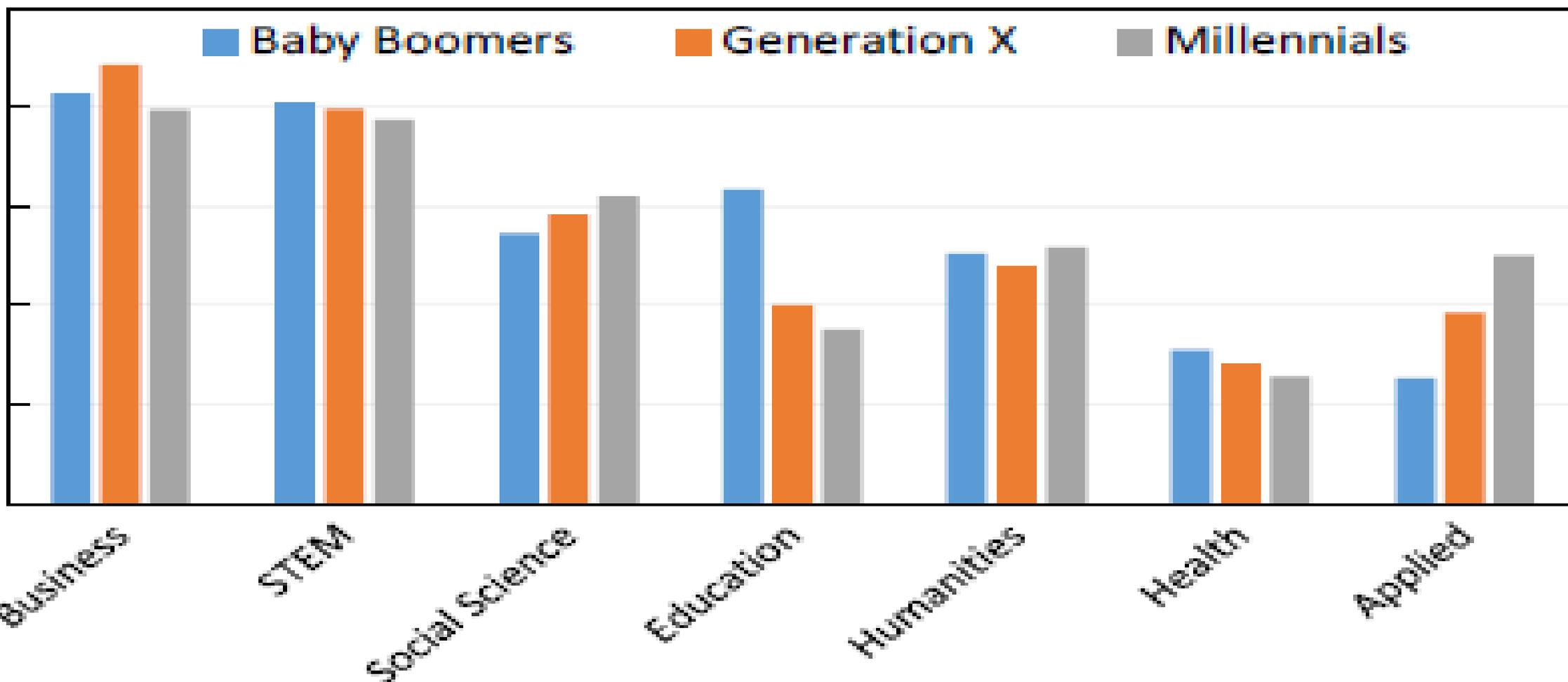
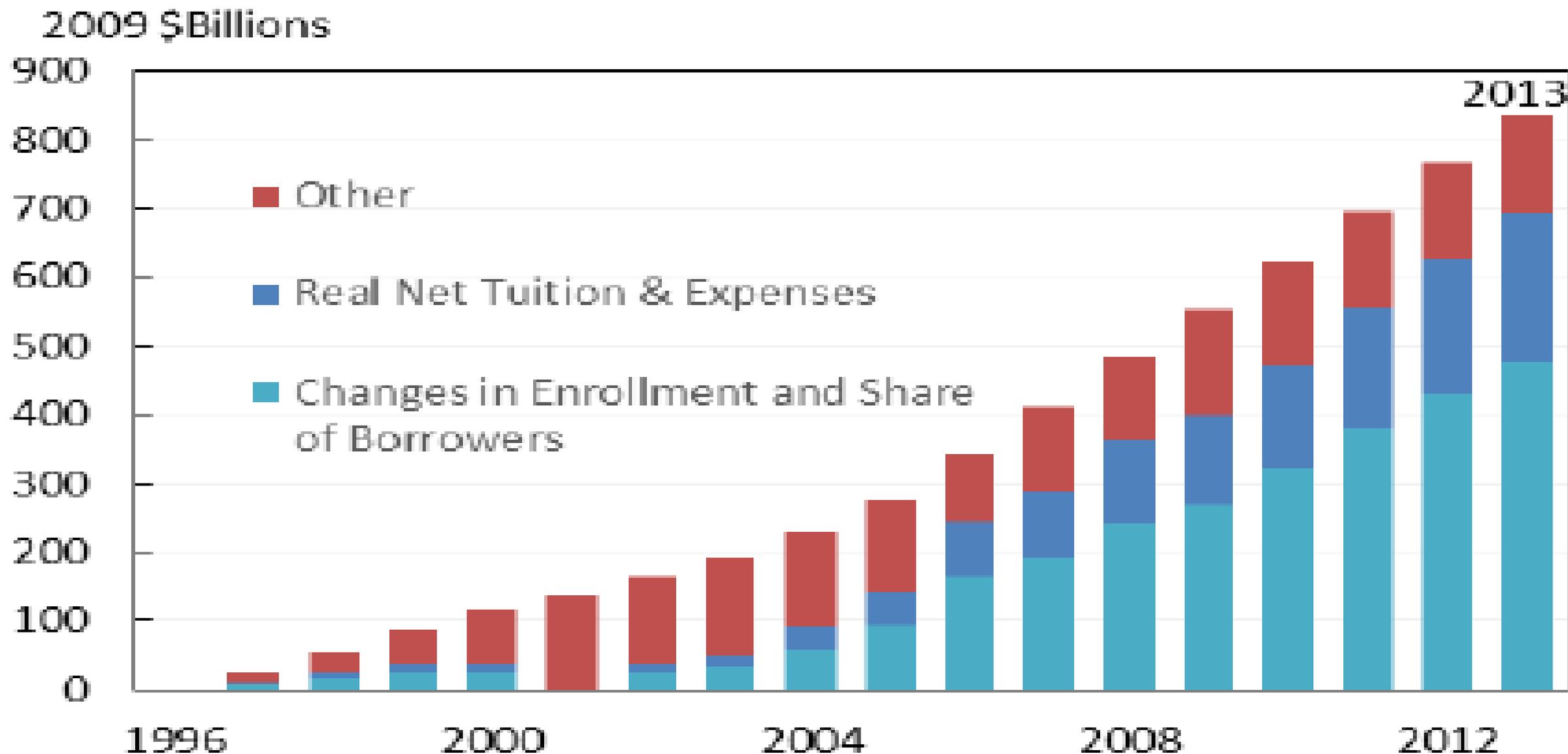


Figure 9: Sources of Change in Student Loan Debt



Source: College Board; Dep. of Education; Dept. of Commerce; FRBNY.

Total Loan Balance Composition (%) By Product Type

■ Mortgage ■ HELOC ■ Student Loan ■ Credit Card

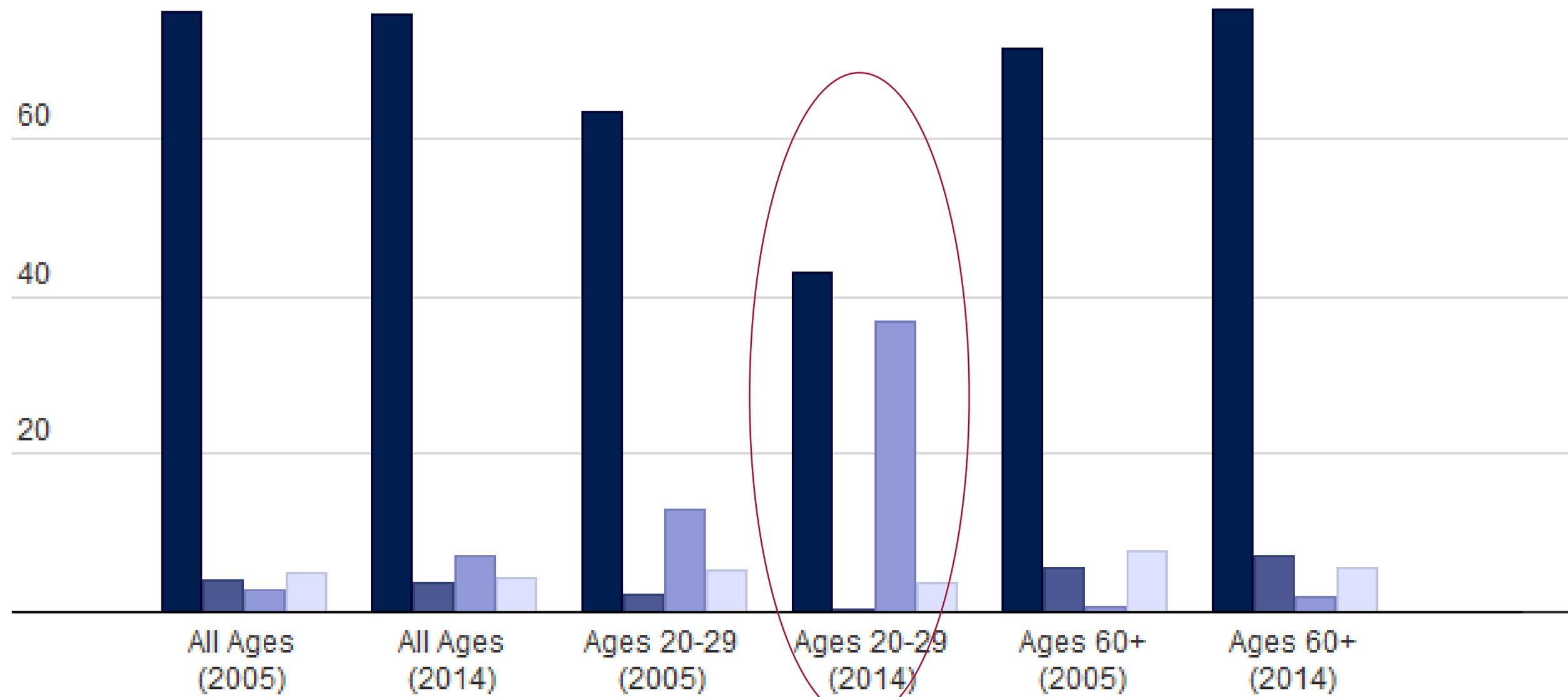
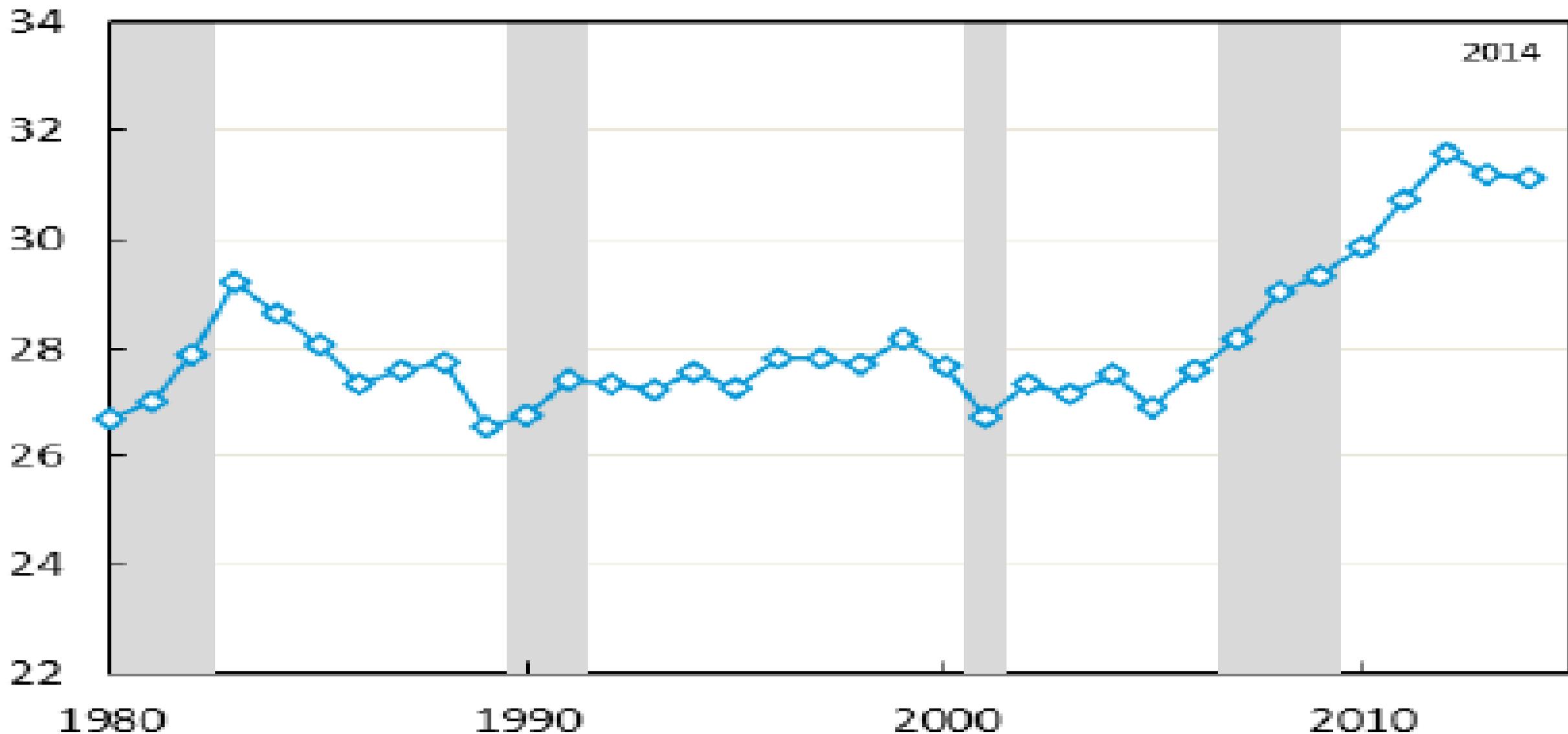


Figure 29: Share of 18 to 34 Year-Olds Living With Parents

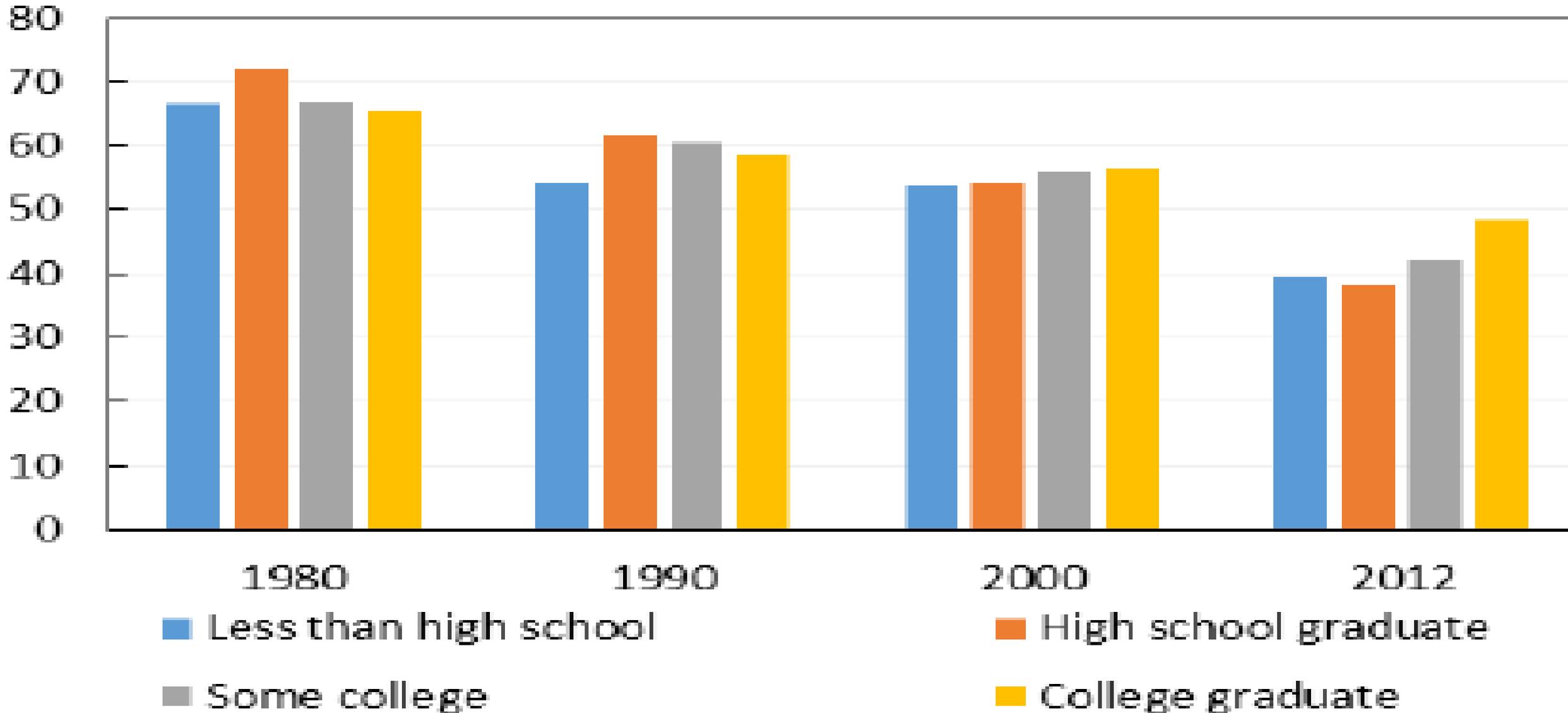
Percent



Source: Bureau of Labor Statistics; CEA calculations.

**Figure 26: Percent Currently Married
Among 25 to 34 Year-Olds**

Percent



Source: Current Population Survey; CEA calculations.

Figure 27: Percent Who Think They Will Marry and Have Kids

Percent

100

80

60

40

20

0

Baby Boomers

Generation X

Millennials

Marry

Have Kids

Source: Monitoring the Future, 1976-2011; CEA calculations.

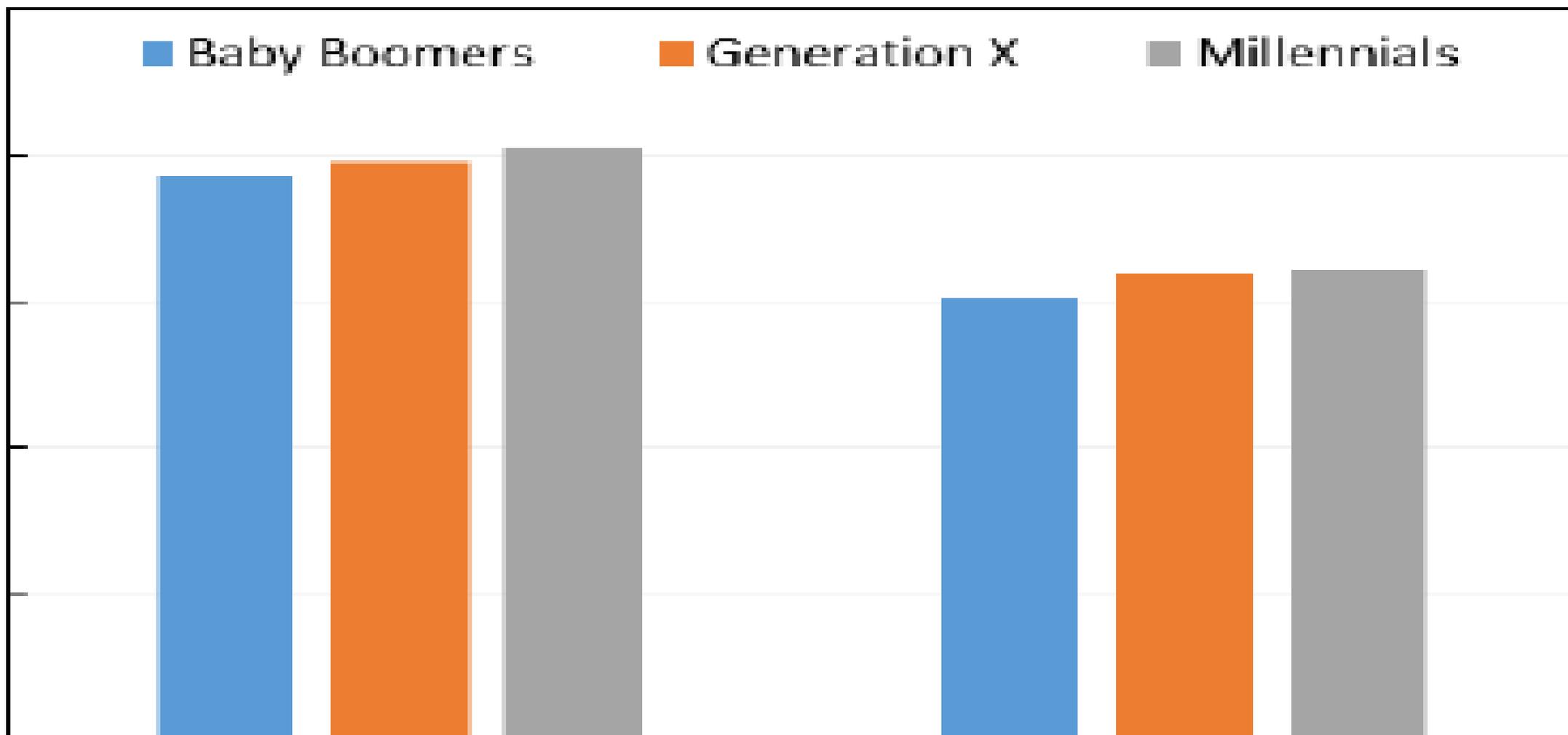
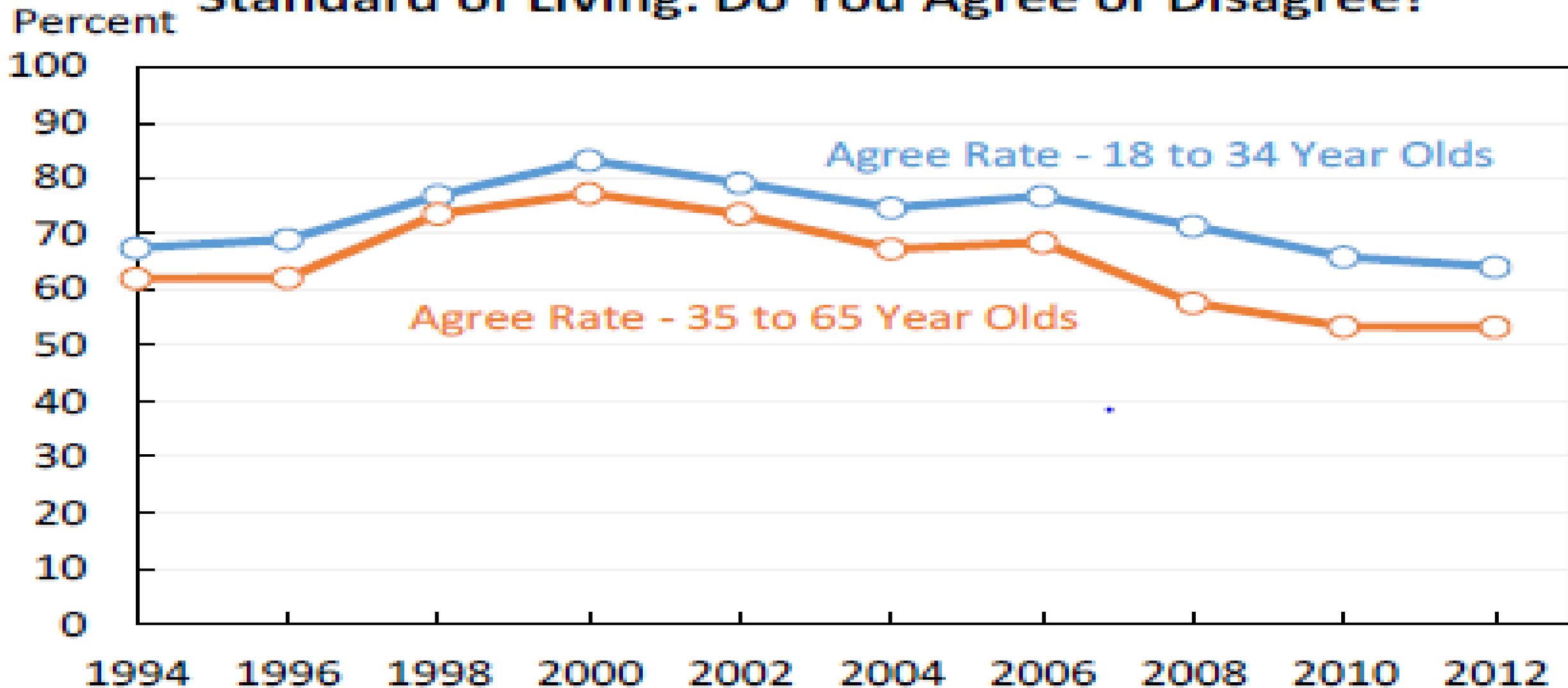


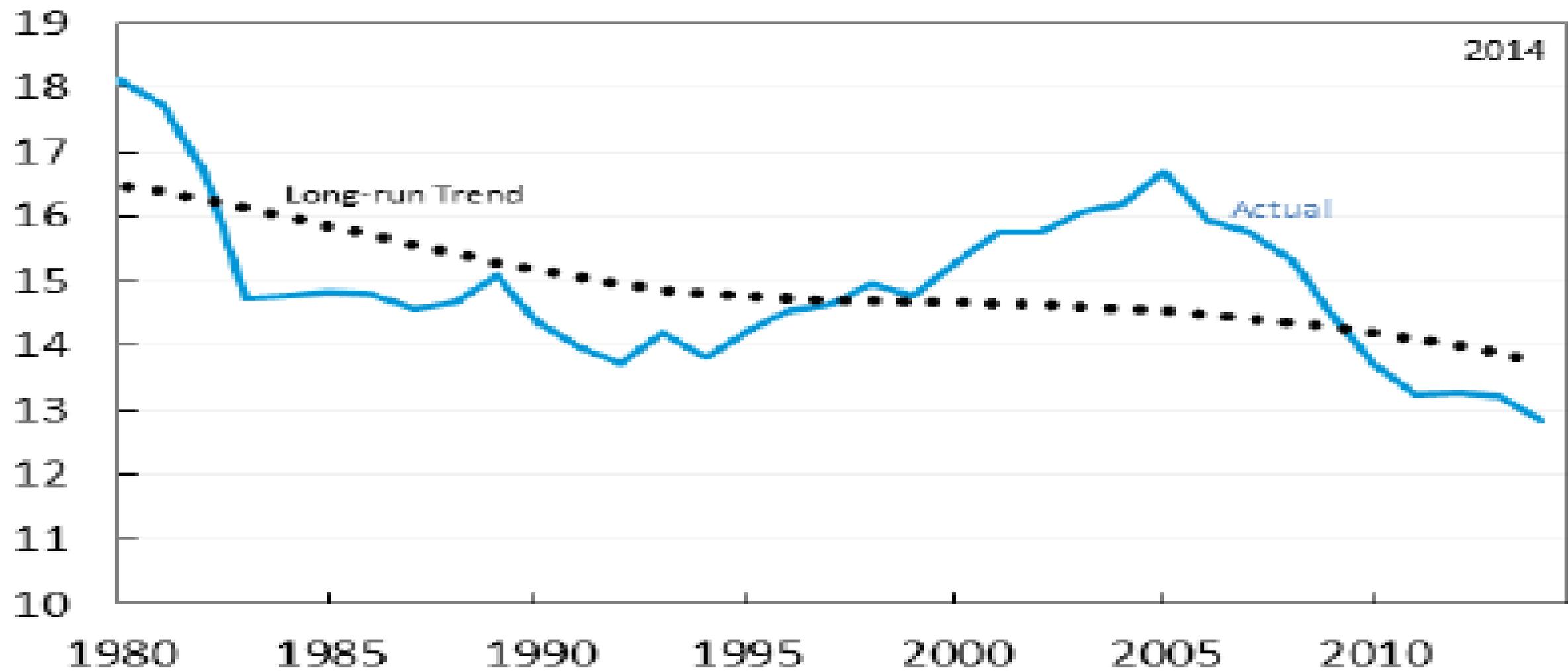
Figure 17: The Way Things are in America, People Like Me and My Family Have a Good Chance of Improving Our Standard of Living: Do You Agree or Disagree?



Source: General Social Survey, 1994-2012; CEA calculations.

Figure 31: Probability of Owning a Home for 18 to 34 Year-Olds

Percent

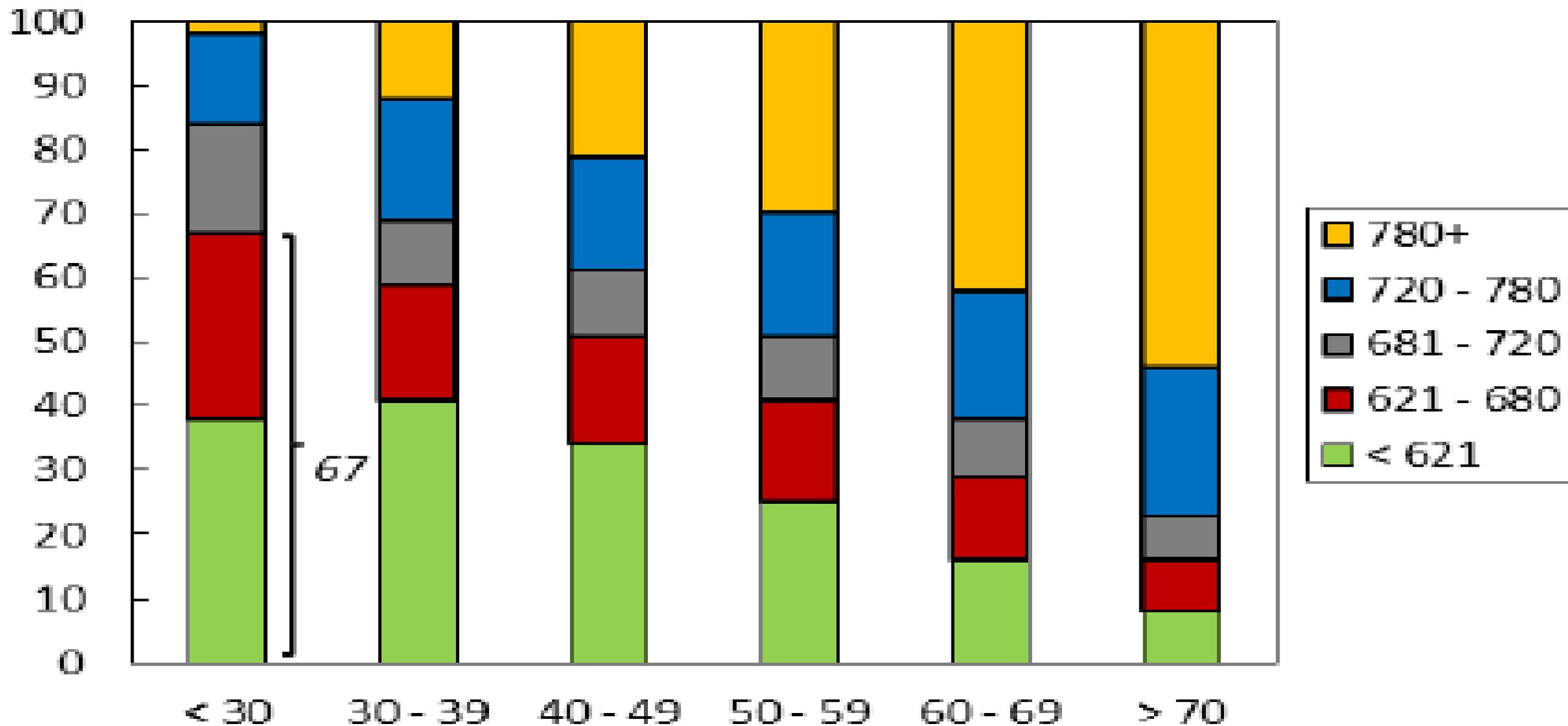


Source: Bureau of Labor Statistics; CEA calculations.

Note: Long-run trends are estimated using a smoothed weighted average over a 15-year moving window.

Figure 32: FICO Distribution of Individuals by Age Group in 2013

Percent



Source: Federal Reserve Bank of New York.

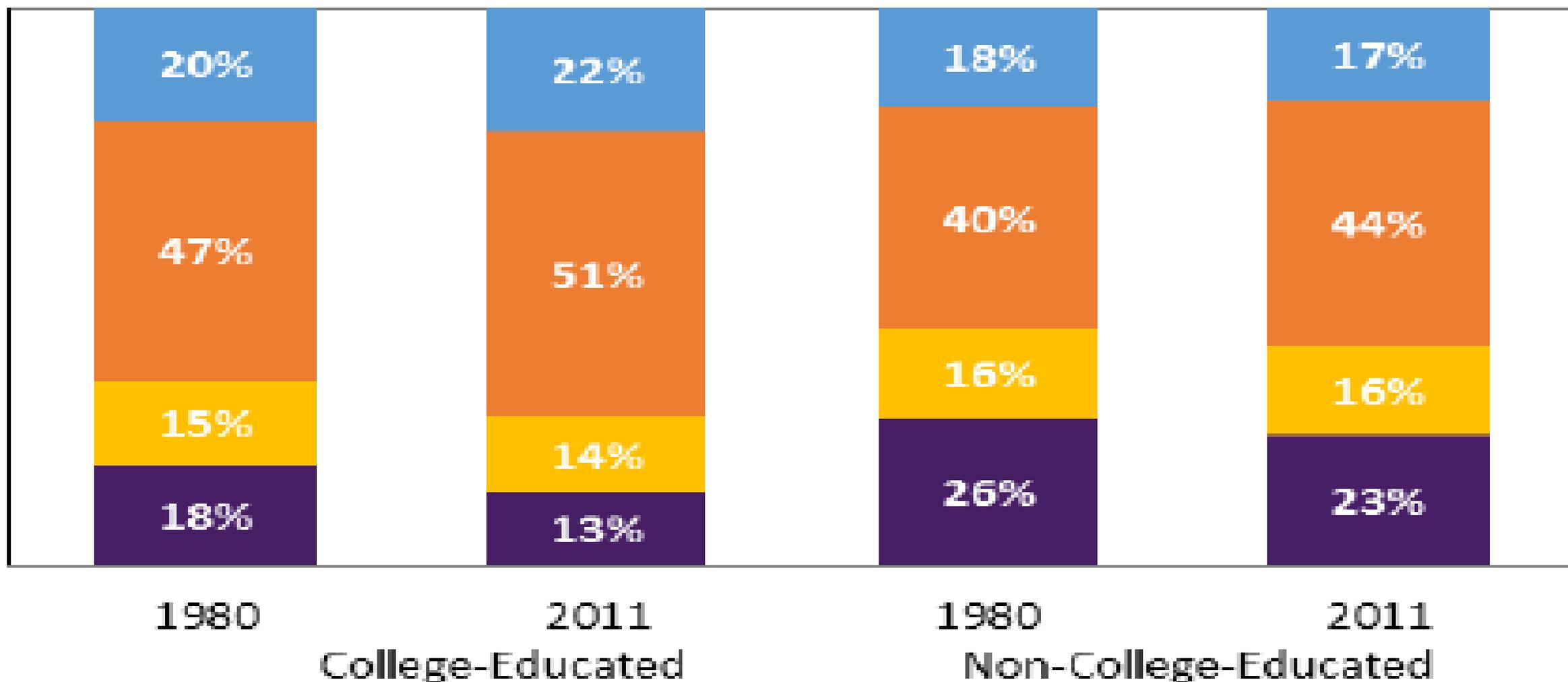
Figure 33: Choice of Metropolitan Areas for 25 to 34 Year-Olds

5 largest

6-90 largest

Other Metro Area

Non-Metro Area



Source: American Community Survey; CEA calculations.

AVERAGE USE OF MONTHLY INCOME

 Donated

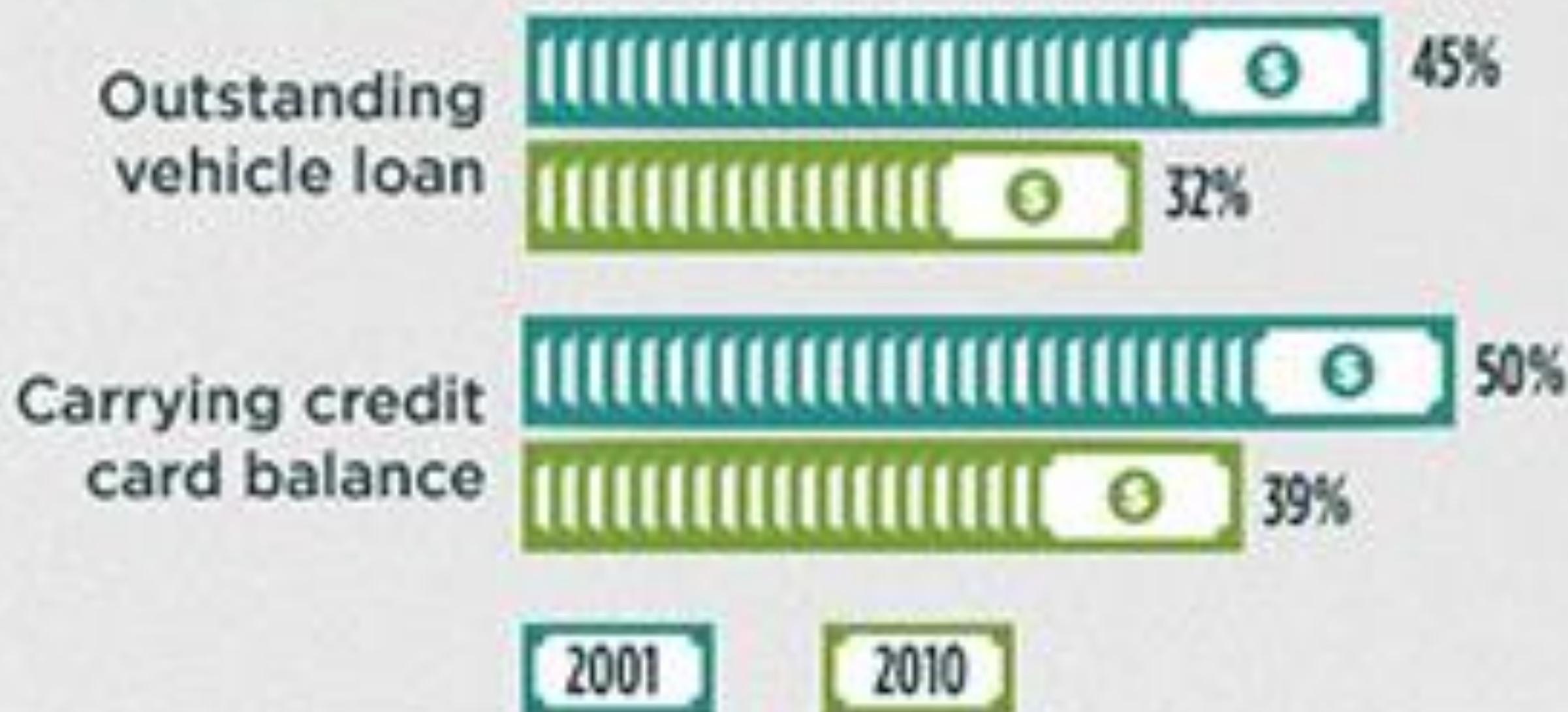
 Invested

 Saved

 Spent



CONSUMER DEBT FOR MILLENNIALS



LIFESTYLE

- “Millennials live a lot lighter right now. Small apartments, no cars... they spend a lot of their income on food and dining out. The boomers liked buying stuff and things.”
- Unlike past generations, millennials are also more indifferent to national brands and instead are looking to eat and buy locally, preferably within the same mixed-use block they live in.

THESE KEY VALUES ARE DIFFERENTIATING MILLENNIALS FROM OTHER GENERATIONS

millennials boomers

Millennials rank inward-focused values like happiness and discovery higher than collective-focused values that mark the Baby Boomers generation, such as family and practicality.

VALUES THAT ARE STRONGER FOR MILLENNIALS



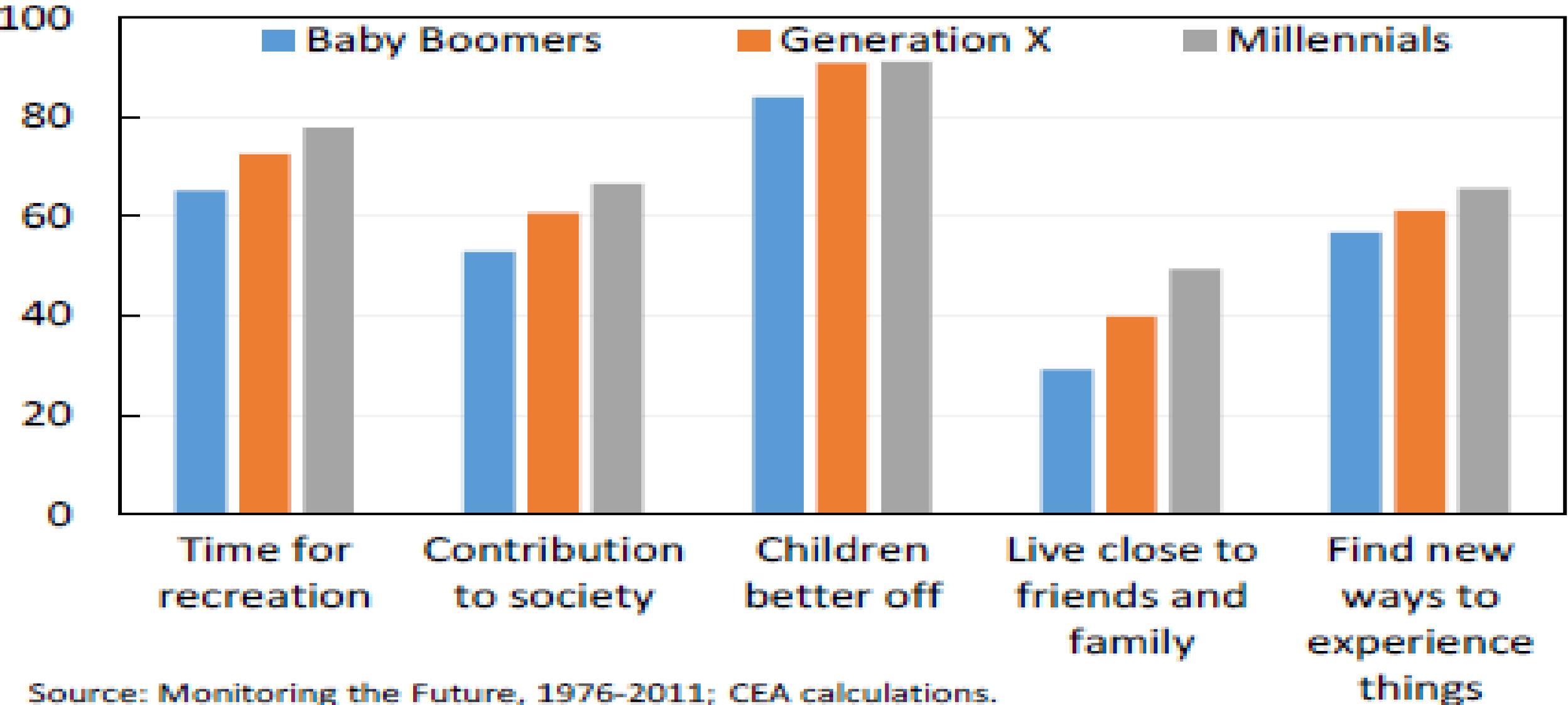
VALUES THAT ARE STRONGER FOR OLDER GENERATIONS



The persistent ranking of these values across the Millennial age spectrum signifies that this is not merely a stage that they will grow out of

Figure 4: Percent Reporting Life Goals as Being "Quite or Extremely Important"

Percent



Source: Monitoring the Future, 1976-2011; CEA calculations.



IMPACT

- Nearly \$200 billion in spending and expected to double by 2020
- Also influence \$600 million more in spending
- 2015: half the workforce; 2020: 75% of the workforce
- Purchasing is a social act

BUYING HABITS

- Eager to shop; reluctant to buy
- 50% use mobile devices to look at buyer reviews
- 2/3 research online before buying – fashion blogs and websites
- Use Twitter to look at trends
- Shop twice as often as other generations with spouses and friends
- Focus on experience instead of things
- Service is important to them

MARKETING TO MILLENNIALS

- Speak to the values that drive them: happiness, passion, diversity sharing and discovery
- Understand their realistic lifestyles and experiences and find ways to amplify their reality.
- Make sure they feel informed and involved, not just marketed to. By following these three strategies, brands will find more opportunities available to them to gain this generation's affinity.

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