

RAB Instant Background Report For Generation X Market

Who Buys

The average number of people in Generation X households is 2.9, while the average number of salary/wage earners is 1.5.

The average income after taxes for Generation Xers is \$45,498.

Generation X men and women (ages 27 to 38) account for 22% of participation in the nation's labor force (Baby Boomers make up 49% of the labor force in the U.S.).

There are approximately 48 million Generation Xers (ages 27 to 38) in the U.S., based on 2000 census figures.

Based on U.S. Census 2000 statistics, share of household salaries for individuals in the 25-34 age bracket: Under \$20,000, 18.3%; \$20,000-\$29,999, 14.4%; \$30,000-\$39,999, 14.9%; \$40,000-\$49,999, 12.9%; \$50,000-\$59,999, 10.9%; \$60,000-\$74,999, 11.5%; \$75,000+ 17.1%.

According to 2000 U.S. Census figures, 52% of Generation Xers are married and living with their spouse. Fifty-five percent of them have at least one child under the age of 18.

Generation Xers (born 1965-76) are the best educated generation, with 28.8% holding a bachelor's degree or more.

According to a 2002 Yankelovich study, 51% of Generation Xers consider themselves to be white-collar professionals.

Source

U.S. Census Bureau, 2004

U.S. Census Bureau, 2004

New Strategist Publications, 2003

U.S. Census Bureau, 2003

American Demographics, 2003

American Demographics, 2003

New Strategist Publications, 2003

Brandweek, 2002

Why They Buy

A 2004 survey conducted by Vertis found that price is the leading motivator for Gen X women when deciding where to shop for fashion items.

A study by research organization Catalyst found that the majority of Generation Xers were attracted to their current employer for reasons such as perceived opportunities for advancement (88%), compensation (78%) and the company's reputation (77%).

Source

Vertis, 2004

American Demographics, 2002

How They Buy

According to the Bureau of Labor Statistics' Consumer Expenditure Survey, average amounts spent by adults ages 25-34 in the following consumer categories during 2003 (with the average for all consumer age groups in parentheses): Food at home, \$2,976 (\$3,129); food away from home, \$2,342 (\$2,211); housing, \$14,392 (\$13,432); furniture, \$499 (\$401); major appliances, \$216 (\$196); apparel and services, \$1,849 (\$1,640); transportation, \$8,106 (\$7,781); health care, \$1,468 (\$2,416); entertainment, \$1,958 (\$2,060); television, radios and sound equipment, \$780 (\$730); personal care products and services, \$498 (\$527); education, \$684 (\$783).

A 2002 study by the Employee Benefits Research Institute revealed that

Source

U.S. Census Bureau, 2004

Investor's

58% of workers aged 20-39 have saved less than \$25,000 for retirement. Business Daily, 2002

Research conducted by The NPD Group determined that Generation Xers are more likely to swipe a credit or debit card at gasoline pumps than Baby Boomers (50% vs. 40%), and are less loyal to one gas brand. Brandweek, 2002

A survey commissioned by the Oppenheimer Funds found that 50% of single Generation X women have credit card debt, along with 35% of Generation X men. Investor's Business Daily, 2002

What They Buy

Source

Generation X homeowners spent an average of \$2,200 on home improvements in 2003, roughly the same amount as Baby Boomers, according to Harvard University's Joint Center for Housing Studies. Boston Globe, 2005

According to a survey by Casual Living magazine, Generation X consumers accounted for 31% of those households planning to buy outdoor furniture and 27% of the dollars budgeted for outdoor furniture spending in 2003. Furniture/TODAY, 2004

A 2004 survey by Vertis showed that 33% of Generation X adults indicated that they would be purchasing bedroom furniture within the next year. Vertis, 2004

According to a survey conducted by Yankelovich, Inc., the types of exercise activities enjoyed most often by Generation Xers (multiple answers): Weightlifting, 41%; walking outdoors, 41%; using exercise equipment, 37%; running/jogging outdoors, 22%; engaging in outdoor activities, 21%; running/jogging indoors, 20%; playing team sports, 17%; yoga, 16%; swimming, 13%; using exercise videos, 13%; group classes, 11%; pilates, 8%. Yankelovich Partners, 2004

According to a study by marketing research firm Vertis, percentage of Generation Xers (ages 27 to 38) that plan to purchase the following items within the next year: Pet supplies, 53.2%; landscaping/garden equipment, 43.5%; home decorating materials, 41.6%; office supplies, 31.3%; small appliances, 30.1%; bedroom furniture, 25.8%; bedding, 25.0%; DVD player, 22.7%; living room furniture, 19.7%; remodel kitchen or bath, 18.9%; buy or build a new home, 11.5%; dining room furniture, 11.2%. American Demographics, 2003

According to a study by marketing research firm Vertis, the percentage of Generation Xers (ages 27-38) that had checked out the following types of media in the previous week: Watched prime-time TV, 87%; listened to AM radio, 76%; read a newspaper, 71%; read an ad insert or circular, 66%; read a magazine, 61%; surfed the Internet, 57%. American Demographics, 2003

According to a survey of Generation Xers, done by market research firm Vertis, what type of car they planned to buy next: Sedan, 32.1%; full-sized luxury car, 20.0%; sports car, 15.0%; compact car, 12.9%; station wagon, 5.0%; don't know, 15.0%. Automotive News, 2003

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Based on a study by American Demographics, consumer categories in which Generation Xers spend more than average (by percentage above the average figure): Apparel for children under 2, 100%; personal services (housekeeping, babysitting, etc.), 78%; rented dwellings, 70%; apparel for boys ages 2-15, 33%; apparel for girls ages 2-15, 33%; household American Demographics, 2002

operations, 22%; used cars and trucks, 21%; furniture, 20%; new cars and trucks, 12%; footwear, 11%; transportation, 10%; alcoholic beverages, 10%; miscellaneous food, 9%; television, radios and sound equipment, 6%; personal insurance, 6%.

According to a study by American Demographics, consumer categories in which Generation Xers spend less than average (based on percentage under the national average figures): Drugs, 55%; health care, 41%; life insurance and other personal insurance, 40%; medical services, 40%; health insurance, 38%; medical supplies, 33%; housekeeping supplies, 15%; nonalcoholic beverages, 14%; apparel for women 16 and over, 12%; owned dwellings, 12%; education, 12%. American Demographics, 2002

Where They Buy

According to a 2004 study by Vertis, 34% of Gen X women say they shop discount stores (like Wal-Mart, Target or Kmart) most often when purchasing fashion items, up from 25% just two years earlier. Source
Vertis, 2004

U.S. metro areas with the highest percentage of Generation X residents, when compared with each metro's overall population (2000 Census figures): Austin-San Marcos, TX, 18.3%; Atlanta, GA, 17.6%; Raleigh-Durham-Chapel Hill, NC, 17.6%; Dallas-Fort Worth, TX, 16.8%; Charlotte-Gastonia-Rock Hill, NC-SC, 16.7%; San Francisco-Oakland-San Jose, CA, 16.4%; Denver-Boulder-Greeley, CO, 16.4%; Columbus, OH, 16.0%; Houston-Galveston-Brazoria, TX, 15.9%; Los Angeles-Riverside-Orange County, CA, 15.9%; Nashville, TN, 15.8%; San Diego, CA, 15.8%; Phoenix-Mesa, AZ, 15.7%; Seattle-Tacoma-Bremerton, WA, 15.5%; Las Vegas, NV-AZ, 15.5%. U.S. Census Bureau, 2003

Based on research by The NPD Group, consumers in the 18-34-year-old age group account for the most traffic at the following types of restaurants: Fast casual, 37%; quick service, 30%; casual dining, 29%. Research Alert, 2002

Business Trends

According to Harvard University's Joint Center for Housing Studies, the number of Generation X homeowners almost tripled between 1995 and 2003. Source
Boston Globe, 2005

The Generation X market boasts an estimated \$736 billion in spending power. Entrepreneur, 2004

Misc

According to a 2003 report by Vertis, 70% of Generation Xers plan to make non-monetary (time, food, clothes, etc.) donations to charity in the coming year. Source
Research Alert, 2003

According to a survey by the National Council on the Aging, 20% of Generation Xers spend 30-49 hours per week providing health care for their aging parents. USA Today, 2002

According to a survey by research organization Catalyst, 47% of Generation Xers currently in the workforce say they'd happily stay with their present employers for the rest of their careers. American Demographics, 2002

According to a 2002 report by the Joint Center for Housing Studies at Harvard University, 12.5% of men age 25-34 and 7.9% of women in the same age bracket still live in their parents' homes. Research Alert, 2002

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