

MILLENNIALS

COMING OF AGE

One of the largest generations in history is about to move into its prime spending years. Millennials are poised to reshape the economy, their unique experiences will change the ways we buy and sell, forcing companies to examine how they do business for decades to come.

GET STARTED

WHO ARE THEY?

A different world, a different worldview. Millennials have grown up in a time of rapid change, giving them a set of priorities and expectations sharply different from previous generations.

BORN BETWEEN

1980 → 2000

Source: Goldman Sachs Global Investment Research

A LARGER COHORT

The Millennial generation is the biggest in US history—even bigger than the Baby Boom.



Population

Age in 2015

Source: US Census Bureau

- A LARGER COHORT
- THE FIRST DIGITAL NATIVES
- SOCIAL AND CONNECTED
- LESS MONEY TO SPEND
- ENCUMBERED WITH DEBT
- DIFFERENT PRIORITIES

HOUSING

As Millennials enter their peak home-buying years, their reluctance to enter the housing market could change. The cohort's sheer size, plus its desire to settle down in the future, could lead to a surge in home sales.

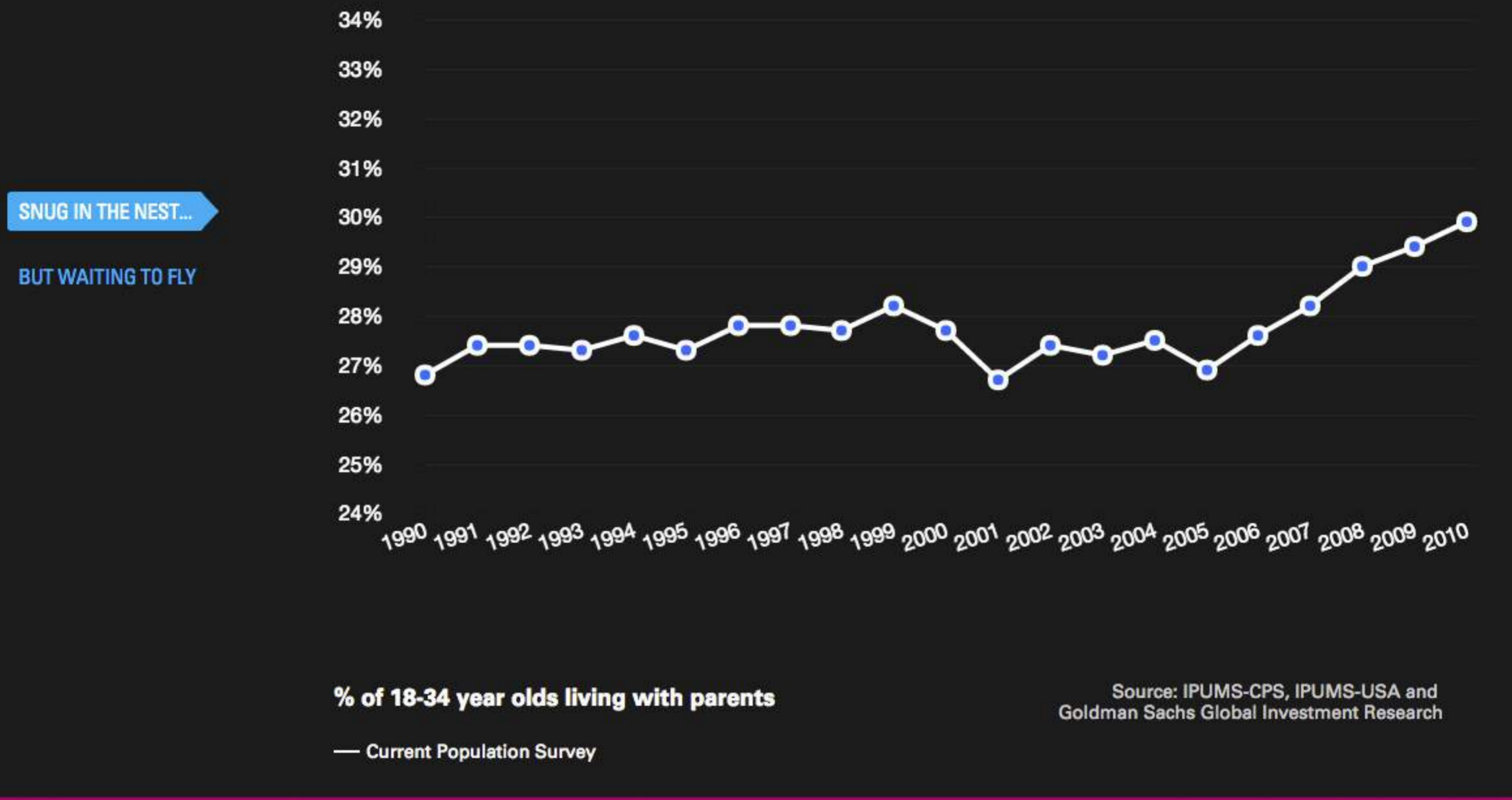
PEAK HOME-BUYING YEARS

25 y/o → 45 y/o

Source: Goldman Sachs Global Investment Research

SNUG IN THE NEST...

A growing number of Millennials are choosing to live at home with their parents.



% of 18-34 year olds living with parents

Source: IPUMS-CPS, IPUMS-USA and Goldman Sachs Global Investment Research

— Current Population Survey

- SNUG IN THE NEST...
- BUT WAITING TO FLY

LOVE & MARRIAGE

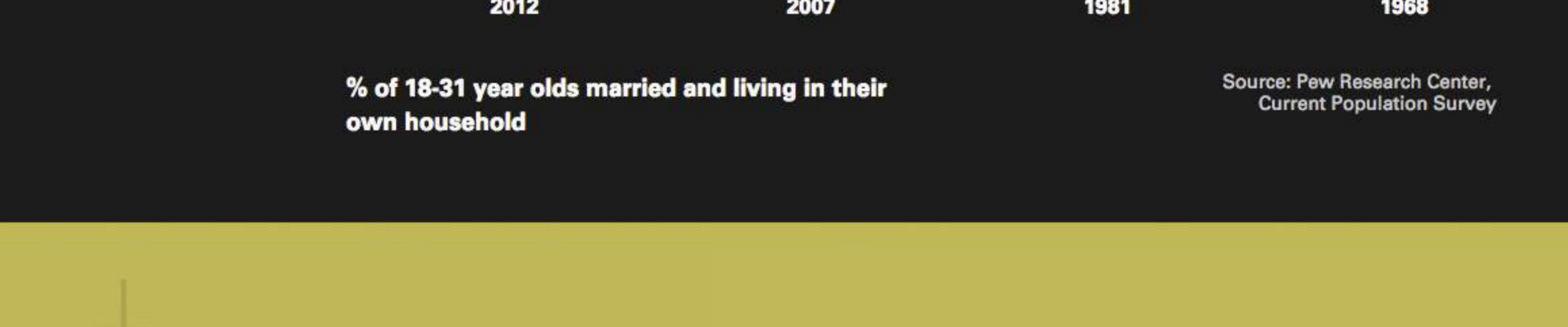
Millennials have been putting off significant milestones like marriage and children. But that doesn't mean they want to stay single forever.

MEDIAN MARRIAGE AGE
2010s: 30 y/o
1970s: 23 y/o

Source: Goldman Sachs Global Investment Research

MARRIAGE CAN WAIT

The percentage of young people married and living on their own has dropped by more than 50% since the 1960s.



% of 18-31 year olds married and living in their own household

Source: Pew Research Center, Current Population Survey

- MARRIAGE CAN WAIT
- PUTTING OFF PARENTHOOD
- NEVER SAY NEVER

ACCESS, NOT OWNERSHIP

It's not just homes: Millennials have been reluctant to buy items such as cars, music and luxury goods. Instead, they're turning to a new set of services that provide access to products without the burdens of ownership, giving rise to what's being called a "sharing economy."

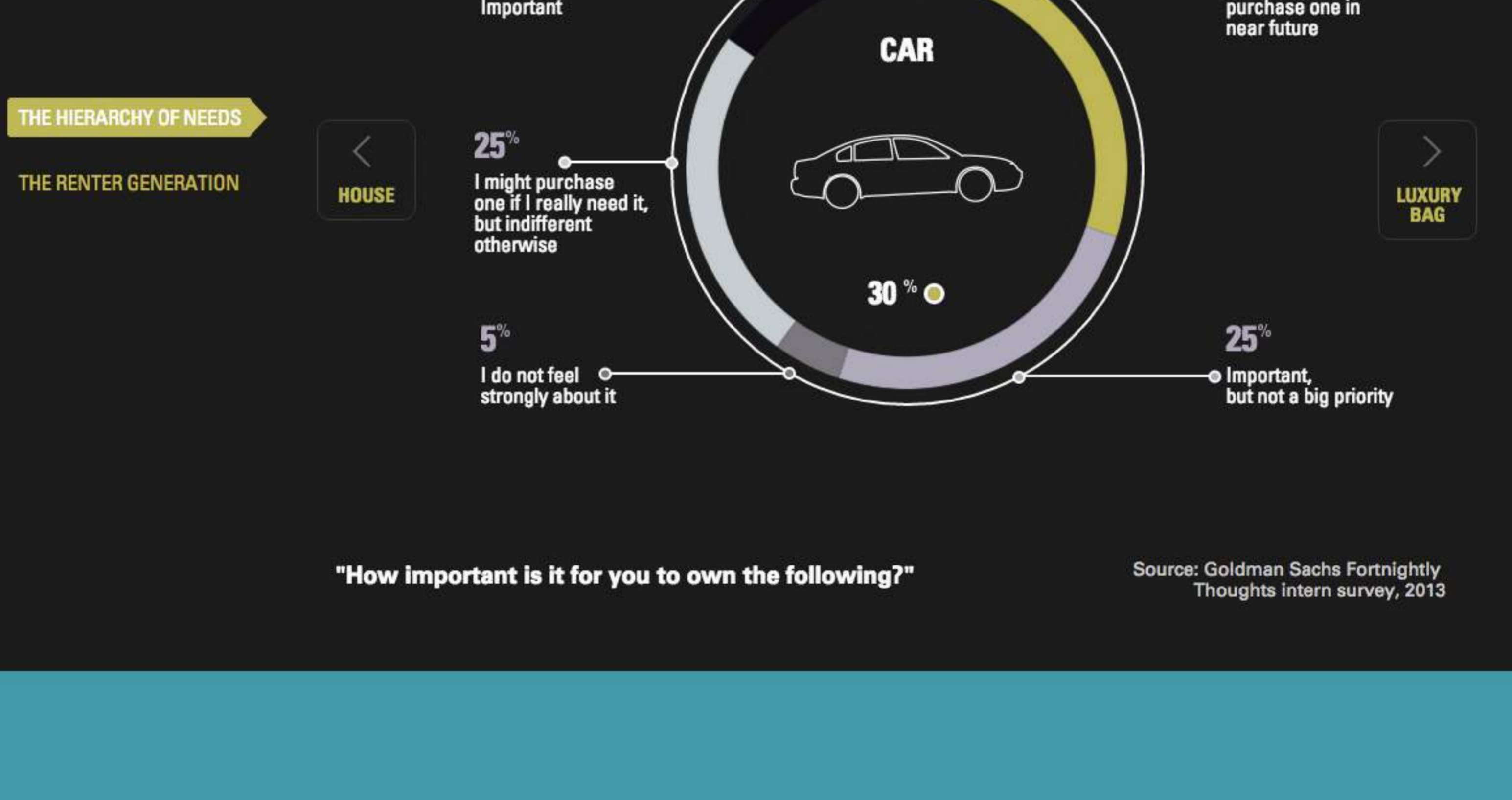
"25 YEARS FROM NOW, CAR SHARING WILL BE THE NORM, AND CAR OWNERSHIP AN ANOMALY."

- Jeremy Rifkin, Author and Economist

Source: Goldman Sachs Global Investment Research

THE HIERARCHY OF NEEDS

The must-haves for previous generations aren't as important for Millennials. They're putting off major purchases—or avoiding them entirely.



"How important is it for you to own the following?"

Source: Goldman Sachs Fortnightly Thoughts Intern survey, 2013

- THE HIERARCHY OF NEEDS
- THE RENTER GENERATION

BRANDS AND RETAIL

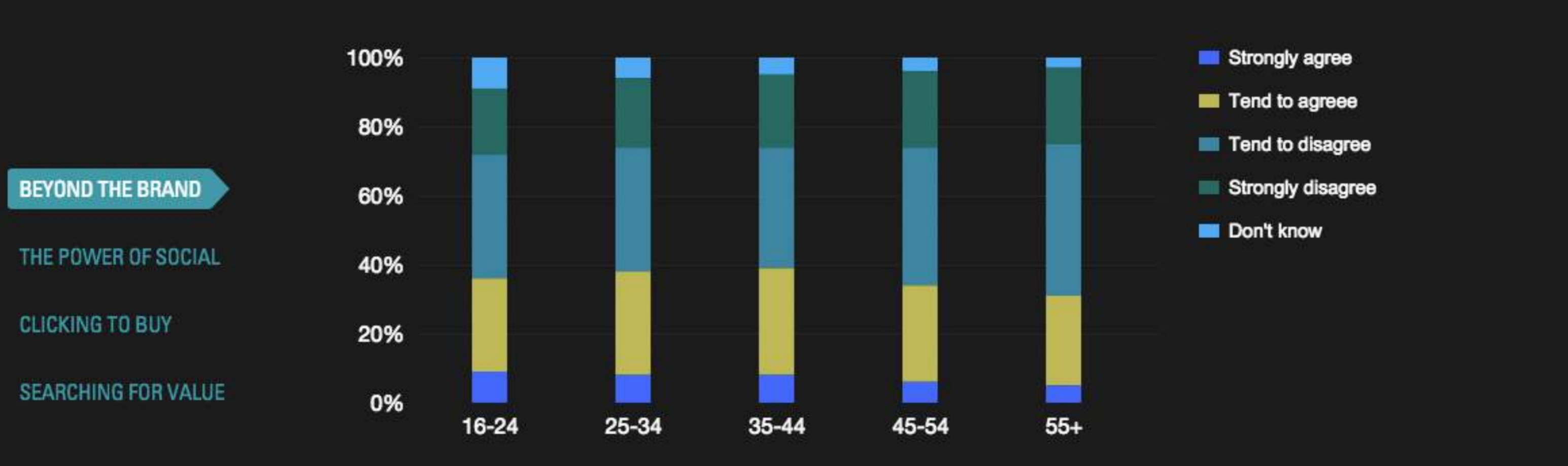
Millennials' affinity for technology is reshaping the retail space. With product information, reviews and price comparisons at their fingertips, Millennials are turning to brands that can offer maximum convenience at the lowest cost.

% OF MILLENNIALS WHO COMPARE PRICES IN STORE
57%

Source: AIMIA Inc. "Born this Way: US Millennial Loyalty Survey" ©2012

BEYOND THE BRAND

When marketing to Millennials, a strong brand isn't enough to lock in a sale.



"When I shop, I always try to buy branded products"

Source: Ipsos MORI Global Trends 2014; (16k respondents across 20 countries)

- BEYOND THE BRAND
- THE POWER OF SOCIAL
- CLICKING TO BUY
- SEARCHING FOR VALUE

WELLNESS

For Millennials, wellness is a daily, active pursuit. They're exercising more, eating smarter and smoking less than previous generations. They're using apps to track training data, and online information to find the healthiest foods. And this is one space where they're willing to spend money on compelling brands.

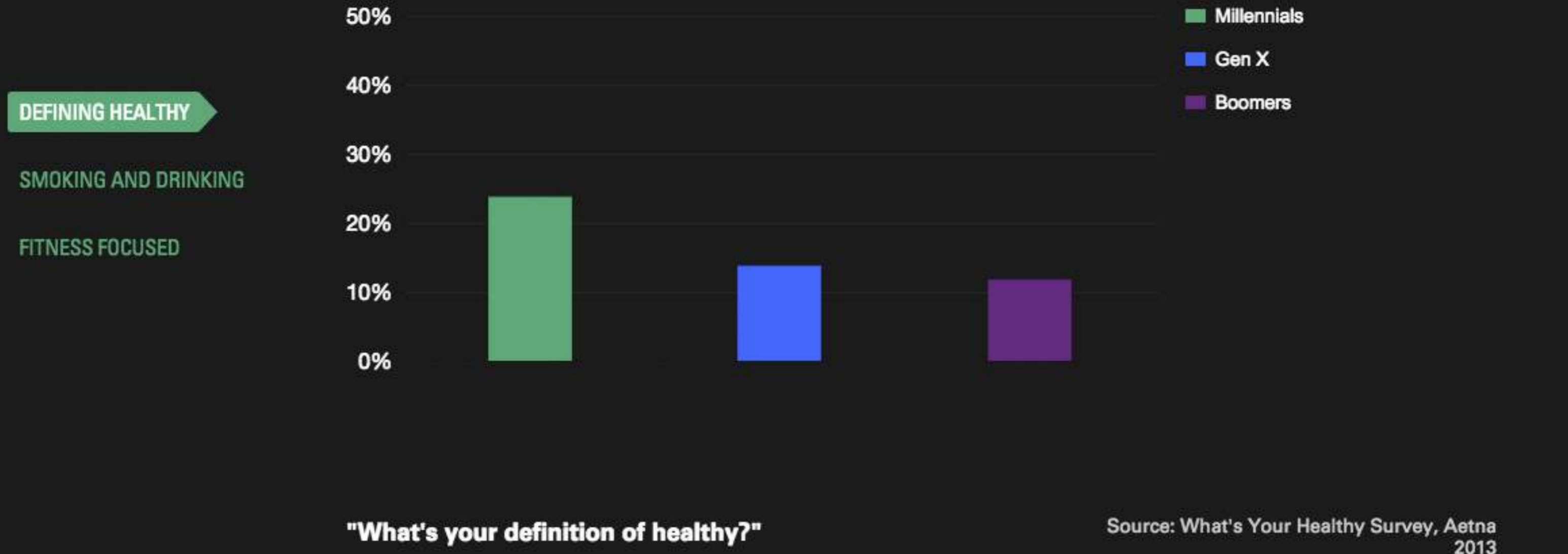
% OF 12TH GRADERS WHO DISAPPROVE OF PEOPLE 18 OR OLDER SMOKING 1 OR MORE PACKS OF CIGARETTES A DAY
2013: 83%
1998: 69%

Source: monitoringthefuture.org



DEFINING HEALTHY

For Millennials, "healthy" doesn't just mean "not sick." It's a daily commitment to eating right and exercising.



"What's your definition of healthy?"

Source: What's Your Healthy Survey, Aetna 2013

- DEFINING HEALTHY
- SMOKING AND DRINKING
- FITNESS FOCUSED

THE TAKEAWAY

The Millennial generation is the largest in US history and as they reach their prime working and spending years, their impact on the economy is going to be huge.

They have been slower to marry and move out on their own, and have shown different attitudes to ownership that have helped spawn what's being called a "sharing economy."

Finally, they are dedicated to wellness, devoting time and money to exercising and eating right. Their active lifestyle influences trends in everything from food and drink to fashion.

Millennials have come of age during a time of technological change, globalization and economic disruption. That's given them a different set of behaviors and experiences than their parents.

They're also the first generation of digital natives, and their affinity for technology helps shape how they shop. They are used to instant access to price comparisons, product information and peer reviews.

These are just some of the trends that will shape the new Millennial economy.

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