



THE CHANGING FACE OF AFFLUENCE

presented by

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What Are Baby Boomers, Generation X and Millennials?

- They are NOT traditional family generations
- In social science terms they are what we call cohorts
- Cohorts are a way of categorizing people based on shared experiences
- Years of data - analysis of generational cohorts began in the 19th century
- Why do we group by time-period and not life-cycle generations? It is the best predictor of attitudes and behavior
 - Baby boomers: 1948-1964 (53-71)
 - Influences: Civil rights, Vietnam, Sexual Revolution, Space Travel, Cold War
 - Generation X: 1965-1982 (36-52)
 - Influences: Watergate, Energy Crisis, Downsizing, Latchkey kids, Divorce Rate
 - Millennials: 1983-1998 (20-35)
 - Influences: Digital media, child-focused world, 9/11, AIDS, economic expansion
- The younger cohorts are more fluid because there is less data

What Do These Generational Cohorts Tell Us?

- Generalized framework about their attitudes and behaviors
- Attitudes towards institutions
- What media they respond to
- What they trust/value
- There are always exceptions

Demographics, Psychographics and Generational Cohorts

- A demographic profile includes:
 - socio-economic characteristics (income, marital status, etc.)
 - psychographics or self-identification (e.g. “other people value my opinion,” “I enjoy owning the very best,” etc.)
 - cohorts (generational, but could be others as well)
- Cohorts are most often overlooked in marketing and business development strategies, but can provide a wealth of actionable information
 - How content is consumed
 - What influences buying decisions
 - What types of media do they respond to

Stereotypes vs. Realities

- Media and entertainment have perpetuated stereotypes that we don't identify with – leads to rejection of legitimate research
 - Baby Boomers: Technophobes
 - More than 80% own smartphones and use social media regularly
 - Steve Jobs and Bill Gates are boomers
 - Generation X: Cynical slackers
 - Most highly educated generation
 - Elon Musk, Jeff Bezos, the founders of Google
 - Millennials: Entitled, motivated by money and tech obsessed
 - They value a purposeful career over salary, they stay in jobs longer than their Gen X counterparts of the same age and prefer human interaction to digital communication
 - Mark Zuckerberg, Jessica Alba, Brian Chesky

Why Is This Important To You?

We are at a transition point

- Baby boomers are the largest and wealthiest generation in history and the Holy Grail of consumers
- They are leaving the work force at the rate of 10,000 per day
- As they get older, they consume less and spending habits change
- Priorities change - many will have to take care of elderly parents
- Their wealth will transition to younger generations
- Over the next 20-30 years, it is estimated that \$30 trillion

The New Affluent Consumer Might Not Be Who You Think

- Generation X – the smallest of the 3 generations controls more wealth than Baby boomers and Millennials (25% of the population, 37% of affluent households)
- Generation X already spends 18% more on luxury goods than Baby boomers
- Generation X holds 51% of corporate leadership roles
- 55% of today's startups were founded by Gen Xers

How Does This Help You?

- Understanding your target market will help you develop your business strategies and practices
- Everything from Customer Relationship Management to Business Development to Marketing & Communications
- The existing data on each generation will give you valuable and actionable insights