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# The Adults of Generation Y in the U.S.:

Hitting the Demographic, Lifestyle and Marketing Mark

December 2008

Packaged Facts

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# **THE ADULTS OF GENERATION Y IN THE U.S.:**

## **HITTING THE DEMOGRAPHIC, LIFESTYLE AND**

### **MARKETING MARK**

**DECEMBER 2008**

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## Chapter 1: Executive Summary

### Scope and Methodology

#### Scope of Report

This report examines the attitudes, interests, life experiences and future hopes and obligations of the young adults of Generation Y, those born from 1979 to 1990, who are age 18-29 and number approximately 40 million as of 2008. The goal of this report is to assist marketing planners in developing strategies to help balance the unique and sometimes conflicting diversity of Gen Y desires and demands with the offerings of the marketplace. To this end, following an in-depth discussion of Gen Y demographics and consumer style, the report homes in on key areas of Gen Y life including finances, technology, media, eating trends, and wellness, work and leisure pursuits.

#### Report Methodology

Throughout this report, Packaged Facts relies primarily on primary data compiled by Simmons Market Research Bureau, New York, NY in its Fall 2007 and Winter 2008 adult consumer surveys, which are based on the responses of approximately 25,000 adult respondents age 18 or over. Through ongoing surveys of a large sample of consumers selected to represent a statistically accurate cross-section of the U.S. adult population, Simmons is able to construct detailed profiles of consumers reflecting demographics, attitudes and lifestyle behavior, as well as shopping and product preferences. Sources for secondary research contained in this report include articles appearing in marketing, business and trade publications; government resources; company literature and advertising; and extensive Internet canvassing including websites and blogs.

#### *Gen Y Cohorts*

Available Simmons data breakouts allow Packaged Facts to segment Gen Y adults into two age groups representing the overall Gen Y adult cohort—those age 18-24 and those age 25-

29—to roughly delineate college or early post-high school years, versus a later, generally more independent stage.

In addition, we divide the adults of Generation Y into four consumer cohorts based on level of educational achievement or job training, as follows:

- ***College Student*** (full- or part-time): Those age 18-29 currently attending college classes.
- ***College Graduate***: Those age 18-29 with a bachelor's degree.
- ***Specialty/Vocational-Technical School Training***: Those age 18-29 who attended a vocational or technical school, with or without earning a certificate or degree.
- ***No College or Specialty/Vocational-Technical School Training***: Those age 18-29, high school graduate or not, who have never taken a college class and who have never received job-specific vocational or technical training.

### ***The Simmons Index System***

Our analysis also relies on Simmons' index system, which is designed to calibrate agreement with a particular lifestyle statement or usage of a particular product among a given segment of the population, compared with that of the population as a whole. If, for example, 10% of those surveyed agree with a particular statement, with 20% of females and 5% of males agreeing, the female group would have an index of 200, the male group an index of 50. Generally speaking, Packaged Facts considers an index of 110 or higher, or 90 or lower, to represent statistically significant deviations from overall averages.

### ***BIGresearch Data***

This report also features consumer survey data specific to Gen Y adults age 18-28 from BIGresearch (Worthington, OH), whose monthly *Consumer Intentions & Actions* surveys draw on an online panel of 8,000+ adult consumers, with the sample weighted to be representative of the overall U.S. population by age, gender, income and geography.

## **Market Overview**

### **Shared Sensibilities, From Tykes to Twenty-Somethings**

**B**orn within easy striking distance of the turn of the 21<sup>st</sup> century, the 78 million members of Generation Y, America's newest youth culture, are a potent and growing force in the retail economy. The most ethnically diverse and technologically savvy generation in U.S. history, Generation Y spans 20 years from 1980 to 2000 and represents billions of dollars in spending power. Its members range in age from 8 to 29, outnumbering their Generation X predecessors nearly two to one, and even edging out the graying Baby Boom generation by a few million—a statistic that makes sense considering that the first wave of this massive cohort is overwhelmingly the Boomers' precious offspring.

Also known as Echo Boomers, Generation Next, Millennials and a host of other catchy titles, this new crop of citizens tends to be optimistic, self-confident and team-spirited; they're so hard-wired to electronic multitasking it's a wonder they weren't all blogging *in vitro*. At the same time, from tykes to twenty-somethings Generation Y has been raised on instant gratification, a trend that contributes heavily to their mercurial tastes in every lifestyle choice, from shoelace color to career path. Even the youngest members of the cohort take for granted the quick convenience and seemingly infinite options afforded by cell phones, the Internet, indulgent parents and a marketplace eager to meet their every rapidly shifting need.

### **Market Focus: Gen Y Adults Age 18-29**

Despite the overall sense of enthusiasm and well-being across the cohort, in this report Packaged Facts focuses on the young adults of Generation Y age 18-29. Our adult market focus also takes into account all the transitions and responsibilities associated with turning 18, like secondary education, revolving credit lines, rent and utility payments, voter registration, car insurance, bank loans, bar hopping, childbirth, insurance premiums, the occasional mortgage and the yearly filing of a W-2—real world issues and expenses that (at least for the next decade or so) get in the way of making accurate retail assessments about the generation as a whole.

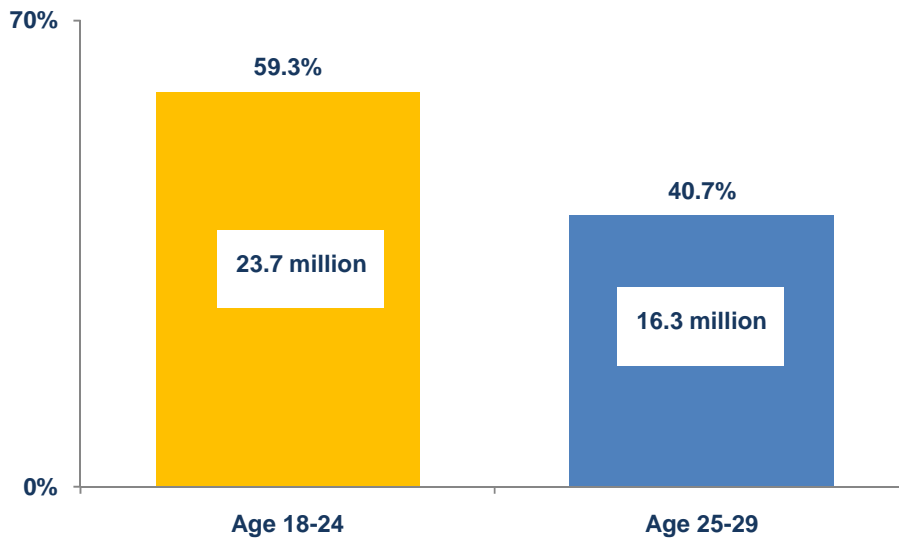


**Gen Y Adults Number Approximately 40 Million**

According to Simmons, the adults of Generation Y number just over 40 million. Within this group, the younger Y cohort, those age 18-24, form a significant majority, accounting for 59% of Gen Y adults, or about 24 million, while older twenty-somethings, age 25-29, number about 16 million, or 41% of the Echo Boom. In addition, women outnumber men by a million or so, 51% to 49%. [Figure 1-1]

**Figure 1-1**

**Gen Y Adults by Age Cohort, 2007**  
(percent and number of U.S. adults age 18-29)



Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Gen Y Population Spread across Marketing Regions**

Millennials are spread fairly evenly across U.S. marketing regions, though the greatest percentage is centrally located in states such as Indiana, Kentucky, Michigan and Ohio toward the east, and Colorado, Illinois, Missouri, Montana and Nebraska to the west. The Pacific region is the likeliest place to find Gen Y adults, compared with adults on average. The 9 million or so who live along the West coast, including Idaho, Arizona and Utah, are 12% more likely than adults on average to do so (index 112). The top 25 metro markets claim nearly 37% of adult Millennials, but the majority, about 54%, reside in non-metro (suburban or rural) surroundings.

## **Hispanics a Powerful, Growing Minority**

Among Millennials age 18-29, Simmons shows that 62% or nearly 25 million are of White, non-Hispanic origin—a clear majority in terms of raw numbers. However, says Simmons, as of 2007 adults age 18-29 are 12% less likely to be White and non-Hispanic than adults on average (index 88). Meanwhile, Hispanics in that age bracket number almost 9 million; they compose a powerful 22% of the cohort and tend to stand out from the rest of the cohort in their opinions and attitudes.

## **Multiculturalism Inspires Liberal Leanings**

Key for marketers is how Gen Y's demographic diversity tends to correlate with the social and cultural openness of the cohort. Thanks to the efforts of their parents and grandparents toward establishing greater tolerance across countless civil rights causes, Generation Y is one of the most progressive generations in American history. So much for "alternative" lifestyles: For these youngest adults and twenty-somethings, lifestyle choices that were unthinkable just a few decades ago are now a natural part of the mix. Not only has the data deluge of the 21<sup>st</sup> century made the world at once a much smaller and more accessible place, but political victories hard won by previous generations in terms of race, religion, gender, sexual orientation and even environmentalism have fueled this generation's faith in their own personal self-worth, their own individual contributions, their own ability to achieve whatever they set their minds to.

## **Strong Belief in Money as a Measure of Success**

According to Simmons, across the board adults age 18-29 are far more likely than adults in general to agree strongly that money is the best measure of success, though the younger cohort, age 18-24, tends to be especially gung-ho. Ten percent of 18- to 24-year-olds overall agree strongly that money and success go hand in hand, though the Millennials most attached to money's symbolic rewards are college students age 18-29. According to Robert Thompson, a professor of media and popular culture at Syracuse University, Gen Y's equation of money with success has to do with the symbolic nature of acquisition—the power to purchase reflects the power to define oneself, to create an image of luxury or success. (*USA Today*, January 10, 2007).

## **Not All Gen Yers Are College Bound**

Simmons shows that approximately 43% of Gen Yers, or more than 17 million, are either currently taking college classes or have received a bachelor's degree (Simmons does not measure current graduate school enrollment). Even more surprising, in light of the emphasis on secondary and post-secondary education, Simmons reveals that a full 46% of Gen Y adults report that they have either not graduated from high school or have pursued no education past their high school diploma. Overall, of Gen Yers age 18-29 who have neither college nor specialty/vocational/technical school backgrounds, about half are full-time employees, while 15% work part-time and 7% are self-employed.

## **Customized Options Help Define Personal Style**

For marketers, Gen Y's preoccupation with image is excellent (if slightly scary) news, because it presents so many opportunities to reach a vast array of segments across a multitude of channels. But that preoccupation presents plenty of pitfalls, too, because what's cool, what's me, what's infinitely tedious pomp, changes with the speed of a text message. Not surprisingly therefore, Gen Y consumers expect customized products and accessories to define their own unique style; they require an array of personalized options in every channel, from ringtones and debit cards to vacation plans and social networks; they favor everyday, accessible luxury—preferably enhanced by green ideals or at least a points program, to confirm their value as individuals and their loyalty to ideals that may help to save the world. Indeed, between their hunger for community and their ravenous desire to differentiate themselves from the crowd, from a marketing standpoint Generation Y may indeed be the next Greatest Generation.

## Finances

### Inexperience, Debt Constitute Double Whammy

**D**espite their enormous importance as a consumer bloc, the adults of Generation Y are not exactly sitting atop a mountain of gold bullion. At 18 to 29 years of age, they tend to be cash-crunched by education expenses, entry-level jobs, consumer debt, the occasional child or some combination thereof. Millions are slugging out a four-year college degree or higher, throwing books and clothing and gas and the perhaps too frequent dinner and drinks onto their shiny new credit cards, confident that in just a few short years they'll land a job that will net them six figures and plenty of time in the sun. Unfortunately, once they snatch that diploma from the jaws of the great Liberal Arts vending machine, many freshly minted graduates awake the next morning to discover a fiercer, more insidious monster in the room: the Enormous Minimum Balance.

Meanwhile, their cannier peers, who eschewed the hallowed halls and beer-soaked revelry of the four-year liberal arts education in favor of an online training course or a specialty certificate or vo-tech program, may have escaped massive student loans. Nevertheless, they're likely to have incurred other debts along the way, and to share with their comrades a worrisome feeling of *slippage*, as if the harder they work, the less money is left over, especially as gas prices climb higher and the cost of basic groceries starts eating into the utilities budget. For Millennials who scuttled secondary education altogether, there's the creeping suspicion that the old high school diploma isn't quite enough to keep them in heating this winter, let alone health insurance.

But not to fear: These enterprising, optimistic, self-involved consumers are hard workers. Their on-the-job style may annoy older colleagues, what with all the questioning of authority and the breezy approach to office politics, but their creativity and drive are likely to translate into serious financial clout over time. By 2017, the earning potential of this generation is expected to hit \$3.48 trillion, surpassing even the post-World War II Baby Boomers, who have largely established their financial relationships and are pushing toward retirement,

according to a 2007 report from Pleasanton, CA-based Javelin Strategy & Research (*BAI Banking Strategies*, November/December 2007).

### **Bank Accounts, Savings Levels Below Adult Average**

These days the average student loan debt is \$20,000 (and that's before even a whiff of grad school), and for those who enter professions such as medicine or law, the loans can spike into the hundreds of thousands (*Banking Wire*, June 5, 2008). Moreover, as flashing the plastic becomes a stop-gap measure to cover soaring grocery, gas and housing costs for which these young adults don't have cash handy, credit card balances can climb into the thousands as well. Accordingly, there's often little left over for savings, even with the help of parents or friends. According to Simmons, only 35% of Gen Y adults own a savings account, which means that they are 24% less likely than the average adult to do so (index 76). A meager 13% have opened an interest-bearing checking account (most likely because so few can meet minimum balance requirements), which makes adults age 18-29 55% less likely than the adult average to do so (index 45). In fact, Gen Y adults are 61% more likely than the adult average to have no bank account of any kind (index 161).

### **Personalized Financial Services Can Build Future Loyalty**

Even with their appetite for the finer things in life's panoply, Gen Y will eventually climb out from under the debt load and begin to build savings and investments, purchase homes, start businesses, finance children's college educations, and sock away dollars for retirement. What's vital for financial services marketers now is to get in on the ground floor—to invest in a relationship with these young consumers (no matter how slim their current bank accounts) that will help build their financial skills, assets and loyalty as they take on greater adult responsibilities. To be sure, attracting Gen Y adults to savings and investment programs is hardly a slam dunk; their love-hate relationship with credit cards and high APRs, and their disdain for marketing messages that smack of the patronizing or prepackaged make them a skittish bunch. Moreover, despite their expectations of wealth and comfort, even Echo Boomers are growing uneasy as economic quicksand continues to suck at the nation's kneecaps.

## **Confidence in Nation's Economy Plunges**

According to BIGresearch's ongoing *Consumer Intentions and Actions Survey and Simultaneous Media Study*, the percentage of adults age 18-28 who are confident or very confident in the short-term prospects for the economy has fallen substantially just since the fall of 2006. For example, in October 2006, 11.2% of adults age 18-28 said they were very confident in the economy while 48.2% proclaimed a solid confidence, such that the majority of the cohort, or 59.4%, were copacetic on the economic front. Those numbers have weakened steadily, however, until, as of June 2008, only about one-fourth of adults age 18-28 were confident or very confident in the economy's short-term prospects.

## **Varying Parental Roles in Bill Payment Muddy Financial Waters**

With Generation Y it's a slippery proposition just to determine who's in control of the personal finances and how all the bills get paid. According to Simmons, just over half (51%) of Gen Y adults pay their bills themselves; across the cohort snail mail is the most common method of bill payment, with 35% licking a stamp and waving merrily to the postman, while 28% pay online and 15% have the amounts automatically deducted from their bank accounts. In turn, a slight minority (48%) of adults age 18-29 acknowledge that someone else in the household takes care of the bills. In comparison with adults in general, Gen Y adults are 22% less likely than average to pay their own bills (index 78), and 29% more likely than the adult average to say somebody else in the household does it for them (index 129).

## **Most College Consumers Still Rely On Mom and Dad**

With the rising costs of living, tuition and electronic doo-dads, it's not surprising that 61% of college consumers say someone else in the household pays their bills. But these are not just younger cohort students. Increasingly, employed adults age 24 and up are working toward a bachelor's degree, either full- or part-time (*Banking Wire*, June 5, 2008). These more independent types may account in part for the 41% of college consumers who say they are the masters of their own cash flow—though even dedicated working stiffs may not mind accepting the occasional wad of \$100s to grease the wheels of commerce, or a year-long stint in the parents' wood-paneled basements to help make ends meet.

## **College Consumers Spending at Record Levels**

It's no wonder many college consumers would rather not focus too carefully on their finances. Education expenditures don't stop with tuition payments; bills for supplies and living expenses tend to pile up. According to Alloy Media + Marketing's 8th annual College Explorer study, a record-level 13.6 million college students age 18-30 will swarm campuses in the fall of 2008, and will spend more than ever before on their educational experience: an estimated \$237 billion, up 20% from 2007, when the returning class wielded a meager \$198 billion. On a per-capita basis, average spending power increased among students in this age bracket from just under \$14,900 in 2007 to just over \$17,400 in 2008 (*MediaPost's MediaDaily News*, August 5, 2008).

## **Gen Y Attitudes about Debt and Money**

Furthermore, says Simmons, 45% of college consumers are firmly opposed to the idea of debt, but an almost identical percentage have at least one credit card; 38% of college consumers have used a credit card in the last 12 months and 32% have used one in the last 30 days. In addition, Simmons reports that only one in five Gen Y adults agrees strongly with the statement, "I am careful with my money," and that across educational segments they are considerably less likely than the adult average to do so. On the whole, Gen Y adults are 31% less likely to agree strongly that they are careful with their money (index 69); and even older, wiser cohort Millennials skew at 24% less likely to keep careful watch on their wallets (index 76). Among college students, those numbers drop even lower. Hence, marketers of banking and credit and debit card services will do well to target parents of Gen Y adults as well as their fledglings: Especially for the parents of young college-bound Millennials, loading up a prepaid debit card (rather than paying off a staggering balance after the fact) can be a useful way to control pay-outs on Junior's exploratory lifestyle habits.

## Media, Technology and Marketing

### Gen Y Worldview Integrates Self, Technology, Marketing

For media and tech marketers keen on attracting the Millennial dollar, the old saw that today's youth are the "Internet" or "Connected" Generation no longer even scratches the surface of what the Gen Y cohort is about. Sure, adults age 18-29 are intimately familiar with computers, the Internet, mobile devices of all sorts, video games and downloadables of every description, but these days older generations are thoroughly wired themselves. Differences between the generations lie in how they contextualize technology within their world view. That is, whereas mature market consumers, Baby Boomers and even Gen Xers tend to see technology as a discrete entity—necessary for managing daily life but essentially a tool to help them do faster and more efficiently what they would do by some other means anyway—Gen Y is the first to have been weaned on the Internet, cell phones, video cameras and the instant communication those technologies provide. Thus, Gen Y is the first generation for whom media, technology, socialization, advertising, community and personal consciousness are almost seamlessly integrated; they are the first generation for whom the concepts of marketplace and interior life are no longer separate.

### Gen Y Use Technology, Media to Brand Themselves

Especially in media and technology channels, retail branding acts as a metaphor for individual expression, self-image, motivation and social connection, a metaphor that is created and dispersed through the same tech products that retailers are looking to sell. In turn, these products provide a variety of channels through which the intensely social, community-minded individuals of Gen Y can *brand themselves*. Thus, ironically, to reach these consumers marketers must infuse their campaigns with an appeal to an overall target market while at the same time allowing each potential Gen Y customer to customize and personalize the product's functionality within his or her own value system, within his or her own social network.



But to do so requires an authentic, sincere and deeply researched campaign, an environment, if you will, that places the product within an overarching context of Millennial values and world views and at the same time considers the spectacular diversity of the cohort in terms of cultural, socio-economic and educational backgrounds. Of course that proviso goes for just about anything you want to sell to Gen Y—bank accounts, snack foods, underwear—but when you’re using media and technology to sell media and technology, the stakes ratchet up several notches.

### **Mobile, Internet, Video Enable Daily Life**

Not surprisingly, PriceGrabber.com’s summer 2008 “Back to School” survey found that among U.S. consumers who have made an online purchase, Millennials are far and away the heaviest users of online and mobile media compared with older generations. According to the study, almost all online buyers born in 1979 or later use text messaging, compared with 87% of Gen X online consumers and about three-fourths of older generation buyers. Social networking is also enormously popular with Gen Y, such that 85% of online consumers born in 1979 or later belong to at least one online social networking site, compared to 71% of Gen X online buyers and 59% of older generations. Over half of Gen Y online buyers listen to podcasts or have their own blog (<http://www.emarketer.com/Article.aspx?id=1006631>, October 14, 2008). But Millennials overall are tearing up the airwaves too.

Findings by Simmons Market Research Bureau flesh out PriceGrabber’s research. According to Simmons, Gen Y adults are more than twice as likely as the adult average to set their thumbs a-twittering on that mobile device (index 217). Simmons also finds that Gen Y adults are twice as likely as the adult average to use their phones to download ringtones (index 216), play games (index 209) or browse the Web (index 208), and two-and-a-half times as likely to use picture messaging (index 246) or shoot video (index 256).

### **Blogs, Social Networking, Video Sharing Pervade Online Activities**

As for online activities, Simmons reports that Gen Y adults are twice as likely as the adult average to download or listen to podcasts (index 198), 124% more likely to have read or written a blog in the last month (index 224), and 143% more likely to have participated in an

online chat forum during that period (index 243). Along these lines, Simmons reports that Gen Y adults are nearly three times as likely as the adult average to have visited the social networking site MySpace.com (index 290) in the last month—nearly half of all Gen Y college consumers have done so. Similarly, Gen Yers are more than twice as likely to have visited the video sharing site YouTube.com during that period (index 218).

### **Gen Yers Also Big on Online Shopping, Auctions, Product Research**

Simmons also reports that nearly 22% of Gen Y adults have made at least one online purchase in the last 30 days, and a similar percentage (20%) have gathered information for shopping. Owing to the vast convenience of online purchasing across generations, Gen Y adults are about as likely as adults on average to have participated in either of those shopping activities in the last 30 days, in that they are just 10% more likely to have made a purchase online (index 110), and 11% more likely to have researched potential purchases online (index 111)—not a vast difference and clearly indicative of how pervasive online purchasing has become.

### **Nearly All Gen Y Adults Use Internet**

Simmons also shows that not only do nearly 89% of Gen Y adults use the Internet, but 70% have their own home computer and 73% have used the Internet in the last 30 days. Those numbers are heavily concentrated among college consumers and college graduates, nearly all of whom use the Internet regularly, and the vast majority of whom (88.5% and 93.9%, respectively) have gone online in the last month. While Simmons finds that the Gen Y adults with specialty job training and those with no college and no vo-tech training are no slouches either with respect to regular Internet usage—88.4% of the former segment and 79.2% of the latter segment agree that they use the Internet—both segments fall behind college students and grads with respect to ownership of computers and Internet use over the last month.

## **Tech Marketing Requires Intimate Understanding of Gen Y Values**

Of course, numbers such as these are vital to marketers' understanding of the cohort's online and mobile usage patterns. However, what may be even more important, considering the near ubiquity of online and mobile technologies across generations and the corresponding reduction in the meaning of simple numbers of users—is what consumer segments *value* about their mobile and online experiences—and, for that matter, their experiences with other electronic and print media. Because, let's face it, Gen X, Baby Boomers and even (though to a somewhat lesser extent) the generations before them are yakking away on cell phones and fiddling with computer programs and trampling daily through the virtual worlds of Internet and Web technologies. From a marketing standpoint, the key is to tap into what motivates specific consumer segments to use technology and media for their own ends.

## **Video Offers Immediacy, Emotion, Interaction**

Thus it's no wonder that video is so heavily emphasized in mobile and Internet technologies. Not only is video one of the most efficient, not to mention entertaining, ways to avoid both boredom and being boring, but video enables an immediate, often emotional and interactive experience both for the creator and the viewer without the inconvenience and delay of rigorous textual frameworks (i.e., rhetorical conventions, proofreading, capital letters), and offers the opportunity for instant worldwide exposure—in both personal creation and in community gaming.

## **Visual Media Gaining Over Print**

It's no secret that Gen Y adults tend to show an increasing preference for the visual and digital over print media. According to Simmons, about half of Gen Y adults purchased a book, hardcover or soft, for leisure reading over the last year. And, reflecting an overall trend, fewer than half claim regular readership of print news. Though Gen Y adults are 22% more likely than adults on average to pore over *The New York Times* (index 122), only about 12% of the cohort have done so in the last 12 months. About 16% browsed *USA Today* in the last 6 months, while fewer than one in ten picked up a *Wall Street Journal*. Meanwhile, types of magazines most popular among the cohort with comparison to adults on average are

visuals-heavy women's fashion, beauty and grooming (index 184), teen (index 274) and men's magazines (index 136).

## **Online Video Appeals across Gen Y Segments**

Marketers all over the place are realizing that it's not just isolated Gen Y segments that love video: Gen Y overall is heavily into entertainment, engagement, socializing and sharing experiences and values, and online video provides a much more immediate, visceral experience than simple print. And, as video capabilities become more widely available, that avid interest likely will only increase. According to *Watching The Web: How Online Video Engages Audiences*, a 2008 study conducted by Forrester Consulting for Internet TV provider Veoh Networks, though many online video viewers prefer short clips, a large and avid audience of young, influential "engaged" viewers will spend hours watching long-form online video—and they pay attention to the brand messages delivered in online video environments.

## **Most Marketers Still Leery of Gen Y Marketing Techniques**

For some marketers, however, it's quite a leap between knowing what to do and actually making it happen. After mining the opinions of company executives worldwide, a May/June 2008 survey sponsored by distance conferencing provider Genesys and performed by Economist Intelligence Unit, discovered that while most thought the best way to target Millennials was with viral marketing, peer-to-peer recommendations and sponsorship of Millennials' favorite programs, only one-third of these companies actually had incorporated these methods in their marketing campaigns. Moreover, though the executives surveyed in Genesys' *Maturing with Millennials* study did seem to be aware of Millennials' voracious appetite for online video and their intensely social approach to spreading the word (good or bad) about brands, their ideas about how to reach the group danced around but didn't specifically light upon social networking media as a key way to reach this skeptical yet aspirational cohort.

## Eating In, Dining Out

### Long-Term Health Issues a Distant Concern

**W**ith a developing preference for organic and sustainably farmed produce and wellness-enhancing products, Generation Next also embraces the idea of healthy, well-balanced meals—especially when they come in snazzy containers and don't interfere with regular snacking. Meanwhile, other than the odd hiccup of doubt over an infinitesimal wrinkle or a hairline that might have receded half a millimeter over the last year, long-term health concerns remain a distant, nebulous affair. Yes, thanks to the miracles of high self esteem and turbo-charged metabolisms, Gen Y adults are singing the body electric: They may not have a lot of disposable cash, but at work, in class, or in front of the screen, eighteen-to-twenty-somethings are responding to and helping to fill the coffers of those peddling the things they love, while also uncorrupting them and charging them full of soulful enthusiasm. At the same time, as far as food as a route to health and wellness goes, Gen Yers don't appear to be thinking too hard or too long about such things; to do so would make the whole eating thing seem like too much work.

### On the Run Eating Enables Busy Lifestyles

For retailers in food and dining categories, the upshot of all this hormone-charged activity—whether it involves living at home with mom or shacking up with a bunch of friends or a significant other, in college, out of college, blowing off college, partying every night or putting in long hours at the gym or at work—is that there doesn't seem to be a lot of *nesting* going on. Indeed, whatever Gen Y adults are doing, they tend to be doing it on the run, a trait perhaps developed during childhood dashes between soccer practice, gymnastics and swimming lessons, when their overworked moms didn't have time to spend long hours at the stove but could generally manage a few minutes in the drive-through.

Hence the Gen Y fondness for food that's fresh, portable and convenient, as well as available around the clock. A sit-down meal can be delightful, but Gen Y adults do a lot of snacking too. If their foods can pack a little health extra punch with added probiotics or vitamins or

antioxidants, that's great: They can feel good about tearing into a packaged treat in the middle of the night. If it's not *strictly* healthy—say, stuffed with processed cheese food product or rigid with salt or sugar or preservatives—it helps if the package is biodegradable or at least recyclable, so they can at least feel good about throwing it away.

### **Organic, Natural, Eco-Friendly Earn Points**

The double whammy of perceived personal health benefits and perceived environmental benefits means that organic and even “all-natural” products are a big hit with the Echo Boom. Sheila McCuskey, an analyst for Information Resources Inc. (IRI), reports that “84% of consumers are interested in using eco-friendly products and that 30% actively look for them.” Significantly, says McCuskey, “50% of the people who actively seek them are young adults” (*Drug Store News*, March 19, 2007). Similarly, Simmons consumer survey data show that 15% of adults age 18-29 are particularly interested in organic and natural products when grocery shopping, a skew that makes them 37% more likely than the average adult to actively seek out eco-friendly choices (index 137). Moreover, says Simmons, 12% of adults age 18-29 buy natural or organic products as a way to watch their diet; among college grad that percentage rises to 19%.

### **Gourmet Tastes a Major Draw**

Not surprisingly then, Gen Y adults are 34% more likely than adults overall to agree enthusiastically that they try to eat gourmet food whenever they can (index 134), and the older cohort a few points more likely still (index 137). The love of gourmet food cuts across broad demographic swaths of the Echo Boom, regardless of income bracket. For example, in contrast with adults overall, Millennials who live outside the top 100 metro markets are particularly keen on the idea of beautifully prepared, unusual, high quality foods, such that 10% of these young adults are on constant look-out for such epicurean delights. As such Millennials are 67% more likely than adults on average to do so (index 167). However, despite this strong appreciation for the best flavors, the highest quality and perhaps even a lovely presentation—and despite a strong undercurrent, especially among women, marrieds and Hispanics, who insist they really enjoy cooking—the Millennial lifestyle doesn't involve

overwhelming pressure to create fabulous gourmet fare *from scratch*, at least not every night, and certainly not in comparison with adults on average.

### **Exercise, Revving Metabolisms Compensate for Indulgence**

Though young Gen Y adults love good food, for the most part they're too broke or too busy to stay vigilant about their food groups; and if they can study (or party) all night and still show up to work (or class) on time the next morning, where maybe—just maybe—somebody else has brought in a box of Dunkin' Donuts (a brand Gen Y adults hold in high esteem for its documented commitment to free trade coffee), then why not? Nearly 90% of them have played or participated in sports over the last year, and nearly half exercise at least once or twice a week. About one-quarter (26%) of Gen Y adults work up a sweat three or four times weekly, a skew that tends to increase with level of education, from 18% of no-college, no-voc-tech Gen Y adults to 38% of college grads.

### **Dorm Living Can Pack On Pounds**

Echoing the divide between taste and practice, Simmons finds that 8% of college students agree strongly that they are usually the first to try a new health food, and as such are 63% more likely than the average adult to do so (index 163). However, a greater percentage of the college segment states emphatically that they don't have time to prepare—or eat—healthy meals. Over 13% of college students agree strongly that healthy eating is outside their purview, and as such they are 33% more likely than the adult average to do so (index 133). And though 19% of college consumers protest that they are trying hard to eat healthier food these days, they are 29% less likely than average to do so (index 71).

### **Busy Lives Preclude Regular Home Cooking**

Meanwhile, recent college grads, who tend to be shouldering lots of debt while they clamber up the unpredictable mountain of success, aren't exactly making grocery shopping and home cooking the center of their lives, either. Single Gen X adults are 31% more likely than the adult average to agree strongly that they rarely sit down to a meal together at home (index 131), 43% less likely to agree strongly that they'd prefer to spend a quiet evening at home

(index 57), and 37% less likely to feel strongly that their home is an important part of who they are (index 63).

### **Gas Prices Curtail Frequency of Dining Out**

According to BIGresearch, an increasing percentage of adults age 18-28 are dining out less often because of fluctuating gas prices. Though the increase has been gradual since the last quarter of 2006, sometimes even decreasing or remaining within a few tenths of a percentage point from month to month, the cohort does seem to be more watchful of its pocketbooks since sharp rises in gas prices began. For example, as of October 2006, 39.9% of adults age 18-28 had reduced their dining out specifically because of gas prices. Though that percentage of nervous nellys decreased to 30.9% in January of 2007, it soon began another gradual climb, according to BIGresearch's *Consumer Intentions and Actions* surveys. By December 2007, 33.0% of adults age 18-28 were cutting back on dining out, and as of June 2008 that percentage increased to 44.6% of this age bracket who cited fluctuating gas prices as their reason for reducing the frequency of eating out. Over half of Gen Y women (50.7%) admit to cutting back on restaurant excursions, and a solid majority of married Gen Yers (64.3%) are doing the same.

### **Even In Groceries: Make It Cool, Eco-Friendly, Multi-Culti, Authentic**

Despite all the gadding about, Gen Y adults actually do go to the grocery store—more often than you might think. According to Simmons, 89% of the cohort have done some sort of grocery or food shopping in the last four weeks, and thus are about as likely as adults in general to have trundled their carts around the aisles. However, in comparison with other generations, says Liz Crawford, Vice President and Consumer Strategist for Retail and Consumer Packaged Goods with Minneapolis-based consumer advisory firm Iconoculture, Inc., three concepts predominate in Gen Y's approach to grocery shopping: cool, environmental and multicultural—and authenticity, of course. “One thing about this age group is that it can sniff out something that's not authentic,” says Crawford. “If you make a claim [for a function or an ingredient] you'd better have it” (*New Products Magazine*, March 2008).



## Wellness, Work and Leisure

### Wellness a Given Among Gen Yers

The concept of “wellness” suggests both a quiet philosophy of personal health and a stunning array of retail products and services, ranging from anti-aging skin creams to holistic yoga classes, toxin-cleansing fitness programs and eco-chic adventure-quests. But for the adults of Generation Y, who presumably are in the prime of their image-conscious lives, wellness is more of a given—an innate sense of physical privilege hardly to be acknowledged as their healthy self-images and super-charged metabolisms propel them through the vagaries of their days. Plus, they’re cash poor, and why spend money on what they already have?

Short answer: Actually, Gen Yers *are* spending on wellness—just not in the same, focused way that previous generations do. According to economist and entrepreneur Paul Zane Pilzer, who was the first to comprehensively analyze the wellness industry-cum-philosophy in his book *The Wellness Revolution* (Wiley, 2002), virtually any product or service can be clustered under the aegis of physical, spiritual, mental, environmental and even cultural well-being: Natural and organic foods and beverages, cosmeceuticals, medical and alternative health products, health insurance and fitness equipment are the most obvious of these. But for Gen Y, virtually any product or service—whether it claims overt relation to health and wellness or not—holds the potential to make each individual, well, more attractive, more stylish, more connected, more fit, more entertained; in a word, better.

Yet in linking the concept of wellness to some of the most significant Gen Y tendencies, such as their love of everyday luxury, their appetite for novelty and their tendency to celebrate themselves as unique human beings—wellness assumes a ubiquitous, sparkling sheen. Thus, even with Gen Y’s scattershot approach, wellness as a concept is a marketing bonanza that Pilzer estimated was worth easily \$500 billion as of 2007, with virtually endless possibilities for growth in every facet of life, from eating breakfast to bellying up to the bar, with the

simple proviso that consumers should embrace the prevention of disease and the onset of age-related disabilities with the ultimate result of feeling “well.”

### **Today’s Experiences Trump Worry About Tomorrow**

Where Gen Y is concerned, however, spending specifically on health, wellness and fitness can be a bit erratic—like their habits in this regard. Whereas for Baby Boomers wellness is essentially therapeutic, with primary emphasis on staving off decrepitude through regular if tedious exercise and diet (with occasional plastic surgery), and a secondary focus on a stripped down, less stressful approach to the life they’ve more than half-lived, for Gen Y adults the concept is somewhat more elusive. Sure, for adults under age 30, there’s a certain awareness that youth is fleeting and squats keep the glutes firm.

However, for these optimistic, plugged-in adults, pedestrian concerns such as joint stability, cholesterol and high blood pressure tend to take a backseat to more pressing issues—like *Did I remember to moisturize my new tattoo?* or *If I take a quick nap now, can I hit both parties tonight and still make it to work on time tomorrow?* Blessed with the elasticity of *actual* youth, today’s twenty-somethings can emerge from an all-night study session or bar hopping peccadillo with nary a dark eye circle come morning; snacks loaded with salt and sugar and fat may add an inch or two to the waistline, but the spiking cholesterol and stroke-inducing blood pressure to be expected from a lifetime of such indulgence are still decades away; joints are still springy, eyes are still bright and a good night’s sleep relieves most ills.

At least for the present, then, Gen Y wellness tends, like their technological know-how, to be nearly second nature, not so much a discrete realm dominated by anti-wrinkle and fitness imperatives as an integrated sense that the world should be an open and welcoming place; that both leisure and work should be personally fulfilling; that the health of the community and environment are a team effort, preferably one involving live bands or a dunking machine; and that relationships and friendships, almost more than anything else, are the key to personal well-being. Anything fake or stupid is, on the other hand, briskly dismissed.

## **Strong Undercurrent Intent on Keeping Youthful Appearance**

And yet, despite what industry experts call Gen Y's prolonged adolescence—what with their tendency to maintain close relationships with their parents far into their twenties, and to delay marriage and child rearing in favor of exploring their own youthful ambitions—Simmons consumer survey data find that adults age 18-29 may also harbor the same dread of middle-age decline that their parents do. Overall about 12% of Millennial adults agree strongly that it's important to keep young looking. Moreover, even as the economic downturn gathers frightening momentum in late 2008, 4.3% of adults age 18-29 agree strongly that they will pay any price to whittle the years off of their faces or bodies, such that they are 43% more likely than the adult average to do so (index 143).

## **Wellness at Work: Nurturing the Whole Person**

Once they're dolled up and ready to face the world, Gen Yers embrace wellness as a combination of personal fulfillment and achievement, both in work and at leisure. In fact, the concepts of work and leisure are so closely related in this cohort that they seem to feed off of each other. For Gen Y adults, who like their Gen X elders have witnessed the paltry rewards to be reaped from Boomer-centric 60-hour work weeks, work is important because it *enables* leisure, but even more because it confirms the notion of themselves as creative, inventive and special people. This ambitious, engaged streak means that marketers of all stripes must match or surpass the Gen Y cohort's appetite for the exotic and unusual in virtually every lifestyle channel: For Gen Y the opposite of wellness isn't so much sickness, as boredom.

Accordingly, employers—who must address the significant gap between this generation's approach to work and previous generations'—are discovering that to attract Gen Y workers they must provide an environment that nurtures the whole individual, not simply through mentoring and constant feedback and opportunities for charitable giving and community volunteering, but with infrastructures that allow even entry level employees to express their creative ideas across organizational boundaries and to contribute in meaningful ways to the company's bottom line.

***For Millennials, Work Is About Being Wooed***

Thus, whereas hardscrabble Baby Boomers of decades past wooed their employers, climbing rung by agonizing corporate rung, sacrificing free time and family to distinguish themselves from colleagues and demonstrate company loyalty, for Millennials work is about *being* wooed: Gen Y adults value flexibility in working arrangements and look to their careers for personal growth and affirmation; they want to like their co-workers while also being intent on making good money (though they'll sacrifice a high salary for a job they really love). As far as Generation Y is concerned, work will eventually enable cushy lifestyles and weeks of vacation time, but just as important it confirms their vital position in the company today. If it doesn't, they'll quit and find another career. Along these lines, says Simmons, adults age 18-29 are considerably more likely than the adult average to have a strong affinity for challenge, novelty and change.

***Extra Education Builds Self-Confidence, Skills***

Along these lines, Gen Y adults are 71% more likely than adults on average to pursue additional education in their leisure time (index 171). Twenty-three percent of the cohort—with the highest percentages among current college students and college grads—list additional education courses as one of their leisure activities over the past year: 48% of college consumers have picked up a class or two, as have a hefty 28% of college grads. In addition, close to 23% of those with specialty or vo-tech job training have signed up for a course; about 11% of Gen Y adults who never went to college or received any specialty job training bit the bullet over the last year as well, and stepped up for a little extra education.

***Recruiting Requires Authentic Investment in Gen Y Values***

Companies can get a jump on potential recruits through summer internship programs in which ambitious and high-achieving undergrads can get to know the people they may be working for while demonstrating their leadership and communications skills. The Big Four accounting firms all host paid summer internship programs for career-shopping undergrads; they pay close attention to the Millennial affinity for the exotic, the socially responsible and the just plain social. For example, Pricewaterhouse Coopers' 2008 summer internship program features Project Belize, which "showcases the firm's commitment to corporate responsibility." Through the program, interns have worked with Pricewaterhouse staff and

partners to refurbish four Belize elementary schools and build a Leadership Development Center that included a library and computer lab.

### **Regular Exercise Helps Offset Blasé Approach to Health Care**

Though Gen Y adults can be somewhat cavalier about the long-term effects of overindulgence or double-ended candle burning, Simmons reports that most Echo Boomers do exercise regularly—a definite plus for overall health and wellness. Over one in four, or 26.2% of Gen Y adults, manage to get the old heart rate up three or four times a week, compared with 23.5% of adults overall; however, this cohort is also 37% more likely than the adult average to limit that exertion to once or twice a week (index 137). The vast majority, or 87.6% of the cohort, have played some sport or physical activity over the last year or so.

### **Shopping Patterns Favor Electronics, Apparel**

According to Simmons, 58% of adults age 18-29 strolled through a shopping mall in the last month, while 38% of Gen Y adults shopped at a strip mall. Gen Y consumers are a shade more likely than adults on average to shop at home electronics stores (index 114), with more than half of both college grads and current college students having done so in the last three months (55.1% and 53.3%, respectively), while 46.6% of Gen Yers with specialty job training, and 38.3% of no-college, no-vo-tech Millennials made such an appearance. Otherwise, Gen Y consumers fall behind the average adult shopper in their patronage of home improvement, greeting card, office supply and home furnishing and housewares stores, by at least 20%.

### **Avid Gen Y Sports Enthusiasts Value Risk-Taking, Cool Stuff**

The marketing of sports apparel and equipment—particularly for action and extreme sports—is crucially dependent on authenticity and integration. Alongside the casual exercisers of the Gen Y world, there are athletic, adrenaline-happy risk lovers who throw themselves into a sport with all the passion of their being. About 33 million participants and another 54 million fans of action sports make up that niche’s demographic, according to youth marketing expert Issa Sawabini, Principal in Burlington, Vermont-based Fuse Marketing

(www.fusemarketing.com). Many of these aficionados likely number themselves among the 14% of adults age 18-29 who tell Simmons they see themselves as avid risk takers. According to Simmons, Gen Y adults overall are twice as likely as the adult average to agree strongly that they like taking risks (index 209).

### **Action Sports a Major Niche, But Authenticity Stakes High**

Perhaps the most obvious risk-taking ventures, at least on the physical side, are extreme or action sports, which form a nexus of challenges for the individual body and the creative mind, but also tend to morph into mainstream movements that with specialized vocabulary, standards, celebrities and even music preferences. As far as retail products and services go, associations with action sports can entail a passionate, loyal and extremely profitable following—as long as marketers maintain a strict policy not of *Marketing To Us*, but *Being One of Us*.

For crazed underground sportsters who do (you don't really "play it") parkour or free-running, the mad dashing, leaping and somersaulting about urban landscapes that sometimes involves leaping from rooftop to rooftop, there's not much of a market yet (though niche insurance policies might have an opening), despite the passion of its participants. But once underground sports such as skateboarding, BMX, surfing, snowboarding, wakeboarding and freestyle skiing start gaining popularity, brands that can seriously connect with both mainstream and core enthusiasts can establish a loyal following—once again through authentic connections, major events and sincere identification with the attitudes and values of the niche market.

## Chapter 2 Highlights

- This report focuses on the young adults of Generation Y, those age 18-29, who number approximately 40 million.
- The report segments Gen Ys into two age cohorts, 18-24 and 25-29, and into four consumer cohorts based on level of education or job training.
- Although Millennials are spread fairly evenly across U.S. marketing regions, they tend to cluster in the Pacific region.
- Perhaps even more important than its overall size or regional distribution is the ethnic diversity of the group, which tends to correlate with social and cultural openness.
- 43% of Gen Yers, or more than 17 million, are taking college classes or have received a bachelor's degree.
- Adults age 18-29 are far more likely than average to agree strongly that money is the best measure of success.
- Gen Y adults like to stand out in a crowd, and expect customized products and accessories to define their own unique style.

## Chapter 2: Market Overview

### Introduction

#### Shared Sensibilities, From Tykes to Twenty-Somethings

**B**orn within easy striking distance of the turn of the 21<sup>st</sup> century, the 78 million members of Generation Y, America's newest youth culture, are a potent and growing force in the retail economy. The most ethnically diverse and technologically savvy generation in U.S. history, Generation Y spans twenty years from 1980 to 2000 and represents billions of dollars in spending power. Its members range in age from 8 to 29, outnumbering their Generation X predecessors nearly two to one, and even edging out the graying Baby Boom generation by a few million—a statistic that makes sense considering that the first wave of this massive cohort are overwhelmingly the Boomers' precious offspring.

Also known as Echo Boomers, Generation Next, Millennials and a host of other catchy titles, this new crop of citizens tends to be optimistic, self-confident and team-spirited; they're so hard-wired to electronic multitasking it's a wonder they weren't all blogging *in vitro*. At the same time, from tykes to twenty-somethings Generation Y has been raised on instant gratification, a trend that contributes heavily to their mercurial tastes in every lifestyle choice, from shoelace color to career path. Even the youngest members of the cohort take for granted the quick convenience and seemingly infinite options afforded by cell phones, the Internet, indulgent parents and a marketplace eager to meet their every rapidly shifting need. And if a once perfect option suddenly fails to please, so what? Generation Yers can locate and download something better in a few minutes—and text all their friends about it at the same time.

#### **Market Focus: Gen Y Adults Age 18-29**

Despite the overall sense of enthusiasm and well-being across the cohort, in this report Packaged Facts focuses on the young adults of Generation Y, those age 18-29, who number approximately 40 million. As interesting as might be an incisive sweep across the green



valleys of grammar school, past the faux-ivory towers of academe and over the vast plain of debt-and parent-financed independence, Packaged Facts sees little practical value in comparing the attitudes and spending patterns of 8-year-olds and the consumer habits of hip young adults who trot to college or the office each day, a double soy latte in one hand and an iPhone in the other.

Don't get us wrong. It's not that Gen Yers of all ages don't share coffee-house sensibilities and stunning electronic prowess. These days blasé third graders are a staple at the local café, just like their moms. And not only can lightning-fingered pre-pubescents negotiate digital galaxies as nimbly as the twenty-somethings at the next table, but across age brackets Gen Yers have a preternatural ability to carry on several conversations (verbal and digital) at the same time—a facility that generational expert William Strauss suggests “frankly, for many Boomers, is an Orwellian nightmare” (*The Washington Post*, July 6, 2008). And yet, Boomers literally created the eldest of these loquacious youngsters, and (until they meet them in the workplace) are darned pleased with the results. Thanks to the efforts of nurturing, devoted parents, Gen Y offspring are accustomed to being the center of the family unit. Not rebellious so much as firmly plugged in to their personal needs, Echo Boomers seem to have drunk their sense of entitlement from a common well: When confronted with rules that don't appeal, even the youngest tend to reject blind obedience, choosing instead to challenge authority—just as their parents taught them—but in a nice way. In short, they're the Generation that asks *Why*.

So then, once again, why separate the kids from the adults?

In a word, puberty. Plus all the transitions and responsibilities associated with turning 18, like secondary education, revolving credit lines, rent and utility payments, voter registration, car insurance, bank loans, bar hopping, childbirth, insurance premiums, the occasional mortgage and the yearly filing of a W-2—real world issues and expenses that (at least for the next decade or so) get in the way of making accurate retail assessments about the generation as a whole.

**Market Segmentation:  
Two Age Cohorts, Four Educational/Job Training Cohorts**

In addition, to reflect just how quickly things change even after that first 18-year-old leap into adulthood, Packaged Facts further segments adults of Generation Y into two age cohorts—those age 18-24 and those age 25-29—to roughly delineate college or early post-high school years, versus a later, generally more independent stage. In addition, we divide the adults of Generation Y into four consumer cohorts based on level of educational achievement or job training, as follows:

- **College Student** (full- or part-time): Those age 18-29 currently attending college classes.
- **College Graduate**: Those age 18-29 with a bachelor's degree.
- **Specialty/Vocational-Technical School Training**: Those age 18-29 who attended a vocational or technical school, with or without earning a certificate or degree.
- **No College or Specialty/Vocational-Technical School Training**: Those age 18-29, high school graduate or not, who have never taken a college class and who have never received job-specific vocational or technical training.

**Millennial Generation Echoes Qualities of Generations Past**

One of the most popular monikers for Generation Y is Millennials, an obvious reference to the turning of the millennium coined by William Strauss and his research partner Neil Howe in their book *The Fourth Turning* (Broadway Books, 1997). The term blew into the cultural lexicon as the Strauss-Howe team churned out follow-up studies of the new generation, among them *Millennials Rising* (LifeCourse, 2000), *Millennials Go to College* (LifeCourse, 2003, 2007), and *Millennials and the Pop Culture* (LifeCourse, 2005), in which the authors made surprisingly accurate predictions about how the Millennial cohort would develop into adulthood, based on their theory that because history is cyclical, so too are generations.

For example, as early as 1991 Strauss and Howe suggested that the first wave of Generation Y consumers, today age 18-29 but at that time not yet in high school, would form a “youth

culture more clean-cut and homogeneous than any seen since that of the circa-1930 G.I.s” and that they would tend to be a lot less violent, vulgar, and sexually charged than the teen culture they inherited (*Generations*, William Morrow, 1991). Fast forward 10 years or so, and sure enough, Millennial adults turn out to be relatively conservative in their lifestyles (tattoos and piercings don’t count—they’re a fashion statement now), though their politics are decidedly left-leaning.

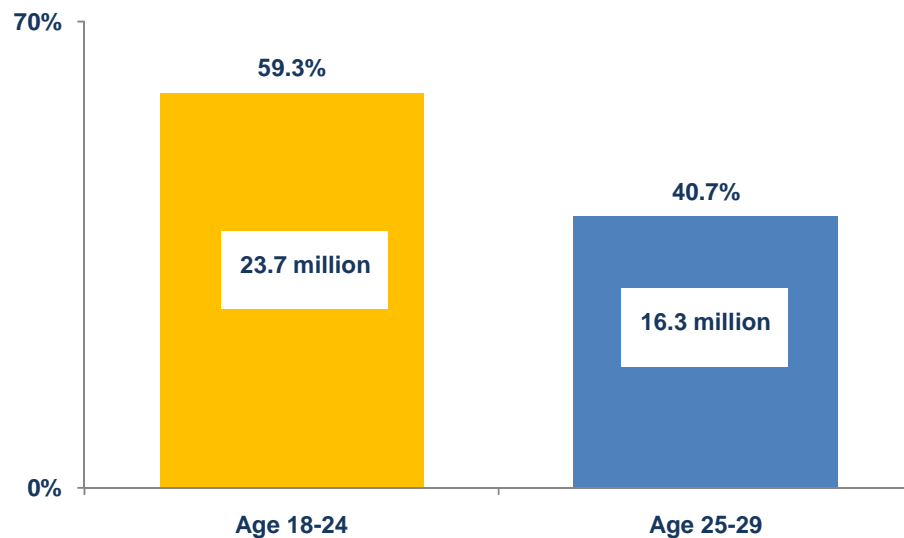
## Demographics, Attitudes and Consumer Style

### Gen Y Adults Number Approximately 40 Million

According to Simmons Market Research Bureau consumer survey data, the adults of Generation Y number just over 40 million. Within this group, the younger Y cohort, those age 18-24, form a significant majority, accounting for 59% of Gen Y adults, or about 24 million, while older twenty-somethings, age 25-29, number about 16 million, or 41% of the Echo Boom. In addition, women outnumber men by a million or so, 51% to 49%. [Figure 2-1]

**Figure 2-1**

**Gen Y Adults by Age Cohort, 2007  
(percent and number of U.S. adults age 18-29)**



Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### Gen Y Population Spread across Marketing Regions

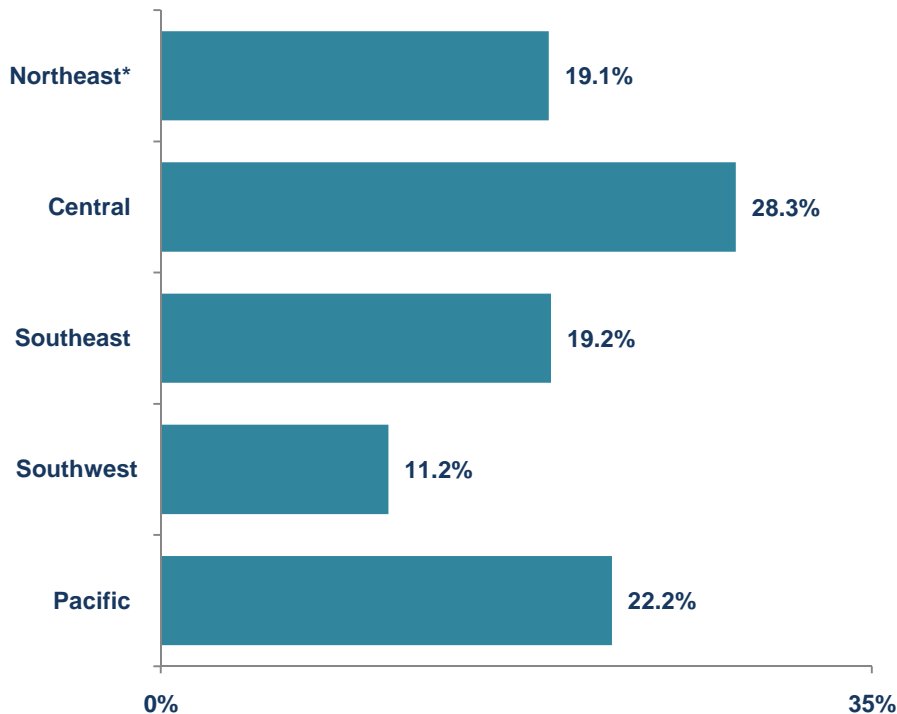
Millennials are spread fairly evenly across U.S. marketing regions, though the greatest percentage are centrally located in states such as Indiana, Kentucky, Michigan and Ohio toward the east, and Colorado, Illinois, Missouri, Montana and Nebraska to the west.

According to Simmons, over 11 million Millennials make their homes in the Central region, accounting for 28% of adults age 18-29. However, with comparison to adults overall, Millennials are well represented across the map, such that the Northeast and Southeast regions each claim 19% of the cohort, and the Pacific claims 22%. And, while only 11% of adults age 18-29 reside in the Southwest—that is, in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas—still they are exactly as likely as adults on average to do so (index 100).

The Pacific region is the likeliest place to find Gen Y adults, compared with adults on average. The 9 million or so who live along the West coast, including Idaho, Arizona and Utah, are a slight 12% more likely than adults on average to do so (index 112). The top 25 metro markets claim nearly 37% of adult Millennials, but the majority, about 54%, reside in non-metro (suburban or rural) surroundings. [Figure 2-2; Table 2-9]

**Figure 2-2**

**Gen Y Adults by Marketing Region, 2007  
(percent of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 19.1% of adults age 18-29 live in the Northeast marketing region.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Ethnic Diversity Underlines Need for Marketing Segmentation**

Perhaps even more important than overall size and distribution of the adult cohort, however, is the ethnic diversity of the group—a characteristic that points ever more strongly to the need for precise segmentation in marketing to this generation and beyond. The Silent and G.I. generations, whose defining life experiences tended to cluster around World War II, are composed overwhelmingly (80%) of White Non-Hispanics, and Baby Boomers, whose eldest members are now moving into their 60s, claim about a two-thirds majority of White Non-Hispanics, but the younger Generations X and Y are considerably more ethnically diverse.

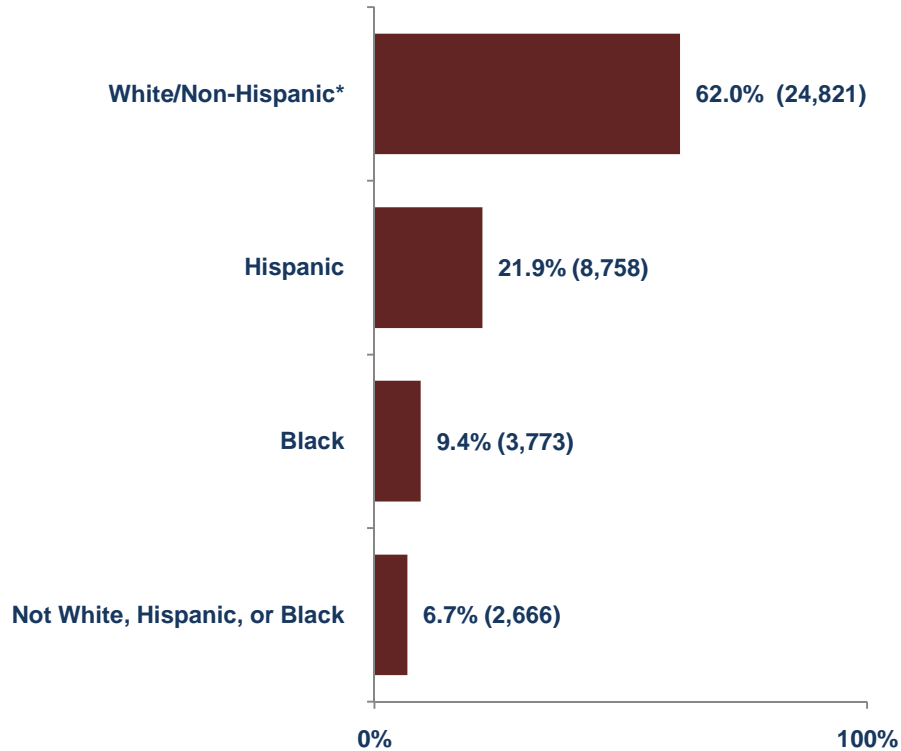
American Millennials form the country's most ethnically and culturally diverse generation in history. About 63% of Generation X, that malcontented but righteously inclusive sliver following on Boomer heels, identify as White and non-Hispanic, but the X cohort, now in their 30s and early 40s, include substantial representation among Hispanic (18%), Black (11%), Asian (5%) and other ethnic minorities (3%) (U.S. Census, 2007, [www.census.gov](http://www.census.gov)). But, because Generation Y outnumbers Gen X by over 20 million, the diversity of this overall cohort, which is seeing rapid non-White growth especially among young Hispanics, is the hands-down winner in terms of ethnic diversity. [Table 2-9]

## **Hispanics a Powerful, Growing Minority**

Among Millennials age 18-29, Simmons shows that 62% or nearly 25 million are of White, non-Hispanic origin—a clear majority in terms of raw numbers. However, says Simmons, as of 2007 adults age 18-29 are 12% less likely to be White and non-Hispanic than adults on average (index 88). Meanwhile, Hispanics in that age bracket number almost 9 million; they compose a powerful 22% of the cohort, and as future chapters will bear out, tend to stand out from the rest of the cohort in their opinions and attitudes. According to Simmons, Hispanics age 18-29 are 64% more likely than adults on average to fall into this ethnic category (index 164). The 3.8 million Black Millennials account for 9% of the cohort, and skew similarly to the overall adult average (index 92). But also important when considering the unprecedented diversity of Generation Y is that 2.7 million, or 6.7% of this consumer segment, claim race or ethnicity outside those standard categories—that is, adults age 18-29 are 21% more likely than the adult average (index 121) to identify as “none of the above” (i.e., not White, Hispanic or Black). [Figure 2-3; Table 2-9]

Figure 2-3

**Racial/Ethnic Composition of Gen Y Adults, 2007**  
(percent and number [000] of adults age 18-29)



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 24.8 million, or 62.0% of, 18- to 29-year-olds are White/Non-Hispanic.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **Multiculturalism Inspires Liberal Leanings**

That strong multiculturalism also informs that lefty orientation. According to Simmons Market Research Bureau, the 40 million adults age 18-29 are likely to strongly believe that “we should strive for equality for all.” About 40% of both college students and young adults with no more than a high school diploma feel strongly this way, as do similar percentages of Hispanic and Black Gen Yers—figures that, if widespread evidence is to be believed, indicate only the tip of this liberal wave.

And yet, the Gen Y indices, which compare these strong responses with the overall adult average, suggest that these progressive leanings also tend to jibe with the opinions of other adult cohorts: Even those Gen Y segments most likely to strongly support equality across the board are about as likely as adults on average to do so, with 10 or fewer points of difference on either side (e.g., indices from 97-110); it’s just that Generation Y may be the first generation to take this attitude for granted. [Tables 2-1, 2-9]

**Table 2-1**

**“We Should Strive for Equality for All”: Selected Gen Y Adult Segments, 2007  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
College Student, Not Employed* .....	44.2%	110
Household Income Under \$20K .....	44.1	109
Black (Non-Hispanic) .....	41.9	104
College Student .....	40.5	101
Employed Part-Time .....	40.1	100
College Grad Only .....	39.7	99
No College or Vo-Tech Background, Employed Part-Time .....	39.5	98
Hispanic .....	39.2	97
Female .....	39.1	97

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 44.2% of non-employed college students age 18-29 agree “a lot” that “we should strive for equality for all,” such that they are 10% more likely than the adult average to do so (index 110).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

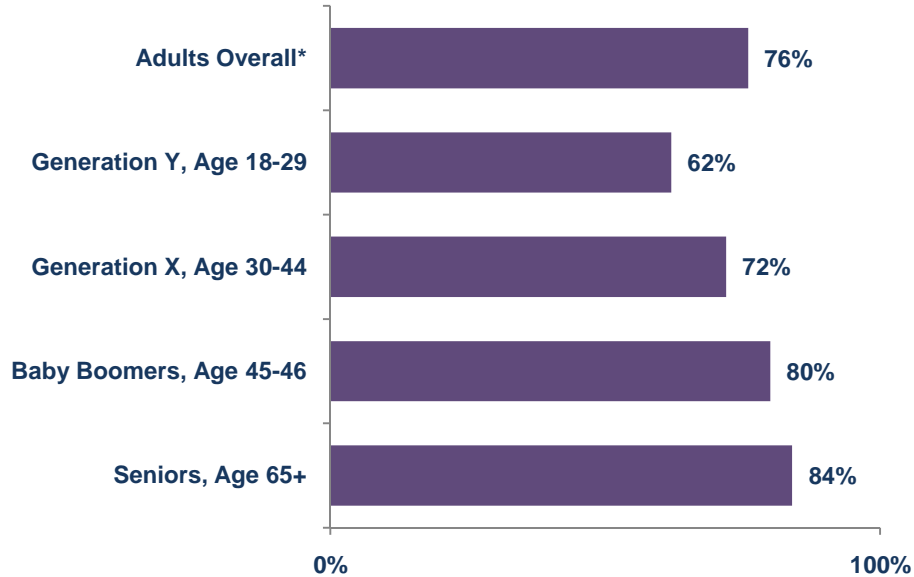
## **Young Adults May Form Next Political Powerhouse**

Indeed, word on the street is that their passion for community-building and cultural diversity will make Generation Y the next political—and politically liberal—powerhouse. Though Generation Y has the lowest percentage of registered voters compared with elder generations, the fact remains that a strong majority (62%) of Gen Y is registered to vote, most of them as Democrats, a proportion that makes Millennials the least Republican generation in U.S. history. [Figure 2-4; Table 2-2]



**Figure 2-4**

**Percentage of Americans Registered to Vote:  
Overall and by Generational Cohort, 2007  
(U.S. adults)**



\* Read as follows: 76% of adults overall are registered to vote.  
Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts.  
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**Table 2-2**

**Political Party Affiliation by Percentage of Generational Cohort, 2007  
(U.S. adults)**

Party Affiliation	Overall	Gen Y 18-29	Gen X 30-44	Boomers 45-64	Seniors 65+
Registered Democrat .....	35%*	27%	30%	38%	40%
Registered Independent .....	10	8	10	11	9
Registered Republican .....	24	17	23	23	30
Registered Other .....	5	8	6	5	2

Note: Columns do not total 100% due to no-party-affiliation and non responses.  
\* Read as follows: 35% of adults overall are registered Democrats.  
Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts.  
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## **Gen Y Irreverence Heats Up 2008 Presidential Campaign**

In addition, an appetite for hip, ironic, grassroots commentary is the engine driving the Gen Y political bus. Indeed, 2008 is shaping up to be “the hottest political year in generations,” says Keith McAllister, CEO of syndicated content provider Mochila, specifically because of Gen Y’s social networking skills and its voracious consumption and energetic creation of blogs and satiric videos in addition to traditional media.

### **Low-Budget “Obama Girl” Video a Web-Wide Sensation**

Take, for example, the phenomenal success of Barely Political’s low-budget viral video “I Got a Crush on Obama.” With lyrics by 21-year-old Leah Kaufman, an undergrad at Temple University in Philadelphia, the video stars “Obama Girl” Amber Lee Ettinger, a *Playboy* and *Hustler* model named Foxiest Presidential Groupie by Spike TV’s Guys Choice Awards, who lip-synchs her romantic attachment to the Presidential hopeful in an array of outfits that bounce nicely in time with the hip-hop rhythms. The video was thrown together in a few hours, and a few days later was a YouTube sensation.

Now Mochila, an online syndicated content provider, has partnered with Barely Political to spread ad-supported satire World-Web-wide to the new wave of fun-loving Gen-Y Internet users who are old enough to vote, and who can purchase a variety of politically themed tee-shirts from the Barely Political online store. Though Packaged Facts hesitates to speculate on how strongly Obama Girl’s online hijinks will influence the 2008 Presidential race (she’s making personal appearances now, too, though the Obama campaign comments only that it had nothing to do with the video), Barely Political’s founder Ben Relles, who dreamed up the spot for fun, not money, reveals that “Dick Morris, who used to advise Bill Clinton, said our video (which cost \$2K



and had no media budget) had more influence than any of Senator Obama's own TV ads. I've read that a couple other places too," he notes (Adrants.com, June 10, 2008).

Named one of 2007's 10 best videos by *Newsweek*, *People Magazine*, the *Associated Press*, and YouTube, "I Got a Crush on Obama" may signal a resurgence of youth culture interest in the political process. Accordingly, with lyrics like "Universal health care reform/It makes me warm," viral videos are a great way to make the political personal without the inconvenience of riot police, German shepherds, or tear gas. Barely Political produces a new video every week.

### **Team Players Echo Values of Greatest Generation**

With plenty of energy to throw into such worthy causes, young Millennial adults exhibit qualities last seen in American youth when today's senior citizens, the Silent and G.I. or Greatest generations, were first coming of age. Says Pew's 2007 *Portrait of Generation Next*, Millennials (by Pew's definition age 18-25) are somewhat of a throwback to the pre-Boomer era. They're team players, they're eager to please, they value education; when they work, they work hard, and they're generally happy with how their lives are going (Pew Research Center, *A Portrait of Generation Next: How Young People View Their Lives, Futures, and Politics*, [http://www.pewtrusts.org/news\\_room\\_detail.aspx?id=25476](http://www.pewtrusts.org/news_room_detail.aspx?id=25476)). "They are not risk takers, not boat rockers, not revolutionaries," employment analysts explain. "Young people today want a safe, nice life, and clear path to that goal" (*Brazen Careerist*, October 17, 2007). One of the clearest path markers to that nice, safe life is money.

### **Strong Belief in Money as a Measure of Success**

According to Simmons, across the board, adults age 18-29 are far more likely than adults in general to agree strongly that money is the best measure of success, though the younger cohort, age 18-24, tends to be especially gung-ho. Ten percent of 18- to 24-year-olds overall agree strongly that money and success go hand in hand, though the Millennials most attached to money's symbolic rewards are college students age 18-29. Simmons finds that 12% of Gen Yers currently in college, or about 1 million undergrads, strongly agree that money is the

best way to measure success. As such they are twice as likely (index 201) as the adult average to do so.

According to Robert Thompson, a professor of media and popular culture at Syracuse University, Gen Y’s equation of money with success has to do with the symbolic nature of acquisition—the power to purchase reflects the power to define oneself, to create an image of luxury or success. “The way to distinguish ourselves is by our stuff,” Thompson says. “In some cultures, you’re born into a caste. You know who you are, and it doesn’t change. Here, you have to carve out your identity, and one of the most obvious ways to do that is to climb the ladder. It’s not about birth and class, but it is about financial status” (*USA Today*, January 10, 2007). Millennial men are 84% more likely (index 184), and Millennial Hispanics are 82% more likely (index 182) than adults in general to equate financial gain with success. Meanwhile, Gen Yers who never went to college are 52% more likely than the adult average to agree enthusiastically that money is the best way to measure success (index 152). [Table 2-3]

**Table 2-3**

**“Money Is the Best Measure of Success”: Selected High Index Gen Y Segments, 2007 (number, percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>Number (000)</b>	<b>%</b>	<b>Index</b>
College Student* .....	1,093	12.1%	201
Male .....	2,160	11.1	184
Hispanic .....	960	11.0	182
Employed Part-Time .....	815	10.9	181
Age 18-24 .....	2,363	10.0	165
Never Married .....	2,600	9.6	159
No College or Specialty/Vo-Tech Background .....	629	9.2	152
No College or Vo-Tech Background, Employed Full-Time ...	629	9.2	152

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 12.1%, or 1.1 million full- or part-time college students age 18-29, agree “a lot” that money is the best measure of success, such that they are 101% more likely than the adult average to do so (index 201).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Wealth and Fame Are Common Goals**

Pew's 2007 *Generation Next* report, which defines Millennial adults as age 18-25 and those age 26-29 as part of Generation X, tends to support those numbers. After phone interviews with over 1,500 adults, 579 of them age 18-25, Pew researchers found that though many Gen Yers are still living with their parents or accepting financial help from them, an overwhelming majority (81%) say that getting rich is the main goal of most people in their age bracket, while a solid majority (51%) say fame (and that it's only a matter of time and self-promotion before they "hit it big"), compared with 30% who cite helping people and 22% who cite being leaders in their community. In comparison, among Gen Xers, 62% cite getting rich as the main goal of their generation, with fame dropping to 29%, and helping people and being leaders in their community rising to 36% and 31%, respectively. Moreover, 31% of Gen Xers, compared with just 10% of Gen Yers, view becoming more spiritual as the most important goal. (Pew's full report can be downloaded at <http://people-press.org/reports/pdf/300.pdf>.)

## **Social Networking, Reality TV Promise Instant Celebrity**

Here, perhaps, is the greatest irony in the Millennial mindset. At the same time that these crowd pleasers steer away from risk and ambiguity, seeking constant praise and mentorship from their elders, they work even harder to set themselves apart from the crowd. Within massive social networks such as FaceBook and MySpace—not to mention thousands of niche networks such as Divorce360.com, DontStayIn.com and Snooth.com; with blogs and online videos and targeted ads that allow them to voice their opinions to the world; with customized accessories that proclaim their individual interests; or with helpful hints to their employers about how to run the company better—bright-eyed Millennials tend to see themselves as special and worthy of fame just for being themselves (taking a hint, perhaps, from celebrities who've made a brand of themselves just by, say, jumping off a bridge or bullying their wealthy parents into throwing a SuperSweet Sixteen party, or by slogging through a mud hole seething with cockroaches). "Look at Big Brother and other shows, says David Morrison of the Philadelphia-based Gen Y research firm Twentysomething, Inc. "People being themselves can be incredibly famous and get sponsorship deals, and they can become celebrities.

It's a completely new development in entertainment, and it's having a crossover effect on attitudes and behavior" (*USA Today*, January 10, 2007). Without the ferocious cynicism of Generation X, but echoing the self-assurance of the Boomers, Millennial adults are both media saturated and media dependent for their sense of self.

### **Desire to Shine Crosses Income, Educational Brackets**

According to Simmons, young adults of all stripes are far more likely than the adult average to agree strongly that they like to stand out in a crowd. Thirteen percent of adults age 18-29 are very enthusiastic about being seen and recognized as outstanding—they are 75% more likely than adults on average to say so (index 175). But when broken down into more discrete segments, the numbers are even more significant.

Perhaps a telling indication of just how optimistic Gen Yers are about their future fame and fortune, even a low income bracket doesn't seem to significantly stunt the desire to be seen as special. For example, adults age 18-29 who have household incomes of \$150,000 or more are hardly more likely than those with household incomes under \$20,000 to assert their strong desire to stand out in a crowd—each segment is more than twice as likely as the adult average to say so. Gen Yers in the highest household income bracket are 137% more likely (index 237), and Gen Yers in one of the lowest household brackets index are 130% more likely (index 230) to confess their avid love for the limelight.

Even those who bring in an individual salary of less than \$10,000 per year are nearly twice as likely as adults on average to be passionate about standing out in the crowd (index 193), while those earning \$10,000-\$19,999 are 74% more likely than adults on average to want to make their light shine more brightly than their peers' (index 174).

Nor does educational status seem to influence that desire. According to Simmons, both college students and Millennials with no education past high school are highly likely in comparison with adults in general to want ardently to stand out from their peers—the former are 80% more likely (index 180), and the latter are 83% more likely (index 183) than adults on average to say so. As the 2007 Pew report suggests, Millennials are not the Me Generation; they're the "Look at Me" Generation. [Table 2-4]

Table 2-4

**“I Like to Stand Out in a Crowd”:** Highest Index Gen Y Segments, 2007  
(percent and index of U.S. adults age 18-29)

Segment	%	Index
Household Income \$150K+*	17.3%	237
Household Income Under \$20K	16.8	230
Hispanic	16.7	229
Employed Part-Time	14.2	194
Parent	14.2	194
Employment Income Under \$10K	14.1	193
Top 100 Metro Markets	14.0	192
Never Married	14.0	192
18-24	13.7	188
Male	13.5	185
No College or Vo-Tech Background, Employed Full-Time	13.4	183
College Student	13.1	180
18-29	12.8	175
Household Income \$20K-\$39.9K	12.8	175
Employment Income \$10K-\$19.9K	12.7	174
25-29	11.3	155

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 17.3% of adults age 18-29 who have a household income of \$150K or more agree strongly that they like to stand out from the crowd, such that they are 137% more likely than adults on average to do so (index 237).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Customized Options Help Define Personal Style

For marketers, Gen Y’s preoccupation with image is excellent (if slightly scary) news, because it presents so many opportunities to reach a vast array of segments across a multitude of channels. But that preoccupation presents plenty of pitfalls too, because what’s cool,

what's me, what's infinitely tedious pomp, changes with the speed of a text message. Most Gen Yers can't wait three seconds for a Web page to upload, let alone wait for marketers to figure out The It of it all. Above all, Gen Y is into what's *real*: Whether they're third graders or working stiffs, they want honest, straightforward messages that don't patronize or belittle them. Essentially, they don't want to be marketed *to*, they want to be marketed *with*—consulted and heeded, with a hand in the design of whatever marketers are about to offer.

Not surprisingly therefore, Gen Y consumers expect customized products and accessories to define their own unique style; they require an array of personalized options in every channel, from ringtones and debit cards to vacation plans and social networks; they favor everyday, accessible luxury—preferably enhanced by green ideals or at least a points program, to confirm their value as individuals and their loyalty to ideals that may help to save the world. Indeed, between their hunger for community and their ravenous desire to differentiate themselves from the crowd, from a marketing standpoint Generation Y may indeed be the next Greatest Generation.

### **Demographic Diversity Correlates with Cultural Openness**

Key for marketers is how Gen Y's demographic diversity tends to correlate with the social and cultural openness of the cohort. Thanks to the efforts of their parents and grandparents toward establishing greater tolerance across countless civil rights causes, Generation Y is one of the most progressive generations in American history. So much for "alternative" lifestyles: For these youngest adults and twenty-somethings, lifestyle choices that were unthinkable just a few decades ago are now a natural part of the mix. Not only has the data deluge of the 21<sup>st</sup> century made the world at once a much smaller and more accessible place, but political victories hard won by previous generations in terms of race, religion, gender, sexual orientation and even environmentalism have fueled this generation's faith in their own personal self-worth, their own individual contributions, their own ability to achieve whatever they set their minds to.

Thus it's not surprising that Simmons shows that seniors age 65+ tend to be the most politically and culturally conservative overall, with Boomers slightly less so, and Gen Xers,



age 30-44 just a tad less still. Meanwhile nearly half of Gen Yers (48%) identify themselves as at least somewhat liberal, in contrast with fewer than one-third (28%) of seniors who do. From interracial dating to gay marriage to volunteerism to work-life balance, Gen Y seems to see life as a cornucopia of options rather than a minefield of legal or sociological hazards. [Table 2-5]

**Table 2-5**  
**Political Outlook Across Generational Cohorts, 2007**  
**(percent of U.S. adults)**

Political Outlook	Overall	Gen Y 18-29	Gen X 30-44	Boomer 45-64	Senior 65+
Very Conservative .....	10%*	7%	8%	11%	13%
Any Conservative .....	33	21	28	35	42
Somewhat Conservative .....	22	14	20	23	29
Middle of the Road .....	33	34	36	32	30
Somewhat Liberal .....	13	16	13	14	11
Any Liberal .....	18	24	18	19	14
Very Liberal .....	5	8	6	5	3

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 10% of adults overall classify their political outlook as very conservative.

Source: Simmons Market Research Bureau, Fall 2007 Study of Media and Markets; compiled by Packaged Facts. This material is used with permission.

***Interracial Dating? No Big Deal***

It’s a trend that’s acquiring steam. According to Pew’s 2007 *Generation Next* report, the vast majority of adults age 18-25 pooh-poohed the notion that “I don’t have much in common with people of other races,” and nearly half (49%) completely rejected the statement, more than double the percent who did so in a similar 1987-1988 study. The 2007 Pew study found similar increases in openness to interracial dating and homosexuality among those age 18-25, compared with 1987 and 2003 research. Back in 1987-88, when Pew researchers asked Gen Xers—then age 18-25—whether they thought it was “all right for Blacks and Whites to date each other,” a strong but not overwhelming majority (56%) agreed with the statement. Fast forward to 2003, and 89% of Millennials age 18-25 (who five years later inhabit the elder half of the adult cohort) said they agreed that “it’s all right for Blacks and Whites to date each

other,” including 64% who “completely” agreed (<http://people-press.org/reports/pdf/300.pdf>). Though Pew inexplicably deleted this measure from the 2007 report, a 2005 Gallup poll underscores the continuing liberal trend in young adults: 95% of 18- to 29-year-olds said they approve of Blacks and Whites dating and 60% of this age group said they had dated someone of a different race—a huge, almost total turnaround in attitude since Gallop began asking that question in 1958—when only 4% of adults responded positively (Gallup, *Minority Rights and Relations*,” June 6-25, 2005, <http://www.gallup.com/poll/19033/Most-Americans-Approve-Interracial-Dating.aspx>).

### **Gay? Whatever.**

Millennials also embrace the most liberal attitudes toward homosexuality in history. For example, in the 2007 Pew survey, 58% of adults age 18-29 said they believe that homosexuality should be tolerated as a way of life, and 56% were in favor of allowing gays and lesbians to marry—in contrast to the public as a whole, who opposed gay marriage by a 55% majority. Says Sean Smith, an analyst for *Entertainment Weekly*, “One of the greatest forces in the growing acceptance of homosexuals (despite all the ways in which it inspires the worst in human nature) is reality TV.” Ever since MTV launched *The Real World* in 1992, Gen Yers have been watching young gay people grapple with the same dramas and traumas as their straight peers. In shows such as *Make Me a Supermodel*, *Top Chef* and *Survivor*, gay and bisexual contestants appear alongside their straight peers with nary an eyebrow raise; that blasé attitude, suggests Smith, has done a lot to increase tolerance ([www.ew.com](http://www.ew.com), February 15, 2008).

Despite the significant shift in overall public opinion, however, Pew points out a growing generation gap in current attitudes about race and sexual orientation. In their 2006 survey, 18- to 25-year-olds favored allowing gays to adopt children by a 61% to 35% margin, while other adults were opposed 50% to 44%, with tolerance toward homosexuals tending to decrease as age goes up ([http://www.newpolitics.net/node/360?full\\_report=1](http://www.newpolitics.net/node/360?full_report=1)).

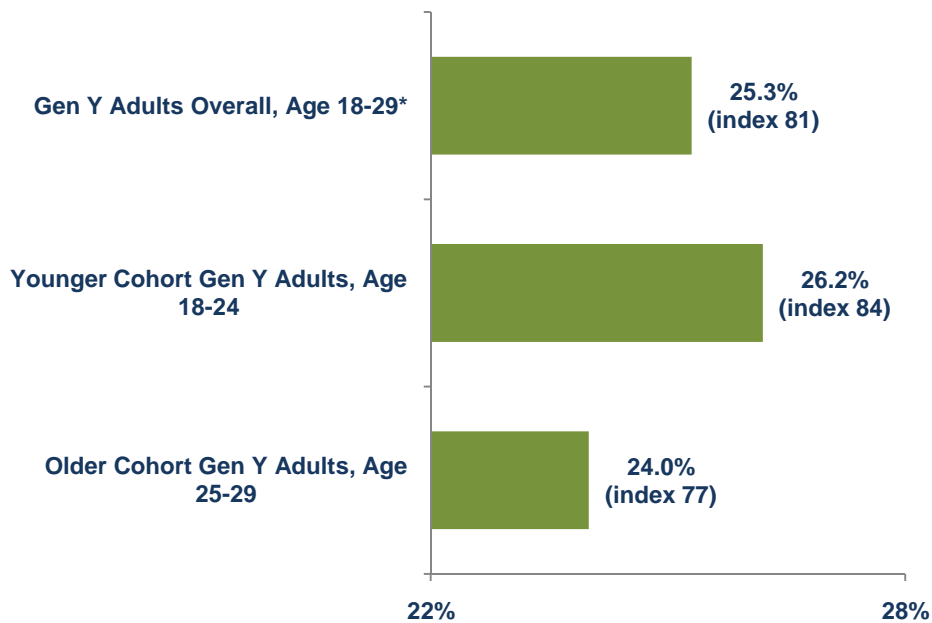
### **Respect for Customs and Beliefs a Given**

Oddly enough, however, in response to a more broadly worded question, Simmons finds that only about one-fourth of Gen Y adults agree strongly that it’s important to respect customs

and beliefs, and as such are 19% less likely than the adult average to do so (index 81). Younger cohort Millennials are somewhat more likely to enthusiastically support respect for customs and beliefs (index 84), while older cohort Millennials are even less likely than Gen Yers overall to do so: According to Simmons, 24%, or slightly fewer than one in four adults age 25-29 agree strongly that it’s important to respect customs and beliefs. [Figure 2-5]

**Figure 2-5**

**“It’s Important to Respect Customs and Beliefs”:  
Gen Y Adults Overall and by Age Cohort, 2007  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 25.3% of adults age 18-29 agree “a lot” that it’s important to respect customs and beliefs,” such that they are 19% less likely than adults on average to do so (index 81).

Source: Simmons Market Research Bureau, Fall 2007 Study of Media and Markets; compiled by Packaged Facts. This material is used with permission.

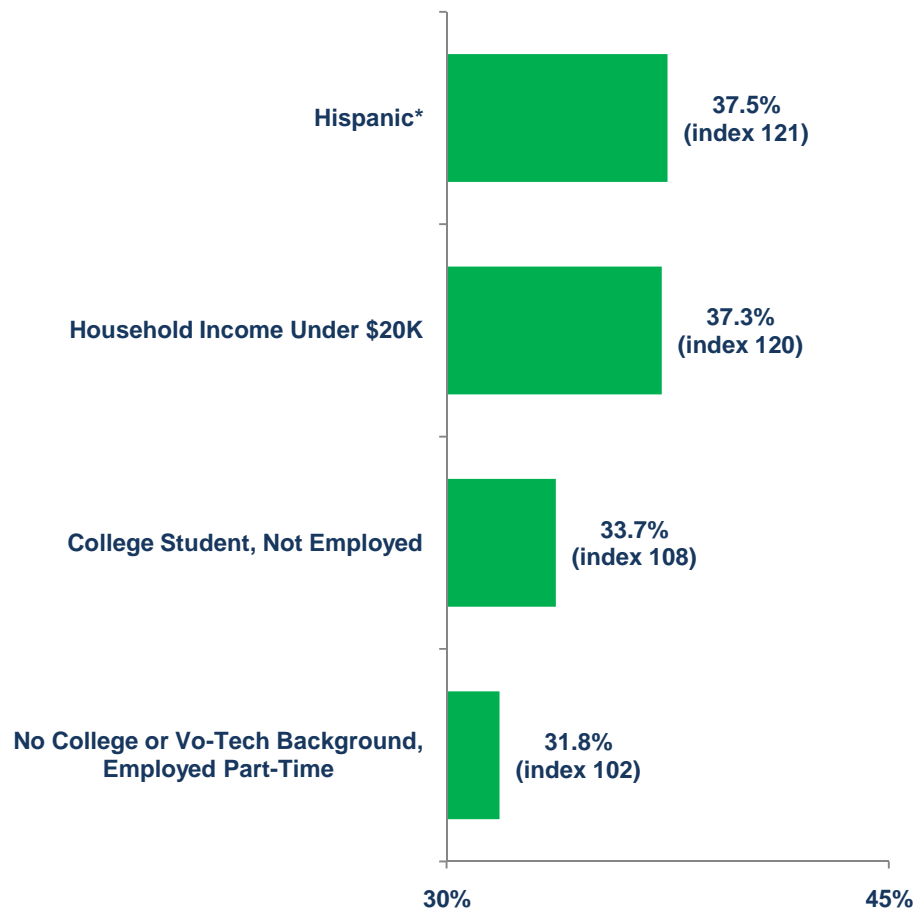
***Hispanics, Low Income Brackets Strongly Support Cultural Respect***

Specific Gen Y traits associated with strong support for respecting customs and beliefs include Hispanic origin and a household income under \$20,000—a robust 37% of each of these segments do so, and thus are each at least 20% more likely than adults on average to strongly agree with the sentiment (indices 121 and 120, respectively).

In contrast, the Gen Y segments least likely to agree strongly that customs and beliefs should be respected are White Non-Hispanics (index 67), Echo Boomers whose annual employment income is between \$20,000 and \$29,999 and full-time employees who received technical or vocational training. Fewer than 20% of each of these two latter segments agree strongly that customs and belief should be respected, for significantly below average indices of 63 and 47, respectively. [Figure 2-6]

**Figure 2-6**

**“It’s Important to Respect Customs and Beliefs”:** Highest Index Gen Y Segments, 2007  
(percent and index of U.S. adults age 18-29)



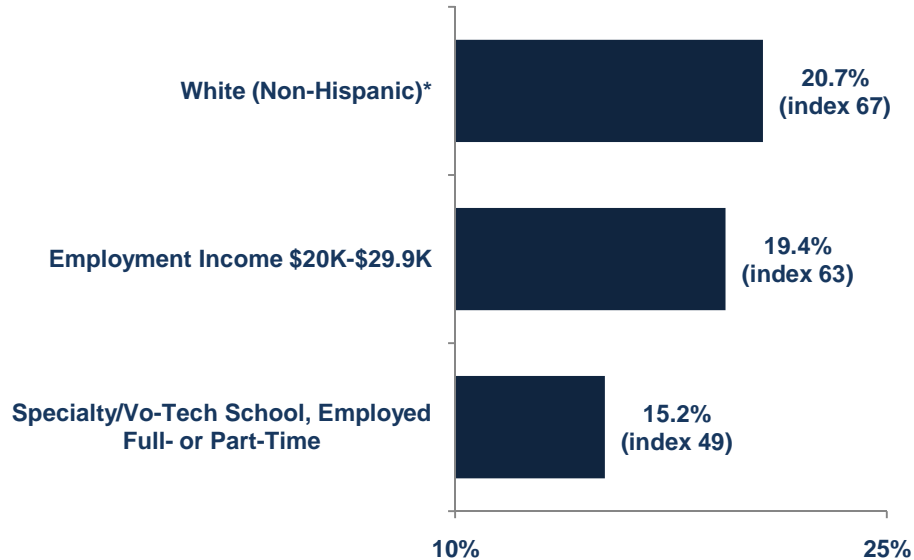
Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 37.5% of Hispanics age 18-29 agree “a lot” that it’s important to respect customs and beliefs, such that they are 21% more likely than adults on average to do so (index 121).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Figure 2-7

**“It’s Important to Respect Customs and Beliefs”\*: Lowest Index Gen Y Segments, 2007  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 20.7% of White Non-Hispanic adults age 18-29 agree “a lot” that it’s important to respect customs and beliefs, such that they are 33% less likely than adults on average to do so (index 67).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### ***But “Respect” and “Customs” May Require Qualification***

How to reconcile these somewhat tepid Simmons results with all of the widely accepted research regarding Gen Y progressiveness? Can it be that Gen Y respondents to Simmons questions are actually less tolerant of diversity than generally assumed? While that conclusion is certainly possible, Packaged Facts suggests a slightly more subtle answer. First, in line with the imperative to define ever narrower, more customizable marketing segments, in this report Packaged Facts isolates skews that indicate strong agreement (agree “a lot”) with a statement, rather than include all responses ranging from agree “a little” to “any agree.” Thus, it may be that Generation Y is so very tolerant along lines of race, culture and sexual orientation that “strong agreement” isn’t really necessary because (like, *duh*) it’s all just understood (unless, perhaps, one happens to fall into a minority that historically has felt intolerance personally—cf. strong Hispanic agreement above).

Second, it may also be that this particular Simmons question is so broad that members of “Generation Why” might back away from strong agreement on the grounds of insufficient specificity. Not only might “respect” be a bit too strong for those who straddle the line between tolerance and enthusiasm. But what if “customs” include driving gas guzzlers? Or being mean to people? “Beliefs” could hold that cockfighting is good, or that women are bad. Anyway, at least in this case, Packaged Facts tends to weigh in with the industry findings overall on Gen Y’s cultural tolerance—but reminds marketers once again that with this cohort no assumption should go unquestioned or unresearched. [Figures 2-6, 2-7]

**Not All Gen Yers Are College Bound**

And while we’re on generational assumptions, take the widespread notion that everyone over 18 is either on the way to or already sporting a shiny new bachelor’s or advanced degree. In line with the unprecedented education level of the Baby Boom and Boomers’ dedication to the education of their children, not to mention the surge in professions that require specialized professional and technical expertise, cultural consensus tends to be that a college degree is required for just about any job worth having. Indeed, Simmons shows that approximately 43% of Gen Yers, or more than 17 million, are either currently taking college classes or have received a bachelor’s degree (Simmons does not measure current graduate school enrollment). [Table 2-6]

**Table 2-6**  
**Gen Y Adults by Educational/Job Training Cohort, 2007**  
**(percent and number of U.S. adults age 18-29)**

<b>Educational Status</b>	<b>Numbers (000)</b>	<b>% of Gen Y</b>
Full- Or Part-Time College Student* .....	9,017	22.5%
College Graduate .....	8,260	20.6
Attended Specialty/Vocational-Technical School .....	5,555	13.9
No College, No Specialty/Vocational-Technical School .....	14,199	35.5

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults. Due to non-responses and segments such as former college students who have temporarily or permanently suspended enrollment, educational segments do not add up to total Gen Y population.

\* Read as follows: 7.7 million adults age 18-24 are full- or part-time college students.

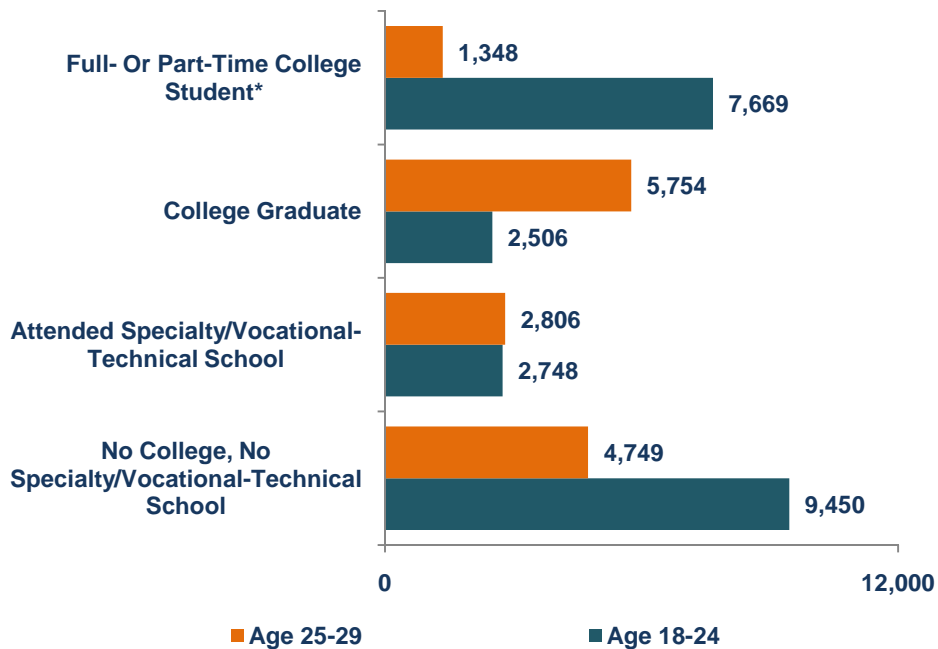
Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Younger Cohort Most Likely to Be Full- or Part-Time Students**

Not surprisingly, younger cohort Millennials, age 18-24, are far more likely than the adult average to be on the college track; they account for 85% of current full- or part-time students, and as such are nearly 8 times as likely as adults on average to be belying up to the knowledge bar for credit (index 778). Adults age 25-29 are no slouches either. At 15% of current college enrollees, they are twice as likely as adults on average to be working at least part time for a bachelor’s degree (index 199). At the same time, however, despite universities’ ever more creative efforts to hawk their educational wares to these ambitious young consumers, the soaring cost of a four-year university education, combined with the crushing student loan debt for advanced professional degrees, may soon put a dent in Gen Y’s academic ambitions, no matter how attractive campus laundry services, Wi-Fi and organic salad bars may be. [Figure 2-8; Tables 2-10 through 2-14]

**Figure 2-8**

**Educational and Job Training Status: Gen Y Adults by Age Cohort, 2007  
(number [000] of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 7.7 million adults age 18-24 are full- or part-time college students.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***Vocational and Technical Training  
Offers Quick Road to Skilled Work, Decent Pay***

Moreover, a healthy slice of the Gen Y pie is opting for vocational and specialized technical education, a few months' or years' training that can more affordably fill the gap between the high school diploma and a skilled, well-paying position. According to U.S. Secretary of Labor Elaine Chao, as the U.S. economy drifts away from unskilled labor positions, the role of community and technical colleges will begin to surge. "The days of job-matching and short-term training are over," Chao said at the 2008 annual Workforce Innovations Conference in New Orleans, LA (*New Orleans Times-Picayune*, July 16, 2008).

High-growth industries, especially in the sciences, will require skilled workers—they'll need more than a high school diploma, but not necessarily a bachelor's degree. These days, Simmons shows that 5.6 million adults age 18-29 have at least some specialty or vo-tech training, a category that can range from the most traditional blue-collar skills such as plumbing and welding, to culinary arts and massage, to increasingly more white-collar jobs such as computer programming—all of them with potential for a solid wage.

***Vo-Tech Offers Affordable Substitute or Supplement to  
Pricey Four-Year College***

Vo-techies are pretty well divided between the younger and older cohorts, too, a statistic that may indicate that post-high school vo-tech training may work as a substitute or a supplement to college classes. With the surge in visibility of online colleges and training centers, along with increasingly diverse community college offerings, for some the practicality of job-specific training may outweigh the all-around liberal arts education. Certainly, with Gen Y's strong entrepreneurial streak—and their aversion to debt—a little mixing and matching may be in order.

**Substantial Gen Y Segment Holds High School Diploma or Less**

Even more surprising, in light of the emphasis on secondary and post-secondary education, Simmons reveals that a full 46% of Gen Y adults report that they have either not graduated from high school or have pursued no education past their high school diploma. Of course, this number doesn't say anything about their future plans: They're still young—almost 60%



are still under age 25—and may be biding their time, working or saving money for college or professional training. Overall, however, of Gen Yers age 18-29 who have neither college nor specialty/vocational/technical school backgrounds, about half are full-time employees, while 15% work part-time and 7% are self-employed. [Table 2-13]

***No College, No Vo-Tech Equates with Low Personal Income***

While Simmons has no measure for whether these young adults are living with their parents or on their own, it does reveal that this subcohort isn't exactly pulling in the big bucks. Nearly one in four of these non-college, non-vo/tech consumers are pulling in an annual salary of \$10,000 or less, a figure that makes them over three times as likely as adults on average to fall into this income bracket (index 326).

A slightly higher percentage of this subcohort, or 27%, earn between \$10,000 and \$29,999, though most fall into the lower end of this income. About 7% earn \$30,000 to \$39,999, but this 1 million or so non-college workers are 26% less likely than the adult average to do so (index 74). Even more striking, Gen Y adults with no education past high school are 77% less likely than the adult average to be making \$40,000 or more per year (index 23); only about 900,000 do so. [Table 2-13]

***Gen Y Hispanics Outpace Adult Average with No College,  
No Vo-Tech Training***

Also striking is the ethnic breakdown of this group: About half (48%) of Gen Yers with no college and no specialty vo-tech training are Non-Hispanic Whites, but this ethnic group is 32% less likely than adults on average to have put higher education on temporary or permanent hold (index 68).

Blacks in this subcohort are about as likely as the adult average to have done so (index 103). In contrast, 37% or 5.3 million Gen Yers with no college or professional training are Hispanic; this ethnic group is 178% more likely than average to fall into this educational category (index 278). [Tables 2-7, 2-13]

**Table 2-7**

**Indices for Educational/Job Training Status by Race/Ethnicity, 2007  
(U.S. adults age 18-29)**

<b>Educational Status</b>	<b>White</b>	<b>Hispanic</b>	<b>Black</b>
Full- Or Part-Time College Student .....	97*	109	**
College Graduate .....	99	57	**
Attended Specialty/Vocational-Technical School .....	102	137	**
No College, No Specialty/Vocational-Technical School .....	68	278	103

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: White Non-Hispanic adults age 18-29 are 3% less likely than the adult average to be full- or part-time college students (index 97).

\*\* Data unstable due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **Behaviors, Attitudes, Preferences Differ Between College, Non-College Consumers**

Dubbed “Shadow Millennials” by Carol Setter, National Director of Strategy at Chicago-based Whittmanhart Interactive ([www.whittmanhart.com](http://www.whittmanhart.com)), these non-college consumers account for roughly 20 million, or almost half, of Gen Y adults by Simmons’ count. And despite many strong similarities in terms of social and cultural affinities, their consumer behaviors and attitudes can differ markedly from those of their college-educated peers.

For example, according to Setter, instead of managerial or professional jobs, Millennials without college or technical training are more likely to be tradesmen or work full-time in service and repair industries. They are less annoyed by advertising than their college-educated peers, but more interested in personal image. They want the products they buy to project an image of their own expertise or personal empowerment. Also, according to Setter, non-college Millennials are less likely than college students or grads to rely on others’ opinions when making product selections, while wanting people to ask *their* opinions, and more likely to delay purchasing rather than buy on credit.

In addition, unlike college students—who tend to be more forward-looking and optimistic about technology—non-college Millennials tend to be family-oriented technology lovers who adore digital gadgetry and video games. Also, though non-college Millennials are just as

enthusiastic about social networks as their college-educated peers, marketers will find that music, entertainment or video-based networks will draw greatest the attention from this segment (<http://www.imediaconnection.com>, November 8, 2007).

***Polarized Attitudes about Credibility of Advertising***

While Packaged Facts is less than enthusiastic about that whole “shadow” designation, Simmons numbers tend to bear out a number of Setter’s findings. Taking a fairly wide socio-economic division—for example, no-college, no vo-tech Millennials who work full-time, versus college graduates or more—the data show a huge difference between attitudes about advertising and the importance of brands and image between these two segments. Most striking, certainly, is the likelihood of no-college, no-vo-tech Millennials to strongly agree that advertising gives a true picture of products; they are 251% more likely than the adult average to do so, for an index of 351—a finding right in line with Setter’s assertion that this non-college cohort doesn’t mind advertising nearly much as their college educated peers. Indeed, in the Simmons survey, not enough college grads strongly agreed with the veracity of advertising to even register on the data radar.

***Novelty, Variety Draw Non-College Consumers***

Similarly polarized consumer attitudes pop up all over the Simmons grid, most confirming Setter’s assertions that the gainfully employed, no-college, no vo-tech members of Gen Y are considerably more brand- and image- conscious, and with a far greater appreciation for specialty stores than their college-educated peers (and more likely than the adult average to feel that way too). Non-college Gen Yers are, for example, more than twice as likely as the adult average to change brands often for variety and novelty (index 222), 75% more likely to keep up with changes in styles and fashion (index 175), and 56% more likely to prefer shopping at specialty stores because they carry the best brands (index 156). Meanwhile, too few college graduates felt strongly in these areas to yield useful data. Similarly, while non-college Millennials are 47% more likely than the adult average to strongly prefer going shopping with their families (index 147), too few college grads were jumping for joy on that measure to measure meaningfully. [Table 2-8]

**Non-College Consumers Lay Down Extra Dollars for Green Products**

An amusing surprise for Packaged Facts in this area, however, is the differences in strongly held attitudes regarding green purchasing. While it might seem that educational level would correlate strongly with green attitudes—more education, more green, one might surmise—Packaged Facts cannot help but point out two tiny statistics that upset this logical apple cart.  
[Table 2-8]

**Table 2-8  
Strongly Held Shopping-Related Attitudes Among Gen Y Adults: No College/  
No Vo-Tech Background/Employed Full-Time vs. College Grad or More, 2007  
(index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>No College, No Vo-Tech</b>	<b>College Grad</b>
Advertising Gives True Picture Of Products .....	351	**
Change Brands Often For Variety/Novelty .....	222	**
Keep Up With Changes In Styles/Fashions .....	175	**
Prefer To Shop With My Friends .....	157	**
Prefer To Shop At Specialty Stores Because They Carry Best Brands .....	156	**
Prefer To Shop With My Family .....	147	**
Tend To Buy Things On The Spur Of The Moment .....	144	**
Would Pay More For Environmentally Friendly Products* .....	143	80
Prefer To Shop At Specialty Stores Because Of Employees' Knowledge ...	133	81
Always Look For A Brand Name .....	120	**
Buy Products That Use Recycled Paper .....	97	111
Shop For Specials Or Bargains .....	79	124
Plan Far Ahead To Buy Expensive Items .....	61	121

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: Gen Y adults with no college or vo-tech background who are employed full-time are 43% more likely than the adult average to agree “a lot” that they would pay more for environmentally friendly products (index 143), while Gen Y adults who are college graduates are 20% below average in this regard (index 80).

\*\* Data unstable due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

To wit: OK, so college grads are a sliver more likely than the adult average to strongly agree that they buy products with recycled paper (index 111), and their non-college working stiff peers are a soupçon less likely than average to do so (index 97), numbers that essentially put both groups close to the adult average. But, while college grads are 20% less likely than average to strongly agree they'll pay more for environmentally friendly products (index 80), no-college no-techies are 43% more likely than the adult average to agree vigorously that they'll lay out extra cash for a green alternative (index 143). [Table 2-8]

### **Gen Y Consumer Style Favors Authenticity, Participation, Instant Availability**

For retailers, Generation Y's consumer style is altogether different from previous generations.' Not just fast and fickle, Gen Y's response to marketing is *participatory* in ways unimaginable to Baby Boomers of yore, for whom mass-market television campaigns of their youth even today remain emblazoned in their collective psyche ("I'd like to buy the world a Coke," for example)—but who experienced nothing like the multi-channel brand inundation that characterizes the current marketplace. Even the cynical hipsters of Generation X, today age 30-45 and thoroughly caught up in all things digital, still tend to associate advertising with a distant and not altogether altruistic corporate agenda. In contrast, Generation Y is emerging (heck, they're full-blown) as a cohort for whom brands and advertising have become just another aspect of an internalized reality—to be watched and analyzed, certainly, but without the bare-fanged skepticism of their elders.

### **Marketing Tips**

Thus, a few basic tips for marketers who haven't figured it out already:

#### **1. Be Real**

First, do no smarm. Although they don't have the bloody, serrated edge of cynicism that their Gen X elders keep honed, Millennials are hypersensitive to pretentious or patronizing messages. "It's authenticity above everything else," says Bill Carter, Partner of Burlington, Vermont-based Fuse Marketing ([www.fusemarketing.com](http://www.fusemarketing.com)). "Quiet, thoughtful, and singular is what's working for Echo Boomers now. You have to find a way to show what you're

selling with a clarity and authenticity and not faux cool.” As for fake viral videos pretending to be consumer generated, retailers had better tread carefully: If it looks fake, it’s probably fake. *Next.*

And really, that approach doesn’t hurt up the age ladder, either. According to Joseph Pine II and James H. Gilmore, authors of *Authenticity: What Consumers Really Want* (Harvard Business School Publishing, 2007), being “real” is valued across a plethora of consumer segments who feel annoyed, lied to, or handled by the managed message.

## **2. Market to Communities, but Emphasize Individuality**

Gen Y wants a hand in designing the campaigns that are supposed to appeal to them, reflecting a vastly more individualized and segmented market than existed when the Boomers were forging the new youth culture. From tweens to twenty-somethings Generation Y shows little brand loyalty as ever cooler or trendier products churn across the retail stratosphere. They wanted to be marketed *with*, not *to*, yet they still demand that marketers invest in them as special, contributing individuals within a multi-faceted community—whether or not they purchase anything. “We’ve been targeted by the same packaged messages all our lives,” says Andy Polski, a partner at Silverback Marketing ([www.silverbackmarketing.com](http://www.silverbackmarketing.com)), a group that targets Generation Y, and a Yer himself. “We can’t relate to marketers who send us packaged messages because they feel that’s what our parents grew up on. We just want to be different” (*Customer Relationship Management*, November 2006). Gen Yers tend to like multiple convenient opportunities to participate in worthy causes while they shop: especially when companies will link to or donate a share of the purchase price to a charity or green cause of choice.

## **3. Create Relationships with Consumer Segments**

That is, virtual or 3-D, retail spaces can no longer simply acknowledge, but must feature the opinions and passions of this freshest youth culture—they must create *relationships* that allow for the mutual exchange of ideas and experiences (as well as the occasional contest or purchase opportunity). As convergence between retail products and the movie stars, sports icons, musicians and reality show celebrities who endorse them blurs the lines between advertising and “life,” marketing messages have become merely another aspect within an

ever-expanding social network—and marketers must launch ever more creative, multilayered, and inclusive campaigns if they want to keep up.

#### **4. Research Segments 24/7**

Which means *research* your specific segment. It's frightening how much information Gen Yers have at their fingertips, and how quickly their tastes change, but even more daunting is the constant back and forth between their frequent homogeneity in mindset and their wild diversity in individual taste and interest. They'll take what they like and throw back the rest.

#### **5. Word of Mouth: Let Them Discover You**

To separate the real versus the manufactured, plugged-in Gen Yers take their cues almost exclusively from friends and celebrities they admire. Says Gen Y blogger Jimmy Gambier, "I don't really watch the big ads on TV anymore. I spend a lot of time on YouTube and MySpace. I pay attention a lot more to viral marketing. I try to listen to my friends a lot more for stuff. I go online and while online I find stuff that way" (*Customer Relationship Management*, November 2006).

Setting free your message into the electronic winds, such as with viral videos or with very low-key placement on related sites, means that marketers have less control over who sees the message, but if positive word-of mouth kicks in, consumers feel like they've discovered something cool on their own rather than having it pushed at them, and poof: You've got a trend.

**Table 2-9**

**Demographic Composition of Adults Age 18-29, 2007  
(number, percent of total age 18-29 group, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b>Total Sample</b> .....	<b>40,015</b>	<b>100.0%</b>	<b>100</b>
<b>Age</b>			
18-24 .....	23,729	59.3%	—
25-29 .....	16,286	40.7	—
<b>Gender</b>			
Female* .....	20,539	51.3%	99
Male .....	19,476	48.7	101
<b>Race/Ethnicity</b>			
White/Non-Hispanic .....	24,818	62.0%	88
Hispanic .....	8,758	21.9	164
Black .....	3,773	9.4	92
Not White, Hispanic, or Black .....	2,666	6.7	121
<b>Marketing Region</b>			
Northeast .....	7,654	19.1%	94
Central .....	11,332	28.3	102
Southeast .....	7,677	19.2	92
Southwest .....	4,477	11.2	100
Pacific .....	8,875	22.2	112
<b>Metro Markets</b>			
Top 25 .....	14,598	36.5%	110
Top 26-100 .....	7,886	19.7	94
Not Top 100 .....	17,530	43.8	95

-- continued --



Table 2-9 [Cont.]

**Demographic Composition of Adults Age 18-29, 2007**  
(number, percent of total age 18-29 group, and index in relation to U.S. adults overall)

Demographic	Number (000)	Percent	Index
<b><i>Highest Level of Educational Attainment</i></b>			
Non High School Grad .....	6,201	15.5%	112
High School Grad .....	12,312	30.8	94
Some College .....	13,242	33.1	121
College Grad .....	5,490	13.7	94
Some Grad School .....	**	**	**
Grad Degree .....	1,972	4.9	56
<b><i>Specialty/Vo-Tech School</i></b>			
Attended .....	7,939	19.8%	69
<b><i>Employment/Student Status</i></b>			
Full-Time Employee .....	20,707	51.7%	97
Part-Time Employee .....	7,497	18.7	181
Self-Employed .....	1,932	4.8	67
Full-Time Student .....	6,734	16.8	407
Part-Time Student .....	2,283	5.7	219
<b><i>Individual Employment Income</i></b>			
Under \$10,000 .....	7,333	18.3%	254
\$10,000-\$19,999 .....	6,787	17.0	189
\$20,000-\$29,999 .....	5,514	13.8	139
\$30,000-\$39,999 .....	3,680	9.2	99
\$40,000-\$59,999 .....	2,919	7.3	53
\$60,000 or More .....	1,972	4.9	34

-- continued --

**Table 2-9 [Cont.]**

**Demographic Composition of Adults Age 18-29, 2007  
(number, percent of total age 18-29 group, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b><i>Employed Adults in Household</i></b>			
None .....	2,264	5.7%	28
One .....	8,454	21.1	81
Two .....	13,120	32.8	97
Three or More .....	13,972	34.9	236
<b><i>Household Income</i></b>			
Under \$20,000 .....	4,433	11.1%	89
\$20,000-\$39,999 .....	6,675	16.7	91
\$40,000-\$59,999 .....	4,966	12.4	104
\$60,000-\$74,999 .....	3,921	9.8	97
\$75,000-\$99,999 .....	5,609	14.0	102
\$100,000-\$149,999 .....	6,490	16.2	105
\$150,000 or More .....	6,024	15.1	113
<b><i>Marital Status</i></b>			
Single (Never Married) .....	27,182	67.9%	294
Married .....	11,205	28.0	48
No Longer Married .....	1,628	4.1	21
<b><i>Number of Persons in Household</i></b>			
One .....	**	**	**
Two .....	7,582	18.9%	50
Three-Four .....	20,664	51.6	153
Five or More .....	10,211	25.5	181

-- continued --

Table 2-9 [Cont.]

**Demographic Composition of Adults Age 18-29, 2007  
(number, percent of total age 18-29 group, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b>Children</b>			
None .....	29,286	73.2%	156
Any .....	10,729	26.8	51
<b>Kind of Residence</b>			
Owned House, Condo, or Co-Op .....	24,655	61.6%	88
Rented House .....	5,205	13.0	150
Rented Apartment .....	6,342	15.9	115
Mobile Home .....	2,168	5.4	109
Live Rent-Free .....	1,646	4.1	146

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 20.5 million or 51.3% of 18- to 29-year-olds are female, for an index of 99 (1% below the adult average).

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 2-10**

**Demographic Composition of Full- or Part-Time College Students Age 18-29, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b>Total Sample</b> .....	<b>9,017</b>	<b>100.0%</b>	<b>100</b>
<b>Age</b>			
18-24 .....	7,669	85.0%	778
25-29 .....	1,348	15.0	199
<b>Gender</b>			
Female* .....	4,864	53.9%	104
Male .....	4,153	46.1	95
<b>Race/Ethnicity</b>			
White/Non-Hispanic .....	6,193	68.7%	97
Hispanic .....	1,314	14.6	109
Black .....	**	**	**
<b>Marketing Region</b>			
Northeast .....	1,815	20.1%	99
Central .....	2,718	30.1	109
Southeast .....	1,436	15.9	76
Southwest .....	1,093	12.1	108
Pacific .....	1,955	21.7	110
<b>Metro Markets</b>			
Top 25 .....	3,347	37.1%	112
Top 26-100 .....	1,295	14.4	69
Not Top 100 .....	4,375	48.5	106
<b>Specialty/Vo-Tech School</b>			
Attended .....	1,813	20.1%	70

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Table 2-10 [Cont.]

**Demographic Composition of Full- or Part-Time College Students Age 18-29, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b><i>Employment/Student Status</i></b>			
Full-Time Employee .....	2,976	33.0%	62
Part-Time Employee .....	3,386	37.5	362
Full-Time Student .....	6,734	74.7	1808
Part-Time Student .....	2,283	25.3	972
<b><i>Individual Employment Income</i></b>			
Under \$10,000 .....	2,730	30.3%	420
\$10,000-\$19,999 .....	1,915	21.2	237
\$20,000-\$29,999 .....	896	9.9	100
\$30,000 or More .....	**	**	**
<b><i>Employed Adults in Household</i></b>			
None .....	**	**	**
One .....	1,243	13.8%	53
Two .....	2,964	32.9	97
Three or More .....	3,992	44.3	300
<b><i>Household Income</i></b>			
Under \$20,000 .....	**	**	**
\$20,000-\$39,999 .....	986	10.9%	59
\$40,000-\$59,999 .....	989	11.0	92
\$60,000-\$74,999 .....	578	6.4	63
\$75,000-\$99,999 .....	1,617	17.9	131
\$100,000-\$149,999 .....	1,961	21.8	141
\$150,000 or More .....	1,776	19.7	148

-- continued --

**Table 2-10 [Cont.]**

**Demographic Composition of Full- or Part-Time College Students Age 18-29, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

<b>Demographic</b>	<b>Number (000)</b>	<b>Percent</b>	<b>Index</b>
<b>Marital Status</b>			
Single (Never Married) .....	7,844	87.0%	376
Married .....	1,040	11.5	20
No Longer Married .....	**	**	**
<b>Number of Persons in Household</b>			
One .....	**	**	**
Two .....	1,216	13.5%	36
Three-Four .....	5,512	61.1	181
Five or More .....	2,210	24.5	174
<b>Children</b>			
None .....	8,017	88.9%	189
Any .....	1,000	11.1	21
<b>Kind of Residence</b>			
Owned House, Condo, or Co-Op .....	6,895	76.5%	110
Rented House .....	**	**	**
Rented Apartment .....	942	10.4	76
Mobile Home .....	**	**	**

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 4.9 million or 53.9% of 18- to 29-year-old college students are female, for an index of 104 (4% above the adult average).

\*\* Data omitted due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Table 2-11

**Demographic Composition of College Grads Age 18-29, 2007**  
(number, percent of total cohort, and index in relation to U.S. adults overall)

Demographic	Number (000)	Percent	Index
<b>Total Sample</b> .....	<b>8,260</b>	<b>100.0%</b>	<b>100</b>
<b>Age</b>			
18-24 .....	2,506	30.3%	—
25-29 .....	5,754	69.7	—
<b>Gender</b>			
Female* .....	4,921	59.6%	115
Male .....	3,339	40.4	84
<b>Race/Ethnicity</b>			
White/Non-Hispanic .....	5,794	70.1%	99
Hispanic .....	632	7.7	57
Black .....	**	**	**
<b>Marketing Region</b>			
Northeast .....	2,093	25.3%	124
Central .....	2,057	24.9	90
Southeast .....	1,615	19.6	93
Southwest .....	655	7.9	71
Pacific .....	1,841	22.3	113
<b>Metro Markets</b>			
Top 25 .....	3,232	39.1%	118
Top 26-100 .....	1,829	22.1	106
Not Top 100 .....	3,199	38.7	84
<b>Highest Level of Educational Attainment</b>			
College Grad .....	5,490	66.5%	455
Some Grad School .....	**	**	**
Grad Degree .....	1,972	23.9	271

-- continued --

**Table 2-11 [Cont.]**

**Demographic Composition of College Grads Age 18-29, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b><i>Employment Status</i></b>			
Full-Time Employee .....	5,675	68.7%	129
Part-Time Employee .....	963	11.7	112
<b><i>Individual Employment Income</i></b>			
Under \$20,000 .....	1,069	12.9%	80
\$20,000-\$29,999 .....	1,207	14.6	147
\$30,000-\$39,999 .....	1,474	17.8	193
\$40,000-\$59,999 .....	1,480	17.9	130
\$60,000 or More .....	1,407	17.0	117
<b><i>Employed Adults in Household</i></b>			
None .....	**	**	**
One .....	1,930	23.4%	90
Two .....	3,901	47.2	139
Three or More .....	2,103	25.5	172
<b><i>Household Income</i></b>			
Under \$25,000 .....	**	**	**
\$25,000-\$49,999 .....	1,474	17.8%	79
\$50,000-\$74,999 .....	1,549	18.8	104
\$75,000-\$99,999 .....	1,090	13.2	96
\$100,000-\$149,999 .....	1,851	22.4	145
\$150,000 or More .....	1,900	23.0	173
<b><i>Marital Status</i></b>			
Single (Never Married) .....	4,383	53.1%	229
Married .....	3,784	45.8	79
No Longer Married .....	**	**	**

-- continued --



Table 2-11 [Cont.]

**Demographic Composition of College Grads Age 18-29, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b><i>Number of Persons in Household</i></b>			
One .....	**	**	**
Two .....	2,675	32.4%	85
Three-Four .....	3,977	48.1	142
Five or More .....	582	7.0	50
<b><i>Children</i></b>			
None .....	6,646	80.5%	171
Any .....	1,614	19.5	37
<b><i>Kind of Residence</i></b>			
Owned House, Condo, or Co-Op .....	4,940	59.8%	86
Rented House .....	**	**	**
Rented Apartment .....	1,859	22.5	164
Mobile Home .....	**	**	**

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults. Data include those in graduate school or with graduate degrees.

\* Read as follows: 4.9 million or 59.6% of 18- to 29-year college graduates are female, for an index of 115 (15% above the adult average).

\*\* Data omitted due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 2-12**

**Demographic Composition of 18- to 29-Year-Olds Who Attended Specialty/Vocational-Technical School, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b>Total Sample</b> .....	<b>5,555</b>	<b>100.0%</b>	<b>100</b>
<b>Age</b>			
18-24 .....	2,748	49.5%	—
25-29 .....	2,806	50.5	—
<b>Gender</b>			
Female* .....	2,494	44.9%	87
Male .....	3,061	55.1	114
<b>Race/Ethnicity</b>			
White/Non-Hispanic .....	4,001	72.0%	102
Hispanic .....	1,021	18.4	137
Black .....	**	**	**
<b>Marketing Region</b>			
Northeast .....	1,107	19.9%	98
Central .....	1,702	30.6	111
Southeast or Southwest .....	1,806	32.5	101
Pacific .....	939	16.9	86
<b>Metro Markets</b>			
Top 25 .....	1,825	32.9%	99
Top 26-100 .....	1,511	27.2	130
Not Top 100 .....	2,219	39.9	87
<b>Highest Level of Educational Attainment</b>			
Non High School Grad .....	818	14.7%	106
High School Grad .....	2,718	48.9	149
Some College .....	2,019	36.4	133

-- continued --

Table 2-12 [Cont.]

**Demographic Composition of 18- to 29-Year-Olds Who Attended Specialty/Vocational-Technical School, 2007**  
(number, percent of total cohort, and index in relation to U.S. adults overall)

Demographic	Number (000)	Percent	Index
<b><i>Employment Status</i></b>			
Full-Time Employee .....	3,342	60.2%	113
Part-Time Employee .....	**	**	**
<b><i>Individual Employment Income</i></b>			
Under \$10,000 .....	599	10.8%	149
\$10,000-\$19,999 .....	976	17.6	196
\$20,000-\$29,999 .....	1,405	25.3	255
\$30,000 or More .....	1,549	18.8	104
<b><i>Employed Adults in Household</i></b>			
None .....	**	**	**
One .....	1,392	25.1%	96
Two .....	1,793	32.3	95
Three or More .....	1,730	31.1	211
<b><i>Household Income</i></b>			
Under \$20,000 .....	1,575	28.4%	175
\$20,000-\$39,999 .....	2,150	38.7	146
\$40,000 or More .....	**	**	**
<b><i>Marital Status</i></b>			
Single (Never Married) .....	3,652	65.7%	284
Married .....	1,608	28.9	50
No Longer Married .....	**	**	**

-- continued --

**Table 2-12 [Cont.]**

**Demographic Composition of 18- to 29-Year-Olds Who Attended  
Specialty/Vocational-Technical School, 2007  
(number, percent of total cohort, and index in relation to U.S. adults overall)**

Demographic	Number (000)	Percent	Index
<b><i>Number of Persons in Household</i></b>			
One-Two .....	**	**	**
Three-Four .....	3,052	54.9%	162
Five or More .....	1,338	24.1	171
<b><i>Children</i></b>			
None .....	3,341	60.1%	128
Any .....	2,214	39.9	75
<b><i>Kind of Residence</i></b>			
Owned House, Condo, or Co-Op .....	3,451	62.1%	89
Rent .....	1,439	25.9	111

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 2.5 million or 44.9% of 18- to 29-year-olds who attended specialty/vocational-technical school are female, for an index of 87 (13% below the adult average).

\*\* Data omitted due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Table 2-13

**Demographic Composition of 18- to 29-Year-Olds Without College or Specialty/  
Vo-Tech School Background, 2007**  
(number, percent of total cohort, and index in relation to U.S. adults overall)

Demographic	Number (000)	Percent	Index
<b>Total Sample</b> .....	<b>14,199</b>	<b>100.0%</b>	<b>100</b>
<b>Age</b>			
18-24 .....	9,450	66.6%	—
25-29 .....	4,749	33.4	—
<b>Gender</b>			
Female* .....	6,416	45.2%	87
Male .....	7,783	54.8	114
<b>Race/Ethnicity</b>			
White/Non-Hispanic .....	6,824	48.1%	68
Hispanic .....	5,275	37.1	278
Black .....	1,501	10.6	103
<b>Marketing Region</b>			
Northeast .....	2,078	14.6%	72
Central .....	4,055	28.6	103
Southeast .....	2,526	17.8	85
Southwest .....	1,924	13.6	121
Pacific .....	3,616	25.5	129
<b>Metro Markets</b>			
Top 25 .....	5,286	37.2%	112
Top 26-100 .....	2,711	19.1	92
Not Top 100 .....	6,201	43.7	95
<b>Highest Level of Educational Attainment</b>			
Non High School Grad .....	5,383	37.9%	274
High School Grad .....	7,668	54.0	165

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**Table 2-13 [Cont.]**

**Demographic Composition of 18- to 29-Year-Olds Without College or Specialty/  
Vo-Tech School Background, 2007**  
(number, percent of total cohort, and index in relation to U.S. adults overall)

<b>Demographic</b>	<b>Number (000)</b>	<b>Percent</b>	<b>Index</b>
<b><i>Employment Status</i></b>			
Full-Time Employee .....	6,864	48.3%	91
Part-Time Employee .....	2,143	15.1	146
Self-Employed .....	978	6.9	95
<b><i>Individual Employment Income</i></b>			
Under \$10,000 .....	3,337	23.5%	326
\$10,000-\$19,999 .....	2,325	16.4	182
\$20,000-\$29,999 .....	1,450	10.2	103
\$30,000-\$39,999 .....	973	6.9	74
\$40,000 or More .....	923	6.5	23
<b><i>Employed Adults in Household</i></b>			
None .....	1,332	9.4%	47
One .....	2,941	20.7	79
Two .....	3,669	25.8	76
Three or More .....	5,199	36.6	248
<b><i>Household Income</i></b>			
Under \$20,000 .....	2,572	18.1%	145
\$20,000-\$39,999 .....	2,947	20.8	113
\$40,000-\$59,999 .....	1,944	13.7	115
\$60,000-\$74,999 .....	1,198	8.4	83
\$75,000-\$99,999 .....	1,609	11.3	83
\$100,000-\$149,999 .....	1,761	12.4	80
\$150,000 or More .....	1,522	10.7	81

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Table 2-13 [Cont.]

**Demographic Composition of 18- to 29-Year-Olds Without College or Specialty/  
Vo-Tech School Background, 2007**  
(number, percent of total cohort, and index in relation to U.S. adults overall)

Demographic	Number (000)	Percent	Index
<b><i>Marital Status</i></b>			
Single (Never Married) .....	9,337	65.8%	284
Married .....	3,854	27.1	47
No Longer Married .....	1,008	7.1	37
<b><i>Number of Persons in Household</i></b>			
One .....	**	**	**
Two .....	2,082	14.7%	39
Three-Four .....	6,507	45.8	135
Five or More .....	5,482	38.6	274
<b><i>Children</i></b>			
None .....	9,329	65.7%	140
Any .....	4,870	34.3	65
<b><i>Kind of Residence</i></b>			
Owned House, Condo, or Co-Op .....	7,498	52.8%	76
Rented House .....	2,595	18.3	211
Rented Apartment .....	2,359	16.6	121
Mobile Home .....	976	6.9	138

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 40.0 million Gen Y adults.

\* Read as follows: 6.4 million or 45.2% of 18- to 29-year-olds without a college or vo-tech school background are female, for an index of 87 (13% below the adult average).

\*\* Data omitted due to low sample size.

Source: Simmons Market Research Bureau, Fall 2007 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.





## Chapter 3 Highlights

- Gen Ys tend to be cash-crunched by education expenses, entry-level jobs, consumer debt, kids or some combination thereof.
- By 2017, the earning potential of this generation is expected to hit \$3.48 trillion, surpassing even the post-World War II Baby Boomers.
- Only 35% of Gen Y adults owns a savings account, which means that they are 24% less likely than the average adult to do so (index 76).
- The percentage of adults age 18-28 who are confident in the short-term prospects for the economy has fallen substantially since fall 2006, and fewer than 7% of Gen Ys have strong confidence in their personal finances.
- Nevertheless, Generation Y represents a vital investment for financial institutions, since these consumers will eventually begin to build savings and investments, buy homes, start businesses, finance children's college educations, and sock away dollars for retirement.
- Discretionary spending among college students is up 10.4%, from \$48 billion in 2007 to \$53 billion in 2008.
- 45% of college consumers are firmly opposed to the idea of debt—but an almost identical percentage have at least one credit card.

## Chapter 3: Finances

### Inexperience, Debt Constitute Double Whammy

**D**espite their enormous importance as a consumer bloc, the adults of Generation Y are not exactly sitting atop a mountain of gold bullion. At 18 to 29 years of age, they tend to be cash-crunched by education expenses, entry-level jobs, consumer debt, the occasional child or some combination thereof. Millions are slugging out a four-year college degree or higher, throwing books and clothing and gas and the perhaps too frequent dinner and drinks onto their shiny new credit cards, confident that in just a few short years they'll land a job that will net them six figures and plenty of time in the sun. Unfortunately, once they snatch that diploma from the jaws of the great Liberal Arts vending machine, many freshly minted graduates awake the next morning to discover a fiercer, more insidious monster in the room: the Enormous Minimum Balance.

Meanwhile, their cannier peers, who eschewed the hallowed halls and beer-soaked revelry of the four-year liberal arts education in favor of an online training course or a specialty certificate or vo-tech program, may have escaped massive student loans. Nevertheless, they're likely to have incurred other debts along the way, and to share with their comrades a worrisome feeling of *slippage*, as if the harder they work, the less money is left over, especially as gas prices fluctuate and the cost of basic groceries starts eating into the utilities budget. For Millennials who scuttled secondary education altogether, there's the creeping suspicion that the old high school diploma isn't quite enough to keep them in heating this winter, let alone health insurance.

But while this fresh crop of adults isn't wild about debt (who is?), a little creative financing should get them through—and really, a new full-body tattoo isn't *that* expensive. One can always go home again, and many do: A few years back at the parents' house, paying nominal rent and mowing the lawn on Saturdays, is a common short-term solution to the Echo Boom's financial woes. For others, there's multiple roommates and the day-old bakery.

***Future Earning Potential Is in the Trillions***

But not to fear: These enterprising, optimistic, self-involved consumers are hard workers. Their on-the-job style may annoy older colleagues, what with all the questioning of authority and the breezy approach to office politics, but their creativity and drive are likely to translate into serious financial clout over time. By 2017, the earning potential of this generation is expected to hit \$3.48 trillion, surpassing even the post-World War II Baby Boomers, who have largely established their financial relationships and are pushing toward retirement, according to a 2007 report from Pleasanton, CA-based Javelin Strategy & Research (*BAI Banking Strategies*, November/December 2007).

***Bank Accounts, Savings Levels Below Adult Average***

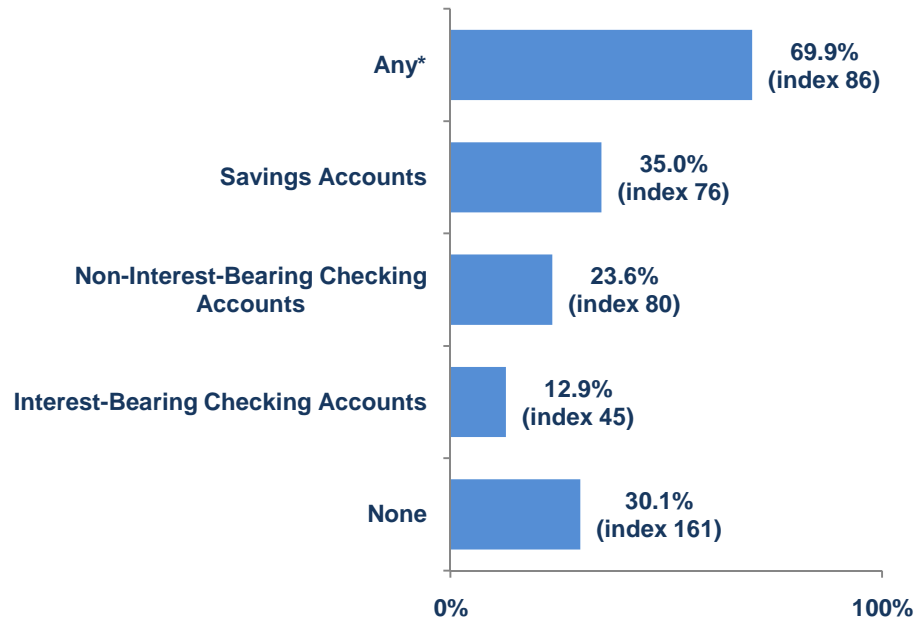
These days the average student loan debt is \$20,000 (and that's before even a whiff of grad school), and for those who enter professions such as medicine or law, the loans can spike into the hundreds of thousands (*Banking Wire*, June 5, 2008). Moreover, as flashing the plastic becomes a stop-gap measure to cover soaring grocery, gas and housing costs for which these young adults don't have cash handy, credit card balances can climb into the thousands as well.

Accordingly, there's often little left over for savings, even with the help of parents or friends. According to Simmons Market Research Bureau consumer survey data, only 35% of Gen Y adults own a savings account, which means that they are 24% less likely than the average adult to do so (index 76). A meager 13% have opened an interest-bearing checking account (most likely because so few can meet minimum balance requirements), which makes adults age 18-29 55% less likely than the adult average to do so (index 45).

In fact, Gen Y adults are 61% more likely than the adult average to have no bank account of any kind (index 161). Small surprise, then, that Anya Kamenetz, financial analyst and author of the book *Generation Debt: Why Now is a Terrible Time to be Young* (Riverhead Trade, 2006), reports that the average savings rate for consumers under age 35 is *negative* 16%.  
[Figure 3-1; Table3-8]

**Figure 3-1**

**Types of Bank Accounts Among Gen Y Adults, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 69.9% of Gen Y adults have a bank account of some kind, such that they are 14% less likely than the adult average to do so (index 86).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Generation Strives for Financial Success, Freedom**

Those unhappy financial realities notwithstanding, Generation Y is a vital investment for financial services and institutions. Though pegged a frivolous lot because they want to do and buy what they want *right now*, underneath it all Millennials actually resemble the Silent and GI generations before them: “Unlike their counterparts of two generations ago, the Boomers, [Gen Y’s] sense of freedom is not to be wild and carefree,” explains Sivea Pascale, Director of Corporate Marketing at Australian St. George Bank. Instead, Pascale says, “they want the freedom to be responsible” (*Australian Banking & Finance*, January 31, 2008).

Thus, for Gen Yers, for whom success often equates with financial wealth and an upscale lifestyle, “freedom” will involve access to convenient, customized financial services that will help them achieve their goals.

***Personalized Financial Services Can Build Future Loyalty***

Even with their appetite for the finer things in life’s panoply, Gen Y will eventually climb out from under the debt load and begin to build savings and investments, purchase homes, start businesses, finance children’s college educations, and sock away dollars for retirement. What’s vital for financial services marketers now is to get in on the ground floor—to invest in a relationship with these young consumers (no matter how slim their current bank accounts) that will help build their financial skills, assets and loyalty as they take on greater adult responsibilities.

To be sure, attracting Gen Y adults to savings and investment programs is hardly a slam dunk; their love-hate relationship with credit cards and high APRs, and their disdain for marketing messages that smack of the patronizing or prepackaged make them a skittish bunch. Moreover, despite their expectations of wealth and comfort, even Echo Boomers are growing uneasy as economic quicksand continues to suck at the nation’s kneecaps.

**Confidence in Nation’s Economy Plunges**

According to BIGresearch’s ongoing *Consumer Intentions and Actions Survey and Simultaneous Media Study*, the percentage of adults age 18-28 who are confident or very confident in the short-term prospects for the economy has fallen substantially just since the fall of 2006. For example, in October 2006, 11.2% of adults age 18-28 said they were very confident in the economy while 48.2% proclaimed a solid confidence, such that the majority of the cohort, or 59.4%, were copacetic on the economic front.

Those numbers have weakened steadily, however, until, as of June 2008, only about one-fourth of adults age 18-28 were confident or very confident in the economy’s short-term prospects. In each month from December 2007 to June 2008, that consumer confidence level dropped, for an overall 21.1-point decline. BIGresearch reports that 75% of 18- to 28-year-olds have little or no confidence in an economic upswing over the next 6 months. Chances

are these dim expectations will make financial marketers’ jobs even more difficult. [Table 3-1]

**Table 3-1**

**Percentage of Adults Age 18-28 Who Are Confident or Very Confident About the Short-Term Prospects for the Economy: By Month, December 2007–June 2008**

Month	Percentage	Percentage Point Change
June 2008* .....	24.6%	-0.78
May 2008 .....	25.3	-4.5
April 2008 .....	29.8	-4.9
March 2008 .....	34.7	-0.4
February 2008 .....	35.2	-7.4
January 2008 .....	42.6	-3.0
December 2007 .....	45.6	-

\* Read as follows: In June 2008, 24.5% of adults age 18-28 were “confident” or “very confident” in the chances for a strong economy over the next 6 months.

Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

### **Changing Situations, Tastes, Make Cohort Segmentation Tricky**

Then there’s the tricky problem of segmentation. Because Millennials, especially in the younger cohort, are so lately embarked upon their journey through adulthood, life plans and living arrangement can change quickly. Bound on establishing their identities and making a name for themselves, Echo Boomers aren’t afraid to switch jobs or households as quickly as their wireless Internet provider, if it means another step toward success—and even if it means a step back into their childhood bedroom. Millennials also may drop in or out of school as a result of financial hardship or whim, and the motivation behind those changes is likely to vary with socio-economic background, parental involvement and level of ambition—another set of variables for marketers to consider.

Furthermore, though separated by less than a decade in age, the oldest and youngest members of this cohort may have strikingly disparate financial situations and goals. To meet the overall demand for customized services and allow for Gen Y’s propensity for instantly

informing the worldwide digital world about their personal satisfaction levels, marketers of financial products and services should therefore focus their efforts on identifying Gen Y segments' short- and long-term needs.

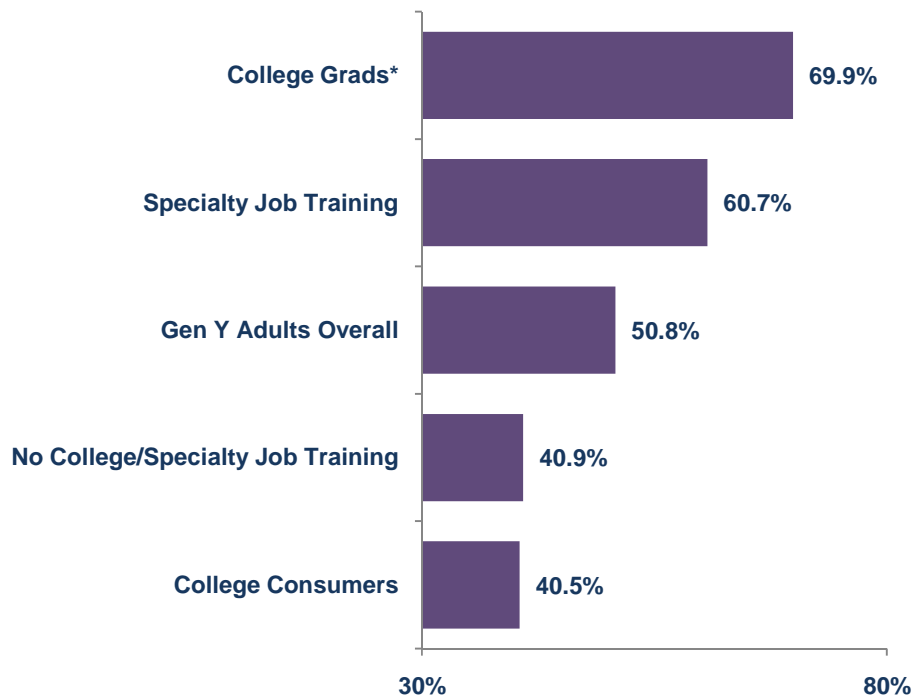
**Varying Parental Roles in Bill Payment Muddy Financial Waters**

With Generation Y it's a slippery proposition just to determine who's in control of the personal finances and how all the bills get paid. According to Simmons, just over half (51%) of Gen Y adults pay their bills themselves; across the cohort snail mail is the most common method of bill payment, with 35% licking a stamp and waving merrily to the postman, while 28% pay online and 15% have the amounts automatically deducted from their bank accounts.

[Figure 3-2; Table 3-9]

**Figure 3-2**

**Percentage of Gen Y Adults Who Pay Their Bills Themselves:  
Overall and by Educational/Job Training Cohort, 2008  
(U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29.

\* Read as follows: 69.9% of Gen Y adults who are college graduates pay their bills themselves.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

In turn, a slight minority (48%) of adults age 18-29 acknowledge that someone else in the household takes care of the bills. In comparison with adults in general, Gen Y adults are 22% less likely than average to pay their own bills (index 78), and 29% more likely than the adult average to say somebody else in the household does it for them (index 129). But whether that “other” is a parent, a spouse, a roommate or a family member is not immediately clear. In all likelihood, across the cohort there’s plenty of overlap between self-pay and “other-pay,” though education level tends to correlate loosely with patterns of financial (in)dependence. [Figure 3-2; Table 3-9]

### ***Most College Consumers Still Rely On Mom and Dad***

For example, with the rising costs of living, tuition and electronic doo-dads, it’s not surprising that 61% of college consumers say someone else in the household pays their bills, according to Simmons. But these are not just younger cohort students. Increasingly, employed adults age 24 and up are working toward a bachelor’s degree, either full- or part-time (*Banking Wire*, June 5, 2008). These more independent types may account in part for the 41% of college consumers who say they are the masters of their own cash flow—though even dedicated working stiffs may not mind accepting the occasional wad of \$100s to grease the wheels of commerce, or a year-long stint in the parents’ wood-paneled basements to help make ends meet.

### ***Bill-Paying Methods Vary, But Online Transactions Gain***

In gentle contrast with Gen Y adults overall, a greater percentage of college students pay their bills online than pay by mail: About 27% pay online, compared with 25% who trust in the USPS. Simmons also reports that once they’ve snagged a bachelor’s degree, 70% of adults age 18-29 pay their own bills. A significant majority, or 58%, of college grads age 18-29 pay online, while 53% use the post, and a respectable 29% use automatic deductions—methods which, again, are likely to overlap according to personal whim and debt-paying deadlines. Sixty-one percent of Gen Y adults with specialty or vo-tech training pay their own bills, but only 41% of adults with no college and no specialty training do so. Living back at the parents’ house is hardly limited to full-time college students. [Tables 3-2, 3-9, 3-10]



Table 3-2

**Bill Payment Methods Among Gen Y Adults:  
Overall and by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Method	Overall	College Consumer	College Grad	Specialty Job Training	No College/ Specialty Job Training
Mail .....	35.0%*	24.6%	52.8%	41.4%	27.5%
Online .....	27.9	26.7	58.3	30.5	11.2
In Person .....	19.3	17.5	10.7	23.7	22.7
Automatically Deducted From Bank Account .....	15.4	10.0	29.2	16.4	9.7
Phone .....	13.9	10.4	19.3	19.7	9.2

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 35.0% of Gen Y adults overall pay their bills by mail.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***“Household,” Financial Lines Tend to Blur***

With regard to who in the household pays the bills, the answer to even this seemingly straightforward question can be elusive. Not only can “household” be defined on any number of levels, but “to pay” can mean signing a check (or making an online transfer) rather than denoting whose pocket the money is ultimately coming from. Especially in the case of younger cohort college students, who are technically adults but whose flight patterns may depend on the commodiousness of the parental nest, financial lines can be blurry.

Pew research indicates that some 68% of Baby Boomers with adult children are supporting at least one of them financially, though this percentage includes support of Gen Yers of all ages and educational segments (*Baby Boomers Approach Age 60: From the Age of Aquarius to the Age of Responsibility*, 2005, <http://pewresearch.org/assets/social/pdf/socialtrends-boomers120805.pdf>). More specifically, the U.S. Department of Education finds that among students age 17-19 who matriculate to four-year colleges straight out of high school, about 85% are financially dependent on their parents (*MediaPost’s MediaDaily News*, August 5, 2008). Certainly, a college student living on campus may still consider herself part of her parents’ household, especially if she is in the younger Gen Y adult cohort. Even full-time

students who have jobs and live off campus may be relying on parents to take up much of the slack—and they may or may not still consider themselves part of the parental nucleus.

Meanwhile, according to the National Retail Federation’s (NRF) annual *Back to College Consumer Intentions and Actions Survey*, conducted by BIGresearch, in 2008 well over half (54.1%) of college consumers age 18 and above were commuting to campus from their parents’ houses, up from 49.7% in 2007 ([http://www.nrf.com/modules.php?name=News&op=viewlive&sp\\_id=551](http://www.nrf.com/modules.php?name=News&op=viewlive&sp_id=551). July 22, 2008). But on the whole, says Simmons, whatever their housing situation, about 15% of college students strongly agree that they prefer to leave the financial arrangements to someone else, such that they are 48% more likely than the adult average to do so (index 148). [Table 3-3]

**Table 3-3**  
**Selected Strongly Held Attitudes**  
**About Personal Finance Among Gen Y College Students, 2008**  
**(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>%</b>	<b>Gen Y Index</b>
Leave Financial Arrangements to Someone Else* .....	14.6%	148
Tend to Spend Money Without Thinking .....	8.6	133
Know Nothing About Finances/Investments .....	10.2	109
I’m No Good at Saving Money .....	9.0	101
Often Prefer to Pay Cash for the Things I Buy .....	25.3	87
Don’t Like the Idea of Being in Debt .....	45.0	86
Shop for Best Deal for Financial Services .....	12.2	83
Am Very Good at Managing Money .....	16.9	81
Like to Know as Much as Possible Before Committing to Financial Services	20.5	66
I’m Careful With My Money .....	18.2	62
Financial Security for Retirement is an Individual Responsibility .....	23.6	61
I Feel Secure Financially .....	6.7	61

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 14.6% of Gen Y college students agree “a lot” that they leave financial arrangements to someone else, such that they are 48% more likely than the adult average to do so (index 148).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## College Consumers Spending at Record Levels

Actually, it's no wonder many college consumers would rather not focus too carefully on their finances. Education expenditures don't stop with tuition payments; bills for supplies and living expenses tend to pile up. According to Alloy Media + Marketing's 8th annual College Explorer study, a record-level 13.6 million college students age 18-30 will swarm campuses in the fall of 2008, and will spend more than ever before on their educational experience: an estimated record \$237 billion, up 20% from 2007, when the returning class wielded a meager \$198 billion. On a per-capita basis, average spending power increased among students in this age bracket from just under \$14,900 in 2007 to just over \$17,400 in 2008 (*MediaPost's MediaDaily News*, August 5, 2008). Of course, costs have shot through the roof as well, with tuition bills in the tens of thousands before meal plans and housing fees rear their ugly heads; in addition, between 1986 and 2004 text book prices across the country tripled (*New Orleans Times-Picayune*, August 5, 2008). These days a typical new calculus or physics text alone can set a student back \$200 or so, and that's not exactly an optional purchase.

### ***On-Campus Discretionary Spending Also on the Rise***

Along with these unavoidable expenses, Alloy reports, discretionary spending among college students rose 10.4%, from \$48 billion in 2007 to \$53 billion in 2008. Per capita that translates to a rise of about 8%, from \$3,600 per college consumer to \$3,900, the largest increase since the study's inception and a phenomenon that can be traced in part to a recent increase in financial aid programs including loans and grants from schools, foundations, and federal and state governments. On average, 70.8% of college students receive some kind of financial aid in their first year, with an average payout of \$7,500 (<http://www.marketingvox.com/college-students-setting-records-in-spending-civic-engagement-digital-connectivity-040255>).

What's not entirely clear, however, is how much of this discretionary spending depends on a trough that these young adults will eventually have to refill. A sudden influx of several thousand dollars (and a repayment date that's light years away) or an additional credit card or two can create irresistible temptation today, and an unfortunate—and surprising!—burden

four years from now. According to Simmons, 11% of college students are adamant that that they know nothing of finances and investments. For those with little financial training or, ahem, *discretion*, impulsive buying can ratchet up the debt at an alarming rate.

### **Gen Y Attitudes About Debt and Money**

Furthermore, says Simmons, 45% of college consumers are firmly opposed to the idea of debt, but an almost identical percentage have at least one credit card; 38% of college consumers have used a credit card in the last 12 months and 32% have used one in the last 30 days. By the time they reach their final undergraduate year, says federal lender Nellie Mae, 56% of students with a credit card carry four cards or more ([http://www.nelliemae.com/library/research\\_12.html](http://www.nelliemae.com/library/research_12.html)). [Table 3-3]

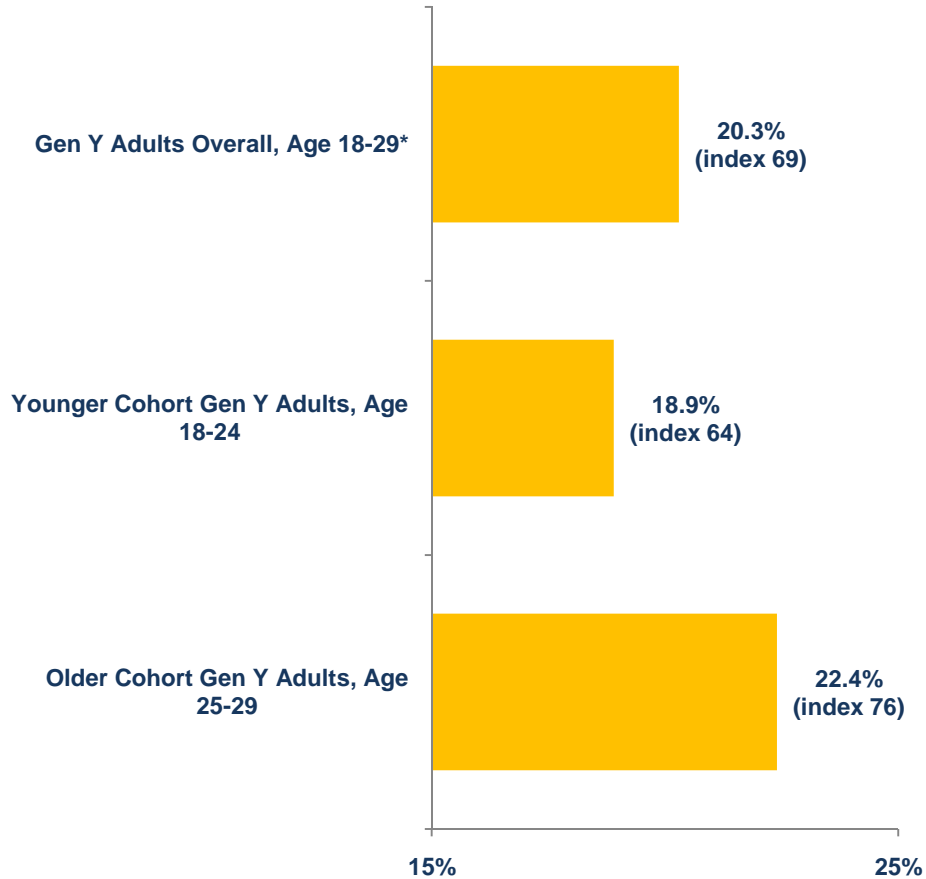
#### ***“Careful with Money” Not Exactly a Cohort Credo***

In addition, Simmons reports that only one in five Gen Y adults agrees strongly with the statement, “I am careful with my money,” and that across educational segments they are considerably less likely than the adult average to do so. On the whole, Gen Y adults are 31% less likely than the average adult to agree strongly that they are careful with their money (index 69); and even older, wiser cohort Millennials skew at 24% less likely to keep careful watch on their wallets (index 76). Among college students, those numbers drop even lower. About 18% of college students strongly agree that they are careful with their money, and as such they are 38% less likely than the adult average to do so, for an index of 62. On the flip side, college students are 33% more likely to agree strongly that they tend to spend money without thinking (index 133).

Hence, marketers of banking and credit and debit card services will do well to target parents of Gen Y adults as well as their fledglings: Especially for the parents of young college-bound Millennials, loading up a prepaid debit card (rather than paying off a staggering balance after the fact) can be a useful way to control pay-outs on Junior’s exploratory lifestyle habits. [Figure 3-3; Tables 3-3, 3-10]

Figure 3-3

**“I’m Careful with My Money”\*: Gen Y Adults Overall and by Age Cohort, 2008**  
(percent and index of U.S. adults age 18-29)



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 20.3% of Gen Y adults overall agree “a lot” with the statement “I’m careful with my money,” such that they are 31% less likely than the adult average to do so (index 69).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### Consumer “Empowerment” More About Attitude Than Actual Cash

Indeed, though Dana Markow, Vice President and Senior Consultant for Harris Interactive’s Youth Center of Excellence, which conducted Alloy’s online poll, asserts that “[t]his year’s class reveals an empowered group of consumers,” that empowerment may be more attitudinal—in terms of perceived political and social clout—than strictly financial (<http://www.marketingcharts.com>). Oddly enough, in contrast to Alloy’s portrayal of college

students as richer, pickier, more politically involved and environmentally gung-ho than ever, the NRF *Back to College* study finds that rather than increasing discretionary spending, college consumers “are learning a hard lesson that when economic times are tough, fun purchases take a back seat,” says NRF president and CEO Tracy Mullin. “While students will still be buying school supplies, they will scale back spending on clothing, electronics and dorm furnishings.” The NRF survey predicted 2008 back-to-college spending would decrease, to just under \$600 a head for clothing, accessories, shoes, school supplies, electronics, dorm furnishings and other college gear, down from about \$642 per capita in 2007 ([http://www.nrf.com/modules.php?name=News&op=viewlive&sp\\_id=551](http://www.nrf.com/modules.php?name=News&op=viewlive&sp_id=551). July 22, 2008). To be sure, Alloy’s predictions encompassed total spending on college life, while the NRF’s addressed just the upfront expenses involved with college-related merchandise. However, as the semester rolls on, college students giddy with political and consumer empowerment may allow their financial confidence to get a little out of hand.

### ***Some Hard-Up Co-Eds Opt for Local Food Bank***

For some students it’s the local food bank to the rescue. Since 2007, the price of groceries has jumped nearly 5%, the highest increase in nearly two decades, and the cost of some staples has shot up by more than 30%. Accordingly, students who are working part-time and cobbling together a living from grants, loans and savings, are finding it increasingly difficult to make ends meet. As a result—and in line with their redoubtable creativity—hundreds are joining the destitute, the working poor and struggling single parents at the food bank. In Seattle, for example, demand at the University District pantry has risen roughly 25% in the past year, an increase attributable to the 150 or so students who visit each week during each semester, most of them between the ages of 18 and 22.

On the other side of the country things can look just as bleak. For example, in Florence, SC, Deirdre Wilson, a junior at Francis Marion University, applied for food stamps in November 2007 because her paycheck from a work-study job didn’t stretch far enough to cover her expanding grocery bill. “Before, when I lived in the dorms, I was on the meal plan,” the 20-year-old explained. “Now that I’m in the apartment, I have to pay for food, and I have to pay my cell phone bill. I don’t make enough to pay for both” (*Associated Press*, July 26, 2008).

## **Gen Y Goals, Perceptions Should Guide Financial Marketing Efforts**

Of course, for marketers' purposes, what's probably more important than a precise accounting of whose money goes where—and in what proportion—is Gen Y consumers' *perception* of their financial situation and their role in their own independence. Gen Y adults are staying single longer, remaining more happily attached to their parents emotionally and financially, and delaying their own parental responsibilities longer, while indulging their inner child more vigorously, than previous generations. Indeed, Echo Boomers seem to feel that they are *entitled* to independence, whether they're financing it on their own or not: Help from their tribe will always be at hand, and whatever they do, it will all be good.

Yet alongside that cheerful confidence there's a palpable anxiety, underlined by the generation's hunger for mentoring, advice, attention and information—as evidenced by the constant texting, IMing, blogging, social networking, downloading, phoning and personalizing—an anxiety that constitutes the other side of the looking glass: Wherever they go, Gen Yers don't want to go it alone (and most certainly not without a cell phone.) But whether it's a single or a team effort that keeps the wolf from the door, both BIGresearch and Simmons data imply that across the board Gen Y adults are scrambling financially—or at least feel that they are.

## **Shaky Financial Position Curbs Spending**

Not only has their confidence in the state of the economy tumbled, but fewer than 7% of Gen Yers have “a lot” of confidence in their current personal finances, according to Simmons. Moreover, increasing percentages of the Look At Me Generation are reigning in their spending, at least a bit. BIGresearch data show that as of June 2008 nearly half the Gen Y adult cohort (48%) had grown more practical and realistic in their purchases, up 4 percentage points from January 2008. A slim majority (51%) are focusing more on what they need than on what they want, and about 42% have become more budget conscious since the beginning of 2008. That said, the Gen Y age group was still approximately two times or more likely than the adult average to purchase in a number of categories in the next six months, including stereo equipment (index 228), jewelry/watch (index 214), and house (index 193), and 42%-77% more likely in another seven categories (indices 142 to 177). [Tables 3-4, 3-5]

**Table 3-4**

**Changes in Spending Habits Over Past 6 Months Among Adults Age 18-28:  
January 2008 vs. June 2008  
(percent)**

<b>Spending Habit</b>	<b>January 08</b>	<b>June 08</b>	<b>Percentage Point Change</b>
I Have Become More Practical And Realistic In My Purchases* .....	44.0%	48.0%	4.0
I Focus More On What I Need Rather Than What I Want .....	49.8	51.1	1.3
I Have Become More Budget Conscious .....	40.5	41.9	1.4

\* Read as follows: As of January 2008, 44.0% of adults age 18-28 said they had become more practical and realistic in their purchases, compared with 48% as of June 2008, for a 4.0 percentage point increase.  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

**Table 3-5**

**Major Purchases Planned Within Next 6 Months:  
Adults Overall vs. Adults Age 18-28, June 2008  
(percent of adults overall and percent and index of adults age 18-28)**

<b>Category</b>	<b>% of Adults Overall</b>	<b>% of Adults Age 18-28</b>	<b>Adults Age 18-28-Index</b>
Stereo Equipment* .....	2.0%	4.6%	228
Jewelry/Watch .....	2.8	6.1	214
House .....	3.3	6.4	193
RV/Boat .....	0.9	1.5	177
Digital Camera .....	4.8	8.6	177
DVD/VCR .....	3.4	5.9	175
Furniture .....	7.5	13.0	174
Computer .....	9.7	16.6	172
Home Appliances .....	5.7	8.9	154
TV .....	9.2	13.0	142
Vacation Travel .....	13.3	14.3	107
Other .....	6.9	5.6	82
Major Home Improvement or Repair .....	7.4	4.7	63

\* Read as follows: As of June 2008, 4.6% of adults age 18-28 compared with 2.0% of adults overall said they planned to purchase stereo equipment in the next six months, such that adults age 18-28 are 128% more likely than average to do so (index 228).  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.



## **Naïveté, Consumerism Push Debt Levels Up**

Those economizing measures make sense considering that the median credit card debt of low- and middle-income people age 18-34 is \$8,200, with people between the ages of 25 and 34 making up 22.7% of all U.S. bankruptcies (but just 14% of the population at large). According to Carmen Wong, a former *Money* magazine staff writer whose own book on *Gener@tion Debt* (Warner Business Books, 2006) has a more optimistic subtitle than Kamenetz's (*Take Control of Your Money—A How-To Guide*), Gen Y is in financial trouble not because they're dumb, but because their parents have coddled them, the financial landscape is hideously confusing, and, hey, consumerism rules.

“We’re in a generation that was kind of shielded from a lot of financial responsibilities,” says Wong. “Twenty years ago, when you were in college you didn’t have a credit card, and (now) all of a sudden we had to take on debt to go to college. Then we get out of college and we *have* to have that handbag and an iPod,” she says. “It is so easy to take on debt” (<http://articles.moneycentral.msn.com/Investing/HomeMortgageSavings/WhyGenerationYIsBroke.aspx#pageTopAnchor>). And so difficult to get out of it.

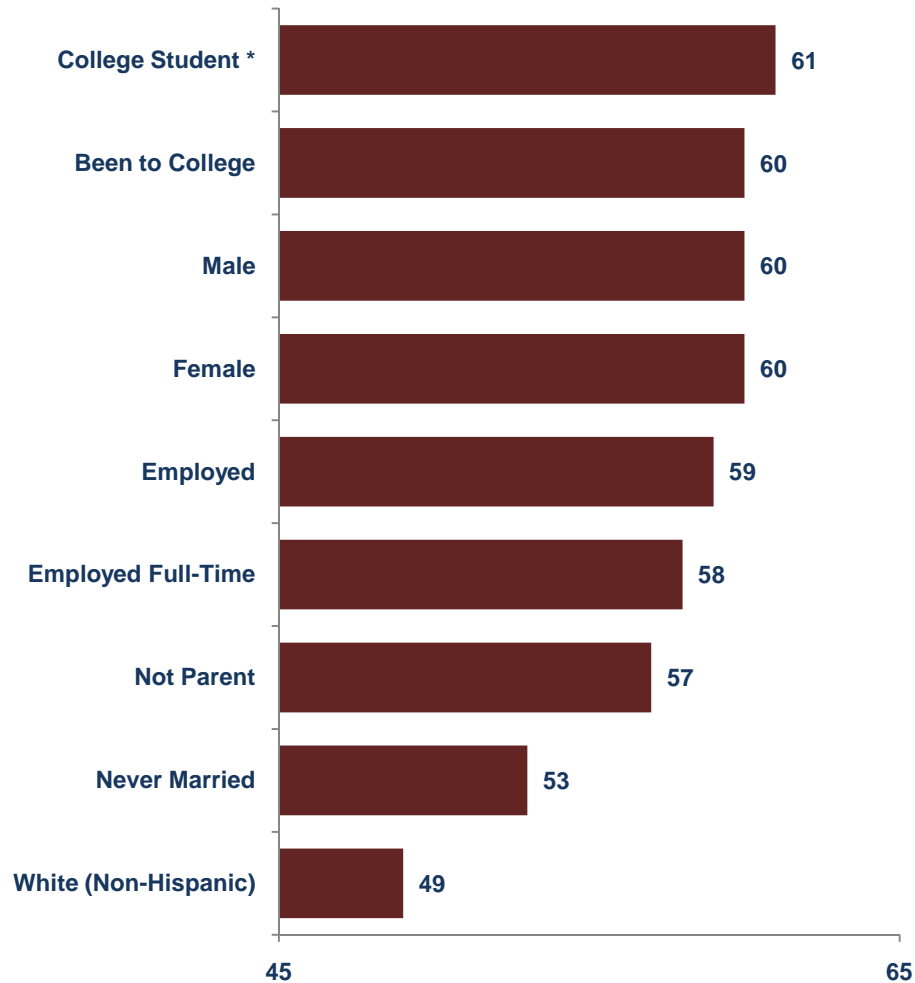
## **Full-Time Workers Less Financially Confident Than College Students**

It’s not as if college students are alone in their financial frustrations. Gen Yers employed full-time are even less likely than college students to feel like they’re on solid ground. According to Simmons, college students are 39% less likely than the adult average to feel strong financial security (index 61), but full-time employees skew a few points lower still, at 42% less likely than average to feel strongly that all their financial ducks are in a row (index 58).

While men and women of Gen Y are equally uneasy, single Gen Y adults (who account for 68% of the cohort) are 47% less likely than average to feel strongly financially secure (index 53). [Figure 3-4]

Figure 3-4

**“I Feel Secure Financially”\*: Lowest Indexing Gen Y Adult Segments, 2008  
(U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29.

\* Read as follows: Gen Y college students are 39% less likely than the adult average (index 61) to agree “a lot” with the statement “I feel secure financially.”

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### ***Confidence in Ability to Save Especially Low in Certain Segments***

Meanwhile, Gen Yers with no college or vo-tech background who are working full-time jobs are substantially more likely than adults in general to agree strongly that they just can’t seem to put any money aside. According to Simmons, about 13% of that segment say they’re no good at saving money, and as such are 43% more likely than adults in general (index 143).

Not surprisingly, Gen Y adults who are employed part-time and those who bring home less than \$10,000 in annual salary are nearly 30% more prone than adults on the whole to agree resoundingly that their skill at saving money is under par (indices 129 and 127, respectively). About 12% of Gen Y parents and a similar percentage of Hispanic Gen Y adults are also quite certain that they're no good at saving money, for indices of 139 and 135, respectively. [Table 3-6]

**Table 3-6**  
**"I'm No Good at Saving Money": Highest Indexing Gen Y Adult Segments, 2008**  
**(percent and index of U.S. adults age 18-29)**

Segment	%	Index
No College or Vo-Tech Background, Employed Full-Time* .....	12.7%	143
Parent .....	12.4	139
Hispanic .....	12.0	135
Employed Part-Time .....	11.5	129
Employment Income Under \$10K .....	11.3	127
Employment Income \$10K-\$19.9K .....	10.8	122

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 12.7% of Gen Y adults with no college or vo-tech background who are employed full-time agree "a lot" with the statement, "I'm no good at saving money," such that they are 43% more likely than the adult average to do so (index 143).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***Appearance of Financial Success Important to Low-Income, Non-College Segments***

At the same time, 7.6% of Gen Yers with no college or vo-tech background who are working full-time jobs agree strongly that they like others to think they are a financial success, such that they are 49% more likely than the adult average to do so (index 149). This compares with 6.6% of Hispanic Gen Y adults (index 129) and 6.1% of Gen Y parents (index 121). [Table 3-7]

**Table 3-7**

**“I Like Other People to Think I’m a Financial Success”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
No College or Vo-Tech Background, Employed Full-Time* .....	7.6%	149
Top 100 Metro Markets .....	6.7	131
Hispanic .....	6.6	129
Parent .....	6.1	121
Never Married .....	6.1	121
18-24 .....	6.1	119

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 7.6% of Gen Y adults with no college and no vo-tech background who are employed full-time agree “a lot” with the statement “I like other people to think I’m a financial success,” such that they are 49% more likely than the adult average to do so (index 149).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

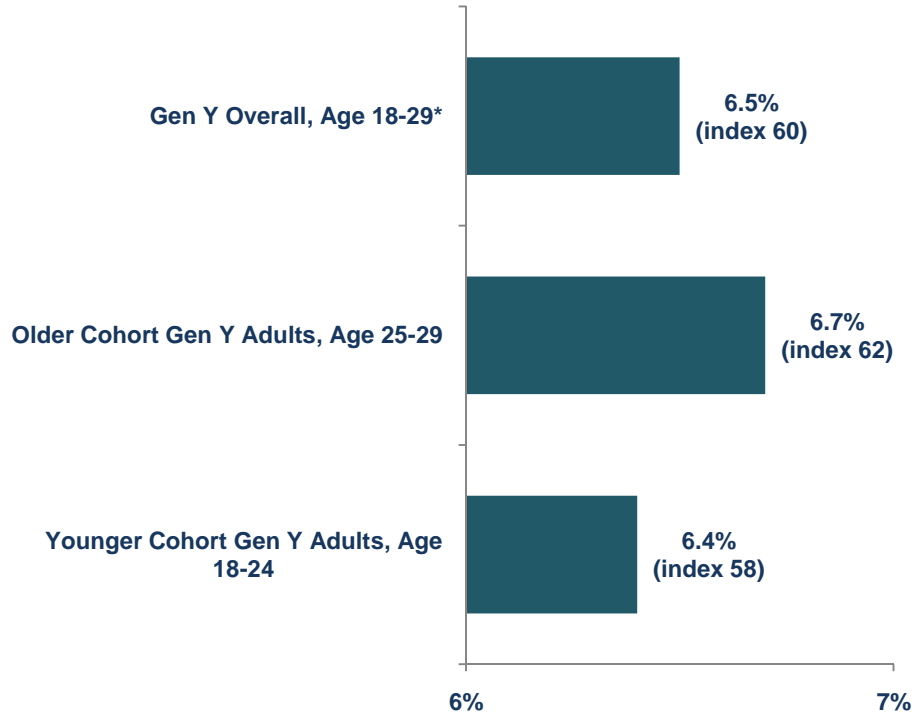
### **Educational, Consumer Loans Ramp Up Financial Burden**

To add to the financial burden, 63% of adults age 18-29 are saddled with at least one loan. Nineteen percent have a new car loan, and 16% have educational loans, and as such are more than twice as likely as the adult average to have this type of debt (index 225). Only about 12% are paying down a mortgage, which makes them 59% less likely than adults in general to do so (index 41)—a skew that speaks not just to youth and a certain resistance to commitment, but also to an overall dearth of assets.

Not surprisingly, older cohort Gen Yers are more confident than the younger folk, as they’re likely to be earning more money and to have gained at least some purchase in the world of commerce: but they are still nearly 40% less likely than the adult average to feel strongly that their finances are going to get them through (index 62), a skew that doesn’t improve much, no matter the segment. [Figure 3-5; Table 3-9]

Figure 3-5

**“I Feel Secure Financially”\*: Gen Y Adults Overall and by Age Cohort, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 6.5% of Gen Y adults agree “a lot” with the statement “I feel secure financially.”

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

At the same time, however, that Gen Y confidence in their own abilities, at least with comparison to other generations, may be just the thing to encourage them to dip their toes in the waters of personal financial management. Today’s lack of security may also fuel financial ambition, and financial institutions that help to educate and mentor these young adults (preferably while they’re still in high school) are likely to see beneficial long-term results.

It’s not as if they’ve closed their eyes to the future. According to Simmons, although a slim 9% of Gen Y adults with no college and no specialty training have any financial investments, 53% of college graduates have laid at least some foundation for later years. Similarly, and somewhat contrary to Anya Kamenetz’s dolorous estimate above, BIGresearch finds that adults age 18-28 are planting at least a few seeds. As of June 2008, though a worrisome 27%

of the cohort had saved absolutely nothing from their annual income over the past year, they were still doing better percentage-wise than adults overall: Adults age 18-28 were 16% less likely than the adults overall to have saved nothing over the past year (index 84). While that's a somewhat troubling indicator for American savings rates overall, on the positive side 59% of adults 18-28 saved up to 20% of their annual income, which puts them about on par with adults overall (indices 98-99). [Table 3-8]

**Living At Home May Help Build Next Generation's Nest Egg**

In addition, a significant sliver of the 18-28 cohort is socking it away in earnest. Nearly 10% of adults age 18-28 managed to stash between one-fifth and one-half of their income over the past year, including toward retirement, education, liquid savings or other purposes. As such they are 74% more likely than adults overall to have done so (index 174). Even more striking, nearly 4% of adults age 18-28 saved over half of their yearly income, a feat that puts them at more than double the average (index 210). Of course, these latter higher savings percentages likely reflect the habits of adults who are living at home or in some situation that props them up financially. [Table 3-8]

**Table 3-8**

**Percentage of Annual Income Saved Over Last Year as of June 2008:  
Adults Overall vs. Adults Age 18-28  
(index)**

<b>Estimated Savings</b>	<b>Adults Overall %</b>	<b>Adults Age 18-28 %</b>	<b>Adults Age 18-28 Index</b>
0%*	32.1%	27.1%	84
1 to 10%	42.2	41.2	98
11 to 20%	18.3	18.1	99
21 to 50%	5.6	9.7	174
More than 50%	1.9	3.9	210

Note: Savings include any money saved toward retirement or education as well as liquid savings.

\* Read as follows: As of June 2008, 32.1% of adults overall and 27.1% of adults age 18-28 estimated that they had saved 0% of their annual income over the past year, such that adults age 18-28 are 16% less likely than the adult average to have done so (index 84).

Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

Moreover, the savings estimates above don't tell us precise dollar amounts, nor do they reflect the lifestyle of the young adult who's stuffing the cash into the cookie jar: The high-powered executive who saves 2% of her income may be putting away thousands more than the live-at-home minimum-wage earner who's saving more than 50% of the daily take. Or not. Once again, what's important when trolling the Gen Y waters is to look not just at the cohort's current attitudes about money, but at what those attitudes imply about the future course of their lives.

### **Personalized Service and Technology-Based Options Crucial**

In personal finance as in most other channels of the retail experience, Gen Y adults value personalized services and technology-based options that allow them 24/7 access not only to the products they favor, but to supportive communities they can trust to play it straight. Gen Y adults want quick access to cash—65% of the cohort use ATMs and debit cards regularly, and 90% of college grads do, according to Simmons—but like their parents and grandparents they value the availability of actual humans when they have a customer service issue. They may not visit the local branch often, but when they do, they value straightforward personal interactions with knowledgeable, concerned representatives; they like traditional telephone customer service as well. At the same time, Gen Y adults expect a wide variety of online and wireless options at their fingertips, customized to their individual profile, of course.

And, as online social networking moves from widespread to ubiquitous among the cohort, financial services providers may be well advised to jump into the Facebook fray, with programs targeted not just to Gen Y adults, but to the teens and tweens following fast on their heels. It also helps to make parental and other person-to-person (P2P) contributions as easy and low-key as possible. Moreover, as this generation embraces green and socially responsible enterprises, their choice of financial services providers will be swayed by companies' demonstrable commitment to environmental and charitable agendas. Thus, banks and credit unions that want a slice of that \$3.48 trillion pie a decade or so from now will have to meet the cohort where they live today—in actuality at branches and ATM sites, and virtually, on Web 2.0.

By now it's a given that Gen Y is hardwired to digital, wireless and online technologies—so much so that they can hardly go 10 minutes without texting or IMing—but banks and credit unions are just beginning to understand the implications of that new reality for their businesses. “What’s different about Gen Y is that they have grown up with computers and cell phones and that technology is part of their life,” explains Susan Follick, Project Manager with St. Petersburg, FL-based PSCU Financial Services. The credit union’s ProjectNewAge, designed to help credit unions reach Gen Y teens and adults by leveraging social networking media, blogs, and viral marketing, emphasizes the long-term benefits of meeting Gen Y needs across “life events” and continuing the relationship over time. “[Gen Y] would rather watch 30 minutes of YouTube than a 30-minute TV program,” Follick says. “They are on MySpace, Facebook and blogging... If you want to reach Gen Y, you have to go to media areas where they are” (*Credit Union Journal*, March 3, 2008). But technology is just the beginning.

### ***Technology Should Enable Personal Lifestyle Choices***

Whatever their socio-economic or educational status, Gen Y tends to see branding, advertising, education, business, social interaction, family and community as an integrated whole—so much so that the boundaries between these formerly discrete channels grow blurrier by the nanosecond. Thus, the point is not so much that Web and wireless access themselves are important (even though they're crucial), as what those technologies can *enable*: The key benefit that banks and credit card issuers can offer to Gen Y consumers (and their parents) is the ability to empower—conveniently—their unique and multi-faceted lifestyles—whether they're spending junior year abroad or are preparing themselves for the joys of single motherhood.

### ***Emotional Connection, Self-Discovery Underlie Successful Campaigns***

Thus, says Robert Hogeboom, Principle of BBP Marketing Group and Director of Marketing for San Francisco-based Funtigo Corporation, which owns and operates teen-oriented social networking site Piczo.com, financial institutions have to make their services relevant to specific Gen Y segments such as college students, young college graduates or hardworking blue collar families. Generic products like ATMs and online banking are a given, but to capture this cohort's interest these options must represent part of an overall lifestyle choice



that comes with a meaningful emotional connection—whether it’s purchasing concert tickets or starting a college fund for their newborn (<http://innovationfeeder.files.wordpress.com/2007/08/gen-y-brand-strategy.pdf>). Even fund investments or consumer or home loans have to make cultural and personal sense to this generation.

Moreover, taking into account Gen Y’s eagerness to learn and its disdain of push marketing, all of these options should probably be promoted on social networking sites such as Facebook or MySpace (or even better, on more obscure community sites such as FiLife) and through viral marketing. But remember, it’s not just the technology—it’s the content. New products have to appeal to the preferences of particular Gen Y segments, says John Rosenfeld, Checking Executive with Charlotte, NC-based Bank of America Corporation. “You can’t slap a trendy cover on a traditional banking product and think it will sell better,” he cautions ([http://www.bai.org/bankingstrategies/2007-nov-dec/generation\\_y](http://www.bai.org/bankingstrategies/2007-nov-dec/generation_y)). Faced with messages that are irrelevant to their culture and interests, Gen Yers will defriend you in a heartbeat.

### **Multifunctional Technologies Trigger Rewards, Customized Options, Community Solidarity**

To attract Gen Y adults, a website that offers online bill payments and e-statements is just the first step. Gen Y adults, and the teens who will soon become them, require a constellation of well-supported customized services, and plenty of rewards for their patronage, in cards, personal account management and investments. Accordingly, when targeting techno-immersed Gen Y, the more tasks a single card can facilitate, the better. Take for example, the humble student I.D. card, which once did nothing but confirm a student’s appearance and enrollment, but which for years has been tapped by colleges and universities to process an increasing number of on-campus transactions such as meal plan payment, gym access, tuition payment status and library borrowing. Following in these multi-tasking footsteps, and anticipating a continuing surge in full- and part-time undergraduate attendance on the order of 17 million enrollments by 2017 (<http://nces.ed.gov/programs/coe/2008/section1/indicator09.asp>), a number of banks are homing in on the college experience by making an overt, technological connection between college life and student spending.

### **Wachovia's Campus Card: "Your Key to Student Life"**

For example, Charlotte, NC-based Wachovia introduced its take on the humble student ID in 2005. Partnering with the University of North Carolina at Chapel Hill and Mercer University in Macon, GA, Wachovia issued the Campus Card, an on-campus identity card that students can also use as ATM or debit cards (<http://www.wachovia.com/students>). The optional One Card Plus program, powered by Visa, allows participating students to use the card to make purchases and withdrawals outside the usual closed-campus boundaries (and charges reduced interchange rates to universities for on-campus purchases as well), which of course will be linked to a Wachovia Free Student Checking account. "This is not just your traditional closed-network, generic ID and spending card," explains Ed Kountz, Senior Analyst for bank cards for TowerGroup ([www.towergroup.com](http://www.towergroup.com)), an independent research company owned by MasterCard. "It is much more mainstream and a good opportunity for an issuer and one of the [bank card] associations to establish a brand-trust relationship" (*American Banker*, September 1, 2005).

Additional plus: Even if parents are depositing money into the debit accounts, the students are making the purchases, thus building their sense of independence while keeping parental control on the down-low.

### ***Wachovia Remains Leery of Campus Credit Cards***

Indeed, taking into account that for many students electronic transfers may represent their first independent banking decisions, Wachovia chose not to venture into the credit card territory with the Campus Card—at least not yet. Its focus instead is on the long term: "It is a very successful acquisition strategy," says Temple Richardson, Wachovia Vice President in charge of campus card relationships. "We are appealing to young customers and students when they could very possibly be making their first banking decisions" (*American Banker*, September 1, 2005). (Whether those relationships will develop quickly enough to help the embattled bank climb out of its own personal quicksand remains unclear.) Since its Campus Card launch, Wachovia has added several other regional universities to the program, including the University of Florida (there, it's The Gator Card), Clark Atlanta University, Villanova University in Villanova, Pennsylvania, and Virginia Commonwealth University ([http://www.wachovia.com/personal/page/0,,11\\_482\\_4084\\_4085,00.html](http://www.wachovia.com/personal/page/0,,11_482_4084_4085,00.html)). Wachovia's

Campus Card website also offers links for parents and school guidance counselors, along with calculators for interest payments and tuition costs, and tools to develop a personal budget.

### **U.S. Bank's OneCard Offers Student-Centric Rewards**

Similarly, Minneapolis-based U.S. Bancorp, which has long positioned itself as a highly student-affirmative institution, began offering its OneCard program in 2003 at Bellarmine University in Louisville, KY, and has since expanded its program to dozens of colleges and universities across the country. Like Wachovia's card, U.S. Bankcorp's enables students to add ATM and PIN-debit capabilities to their multi-functioning student ID; but taking their risk a step further, U.S. Bank also empowers students to upgrade to a Visa-branded check card or a College Rewards Visa credit card, with reward points that can be used toward Gen Y-centric consumer items such as electronics, media rentals, iTunes downloads, movie tickets and restaurant meals ([http://www.usbank.com/cgi\\_w/cfm/personal/products\\_and\\_services/student\\_banking/campus\\_card.cfm](http://www.usbank.com/cgi_w/cfm/personal/products_and_services/student_banking/campus_card.cfm)). Gonzaga University in Spokane, WA, Case Western Reserve University in Cleveland, OH, and Marquette University in Milwaukee, WI, are just a few of the universities in the partnership. In addition, since 1995, U.S. Bank has offered an annual Internet Scholarship contest that randomly awards thirty \$1,000 grants to high school seniors from each state who have been accepted to accredited colleges or universities for the upcoming fall semester.

### **BofA's "Keep the Change" Debit Card Encourages Savings**

Bank of America encourages savings across the Gen Y cohort, focusing on what Gen Yers tend to have a lot of: small change. Since the launch of its Keep the Change program in 2006, a free service that rounds up debit card transactions to the nearest dollar and deposits the "extra change" in the debit card customer's linked savings account, over five million checking account customers have signed up. According to John Rosenfeld, a checking executive with Bank of America, this service aligns nicely with the preferences of Gen Y customers, who prefer debit cards to check writing and often even to credit cards, who need to build savings, and who are especially fond of a good deal ([http://www.bai.org/bankingstrategies/2007-nov-dec/generation\\_y](http://www.bai.org/bankingstrategies/2007-nov-dec/generation_y)). Even better, on its

BofA-issued Visa-debit card, the bank will match the amounts of deposited change dollar for dollar for the first three months after the linked accounts are opened, and 5% each month thereafter, up to \$250 for the first year.

Of course, BofA isn't exactly a charity. By encouraging the habit of saving by emphasizing that even tiny amounts can add up over time, it's certainly doing a good deed and investing in its own long-term success. On the downside for savers, matching funds are deposited to the savings account only once a year; that account pays only 0.5% interest per year; and transaction fees associated with moving funds from checking to savings will put a dent in the overall accumulation. Finally, for those who like to do the math, to rack up the entire \$250 match, the extra change would have to add up to \$5,000 the first year: Anyone able to save that much annually might as well deposit the dollars in a higher yielding account, or toss it into an IRA for retirement.

### ***Financial Alerts a Promising Feature***

But it may be the thought that counts. Perhaps even more valuable to young adults living paycheck to paycheck are BofA's free alerts that help Gen Y adults (and other cohorts, for that matter) earn the freedom to be responsible. Either online or through text messaging, clients are informed, for example, whether a particular check has cleared, if a balance has dipped below a certain point, or that their paycheck has been direct-deposited into their account. Of course, Bank of America offers online bill pay and eBill services as well.

### **Green Rewards, Social Responsibility Popular Across Card Types**

Also vital to Gen Y interests is a demonstrable commitment to green causes, a trend that is likely to give "green card" an entirely new spin. Bank of America, Citigroup and Wells Fargo all enable credit and debit cardholders to buy ecologically-friendly products or make donations to environmental organizations with their reward points, a move that both banks and credit unions can profit from. "The good news for credit unions is that the values of these young adults are a perfect match for the mission of our industry," says David J. Serlo, PSCU's President and CEO. "They appreciate corporate responsibility and prefer brands known for involvement with not-for-profit causes and community activism. They therefore favor smaller, local institutions like credit unions that offer personal attention over large

national corporations with multi-million-dollar advertising campaigns” (*PSCU Press Release*, August 27, 2007).

### **edo Interactive Launches Prepaid Facecard MasterCard**

Social networking media are the ultimate expression of the Gen Y mindset—internetworked ideas, immediate access to thousands of virtual friends and businesses and brands and jobs and movies and videos and music and causes and organizations and images—all on a single screen, simultaneously, or on several screens, depending on how many gadgets can be fired up and attended to at once.

Little wonder, then, that in July 2008 Nashville, TN-based edo Interactive launched the Facecard PrePaid MasterCard, an open-loop prepaid card built around social networking websites and mobile phones, and which offers both gifting capabilities and personalized “Prewards” or “edoCash” for Gen Y-friendly retailers such as Starbucks, Nike and Apple, according to cardholders’ purchasing histories and demographic profiles. The Facecard serves both as charge card and online payment platform, with accounts accessible and reloadable from social networks; it can be used as a gift registry, gift exchange or person-to-person payment system. It is, in fact, all of these great things “rolled into one (kinda like your favorite burrito)” (<http://members.facecard.com>).

P2P capabilities are key to the card’s appeal, since so many in the cohort, from teens to twenty-somethings, are being funded by their parents. According to Ed Braswell, Chief Executive of edo Interactive, who came up with the Facecard idea after seeing how deeply immersed his teenage daughter is in Facebook and other social media sites, the key to Gen Y-based debit, gift and credit cards is their niche appeal—not only in terms of traditionally defined consumer segments, but in personalization within those segments, to accommodate the quick changes in life events that take place in the teen and early adult years. Braswell, who estimates that the roughly 80 million people born between 1981 and 2000 spend about \$200 billion a year (much of it sourced from their parents’ pockets), is trying to tap into the myriad spending patterns of consumers age 16-27, beginning in the Nashville area and branching out quickly to “millions of locations worldwide” ([www.marketingvox.com](http://www.marketingvox.com), July 2, 2008).

***Convenience, Personal Interests Drive Facecard Use***

Members can build their profiles at Facecard (“You know you want it”) website, read card-related news, donate to the green or socially responsible organization of their choice (“You’re feeling generous. That’s nice. It’s also super easy.”), view upbeat testimonials on “member spotlights” (<http://members.facecard.com>), and find out what personally meaningful companies or events the card empowers them to patronize. The card is linked to music festivals and retailers near college campuses; edo has partnered with 51 colleges around the country, including the Universities of Tennessee, Georgia, North Carolina and Texas, to promote the cards’ multiple capabilities, including the all-important Prewards email and text alerts: For example, the Nashville Deli in Nashville uses a Peward text message offering a \$2 discount to cardholders who purchase at the shop. “The benefit for the retailer is having more-targeted marketing, which brings revenue back into the store,” Mr. Braswell said. For the cardholder, it’s just one possible answer to the Prewards slogan: “What if money sent you an email that said, ‘HEY! I’m in your wallet’.”

**Chase Plus One: Chase + Facebook = College + Credit**

Of course, many Gen Y grown-ups have graduated to their very own credit card, and they want the same multi-functionality they’ve witnessed in the prepaid arena. Hence the link-up between social networking site Facebook and J.P. Morgan Chase’s +1 credit card, a partnership that launched in 2006, operates through the Facebook website, and is marketed strictly to Facebook members who are part of college networks. Concocted by Noise Marketing Group, a promotion agency that specializes in reaching young adults with nontraditional branding tactics (and which itself got started in a Cornell dorm room), the Chase +1 Card’s Ambassador Program enlists students at “the country’s top colleges and universities” to provide weekly feedback on its many features, from card design to content, in exchange for “cool free stuff,” rewards or “Karma” points, or in some cases internship credit.

“They’re engaged, and they’re giving us more feedback than we thought we would get,” says Sangeeta Prasad, who oversees branding for Chase Card Services. “They tell us honestly what they think.” That’s a canny move on Chase’s part, a pre-emptive strike, if you will, against the inevitable skepticism of brand-inundated and communication-addicted Gen Yers, and a smart way to monitor the changing trends among the college segment while building

trust. “We felt Facebook would be a good partner for us, since they had such strong credibility in the students’ world,” Prasad explains, “and we felt, you know, financial institutions lacked credibility. Students don’t see credit card issuers or financial institutions in general as meeting their needs” (*The New York Times*, September 30, 2008). So much for that perception: “The program is crafted by students with the benefit of fellow students in mind,” said Noah Kerner, CEO and co-founder of Noise and co-author of *Chasing Cool: Standing Out in Today’s Cluttered Marketplace* (*The George Washington University Hatchett*, September 21, 2006).

### ***Karma Points Reward Responsible Spending***

Not only can Karma points be used for the requisite charitable contributions, but fraternity members can pool their points to buy, say, a TV set for their frat house at the Chase +1 store ([www.chaseplus1store.com](http://www.chaseplus1store.com))! Cardholders can earn 15 points just for signing up—more than enough to qualify for a Facebook t-shirt. Points accumulate also for paying the bill on time and for visiting the educational areas on the site to glean important tips on personal finance, such as “Don’t buy what you can’t afford,” and “Pay the entire balance to avoid costly interest accumulation.”

### ***High Interest Rates a Bit Offputting***

One downside to the Chase +1 card, and one that perhaps slights the long-term loyalty strategy, is the “gouge me” interest rate of 18.24% to 23.24%, which earned it a “Lemon Award” from CreditCard.org’s Credit Card Review, the first in that organization’s history for “bad banking partnerships” rather than just “bad banking” (<http://www.creditcard.org>). However, with over 34,000 members as of June 2008, the card is nevertheless looking plenty healthy.

Meanwhile, there’s also the matter of managing the flow of all that money, a task that many Gen Yers prefer to do conveniently, any time of day or night, from their own personal screen. “For 2007, 32.7% of our loan applications were received either at night (5 p.m. to 8 a.m.) or on weekends,” said Patrick Lynch, CUNA Mutual Group’s LoanLink Center Operations Director (*Credit Union Journal*, March 3, 2008).

## **PNC Bank's Virtual Wallet: The iPod of Banking**

To support the needs of intro-level financiers across educational segments, there's Pittsburgh, PA-based PNC Bank's "Virtual Wallet," also affectionately known as "the iPod of Banking," a nifty new online banking system that's chock-full of techno multi-functionality and addresses itself specifically to the needs of Gen Y adults. "We found that many of these users are just out of college, living paycheck to paycheck," explains Michael Ley, Vice President of the e-Business division. "By aligning our offering with a mental makeup on banking and reserves, it helps their money to grow" ([www.popcitymedia.com](http://www.popcitymedia.com), July 30, 2008). That is, if their program emphasizes responsible spending and saving, Gen Yers will embrace the freedom to be responsible. Launched in July 2008, the Virtual Wallet competes with other Gen Y-centric online banking systems such as Mint ([www.mint.com](http://www.mint.com)), Wesabe ([www.wesabe.com](http://www.wesabe.com)) and Geezeo ([www.geezeo.com](http://www.geezeo.com)), offering a combination of checking, savings and personal finance tools targeted specifically toward twenty-something consumers who often have more bills to pay than balances to fund them, and an unfortunate propensity to slip the offending envelopes in a drawer—a practice that often leads to a bill-paying amnesia, especially when parents are no longer picking up the slack.

### **Low Costs, Calendar, Alerts, Account Tracker Home In On Gen Y Needs**

To open a Virtual Wallet account requires only an initial deposit of \$25, and to maintain it requires neither a monthly service fee nor a minimum balance. "I like how I can still save and not have a minimum balance because I just started working and have many expenses from just getting out of college," says 22-year-old Michael Johnson of Pittsburgh, PA. Especially handy for financial neophytes is the calendar feature that shows users exactly how much money they need daily, weekly and monthly to meet their bills—the "Danger Day" alert warns unwary account holders when the current available "spend" balance minus bills due before the next payday would bring the balance below zero. An account tracker displays where the money has gone, how and when it comes into the account, and allows online bill payment and regular allocations to short- and long-term savings. For those who feel more comfortable with a cursor than a pen or pencil, the click and drag feature moves funds back and forth between accounts on screen. Johnson's fond of that feature too: "I like being able



to slide money between my regular checking, reserve savings and long-term savings,” he says (*Pittsburgh Post-Gazette*, July 17, 2008)

Also on the upside is “Punch the Pig” (as in piggy bank, get it?), a video game to inspire savings: Each time the pig appears on screen, users can elect to “punch” it to automatically move money from checking to savings; they can choose their personal pig’s color and customize its “oink” too. An automatic Savings Engine allows users to set up time-triggered (once a week) or event-triggered (every debit-card use) savings deposits.

### ***So Far No Chats, IM, Blogs, Email Support***

On the downside, the iPod of banking doesn’t yet offer mobile banking, nor does it offer online support—no chat, no IM, no texting, not even a primitive email help function (!). Nor, during marketers’ mad dash to embrace social networking, does the Virtual Wallet site provide reviews, testimonials or even (gasp!) blogs. Credit cards, lines of credit, and consumer loans also are not part of the deal (*NetBanker*, July 14, 2008). Shocking perhaps, but once again on the upside, this hi-def way of managing personal finances is likely to appeal not just to the newly initiated in the banking world. Internet savvy customers may benefit as well—especially if the Virtual Wallet picks up a few more virtual tools. Chances are more capabilities will be added as the program grows.

### ***Entry Level Investments Tend Toward Equities, Mutual Funds***

Finally, for financial services looking to engage the recessive Gen Y investment gene there’s the mutual fund. It’s easier to manage, takes much less upfront cash, and is considerably more liquid than, say, a mortgage. However, according to a 2007 study by Swiss international financial services group KPMG entitled *Beyond the Baby Boomers: The Rise of Generation Y*, many in the global fund management industry are unaware or unprepared for generational change, a situation that will hurt their employee and customer bases in the long term (<http://www.kpmb.com>). The study, which surveyed industry groups in 17 countries and five Gen Y focus groups in London, New York, Tokyo, London and Sydney, found that while the industry has agreed that older Millennials are interested in mutual funds and equities, opinions are divided on how to engage or approach them.

“The industry knows its products far better than it knows its future customers,” warns Bernard Salt, Partner with KPMG in Australia and the study’s author. He notes that thus far only 22% of management businesses surveyed are currently focusing on Gen Y adults; of those that have not addressed the Gen Y boom, a slim 28% intend developing customer relationships with Generation Y over the next five years. “The industry must take stock, examine its position, and recalibrate its trajectory to align with the rise of Generation Y as wealth creators and wealth inheritors if it wants to continue to grow and prosper” (KPMG Ireland Press Release, October 23, 2007). The trickiest challenge for these start-up campaigns? Keeping it real.

### ***Authenticity Remains a Major Challenge***

Above just about everything, Gen Y is into authenticity: Despite the ferocious pace at which marketers are leaping into the social networking fray, only about 15% of financial campaigns on social networking sites are actually successful—mostly because of a perceived lack of authenticity (*Credit Union Journal*, April 21, 2008). Building trust among the many segments of the cohort depends on honest, straightforward messages tailored to their particular concerns.

### **Youth-Oriented Thrasher Funds Give Hip Investing a Go**

Enter the Thrasher Funds, an upstart online investment enterprise that introduced the GendeX mutual fund in December 2007 to provide fashionable twenty- and thirty-something investors with “a diversified portfolio of domestic and foreign companies, many of which have benefited greatly from this target generation” ([www.ThrasherFunds.com](http://www.ThrasherFunds.com)). Thrasher’s investment premise is based on their Demographic Convergence Thesis, which essentially means that if a brand appeals across generational boundaries, like Apple or Louis Vuitton, it’s probably got some legs.

What could be more authentic than a mutual fund designed, administered, advertised and managed by young adults who are not just Gen Y- and X-friendly, but emotionally invested in the most primal of hipster concerns: Money, Music, Fashion, Culture—which, the Thrasher site points out, all intersect with the stock market. After all, it’s been well established that Generation Y is into money—“It’s the longest running trend in the world”—

but the problem is that twenty- and thirty-somethings are “more acquainted with spending than saving.” The brainchild of Founder James C. Perkins, Jr., whose B.A. in chemistry from Yale serves him well as CEO and fund portfolio manager, the GendeX fund allows young, cash-poor adults to opt in to equity markets for only \$100 and a minimum monthly contribution of \$50.

Along with Chief Operating Officer and General Counsel Kalid Reede Jones, a Stanford Law grad and specialist in securities law (before joining Thrasher Funds in 2006 Jones defended clients in securities related investigations conducted by the SEC, the U.S. Department of Justice, and other government agencies), Perkins and company encourage interested hopefuls to “invest like a rock star” (presumably the ones that *keep* their money). Their flashy, ultra-hip website features a Thrasher Store (some spending isn’t so bad) and dozens of Thrasher TV videos under the rubric “Making Money Never Goes Out of Style,” many of them featuring Perkins and Jones, that help educate Gen Y and Gen X consumers on the ins and outs of basic investment concepts. For example, there’s the trenchant “What Is a Stock,” which follows the intrepid team around Manhattan as they explain the difference between private and public stocks, and how to make money from them—of course with one sober proviso: “But—and this is a big Jennifer Lopez-style but—stock prices don’t always go up” (<http://vids.myspace.com/index.cfm?fuseaction=vids.individual&videoid=16521427>). Talk about educational.

And the authenticity doesn’t stop there. To fend off any doubt about GendeX’s street cred, there’s a prominent photo of a real life celebrity investor: the enormously colorful Scott Campbell, Gen Xer, “skinovator,” tattoo artist and owner of Saved Tattoo in Brooklyn, NY. As a poster boy, Campbell is nothing if not authentic. He left his mark on the late Heath Ledger and designer Marc Jacobs, and is currently expanding his artwork into the decoration of brandable objects like tennis shoes, upholstered chairs and ostrich eggs (*The New York Times*, September 16, 2007). “Do I look like an investor?” inquires a flashing banner across Campbell’s chest. “Well, I am.”

Certainly that should count for something. Not only should Campbell’s investment savvy resonate with potential Gen Y and X investors, but Thrasher’s MySpace page, where ThrasherTV makes its home, prominently features the profiles and comments of hundreds of cool Thrasher “friends,” of whom as of August 2008 there were 581. What more could a twenty-something ask for?

***But Is Thrasher Hype a Bit Too Hip?***

Apparently, just a bit more. Though it's far too early to judge the actual success of this upstart enterprise, and though the marketing approach hits every Gen Y marketing button, it has left at least a few of its target consumers cold. OK, so the site is cool and the design incorporates the "flair of Urban Outfitters mixed with a snooty bank," writes a blogger for Wise & Young, a group of young creative consultants who discuss the changing art of selling to Generation Y in terms of branding, marketing, design, trends and entertainment. "BUT, does it make me want to invest with them? No." The site is just too, too hip with too, too little track record. "Until they create value, get rave reviews in the communication I participate in (blogs, forums, word of mouth) and achieve the endorsement from other influencers in my group of friends, I'll ignore them as just a gimmick" (<http://wiseandyoung.com>, November 19, 2007).

Gen Yer Jen Carlson, blogger for Gothamist.com, a site that follows all trends in New York City, is also skeptical. "Thrasher is defined as "to defeat utterly; vanquish" or "to move wildly or violently," she writes, "perhaps not quite the image you want when picturing the person handling your money." And, though she's not opposed to making money, Carlson is unimpressed with the clarity of Thrasher prose, such as that describing how equities are "hand selected from the inspiration of invest-able themes guided by the contours of the Demographic Convergence Thesis" ([http://gothamist.com/2007/11/08/hipsters\\_get\\_th.ph](http://gothamist.com/2007/11/08/hipsters_get_th.ph)). Finally, Tara Seigal Barnard, blogger for personal finance social networking site FiLife, who also is uneasy with the image of flailing about wildly in a mosh pit, is wary of the whole yo, yo-urban-street-funk-hip-tattoo-piercing-invest-like-a-rock-star approach.

"I think I can speak for my Gen X brethren when I say we don't take well to gimmickry or pandering," she writes. "Knowing that I'm investing with the cool kids doesn't make me feel confident about the fund itself." While Barnard is all down with the Thrasher goal of creating a comfortable environment for new young investors, she's not wild about the marketing approach, which verges, frankly, on self-parody. "A fund manager doesn't need to be a hipster in order to grab my attention. A dud, albeit a smart dud, will do just fine, thank you" (<http://blog.filife.com/thrasher-funds-why-were-thrashing-its-gendex-fund>, November 13, 2007).

Table 3-9

**Financial Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b>Who Pays Bills?</b>			
Self* .....	65.5%	50.8%	78
Someone Else In Household .....	37.0	47.9	129
<b>Bill Payment Methods</b>			
Mail .....	58.0%	35.0%	60
Online .....	25.5	27.9	109
In Person .....	21.1	19.3	91
Automatically Deducted From Bank Account .....	24.8	15.4	62
Phone .....	13.3	13.9	105
<b>Bank Accounts</b>			
Any .....	81.3%	69.9%	86
ATM/Debit Cards .....	65.5	64.7	99
<i>Use ATM/Debit Card 4 Or More Times In Last 30 Days ....</i>	25.4	26.1	103
<i>Use ATM/Debit Card 1-3 Times In Last 30 Days .....</i>	25.7	26.9	105
Savings Accounts .....	46.2	35.0	76
Non-Interest-Bearing Checking Accounts .....	29.5	23.6	80
Debit/Electronic Funds Transfer .....	24.6	19.6	80
Interest-Bearing Checking Accounts .....	28.7	12.9	45
None .....	18.7	30.1	161
<b>Credit Cards</b>			
Any .....	68.6%	45.6%	66
Use Any In Last 12 Months .....	59.2	39.1	66
<i>Use Visa In Last 12 Months .....</i>	34.4	20.8	60
<i>Use MasterCard In Last 12 Months .....</i>	26.7	15.4	58

-- continued --

**Table 3-9 [Cont.]**

**Financial Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b>Credit Cards [Cont.]</b>			
Use Any In Last 30 Days .....	54.6%	34.6%	63
<i>Use Visa In Last 30 Days</i> .....	30.4	18.3	60
<i>Use MasterCard In Last 30 Days</i> .....	22.8	12.3	54
<b>Loans</b>			
Any .....	68.5%	63.0%	92
New Car .....	24.6	19.1	78
Educational .....	7.2	16.2	225
Mortgage .....	28.8	11.7	41
None .....	31.5	37.0	117
<b>Credit Monitoring</b>			
Use .....	9.9%	8.1%	82
<b>Investments</b>			
Any .....	39.6%	21.2%	54
<b>Insurance</b>			
Automotive .....	77.5%	62.6%	81
Health/Hospital .....	73.0	53.0	73
<i>PPO (Preferred Provider Organization)</i> .....	28.4	18.4	65
<i>HMO (Health Maintenance Organization)</i> .....	19.6	14.6	74
Dental .....	43.2	34.6	80
Life .....	53.5	29.7	56
Vision Care .....	31.5	24.0	76
Homeowners .....	55.6	18.1	33

-- continued --

**Table 3-9 [Cont.]**

**Financial Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b>Charitable Contributions In Last 12 Months</b>			
Any .....	66.4%	57.1%	86
Religious .....	39.3	32.6	83

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 65.5% of adults overall, 50.8% of Gen Y adults pay their bills themselves, for a Gen Y index of 78 (22% below the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 3-10**

**Financial Patterns: Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b>Who Pays Bills?</b>				
Self .....	40.5%*	69.9%	60.7%	40.9%
Someone Else In Household .....	60.9	39.5	44.0	45.0
<b>Bill Payment Methods</b>				
Mail .....	24.6%	52.8%	41.4%	27.5%
Online .....	26.7	58.3	30.5	11.2
In Person .....	17.5	10.7	23.7	22.7
Automatically Deducted From Bank Account .....	10.0	29.2	16.4	9.7
Phone .....	10.4	19.3	19.7	9.2
<b>Bank Accounts</b>				
Any .....	68.9%	86.0%	70.7%	59.9%
ATM/Debit Cards .....	77.1	89.5	64.4	42.3
<i>Use ATM/Debit Card 4 Or More Times In Last 30 Days .....</i>	<i>30.5</i>	<i>33.5</i>	<i>28.0</i>	<i>17.1</i>
<i>Use ATM/Debit Card 1-3 Times In Last 30 Days ....</i>	<i>34.4</i>	<i>41.7</i>	<i>24.5</i>	<i>15.6</i>
Savings Accounts .....	37.3	59.6	36.5	20.5
Non-Interest-Bearing Checking Accounts .....	21.3	37.6	23.7	16.2
Debit/Electronic Funds Transfer .....	19.5	37.8	19.1	10.1
Interest-Bearing Checking Accounts .....	13.4	26.4	**	5.4
None .....	31.1	14.0	29.3	40.1

-- continued --



Table 3-10 [Cont.]

Financial Patterns: Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Credit Cards</b>				
Any .....	45.8%	84.3%	46.1%	22.9%
Use Any In Last 12 Months .....	38.3	76.5	37.6	18.8
<i>Use Visa In Last 12 Months</i> .....	21.5	42.4	17.7	9.8
<i>Use MasterCard In Last 12 Months</i> .....	13.8	33.6	13.6	7.5
Use Any In Last 30 Days .....	32.2	71.9	31.6	15.8
<i>Use Visa In Last 30 Days</i> .....	18.2	40.4	14.3	8.0
<i>Use MasterCard In Last 30 Days</i> .....	10.3	27.7	**	6.1
<b>Loans</b>				
Any .....	59.8%	79.1%	67.8%	53.6%
New Car .....	13.4	28.5	21.8	14.3
Educational .....	21.2	41.3	11.8	**
Mortgage .....	**	30.4	**	5.0
None .....	40.2	20.9	32.2	46.4
<b>Credit Monitoring</b>				
Use .....	9.3%	10.9%	**	4.1%
<b>Investments</b>				
Any .....	15.3%	52.7%	18.0%	8.6%
<b>Insurance</b>				
Automotive .....	62.0%	85.4%	67.4%	46.5%
Health/Hospital .....	60.1	83.8	43.8	34.4

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**Table 3-10 [Cont.]**

**Financial Patterns: Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b>Insurance [Cont.]</b>				
Health/Hospital [Cont.]				
<i>PPO (Preferred Provider Organization) .....</i>	16.9%	40.9%	11.8%	8.7%
<i>HMO (Health Maintenance Organization) .....</i>	18.3	24.0	12.1	8.8
Dental .....	36.4	63.7	25.5	20.9
Life .....	27.2	51.2	26.5	18.7
Vision Care .....	26.1	45.5	18.9	13.6
Homeowners .....	13.8	35.7	16.6	9.8
<b>Charitable Contributions In Last 12 Months</b>				
Any .....	61.9%	74.2%	52.2%	47.1%
Religious .....	40.0	40.6	27.8	26.2

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 40.5% of Gen Y college consumers pay their bills themselves.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Chapter 4 Highlights

- Gen Y is the first generation to have been weaned on the Internet, cell phones, video cameras and the instant communication those technologies provide.
- In media and technology channels, retail branding acts as a metaphor for Gen Y individual expression, self-image, motivation and social connection.
- Gen Y adults are far more likely than average to use their phones to download ringtones (index 216), surf the Web (index 208) and shoot video (index 256).
- 89% of Gen Y adults use the Internet, 70% have their own home computer and 73% have used the Internet in the last 30 days.
- Gen Y adults increasingly prefer visual and digital over print media.
- Video consumption and creation, both personal and commercial, are increasingly popular and accessible.
- Gen Y adults are 40% more likely than the adult average (index 140) to own or play video game systems.
- Over 29% of Gen Y adults visited the YouTube website in the last month.
- Tech makers and marketers should take heed of “Millennial Moms.”

## Chapter 4: Media, Technology and Marketing

### Gen Y Worldview Integrates Self, Technology, Marketing

For media and tech marketers keen on attracting the Millennial dollar, the old saw that today's youth are the "Internet" or "Connected" Generation no longer even scratches the surface of what the Gen Y cohort is about. Sure, adults age 18-29 are intimately familiar with computers, the Internet, mobile devices of all sorts, video games and downloadables of every description, but these days older generations are thoroughly wired themselves. Differences between the generations lie in how they contextualize technology within their world view. That is, whereas mature market consumers, Baby Boomers and even Gen Xers tend to see technology as a discrete entity—necessary for managing daily life but essentially a tool to help them do faster and more efficiently what they would do by some other means anyway—Gen Y is the first to have been weaned on the Internet, cell phones, video cameras and the instant communication those technologies provide. Thus, Gen Y is the first generation for whom media, technology, socialization, advertising, community and personal consciousness are almost seamlessly integrated; they are the first generation for whom the concepts of marketplace and interior life are no longer separate.

In other words, what's different about these youngest adults—and even more so for their younger Gen Y peers—lies in their intensely personal and social attachment to media and technology in every aspect of their lives, and the accompanying blurring of boundaries between perceptions of *retail* and *real life*. For Gen Y, technology isn't just a way to get things done. It's not just second nature. It *is* nature, an electronic paradigm through which members of this cohort navigate just about every aspect of their world—communication, education, finances, entertainment, shopping—in order to find out who they really are, and to make sure everybody else knows, too.

### Gen Y Use Technology, Media to Brand Themselves

Especially in media and technology channels, retail branding acts as a metaphor for individual expression, self-image, motivation and social connection, a metaphor that is

created and dispersed through the same tech products that retailers are looking to sell. In turn, these products provide a variety of channels through which the intensely social, community-minded individuals of Gen Y can *brand themselves*. Thus, ironically, to reach these consumers marketers must infuse their campaigns with an appeal to an overall target market while at the same time allowing each potential Gen Y customer to customize and personalize the product's functionality within his or her own value system, within his or her own social network.

But to do so requires an authentic, sincere and deeply researched campaign, an environment, if you will, that places the product within an overarching context of Millennial values and world views and at the same time considers the spectacular diversity of the cohort in terms of cultural, socio-economic and educational backgrounds. Of course that proviso goes for just about anything you want to sell to Gen Y—bank accounts, snack foods, underwear—but when you're using media and technology to sell media and technology, the stakes ratchet up several notches.

### **Features Less Important Than Lifestyle Outcomes**

Unless you are a Millennial, it's hard to wrap the mind around just how dependent the cohort are on technology—the instant communication, the instant access to information and products, the instant and consuming and personalized entertainment—and how blasé they are about what makes tech tick: operating system, schmoperating system. As long as I can text and upload pictures and download music and surf the Web and talk to my friends and make videos and play video games, who cares what app or widget makes it all go.

As for the advertising of tech, Gen Y tends to be fine with it as long as it's relevant, entertaining and cool, and as long as they have a say in what's advertised and how socially responsible the companies are that are hawking the brand. However, because the cohort is so diverse in terms of education, socio-economic status, ethnicity and even life stage—and despite their skepticism about the very advertising whose messages they may internalize and act upon with barely a flicker of apprehension (as long as it's engaging and personalized and

cool)—marketers must carefully gauge their target markets within the cohort. And that goes both for designing media and tech, and for using these media as marketing tools.

### **Mobile, Internet, Video Enable Daily Life**

To begin, a brief survey of usage patterns in mobile, Internet and video channels should help to convince any Sleeping Beauties out there of just how pervasive tech is in the Millennial lifestyle. Take, for example, PriceGrabber.com's summer 2008 "Back to School" survey, which, not surprisingly, found that among U.S. consumers who have made an online purchase, Millennials are far and away the heaviest users of online and mobile media compared with older generations.

According to the study, almost all online buyers born in 1979 or later use text messaging, compared with 87% of Gen X online consumers and about three-fourths of older generation buyers. Social networking is also enormously popular with Gen Y, such that 85% of online consumers born in 1979 or later belong to at least one online social networking site, compared to 71% of Gen X online buyers and 59% of older generations. Over half of Gen Y online buyers listen to podcasts or have their own blog (<http://www.emarketer.com/Article.aspx?id=1006631>, October 14, 2008). But Millennials overall are tearing up the airwaves too.

### ***Mobile Gen Y Out-Talks, Out-Downloads, Out-Plays Other Generations***

Findings by Simmons Market Research Bureau flesh out PriceGrabber's research. Although in this study Packaged Facts limits its focus to Millennials born from 1979 to 1990, compared with PriceGrabber's cohort of all online shoppers born after 1979, Simmons finds that similar to adults overall, nearly 80% of adults age 18-29 own a cell phone.

And, while the PriceGrabber survey concluded that 96% of Millennial online shoppers use text messaging, versus Simmons' finding that a mere 23.4% of adult Millennials overall do so, Simmons indicates that Gen Y adults are more than twice as likely as the adult average to set their thumbs a-twittering on that mobile device (index 217). Simmons also finds that Gen Y adults are twice as likely as the adult average to use their phones to download ringtones

(index 216), play games (index 209) or browse the Web (index 208), and two-and-a-half times as likely to use picture messaging (index 246) or shoot video (index 256). [Table 4-14]

### ***Blogs, Social Networking, Video Sharing Pervade Online Activities***

As for online activities, Simmons reports that Gen Y adults are twice as likely as the adult average to download or listen to podcasts (index 198), 124% more likely to have read or written a blog in the last month (index 224), and 143% more likely to have participated in an online chat forum during that period (index 243). Along these lines, Simmons reports that Gen Y adults are nearly three times as likely as the adult average to have visited the social networking site MySpace.com (index 290) in the last month—nearly half of all Gen Y college consumers have done so. Similarly, Gen Yers are more than twice as likely to have visited the video sharing site YouTube.com during that period (index 218).

About 40% of college consumers and college grads have watched or uploaded videos to the site, followed by 29% of Gen Y adults with specialty job training and 19% of those with no college and no vo-tech background. [Tables 4-10, 4-11]

### ***Gen Y Also Big on Online Shopping, Auctions, Product Research***

Simmons also reports that nearly 22% of Gen Y adults have made at least one online purchase in the last 30 days, and a similar percentage (19.6%) have gathered information for shopping. Owing to the vast convenience of online purchasing across generations, Gen Y adults are about as likely as adults on average to have participated in either of those shopping activities in the last 30 days, such that they are just 10% more likely to have made a purchase online (index 110), and 11% more likely to have researched potential purchases online (index 111)—not a vast difference and clearly indicative of how pervasive online purchasing has become.

However, Gen Y adults are 31% more likely than the adult average to have shopped for or compared prices on automobiles during the past month (index 131), and 34% more likely to have participated in an online auction (index 134). [Tables 4-1, 4-10, 4-11]

**Table 4-1**

**Selected Online Shopping Activities In Last 30 Days:  
Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
Auctions* .....	10.0%	13.4%	134
Auto Shopping Or Comparing .....	9.8	12.8	131
Banking .....	31.4	36.0	115
Shopping: Gathered Information For Shopping .....	17.7	19.6	111
Shopping: Made A Purchase .....	20.0	21.9	110
Airline/Car/Hotel Info Or Reservations .....	23.9	23.8	100

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 10.0% of adults overall, 13.4% of Gen Y adults participated in an online auction in the last 30 days, for an index of 134 (34% above the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **Nearly All Gen Y Adults Use Internet**

Speaking of saturation, Simmons also shows that not only do nearly 89% of Gen Y adults use the Internet, but 70% have their own home computer and 73% have used the Internet in the last 30 days. Those numbers are heavily concentrated among college consumers and college graduates, nearly all of whom use the Internet regularly, and the vast majority of whom (88.5% and 93.9%, respectively) have gone online in the last month. [Tables 4-10, 4-11]

### **College Education Not a Pre-requisite for Online Literacy**

While Simmons finds that the Gen Y adults with specialty job training and those with no college and no vo-tech training are no slouches either with respect to regular Internet usage—88.4% of the former segment and 79.2% of the latter segment agree that they use the Internet—both segments fall behind college students and grads with respect to ownership of computers and Internet use over the last month. That is, 71.3% of Gen Y adults with specialty job training, and 49.8% of Gen Y adults with no college and no specialty job training, own their own computer; 72.1% of the former segment, and 54.3% of the latter segment have used the Internet in the last 30 days. Similarly, one-third to two-fifths of



college students or graduates use wireless Internet, compared with 21.4% of Gen Y adults with specialty job training and a paltry 16.6% of Gen Y adults with neither college nor specialty job training. [Tables 4-2, 4-10, 4-11]

**Wireless Computing, Laptops Keep Cohort Mobile**

Even with those spreads between educational cohorts, however, across the board Echo Boomers are at least somewhat more likely than adults on average to be online regularly. Gen Y is 46% more likely than the adult average to use wireless Internet (index 146) and 23% more likely to have a wireless or wired home computer network Index 123). In addition, nearly one-fourth of the cohort most recently purchased a laptop, and as such they are 27% more likely than the adult average to have done so (index 127). After all, mobility is key. [Tables 4-2, 4-10, 4-11]

**Table 4-2**

**Computer/Internet Use Activities:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Activity</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
Use Internet .....	96.2%*	98.5%	88.4%	79.2%
Own Home Computer .....	84.4	91.1	71.3	49.8
Have Used Internet In Last 30 Days .....	88.5	93.9	72.1	54.3
Have Wireless/Wired Home Computer Network .....	41.4	34.9	27.6	17.1
Use Wireless Internet/Wi-Fi .....	41.2	43.0	21.4	16.6
Use Voice Over Internet Phone .....	11.2	12.7	8.3	9.5

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 96.2% of Gen Y college consumers use the Internet.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Tech Marketing Requires Intimate Understanding of Gen Y Values**

Of course, numbers such as these are vital to marketers' understanding of the cohort's online and mobile usage patterns. However, what may be even more important, considering the near ubiquity of online and mobile technologies across generations and the corresponding reduction in the meaning of simple numbers of users—is what consumer segments *value* about their mobile and online experiences—and, for that matter, their experiences with other electronic and print media. Because, let's face it, Gen X, Baby Boomers and even (though to a somewhat lesser extent) the generations before them are yakking away on cell phones and fiddling with computer programs and trampling daily through the virtual worlds of Internet and Web technologies. From a marketing standpoint, the key is to tap into what motivates specific consumer segments to use technology and media for their own ends.

## **Social Interaction Trumps Product Specs**

According to U.K.-based Graham Brown, Founder of MobileYouth, a consultancy firm that advises brands, operators and handset manufacturers on developing products for consumers under age 29, marketers who want to understand Gen Y and tech should not ask why young people are relevant to Web 2.0, widgets, mobile apps and wireless. Instead, ask why—and in what ways—these technologies are relevant to young people. Bottom line, says Brown, is social interaction—particularly among Millennials who are still in school and who thus are interacting with dozens of peers every day. Gen Y doesn't care about how the technology works—just about whether it helps them to “be more significant or belong to their peer group,” Brown explains. “If you can provide that, then they care, but until then they have no interest in your latest product line, the fact that you are ‘the leading provider of X’ or that you are cool enough to include 50 cents in your marketing.” Rather, says Brown, Gen Y cares about what the tech does *for me and my tribe*. If it's relevant, sincerely engages and responds to their values, tastes and concerns, Gen Y will trust it and use it and praise your brand (<http://www.mobileyouth.org>). If they perceive it's all just about your sales and your agenda, then forget it: Game over.

## **Nokia Mobile Taps Into Core Desires, Values**

That's right, says Gen Y adult Jeff Taylor, Washington, D.C.-based Social Media Consultant and Founder of the marketing blog Millennial Marketer. According to Taylor, who specializes in marketing to Gen Y and himself has a passion "for all things marketing," a prime example of smart marketing to Gen Y is Nokia's ability to tap into Millennials' core desires and values, even back in the 1990s before many of the cohort hit their twenties.

### ***Nokia Customization Empowers Gen Y Individuality***

"Nokia was the first phone to understand the cohort's desire to customize and personalize the product," Taylor writes, such as with interchangeable face plates that allowed teens to "make their phone cool and unique—fulfilling a strong urge to differentiate theirs from the dull, gray phones owned by their parents." These days, however, Nokia has deepened its understanding of the cohort's values, finding ways for Millennials to control their own content—marketing *with* them rather than just *to* them. "Advertisers don't need to list out product features for us; we can learn about those online if we really want to," Taylor advises. "Don't *tell* me what your product can do—*show* me the experience I could have with it" (<http://www.millennialmarketer.com/how-nokia-is-winning-over-gen/>, July 1, 2008). And that's exactly what Nokia's Nseries does.

### ***Nokia Nseries Smartphone: It's Not a Tool, It's an Experience***

The Nseries, a collection of customizable smartphones that allow users to "access, express, customize and explore the things that matter to you most," emphasizes "Experiences" over product specs. Unlike the Blackberry, which is primarily marketed to geezers over the age of 30, the Nseries is not marketed as a tool but as an experience. That is, the smartphones' capabilities for photography are about capturing and sharing memories and passions with the world or just a few friends. Similarly, TV, video, games, music, Internet and mapping capabilities are positioned as conduits to shared experiences in a greater community, but also as a sort of customizable factotum that empowers each user to craft his or her unique, creative and multi-faceted lifestyle ([www.nseries.com](http://www.nseries.com)). For example, the online Video Center for the Nseries enables downloading and streaming of video feeds, TV shows and movies from a variety of providers as well as the wireless linking of home media devices. The N-Gage gaming feature allows "dynamic gameplay" individually or with gamers around the world;

and the Music Store enables the complete “personalization of experience” through customized browsing, streaming, discovering and downloading of songs from around the world. The website features examples of users’ own photographs, videos and reviews.

### ***Event Sponsorship Showcases “Young Lions” Creativity (and the Phone)***

Even further, however, Nokia incorporates actual experience into the product’s digitally managed experience—tapping in nicely to the Gen Y fusion of reality and retail. In June 2008 the company sponsored the Young Lions Competition, an international event for advertising professionals under the age of 29 conducted under the auspices of the annual Cannes Lions International Advertising Festival, or, more colloquially, the “Oscars of advertising.” Nokia added a new twist to the competition, for which teams of young creatives from around the world annually have “a shot to show ad people what you’ve got:” Competitors had 48 hours to design, shoot and edit a 60-second commercial, using only an Nseries phone with its video and editing capabilities (<http://www.mobilesheaven.com>). Young Lions from 27 countries including Russia, Turkey, Uruguay, Korea, the United States, Nigeria and Finland, created viral commercials that addressed issues from environmentalism and sustainability to grocery shopping. Johan Eindhagen, Nokia’s Marketing Director, Explore category, says, “The Young Lions Competition provides us with an excellent opportunity to showcase our Nokia Nseries range as the mobile devices for content creation and creativity. With their state-of-the art image and video capture and sharing features, Nokia Nseries handsets enable people to take full advantage of their creativity” ([www.news.softpedia.com](http://www.news.softpedia.com), June 11, 2008). The beauty of this competition is that the commercials themselves tap into this age group’s primal desire to create, publish and share content that is relevant to them, without ever showing the phones that created the videos.

### ***Integrated Campaign Puts Gen Y In Control of Content***

The Young Lions sponsorship also builds Nokia’s reputation as a company with a global outlook, gives Gen Y consumers control over their own content, and gives them “a chance to compete with the whole world watching”—an optimal way to create one’s own personal brand. The logic behind this enterprise is simple, says Millennial Marketer Taylor: “If you are trying to reach the Gen Y demographic, why should anyone other than a Gen-Yer design your ads?” (<http://www.millennialmarketer.com>). Even better, the Festival allowed Nokia to

collect authentic content for its website, including interviews with the teams and video of the actual shooting of the commercials, along with a blog to emphasize the individuals' creative processes and Nokia's commitment to their creativity. Of course the footage showcases just how much the smartphones can do ([www.nseries.com/cannes](http://www.nseries.com/cannes)). Moreover, to heighten the social aspect of the Festival, the Young Lions' Zone created space for Gen Y professionals and advertising students to mill about, scarf down free daily breakfasts, relax in a chill-out area, and inspect winning work from the Young Lions Competitions as well as student work from leading advertising colleges and universities. One-hour master classes with leading industry figures, and workshops on the latest Nseries features helped to round out the experience (<http://www.globelink.ca>). Finally, in keeping with Gen Y's passion for reality-based content, MTV will televise a "behind the scenes" documentary of the event in January 2009 ([www.adsoftheworld.com](http://www.adsoftheworld.com), October 3, 2008).

### ***Gen Y Looks to Tech to Empower Self-Image***

It's the totally integrated nature of Nokia's campaign—or rather that the campaign isn't really a campaign—that makes it so appropriate for the Gen Y cohort: Gen Y scorns and distrusts brands and brand ambassadors who attempt to curry favor through patronizing or irrelevant campaigns, but for those that capture the Gen Y imagination, the possibilities are enormous. Nokia pays attention to what Gen Y wants and translates that knowledge into an integrated, multi-channel environment that connects individuals to a larger community, but most important empowers individuals in their quest for their own self-defining passion.

### **Quest for Personal Meaning Drives Passion for Media, Tech**

Not to wax too philosophical, but it's that very quest for passion that lies at the center of the Gen Y conundrum, says Australian Gen Y marketing and social networking expert Laurel Papworth, whose subtle and nuanced analysis of Gen Y values uncovers an even deeper level of social motivation than technology expert Graham Brown's trenchant, but quickie summation above.

### ***Ultimate Fear May Be Not Finding Their Own Passion***

"Each generation is motivated by a hope and a fear," Papworth writes in her personal blog Silk Charm. The hope generally is to leave the world a better place than you found it and to

pass on those advantages to your children, but fears tend to shift with the generations, she says. For example, Baby Boomers feared lack of security, so they worked hard, stayed in one job and accumulated things to be sure their children would have a solid start. In contrast, Generation X, these days between the ages of 30 and 45, fear a lack of success. Once (mis)known as the Slacker generation, Gen Xers are afraid of looking silly. Their motto may well be “Try something, fail, give up and get a real job.” But for Gen Y, says Papworth, the ultimate fear is *not finding their passion*: “By not connecting to their passion *and with others that share similar passions*, Gen Y fear they will not have a voice and will end up being ignored. In a world where fame can be had for the price of a YouTube video, being ignored means you don’t exist. Take risks, fail, but whatever you do, don’t be boring.” Moreover, according to Papworth, “even greater than Gen Y’s fear of lack of stability and greater than their fear of failure is this fear: What if they don’t find out what they are meant to do and who they truly are?” (<http://silkcharm.blogspot.com/2008/09/generations-of-fear.html>)

In Packaged Facts’ opinion, Papworth perfectly hits the Gen Y mark. Yes, absolutely, as Brown points out above, the voracious appetite for media and tech is about communicating, socializing with each other. However, motivating that goal is the need to *exist*, to be seen and heard, to be appreciated, lauded and rewarded for a driving passion that enables personal achievement, a fascinating lifestyle, cutting edge consumption, and, preferably, lots of money. In short, the drive to create one’s own personal brand.

### **Video Offers Immediacy, Emotion, Interaction**

Thus it’s no wonder that video is so heavily emphasized in mobile and Internet technologies. Not only is video one of the most efficient, not to mention entertaining, ways to avoid both boredom and being boring, but video enables an immediate, often emotional and interactive experience both for the creator and the viewer without the inconvenience and delay of rigorous textual frameworks (i.e., rhetorical conventions, proofreading, capital letters), and offers the opportunity for instant worldwide exposure—in both personal creation and in community gaming.

### ***Visual Media Gaining Over Print***

Again, it's no secret that Gen Y adults tend to show an increasing preference for the visual and digital over print media. According to Simmons, about half of Gen Y adults purchased a book, hardcover or soft, for leisure reading over the last year. And, reflecting an overall trend, fewer than half claim regular readership of print news—although when broken down by educational cohort, over half of college consumers and college grads say they read the newspaper, while Gen Y adults with specialty training approach the 50% mark, and 39% of those with no college or vo-tech background do.

Though Gen Y adults are 22% more likely than adults on average to pore over *The New York Times* (index 122), only about 12% of the cohort have done so in the last 12 months. About 16% browsed *USA Today* in the last 6 months, while fewer than one in ten picked up a *Wall Street Journal*. Meanwhile, types of magazines most popular among the cohort with comparison to adults on average are visuals-heavy women's fashion, beauty and grooming (index 184), teen (index 274) and men's magazines (index 136). [Tables 4-12, 4-13]

### **Video Drives Increasing Overlap Between Personal and Commercial; World of Warcraft Game Illustrates**

In contrast, video consumption and video creation, both personal and commercial, are becoming both increasingly popular and increasingly accessible—while, increasingly, the realms of the personal and the commercial overlap. For the purposes of illustration, we pluck from the vast universe of video gaming products World of Warcraft, Blizzard Entertainment's behemoth multi-player online role-playing war game, released in 2004 to celebrate the Warcraft brand's 10<sup>th</sup> anniversary. Though Packaged Facts resists too deep a delve into the legion particulars of the Warcraft enterprise, a brief summary may be in order: Essentially, WoW's 10 million or so paying subscribers assume a personalized stock character, or avatar, to pursue virtual quests and vanquish virtual enemies and gain virtual immortality in the magical, Tolkien-derivative 3-D virtual world of Azeroth, where the Horde constantly battles the Alliance but really nobody gets along very well. Players rack up "experience points" to help their avatar build skills, gain wisdom, find transportation shortcuts, stash or spend cash, or auction off virtual possessions, all for the purpose of playing more World of Warcraft, only better and with more stuff.

WoW quests may involve the slaughter of creatures or the collection or delivery of resources; they may also result in a player's own demise, but with the help of friends, spirit healers or in-game money, a recently croaked quester can self-resurrect right back into the game again. Virtual thunder, flames, darkness, mighty forests, roaring; swelling Mozartian choruses, maidens with clanky but form-fitting armor, myth-inspired, shape-shifting beasts (generally with a drool problem), Night Elves, meat cleavers and alarmingly realistic bone-crunching sounds account for a mere pinprick of effects within the multi-layered (though to the uninitiated curiously two-dimensional) drama.

### ***Interactivity, Product Extensions Keep Gaming Community Connected***

But the point again is that World of Warcraft is just one of thousands of interactive games that provides an experience, albeit a virtual one, that involves adrenaline, strategy, a minimum of repetitive tasks, the potential for a kind of virtual fame if not exactly fortune, and best of all no tangible consequences for losing. In addition, product extensions introduce ever more complex and layered opportunities for play. The first World of Warcraft expansion pack, released in 2007, sold 2.4 million copies in 24 hours and 3.5 million copies in the first month, and its second expansion pack, *Wrath of the Lich King*, to be released in November 2008, looks to garner even more users (www.cnn.com, April 2, 2008). One of the most important aspects of the game, aside from the individual thrill of traversing the Borean Tundra to whack a Shoveltusk or a Flesh Giant, is that the communal nature of the online experience in turn foments a vast, organic user-created community (otherwise known as Fandom), in which players participate in discussion forums, produce their own game-related artwork and create comic strip stories and game-related fiction of their own.

### **Majority of Gen Y Own or Play Video Games, Including Mainstream Demographics**

Indeed, that stereotype of the introverted, unkempt, socially awkward Dungeons & Dragons-era geek who scuttles into sunlight only for purposes of securing more fast food, is fizzling quickly away as video gaming becomes a mainstream occupation. To be sure, the geeks survive nicely, thank you, but as the appeal of video gaming widens, partially with the help of the simple-to-use Wii technology, even the economy can't seem to blunt the virtual universe's appeal.



According to Simmons, over 45% of adults overall own or play some form of video game, and a solid majority (64%) of Gen Y adults are on board, such that they are 40% more likely to own or play video game systems than the adult average (index 140). By educational cohort, 69% of Gen Y adults with specialty job training own or play video game systems, though at 65% ownership or participation, college students aren't far behind. [Tables 4-3, 4-14, 4-15]

**Table 4-3**

**Video Game Systems Owned or Played: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Video Game Systems Own Or Play</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
Any* .....	45.5%	63.8%	140
PlayStation .....	17.7	34.9	197
Nintendo .....	12.6	25.1	199
Xbox .....	8.6	18.2	212
GameBoy .....	8.0	13.2	165
Play Video Games Over Internet .....	7.1	15.2	214

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 45.5% of households overall, 63.8% of households with Gen Y adults own video game systems or play video games, for an index of 140 (40% above the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***Problematic Economy Only Increases Video Games' Appeal***

And, according to GameStop, the largest U.S. specialty retailer of games and game-playing consoles, the unhappy trends in the broader economy aren't hurting sales one bit. On the contrary, profits are skyrocketing. "As we analyze our sales deployment, we can't find evidence of the economy affecting our business," company officials say. "In fact, like we did after 9/11, we're seeing [comparable] store growth as consumers travel less and stay at home more, as well as trade in more games on new game purchases" (<http://www.cnn.com/2008/TECH/04/02/gamestop/index.html>, April 2, 2008). According to Simmons, PlayStation and Nintendo account for the greatest share of Gen Y ownership or play overall, while Xbox, a Microsoft product designed to compete with those two brands, claims about 18% of the Gen Y segment. Tanking economy or not, the virtual world provides plenty of shelter from the storm. [Tables 4-3, 4-14, 4-15]

## **Good-Bye Old Stereotypes: Gamers More Social Than Non-Gamers**

But it's not as if "staying at home more" means being disconnected from friends and family—quite the contrary. According to *Are You Game?*, a 2008 study by IGN Entertainment ([www.ign.com](http://www.ign.com)) and survey specialists Ipsos Media ([www.ipsos-na.com](http://www.ipsos-na.com)), gamers of all ages are more outgoing, more active and more valuable as consumers than those who do not play video games. The preponderance of "new gamers," or those who have been playing for fewer than two years, fall in the just-over-30 age bracket. However, across the board a significant aspect of gaming is its increasingly social nature. In contrast to stereotypes of the pimply, misanthropic joystick wrangler, IGN's study found that over 75% of video gamers play games with other people either online or in person, and more than 47% of people living in gaming households say videogames are a fun way to interact with their family members.

In fact, gamers are widely diverse demographically, including children, married couples, parents and grandparents, and are more social and more active than non-gamers in the "real world," too. According to Ipsos, 71% of U.S. households harbor at least one regular video gamer, and these dexterous individuals are twice as likely to go out on dates as non-gamers in a given month, 13% more likely to go out to a movie, 11% more likely to play sports and 9% more likely to go out with friends. In addition, video gamers are heavy influencers of new technology purchases and pop culture, and more valuable as retail consumers than non-gamers ([www.marketingvox.com](http://www.marketingvox.com), October 28, 2008). So much for the Dungeons & Dragons jokes.

### ***By Educational Cohort, College Consumers Most Avid Gamers***

Within the adult Gen Y cohort, however, Simmons does manage to find a few echoes of those old stereotypes, even within the significant percentage of Echo Boomers overall who participate regularly in virtual hijinks. According to Simmons, 23% of adults age 18-29 have played or downloaded an online game in the last month, and as such they are 83% more likely than the adult average to have done so (index 183). By socio-economic status, Simmons reports that college students outnumber their peers by 4-6 percentage points, with the largest spread between college consumers and college grads. While 27.5% of college

consumers have downloaded or played an online game in the last month, 21% of college grads have done so. About 23% to 24% of the segments with specialty job training or no college and specialty job training, say they have downloaded or played video games during that time. [Tables 4-10, 4-11]

### Traditional Core of Young Single Men Remain Hot for Video Games

Closing in on those ancient stereotypes, however, Simmons does find that Gen Y men are far and away the most likely in comparison with adults on average to agree strongly that video games are their main source of entertainment (index 455). Not surprisingly, Gen Y men are also way more likely than the adult average to agree strongly that video games are more entertaining than TV (index 521). [Figure 4-1; Table 4-4]

**Figure 4-1**

**Strongly Held Attitudes Regarding Video Gaming Among Gen Y Males, 2008  
(index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Gen Y males are 421% more likely than the adult average to agree "a lot" that video games are more entertaining than TV (index 521).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

In addition, 10.4% of Gen Y men cry out a resounding *Yes!* when asked whether video games are their preferred vehicle of fun. As such they are 355% more likely than adults in general to do so (index 455). Similarly, non-Hispanic Whites (index 324), 18- to 24-year-olds (index 322), non-parents (index 295) and single Gen Y adults (index 287) also rank particularly high for their enthusiasm about video games over other forms of entertainment, such that these segments are each close to three times as likely as the adult average to do so. [Table 4-4; Figure 4-1]

**Table 4-4**

**“Video Games Are My Main Source of Entertainment”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Male* .....	10.4%	455
White (Non-Hispanic) .....	7.4	324
Younger Cohort, Age 18-24 .....	7.3	322
Not Parent .....	6.7	295
Never Married .....	6.5	287
Older Cohort, Age 18-29 .....	6.1	266
Top 100 Metro Markets .....	5.8	253
Employed .....	5.6	244
Hispanic .....	5.0	221

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 10.4% of Gen Y men agree “a lot” with the statement “Video games are my main source of entertainment,” such that they are 355% more likely than the adult average to do so (index 455).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Gen Y Men Likely to Prefer Gaming Over TV**

Similarly, nearly 13% of Gen Y men agree emphatically that they find video games more entertaining than TV, and over 11% of Gen Y men agree strongly that they spend more money on video games than on music or movies. That means that Gen Y men are over *five times* as likely as the overall adult population to favor the interactive experience over mindless channel surfing (index 521); though a measly 11.3% agree strongly that they spend

more money on video games than on other entertainment media such as movies and music, they are over four-and-a-half times as likely as adults in general to do so (index 468). [Figures 4-1 and 4-2]

### ***Deconstructing the Video-Game-Loving Gen Y Male***

Kay Hymowitz, William E. Simon Fellow at the Manhattan Institute for Policy and Research and Author of *Marriage and Caste in America: Separate and Unequal Families in a Post-Marital Age* (Ivan R. Dee, 2006), sums up a certain Peter Pan-ish image associated with the video-loving men of Gen Y, characterized by a combination of self-indulgence and professional lassitude, along with a decided aversion to marital or parental commitments. “You live in an apartment with a few single guy friends. In your spare time, you play basketball with your buddies, download the latest indie songs from iTunes, have some fun with the Xbox 360, take a leisurely shower, massage some product into your hair and face—and then it’s off to bars and parties,” she writes in a quick-and-dirty—and not entirely generous—summary of the Gen Y Guy lifestyle (*The Dallas News*, February 1, 2008). And yet, she admits, what’s the problem with that? Even moving in with a girlfriend makes more sense than getting married—it provides all the perks of living together without the long-term financial and legal commitments, and allows plenty of time for playing *Urban Assault* or *Grand Theft Auto* or *Devil May Cry*.

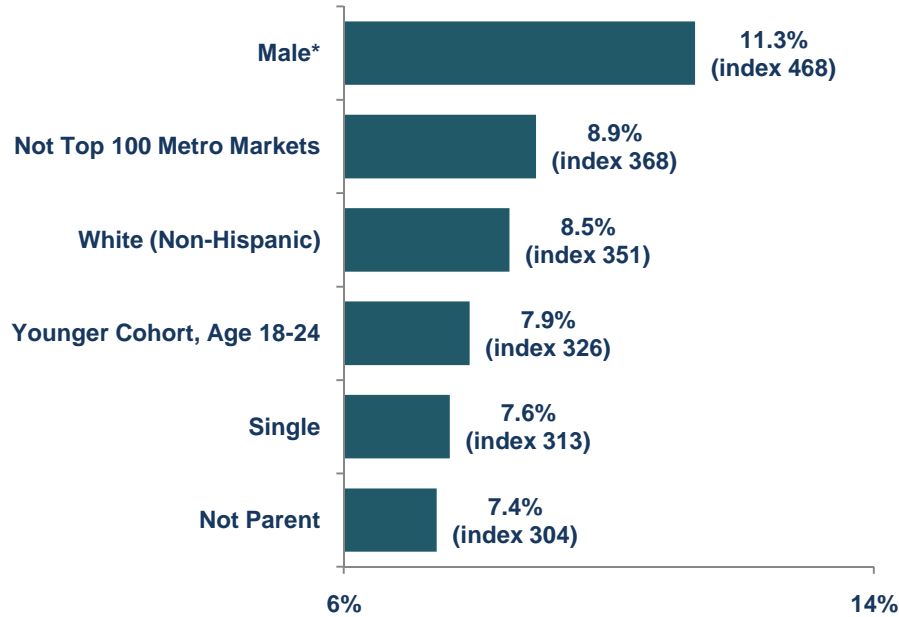
### ***Whites, Singles, Younger Cohort Often Spend More on Video Than Other Media***

Other Gen Y adult segments who likely are adding fuel to the profits of GameStop and other video retailers include about 9% of those who live outside the top 100 metro markets, a similar percentage of non-Hispanic Whites (8.5%), and solid contingents of Gen Yers age 18-24 (7.9%), singles (7.6%), and those who have never experienced the joys of birth and child-rearing (7.4%); all of these segments are at least three times as likely as the adult average to strongly agree that their spending on video games easily outpaces spending on music or movies. And with all likelihood, these segments overlap frequently. Just ask the boys at video game store Game Dude in North Hollywood ([www.gamedude.com](http://www.gamedude.com)). Or watch an episode of the Webby award-winning series *Video Game Dudes* (<http://www.youtube.com/watch?v=PlzKXMHKkDg>), where cartoon versions of young, White, single, questionably employed, slow-talking video-addicted guys abound. [Figure 4-2]



Figure 4-2

**“I Spend More Money on Video Games Than on Music or Movies”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 11.3% of Gen Y men agree “a lot” with the statement “I spend more money on video games than on music or movies,” such that they are 368% more likely than the adult average to do so (index 468).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

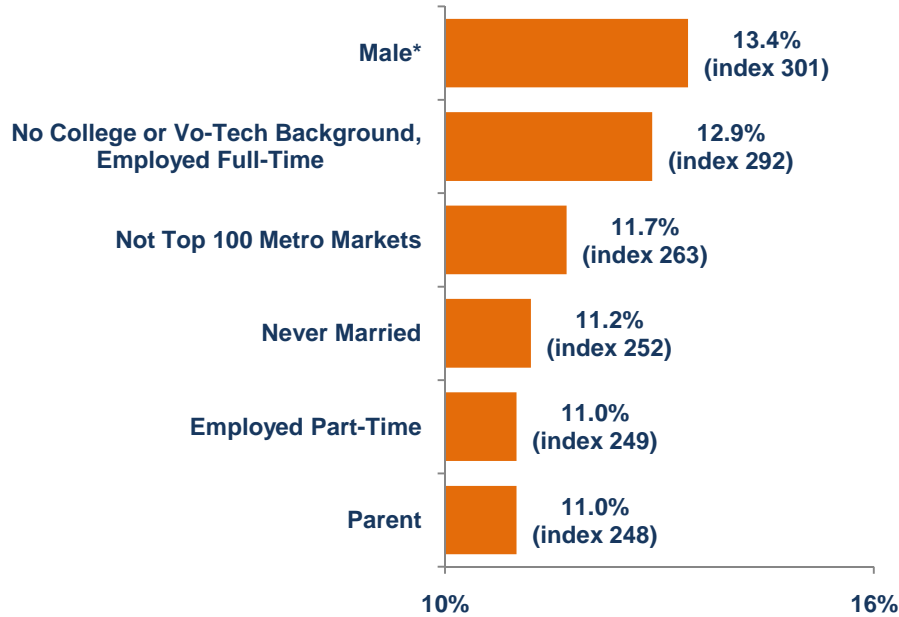
In addition, Simmons finds that over 13% of Gen Y men firmly agree that they don’t mind when video characters use a brand name product; as such, they are three times as likely as the adult average to easily accept this type of product placement (index 301). Gen Y adults without a college education or vo-tech training, along with singles and part-time employees are also highly likely to be perfectly accepting of brand name products in the hands of their favorite video games. Each of those latter segments is at least two-and-a-half times as likely as adults in general to do so. Gen Y parents, who may be playing games with their children as well, may also be confirming popular brands to buy for their kids. Meanwhile, 31% of Gen Y adults overall say that when they’re watching television, they’ll fast forward to skip commercials all the time; over 15% of the cohort will fast-forward through commercials at least occasionally—here again, a greater percentage of college consumers and college grads will fast forward through commercials than Gen Y adults with specialty job training or no college and no vo-tech background. [Figure 4-3; Tables 4-14, 4-15]





Figure 4-3

**“Don’t Mind if Video Game Characters Use a Brand Name Product”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 13.4% of Gen Y males agree “a lot” with the statement, “I don’t mind if video game characters use a brand name product,” such that they are 201% more likely than the adult average to do so (index of 301).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Online Video Essential in Marketing to Young Men

Gen Y adults don’t limit their love of video to video games, however—nor do they much mind seeing advertising or product placement in the wide variety of videos they watch and share. According to Simmons, over 29% of Gen Y adults visited the YouTube site in the last month, a percentage that just scratches the surface of video portals available these days. However, and quite surprisingly, Gen Y men are particularly open to seeing brand name products in their video viewing. In a 2008 study, direct marketing group Break Media ([www.breakmedia.com](http://www.breakmedia.com)) found that despite common assumptions that men age 18-34 are the most indifferent of advertising audiences, in fact Gen Y (and younger Gen X) guys are actually quite open to advertising messages and campaigns—especially if the message arrives through online video.

The other surprise, says Keith Richman, Break Media CEO, is just how voraciously these young men consume online video in their media diet. “We knew it was important,” Keith says, “but the extent of just how much more important Internet video was [than] TV was surprising. Sixty-nine percent said that they can’t live without Net video, describing it as much more critical than TV.” Indeed, the study also found that nearly half of men age 18-34 report spending over 20 hours a week with online video (MediaPost’s *Behavioral Insider*, October 22, 2008). No wonder they’re waiting so long to get married!

For marketers, says Richman, “This is dramatic evidence that advertisers who are targeting males age 18-34 absolutely can’t afford not to be heavily focused on online video.” The challenge, however, which may also explain why so many brands are leery about attempting such a barrage, is that TV ads are so much easier to design and distribute—plus, they have a much greater chance of being seen by several million viewers all at the same time. At the same time, however, Gen Y audiences are flocking ever more enthusiastically to Internet viewing, gaming and video. To reach this diverse audience through online video, marketers must anticipate highly segmented demographics with very particular tastes in music, fashion, sports and politics, not to mention the ultra-fine-tuned coolness monitors. They should also consider putting at least some of their ad content into the hands of their target markets.

### **Online Video Appeals Across Gen Y Segments**

But what marketers all over the place are realizing is that it’s not just isolated Gen Y segments that love video: Gen Y overall is heavily into entertainment, engagement, socializing and sharing experiences and values, and online video provides a much more immediate, visceral experience than simple print. And, as video capabilities become more widely available, that avid interest likely will only increase. According to *Watching The Web: How Online Video Engages Audiences*, a 2008 study conducted by Forrester Consulting ([www.forrester.com](http://www.forrester.com)) for Internet TV provider Veoh Networks ([www.veoh.com](http://www.veoh.com)), though many online video viewers prefer short clips, a large and avid audience of young, influential “engaged” viewers will spend hours watching long-form online video—and they pay attention to the brand messages delivered in online video environments.

**Entertaining Embedded Ads A-OK**

According to the study, 13- to 24-year-olds make up only 15% of the online population, but represent more than 35% of Engaged online video viewers. Over the course of a month these young Gen Y viewers spread their attention over several kinds of video content, from animation to TV shows to movie trailers. Researchers found that they are more open than other age groups to enjoying the advertising they watch, especially when ads are paired with or embedded in the video clips. Sure enough, Simmons tends to support that finding as well, showing more specifically that non-college full-time employees (index 170) and Hispanics (index 152) top the list of Gen Y segments who agree strongly that they expect advertising to be entertaining, but that parents (index 151), college students (index 134) and married Gen Y adults (index 129) skew high as well. [Table 4-5]

**Table 4-5**

**“I Expect Advertising to Be Entertaining”: Highest Indexing Gen Y Segments, 2008 (percent and index of U.S. adults age 18-29)**

Segment	%	Index
No College or Vo-Tech Background, Employed Full-Time* .....	19.6%	170
Hispanic .....	17.6	152
Parent .....	17.5	151
Household Income Under \$20K .....	16.0	138
College Student .....	15.5	134
Household Income \$20K-\$39.9K .....	15.0	129
Married .....	15.0	129

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 19.6% of Gen Y adults with no college or vo-tech background who are employed full time agree “a lot” with the statement “I expect advertising to be entertaining,” such that they are 70% more likely than the adult average to do so (index 170).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Heavy Video Viewers Want to Manage, Share Content**

But perhaps even more important, the Veoh Networks study also found that heavily engaged video viewers are likely to generate and share videos, to want to manage their viewing experiences, and to agree that online video is important to their lives—often more so than TV (company press release, October 8, 2008). Marketers must think *advertainment*, not advertisement, the study concludes. Especially for these video junkies, interactive

opportunities will be important as well—user-generated ads, contests and games can help to solidify brand-based connections. That’s not a bad thing, necessarily. It just means that marketers have to work more creatively, not just to identify the types of video content and style their market segment prefers, but to design interactive opportunities such as through events, games or contests, as well as distribute video ads or other content across multiple video publishing entities—and to involve the Gen Y target segment in the advertising process.

**Small Minority Dislike Advertising**

Luckily, adults age 18-29 are considerably less likely than adults in general to strongly dislike advertising. According to Simmons, though a strong minority, or 10.9%, of Millennials say they are avowed enemies of advertising in any form, as such the cohort is still 27% less likely than the adult average to feel that way (index 73). [Table 4-6]

**Table 4-6**

**“I Don’t Like Advertising In General”: Selected Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Employed Part-Time* .....	13.7%	92
College Student .....	13.2	89
Employment Income Under \$10K .....	13.0	88
Gen Y Overall, Age 18-29 .....	10.9	73
Male .....	10.9	73
Female .....	10.8	73
Parent .....	10.5	71
Hispanic .....	8.8	60
No College or Vo-Tech Background, Employed Full-Time .....	8.5	57

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 13.7% of Gen Y adults who are employed part-time agree “a lot” with the statement “I don’t like advertising in general,” such that they are 8% less likely than the adult average to do so (index 92).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Gen Y segments most likely to dislike advertising are college students (index 89) and part-time employees (index 92); in contrast, the Gen Y segments least likely to strongly dislike

advertising are Hispanics (index 60) and full-time employees who have neither college nor specialty job training (index 57). About 13%-14% of the two former segments have a strong dislike of advertising, whereas a little under 9% of the two latter segments have strong negative feelings. [Table 4-6]

### **Hispanics, Non-College Segments Most Ad Friendly**

A far more sanguine attitude prevails among the majority of Gen Y adults, though Simmons does confirm that across media, Hispanics and full-time employees with no college and no specialty job training tend to be the most ad-friendly among the cohort, while college students and college grads are less so. [Tables 4-7, 4-8]

**Table 4-7**

**Selected Strongly Held Attitudes About Advertising Among Gen Yers:  
Hispanics and Full-Time Employees with No College/Specialty Job Training, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>Hispanic</b>	<b>No College/ Specialty Job Training</b>
<b>General Attitudes</b>		
Ads Help Me Pick Products for My Kids .....	247*	191
Am More Inclined to Buy From Sponsors .....	181	170
Ads Help Me Learn About Products Available .....	155	115
Expect Advertising to Be Entertaining .....	152	170
<b>Advertising In Public Venues</b>		
Often Notice the Ads on Taxis .....	316	**
Often Notice the Ads at Bus Stops .....	312	209
Often Notice the Ads on Trains .....	243	**
Often Notice the Ads on Buses .....	233	181
Often Notice the Ads on Billboards .....	154	141
Pay Attention to Commercials In Movie Theaters .....	193	177
Well-Designed Outdoor Ads Improve the Urban Landscape .....	193	180

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Hispanic Gen Y adults are 147% more likely than the adult average (index 247) to agree "a lot" with the statement "ads help me pick products for my kids."

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

For example, Hispanics tend to be considerably more brand-conscious than adults on average, and tend to look to advertising to guide their purchases. According to Simmons, Hispanic Gen Y adults are far more likely than the adult average to agree strongly that they notice print ads in public transportation venues such on buses (index 233) and on taxis (index 316). They are twice as likely as the adult average to pay attention to commercials in movie theaters (index 193), and similarly likely to agree strongly that they are not at all opposed to product placement in their favorite TV shows. In fact, Hispanic Gen Y adults are 198% more likely than the adult average to agree emphatically that they are inclined to use a brand-name product that one of their favorite TV characters uses (index 298). As for product placement in video games, Hispanics are more than twice as likely as adults in general to agree strongly that they don't mind them at all (index 236). [Tables 4-7, 4-8]

***Full-Time Employed No College/Vo-Tech Segment Also Show  
Brand Enthusiasm***

Gen Y adults who are employed full-time and have no college or specialty job training also tend to be far more open to advertising and product placement than the adult average—though on the whole slightly less so than Hispanics age 18-29. For example, full-time employees with no college or vo-tech background are about twice as likely as the adult average to look actively at ads to help pick products for their children, but still fall 56 points behind Hispanics in the strength of that attitude (index 191 vs. index 247). Similarly, these full-time employees are somewhat less likely than Hispanics, but 70% more likely than the adult average, to strongly favor sponsored products (index 170) in their purchasing patterns. And though consistently far more likely than the adult average to agree strongly that they notice ads in public venues such as bus stops (index 209) and on billboards (index 141), these skews also remain somewhat lower than among Hispanics. [Tables 4-7 and 4-8]

***TV Ads, Video Game and Movie Product Placement Garner Most Notice***

And, as far as attitudes toward product placement, no-college, no-vo-techers may be a bit more squirrely than their Hispanic peers, though like Hispanics, on the whole they are considerably more open to seeing brand names in television shows, video games and movies than the adult average. For example, this segment is just a sliver more likely than Hispanic Gen Y adults to agree strongly that they notice brand name products when watching TV

(index 147), and similarly likely to agree strongly that to see a brand name they already use in a TV show confirms that the product is good (index 273).

However, while Hispanics are 188% more likely than the adult average to agree strongly that they are more likely to use a brand-name product if a favorite character on TV does so (index 288), Gen Y adults employed full-time with no college and no specialty job training don't even register on the Simmons scale for that strong connection with characters and brands.

[Tables 4-7, 4-8, 4-15]

**Table 4-8**

**Selected Strongly Held Gen Y Attitudes About Product Placement:  
Hispanics and Full-Time Employees With No College/Specialty Job Training, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>Hispanic</b>	<b>No College/ Specialty Job Training</b>
When Watching TV, I Notice the Brand Name Products Used .....	131*	147
If A Favorite Character on TV Uses A Brand Name Product, I Am More Likely to Use It .....	288	**
If I See A Brand Name I Use in a TV Show, That Confirms the Product is Good .....	286	273
Remember Brand Name Products in Favorite TV Shows .....	196	177
Often Notice Brand Name Products In Video Games .....	301	**
Don't Mind if Video Game Characters Use Brand Name Product .....	236	292
Don't Mind When Brand Name Products Appear In Video Games .....	237	313
I Remember Brand Name Products That Characters Use in Movies .....	195	178
If I See A Brand Name Product I Use In A Movie, That Confirms the Product Is Good .....	298	228

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Hispanic Gen Y adults are 131% more likely than the adult average (index 131) to agree "a lot" with the statement "When watching TV, I notice the brand name products used."

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Attitudes of no-college, no-vo-tech respondents also swerve away from Hispanics' with regard to product placement in video games. This segment, over 60% of whom own or

regularly play video games, is three times as likely as the adult average to agree strongly that they don't mind when brand name products appear on the screen (index 313)—but too few of this no-college, no-vo-tech contingent to meaningfully count agree strongly that they actually *notice* when brand name products appear in a game. [Tables 4-7, 4-8, 4-15]

### **For Non-College Segments, Video Ads More Effective Than Print**

Whether that last finding is an anomaly, or striking evidence that Gen Y adults with no college, no specialty job training and a full-time job have so seamlessly adopted the virtual world—or temporarily become so caught up in its action—that they no longer distinguish between avatar and self, is a tricky question. However, if Gen Y marketing expert Carol Sutter, who dubbed this non-college segment Shadow Millennials, is to be believed, the important thing to notice here is that these young adults tend to strongly prefer experiences that involve video rather than reading—and indeed Simmons data confirm that college students and grads consistently (though certainly not overwhelmingly) skew higher for purchase and readership of books, magazines and newspapers than Millennials without college. However, Gen Y adults in general tend to skew lower than adults on average for purchase and consumption of all these print media (except for Gen Y-centric music, teen, men's and fashion magazines). Full-time employees with no college and no specialty job training are also about twice as likely as the adult average to agree strongly that seeing brand names in movies is a memorable experience (index 178), one that may even boost their self-confidence if the brands on screen align with those they have purchased themselves (index 228). Thus, when considering how to reach Gen Y adults who have no secondary education, “use video for ad delivery to improve visibility,” Sutter advises (<http://www.imediaconnection.com>, November 8, 2007). [Tables 4-8, 4-13, 4-15]

### **Gen Y Parents Open to Ads That Help Pick Products for Kids**

Gen Y parents also tend to skew high in comparison with adults overall for their openness to advertising. Similar to Hispanics and Gen Y adults with full-time jobs but no college or specialty job training, Gen Y parents place a high premium on ads that help them pick products for their children. About 11% of Gen Y parents agree strongly that ads are useful that way, and thus they are twice as likely as the adult average to do so (index 198). Gen Y



parents are similarly likely to find TV advertising interesting (index 194), and, with comparison to adults in general, to identify strongly with brand-name products used in TV shows.

For example, Simmons finds that Gen Y parents are 125% more likely than the adult average to agree strongly that when they see a brand name they use on a TV show, it confirms the product is good (index 225). Only about 5% of the segment agree strongly that seeing a favorite TV character use a brand name product encourages them to use it as well, but as such they are 114% more likely than adults in general to do so (index 214). In addition, nearly 18% of Gen Y parents agree emphatically that advertising should be entertaining (index 155), such that they are 51% more likely than adults overall to do so (index 151). [Table 4-9]

**Table 4-9**

**Strongly Held Attitudes About Advertising: Gen Y Parents, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>%</b>	<b>Index</b>
Don't Mind if Video Game Characters Use Brand Name Product* .....	11.0%	248
If I See A Brand Name I Use in a TV Show, That Confirms the Product is Good .....	7.9	225
If A Favorite Character on TV Uses A Brand Name Product, I Am More Likely to Use It .....	5.1	214
Ads Help Me Pick Products for My Kids .....	10.9	198
Find TV Advertising Interesting .....	13.5	194
Like to Hear About Products and Services By Email .....	11.6	183
Often Notice the Ads at Bus Stops .....	5.9	183
Often Notice the Ads on Buses .....	6.9	177
Often Notice the Ads on Taxis .....	5.0	174
Remember Advertised Products When Shopping .....	9.6	173
Often Notice the Ads on Trains .....	5.4	172
Remember Brand Name Products in Favorite TV Shows .....	9.8	164
Expect Advertising to Be Entertaining .....	17.5	151

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 11.0% of Gen Y adults who are parents agree "a lot" with the statement "I don't mind if video game characters use brand name product," such that they are 148% more likely than the adult average to do so (Index 248).

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Most Marketers Still Leery of Gen Y Marketing Techniques**

For some marketers, however, it's quite a leap between knowing what to do and actually making it happen. After mining the opinions of company executives worldwide, a May/June 2008 survey sponsored by distance conferencing provider Genesys and performed by Economist Intelligence Unit, discovered that while most thought the best way to target Millennials was with viral marketing, peer-to-peer recommendations and sponsorship of Millennials' favorite programs, only one-third of these companies actually had incorporated these methods in their marketing campaigns. Moreover, though the executives surveyed in Genesys' *Maturing with Millennials* study did seem to be aware of Millennials' voracious appetite for online video and their intensely social approach to spreading the word (good or bad) about brands, their ideas about how to reach the group danced around but didn't specifically light upon social networking media as a key way to reach this skeptical yet aspirational cohort. Is it possible that executives at the top of companies are out of touch with what's going on in the street—or on the screen?

## **Social Media Provide Multi-Layered Branding Opportunities**

Apparently so. According to research by marketing strategy and communications agency Cone, about 60% of American consumers use social media. Cone's *2008 Business in Social Media* study, an online survey of 1,092 adults (525 men and 567 women) age 18 and older found that among social media users, adults age 18-24 in particular are increasingly looking to this interactive platform to deepen and enhance their relationship with brands. Among social media users, Cone found that an overwhelming majority (93%) believe that companies should have a social media presence, and a solid majority (85%) say these companies should also be using social media to interact with consumers.

The study also reveals that most social media users already interact with companies on social media websites, and one in four do so more than once per week. Some 56% of social-media users feel more connected to and better served by companies when they can interact with them in a social online environment, the survey found. Services that respondents felt to be especially helpful include:

- Live problem solving or customer service;

- The opportunity to provide feedback about products and campaigns;
- New or unusual ways to interact with the brand, such as through live events, informational links, interactive games, blogs, friendship networks, or contests; and
- Information and promotion of new products or services.

“The news here is that Americans are eager to deepen their brand relationships through social media,” says Mike Hollywood, Director of New Media for Cone. “It isn’t an intrusion into their lives, but rather a welcome channel for discussion” (<http://www.coneinc.com>). Most central to the Gen Y question, however, is that fully one-third of social media users age 18-34 believe that companies should actively market to them via social networks

### **Fine Line Between Creating Community and Intruding Into Private Communication**

The trick is how to do that social marketing without alienating the very market you’re trying to reach. According to Ball State University’s Center for Media Design (<http://cms.bsu.edu/Academics/CentersandInstitutes/CMD.aspx>), consumers age 18-34 are actually more influenced by email and direct mail than by ads in social networks. Combining their own observational research on consumer media use with self-reported data from email marketing firm ExactTarget’s *2008 Channel Preference Survey* ([www.exacttarget.com](http://www.exacttarget.com)), the Muncie, IN university researchers concluded that the media consumers use to receive information isn’t necessarily the best channel for advertising to them ([www.businesswire.com](http://www.businesswire.com), October 21, 2008). In fact, says Ball State CMD’s Director of Insight and Research Mike Bloxham, to assume that personal discourse and commercial searching should overlap is “is a dangerous assumption to make in a time when consumers are becoming increasingly aware of their control over their media experiences” (<http://news.directtrafficmedia.co.uk>). For example, the guys at Ball State found that while over half of young homemakers use social networks and texting daily, their preferred marketing channels are direct mail and email. Similarly, they found that college students, who are the driving force behind online innovation and socializing, tend to think private communication channels such as texting and social networks should be off-limits to marketers (<http://www.marketingvox.com>). And who can blame them? It makes perfect

sense that committed young networkers would resent intrusive drop-downs and overlays and BIG SALE NOW! pop-ups while they're busy sharing their most intimate secrets and passions with a few hundred of their closest virtual friends.

***Let Consumers Find You, Create Online Communities in Your Space***

However, the joint Ball State and ExactTarget study doesn't seem to distinguish between social networking among individual users and the social networks and other interactive events available through branded websites. Instead the study appears to be focusing on the former, such as a personal Facebook communication, where for marketing-skeptical adults pursuing their own social agendas, unsolicited advertising could be quite annoying. And yet, Packaged Facts must also suggest that as an email marketer itself, ExactTarget might have a certain interest in swinging advertisers to email campaigns.

The thing of it is, though, while intruding on a personal online conversation is nothing if not obnoxious—and certainly members of niche networks such as Earth Mamas Tribe (<http://earthmamatribe.tribe.net>) for “dreadlocked, hemp wearing, barefoot, earth-loving goddesses and the men and women who love them,” or, say, SF Polyamorous Vegan Fire Spinning DJs (<http://smarmyideologies.tribe.net>), who spend lots of time “reflexively cooing and slobbering with misty-eyed reverence over anything with the word ‘organic’ on it,” might object to intrusive retailism in their virtual communities (though they certainly don't hold back on their praise or criticism of a multitude of retail products)—it's quite another enterprise to offer an online site where consumers might go to meet others with similar interests—a branded community that they may first hear about through an email link to their own, and which may offer the very niche community they didn't know they were looking for. Indeed, while Facebook, MySpace and LinkedIn may be the most trafficked social networking sites, niche sites (or “tribes”) capture highly specialized consumer segments. While their purpose in meeting and networking online is to participate in a community, these sites often act as clearinghouses for products and services, with ruthless commentary on the quality, authenticity and coolness of what's available.

***MTV's The Hills Site Promotes Gossip, Fashion, Games***

At the most frivolous level, for example, MTV hosts a site dedicated to *The Hills*, its hip, fashion- and music-forward series about young, wealthy, fabulous and occasionally vicious

young adults who live and make each other alternately ecstatic and miserable in Beverly Hills ([http://www.mtv.com/ontv/dyn/the\\_hills/series.jhtml](http://www.mtv.com/ontv/dyn/the_hills/series.jhtml)). *The Hills* has its own Facebook page, a weekly featured band or artist, downloadable songs from the show, a *Hills* fashion advisory, and a fan game site called “Backchannel” ([backchannel.mtv.com](http://backchannel.mtv.com)) that allows series faithfuls to comment on the show online *while they’re watching it*—and, by taking roles of “clicker” or “tagger,” to respond to comments and to predict which comments will become the most popular—for points. For those whose comment is just too brilliant to keep in, Emergency Tags come in handy for jumping the comment queue. Fans can also watch full episodes online, not to mention gossip about characters Lauren, Audriana, Heidi, Lo, Justin, Spencer and Brody, and post their own photos and profiles send messages to other members.

### **Millennial Moms a Small But Strong Core of Social Networkers**

At the other end of the responsibility continuum, marketers of tech and marketers who want to use tech to communicate with particular Gen Y segments, should take heed of the growing contingent of Millennial moms, who today are a distinct minority within the overall cohort, but whose numbers will swell as they grow more confident in their careers and in their personal identities—whether or not they decide to get married. Brands that can attract Millennial Moms to their own sites, but that also connect young mothers to related products and, more significantly, to events and friends focused on family living and family events, can get a strong foothold within this growing tribe. Access to information about baby supplies and clothing, convenience meal categories and video games or toys that will engage their offspring will of course be important. But in addition to product and shopping information, young mothers, many of whom have rejected the idea of marriage (at least for now), are looking for emotional support and opportunities to meet and bond with others in their three-dimensional communities.

#### ***“Mom Tribes” Share Worries, Stories, Advice Online***

Hence the growing contingent of Gen Y “mom tribes,” a social networking niche that helps new mothers share their worries, frustrations or discoveries with online communities, to help put child rearing duties into perspective—and have a good laugh about the experience along the way. “Child raising is no longer a blood sport,” says Nancy Hallberg, Chief Strategy Officer at The Parenting Group, publisher of *Parenting* and *Babytalk* magazines. “It’s more

about enjoying the moment than over-programming children with piano classes and Gymboree” (*Retail Wire*, July 3, 2008). In contrast to Boomer “super moms” who struggled to balance their career goals with their ambition to raise perfect children, today’s Millennial parents (the product of that struggle) aren’t much into martyrdom. Gen Y moms are also less likely than their own career-driven mothers to make childrearing a measure of their own success. Mom tribes may meet online, at the playground, or after school to chauffer each other’s kids around, but they probably won’t be obsessing about how to push their careers into super-drive at the same time.

### ***Suave, Sprint Partner to Create “In the MotherHood” Network***

Into this fray leap the partnership of personal-care retailer Suave and mobile communications giant Sprint, to co-sponsor a site called “In the MotherHood” ([www.inthemotherhood.com](http://www.inthemotherhood.com)), where moms submit their stories for consideration as comedy videos (because “motherhood isn’t always pretty”), but where they also can join community chats and share stories, advice and ideas for family activities. At first glance a rather unlikely alliance, the site actually makes perfect sense in the context of Gen Y hopes and anxieties: to do the best for their children and families while still maintaining a separate, youthful, healthy, attractive identity—whether they’re married or not. The site encourages young mothers to incorporate family responsibilities into their lives, while still taking care of themselves, customizing their motherhood experience rather than trying to balance a multitude of unrelated and extraneous responsibilities—which means that Suave and Sprint have gotten it: They don’t market to moms, but with them, teaming up to offer what this segment wants: blogging, video sharing and story telling, and even video games along with convenient access to Suave’s guilt-free products that “help moms everywhere look their beauty best” and Sprint’s multitasking phones and PDAs for multitasking moms—“because every head of the family needs a personal assistant.”

### ***Twenty-Something Moms Span Mainstream, Niche Networks***

Other Gen Y mom-oriented sites include, on the most mainstream end, iVillage Total Health (<http://yourtotalhealth.ivillage.com>) to attract new mothers who are responsible for their family’s health care needs. “As the number-one online destination for women, iVillage’s audience is accustomed to serving as their family’s chief health officer,” said iVillage

president Deborah Fine ([www.MediaPost.com/publications](http://www.MediaPost.com/publications), January 5, 2007). The site offers information and online communities devoted to pregnancy, baby health, scheduling issues, and has introduced a “mom-tourage” contest, launched in July 2008 to celebrate moms and the people who help them raise children, and whose winners receive help with cleaning, cooking or childcare, along with a dinner cooked by a Bravo Top Chef contestant (*Press Release*, Reuters.com, July 14, 2008). Then, at the other end of the spectrum there’s 20’s Stay-At-Home Moms (<http://20sathomemom.tribe.net>), a tiny site with 144 members who are a little clumsy in their communication, but certainly connect on some of the most basic Gen Y levels: “Finally, know you are not the only mom in their 20’s at home. Yearning for intelligent conversation that you can understand, me too.” Key topics for this tiny tribe include potty training, mysterious stains, how to make money from home, belly dancing, dressmaking, antibiotics and distance education.

### **Gen Y Control, Creativity, Community Are Your Marketing Guides**

For brands that can establish an authentic, sincere and socially responsible presence on the web, by adding friends to their branded sites on Facebook, MySpace or other, less mainstream social networks—and by offering voluntary interactive features that don’t intrude on the private lives of Gen Y (and other) consumers but allow them to connect with each other in an online or other mobile community, the outlook is good. Products are fine and all, but marketers who really want to connect with Gen Y have the added burden of interpreting and nurturing the personalities and lifestyles that support the purchase of their product or service—a task that requires authentic, inside knowledge of very particular Gen Y segments, a willingness to give up some control of the brand, and a well-honed sense of what’s cool.

Gen Y wants to find their own niche and their own stuff: Let them come to you. Intrude on their lives and you’re out of luck, but offer them an authentic community where they can share ideas and influence brand offerings, and the possibilities are endless.

Bottom line: Just be real.

**Table 4-10**

**Computer/Internet Use Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b>Overview</b>			
Use Internet* .....	79.5%	88.7%	112
Own Home Computer .....	67.5	69.9	104
Have Used Internet In Last 30 Days .....	61.1	73.4	120
Have Wireless/Wired Home Computer Network .....	22.5	27.7	123
Use Wireless Internet/Wi-Fi .....	19.1	27.9	146
Use Voice Over Internet Phone .....	9.3	10.6	114
<b>Computer Type Most Recently Acquired</b>			
Desktop .....	51.0%	48.7%	95
Laptop .....	19.3	24.5	127
<b>Where Internet Used</b>			
Home .....	66.2%	74.2%	112
Work .....	32.8	33.0	101
School .....	6.1	24.0	393
Library .....	8.7	19.0	218
<b>Hours Spent Using Internet At Home In Last 7 Days</b>			
21+ .....	7.2%	12.1%	168
10-20 .....	9.1	12.2	134
5-9 .....	11.4	14.0	123
1-4 .....	22.1	23.6	107
<b># Of Unique Websites Visited From Home In Last 7 Days</b>			
16+ .....	10.8%	16.6%	154
11-15 .....	5.7	7.2	126
6-10 .....	13.7	15.8	115
3-5 .....	15.8	19.5	123
1-2 .....	11.1	10.0	90

-- continued --



**Table 4-10 [Cont.]**

**Computer/Internet Use Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<i>Selected Online Activities In Last 30 Days</i>			
E-Mail .....	55.9%	63.5%	114
Banking .....	31.4	36.0	115
News/Weather .....	34.4	35.3	103
Download Music Files .....	12.4	28.5	230
Instant Messaging (IM) .....	11.5	26.0	226
Airline/Car/Hotel Info Or Reservations .....	23.9	23.8	100
Movie Information/Reviews/Showtimes .....	13.6	23.5	173
Play/Download Online Games .....	12.5	22.9	183
Shopping: Made A Purchase .....	20.0	21.9	110
Research/Education .....	15.5	20.4	132
Shopping: Gathered Information For Shopping .....	17.7	19.6	111
Blogs/Blogging (Read/Write Online Diaries) .....	8.6	19.3	224
Digital Imaging/Photo Albums Online .....	11.4	18.5	162
Employment Search .....	10.8	18.4	170
Sports .....	13.4	17.7	132
Bulletin/Message Boards .....	8.5	16.6	195
Yellow Pages .....	11.9	14.3	120
Video Game News/Reviews/Cheat Codes .....	5.3	14.1	266
Watching Streaming Video .....	7.0	13.5	193
Auctions .....	10.0	13.4	134
Read Magazines/Newspapers .....	13.2	13.3	101
Auto Shopping Or Comparing .....	9.8	12.8	131
Download Or Listen To Podcasts .....	6.1	12.1	198
Chat Forums .....	4.7	11.4	243

-- continued --

**Table 4-10 [Cont.]**

**Computer/Internet Use Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Selected Websites Visited In Last 30 Days</i></b>			
Google.com .....	40.5%	50.0%	123
Yahoo.com .....	26.6	37.2	140
Myspace.com .....	12.6	36.5	290
Youtube.com .....	13.5	29.4	218
Mapquest.com .....	24.5	23.1	94
Ebay.com .....	17.2	22.2	129
Amazon.com .....	16.5	21.3	129
Hotmail.com .....	10.2	19.6	192
Bestbuy.com .....	10.4	15.7	151
Weather.com .....	13.5	14.3	106
Msn.com .....	11.5	13.5	117
Aol.com .....	10.0	13.3	133
Ticketmaster.com .....	5.7	10.8	189
<b><i>Internet Advertising—Click Through Somewhat Often, Often, Or Very Often</i></b>			
Webpage Links .....	20.4%	29.1%	143
Sponsored Websites From Search Results .....	16.4	21.4	130
E-Mail Ads .....	10.3	14.6	142
Banner Ads .....	6.3	11.4	181
Pop-Up/Under Window Ads .....	6.2	10.3	166
Full-Motion Video Ads .....	4.1	8.7	212
Floating Ads .....	4.5	8.1	180

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 79.5% of adults overall, 88.7% of Gen Y adults use the Internet, for an index of 112 (12% above the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 4-11**

**Computer/Internet Use Patterns:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b>Overview</b>				
Use Internet .....	96.2%*	98.5%	88.4%	79.2%
Own Home Computer .....	84.4	91.1	71.3	49.8
Have Used Internet In Last 30 Days .....	88.5	93.9	72.1	54.3
Have Wireless/ Wired Home Computer Network .....	41.4	34.9	27.6	17.1
Use Wireless Internet/Wi-Fi .....	41.2	43.0	21.4	16.6
Use Voice Over Internet Phone .....	11.2	12.7	8.3	9.5
<b>Computer Type Most Recently Acquired</b>				
Desktop .....	53.3%	50.9%	52.6%	41.7%
Laptop .....	34.0	40.2	20.4	14.0
<b>Where Internet Used</b>				
Home .....	86.9%	93.1%	73.0%	56.9%
Work .....	30.9	73.2	32.9	13.4
School .....	66.0	16.3	13.2	14.0
Library .....	31.3	14.1	15.8	17.3
<b>Hours Spent Using Internet At Home In Last 7 Days</b>				
21+ .....	18.2%	13.6%	13.2%	8.0%
10-20 .....	16.7	16.0	**	9.2
5-9 .....	17.7	18.6	15.6	8.1
1-4 .....	25.5	31.8	22.8	19.1

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**Table 4-11 [Cont.]**

**Computer/Internet Use Patterns:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b># Of Unique Websites Visited From Home In Last 7 Days</b>				
16+ .....	21.9%	26.8%	14.5%	10.2%
11-15 .....	8.6	**	**	4.0
6-10 .....	20.8	21.8	14.3	11.7
3-5 .....	22.2	22.0	21.2	13.6
1-2 .....	9.5	**	**	11.9
<b>Selected Online Activities In Last 30 Days</b>				
E-Mail .....	75.2%	85.1%	58.6%	45.6%
Banking .....	40.4	67.8	32.6	17.3
News/Weather .....	38.9	60.3	23.3	24.3
Download Music Files .....	39.3	31.7	26.6	24.5
Instant Messaging (IM) .....	33.4	33.6	22.0	19.6
Airline/Car/Hotel Info Or Reservations .....	24.8	48.6	22.6	10.3
Movie Information/Reviews/Showtimes .....	34.1	35.2	22.1	14.2
Play/Download Online Games .....	27.5	21.0	23.7	23.1
Shopping: Made A Purchase .....	24.5	42.5	13.7	12.4
Research/Education .....	28.4	38.9	14.8	11.0
Shopping: Gathered Information For Shopping .....	17.5	42.6	14.5	11.0
Blogs/Blogging (Read/Write Online Diaries) ....	25.6	28.2	17.8	12.3
Digital Imaging/Photo Albums Online .....	21.0	35.3	15.4	12.0
Employment Search .....	15.7	26.6	23.2	15.4

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**Table 4-11 [Cont.]**

**Computer/Internet Use Patterns:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Selected Online Activities In Last 30 Days [Cont.]</i></b>				
Sports .....	21.4%	27.5%	13.1%	12.4%
Bulletin/Message Boards .....	21.9	19.3	15.1	13.2
Yellow Pages .....	11.2	27.7	16.8	8.0
Video Game News/Reviews/Cheat Codes .....	18.0	14.4	13.6	12.9
Watching Streaming Video .....	16.6	22.5	11.8	8.7
Auctions .....	14.3	24.6	12.1	7.2
Read Magazines/Newspapers .....	16.7	27.5	6.8	6.8
Auto Shopping Or Comparing .....	18.4	15.6	13.2	9.5
Download Or Listen To Podcasts .....	17.2	15.3	10.8	10.3
Chat Forums .....	13.9	**	10.9	12.4
<b><i>Selected Websites Visited In Last 30 Days</i></b>				
Google.com .....	65.5%	75.9%	45.7%	31.3%
Yahoo.com .....	41.0	50.0	37.5	27.7
Myspace.com .....	48.9	39.1	41.6	27.0
Youtube.com .....	39.7	40.9	28.6	19.2
Mapquest.com .....	27.1	39.3	22.6	13.7
Ebay.com .....	27.1	35.4	19.2	14.3
Amazon.com .....	26.7	43.1	16.4	9.8
Hotmail.com .....	23.5	28.1	17.0	12.9
Bestbuy.com .....	22.0	27.5	13.9	8.4

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**Table 4-11 [Cont.]**

**Computer/Internet Use Patterns:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Selected Websites Visited In Last 30 Days [Cont.]</i></b>				
Weather.com .....	14.9%	31.8%	**	7.3%
Msn.com .....	12.5	22.8	13.3%	10.1
Aol.com .....	19.1	18.0	10.4	9.3
Ticketmaster.com .....	12.2	18.8	10.4	6.8
<b><i>Selected Internet Advertising—Click Through Somewhat Often, Often, Or Very Often</i></b>				
Webpage Links .....	28.5%	43.5%	30.1%	22.7%
Sponsored Websites From Search Results .....	19.4	29.0	23.7	17.9
E-Mail Ads .....	13.8	16.5	16.6	13.1
Banner Ads .....	11.8	13.7	11.4	10.3

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 96.2% of Gen Y college consumers use the Internet.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 4-12**

**Print Media Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>Book Purchased for Leisure Reading In Last 12 Months</i></b>			
Any* .....	54.6%	49.0%	90
Hardcovers .....	34.0	31.5	93
Paperbacks .....	42.0	40.3	96
<b><i>Selected Magazine Types Read</i></b>			
General Editorial .....	46.8%	36.0%	77
Entertainment .....	28.3	32.8	116
Women's .....	32.2	32.2	100
Special Appeal .....	24.1	20.3	84
Men's .....	14.3	19.4	136
News .....	23.6	19.2	81
Health & Fitness .....	16.4	15.3	93
Home & Home Services .....	27.7	14.6	53
Child Rearing/Parenthood .....	13.0	13.6	105
Sports .....	13.1	13.4	102
Women's Fashion, Beauty, & Grooming .....	6.7	12.3	184
Teens .....	4.2	11.5	274
Music .....	5.6	11.0	196
Automotive .....	10.3	10.9	106
<b><i>Newspaper Readership</i></b>			
Any .....	63.2%	47.6%	75
Sunday/Weekend English Newspapers .....	52.6	37.4	71
Daily English Newspapers .....	46.4	29.3	63

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**Table 4-12 [Cont.]**

**Print Media Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>National Newspapers Read In Last 6 Months</i></b>			
USA Today .....	21.3%	16.2%	76
New York Times .....	9.6	11.7	122
Wall Street Journal .....	8.8	9.1	103
<b><i>Selected Daily Newspaper Sections Read</i></b>			
Front Page .....	34.7%	24.6%	71
General News .....	29.4	18.1	62
Sports .....	19.9	18.0	90
Classified .....	14.3	16.3	114
Comics .....	15.0	15.9	106
Entertainment (Movies, Restaurants, etc.) .....	16.6	15.2	92

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 54.6% of adults overall, 49.0% of Gen Y adults have purchased books for leisure reading in the past 12 months, for an index of 90 (10% below the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.



**Table 4-13**

**Print Media Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Book Purchased for Leisure Reading In Last 12 Months</i></b>				
Any .....	59.5%*	69.3%	44.3%	32.5%
Hardcovers .....	42.3	45.9	25.5	19.1
Paperbacks .....	50.9	61.9	35.5	24.4
<b><i>Selected Magazine Types Read</i></b>				
General Editorial .....	37.6%	39.6%	33.5%	34.4%
Entertainment .....	32.8	33.6	32.1	33.3
Women's .....	36.3	36.4	25.2	30.6
Special Appeal .....	21.2	20.2	18.6	21.8
Men's .....	14.1	17.8	22.4	21.1
News .....	22.8	23.6	12.6	17.7
Health & Fitness .....	14.7	20.7	11.6	15.4
Home & Home Services .....	12.2	20.3	15.5	12.4
Child Rearing/Parenthood .....	6.9	14.5	12.7	15.5
Sports .....	15.6	14.0	10.2	13.2
Women's Fashion, Beauty, & Grooming	16.1	10.4	9.4	12.6
Teens .....	12.1	5.1	10.9	15.5
Music .....	10.1	8.0	12.4	14.2
Automotive .....	10.6	6.2	15.3	12.2
<b><i>Newspaper Readership</i></b>				
Any .....	54.6%	53.5%	47.8%	39.0%
Sunday/Weekend English Newspapers .	41.9	43.2	37.3	30.6
Daily English Newspapers .....	36.3	33.4	29.5	22.9

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**Table 4-13 [Cont.]**

**Print Media Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Selected Daily Newspaper Sections Read</i></b>				
Front Page	22.8%	40.3%	19.5%	18.1%
General News .....	16.7	27.6	14.7	14.0
Sports .....	17.5	23.9	11.4	18.2
Classified .....	11.4	15.7	18.1	17.5
Comics .....	18.7	17.0	14.1	15.5
Entertainment (Movies, Restaurants, etc.) .....	14.9	17.7	12.4	13.1

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 59.5% of Gen Y college consumers have purchased books for leisure reading in the last 12 months.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 4-14**

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>TV Overview</i></b>			
Household Subscribes To Cable/Satellite TV* .....	59.4%	53.7%	90
Have Access To Pay-Per-View TV .....	51.8	49.8	96
Have Access To Video-On-Demand .....	31.1	30.5	98
Watch Television Home Shopping Channels .....	15.8	11.3	72
<b><i>TV Sets Owned By Household</i></b>			
Any .....	97.5%	96.9%	99
Traditional Tube .....	80.6	79.0	98
HDTV (High Definition TV) .....	31.4	32.9	105
Flat Panel—LCD .....	18.2	19.8	109
Big Screen Projection (42 Inches Or More) .....	13.3	14.1	106
Flat Panel—Plasma .....	10.4	12.5	120
<b><i>Screen Size Of TVs Owned By Household</i></b>			
60 Inches Or More .....	4.1%	4.4%	107
50-59 Inches .....	9.9	12.8	129
40-49 Inches .....	14.1	14.6	104
32-39 Inches .....	36.6	38.2	104
21-31 Inches .....	53.0	52.5	99
Less Than 21 Inches .....	30.5	27.7	91
<b><i>Features Of TV Systems Owned By Household</i></b>			
DVD Player/Recorder .....	88.5%	91.9%	104
VCRs .....	85.5	81.5	95
Stereo Sound .....	57.3	57.1	100

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**Table 4-14 [Cont.]**

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b>Features Of TV Systems Owned By Household [Cont.]</b>			
Surround Sound .....	29.8%	34.0%	114
Picture In Picture .....	31.5	30.6	97
SAP (Secondary Audio Program)+A128+A177 .....	23.7	25.7	108
DVR (Digital Video Recorder) .....	24.2	24.2	100
<b>Cable TV/Satellite Premium Channels Household Subscribes To</b>			
HBO (Home Box Office) .....	21.5%	22.3%	104
Showtime .....	13.8	16.8	122
Starz .....	14.4	15.8	110
Encore .....	13.4	14.2	106
The Movie Channel .....	13.3	13.2	99
CineMax .....	11.4	12.7	111
<b>VCR/DVR—Fast Forward To Skip Commercials</b>			
All Of The Time .....	27.7%	31.2%	113
Most Of The Time .....	15.7	15.5	99
<b>Video Game Systems Own Or Play</b>			
Any .....	45.5%	63.8%	140
PlayStation .....	17.7	34.9	197
Nintendo .....	12.6	25.1	199
Xbox .....	8.6	18.2	212
GameBoy .....	8.0	13.2	165
Play Video Games Over Internet .....	7.1	15.2	214

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Table 4-14 [Cont.]

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b>MP3 Players And Satellite Radio</b>			
Portable Mp3 Players .....	23.7%	40.3%	170
iPod (Apple) .....	10.9	21.8	200
Satellite Radio .....	9.3	10.9	117
<b>Cell Phones</b>			
Own .....	76.6%	77.9%	102
On Family Plan .....	39.2	41.4	106
On Individual Plan .....	31.4	30.8	98
<b>Cell Phone Services Used In Last 30 Days</b>			
Camera/Picture Phone .....	19.0%	31.0%	163
SMS Text Messaging .....	10.9	23.7	217
Picture Messaging .....	7.0	17.2	246
Downloadable Ringtones .....	7.9	17.1	216
Games .....	6.9	14.4	209
Nationwide Coverage .....	13.2	14.3	108
Camcorder Phone .....	3.9	10.0	256
Bluetooth .....	6.6	9.5	144
Instant Messaging (IM) .....	4.9	8.8	180
Web Browsing .....	4.0	8.3	208
Three-Way Calling .....	3.5	7.8	223

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 59.4% of households overall, 53.7% of households with Gen Y adults subscribe to cable/satellite TV, for a Gen Y index of 90 (10% below average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 4-15**

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>TV Overview</i></b>				
Household Subscribes To Cable TV/Satellite .....	55.1%*	54.9%	47.2%	54.4%
Have Access To Pay-Per-View TV .....	46.5	48.8	52.9	50.9
Have Access To Video-On-Demand .....	32.1	30.1	32.2	29.9
Watch Television Home Shopping Channels .....	7.5	**	10.0	14.8
<b><i>TV Sets Owned By Household</i></b>				
Any .....	97.7%	97.5%	96.0%	96.5%
Traditional Tube .....	80.2	79.6	81.7	76.5
HDTV (High Definition TV) .....	36.1	37.9	29.8	30.3
Flat Panel—LCD .....	25.7	27.1	17.2	14.7
Big Screen Projection (42 Inches Or More) .....	15.0	14.6	12.7	14.0
Flat Panel—Plasma .....	13.1	14.0	11.7	12.4
<b><i>Screen Size Of TVs Owned By Household</i></b>				
60 Inches Or More .....	**	**	**	5.0%
50-59 Inches .....	13.5%	16.0%	**	10.9
40-49 Inches .....	18.3	18.7	13.5%	11.2
32-39 Inches .....	40.4	44.5	38.5	35.2
21-31 Inches .....	56.0	54.1	52.5	48.8
Less Than 21 Inches .....	31.3	30.9	24.4	25.3

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Table 4-15 [Cont.]

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Features Of TV Systems Owned By Household</b>				
DVD Player/Recorder .....	93.1%	94.4%	94.7%	88.0%
VCRs .....	87.5	82.0	79.1	78.5
Stereo Sound .....	60.2	66.5	57.2	52.1
Surround Sound .....	36.4	33.1	39.3	33.8
Picture In Picture .....	35.2	34.4	25.2	29.8
SAP (Secondary Audio Program)+A128+A177 ....	26.7	28.3	25.5	26.0
DVR (Digital Video Recorder) .....	24.7	31.7	23.0	21.1
<b>Cable TV/Satellite Premium Channels Household Subscribes To</b>				
HBO (Home Box Office) .....	21.7%	23.2%	24.9%	22.4%
Showtime .....	14.5	15.1	19.3	18.4
Starz .....	13.5	13.3	16.6	17.5
Encore .....	11.9	12.2	13.4	16.1
The Movie Channel .....	11.7	**	14.0	13.9
CineMax .....	11.0	**	12.0	15.2
<b>VCR/DVR—Fast Forward To Skip Commercials</b>				
All Of The Time .....	37.0%	39.4%	33.0%	23.2%
Most Of The Time .....	16.8	24.3	12.8	10.4

-- continued --

**Table 4-15 [Cont.]**

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Video Game Systems Own Or Play</i></b>				
Any .....	65.1%	62.4%	69.0%	63.4%
PlayStation .....	37.2	30.3	37.1	35.5
Nintendo .....	31.9	23.3	27.2	22.8
Xbox .....	22.0	**	18.2	21.4
GameBoy .....	15.3	**	12.8	13.6
Play Video Games Over Internet .....	22.1	15.0	18.6	12.1
<b><i>MP3 Players And Satellite Radio</i></b>				
Portable Mp3 Players .....	53.3%	52.4%	42.0%	29.5%
iPod (Apple) .....	34.4	33.7	20.1	11.7
Satellite Radio .....	10.2	15.0	**	11.4
<b><i>Cell Phones</i></b>				
Own .....	86.2%	91.8%	80.3%	64.3%
On Family Plan .....	49.2	55.6	36.9	30.7
On Individual Plan .....	33.1	31.2	37.4	26.3
<b><i>Cell Phone Services Used In Last 30 Days</i></b>				
Camera/Picture Phone .....	46.3%	38.9%	27.2%	20.8%
SMS Text Messaging .....	35.9	29.5	22.2	14.7
Picture Messaging .....	22.7	18.7	17.0	13.2
Downloadable Ringtones .....	24.3	18.6	17.3	11.8
Games .....	18.4	15.1	16.4	10.9

-- continued --



**Table 4-15 [Cont.]**

**Patterns for Television, Video Games, Cell Phones and Other Consumer Electronics:  
Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Cell Phone Services Used In Last 30 Days [Cont.]</b>				
Nationwide Coverage .....	14.7%	27.9%	11.5%	7.0%
Camcorder Phone .....	14.3	11.5	11.5	7.8
Bluetooth .....	14.8	14.5	11.5	5.2
Instant Messaging (IM) .....	10.8	11.5	11.5	8.5
Web Browsing .....	11.9	11.5	11.5	5.6
Three-Way Calling .....	11.2	11.5	11.5	6.3

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 55.1% of households with Gen Y college consumers subscribe to cable/satellite TV.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.



## Chapter 5 Highlights

- Gen Ys embrace the idea of healthy, well-balanced meals—especially when they come in snazzy containers and don't interfere with regular snacking.
- Gen Y adults are perpetually on the run, hence their fondness for food that's fresh, portable and convenient, as well as available around the clock.
- Perceived personal health benefits and environmental benefits mean that organic and “all-natural” products are a big hit with the Echo Boom.
- Gen Y adults are 34% more likely than adults overall to agree enthusiastically that they try to eat gourmet food whenever they can (index 134).
- The 18-29 crowd is 37% less likely than average to devote a lot of energy to maintaining a balanced diet (index 63).
- Over half of the Gen Y cohort (57%) have made 14 or more trips through a fast-food or drive-in restaurant in the last month.
- Over 54% of adults age 18-29 like to dine out in their leisure time.
- An increasing percentage of Gen Yers are dining out less often because of fluctuating gas prices.
- Gen Y adults are 33% more likely than adults on average to spend \$150 or more in an average week on groceries (index 133).

## **Chapter 5: Eating In, Dining Out**

### **Youthful Metabolisms Energize Personal, Social Goals**

**A**h, youth. Those golden, sun-dappled years of innocence and discovery, when all the world stretches ripe and gleaming before us, a veritable paradise of luscious, low-hanging fruit, of gentle rills and cool valleys where skin is dewy, muscles are taut, blood surges with passion, and all things are possible because we have Internet cafes, unlimited texting, and we can eat pretty much anything we want to without getting fat. Financial worries aside, what better time to be young and adult? By all accounts, just as their Baby Boomer parents are retooling preconceptions about aging, the Echo Boom is redefining the whole idea of youth, tossing out yesterday's notions about marriage, gender roles and family in favor of hip new trends that affirm the centrality of personal exploration and development. Extending their fledgling periods and waiting longer than previous generations to perform the rites of matrimony, Millennials are choosing to remain close to parents and friends while hammering out the details of their new or potential careers and finding fun stuff to do in their spare time. As they flex their newfound political muscle, Gen Y adults volunteer for social and ecological causes, voice their opinions wherever possible, and exercise regularly, if not fanatically.

### **Long-Term Health Issues a Distant Concern**

With a developing preference for organic and sustainably farmed produce and wellness-enhancing products, Generation Next also embraces the idea of healthy, well-balanced meals—especially when they come in snazzy containers and don't interfere with regular snacking. Meanwhile, other than the odd hiccup of doubt over an infinitesimal wrinkle or a hairline that might have receded half a millimeter over the last year, long-term health concerns remain a distant, nebulous affair. Yes, thanks to the miracles of high self esteem and turbo-charged metabolisms, Gen Y adults are singing the body electric: They may not have a lot of disposable cash, but at work, in class, or in front of the screen, eighteen-to-twenty-somethings are responding to and helping to fill the coffers of those peddling the things they love, while also uncorrupting them and charging them full of soulful enthusiasm.

At the same time, as far as food as a route to health and wellness goes, Gen Yers don't appear to be thinking too hard or too long about such things; to do so would make the whole eating thing seem like too much work.

### **On the Run Eating Enables Busy Lifestyles**

For retailers in food and dining categories, the upshot of all this hormone-charged activity—whether it involves living at home with mom or shacking up with a bunch of friends or a significant other, in college, out of college, blowing off college, partying every night or putting in long hours at the gym or at work (yeah, right)—is that there doesn't seem to be a lot of *nesting* going on. Indeed, whatever Gen Y adults are doing, they tend to be doing it on the run, a trait perhaps developed during childhood dashes between soccer practice, gymnastics and swimming lessons, when their overworked moms didn't have time to spend long hours at the stove but could generally manage a few minutes in the drive-through.

Hence the Gen Y fondness for food that's fresh, portable and convenient, as well as available around the clock. A sit-down meal can be delightful, but Gen Y adults do a lot of snacking too. If their foods can pack a little health extra punch with added probiotics or vitamins or antioxidants, that's great: They can feel good about tearing into a packaged treat in the middle of the night. If it's not *strictly* healthy—say, stuffed with processed cheese food product or rigid with salt or sugar or preservatives—it helps if the package is biodegradable or at least recyclable, so they can at least feel good about throwing it away.

### **Organic, Natural, Eco-Friendly Earn Points**

And don't forget organic. The double whammy of perceived personal health benefits and perceived environmental benefits means that organic and even “all-natural” products are a big hit with the Echo Boom. Sheila McCuskey, an analyst for Information Resources Inc. (IRI), reports that “84% of consumers are interested in using eco-friendly products and that 30% actively look for them.” Significantly, says McCuskey, “50% of the people who actively seek them are young adults” (*Drug Store News*, March 19, 2007).

Similarly, Simmons Market Research Bureau consumer survey data show that 15% of adults age 18-29 are particularly interested in organic and natural products when grocery shopping,

a skew that makes them 37% more likely than the average adult to actively seek out eco-friendly choices (index 137). Moreover, says Simmons, 12% of adults age 18-29 buy natural or organic products as a way to watch their diet; among college graduates that percentage rises to 19%.

Organic “fits [Gen Y’s] attention span,” says Michel Nischan, sustainable farming advocate and regular guest chef on PBS’s *The Victory Garden*. “[Gen Y adults] invest a considerable amount of money in working out and in their food” he says (*New Products Magazine*, March 2008). And whether they’re trundling a cart through the grocery aisles or sitting down with friends in a restaurant, Millennials look for exciting new taste combinations to keep them entertained. [Tables 5-11, 5-13, 5-14]

### **Gourmet Tastes a Major Draw**

Not surprisingly then, Gen Y adults are 34% more likely than adults overall to agree enthusiastically that they try to eat gourmet food whenever they can (index 134), and the older cohort a few points more likely still (index 137). The love of gourmet food cuts across broad demographic swaths of the Echo Boom, regardless of income bracket. For example, in contrast with adults overall, Millennials who live outside the top 100 metro markets are particularly keen on the idea of beautifully prepared, unusual, high quality foods, such that 10% of these young adults are on constant look-out for such epicurean delights. As such Millennials are 67% more likely than adults on average to do so (index 167).

Nearly 9% of single Gen Y adults share these discriminating tastes, such that never-married consumers age 18-29 are 49% more likely than adults in general to do so. Men in this age bracket are 46% more likely than adults in general (index 146); women, 22% more likely (index 122). In addition, 8.5% of Gen Y parents—male or female—agree strongly that they make gourmet food part of their diet whenever possible, such that they are 42% more likely than the adult average to do so (index 142). Similar percentages of White and Hispanic Gen Yers—who together make up the vast ethnic majority of the cohort—prefer gourmet offerings whenever possible.

However, despite this strong appreciation for the best flavors, the highest quality and perhaps even a lovely presentation—and despite a strong undercurrent, especially among women,

marrieds and Hispanics, who insist they really enjoy cooking—the Millennial lifestyle doesn’t involve overwhelming pressure to create fabulous gourmet fare *from scratch*, at least not every night, and certainly not in comparison with adults on average. [Table 5-1]

**Table 5-1**

**“I Try to Eat Gourmet Food Whenever I Can”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Not Top 100 Metro Markets* .....	10.0%	167
Never Married .....	8.9	149
Male .....	8.8	146
Parent .....	8.5	142
White (Non-Hispanic) .....	8.3	138
Older Cohort, Age 25-29 .....	8.2	137
Gen Y Adults Overall, Age 18-29 .....	8.0	134
Been to College .....	8.0	133
Hispanic .....	7.9	132
Female .....	7.3	122

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 10% of Gen Y adults living outside the top 100 metro markets agree “a lot” with the statement “I try to eat gourmet food whenever I can,” such that they are 67% more likely than the adult average to do so (index 167).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Fun Tastes, Fun Textures Trump Health Concerns**

The thing is, whether they’re eating a sophisticated, highly nuanced treat in the family dining room or snatching it from a vending machine, Millennials like their food experiences to be fun. As children of the Boomers, this generational echo has inherited a yen for exciting flavors, unusual combinations and interesting presentation. Sure, the idea of a healthy diet makes sense to them, and about 15% of the cohort will agree strongly that they try to maintain both balance and nutrition. Though they are a few points less likely than adults

overall to purchase low-fat or fat-free products to help maintain their diets, about 43% of the cohort have purchased at least some type of reduced fat product as a way to watch their diet. About 11% of Gen Y adults will look for high fiber foods, and about 9% will opt for the occasional low sugar treat, though here, too, they are over 30% less likely than adults in general to do so (indices 53 and 67, respectively). However, because they're active and young and therefore not immediately threatened by the long-term effects of gooey, salty or sugary indulgences, they're more concerned with enjoying what they're eating now—and being able to afford it—than in totting up caloric or cholesterol-related consequences. [Tables 5-2, 5-13, 5-14]

### **Balanced Diet? Too Much Work**

Indeed, compared with adults overall, the 18-29 crowd are 37% less likely to devote a lot of energy to maintaining a balanced diet (index 63), and that goes for a wide variety of Gen Y segments, many of whom are also quite excited about the idea of gourmet food. For example, Hispanics, who are very likely compared with the adult average to look for fresh and organic produce, to prize cooking and home-cooked meals, and to think that fast food is mostly junk—skew highest in the cohort for their vigorous attempts to maintain a healthy balance in their meals, yet they are still 12% less likely than adults in general to do so (index 88). A little over one in five Hispanic Gen Yers, or 21%, devote considerable energy to the task, compared with the 13% of White consumers who do so.

Gen Yers who are employed full-time but have no college or specialty job training aren't exactly making a balanced diet their top priority (index 54); and Gen Y men, who make up close to half the cohort, are only half as likely as adults on average to pay strict attention to the number of fruit, vegetable or protein servings they consume every day (index 51)—despite their preferences for gourmet fare. And remember those Gen Yers outside the top 100 metro markets, the ones so likely with comparison to adults overall to eat gourmet food whenever possible? Only 12% of them agree strongly that they're big on balance and health: Thus they are 52% less likely than the adult average to try hard to eat healthy food and maintain a balanced diet (index 48). So what's the problem? There isn't one, really, at least not yet. [Tables 5-2, 5-6]



Table 5-2

**“I Try to Eat Healthy Food/Balanced Diet”\*: Selected Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Hispanic* .....	21.3%	88
Been to College .....	18.8	78
College Grad or More .....	18.7	77
Married .....	18.3	76
Top 100 Metro Markets .....	18.1	75
Female .....	18.1	75
Employed Part-Time .....	17.5	73
College Grad Only .....	17.1	71
College Student .....	16.4	68
Not Parent .....	15.3	64
Gen Y Adults Overall, Age 18-29 .....	15.3	63
Parent .....	15.2	63
Never Married .....	14.2	59
Employed Full-Time .....	13.3	55
No College or Vo-Tech Background, Employed Full-Time .....	13.0	54
White (Non-Hispanic) .....	12.6	52
Male .....	12.3	51
Not Top 100 Metro Markets .....	11.7	48

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 21.3% of Hispanic Gen Y adults agree “a lot” that they try to eat healthy food/balanced diet, such that they are 12% less likely than the adult average to do so (index 88).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **Exercise, Revving Metabolisms Compensate for Indulgence**

Though young Gen Y adults love good food, for the most part they’re too broke or too busy to stay vigilant about their food groups; and if they can study (or party) all night and still show up to work (or class) on time the next morning, where maybe—just maybe—somebody else has brought in a box of Dunkin’ Donuts (a brand Gen Y adults hold in high esteem for its documented commitment to free trade coffee), then why not? Nearly 90% of them have played or participated in sports over the last year, and nearly half exercise at least once or twice a week. About one-quarter (26%) of Gen Y adults work up a sweat three or four times weekly, a skew that tends to increase with level of education, from 18% of no-college, no-vo-

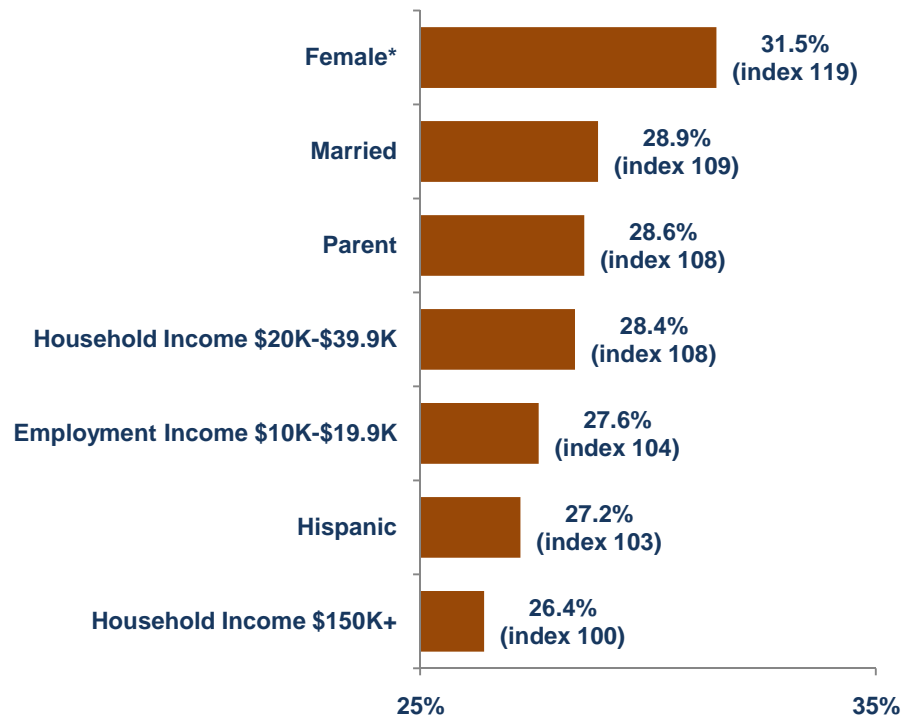
tech Gen Y adults to 38% of college grads. On other words, for the most part their metabolisms are chewing up the calories as fast as they consume them, and time is on their side. [Tables 5-13, 5-14]

**Cooking for Fun**

Thus, though Simmons finds that a substantial minority of young adults (38%) enjoy cooking in their leisure time, and as such that they are about as likely as the adult average to do so (index 108), for Millennials the magic word is fun—if preparation is fun and there’s plenty of time to unleash their creativity, then great. They’ll look for fresh, wholesome ingredients, and may even spring for premium, natural or organic products if the price is right. [Figure 5-1; Table 5-15]

**Figure 5-1**

**“I Really Enjoy Cooking”\*: Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

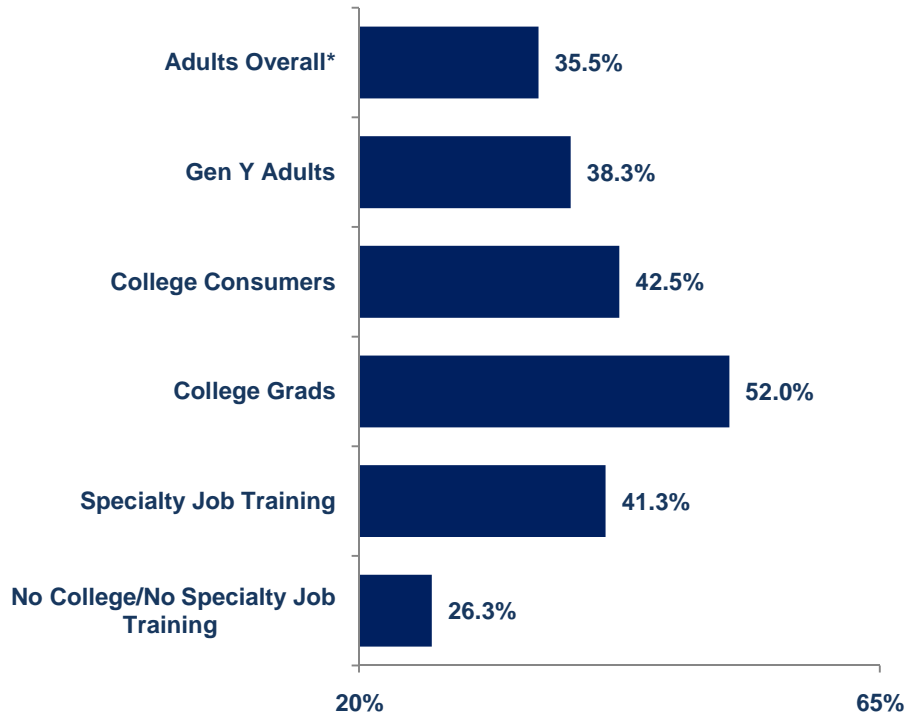
\* Read as follows: 31.5% of female Gen Y adults agree “a lot” that they really enjoy cooking, such that they are 19% more likely than the adult average to do so (index 119).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Sure enough, though Simmons shows college students to be 32% less likely than the adult average to be trying hard to maintain a balanced diet (index 68), a surprising 42.5% of college students will try their skill at the burners when no other concerns are pressing. Similarly, over half of college grads enjoy cooking in their spare time, as do a substantial 41% of Echo Boomers with specialty job training. During their leisure hours a little over one in four Gen Y adults with no education past high school will enjoy wielding a spatula, just for a hoot. [Figure 5-2; Tables 5-2, 5-15, 5-16]

**Figure 5-2**

**Cooking for Fun as Leisure Activity:  
Percentage of U.S. Adults Overall vs. Gen Y Adults Overall and  
By Educational/Job Training Cohort, 2008**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 35.5% of adults overall cite "cooking for fun" as a leisure activity.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

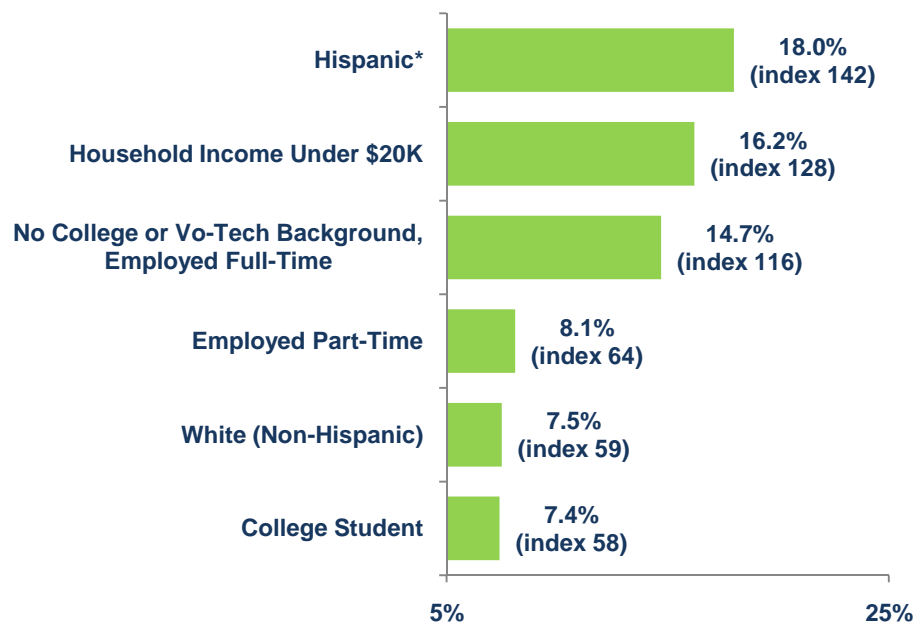
## **Kitchen Not Central to Existence**

However, college students, whose access to kitchen facilities is often limited and whose hours are unpredictable at best, are not exactly focusing all their attention on the domestic joys of

cooking. For example, whereas 18% of Hispanic Gen Y adults agree strongly that the kitchen is the most important room in their house, as do 15% of Gen Y adults who are employed full-time but have no college and no vo-tech background, only 7% of college students place the kitchen smack in the center of their home life. According to Simmons, Hispanic adults of Generation Y are the most likely in the cohort, compared with adults on average, to gravitate strongly to the kitchen as a social and culinary hub, such that they are 42% more likely to call it their favorite room than the adult average (index 142). In contrast, White Gen Y adults are 41% less likely than the adult average to do so (index 59). College students, of whom only 7% are kitchen lovers, are 42% less likely than average to agree strongly that the kitchen is the most important room in their house (index 58). Apparently—and despite the relish with which college students will wolf down a gourmet treat—chances are they haven’t cooked it themselves, unless it involved a box and a microwave. [Figure 5-3]

**Figure 5-3**

**“Kitchen Is Most Important Room in My House”: Selected Gen Y Adult Segments, 2008 (percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 18.0% of Hispanic Gen Y adults agree “a lot” with the statement “The kitchen is the most important room in my house,” such that they are 42% more likely than the adult average to do so (index 142).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Dorm Living Can Pack On Pounds

Echoing the divide between taste and practice, Simmons finds that in a similar trend, 8% of college students agree strongly that they are usually the first to try a new health food, and as such are 63% more likely than the average adult to do so (index 163). However, a greater percentage of the college segment state emphatically that they don't have time to prepare—or eat—healthy meals. Over 13% of college students agree strongly that healthy eating is outside their purview, and as such they are 33% more likely than the adult average to do so (index 133). And though 19% of college consumers protest that they are trying hard to eat healthier food these days, they are 29% less likely than average to do (index 71).

Playing into that tendency is the insidious habit of “emotional eating,” says Daphne Oz, Princeton '08 and author of *Dorm Room Diet* (Newmarket Press, 2006) and its “user-friendly companion guide,” *Dorm Room Diet Planner* (Newmarket Press, 2007), two self-help books for college students who want to maintain a healthy diet during those stressful years of coffee dates and studying ([www.dormroomdiet.com](http://www.dormroomdiet.com)). “Whenever you experience a lot of stress, hurt or depression, or when something really great happens, your first reaction is to let food ease the pain or celebrate the joy,” Oz explains ([www.calorielab.com](http://www.calorielab.com), August 31, 2006). But if it's emotion, and not hunger, that's driving the late night munchies, then weight problems are just a few fried Twinkies away: “You just cram it in and think nothing of it—until it creeps up onto your butt,” she writes.

And yet, many students remain happily unconcerned. “So true,” admits Gen Y blogger and Ivy Leaguer Nina Shield, of Oz's keen observations. “But Daphne Oz will still have to pry the Phish Food out of our cold, dead hands” (<http://www.ivygateblog.com/2008/06/daphne-oz-still-thinks-you-are-fat>). To wit, says Simmons: One in four college consumers insist that there's nothing wrong with indulging in fattening food (index 122), and 15% agree strongly that they eat foods that aren't good for them (index 124). Moreover, among college consumers who are employed part-time, 35% agree emphatically that fattening foods are perfectly fine, making them 71% more likely than average to do so (index 171). [Table 5-3]

**Table 5-3**

**Strongly Held Attitudes About Food and Nutrition: Gen Y College Students, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>%</b>	<b>Index</b>
Am Usually The First To Try New Health Food* .....	8.3%	163
Fast Food Fits My Busy Lifestyle .....	9.3	144
Don't Have Time To Prepare/Eat Healthy Meals .....	13.3	133
Treat Myself To Foods That Are Not Good For Me .....	15.0	124
There's Nothing Wrong With Indulging In Fattening Foods .....	25.0	122
Often Snack Between Meals .....	26.5	113
Eat Foods I Like, Regardless Of Calories .....	30.2	112
Try To Eat Healthier Foods These Days .....	19.0	71
Like Trend Toward Healthier Fast Food .....	20.4	87
Work At Eating A Well-Balanced Diet .....	16.9	80
Am Too Busy To Take Care Of Myself As I Should .....	12.7	96
Consider My Diet To Be Very Healthy .....	11.8	96

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 8.3% of Gen Y adult college students agree "a lot" that they are usually the first to try new health food, such that they are 63% more likely than the adult average to do so (index 163).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***The Freshman 15: A Horrifying Specter***

Hence the horrifying specter of the Freshman 15 (it was the Freshman 10 in the 1970s and 1980s), the unhappy consequence of too many late night snack attacks. First empirically confirmed in 2003 by Cornell University researchers who found that college freshman gain an average half a pound per week, or about 11 times more weight than the average 17- or 18-year-old will gain, and nearly 20 times more than the average weight gain among adults (*International Journal of Obesity, Volume 28, November, 2004*), since then other university studies have followed suit. For example, Washington University in St. Louis found that 70% of the students they studied gained "a significant amount of weight" between the start of college and the end of their sophomore year. It also found that the dining hall accounts for

only about 20% of these daily calories; a major chunk of the daily intake, or about 500 calories, often happens between 8 p.m. and 4 a.m., prime study and party time ([http://www.sparkpeople.com/resource/fitness\\_articles.asp?id=629](http://www.sparkpeople.com/resource/fitness_articles.asp?id=629)). However, in 2006, researchers at Rutgers Cook College found that while 50 out of the 67 students they studied, or a solid three-fourths, did bulk up a bit, the average gain was considerably less than 15 pounds.

### ***Stress, Study, Socializing Encourage Extra Calories***

The increasing trend on campuses to provide healthier, fresher options may help stressed-out students to better control their diets, though students in their freshman year still tend to eat more calories than they burn, says Peggy Policastro, Co-author on the paper and a nutritionist in the Rutgers' Department of Nutritional Sciences. "This may be associated with a decreased physical activity level, prompted by no longer participating in organized sports, having less leisure time than while in high school, or making less of an effort to stay active. In addition, significant dietary changes are occurring which may include an increased energy intake due to eating at buffet-style dining halls or increased alcohol intake, although we did not measure these factors in our study" (*Science Daily*, February 6, 2006, <http://www.sciencedaily.com/releases/2006/02/060206104232.htm>). With all the stress of a new environment and the pressure to do well, many seek comfort in the midnight brownie, a practice that Oz, of Dorm Room Diet fame, discourages.

However, advises HK Guy, a reviewer of Oz's most recent Dorm Room Workout video, all that worry about weight gain is a lot of hooey: "Whatever happened to doing meth?" he asks. Similarly, writes I Don't Get It, "I found tossing the beer ball around, vigorous casual sex and crawling around on the floor looking for lost pills enough exercise in my door room days" (<http://gawker.com/397208/the-ivy-leagues-diet-maven>, June 26, 2008). Ah, youth.

### **Busy Lives Preclude Regular Home Cooking**

Meanwhile, recent college grads, who tend to be shouldering lots of debt while they clamber up the unpredictable mountain of success, aren't exactly making grocery shopping and home cooking the center of their lives, either. Single Gen Y adults are 31% more likely than the adult average to agree strongly that they rarely sit down to a meal together at home (index

131), 43% less likely to agree strongly that they'd prefer to spend a quiet evening at home (index 57), and 37% less likely to feel strongly that their home is an important part of who they are (index 63). [Table 5-4]

**Table 5-4**

**Selected Strongly Held Attitudes About Family/Home Life:  
Gen Y Singles, Marrieds and Parents, 2008  
(index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>Single</b>	<b>Married</b>	<b>Parent</b>
Rarely Sit Down To A Meal Together At Home .....	131*	79	100
Willing To Give Up Time With Family To Advance .....	111	127	139
Enjoy Spending Time With My Family .....	71	108	103
My Home Is An Important Part Of Who I Am .....	63	84	89
Prefer To Spend A Quiet Evening At Home .....	57	83	85
Like Spending Most Time At Home With Family .....	54	110	120

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Gen Y singles (those who have never married) are 31% more likely than the adult average to agree "a lot" that they rarely sit down to a meal together at home (index 131).

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Even married Millennials, who tend to be in the older cohort and focusing a bit more than their single peers on developing a settled home life, aren't exactly monomaniacal about the prospect of staying in all the time. Despite a somewhat stronger attachment to family life and home than the average adult (it's still a novelty, after all), marrieds and parents in the Gen Y cohort are likely to be doing their share of stepping out, spending spare time with friends in low-cost, high-value eateries where the atmosphere is relaxed and fun, somebody else cooks the food, and there's plenty left over for tomorrow's lunch (can you say biodegradable doggie bags?). Thus, for the legions of working twenty-somethings, whether they've got an advanced degree or special job training or a little college or no education past high school, there's too much uncertainty, and not enough money or time to devote to worrying about preparing a nightly sit-down, home-cooked meal.



### ***Even Organic Lovers Opt for Indulgent, On-The-Go Snacks***

And while certainly research suggests that Gen Y is even more into the idea of organic and natural foods and practices than their Boomer parents or their Gen X elders, at the same time they seem to be just a bit too busy to actually cook all that eco-friendly stuff, especially when they can grab an organic jalapeno cheesy pizza doodle at the drive-through or graze on all-natural Kung Pao sausage roll-ups at the local happy hour. Indeed, the weight of Simmons data suggest that Gen Y adults, though mindful of their weight and fitness level, still are less likely than the general population to follow a specific diet, are more likely to visit fast-food chains, and skew more toward indulgent snacks and desserts than older generations.

### **Mars, Venus Divided on Fast Food, Snacking, Cooking Preferences**

That said, male and female attitudes about food and nutrition often swerve in opposite directions. For example, Simmons shows that, though technically both genders tend to skew higher than the adult average for their emphatic dependence on fast food, men skew 83 percentage points higher than women in their likelihood to agree strongly that fast food beats home cooking (index 190 versus index 107); men age 18-29 are also 64 percentage points more likely than women to agree strongly that they often eat store-made, pre-cooked meals. Men are 71% more likely than adults in general to do so (index 171), versus women of that age bracket, who skew about as likely (index 107).

Compared with adults in general, Gen Y women are 32% more likely to snack often between meals (index 132), versus Gen Y men who are 12% less likely (index 88) to do so. Compared to adults in general Gen Y women are also far more likely than Gen Y men to agree strongly that fattening food makes them feel guilty (index 124 versus index 54), a spread of 70 percentage points, and to agree strongly that they are currently dieting (index 106 versus index 54), a spread of 52 percentage points. However, the two genders agree on one thing: They are both 26% more likely than the adult average to say a resounding *yes!* to trying new nutritional products (index 126). [Table 5-5]

**Table 5-5**

**Strongly Held Attitudes About Food and Nutrition:  
Gen Y Males vs. Gen Y Females, 2008  
(index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>Male Index</b>	<b>Female Index</b>	<b>Percentage Point Spread</b>
Fast Food Fits My Busy Lifestyle .....	196*	123	-73
Prefer Fast Food To Home Cooking .....	190	107	-83
Eating Fast Food Helps Me Stay In Budget .....	181	133	-48
Often Eat Store-Made, Pre-Cooked Meals .....	171	107	-64
Try To Eat Gourmet Food Whenever I Can .....	146	122	-24
Am Usually First To Try New Food Products .....	126	148	+22
Often Eat Frozen Dinners .....	126	130	+4
Am Usually Quick To Try New Nutritional Products .....	126	126	0
Often Snack Between Meals .....	88	132	+44
Frozen Dinners Have Little Nutritional Value .....	81	113	+32
Normally Count Calories In The Foods I Eat .....	79	125	+46
Kitchen Is The Most Important Room In My Home .....	77	87	+10
When Shopping For Food, I Look For Natural/Organic Products .....	74	121	+47
Really Enjoy Cooking .....	67	119	+52
Feel Guilty When I Eat Sweets .....	61	110	+49
Most Of The Time I Am Trying To Lose Weight By Dieting .....	55	116	+61
Fattening Food Makes Me Feel Guilty .....	54	124	+70
Am Currently Dieting .....	54	106	+52

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Male Gen Y adults are 96% more likely than the adult average to agree “a lot” with the statement “Fast food fits my busy lifestyle” (index 196).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Hispanic Gen Yers Strong Believers in Organic, Natural, Fresh**

One of the most striking threads within Gen Y food and health trends, however, is the prominence of Hispanic consumers in their preferences for organic, natural and fresh foods. Not only do Hispanic Gen Y adults skew more than twice as likely as adults in general to agree strongly that they are usually the first to try a new health food (index 262), but they are

also more than twice as likely as adults on average to agree strongly that they will try any new diet (index 246), and similarly likely to be solidly vegetarian (index 232). Over 23% of Hispanic Gen Y adults have a strong interest in new food products; a hefty 15% are keenly interested in looking for organic and natural products, a preference that makes this quickly growing segment 37% more likely than the adult average to do so (index 137).

In addition, 27% really enjoy cooking, a skew that indicates they'll be interested in fresh ingredients as well as in packaged goods; also telling is that 23% of the segment strongly believe that frozen dinners have little nutritional value. [Table 5-6]

**Table 5-6**

**Strongly Held Attitudes About Food and Nutrition: Hispanic Gen Y Adults, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Attitude</b>	<b>%</b>	<b>Index</b>
Am Usually The First To Try New Health Food*	13.3%	262
Will Try Any New Diet	8.8	246
Am A Vegetarian	5.3	232
Prefer Fast Food To Home Cooking	6.6	206
Friends Ask My Advice About Health And Nutrition	9.1	173
When Shopping For Food I Look For Organic/Natural Products	15.2	137
Like To Try Out New Food Products	23.5	136
Try To Eat Gourmet Food Whenever I Can	7.9	132
Don't Have Time To Prepare Healthy Meals	13.0	129
Think Of The Calories In What I Eat	11.7	127
Frozen Dinners Have Little Nutritional Value	23.3	119
Consider My Diet To Be Very Healthy	14.0	114
Think Fast Food Is All Junk	14.8	109
Really Enjoy Cooking	27.2	103
Nutritional Value Is Most Important In The Food I Eat	21.1	100
Like To Know About Ingredients Before Buying Food	16.9	100
Try To Eat Healthy Food/Balanced Diet	21.3	88
Work At Eating A Well-Balanced Diet	16.4	78

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 13.3% of Hispanic Gen Y adults agree "a lot" with the statement, "I am usually the first to try a new health food," such that they are 162% more likely than the adult average to do so (index 262).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

They may be less concerned than the average adult about working hard to maintain a well-balanced diet (index 88), but chances are that their strong interest in ingredients and overall nutrition make up for that skew. Nevertheless, marketers should resist the temptation to lump Hispanic consumers together. The vast diversity of Latino cultures and interests, combined with strong differences in language and acculturation between generations mean that fast food preferences can be just as strong as natural and organic leanings. [Table 5-6]

**Fattening Foods: No Problem**

On the whole, though, Gen Yers are hardly repulsed by the idea of indulging in fattening food. Full-time college students are especially delighted by the prospect, as 35% will happily agree. Thirty percent of college grads, are too—as such they’re 44% more likely than the adult average to be totally open to the joys of sugar and bacon fat (index 144). [Table 5-7]

**Table 5-7**

**“There’s Nothing Wrong with Indulging in Fattening Foods”:  
Selected Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Full-Time College Student, Employed Part-Time* .....	35.1%	171
College Grad Only .....	29.6	144
Household Income \$60K-\$74.9K .....	29.3	143
Employed Part-Time .....	26.6	129
Household Income \$150K+ .....	26.6	129
Not Top 100 Metro Markets .....	26.5	129
College Grad or More .....	25.6	125
Employment Income \$10K-\$19.9K .....	25.5	124
Never Married .....	25.4	123
College Student .....	25.0	122
No College or Vo-Tech Background, Employed Full-Time .....	20.5	100

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 35.1% of Gen Y adults who go to college full-time and are employed part-time agree “a lot” with the statement “There’s nothing wrong with indulging in fattening foods,” such that they are 71% more likely than the adult average to do so (index 171).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Similarly, just over 20% of those with no college, no vo-tech background and a full-time job agree strongly that there's nothing wrong with indulging in fattening foods. As such they are exactly as likely to say so as the average adult (index 100). [Table 5-7]

### **Fast Food Keeps the Lifestyle Wheels Greased**

And if fattening is fine, fast is better. To hear Simmons tell the tale, the vast majority (88%) of Gen Y adults aren't opposed to a quick trip through the drive-in, either, an attitude in which they join the vast majority of adults in general (85%) who make at least occasional use of the ultra-quick bite. Indeed, Gen Yers like fast food so much that well over half of the Gen Y cohort (57%) have made 14 or more trips through a fast-food or drive-in restaurant in the last month, generally in the company of other adults, and as such are 24% more likely than adults in general to do so. Along these lines, 5% of the overall Gen Y cohort claim emphatically that they prefer fast food to home cooking, a skew that makes them 48% more likely than adults in general to say so (index 148).

The younger cohort is even more likely to prefer the seductive rustle of waxed paper or the mysterious creak of press-hinge Styrofoam to the ho-hum clank of ceramic dishware. Five percent of consumers age 18-24 stoutly declare their preference for fast food over the slower, more involved process of the home cooked meal, and as such are 73% more likely than adults on average to do so (index 173), though Simmons is a bit unclear on whether it's the eating at home that's objectionable or the cooking of a meal oneself. [Tables 5-8 and 5-15]

### ***Small Percentage of Hispanics Prefer Fast Food to Home Cooking***

Perhaps surprisingly, the most likely of all Gen Y segments to prefer fast food to home cooking are Hispanics age 18-29—yet another reason for marketers to look closely at their target audiences, considering the general enthusiasm of Hispanic consumers not just for fresh and organic produce, but for family or home-based meals. In fact, 6.6% of Hispanic Gen Y adults prefer meals on the go to meals at home. As such Hispanic Gen Y adults are more than twice as likely as adults in general to say so (index 206). In addition, 6.1% of men age 18-29, and 6.0% of never-married Gen Y adults, strongly prefer fast food to home cooking, and as such are also far more likely than the adult average to do so. Single Gen Y adults are

86% more likely (index 186), and those who aren't parents are 58% more likely (index 158) to agree strongly that fast, convenient, disposable and inexpensive trump the whole after-dinner wash-up any day. [Table 5-8]

**Table 5-8**

**“Prefer Fast Food to Home Cooking”: Gen Y Adults, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Hispanic* .....	6.6%	206
Male .....	6.1	190
Never Married .....	6.0	186
Younger Cohort, Age 18-24 .....	5.6	173
Not Parent .....	5.1	158
Top 100 Metro Markets .....	4.7	148
Gen Y Overall, Age 18-29 .....	4.7	148

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 6.6% of Hispanic Gen Y adults agree “a lot” with the statement “I prefer fast food to home cooking,” such that they are 106% more likely than the adult average to do so (index 206).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

***Hispanics, Singles, Men Most Likely  
to Believe Fast Food Helps Keep Them in Budget***

What’s more, though only 3% of the overall Gen Y cohort strongly agree that eating fast food helps them stay in budget, adults age 18-29 are 56% more likely than adults on average to do so (index 156). Nearly 5% of Hispanic Gen Y adults are quite certain that fast food keeps their accounts in the black, which makes that segment well over twice as likely as adults in general to feel this way (index 218). However, once again wide demographic swaths are inclined to agree strongly that fast food is great for the pocketbook if not for the arteries: Singles who have never been married are nearly twice as likely as the adult average to say fast food keeps their budget in check (index 192). Gen Yers outside the top 100 metro markets and men age 18-29 aren’t far behind (index 182). [Table 5-9]

Table 5-9

**“Eating Fast Food Helps Me Stay in Budget”:  
Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Hispanic* .....	4.8%	218
Never Married .....	4.2	192
Top 100 Metro Markets .....	4.0	182
Male .....	4.0	181
Not Parent .....	3.7	168
Younger Cohort, Age 18-24 .....	3.7	167
Gen Y Overall, Age 18-29 .....	3.4	156
Female .....	2.9	133

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 4.8% of Hispanic Gen Y adults agree “a lot” with the statement “Eating fast food helps me stay in budget,” such that they are 118% more likely than the adult average to do so (index 218).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## McDonald’s Brand Still Reigns Supreme

For busy Millennials, McDonald’s is by far the most popular quick stop, possibly because of the stunning ubiquity of its brand. According to Eric Schlosser, author of *Fast Food Nation: The Dark Side of the All-American Meal* (Houghton Mifflin, 2001), by the age of four, today’s Generation Y—the generation arguably more brand-inundated than any before them—were able to recognize one symbol above all others: the Golden Arches. Lesson: Don’t underestimate the power of branding with this generation. They may hate inauthentic or smarmy marketing overtures, but they have seriously integrated cool retail signifiers in their psyches—so much so that they’ve had their favorite symbols tattooed on their skin. The University of Liverpool News reports that Gen Y is the first to sport branded tattoos: “Harley Davidson” is the most popular among Americans, followed by “Disney,” “Coke” and “Google” (<http://www.liv.ac.uk/news/features/generation-y.htm>, April 2, 2008). The McDonald’s brand may not be wildly popular among the body modifying cohort, but the occasional sighting does confirm a certain cultural relevance.

**Majority of Gen Y Adults Patronize Golden Arches, At Least Occasionally**

According to Simmons, over 60% of Gen Y adults, or about 24 million, have laid down their cash at the altar of Ronald McDonald, similar to 55% of all adults age 18 and over—indeed, Gen Yers skew an inconsequential 10 points more likely than adults in general to pop in for an Egg McMuffin or the like. Gen Y adults with specialty job training boast the highest percentage of patrons as far as educational and job training segments go, with 69% passing through a Mickey D's at least occasionally; college consumers and Gen Y adults with no college and no specialty job training run neck-and-neck in their patronage of the chain, at about 60% each. Over half, or about 54%, of college grads make at least occasional use of Big Macville, says Simmons.

By comparison, the fast food and drive-in restaurants Burger King and Subway claim about 40% or fewer of the Gen Y contingent. And, while Gen Yers are far more likely than the adult average to make frequent quick stops at the likes of Starbucks (index 145), Papa John's (index 149), Domino's Pizza (index 153) or Chipotle (index 160), McDonald's grabs the brass ring in terms of actual numbers. The continuing popularity of the chain may be explained not only by its commitment to offering fast, convenient and amazingly inexpensive fare, but also by its ability to morph with the times. Beating Dunkin' Donuts for first place in a Consumer Reports national coffee taste-off didn't hurt, either (*Time Magazine*, March 9, 2007). [Tables 5-15, 5-16]

**Better-For-You Menu Items Leave Gen Y Cold**

Oddly enough, however, though McDonald's popularity among the Echo Boom is well established, the brand's most recent positioning tends to set off the hyper-sensitive Gen Y credibility radar. The chain's gradual roll-out of lower-fat, lower-calorie, better-for-you items—which is not a bad thing, certainly—in response to healthier food trends and pressure from consumer groups after somewhat disturbing exposes of the sort to be found in, say, *Fast Food Nation*, has even led it to switch over to zero-trans-fat cooking oil in all U.S. and Canadian locations for its french fries, hash browns, biscuits, chicken and filet of fish, as of May 2008, with plans to eliminate trans fats from all baked items by December 2008 (*Associated Press*, May 22, 2008). But, according to Tom Anderson, Managing Partner of Stamford, CT-based market research firm Anderson Analytics, even if McDonald's is



peppering its menu with artery-friendly cooking oil and fruit and vegetable-based options, the company should just give up on health claims—at least if it wants to appeal to Gen Y. Anderson, who has been tracking Gen Y opinions about fast food advertising since 2005, says McDonald's health claims are absurd in the eyes of authenticity-hungry Gen Y. "They are trying to tell people their food is healthy," he writes in an April 2008 blog entry. "'Come on,' say Gen Y, 'Who would go to McDonalds for healthy food, who do they think they're fooling'" [sic]. Presumably, if Echo Boomers want "healthy" fast food, they go to Chipotle. At the same time, however, after polling 100 18- to 24-year-olds on Facebook, Anderson found that interest in visiting McDonald's easily outpaces a trip to Burger King by 56% to 44%—a finding that Simmons tends to support. Simmons data show that that 61% of Gen Y adults patronize McDonalds, compared to the 40% who have breached Burger King's friendly portals. [Table 5-15]

Anderson's research also shows that Gen Y favors McDonald's advertising hands-down 71% to 29% (the King is too weird), but there's a definite eye-roll when the topic of "health" arises. "McDonalds isn't selling health food, and telling this demographic that they have healthy food is seen as untruthful and harms trust," Anderson says. And, really, the 2007 launch of the 754-calorie, four all-beef patty "godzilla-sized" Mega Mac in Japan does tend to offset the stateside introduction of a "fruit and yogurt parfait" and "range of salads"—and even overshadows a number of global sustainability initiatives (including conservation of the Amazon rainforest).

The thing is, questionable nutrition isn't a problem for Generation Y. Indeed, among this group the whole *point* of going to McDonald's is to eat food that is fast, fattening, greasy and cheap, which may be part of the reason that McDonald's CEO Jim Skinner prefers to keep a lid on the trans fat transition, the implicit understanding here being that trans fats *taste good* (<http://www.bantransfats.com/mcdonalds.html>). Despite settlement of a class action suit that required McDonald's to donate \$1.7 million to the American Heart Association, as well as to spend up to \$1.5 million in advertising the heart-healthier change (with the remainder of any unspent moneys to be donated to the American Heart Association), the company doesn't plan to advertise the switch-over (though a quiet announcement was made to shareholders), the hope being that the recipes have been tweaked enough so that nobody will notice the difference. "While we don't plan to advertise these changes, we wanted you [shareholders]

to be the first to know that we have followed through on our commitment while keeping the same great taste that our customers expect from McDonald's," Skinner said at the annual shareholders meeting at the corporation's headquarters in Oak Brook, IL, in May 2008 (*Associated Press*, May 23, 2008).

### **White Castle Rolls Out "What You Crave": Hip, Edgy and Digital**

As far as hip advertising is concerned, both Mc Donald's and Burger King could learn a thing or two from Columbus, OH-based White Castle, the first hamburger chain in America, launched in 1921 and known for its tiny square burgers, called Slyders. The chain, already popular in the Midwest, achieved cult status with the 2004 underground comedy *Harold and Kumar Go To White Castle*, a saucy little flick built on the premise that smoking marijuana can inspire insistent cravings (cf. college weight gain above), but apparently originally intended to feature some other fast food joint that declined the offer. Too bad for them: More recently, White Castle's radio and television spots echo the fictional Harold and Kumar's desperate pursuit of the White Castle burger. For example, the Grim Reaper abandons his Appointment In Elderly Man's Hospital Room when a "Crave Call" comes in on his celly; a twenty-something window dresser, responding to an urgent Crave Call, topples a dozen underdressed mannequins in his haste to snag a Slyder, job security be damned.

#### ***"Crave Call" Campaign Combines Space Age with Slang-a-Licious***

In addition to its professionally orchestrated ad spots, White Castle is sponsoring a contest for user-generated Crave Call commercials. It offers an "Embeddable!" "Crave Station" video game that invites users to "put your eye-stomach hand-mouth tooth-tongue keyboard-mash coordination to the test." Then there's Crave Call wallpaper, complete with space ship cockpit and disturbing globular plastic seating, for the desktop, and downloadable Craver's ringtone of the eerie music that accompanies the spots: "Craver's Ringtone Puts the Crave in Your Pants," the website advises. And, for fans who submit their cell phone digits, White Castle updates can arrive 24/7, just like in the Reaper commercials: "Ya never know, the Crave might drunk-dial you at 3 a.m. and want to talk about what's-her-face or where to get delicious sandwiches in the wee hours" (<http://www.craveiscalling.com/day.html>)—a key feature for hungry post-adolescents who need a break from studying or partying or sleep.

White Castle has such a devoted following that three young couples got married at the Columbus, OH venue on Valentine's Day 2008, in a morning ceremony that featured a flower girl who threw salt and pepper packets instead of rice and grooms sported employee nametags on their lapels (*Associated Press*, February 14, 2008, <http://www.foxnews.com/story/0,2933,330721,00.html>). A local radio station broadcast the event.

### **In Casual Dining, Relaxed, Inexpensive Socializing Is the Goal**

Gen Y dining isn't a total gobble fest. When it comes to casual dining, Echo Boomers are looking for a comfortable place to kick back and maybe have a few drinks with the meal, while in more upscale environments they're keen on friendly customer service and gourmet selections—which they prefer in smaller, less expensive portions so as not to injure their bank accounts too badly. (Chances are they had a snack at home or in the car on the way over, just in case.) These days, Gen Y adults are focusing on quick and convenient ways to sustain their corporeal existence. Indeed, more than ever, with the troubling rise in grocery food and gas prices, these cash-strapped consumers insist on the greatest bang they can get for their buck.

### **Gas Prices Curtail Frequency of Dining Out**

According to BIGresearch, an increasing percentage of adults age 18-28 are dining out less often because of fluctuating gas prices. Though the increase has been gradual since the last quarter of 2006, sometimes even decreasing or remaining within a few tenths of a percentage point from month to month, the cohort do seem to be more watchful of their pocketbooks since sharp rises in gas prices began. For example, as of October 2006, 39.9% of adults age 18-28 had reduced their dining out specifically because of gas prices. Though that percentage of nervous nellys decreased to 30.9% in January of 2007, it soon began another gradual climb, according to BIGresearch's *Consumer Intentions and Actions* surveys. By December 2007, 33.0% of adults age 18-28 were cutting back on dining out, and as of June 2008 that percentage increased to 44.6% of this age bracket who cited fluctuating gas prices as their reason for reducing the frequency of eating out. Over half of Gen Y women (50.7%) admit to cutting back on restaurant excursions, and a solid majority of married Gen Yers (64.3%) are doing the same. [Table 5-10; Figure 5-4]

**Table 5-10**

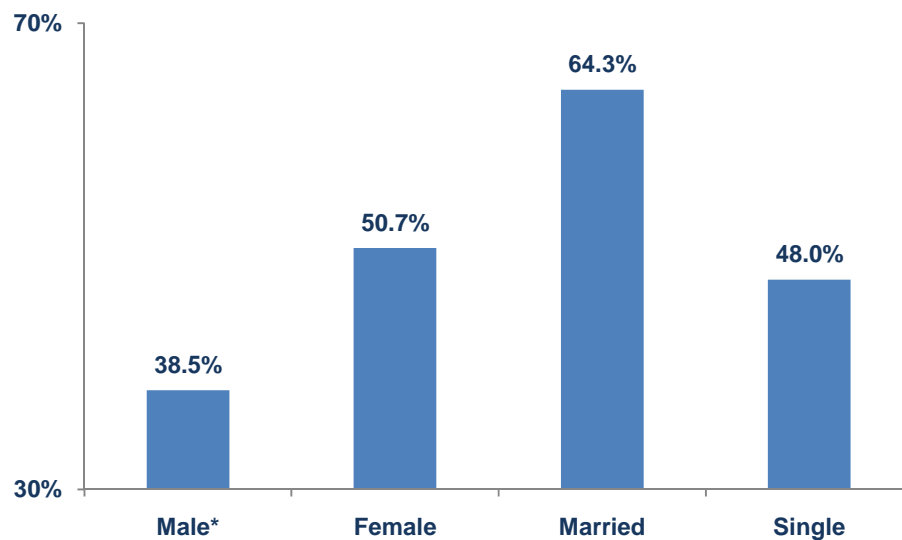
**Percentage of Adults Age 18-28 Who Are Dining Out Less Frequently Because of Fluctuating Gas Prices: By Month, December 2007 – June 2008**

Month	Percentage	Percentage Point Change
June 2008* .....	44.6%	0.0
May 2008 .....	44.6	4.6
April 2008 .....	40.0	1.1
March 2008 .....	38.9	-1.4
February 2008 .....	40.3	4.4
January 2008 .....	35.9	2.9
December 2007 .....	33.0	**

\* Read as follows: In June 2008, 44.6% of adults age 18-28 reported that they were dining out less frequently because of fluctuating gas prices, an increase of 0.0 percentage points since May 2008.  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

**Figure 5-4**

**Percentage of Adults Age 18-28 Who Are Dining Out Less Frequently Because of Fluctuating Gas Prices: By Gender and Marital Status, June 2008**



\* Read as follows: In June 2008, 38.5% of males age 18-28 reported that they were dining out less often because of fluctuating gas prices.  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

### **Creative Urban Singles Find Wallet-Friendly Ways to Curb Hunger**

But Gen Yers are nothing if not resourceful. Over 54% of adults age 18-29 like to dine out in their leisure time; among college graduates that skew shoots up to 75%. Take, for example, Cassandra Reed, a 26-year-old concierge in New York City who lives with three roommates and pays \$925 for a room so narrow that the only viable sleeping arrangement is a twin-size loft bed. Reed makes barely enough to pay rent and buy groceries, but the perks of her job bridge the food-buying gap: She often eats at top restaurants and drinks at trendy clubs, gratis. “A lot of the restaurants that I’ve been to, I wouldn’t be able to go to at all, because I wouldn’t be able to afford it,” Reed admits. When they’re paying for themselves, however, even when they’re pinching pennies, Echo Boomers want choices that are exotic yet affordable; big honking portions don’t hurt either, especially for those who wouldn’t mind a little more of the same for later.

Another dedicated New Yorker, Peter Naddeo, is a 24-year-old musician scratching out a living as a temp in web development. For lunch, Naddeo usually orders a \$3.50 plate of yellow rice and beans from a Latin American diner; at night he’ll slink into a neighborhood bar where a \$6 pint comes with a small pizza. Or he cadges meals from friends. “My friends aren’t rich,” says Naddeo, whose thrifty habits have kept his figure quite trim. “They’re just nice” (*The New York Times*, May 25, 2008). The bottom line is, these young adults are determined to succeed, and find ways to cut their budgets while still demanding a certain amount of style and luxury, even in their caloric intake. [Tables 5-15, 5-16]

### **Family Restaurants Provide Predictable, Inexpensive Options**

Of course, it should be really fun to eat out, too. Mostly Gen Yers are looking for a place to socialize without spending too much money, so family restaurants or steak houses can offer a casual, predictable environment in which to commune with three-dimensional friends even as they’re constantly checking their MySpace page or checking phone messages at the table. According to Simmons, 76% of Gen Y adults say they frequent family restaurants or steak houses, though not with the same frequency as the less-expensive drive-through option. Just under 25% of Gen Y adults patronized a family restaurant or steak house three to five times in the past month; 60% of the cohort go with other adults, and 25% go with friends or co-workers, and as such skew at 41% more likely than the adult average to do so (index 141).

Nearly 30% of Millennial adults will try an Applebee's Neighborhood Bar & Grill, for example, and are about as likely to scoot into one of those wood-paneled booths as any other adult (index 105). In addition, in keeping with research by Kraft Food Service showing that coupons, specials and all-you-can-eat features are key drivers for hungry young stomachs (<http://www.kraftfoodservice.ca/en/BusinessTools/Millennials.htm>), Applebee's ("What are you craving?") offers gift cards, all-you-can-eat specials and carside delivery for call-in to-go orders. [Table 5-15]

### **TGI Friday's Emphasizes Grown-Up Socializing, Rewards Cards**

In contrast, while a mere 18% of the 18-29 crowd frequent the local TGI Friday's (where there's also a lot of wood and a bar), they are 46% more likely than adults in general to do so (index 146). Over 22% of college grads do so. Why? Because it's focused on festive grown-up (read, alcohol-heavy) socializing. There, within its casual, welcoming glow, "It's Always Friday"—hence just hours away from the great vistas of intrigue and goofing off that day implies. Drinks are inexpensive and young-adult-centric, with customized themes such as "Girls Night Out," "First Date," "Celebrations," "The Main Event" (beer, of course) and new "Fresh 'Ritas." There's sports, hearty laughter, new friends and deep-fried artichokes and—yes—on actual Friday nights at selected locations: karaoke. In addition, the all-important Rewards program lets frequent eaters rack up points toward free desserts, appetizers. The restaurant even has a fan site: Team Sugar, a social networking site for young women. "Friday's gave me the job that put me through college! Rock on Friday's!" cheers Chynablue ([http://teamsugar.com/brand/TGI\\_Fridays](http://teamsugar.com/brand/TGI_Fridays)). [Tables 5-15, 5-16]

### **Even In Groceries: Make It Cool, Eco-Friendly, Multi-Culti, Authentic**

Despite all the gadding about, Gen Y adults actually do go to the grocery store—more often than you might think. According to Simmons, 89% of the cohort have done some sort of grocery or food shopping in the last 4 weeks, and thus are about as likely as adults in general to have trundled their carts around the aisles. However in comparison with other generations, says Liz Crawford, Vice President and Consumer Strategist for Retail and Consumer Packaged Goods with Minneapolis-based consumer advisory firm Iconoculture, Inc., three concepts predominate in Gen Y's approach to grocery shopping: cool, environmental and

multicultural—and authenticity, of course. “One thing about this age group is that it can sniff out something that’s not authentic,” says Crawford. “If you make a claim [for a function or an ingredient] you’d better have it” (*New Products Magazine*, March 2008).

[Table 5-15]

### **Gen Y Likely to Spend \$150 or More Per Week on Groceries**

What’s fascinating, too, is that Gen Y money woes don’t preclude a willingness to spend on foods they enjoy. Gen Y adults are 33% more likely than adults on average to spend \$150 or more in an average week on groceries (index 133), the highest Simmons-defined spending bracket. In fact, 24% of adults age 18-29 spend that amount regularly—compared to 18% of adults on average. The remaining three-fourths of Gen Y grocery shoppers fall into roughly equivalent spending segments. For example, the 14% of Gen Y adults who spend \$125-\$149 per week are as likely as adults in general to do so (index 103), as are the 16% who spend about \$81-\$100 per week (index 103). Gen Y adults who fall into the lowest spending brackets, shelling out \$80 or less on grocery shopping in an average week, are about 20% less likely than adults on average to spend that little (index 80). [Tables 5-15, 5-16]

### ***College Consumers Spend More Than College Grads***

Broken down into educational and job status segments, however, the numbers are even more interesting. Nearly all college graduates (95%) age 18-29 have gone grocery shopping in the last month, but only 12.5% of this segment say they spend \$150 or more in an average week. In contrast, 90.4% of college consumers—the education/employment cohort most likely to be on prepaid meal plans—spend more on food shopping than college grads, young adults with specialty job training, and those who have no college and no specialty job training. According to Simmons, 90% of college students have made grocery or food shopping excursions in the last 30 days, and 29% of them say they average about \$150 a week there. One way to explain this seeming anomaly is that many strapped hipsters, especially those who grow weary of the campus food lines, will look for small ways they can splurge. [Tables 5-15, 5-16]

**Premium Edibles, Especially Organics, Fill Luxury Gap**

Gen Yers may not be able to buy the spinning rims or the Chanel handbag, but grocery store luxuries they can afford. “These are young people trying to make it, but they will pay a premium for items that go in their bodies or their home,” said Barbara Bylenga, Founder and Chief Strategist at San Francisco-based Outlaw Consulting. “They will pay an extra dollar for something that doesn’t emit toxins” (*Brand Week*, July 27, 2008) Gen Y will also look to their brands for information about the environment, Bylenga explains, and will often choose brands that represent social and environmental responsibility.

And indeed, these impulses cover a wide range of income levels. Just over 15% of Gen Yers who have a household income of \$150,000 or more agree strongly that they look for organic and natural foods, such that they are 38% more likely than adults on average to do so (index 138). But nearly 12% of Gen Yers who have personal incomes of \$20,000 or less look for organic and natural products, too. Nearly 13% of Gen Yers in the top 100 metro markets—where organic is the hottest urban fashion—are on constant lookout for eco-friendly food options. Fifteen percent of Hispanic Gen Yers strongly prefer organics as well, placing them 37% above average (index 137). [Table 5-11]

**Table 5-11**

**“When Shopping for Food, I Look for Organic/Natural Products”:  
Selected Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Household Income \$150K+* .....	15.3%	138
Hispanic .....	15.2	137
Female .....	13.4	121
College Grad or More .....	12.9	116
Top 100 Metro Markets .....	12.7	115
Not Parent .....	12.1	109
Employment Income Under \$10K .....	11.6	105
Employment Income \$10K-\$19.9K .....	11.5	103

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 15.3% of Gen Y adults with a household income of \$150K+ agree “a lot” with the statement “When shopping for food, I look for organic/natural products,” such that they are 38% more likely than the adult average to do so (index 138).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.



### **Socially Responsible Honest Tea “Gets Real”**

One organic brand that gets high marks from the eco-chic set is Honest Tea, a 10-year-old upstart that “gets real” by selling organic, exotically flavored refrigerated tea with less sugar than most bottled drinks. The company grew 70% in 2007, aided considerably by its presence on Whole Foods shelves and its stated mission to “strive for authenticity, integrity and purity, in our products and in the way we do business” ([www.honesttea.com](http://www.honesttea.com)). The company decided to increase its social responsibility by adding plastic bottling to its packaging repertoire—a decision that Gen Yers tended to object to until they read the label: Because it’s lighter, plastic requires less fuel for shipping than the heavier glass bottles. “[T]here’s a certain cache you get for knowing plastic is better because it’s not as heavy,” observes Outlaw’s Bylenga.

“It’s something [Gen Yers] can say at a cocktail party” (*Brand Week*, July 27, 2008). The authenticity radar zinged a bit February in 2008, however, when the company sold a 40% stake to Coca-Cola, but the company assures eyebrow raisers that it will not be controlled by high-fructose interests (*Press Release*, February 4, 2008, <http://www.honesttea.com/news/detail/?id=80>).

### **Spiking Gas Prices Make Continued High Spending Uncertain**

Still, organics and naturals do tend to boost the shopping bill, a consideration that is unavoidable as gas prices yo-yo and the cost of food continues to ratchet up. BIGresearch shows that Gen Y adults of all stripes are curtailing their expenditures, not just on dining out but on grocery items as well, a trend that has gained momentum along with increasing food prices and the fluctuating price of gasoline. For example, as of December 2007, when gas prices averaged \$2.81 per gallon over the year, 18.6% of adults age 18-28 reduced their grocery spending, but by June 2008, when the federal Energy Information Administration determined that gasoline prices averaged \$3.65 per gallon by mid-year (<http://www.eia.doe.gov/steo>), 27.4% of the cohort reported cutting back on spending at the grocery store. [Table 5-12]

**Table 5-12**

**Percentage of Adults Age 18-28 Who Are Spending Less on Groceries Because of Fluctuating Gas Prices: By Month, December 2007 – June 2008**

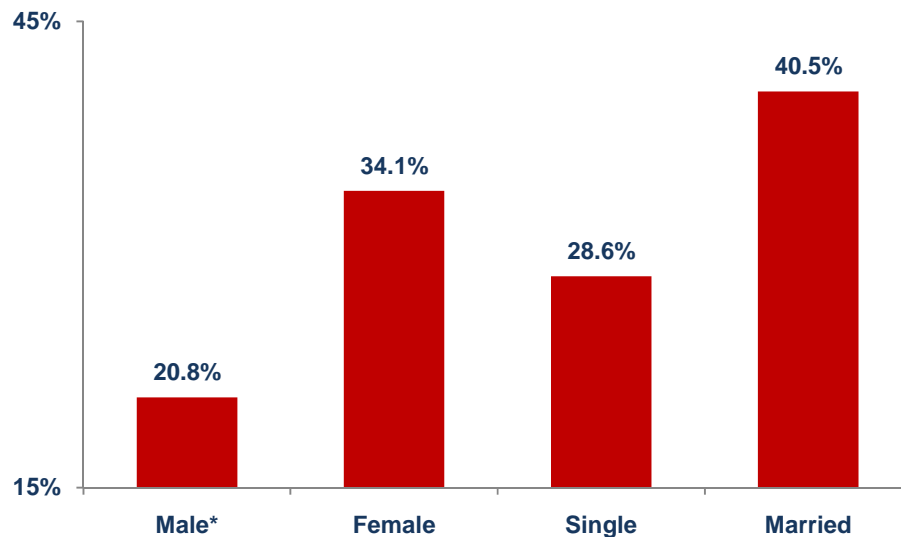
Month	Percentage	Percentage Point Change
June 2008*	27.4%	+4.6
May 2008	22.8	+0.2
April 2008	22.6	+3.6
March 2008	19.0	-0.9
February 2008	19.9	+0.4
January 2008	19.5	+0.9
December 2007	18.6	natural/alternative

\* Read as follows: In June 2008, 27.4% of adults age 18-28 reported that they are spending less on groceries because of fluctuating gas prices, an increase of 4.6 percentage points over the previous month.  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

BIGresearch further shows that a greater percentage of women than men have been reducing their grocery expenditures. In June 2008, 34% of women age 18-28 were reporting a tightening of the purse strings at the grocery store specifically because of fluctuating gas prices, while 20% of men in that age bracket were doing so. [Figure 5-5; Tables 5-15, 5-16]

**Figure 5-5**

**Reduced Spending on Groceries Because of Fluctuating Gas Prices Among Adults Age 18-28: By Gender and Marital Status, June 2008 (percent)**



\* Read as follows: In June 2008, 20.8% of male adults age 18-28 reported that they had reduced spending on groceries because of fluctuating gas prices.  
Source: BIGresearch, *Consumer Intentions and Actions Survey and Simultaneous Media Study*, © 2003-2008. BIGresearch, All Rights Reserved. Compiled by Packaged Facts.

### ***Cost-Cutting May Encourage More Home Cooking***

Belying the cultural wisdom that two can live as cheaply as one, BIGresearch data show that 41% of married consumers age 18-28 reported reducing expenditures on grocery items because of uncertain gas prices, in contrast with 29% of single adults in that age bracket, who nonetheless also demonstrate a clear trend toward cutting back. And indeed, this trend cuts across age brackets, according to a May 2008 special report by Information Resources, Inc. (IRI)—*Competing in a Transforming Economy*—which emphasizes the role of personal income in the tendency to cut back on grocery spending, with those in the lower echelons cutting back the most.

Citing a 6.6% increase in the price of consumer packaged goods since 2007, the IRI report also confirms that consumers are beginning to favor lower prices over convenience, such as in pre-prepared meals, and over perceived health benefits such as in the generally higher priced organic and natural foods. The \$35,000 and under income bracket, where a majority of the Gen Y cohort languish, has been particularly affected by higher prices at the pumps and in the stores: 75% of consumers in that range are cutting back on non-essential groceries, while 60% are buying fewer organic products, specifically because they are more expensive, says IRI. However, given Gen Y tastes, it's likely they'll hang on to organics as long as they can, probably switching to private-label goods where they can. [Figure 5-5]

### ***Frozen Foods, Perishables, Private Label May See Spending Uptick***

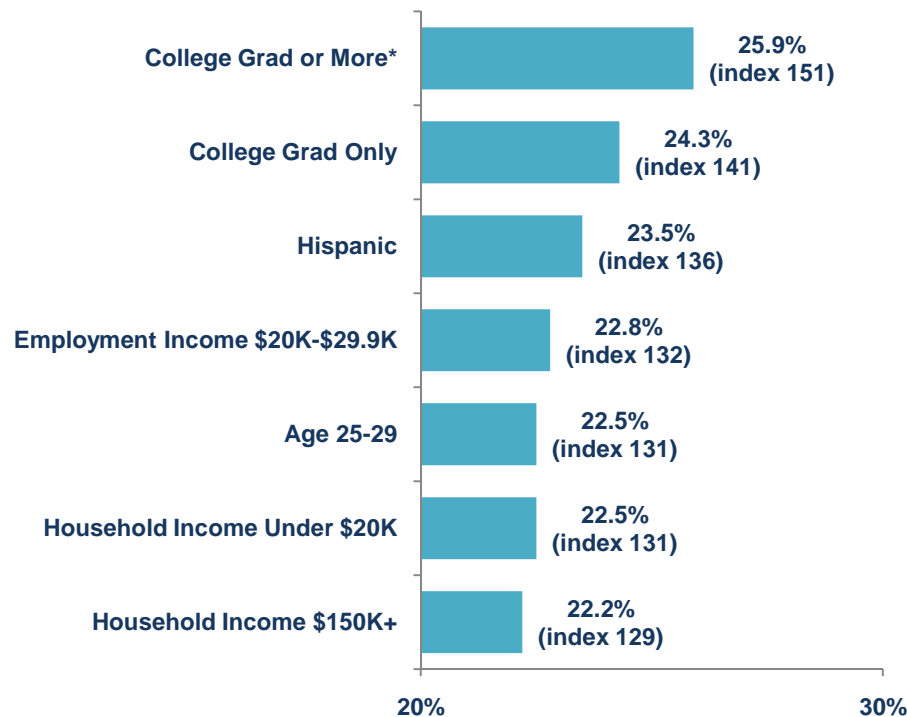
Meanwhile, frozen foods, perishables and so-called “center store” and private-label items are gaining, a trend that promises increasing loyalty among the cohort to supercenters. Simmons reports that 56% of adult Echo Boomers have shopped a Walmart Super Center in the last month; and among those with no college and no specialty job training, that number rises to 59%. And, although Millennial parents represent a slim segment among the cohort, their numbers promise to grow significantly as they hit their thirties. Convenience meal categories such as frozen entrees and breakfast foods, refrigerated lunches and dry packaged dinners may therefore represent a significant long-term growth opportunity. Along these lines, the IRI study shows that 50% of consumers say they have stepped up their private-label spending in the last six months, while a sizeable minority—42%—say they have given up their favorite brands.

## **Novel Treats Still Lure Sophisticated Taste Buds**

But it's not as if the cohort will lower their standards just because they're tightening their belts. Once they're trundling their cards through the aisles, Gen Y adults are discriminating shoppers, focused on exotic flavors (a trait they've inherited from their Boomer elders), cool packaging and environmental cachet—in addition to bang for the buck. Indeed, Simmons shows that male and female adults alike are more than 25 percentage points more likely than the average adult to snap up new food and nutritional products. College graduates are especially likely to thoroughly enjoy testing unexplored gastronomic waters. Over 24% of those with just a bachelor's degree, and nearly 26% of those with a undergraduate degree or more, strongly agree that new food products are a major draw—a skew that tends to underscore the affinity of the older cohort for a little taste-bud adventure. [Figure 5-6; Table 5-5]

**Figure 5-6**

**“I Like to Try Out New Food Products”\*: Highest Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 25.9% of Gen Y adults with a bachelor's degree or higher agree "a lot" with the statement "I like to try out new food products," such that they are 51% more likely than adults on average to do so (index 151).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Rachel's Dairy Pushes "Wickedly Delicious" Yogurt

For example, explains Carolina Fryer, Brand Manager for Rachel's Dairy, a UK-based company that debuted in U.S. markets under the WhiteWave Foods aegis in June 2007, "Millennials have higher level of expectation. They want premium every day. It's understood that yogurt is good. Now they want their yogurt to be interesting—every day" (*New Products Magazine*, March 2008). Headquartered in Broomfield, CO, the U.S. Rachel's "Wickedly Delicious" brand hits both the cool and the exotic or multicultural Gen Y buttons, and does pretty well with the whole "fun" thing, too.

### ***Line Focused on Style and Function***

Its "Essence" and "Exotic" lines of all-natural, low-fat yogurt come in black packaging that pops with bright images of specific ingredients and likens the consumption of the "creamy, but not-too-sweet" milk-based ambrosia to an invigorating afternoon at the spa. In the "custom-crafted" Essence line, for example, flavor swirls with functionality: "Revive" combines the flavor of peaches with ginseng and natural green tea for energy and youth-affirming antioxidants; "Glow" mixes berries and jasmine with vitamin A and zinc to promote healthy skin and a glowing complexion; "Vitality" combines the familiar exotic taste of Pomegranate with the trendy and power-packed Brazilian açai (pronounced a-sigh-ee) berry, a putative purple miracle with an antioxidant load said to dwarf that of the humble blueberry, along with a reported ability to improve mental clarity and focus, boost energy levels and strengthen the immune system.

The "Exotic" line, "inspired by the planet's most tempting fruits and flavors," features gourmet mash-ups of Pomegranate Blueberry, Mango Pineapple Passion Fruit, Kiwi Passion Fruit Lime and most recently Pink Grapefruit Lychee and Marionberry Guava. "Rachel's offers health-minded consumers a way to treat themselves while also nurturing their bodies," Fryer says. "Indulging usually means sacrificing health, but we offer exotic, crave-worthy flavors that you can feel good about eating because they're actually good for you" (*Press Release*, May 29, 2007). At \$0.99 per stylish six-ounce cup, the indulgence is pricier than the bland but wallet-friendly five-for-two-dollars private-label brands, but it's also a lot cheaper than a Chanel handbag.

Reviews on food blogs tend to be mixed—ranging from “appalled at how overly sweet it was” and “not horrible, it just wasn’t rave-about good” (<http://chowhound.chow.com/topics/442188>) to the “absolute freakiest, girliest yogurt flavors known to man” (that’s a good thing) from Velma of Luck With a Capital F (<http://luckwithacapitalf.blogspot.com>) and “it’s my new obsession” from health-conscious Rachel of Rachel’s Bite (no connection) (<http://rachelsbite.blogspot.com>).

Clearly, men are not the target segment here.

### ***Probiotics, All-Natural Goodness Pass Authenticity Test***

In any case, Rachel’s yogurt is likely to pass the Gen Y authenticity test, what with its availability only in natural food stores and its all-natural (not “organic”) health claim. The milk used to produce the yogurt uses no artificial growth hormones; it contains no artificial sweeteners, colors, flavors or preservatives. Probiotics—beneficial bacteria that support digestive health—add additional functionality with *Life’s* Omega-3 DHA, a vegetarian version of the Omega-3 fatty acid touted for its role in heart, brain and eye health, and manufactured by Columbia, MD-based Martek Biosciences Corporation.

### **Even In Snacks, Gen Y Looks for Zing, Fun, Customization**

Snack foods, of course, also hold strong Gen Y appeal, especially if they involve tastes like “flaming hot,” “super sour,” “extra spicy” or “tart and tangy.” But generic taste bud sensations—even on steroids—aren’t enough, even in snack foods. Gen Y adults want sophisticated, surprising flavor combinations regardless of whether they’re eating a burrito or a breakfast bar, and they’re cuckoo for customization as well: A selection of toppings, sauces or condiments—preferably formulated from snazzy spice blends or ethnic flavor profiles—is bound to please.

But don’t stop there. According to Marc Halperin, Chief Operating Officer and Culinary Director at San Francisco’s Center for Culinary Development (CCD), which has been tracking Gen Y trends in snack food purchases since 2001, Gen Y adults, much like toddlers worldwide, also want their food—especially snack food—to be fun. As one participant in the 2007 snack-centric study said, “You want some flavor, something with a zing.” Others crave

the unexpected: “[I like] twists on normal things,” said one focus-group member said, while another appreciates “an adventure in my mouth” (*QSR Magazine*, July 2008). Those proclivities apply to both restaurant fare and on-the-go snacking, and can be met with combining old favorites in new ways—serving mini-pizza pillows, for example, or making French fries short and stout rather than long and lean, and serving them with Bleu Cheese or Cajun or Spicy Mustard Soy dipping sauces—or by making them with plantains or sweet potatoes. (For more on CCD’s research on Gen Y and food, make sure to check out: <http://www.packagedfacts.com/landing/culinarytrends.asp>)

### ***Snap, Crackle, Sizzle, Crunch and Sip***

Accordingly, foods that can be popped, poured, tossed into the mouth—or sucked through a straw, for that matter—are often more compelling for Gen Y than more ho-hum alternatives. Fun for this generation also equates with sounds and texture: snap, crackle, sizzle or crunch, all of which add dimension to the munching experience. For example, Market Basket Vegetable Sticks, a veggie snack in standard potato, spinach and carrot/beet colors, ratchets up the fun factor with its hollow tube presentation, the better to blow tunes through or suck up guacamole with.

And indeed, the straw sucking potato crisp has already hit the shelves, in the form of Philippine San Miguel Mills’ E-aji line of chips, which is packaged with dips such as mayo or tomato salsa or sweet chili. The chips are even fortified with 15% of the RDA of Vitamin C, though a single serving also contains 25% of recommended daily fat intake and packs a huge amount of salt. “When it first came out, I thought it was the greatest snack ever,” writes food blogger Martin Banana. That is, until he realized he needed a table to hold all the paraphernalia. Banana hung in there, however, and has managed to create an eating rhythm that involves trapping the dips inside the square tubes for transport between his knee and his mouth.

One has to wonder if an enclosed pre-moistened towelette might make the experience even more appealing.

**Table 5-13**

**Diet and Exercise Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Dieting</i></b>			
Watching Diet* .....	54.1%	36.3%	67
Watching Diet To Lose Weight .....	29.1	18.8	65
Watching Diet To Maintain Weight .....	12.9	10.4	81
<b><i>Types Of Food Purchased To Watch Diet</i></b>			
Low Fat/Fat Free .....	46.3%	42.8%	92
Low Fat .....	32.1	19.6	61
Fat Free/Non-Fat .....	22.5	15.6	69
Low Calorie .....	17.3	13.1	76
Natural Or Organic .....	12.8	11.8	92
High Fiber .....	20.1	10.6	53
Low Sugar .....	13.2	8.9	67
<b><i>Selected Type Of Low Fat/Fat Free Products Purchased</i></b>			
Any .....	46.3%	42.8%	92
Ice Cream & Sherbet .....	18.1	16.0	88
Chips .....	11.3	13.3	118
Mayonnaise .....	14.8	13.3	90
Margarine .....	14.0	11.4	81
Cookies .....	9.1	9.2	101
<b><i>Participate In Regular Exercise/Physical Fitness Program?</i></b>			
Yes .....	50.1%	58.3%	116
<b><i>Where Exercise</i></b>			
At Home .....	29.6%	33.3%	113
At Private Club .....	9.6	11.4	119
At Other Facility .....	11.0	15.9	145

-- continued --



**Table 5-13 [Cont.]**

**Diet and Exercise Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b># Of Times Exercise Weekly</b>			
5+ .....	10.4%	10.0%	96
3-4 .....	23.5	26.2	111
1-2 .....	15.1	20.7	137
<b>Played/Participated In Any Sports Over Last 12 Months?</b>			
Yes .....	77.2%	87.6%	113

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 54.1% of adults overall, 36.3% of Gen Y adults are watching their diet, for a Gen Y index of 67 (33% below the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 5-14**

**Diet and Exercise Patterns: Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>DiETING</i></b>				
Watching Diet .....	36.4%*	57.7%	32.6%	26.9%
Watching Diet To Lose Weight .....	18.4	33.2	14.9	13.5
Watching Diet To Maintain Weight .....	12.1	19.4	**	5.5
<b><i>Types Of Food Purchased To Watch Diet</i></b>				
Low Fat/Fat Free .....	48.1%	57.6%	29.3%	38.7%
Low Fat .....	20.4	39.9	12.3	10.9
Fat Free/Non Fat .....	14.1	32.8	10.6	9.1
Low Calorie .....	13.6	25.8	9.0	7.2
Natural Or Organic .....	14.5	19.2	11.1	7.0
High Fiber .....	9.9	21.8	**	5.8
Low Sugar .....	8.2	17.3	**	5.6
<b><i>Selected Type Of Low Fat/Fat Free Products Purchased</i></b>				
Any .....	48.1%	57.6%	29.3%	38.7%
Ice Cream & Sherbet .....	14.4	24.2	10.8	15.1
Chips .....	14.4	17.1	9.3	13.5
Mayonnaise .....	13.9	18.0	10.9	11.4
Margarine .....	14.7	11.1	9.1	11.8
Cookies .....	9.9	12.3	**	9.4
<b><i>Participate In Regular Exercise/Physical Fitness Program?</i></b>				
Yes .....	67.1%	69.8%	51.7%	50.6%

-- continued --

**Table 5-14 [Cont.]**

**Diet and Exercise Patterns: Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Where Exercise</b>				
At Home .....	36.6%	36.8%	30.0%	30.6%
At Private Club .....	13.3	21.6	**	7.3
At Other Facility .....	23.0	19.5	**	13.6
<b># Of Times Exercise Weekly</b>				
5+ .....	10.6%	**	**	11.9%
3-4 .....	30.4	38.1%	23.4%	17.5
1-2 .....	23.7	21.5	19.9	20.0
<b>Played/Participated In Sports Over Last 12 Months?</b>				
Yes .....	88.2%	94.6%	88.8%	84.4%

Note: 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 36.4% of Gen Y college consumers are watching their diet.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 5-15**

**Food Shopping and Restaurant Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Food Shopping In Last 4 Weeks</i></b>			
Any Supermarket/Food Stores* .....	93.4%	88.9%	95
Walmart Super Center .....	54.6	55.9	102
Whole Foods Or Trader Joe's .....	9.6	8.8	92
<b><i>Grocery Shopping Expenditures In Average Week</i></b>			
\$150+ .....	18.4%	24.4%	133
\$125-\$149 .....	13.6	14.0	103
\$101-\$124 .....	14.8	13.0	88
\$81-\$100 .....	15.8	16.3	103
\$61-\$80 .....	13.4	11.2	84
\$60 Or Under .....	16.7	12.8	77
<b><i>Selected Food Shopping Promotions Referred To</i></b>			
Computerized Information/Coupon Center .....	23.6%	26.9%	114
On The Internet .....	13.3	16.9	127
Advertising On Shopping Cart .....	14.2	16.3	115
Video Monitor Displays .....	14.2	14.4	101
<b><i>Fast Food/Drive-In Restaurants</i></b>			
Use .....	84.6%	87.7%	104
<b><i># Of Times Use Fast Food/D-I Restaurants In Last 30 Days</i></b>			
14+ .....	45.5%	56.6%	124
6-13 .....	29.1	23.6	81
1-5 .....	8.3	6.6	80

-- continued --

Table 5-15 [Cont.]

**Food Shopping and Restaurant Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>With Whom Use Fast Food/Drive-In Restaurants</i></b>			
With Other Adults .....	50.1%	58.2%	116
Alone .....	33.4	34.7	104
With Friends/Co-Workers .....	17.4	30.4	175
With Children Under 12 .....	21.7	21.5	99
With Teens 12-17 .....	11.5	8.6	75
<b><i>Selected Fast Food/Drive-In Restaurants Used</i></b>			
McDonald's .....	55.0%	60.5%	110
Burger King .....	35.6	40.1	113
Taco Bell .....	28.1	36.9	131
Subway .....	29.0	33.8	117
Wendy's .....	29.2	32.4	111
KFC .....	26.7	27.5	103
Pizza Hut .....	20.9	26.8	128
Arby's .....	20.4	25.2	124
Domino's Pizza .....	14.2	21.7	153
Starbucks .....	13.1	19.0	145
Dairy Queen .....	16.7	18.9	113
Sonic .....	12.8	15.8	123
Chick-Fil-A .....	12.1	15.7	130
Dunkin' Donuts .....	11.1	13.9	125
Papa John's .....	7.8	11.6	149
Quiznos Sub .....	10.6	11.6	109
Chipotle .....	5.2	8.3	160

-- continued --

**Table 5-15 [Cont.]**

**Food Shopping and Restaurant Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b>Family Restaurants &amp; Steak Houses</b>			
Use .....	80.9%	75.8%	94
<b># Of Times Use Family Restaurants/SHs In Last 30 Days</b>			
6+ .....	18.2%	17.7%	97
3-5 .....	27.4	24.3	89
1-2 .....	28.1	26.7	95
<b>With Whom Use Family Restaurants/Steak Houses</b>			
With Other Adults .....	65.0%	60.1%	92
With Friends/Co-Workers .....	17.5	24.7	141
With Children Under 12 .....	18.2	17.8	98
With Teens 12-17 .....	10.5%	6.8%	65
<b>Selected Family Restaurants/Steak Houses Used</b>			
Applebee's .....	28.4%	29.7%	105
Olive Garden .....	19.7	20.0	102
TGI Friday's .....	12.4	18.1	146
Chili's Grill & Bar .....	13.1	16.2	124
Denny's .....	13.2	15.3	116
IHOP (International House Of Pancakes) .....	14.1	14.0	99
Outback Steakhouse .....	14.6	12.0	82
Red Lobster .....	15.6	11.3	72
<b>Leisure Activities</b>			
Dining Out (Not Fast Food) .....	57.7%	54.4%	94
Cooking for Fun .....	35.5	38.3	108

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 93.4% of adults overall, 88.9% of Gen Y adults have shopped at food stores in the last four weeks, for an index of 95 (5% below the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Table 5-16

**Food Shopping and Restaurant Patterns:  
Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Food Shopping In Last 4 Weeks</i></b>				
Any Supermarket/Food Stores .....	90.4%*	95.0%	87.3%	84.6%
Walmart Super Center .....	54.7	45.8	57.7	59.0
Whole Foods Or Trader Joe's .....	7.3	21.5	**	4.8
<b><i>Grocery Shopping Expenditures In Average Week</i></b>				
\$150+ .....	29.4%	12.5%	23.5%	28.2%
\$125-\$149 .....	13.5	12.1	16.4	13.9
\$101-\$124 .....	16.8	13.4	14.1	10.0
\$81-\$100 .....	13.3	15.1	15.8	17.7
\$61-\$80 .....	**	18.3	**	8.8
\$60 Or Under .....	**	23.4	12.2	10.4
<b><i>Selected Food Shopping Promotions Referred To</i></b>				
Computerized Information/Coupon Center	25.3%	37.1%	30.5%	21.9%
On The Internet .....	18.6	24.7	16.8	13.3
Advertising On Shopping Cart .....	13.5	14.9	16.1	19.8
Video Monitor Displays .....	13.3	17.7	16.7	14.6
<b><i>Fast Food/Drive-In Restaurants</i></b>				
Use .....	90.4%	89.8%	92.5%	83.3%
<b><i># Of Times Use Fast Food/D-I Restaurants In Last 30 Days</i></b>				
14+ .....	63.2%	54.4%	60.7%	54.3%
6-13 .....	22.7	27.3	24.7	21.0
1-5 .....	**	**	**	**

-- continued --

**Table 5-16 [Cont.]**

**Food Shopping and Restaurant Patterns:  
Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>With Whom Use Fast Food/Drive-In Restaurants</i></b>				
With Other Adults .....	59.4%	58.6%	63.9%	53.4%
Alone .....	36.5	46.9	36.1	26.5
With Friends/Co-Workers .....	39.6	29.3	32.9	25.0
With Children Under 12 .....	12.1	13.6	29.7	26.3
With Teens 12-17 .....	8.8	**	**	12.3
<b><i>Selected Fast Food/Drive-In Restaurants Used</i></b>				
McDonald's .....	60.5%	53.7%	68.5%	59.7%
Burger King .....	39.3	35.3	45.3	40.8
Taco Bell .....	40.5	35.3	39.8	32.9
Subway .....	39.6	36.7	33.6	30.2
Wendy's .....	37.7	36.7	36.2	28.4
KFC .....	31.7	23.5	28.7	27.9
Pizza Hut .....	28.4	22.6	31.5	25.7
Arby's .....	27.0	23.3	30.7	22.1
Domino's Pizza .....	20.4	15.9	22.7	25.1
Starbucks .....	26.6	26.7	17.5	11.2
Dairy Queen .....	22.3	16.9	17.6	18.5
Sonic .....	17.8	16.3	18.8	14.2
Chick-Fil-A .....	18.3	23.0	14.9	10.3
Dunkin' Donuts .....	13.6	21.2	16.0	9.8
Papa John's .....	11.6	11.9	16.4	11.0
Quiznos Sub .....	14.5	18.8	10.3	7.1
Chipotle .....	8.2	14.4	**	5.9

-- continued --



Table 5-16 [Cont.]

**Food Shopping and Restaurant Patterns:  
Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Family Restaurants &amp; Steak Houses</i></b>				
Use .....	82.6%	85.8%	79.1%	65.6%
<b><i># Of Times Use Family Restaurants/SHs In Last 30 Days</i></b>				
6+ .....	21.5%	17.3%	18.0%	15.6%
3-5 .....	28.6	27.6	26.9	21.0
1-2 .....	25.6	34.6	26.2	21.1
<b><i>With Whom Use Family Restaurants/Steak Houses</i></b>				
With Other Adults .....	64.3%	74.4%	62.1%	48.1%
With Friends/Co-Workers .....	33.6	30.2	23.6	16.1
With Children Under 12 .....	12.2	12.7	22.6	19.8
With Teens 12-17 .....	8.5	**	**	10.1
<b><i>Selected Family Restaurants/Steak Houses Used</i></b>				
Applebee's .....	37.9%	35.6%	30.3%	22.1%
Olive Garden .....	24.6	27.9	19.4	12.2
TGI Friday's .....	20.7	22.6	22.2	13.4
Chili's Grill & Bar .....	18.8	22.5	19.9	9.7
Denny's .....	17.2	10.9	18.8	16.1
IHOP (International House Of Pancakes) ..	15.2	16.0	12.7	13.8
Outback Steakhouse .....	13.0	18.1	**	8.2
Red Lobster .....	14.6	10.2	14.7	8.7

-- continued --

**Table 5-16 [Cont.]**

**Food Shopping and Restaurant Patterns:  
Gen Y Adults by Educational/Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Leisure Activities</i></b>				
Dining Out (Not Fast Food) .....	58.9%	75.1%	58.0%	37.8%
Cooking for Fun .....	42.5	52.0	41.3	26.3

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 90.4% of Gen Y college consumers have shopped at food stores in the last four weeks.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Chapter 6 Highlights

- For the adults of Generation Y, wellness is almost a given, and virtually any product or service can be clustered under the aegis of physical, spiritual, mental, environmental and even cultural well-being.
- About 12% of Millennial adults agree strongly that it's important to keep young looking, and Hispanic Gen Y adults are the most likely to feel this way.
- Gen Y women value personal power nearly as much as personal beauty.
- Gen Y men place a premium on personal appearance and have a cornucopia of cosmetic and skincare options.
- Gen Ys embrace wellness as a combination of personal fulfillment and achievement, both in work and at leisure.
- Millennials value employers' commitment to nurturing their talent and ambition, listening to their ideas, and promoting the whole person.
- Summer internship programs give companies a jump on potential recruits.
- Some companies are introducing Parents' Days to accommodate the close relationships that many young adults maintain with their parents.
- Gen Y adults are far more likely than the adult average to participate in regular exercise and team sports.
- Gen Y adults also skew high in their quest for hip clothing.

## **Chapter 6: Wellness, Work and Leisure**

### **Wellness a Given Among Gen Yers**

**T**he concept of “wellness” suggests both a quiet philosophy of personal health and a stunning array of retail products and services, ranging from anti-aging skin creams to holistic yoga classes, toxin-cleansing fitness programs and eco-chic adventure-quests. But for the adults of Generation Y, who presumably are in the prime of their image-conscious lives, wellness is more of a given—an innate sense of physical privilege hardly to be acknowledged as their healthy self-images and super-charged metabolisms propel them through the vagaries of their days. Plus, they’re cash poor, and why spend money on what they already have?

Short answer: Actually, Gen Yers *are* spending on wellness—just not in the same, focused way that previous generations do. According to economist and entrepreneur Paul Zane Pilzer, who was the first to comprehensively analyze the wellness industry-cum-philosophy in his book *The Wellness Revolution* (Wiley, 2002), virtually any product or service can be clustered under the aegis of physical, spiritual, mental, environmental and even cultural well-being: Natural and organic foods and beverages, cosmeceuticals, medical and alternative health products, health insurance and fitness equipment are the most obvious of these. But for Gen Y, virtually any product or service—whether it claims overt relation to health and wellness or not—holds the potential to make each individual well: more attractive, more stylish, more connected, more fit, more entertained—in a word, better.

Yet in linking the concept of wellness to some of the most significant Gen Y tendencies, such as their love of everyday luxury, their appetite for novelty and their tendency to celebrate themselves as unique human beings—wellness assumes a ubiquitous, sparkling sheen. Along these lines, the Gen Y thinking seems to go something like this: “Whatever we do, and however we do it, we deserve to be young, to look young, to be pampered, to be relevant and engaged—unless we don’t feel like it, in which case that’s good too.” Or, as formerlyziva puts it on the wellness blog Jezebel.com, “I’m 27 and I either slather on anti-aging products

or, you know, fall drunkenly into bed without washing off my mascara, either one” (<http://jezebel.com/5016864/anti+aging>, June 16, 2008).

## **Wellness Represents a Marketing Bonanza**

Thus, even with Gen Y’s scattershot approach, wellness as a concept is a marketing bonanza that Pilzer originally predicted would top out at around \$200 billion annually, but which he has since estimated will reach a far higher value. As demand for health- and wellness-related products and services burgeons across age brackets, and as enterprising niche marketers constantly find new ways to promote physical and emotional well-being, it only makes sense that Pilzer entitled his revised study *The New Wellness Revolution: How to Make a Fortune in the Next Trillion Dollar Industry* (Wiley, 2007). As of 2007, Pilzer estimated the wellness industry was worth easily \$500 billion, with virtually endless possibilities for growth in every facet of life, from eating breakfast to bellying up to the bar, with the simple proviso that consumers should embrace the prevention of disease and the onset of age-related disabilities with the ultimate result of feeling “well.” No, better than well: Really, really good.

Even fitness-phobes represent an opportunity, Pilzer suggests: Because so many consumers have shunned anything vaguely resembling “healthy” eating and living, contributing to the soaring rates of Type 2 diabetes, obesity and general physical ennui, there’s a huge untapped market out there. With Gen Y’s ferocious attachment to night-time snacking and blasé approach to exercise, it’s just a matter of time until they pop out the earbuds and heed wellness’s clarion call. That moment of truth may not occur for several years, but hey: “These trends have kept us on track to meet or exceed my \$1 trillion prediction for the wellness industry, and have greatly accelerated the need and opportunity for more wellness entrepreneurs,” Pilzer writes in his forward to the revised *Wellness Revolution*.

## **Health, Wellness, Fitness Products Bring in Billions**

The numbers tend to bear out Pilzner’s predictions. According to the Natural Marketing Institute’s ([www.nmisolutions.com](http://www.nmisolutions.com)) 2008 annual study of shopping trends in the U.S. health and wellness industry, consumer packaged goods alone brought in over \$102 billion in 2007, up 15% from 2006, and will likely surge to \$170 billion by 2012. Within the wellness-related CPG channel, spending on vitamins and other supplements reached \$21.7 billion, a 7% gain

since 2006; natural foods and beverages hit \$19 billion, up 4% from that year; natural and organic personal care products hit \$7.8 billion, up 29%, and natural and organic general merchandise hit \$1.5 billion, up 21% from 2006 (*MediaPost*, July 8, 2008). Sports and fitness equipment and services totaled \$5 billion in 2007 (*Health & Fitness Business*, August 15, 2007, [www.healthandfitnessbiz.com](http://www.healthandfitnessbiz.com)), while the market for corporate wellness, in which companies offer programs designed to help employees stay healthy, is expected to reach \$1.6 billion by 2010 and \$5.8 billion by 2015 (*Healthcare Finance News*, June 1, 2008). Even professionals in the “sickness” industry (otherwise known as medicine) are perking up their ears as reimbursements fall and malpractice and other overhead costs rise: Accordingly, while M.D.s may continue to turn up their noses at the antics of chiropractors, acupuncturists and massage therapists, hawking a few in-house nutritional supplements to patients can offer a non-invasive way to boost their own sagging incomes.

### **Today’s Experiences Trump Worry About Tomorrow**

Where Gen Y is concerned, however, spending specifically on health, wellness and fitness can be a bit erratic—like their habits in this regard. Whereas for Baby Boomers wellness is essentially therapeutic, with primary emphasis on staving off decrepitude through regular if tedious exercise and diet (with occasional plastic surgery), and a secondary focus on a stripped down, less stressful approach to the life they’ve more than half-lived, for Gen Y adults the concept is somewhat more elusive.

Sure, for adults under age 30, there’s a certain awareness that youth is fleeting and squats keep the glutes firm. However, for these optimistic, plugged-in adults, pedestrian concerns such as joint stability, cholesterol and high blood pressure tend to take a backseat to more pressing issues—like *Did I remember to moisturize my new tattoo?* or *If I take a quick nap now, can I hit both parties tonight and still make it to work on time tomorrow?* Blessed with the elasticity of *actual* youth, today’s twenty-somethings can emerge from an all-night study session or bar hopping peccadillo with nary a dark eye circle come morning; snacks loaded with salt and sugar and fat may add an inch or two to the waistline, but the spiking cholesterol and stroke-inducing blood pressure to be expected from a lifetime of such indulgence are still decades away; joints are still springy, eyes are still bright and a good night’s sleep relieves most ills.

At least for the present, then, Gen Y wellness tends, like their technological know-how, to be nearly second nature, not so much a discrete realm dominated by anti-wrinkle and fitness imperatives as an integrated sense that the world should be an open and welcoming place; that both leisure and work should be personally fulfilling; that the health of the community and environment are a team effort, preferably one involving live bands or a dunking machine; and that relationships and friendships, almost more than anything else, are the key to personal well-being. Anything fake or stupid is, on the other hand, briskly dismissed.

Hence the long-term consequences of too much food or alcohol or video gaming pale before the more immediate excitement of exotic adventures or amusing events that can be photographed and videoed and blogged about. Both leisure and work activities—skateboarding, fire dancing, streamlining a supply chain—are about making life fun and engaging—for me, personally, *right now*. For Gen Y wellness is less about specific health or fitness regimens than about authentic, meaningful, entertaining experiences that put them at the center of a personalized whirl of activity: A squash court and a shower on the fifth floor of my office building? A kerosene-soaked poi to spin on the playa? A week in a third-world orphanage giving vaccinations? A glass of absinthe in a really dark bar? Dude, sign me up!

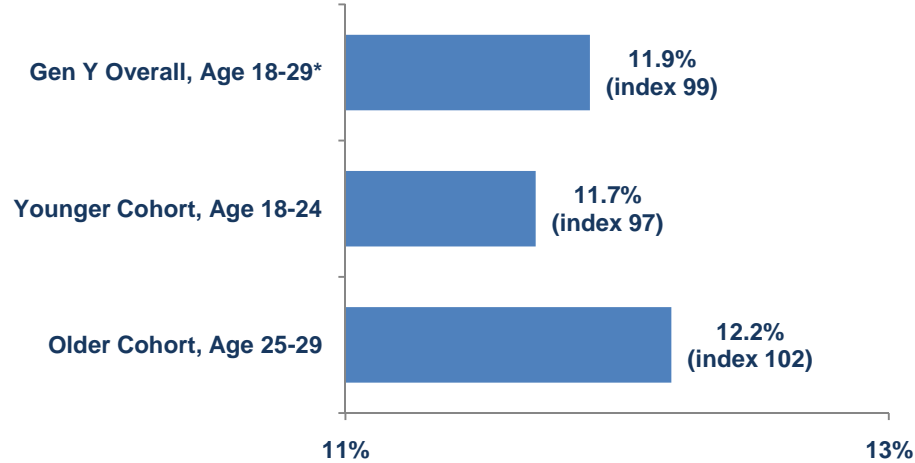
### **Strong Undercurrent Intent on Keeping Youthful Appearance**

And yet, despite what industry experts call Gen Y's prolonged adolescence—what with their tendency to maintain close relationships with their parents far into their twenties, and to delay marriage and child rearing in favor of exploring their own youthful ambitions—Simmons Market Research Bureau consumer survey data find that adults age 18-29 may also harbor the same dread of middle-age decline that their parents do. It's just that the dread tends to get squeezed between stops at the drive-through. [Figure 6-1]

Overall about 12% of Millennial adults agree strongly that it's important to keep young looking, and as such they're about as likely as adults overall to do so. However, Simmons identifies a small but avid segment of adults age 18-29 who don't just prize a youthful appearance, but who avow that they'll spend whatever they have to, to look younger. Pressing money worries aside, and even as the economic downturn gathers frightening momentum in late 2008, 4.3% of adults age 18-29 agree strongly that they will pay any price to whittle the years off of their faces or bodies, such that they are 43% more likely than the adult average to do so (index 143). [Figure 6-2]

**Figure 6-1**

**“It Is Important to Keep Young Looking”:  
Gen Y Adults Overall and by Age Cohort, 2008  
(percent and index of U.S. adults age 18-29)**



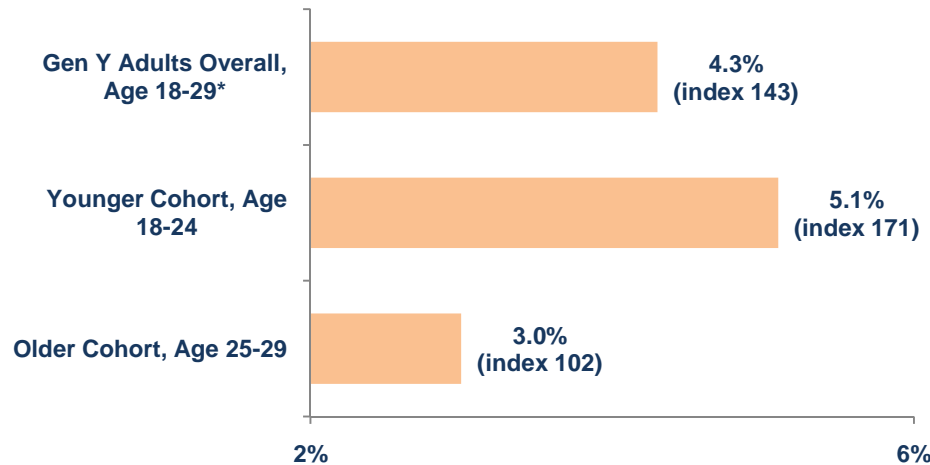
Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 11.9% of Gen Y adults overall agree “a lot” with the statement “It is important to keep young looking,” such that they are 1% less likely than the adult average to do so (index 99).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Figure 6-2**

**“I Am Willing to Spend Whatever I Have To, To Look Younger”:  
Gen Y Adults Overall and by Age Cohort, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 4.3% of Gen Y adults overall agree “a lot” with the statement “I am willing to spend whatever I have to, to look younger,” such that they are 143% more likely than the adult average to do so (index 243).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.



## Younger Gen Y Adults Especially Keen on Skincare

Small wonder then that in the realm of functional cosmetics, or cosmeceuticals, Gen Y adults, along with their Gen X elders, are adding financial fuel to an anti-aging market once assumed to be the province of the over-50 crowd. Cosmetic products that offer some additional youth-enhancing benefits, such as antioxidants or sunscreens, reached a market value of \$16 billion in 2007, and are expected to reach \$21 billion by 2012 (<http://nsenews.blogspot.com/2008/06/here-comes-gen-y-wave.html>). But functional creams and cosmeceuticals aren't just attracting older cohort Millennials who are creeping up on age 30.

On the contrary, Simmons shows that 5.1% of the younger Gen Y segment, age 18-24, say they'll lay out any dollars necessary to maintain their youthful glow. They are 71% more likely than the adult average to do so (index 171). Perhaps they're striving for clear skin after all-too-recent bouts with acne; or acting on years of indoctrination from their Baby Boomer parents; or hoping to gain a competitive edge in the seething gene pool that is young adulthood. [Table 6-1; Figure 6-2]

**Table 6-1**

**"I Am Willing to Spend What I Have To, To Look Younger":  
Highest Indexing Gen Y Adults, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Hispanic* .....	6.8%	230
Male .....	4.4	148
Never Married .....	4.2	143
Top 100 Metro Markets .....	4.1	140
Female .....	4.1	138
Employed .....	4.0	137
Not Parent .....	3.9	132

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 6.8% of Hispanic Gen Y adults agree "a lot" with the statement "I am willing to spend what I have to, to look younger," such that they are 130% more likely than the adult average to do so (index 230).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Youth-Extending Skincare Equates with Pampering, Luxury**

Lucky for Gen Y, despite an affinity for premium anything, it's not necessary to invest the equivalent of a college semester in over-the-counter youth and beauty aids: The occasional indulgence in a high-end wrinkle reducer or suncreening lip balm is a widespread phenomenon within the cohort, but once again it's not so much about the money as the *experience* attached to the product.

Aside from empirically verifiable (read, authentic) wrinkle reduction, the link between youth, beauty and luxury is inestimably enhanced by celebrity sponsors who embody the values and style to which Gen Yers of both genders aspire—which tend to involve radiant skin and designer outfits, but perhaps most important, the look of complete control over their professional, financial and personal lives. And, of course, wealth.

## **Hispanic Gen Y Adults Place Premium on Youthful Appearance**

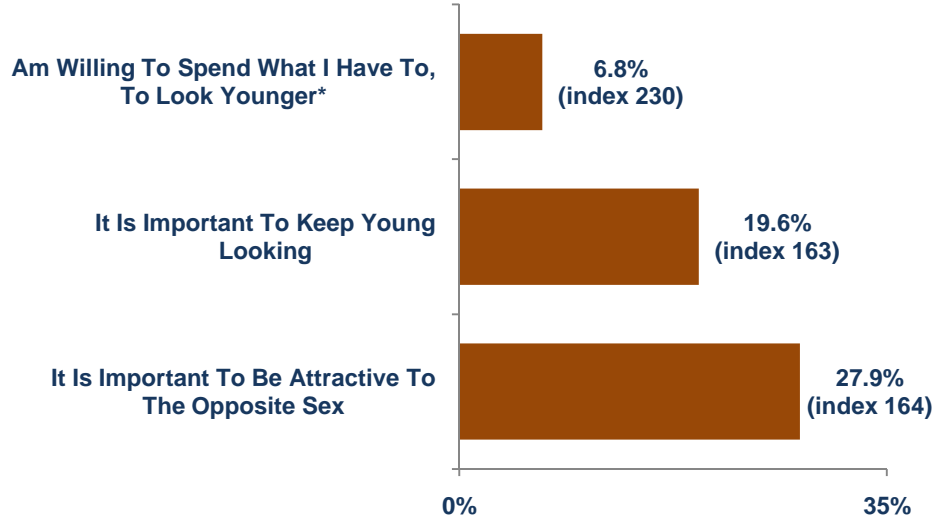
Hispanic Gen Y adults, regardless of gender, are the most likely compared to adults on average to agree strongly that it's important to keep young looking. Nearly 20% of that segment, or 1.7 million Hispanic adults under age 30, place a premium on a youthful appearance, and as such are 63% more likely than the adult average to do so (index 163). A household income under \$20,000 and part-time employment also skew higher than the adult average for a strong emphasis on looking young (indices 137 and 121, respectively), but each of these segments falls at least 60 index points below the Hispanic segment for this intense interest.

Moreover, Hispanic Gen Y adults are far more likely than the adult average to put their money where their (as yet unwrinkled) mouths are: 6.8% of that segment say they'll spend whatever they have to, to look younger, and as such they are more than twice as likely as adults on average to do so (index 230). Hispanics age 18-29 are also far more likely than adults on average to agree strongly that it's important to be attractive to the opposite sex.

[Figure 6-3; Tables 6-1 and 6-2]

Figure 6-3

**Selected Strongly Held Attitudes About Youth and Beauty:  
Hispanic Gen Y Adults, 2008**  
(percent and index of U.S. adults age 18-29)



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 6.8% of Hispanic Gen Y adults agree “a lot” with the statement “I am willing to spend what I have to, to look younger,” such that they are 130% more likely than the adult average to do so (index 230).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Table 6-2

**“It Is Important to Keep Young Looking”: Selected Gen Y Segments, 2008**  
(percent and index of U.S. adults age 18-29)

Segment	%	Index
Hispanic* .....	19.6%	163
Household Income Under \$20K .....	16.4	137
Employed Part-Time .....	14.5	121
Female .....	13.5	112
No College or Vo-Tech Background, Employed Full-Time .....	13.4	112
Employment Income \$10K-19.9K .....	12.8	107
Male .....	10.3	85

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 19.6% of Hispanic Gen Y adults agree “a lot” that it is important to keep young looking, such that they are 63% more likely than the adult average to do so (index 163).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Women of Color, Celebrity Role Models Connect with Authenticity, Personal Style**

Small surprise then that women of color are increasingly appearing in skincare and anti-aging campaigns as the population diversifies and demand for customized ethnic products increases. Women of the Gen Y persuasion value personal power nearly as much as personal beauty. Beyonce Knowles for L'Oréal, Queen Latifah for Cover Girl, and Eva Mendes and Jessica Alba for Revlon embody a nexus of Gen Y values: celebrity, strong personal style, palpable confidence, a taste for quality and luxury (a nod to organic and natural and cruelty-free products doesn't hurt)—and an authentic presentation: the ability to convey to consumers that this amazing woman is *really me*, but it could just as easily be *You*. But be advised: Especially in ethnic markets, marketers walk a fine line in attempts to garner both mainstream and niche appeal—alarm bells ring when, say, Beyonce's skin appears a bit too light, or her hair a bit *too* long and silky, as evidenced by a great deal of online chatter (e.g., see <http://offtherack.peoplestylewatch.com/2008/08/08/loreal-denies-whitening-beyonces-skin>).

## **Garnier Trades on Sarah Jessica Parker's Feminist Cred**

On the other side of the color line there's the 40ish, milky-skinned Sarah Jessica Parker of *Sex in the City Fame*, who as spokeswoman for Garnier's line of anti-aging products projects both the sexual confidence and the personal style of her Carrie Underwood doppelgänger. "Who better than someone with feminist cred to sell manufactured youth—even to Gen Y, since we're evidently in the market for it?" enthuses Millennial advertising professional and blogger Rebecca Cullers. SJP may be a good 15 years older than many of her Gen Y fans, but "*Sex and the City* is hugely popular among younger women," Cullers writes. "And let's just say, this twenty-something now owns some Garnier Ultra Lift Deep Wrinkle cream" (<http://adweek.blogs.com/adfreak/2008/06/gen-y-fears-wri.html>).

And, while one might debate whether *feminist cred* derives from portraying a character who supports herself nicely in a cutthroat media market, but who also is obsessed with dating and designer shoes and handbags, the point is really that for Gen Y, doing and being *whatever I feel like* is what's appealing: Feminism, and hence wellness in the Gen Y lexicon, is the ability to be as girly as you want, while still taking control of your destiny. If that involves a skin cream that, with ingredients such as Vitamin C, Omega-3 and the antioxidant Lycopene,

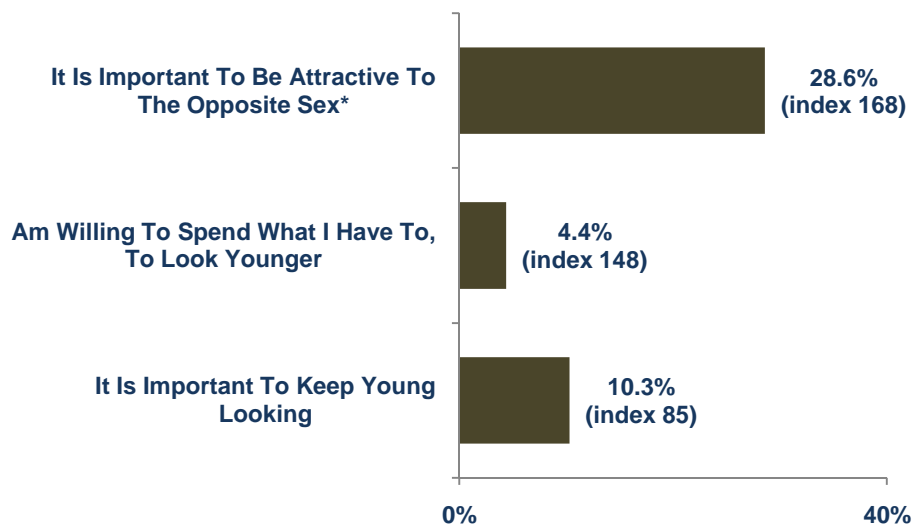
allows you to “see a nutritionist and a dermatologist every day” (www.garniernutritioniste.com), so much the better.

### Gen Y Guys Also Willing to Spend on That Youthful Glow

And if it involves being a guy, that’s OK too. That’s right, the youth and beauty hoo-ha is no longer the sole province of the ladies. At least for this generation, feminism suggests that men should have equal access to purportedly feminine concerns—among them radiant complexions, lustrous eyes and “do these pants make me look fat?” Thus it’s no wonder that the niche market for male cosmetics is galloping. Indeed, though Gen Y women are more likely than Gen Y men to agree strongly that a youthful appearance is key (index 112 versus index 85), Gen Y women skew 10 points lower (index 138) than their male counterparts in their all-out willingness to drop big money on maintaining it. According to Simmons, Gen Y males, who have become the subject of much clucking over a perceived lack of career or marital ambition, are 48% more likely than adults on average to avow their strong financial commitment to their own youthful appearance (index 148). [Figure 6-4; Tables 6-1 and 6-2]

**Figure 6-4**

**Strongly Held Attitudes on Youth and Beauty: Gen Y Men, 2008**  
(percent and index of U.S. adults age 18-29)



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 28.6% of Gen Y men agree “a lot” with the statement “It is important to be attractive to the opposite sex,” such that they are 68% more likely than the adult average to do so (index 168).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

In addition, according to Simmons, close to 30% of Gen Y men agree strongly that it's important to be attractive to the opposite sex (whatever that sex's gender happens to be). As such men age 18-29 are 68% more likely to say so than adults on average (index 168). In contrast, Gen Y women are about as likely as adults on average to place strong emphasis on their own sex appeal (index 102). Perhaps now that young women are outnumbering men in undergraduate degrees and graduations from medical and law schools, it really is time for young men to embrace their outer beauty. [Figure 6-4; Table 6-3]

**Table 6-3**

**“It Is Important to Be Attractive to the Opposite Sex:  
Selected High Indexing Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
No College or Vo-Tech Background, Employed Full-Time* .....	32.5%	192
Male .....	28.6	168
Hispanic .....	27.9	164
Employment Income \$20K-\$29.9K .....	27.7	163
Full-Time College Student, Employed Part-Time .....	26.0	153
Never Married .....	25.1	148
Top 100 Metro Markets .....	24.9	146
Employment Income Under \$10K .....	24.7	146
Employment Income \$10K-\$19.9K .....	23.9	141
Specialty/Vo-Tech School, Employed Full- or Part-Time .....	23.2	137
College Student .....	23.0	135
Not Parent .....	22.9	135
Been to College .....	21.0	124

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 32.5% of Gen Y adults employed full-time with no college or vo-tech background agree “a lot” that it is important to be attractive to the opposite sex, such that they are 92% more likely than the adult average to do so (index 192).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission

### **Man Spas Offer High-Priced Pampering, Grooming**

As for the cadre of Gen Y men who actually *are* throwing themselves into long hours and excessive stress at work (and perhaps partying a tad more than their baby faces will sustain), why shouldn't they pamper themselves—especially if it keeps them looking hot? For the

macho yet sophisticated type, advises Joe Marchesi, C-founder of Truman's Gentleman's Groomers in Manhattan's Upper East Side where blond wood, a full bar and flat screen TVs put the "man" in manicure, "Eye mask treatments and anti-aging creams are your best line of defense" (*Debonaire Magazine*, January 4, 2008). "Handshake maintenance" and "foot repair" services also ensure that this is not your sister's manicure. Membership packages at Truman's start at \$1,000 per year for Gold Passport basic services and shampoos, and include access to events such as scotch and wine tastings or photo gallery openings. Black Passport membership, which includes monthly massages and shampoos, bi-monthly facials, shaves, pedicures...er, foot repair...and hair coloring, among other services and discounts, starts at \$3,500 a year. While sipping a designer beer at the bar, newly waxed patrons can also consider what youth-enhancing products to purchase for their at-home regimen: For example, a 1-ounce tube of Baxter Under-Eye Hydrating Eye Lotion for men can be had for a mere \$18; Anthony Oil Free Face lotion garners \$25 per 2.5 ounce tube; and the Anthony Sun Kit, with SPF 15 facial moisturizer, sun stick and After Sun Cooling Cream, rings in at a cool \$50.

### **Skincare Feminism Ushers in Manly DIY Beauty Regimens**

To be sure, the man-spa experience is a bit pricey for the greater part of this cash-strapped segment, even if rent in the parent's basement is free. And, considering that the Gen Y adults most likely to place strong emphasis on being attractive to the opposite sex are the two million or so who are working full time but have never been to college and have no vo-tech training—some of the least likely to be earning huge salaries—the DIY route to personal pulchritude is likely the most manageable. Nearly a third of this latter segment agree strongly that it's important to be attractive to the opposite sex, and as such are nearly twice as likely as the adult average to do so (index 192). Similarly, Gen Y adults of either gender with employment incomes under \$30,000 tend to be more likely than their higher-earning peers, at least compared with adults on average, to avow strong interest in being attractive to the opposite sex (if they're not pulling in the big bucks, at least they can look good!). Hispanics skew high here as well, at 64% more likely than adults overall to prize highly their own come-hither glances (index 164). [Table 6-3]

### **Male Species, Naturally Man Make Male Beauty “Natural”**

Luckily, with today’s skincare feminism, young men have a cornucopia of cosmetic and skincare options, not only to conceal blemishes, but so that they can look at least as pretty as the hotties they’re hoping to attract. For example, there’s Las Vegas-based Male Species, a brand specializing in cosmetics for a range of male persuasions “from metrosexuals to homosexuals to drag queens, you name it. There’s just a need for it,” explains company Founder Lisa Ciccarone. “There’s a lot of straight men out there who always used something their wife had because they had a blemish or whatever” (*Florida Today*, January 2007). Then, to promote personal and environmental wellness, Male Species cruelty-free hydrating face washes and facial regenerators, not to mention eye pencils, foundations and concealers, are liberally infused with antioxidants, marine, herbal and botanical derivatives all “carefully selected for their potency in regenerating cells and promoting skin elasticity” (<http://www.malespecies.com/about.asp>).

Meanwhile, Stephen Fowler Knoll, an intrepid health care professional who settled in restorative Hawaii after a youth spent in Kansas coal mining country, “combines medical science with the science of nature” in Naturally Man cosmetics ([www.naturallyman.com](http://www.naturallyman.com)), using local botanicals such as aloe, guava and cocoa butter to help “executives and laborers, performers and outdoorsmen, extreme sports competitors and armchair quarterbacks, alike” end razor drag with foaming Face Gel, obscure dark under-eye circles with the “Aye-Aye” concealer stick, and wake up their skin with the caffeine-infused “Invigorator.” Kiss the old Aqua Velva *slap! slap!* good-bye.

### **Canadian 4VOO Pushes High-Performance Grooming**

Indeed, Canadian cosmetics brand 4VOO (that’s “for vous”) makes no bones about it: “Using cosmetics is no longer exclusive to gay men. Make up is an essential element in men’s grooming” ([www.4voo.com](http://www.4voo.com)). Endorsement by *Queer Eye for the Straight Guy*’s Jai Rodriguez notwithstanding, 4VOO’s “Distinct Man” Confidence Corrector concealer (\$34.00), Lip Maximizing Serum in a metal click-pen for discrete office or gym touch-ups (\$29.00), Lash And Brow Styling Glaze (\$23.00), and Enhancing Eye Liner (\$25.00) (also known as guy-liner), all “designed for men who appreciate luxury and demand performance” and all cruelty-free, may give boring old women’s make-up a run for its money. In 2007



even Australian men bought \$44 million in skin creams and cosmetics (*Courier Mail*, Australia, August 14, 2008). What's more, being able to buy these products over the Internet—rather than having to skulk around in-store cosmetics counters—has added fuel to the fire.

### **Wellness at Work: Nurturing the Whole Person**

Once they're dolled up and ready to face the world, Gen Yers embrace wellness as a combination of personal fulfillment and achievement, both in work and at leisure. In fact, the concepts of work and leisure are so closely related in this cohort that they seem to feed off of each other. For Gen Y adults, who like their Gen X elders have witnessed the paltry rewards to be reaped from Boomer-centric 60-hour work weeks, work is important because it *enables* leisure, but even more because it confirms the notion of themselves as creative, inventive and special people. This ambitious, engaged streak means that marketers of all stripes must match or surpass the Gen Y cohort's appetite for the exotic and unusual in virtually every lifestyle channel: For Gen Y the opposite of wellness isn't so much sickness, as boredom.

Accordingly, employers—who must address the significant gap between this generation's approach to work and previous generations'—are discovering that to attract Gen Y workers they must provide an environment that nurtures the whole individual, not simply through mentoring and constant feedback and opportunities for charitable giving and community volunteering, but with infrastructures that allow even entry level employees to express their creative ideas across organizational boundaries and to contribute in meaningful ways to the company's bottom line.

### ***Work Is About Being Wooed***

Thus, whereas hardscrabble Baby Boomers of decades past wooed their employers, climbing rung by agonizing corporate rung, sacrificing free time and family to distinguish themselves from colleagues and demonstrate company loyalty, for Millennials work is about *being* wooed: Gen Y adults value flexibility in working arrangements and look to their careers for personal growth and affirmation; they want to like their co-workers while also being intent on making good money (though they'll sacrifice a high salary for a job they really love). As far as Generation Y is concerned, work will eventually enable cushy lifestyles and weeks of

vacation time, but just as important it confirms their vital position in the company today. If it doesn't, they'll quit and find another career.

### ***Challenge, Novelty, Change Inspire Young Workers***

Along these lines, says Simmons, adults age 18-29 are considerably more likely than the adult average to have a strong affinity for challenge, novelty and change. Although Gen Yers hunger for constant feedback and support from employers, parents and friends, a trait that might lead marketers to assume they're a timid, mollycoddled bunch, in fact that constant support is what encourages these young adults to believe they're capable of great things—and thus to seek out ever higher, more interesting hurdles.

### ***Extra Education Builds Self-Confidence, Skills***

For example, Gen Y adults are 71% more likely than adults on average to pursue additional education in their leisure time (index 171). Twenty-three percent of the cohort—with the highest percentages among current college students and college grads—list additional education courses as one of their leisure activities over the past year: 48% of college consumers have picked up a class or two, as have a hefty 28% of college grads. In addition, close to 23% of those with specialty or vo-tech job training have signed up for a course; about 11% of Gen Y adults who never went to college or received any specialty job training bit the bullet over the last year as well, and stepped up for a little extra education. For employers of all stripes, it makes sense to invest in the cohort's openness to learning and skill building. By offering an education subsidy, or allowing young employees to take an occasional class on company time, employers can demonstrate a commitment to individual wellness and achievement, and at the same time build company loyalty. [Tables 6-13, 6-14]

### ***Younger Cohort Especially Open to New Challenges***

Overall, 18.3% of adults age 18-29 agree strongly that they pursue challenge and novelty, making them 31% more likely than the adult average to do so (index 131). The younger cohort, age 18-24, is particularly likely to want to mix things up a little. Nearly one in five younger Gen Y adults are enthusiastic about facing new challenges; as such they are 42% more likely than the adult average to do so (index 142). Millennials with at least a bachelor's degree have a healthy appreciation for the new and the novel, such that nearly

17% strongly agree that challenge and change are their friends. Perhaps that’s why a growing number of college students, emulating the amazing success of Facebook founder Mark Zuckerberg or Kevin Rose, founder of social working network site Digg.com, spend a lot of their free time working on their own start-up businesses. Web-based entrepreneurship is a popular enterprise among young adults: It requires little financial investment, has flexible hours, and—major advantage—there’s no dress code. [Table 6-4]

**Table 6-4**

**“I Like to Pursue Challenge, Novelty, Change”:  
Selected High Indexing Gen Y Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Household Income Under \$20K* .....	26.2%	188
Hispanic .....	24.7	177
Employment Income Under \$10K .....	23.9	172
No College or Vo-Tech Background, Employed Full-Time .....	23.3	167
Household Income \$75K-\$99.9K .....	21.5	154
No College or Vo-Tech Background, Employed Part-Time .....	20.8	149
Employed Part-Time .....	20.6	148
Never Married .....	20.0	143
Top 100 Metro Markets .....	19.9	142
Age 18-24 .....	19.8	142
Household Income \$150K+ .....	19.3	139
College Student .....	19.0	136
Male .....	18.9	135
Not Parent .....	18.8	135
Age 18-29 .....	18.3	131
Employed Full-Time .....	16.7	120
College Grad or More .....	16.6	119

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 26.2% of adults age 18-29 with a household income of less than \$20K agree “a lot” with the statement “I like to pursue challenge, novelty, change,” such that they are 88% more likely than the adult average to do so (index 188).

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### ***Millennial Love of the New Extends Beyond College Types***

But it's not just the college kids who are so gung-ho on engaging new, challenging experiences. For example, 21% of the no-college, no vo-tech crowd who are employed part-time, and 23% of non-college Gen Yers who are employed full-time, agree enthusiastically that change and novelty are a good thing: Respectively these non-college working segments are 49% and 67% more likely than the adult average to say so (indices 149 and 167, respectively). The love of novelty spans income brackets as well. For example, Gen Yers with household incomes of \$150,000 or more are 39% more likely than the adult average to be hungry for new, unusual challenges (index 139), but those with much lower household incomes are even more avid. Among adults age 18-29, over 26% of those whose household incomes fall below \$20,000 agree strongly that they like to look for new hurdles and to chase the novel and the new. [Table 6-4]

### ***A Desire to Be Appreciated***

Thus, despite claims that the Echo Boom is an overly pampered lot, they'll throw themselves into their jobs and work long hard hours, as long as they're invested in what they do. For example, according to *Business Week's* annual line-up of the best places for new college grads to start a career, some of the most sought-after jobs are at Big Four accounting firms—Ernst & Young, Deloitte & Touche, Pricewaterhouse Coopers, KPMG—where long hours in unfamiliar cities, demanding on-site work for capricious and unsympathetic clients, and isolation from co-workers who are working for the same client just a few doors down, are just a few of the decidedly spirit-crushing responsibilities for new hires ([http://bwnt.businessweek.com/interactive\\_reports/career\\_launch\\_2008/index.asp](http://bwnt.businessweek.com/interactive_reports/career_launch_2008/index.asp)). But Millennials will crank it out if they have a strong sense of employers' commitment to nurturing their talent and ambition, listening to their ideas, mirroring their values, and promoting the whole person. "Heaps of the older guys have taken me under their wing and given me advice," says New Zealander Rory McKechnie, who landed his first advertising gig in 2007, right out of school. "If we ever need feedback on ideas, there are literally 20 people who'd be more than happy to take time out to help us. I couldn't ask for more" (<http://www.marketingmag.co.nz>, October 2007). A high starting salary, a signing bonus and a generous benefit package don't hurt either. But mostly, Gen Y wants to do stuff that *matters*.

## **Recruiting Requires Authentic Investment in Gen Y Values**

Companies can get a jump on potential recruits through summer internship programs in which ambitious and high-achieving undergrads can get to know the people they may be working for while demonstrating their leadership and communications skills. The Big Four accounting firms all host paid summer internship programs for career-shopping undergrads; they pay close attention to the Millennial affinity for the exotic, the socially responsible and the just plain social. For example, Pricewaterhouse Coopers' 2008 summer internship program features Project Belize, which "showcases the firm's commitment to corporate responsibility." Through the program, interns have worked with Pricewaterhouse staff and partners to refurbish four Belize elementary schools and build a Leadership Development Center that included a library and computer lab. "This is unique because we have only three days to impact lives and three days for our lives to be impacted. It is a great opportunity to put our beliefs into actions," writes PwC intern Kristin Benton about her experience (<http://www.pwc.com/extweb/aboutus.nsf/docid/0B09DFB218E924B685257471001182F2>).

### ***Travel, Volunteer Opportunities Attract Socially Conscious***

Offering travel to these cash-strapped consumers is a canny approach. Over 61% of Gen Yers have vacationed domestically in the last year, while 44% have vacationed in a foreign country. A little over 6% of Gen Y adults report that they've traveled domestically for business over the last 12 months. One in three carries a valid passport, and over two-thirds of Gen Y college grads do, but their ability to spend on their own is limited. In domestic travel over the last year, Gen Y adults tended to spend under \$500 per trip, and in foreign travel over the last 3 years, they tended to spend under \$1,500 per trip. [Tables 6-3, 6-4]

### ***Voluntourism Excites Desire for Exotic Experiences That Help Others***

Voluntourism and eco-tourism are burgeoning industries with special appeal to Millennials, who feel lots of social and environmental responsibility but don't have much time: Employers who can tap into this generation's desire to do manual labor or increase the self-sufficiency of impoverished inhabitants, will also demonstrate their own commitment to social justice and thus ratchet up their own environmental credibility. Of course, the more skeptical among us might argue that rather than "immersing" themselves in a culture, these time-crunched travelers are actually immersing themselves in their own personal narrative

whose goal ultimately is to make them feel more satisfied with themselves. But really, what's wrong with that? If setting off for a two-week stint in New Orleans to gut destroyed homes helps displaced and elderly residents to begin rebuilding their lives *and* makes twenty-something volunteers feel good about themselves, Packaged Facts would be hard-pressed to maintain it's not a win-win situation all around.

The point is, however, that if marketers of eco-chic adventures—or employers who are serious about proving their own commitment to the global community in an effort to get Gen Yers to jump on board—want to continue the trend toward vacations that help others or nurture the environment, they've got to make changing diapers or digging sewers or planting acres of pine trees in the blistering sun feel like—and be—a vacation. And that begins with the story that we tell ourselves about ourselves. The experience has to be grounded in a personal narrative that reinforces that humanitarian impulse, that makes each traveler both a star and a supporting actor in a real-life adventure that brings them closer than they ever thought possible to the real, gritty lives (not lifestyles) of other cultures or to the authentic landscapes whose ecology is threatened, pristine or thrilling in its menace—or to both. Just not for very long, because that could be boring. Plus, it's got to be filled with social interaction and preferably close to a cell phone tower or Wi-Fi location so that they can instantly blog about the experience *while they're experiencing it*.

### ***Ernst & Young's Summer Internships Focus on Leadership***

Along these lines, Ernst & Young's summer internship features a four-day International Leadership Conference, which allows potential employees to network with firm leaders, and to participate in team-building exercises, professional seminars, and, of course, Disneyland excursions. Taking their cue from Gen Y's strong social impulses, the company set up a conference blog on the E&Y Facebook page, where interns from around the world can share experiences and create videos about their activities. Ernst & Young also hosts an annual Minority Leadership Conference to encourage diversity among its potential employees. For interns who demonstrate strong leadership and communication skills, a job offer will generally include a starting salary of at least \$50,000, a signing bonus and a generous benefits package.

## **Mentorship, Flexibility, Company Values Can Trump High Salary**

Of course not all companies can afford to lavish luxurious blandishments on employees who haven't even signed up yet, but employers who demonstrate a keen appreciation for the professional contributions and the all-around wellness of their youngest employees are more likely to retain these often capricious workers. In fact, though Gen Y is unabashedly ambitious in its pursuit of the dollar, money is not necessarily the sole factor in their career decisions. Says Gen Y New Zealander Jessica Riddiford, Junior Consultant at New Zealand-based Baldwin Boyle Group ([www.baldwinboyle.com](http://www.baldwinboyle.com)), a public affairs consultancy, a comparatively low starting salary didn't deter her from snapping up a job offer. Instead, she was sold on the company's internal support and mentoring, a flexible career trajectory, and challenging assignments. "When you are starting out, money isn't the key, it's where the job can lead that is important" (*New Zealand Marketing Magazine*, October 2007). Unusual assignments and the potential for interesting career swings also score high.

## **Health Insurance a Key Benefit for Young Employees**

Physical wellness is a key benefit as well—especially considering that nearly half of adults age 18-29 have no health insurance. According to Simmons, the Gen Y cohort overall is 27% less likely than adults in general to have health or hospital insurance (index 73); they are 26% less likely than adults overall to belong to an HMO (index 74), and 35% less likely to belong to a PPO (index 65). [Table 6-5]

### ***Uninsured Cluster Among Millennials with No College, No Vo-Tech***

Broken down by educational cohort, however, the weight of the uninsured skew sits particularly heavily among Millennials with no college and no specialty job training, who are less likely than their college-educated peers to enjoy the benefits of a company-sponsored health plan and who also may have lost coverage under their parents' insurance umbrella. Thus, whereas 84% of Millennial college graduates have health or hospital insurance, only 34% of the no-college, no-specialty-training segment are covered. Similarly, 64% of college grads have dental insurance, versus 21% of Millennials with no specialty job training or college. At this early life stage, uninsured Millennials may be able to skate along without coverage for a while, but the risks continue to increase with age; insurers who offer relatively

low-cost, catastrophic plans may find a niche within the Gen Y segment, especially among those who are healthy but under-employed, self-employed or involved in a new business that doesn't offer coverage. [Table 6-6]

**Table 6-5**

**Health-Related Insurance: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Insurance Type</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
Health/Hospital* .....	73.0%	53.0%	73
PPO (Preferred Provider Organization) .....	28.4	18.4	65
HMO (Health Maintenance Organization) .....	19.6	14.6	74
Dental .....	43.2	34.6	80
Vision Care .....	31.5	24.0	76

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 73.0% of adults overall have health or hospital insurance compared with 53.0% of Gen Y adults. As such, Gen Y adults are 27% less likely than adults overall to have health or hospital insurance (index 73).

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**Table 6-6**

**Health Care Coverage by Educational/Job Training Cohort: Gen Y Adults, 2008  
(percent of adults age 18-29)**

<b>Insurance Type</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
Health/Hospital .....	60.1%*	83.8%	43.8%	34.4%
PPO (Preferred Provider Organization) .....	16.9	40.9	11.8	8.7
HMO (Health Maintenance Organization) ...	18.3	24.0	12.1	8.8
Dental .....	36.4	63.7	25.5	20.9
Vision Care .....	26.1	45.5	18.9	13.6

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 60.1% of Gen Y college consumers have health or hospital insurance.

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### ***Some Choose Dream Job Over Insurance Coverage***

Says Echo Boomer Ryan Healy, who ditched his corporate job with benefits to join the start-up Employee Evolution ([www.employeeevolution.com](http://www.employeeevolution.com)), a division of Gen Y-centric BrazenCareerist.com, “dropping everything to chase a dream might sound risky, but in my book, working a dead-end job for fear of not having health coverage is much riskier” (<http://blog.penelopetrunk.com/2007/10/02/twentysomething-preparing-for-life-without-health-insurance>).

Easy for him to say, you might retort: In perfect health and with age 30 a blip on the horizon, he can afford to wing it for awhile.

### ***Short-Term or High-Deductible Plans Could Form Gen Y-Centric Niche***

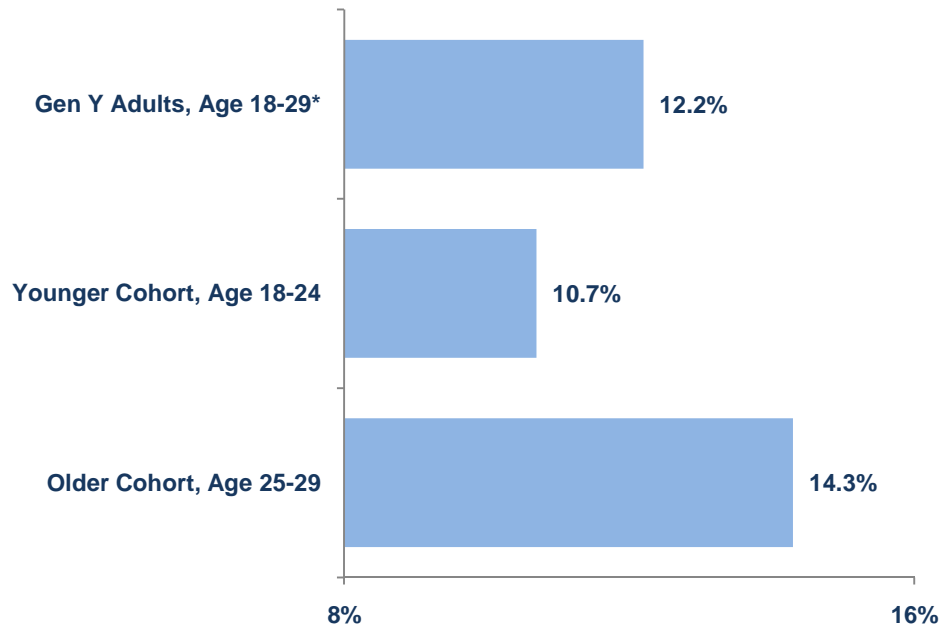
However, it shouldn't have to be a choice between insurance and no insurance. To help bridge the gap between cushy coverage and netless flying, health and insurance marketers can tailor short-term plans for cash-strapped twenty-somethings—for example, short-term coverage for recent college grads who are in the job market; or high-deductible accident plans for cash-strapped twenty-somethings, who, despite overall good health, may risk an expensive trip to the emergency room as a result of, say, a freak snowboarding accident or, more likely, the midnight car wreck.

### **Gen Y Wellness Emphasizes Pampering Over Preventive Care**

Along with their shaky insurance holdings, Gen Y's wellness program tends to emphasize pampering over preventive care. According to Simmons, a scant 12.2% of adults age 18-29 agree strongly that have regular medical check-ups, and as such they are 51% less likely than adults overall to do so (index 49). Among the younger cohort, even fewer place strong emphasis on preventive medical care: Only 10.7% of adults under age 25 make a strong point of having regular physicals, and as such they are 63% less likely than the average adult to do so (index 37). [Figure 6-5]

**Figure 6-5**

**“I Have Regular Medical Check-Ups”: Gen Y Adults Overall and by Age Cohort, 2008  
(percent of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 12.2% of Gen Y adults overall agree “a lot” with the statement “I have regular medical check-ups.”

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### ***Hispanics Skew Highest for Regular Medical Check-ups***

Of Gen Y adults, Hispanics are the most likely to be emphatic about regular check-ups, but even so they are 44% less likely than adults on average in this regard (index 56). Moreover, level of education appears to have little correlation with strong allegiance to preventive care—college grads are 48% less likely than the average adult to be scrupulous about regular check-ups, while full-time Gen Y employees with no college and no vo-tech background are 54% less likely (indices 52 and 46, respectively). Fewer than 9% of college students make a strong point of these preventive visits, such that they are 71% less likely than average to do so (index 29), while full-time employees of every educational stripe are 62% less likely (index 38). [Table 6-7]

Table 6-7

**“I Have Regular Medical Check-Ups”: Selected Low Index Gen Y Segments  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Hispanic* .....	16.2%	56
Female .....	16.0	55
College Grad or More .....	15.0	52
Parent .....	14.7	51
Been to College .....	14.5	50
Household Income \$20K-\$39.9K .....	14.4	50
Household Income \$100K-\$149.9K .....	14.1	48
Top 100 Metro Markets .....	13.7	47
Married .....	13.7	47
No College or Vo-Tech Background, Employed Full-Time .....	13.2	46
Household Income \$150K+ .....	12.9	44
Employment Income Under \$10K .....	12.9	44
Employed Part-Time .....	12.6	43
Employed Full-Time .....	11.0	38
Employment Income \$10K-\$19.9K .....	10.3	35
Not Top 100 Metro Markets .....	10.2	35
White (Non-Hispanic) .....	9.7	33
College Student .....	8.6	29
Male .....	8.1	28

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 16.2% of Hispanic Gen Y adults agree “a lot” with the statement “I have regular medical check-ups,” such that they are 44% less likely than the adult average to do so (index 56).

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**Regular Exercise Helps Offset Blasé Approach to Health Care**

Not to fear, however: Though Gen Y adults can be somewhat cavalier about the long-term effects of overindulgence or double-ended candle burning, Simmons reports that most Echo Boomers do exercise regularly—a definite plus for overall health and wellness. Over one in four, or 26.2% of Gen Y adults, manage to get the old heart rate up three or four times a week, compared with 23.5% of adults overall; however, this cohort is also 37% more likely than the adult average to limit that exertion to once or twice a week (index 137). The vast

majority, or 87.6% of the cohort, have played some sport or physical activity over the last year or so. [Table 6-8]

**Table 6-8**

**Diet and Exercise Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

Exercise Pattern	Adults Overall	Gen Y Adults	Gen Y Index
<b>Participate In Regular Exercise/Physical Fitness Program?</b>			
Yes* .....	50.1%	58.3%	116
<b>Where Exercise</b>			
At Home .....	29.6%	33.3%	113
At Private Club .....	9.6	11.4	119
At Other Facility .....	11.0	15.9	145
<b># Of Times Exercise Weekly</b>			
5+ .....	10.4%	10.0%	96
3-4 .....	23.5	26.2	111
1-2 .....	15.1	20.7	137
<b>Sports Played/Participated In Over Last 12 Months</b>			
Any .....	77.2%	87.6%	113

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 50.1% of adults on average, 58.3% of Gen Y adults participate in regular exercise or a physical fitness program, such that they are 16% more likely than the adult average to do so (index 116).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**College Grads Outdo Other Educational Cohorts in Sports Participation**

In this case, exercise patterns tend to correlate with educational levels. For example, although the vast majority of each of the four educational cohorts has participated in some sport in the last year, college grads tend to pull ahead of the other three in their participation overall, such that 94.6% of those with an undergraduate degree have done so, while Gen Y adults with no college and no specialty job training tend to fall behind somewhat—84.4% of that segment played some sport over the past twelve months. Similarly, while about 70% of college consumers and college grads exercise regularly, just over half of Gen Y adults with no college or specialty job training (50.6%), and a similar number of those with specialty job training (51.7%), say they participate in a regular exercise program. In addition, much higher

percentages of college consumers (13.3%) and college grads (21.6%) work out at private clubs, in comparison with 7.3% of non-college Gen Y adults and too few Gen Yers with specialty job training to count. [Table 6-9]

**Table 6-9**

**Exercise Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Exercise Pattern	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Participate In Regular Exercise/Physical Fitness Program?</b>				
Yes .....	67.1%*	69.8%	51.7%	50.6%
<b>Where Exercise</b>				
At Home .....	36.6%	36.8%	30.0%	30.6%
At Private Club .....	13.3	21.6	**	7.3
At Other Facility .....	23.0	19.5	**	13.6
<b># Of Times Exercise Weekly</b>				
5+ .....	10.6%	**	**	11.9%
3-4 .....	30.4	38.1%	23.4%	17.5
1-2 .....	23.7	21.5	19.9	20.0
<b>Sports Played/Participated In Over Last 12 Months</b>				
Any .....	88.2%	94.6%	88.8%	84.4%

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 67.1% of Gen Y college consumers participate in regular exercise/physical fitness programs.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## Workplace Wellness a Win-Win for Gen Yers, Employers

Hence, for employers who are looking to attract and retain lively Gen Y resources while at the same time reducing sick days and increasing productivity, wellness experts suggest the allure of (surprise!) fun stuff to do. Of course, that goes for fitness professionals who are trying to attract the Gen Y crowd as well. For example, companies can play up an on-site fitness center—or seriously consider adding one. According to Wendy Wigger, Director of Wellness at Grand Rapids, MI-based Priority Health, a health insurance provider that

specializes in developing partnerships with employer groups to reduce health costs, on-site fitness programs can streamline busy Millennial schedules, improve productivity and promote team spirit ([http://blog.mlive.com/wmbr/2008/04/wellness\\_tips\\_for\\_millennials.html](http://blog.mlive.com/wmbr/2008/04/wellness_tips_for_millennials.html), April 24, 2008).

Even for Millennials who don't exercise much, a sincere effort to encourage their long-term health can win points for employers, as well as reduce costs for all involved. According to Simmons, Gen Y adults overall are somewhat less likely than the adult average to agree strongly that they should get more exercise than they do; however, one of the Gen Y segments most likely to lament their sub-par exercise habits are college grads employed full-time: Who's got the time? Thirty-seven percent of these full-time workers, or about 1.4 million adults age 18-29, complain that they don't get enough exercise; nearly one-third of part-time employees, or 2.4 million adults age 18-29, agree. [Table 6-10]

**Table 6-10**

**"I Should Exercise More Than I Do": Selected Gen Y Adult Segments, 2008  
(percent and index of U.S. adults age 18-29)**

Segment	%	Index
Full-Time College Student, Employed Part-Time* .....	38.5%	98
Female .....	37.3	95
College Grad Only, Employed Full-Time .....	36.5	93
College Grad Only .....	36.0	92
Parent .....	35.6	91
Age 25-29 .....	35.4	90
College Grad or More .....	33.3	85
Been to College .....	32.7	83
Employed Part-Time .....	32.6	83
Top 100 Metro Markets .....	32.5	83
Household Income \$60K-\$74.9K .....	32.4	83
Married .....	32.3	82
Hispanic .....	32.2	82

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 38.5% of adults age 18-29 agree "a lot" with the statement "I should exercise more than I do," such that they are 2% less likely than the adult average to do so (index 98).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Gen Y parents, Gen Yers in the top 100 metro markets, and full-time college students who are employed part-time are also likely to strongly agree that they don't get enough exercise—segments especially likely to take advantage of company efforts to implement policies that support their busy schedules, supplement their salaries and encourage long-term health. [Table 6-10]

### ***“Exergaming” Offers Fun, Low-Cost Break***

Once again, however, consider the audience. While Boomer employees might endure the tedium of treadmills or step aerobics, Wigger suggests that Gen Y is more likely to enjoy “exergaming” with interactive software such as Nintendo’s Wii-Fit, which can track users’ fitness level and provide exercises for all ages and body types in yoga, strength training, cardio and balance; or Xbox’s Dance Dance Revolution (DDR), all the rage in Japan and sort of like Twister on steroids, with catchy tunes that can be calibrated to different levels of intensity as the players dance to the pattern, either individually or competitively (<http://gadgets.boingboing.net/2008/05/15/from-atari-joyboard.html>, May 15, 2008). “Exertainment,” as video fitness gaming is also called, doesn’t require the purchase of tons of equipment. Employees can dash off for a quick, energizing break, then zip back to their desks, pumped up and ready to go. Once again, this type of innovation can benefit fitness centers as well: Boomers may plod away at whatever mind-numbing exercise their gym offers, but Millennials have short attention spans: If it’s not entertaining, forget it.

### ***Guest Experts and Edgy Exercises***

Employers who can work with health insurance companies to develop wellness programs may be able to offer discounted insurance rates to employees—and in the process reduce sick days, keep energy high, and demonstrate a commitment to intergenerational harmony in the workplace. To appeal to Gen Y’s love of interaction and authenticity, companies that do invest in a fitness program would do well to invite high-energy trainers or guest experts, especially in areas that are new or unusual: capoeira, say, or bungee yoga. And, of course, they should make classes convenient—before and after work, at lunchtime and on weekends. Or at the very least provide healthy snacks in the vending machine or a pool table in the basement. That goes double for gyms trying to attract this mercurial crowd.

**Subsidized Gym Memberships and Company Sports Teams**

Companies that can't provide on-site amenities can consider offering subsidizing gym memberships (and possibly offer financial rewards or prizes for regular attendance), or even starting up informal basketball, softball, soccer or volleyball teams. According to Simmons, Gen Y adults are far more likely to participate in these sports than the adult average (though older employees are likely able to show them at least a thing or two). Nearly one-third of adults age 18-29 have rustled up a game of hoops in the last year, and as such are twice as likely as the adult average to have done so (index 207). The cohort are also twice as likely as the adult average to have participated in football (index 212), volleyball (index 200), soccer (index 216) or in-line skating (index 198) in the last twelve months. [Table 6-11]

**Table 6-11**

**Sports Participation in Last 12 Months: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Sports</b>	<b>Adults Overall</b>	<b>Gen Y Adults</b>	<b>Gen Y Index</b>
Soccer* .....	8.3%	17.9%	216
Football .....	9.8	20.8	212
Basketball .....	15.6	32.3	207
Volleyball .....	8.5	17.0	200
In-Line Skating/Roller Skating .....	5.4	10.7	198
Jogging/Running .....	16.5	31.9	193
Softball .....	7.9	14.7	186
Bowling .....	21.1	38.2	181
Billiards/Pool .....	18.5	33.3	180
Yoga .....	7.6	11.5	151
Aerobics .....	10.0	14.7	147

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 8.3% of adults overall, 17.9% of Gen Y adults have played soccer in the last 12 months, for a Gen Y index of 216 (116 above the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

Of course, few things are funnier than a company bowling league, especially if munchies, beer and a blog are involved—but the point here is that for Gen Y, traditional boundaries between leisure and work don't make sense. Ninety percent of Ys want co-workers “who



make work fun,” says Gen Y specialist and business consultant Amy Lynch ([www.bottomlineconversations.com](http://www.bottomlineconversations.com)). They rank “working with people I enjoy” above nice offices, cool technology and even life balance. That’s why Boston-based Gentle Giant Movers ([www.gentlegiants.com](http://www.gentlegiants.com)), a moving company that requires applicants to run the Harvard stadium stairs (recruits think it’s an endurance test, but it’s actually to see who’s a whiner and who’s not), once hired an entire rowing team (Nashville Business Journal, May 16, 2008). “It looked like a great work environment because of the people,” says one of those rowers, Niles Kuronen, age 26. “It was huge to be able to work with friends” (*Time Magazine*, July 16, 2007). Yes, Boomers may be appalled by such cossetting, but chances are that older employees will benefit from wellness programs, too—and by interacting with younger employees in a less formal, more personal context, can build alliances rather than intergenerational conflict.

### **Echo Boomers Love to Include Their Parents**

Some companies are even introducing Parents’ Days to accommodate the close relationships that many young adults maintain with their parents—Gen Y employees are notorious for talking to their parents several times a day from the office, or even bringing them along on job interviews, habits that tend to drive employers crazy, but which are simply the result of the heavily involved parenting style that Boomers tend to have adopted—particularly in affluent, highly educated Boomer-headed households. According to Heidi Golledge, CEO of recruiting and job search firm Cybercoders ([www.cybercoders.com](http://www.cybercoders.com)), job candidates often run their compensation package past their parents before they accept or reject an offer.

Even further, says Phillis Weiss Haserot, President of consulting firm Practice Development Counsel ([www.pdcounsel.com](http://www.pdcounsel.com)) and author of *The Rainmaking Machine: Marketing Planning, Strategies and Management for Law Firms* (Thomson/West LegalWorks, 2007), “We’ve heard of a couple instances of parents calling up when they were unhappy with [their adult child’s] performance reviews” ([www.jobs.aol.com](http://www.jobs.aol.com), August 11, 2008). But hey, says employment blogger Ryan Healy, “It’s not about being babied or refusing to grow up, it’s about a level of mutual respect that Gen Y has for our parents and our parents have for us. My mother is coming to visit in a couple weeks, and guess what our plan for the day is?” What else?: “A tour of the office and a couple hours of work for each of us before we go out

and do the tourist thing” (<http://www.brazencareerist.com/2008/05/23/crystal-ball-10-ways-generation-y-will-change-the-workplace>). Healy did not reveal whether a trip to the company bowling alley would be involved.

The upshot here for workplace wellness is that this new generation is far more family-centered than previous generations. Their insistence on work-life balance and a nurturing yet challenging workplace environment is unlikely to change—thus, as Gen Y parents themselves carry on the tradition of the child-centered family, young employees who are married or have children are likely to appreciate family fitness days or company-sponsored participation in community activities that can help cultivate business as well as appeal to Millennials’ larger sense of community. Indeed, blogger Healy argues, a shorter work day will only increase these eager workers’ productivity while freeing up more time for them to throw themselves into their highly valued time off.

### **Know Your Niche, Be Authentic**

So what does the typical twenty-something value about leisure time? Short answer: There’s no such thing as a typical twenty-something (at least as far as they’re concerned). Thus, for marketers who want to capture the Gen Y dollar, it’s nearly impossible to stress too much how important it is to know your audience. And not just by skimming generalized information in marketing reports. Gen Y’s ability to home in on the inauthentic, the smarmy, the uncool, or the cynical is more finely tuned than the most sophisticated GPS system. And their ability to instantly communicate their impressions to several hundred of their closest friends leaves little wiggle room for marketers who try to fudge the details.

That supremely skeptical attitude means that marketers actually have to *mix* with their target segment, preferably by deploying and paying attention to members of the same club they’re trying to attract (read, if you’re marketing surfing supplies, don’t just hire Gen Y surfers, for heaven’s sake *be* a surfer). Regardless of lifestyle or retail channel, marketing to Gen Y has to be a grassroots effort. Small, intensely clubby market segments are passionate about their values and attitudes: Products no longer sell themselves in a vacuum. Marketers must establish a beneficial connection between the product, the target market and the overall

campaign, which often translates into a smooth integration of the product within its cultural context.

Branded social events, online communities that focus not just on products but which promote activities and values of potential purchasers, and active solicitation of consumer ideas and preferences in the marketing itself are essential for companies that want to engage the mercurial attention of these young adults.

Perhaps most important, you've got to sell what you say you sell. Make no claims you can't back up; know your product inside and out; be ready to discuss it passionately with consumers. Those strategies go for pretty much anything that's on the Gen Y agenda.

### **Shopping Patterns Favor Electronics, Apparel**

Certainly some general shopping patterns can be teased out of the cohort. According to Simmons, 58% of adults age 18-29 strolled through a shopping mall in the last month, a percentage not appreciably larger than the adult population as a whole (index 105); 38% of Gen Y adults shopped at a strip mall, also similar to the adult average (index 89). Gen Y consumers are a shade more likely to shop at home electronics stores than adults on average (index 114), with more than half of both college grads and current college students having done so in the last three months (55.1% and 53.3%, respectively), while 46.6% of Gen Yers with specialty job training, and 38.3% of no-college, no-vo-tech Millennials made such an appearance. Otherwise, Gen Y consumers fall behind the average adult shopper in their patronage of home improvement, greeting card, office supply and home furnishing and housewares stores, by at least 20%. Gen Y adults skew at 35% less likely than the adult average to frequent home improvement stores (index 65)—hardly surprising considering that many still live with their parents, and those who don't are unlikely to have yet purchased a home that needs improving. [Tables 6-17, 6-18]

### **Trendy, Youth-Oriented Apparel Brands Index High**

In terms of chain store shopping, in comparison with the adult average, Gen Y adults tend to skew highest in their search for clothing. According to Simmons, with the exception of Gamestop, the video gaming retail giant, the highest indexing chain stores with regard to Gen

Y patronage are those that sell trendy, youth-oriented apparel. For example, 7.3% of adults under the age of 30 passed through the doors of Express ([www.express.com](http://www.express.com)) in the last three months; this age segment is 143% more likely than the adult average to have done so (index 243), perhaps not only because the 30-year-old retailer operates 550 stores nationwide and caters to both men and women. According to CEO Michael Weiss (who bears an uncanny resemblance to Riff Raff of *Rocky Horror Picture Show* fame), “Express is not about a single point in time, but rather a spirit, energy and a belief that we can and will be the best retail fashion brand in the world.” That fashion-forward, if somewhat abstract mission, along with the constant flow of new styles, weekly episodes of Model.Live on the Express website ([www.express.com](http://www.express.com)), which follows Express high fashion models Madeline and Austria and Cato as they cat walk through Paris (you can click on photos of them to order their outfits)—not to mention Express gift and credit cards, and frequent sales—certainly appeal to this brand-conscious cohort. [Figure 6-6; Tables 6-17, 6-18]

### **Abercrombie & Fitch: Lifestyle Brand Worships Beauty**

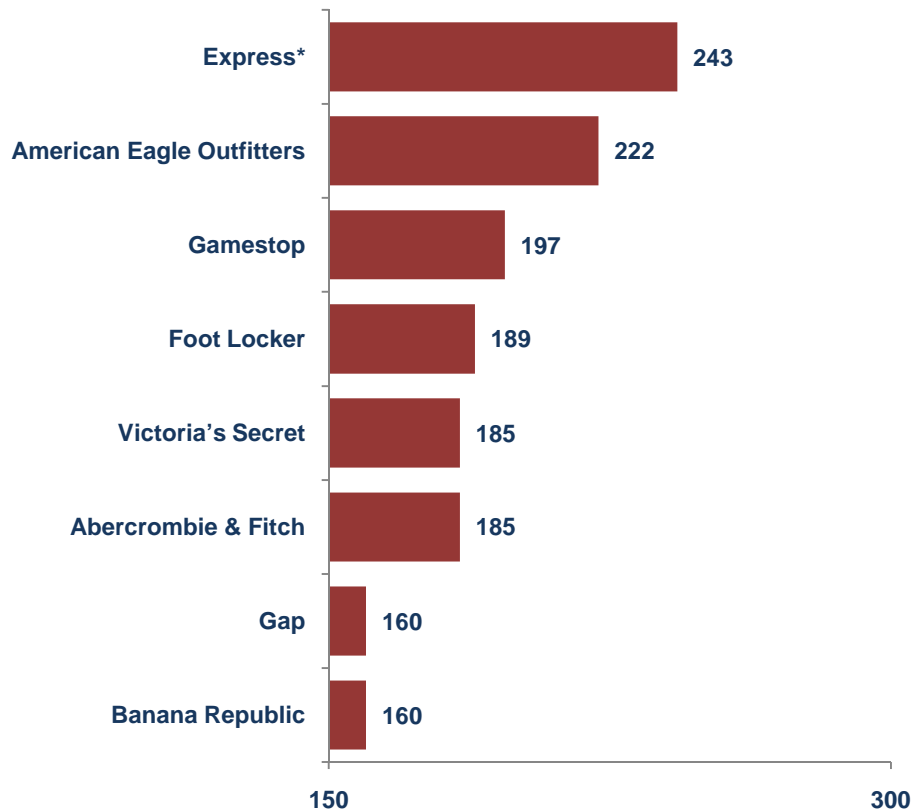
Likewise, Abercrombie & Fitch, which positions itself as a lifestyle brand, attracted about 9% of the Gen Y cohort to its stores in the last three months, perhaps not only because of its commitment to its trademark Casual Luxury, but because the corporate store policy of playing music at 80 decibels is likely to keep the fogies away. Gen Y adults are 85% more likely than the adult average to have patronized an A&F store in the last three months (index 185), but college students are by far the most likely segment to have done so. Whereas 8.5% of no-college, no-vo-tech Millennials, and too few college grads or specialty job training Echo Boomers to count, browsed through racks of the brand’s “sexy, effortless style,” 14.2% of college consumers did so.

The epicene sensuality of A&F’s models, photographed by Bruce Weber (who also does work for Calvin Klein and Polo Ralph Lauren) and portrayed in beach or Adirondack scenes, tends to appeal to young consumers aspiring to the “all-American, clean, wholesome, or the girl or boy next door” image that Abercrombie promotes. Indeed, the brand chooses its models exclusively from its sales staff (flattering for aspirational staff, nice for bottom line), and company policy dictates that only the beautiful need apply. Sales associates (also called “models”) who don’t rate a maximum 5 out of 5 in hotness are relegated to the back room to

fold clothes (*Dallas Morning News*, August 27, 2008). The insufficiently gorgeous are also instructed not to speak to customers. [Figure 6-6; Tables 6-17, 6-18]

**Figure 6-6**

**Highest Indexing Chain Stores Shopped by Gen Y Adults in Last Three Months, 2008  
(index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Gen Y adults are 143% more likely than the adult average (index 243) to have shopped at Express in the last three months.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

## **Victoria's Secret "Pink" Campaign Plays Up College, Music, Green**

Meanwhile, Victoria's Secret, which also skews just as high as Abercrombie among the Gen Y cohort for visits in the last three months (index 185), has gone all out to attract the college crowd with its Pink Collegiate Collection, a massively integrated campaign that offers women's undies, tee shirts, lounge wear, accessories and sports gear cross-branded with names, colors and mascots from over 33 universities including University of Texas, UC

Berkeley and Boston College. Featuring college-age brand ambassadors and a back-to-school program, the Collegiate Collection launched in July 2008 with a huge party event at the Santa Monica pier called “Pinkapalooza” ([www.vspink.com/pinkapalooza.jsp](http://www.vspink.com/pinkapalooza.jsp)). Hosted by Pink’s “It” girl Prinsloo Behati, the party attracted some 15,000 consumers who participated in USC-UCLA rivalry games, listened to summer tunes spun by DJ MomJeans, watched performances by pop punk band Fall Out Boy, and, of course, shopped the brand’s latest offerings. Once the partygoers recovered from the awesomeness and returned to classes, campus brand evangelists began passing out bins for used clothing, helping Pink go green by encouraging co-eds to Recycle Your Sweats; they establish a presence at college football games as well. Why the push for college consumers? Duh. According to Simmons, one in four college consumers shopped at Victoria’s Secret in the last three months. [Table 6-4]

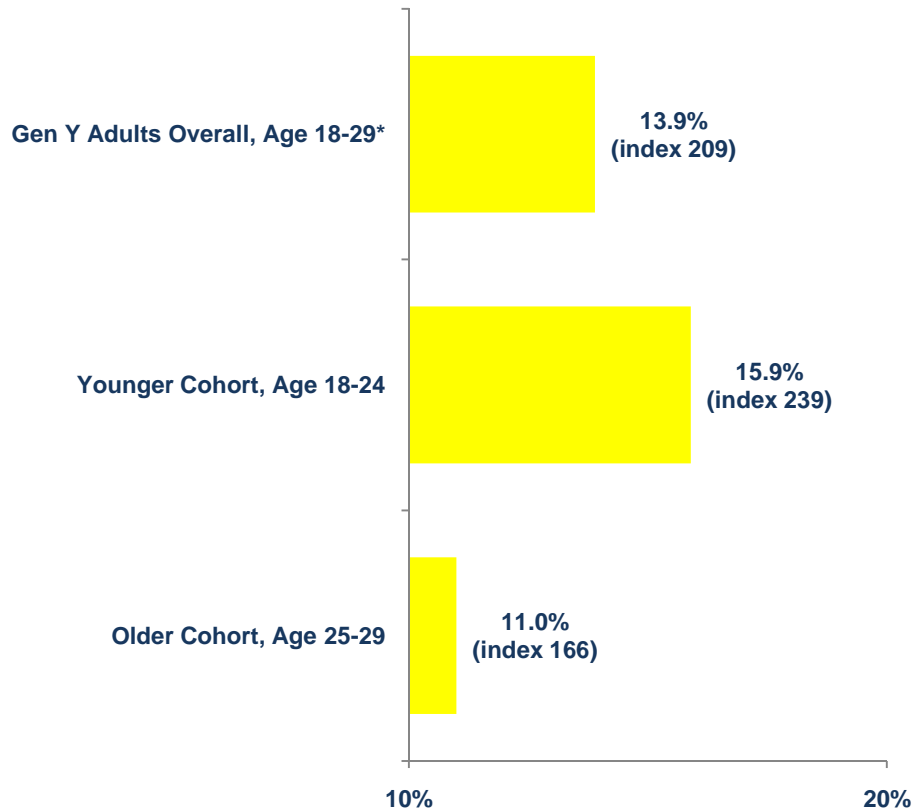
### **Avid Gen Y Sports Enthusiasts Value Risk-Taking, Cool Stuff**

On a somewhat less mainstream scale, the marketing of sports apparel and equipment—particularly for action and extreme sports—is crucially dependent on authenticity and integration. Alongside the casual exercisers of the Gen Y world, there are athletic, adrenaline-happy risk lovers who throw themselves into a sport with all the passion of their being. About 33 million participants and another 54 million fans of action sports make up that niche’s demographic, according to youth marketing expert Issa Sawabini, Principal in Burlington, Vermont-based Fuse Marketing ([www.fusemarketing.com](http://www.fusemarketing.com)). Many of these aficionados likely number themselves among the 14% of adults age 18-29 who tell Simmons they see themselves as avid risk takers. [Figure 6-7]

According to Simmons, Gen Y adults overall are twice as likely as the adult average to agree strongly that they like taking risks (index 209). Younger cohort Millennials are even more likely to have a strong affinity for the adrenaline rush. Compared with adults in general, adults age 18-24 are 139% more likely to agree heartily that they enjoy stepping into dangerous or unknown territory (index 239). Even the old fuddy-duddies, age 25-29, are two-thirds more open to the wild and scary than the average adult (index 166). [Figure 6-7]

Figure 6-7

**“I Enjoy Taking Risks”\*: Gen Y Adults Overall and by Age Cohort, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 13.9% of Gen Y adults overall agree “a lot” with the statement “I enjoy taking risks,” such that they are 109% more likely than the adult average to do so (index 209).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### ***Risk-Takers Mirror Segments That Seek Challenge, Novelty***

More specifically, the Gen Y segments most strongly attracted to risk tend to mirror the segments who are most enthusiastic about challenge, novelty and change. That is, Gen Y risk-takers are most likely, compared to the adult average, to be employed part-time, to have a household income under \$20,000 or above \$150,000, or an employment income under \$20,000. Full-time employees are nearly twice as likely (index 193), and part-time employees are far more than twice as likely (index 265) to agree strongly that risk rocks their world. Gen Yers with no college and no specialty training are also twice as likely as the adult average to do so (index 204). [Figure 6-12]

**Table 6-12**

**“I Enjoy Taking Risks”: Highest Indexing Gen Y Segments, 2008  
(percent and index of U.S. adults age 18-29)**

<b>Segment</b>	<b>%</b>	<b>Index</b>
Household Income Under \$20K* .....	18.9%	286
Employed Part-Time .....	17.6	265
Male .....	17.4	263
Household Income \$150K+ .....	17.2	259
Hispanic .....	16.8	254
Employment Income \$10K-\$19.9K .....	16.0	241
College Student .....	15.8	239
Never Married .....	15.8	238
No College or Vo-Tech Background, Employed Full-Time .....	13.5	204
Employed Full-Time .....	12.8	193

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 18.9% of Gen Y adults with a household income under \$20K agree “a lot” with the statement “I enjoy taking risks,” such that they are 186% more likely than the adult average to do so (index 286).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **Do Risk-Takers Up-End Gen Y Reputation for Needing Structure, Guidance?**

This strong risk-taking streak tends to contradict experts’ assertions that Gen Y adults tend to play by the rules and avoid uncertainty, to seek a supportive and team-oriented work environment. For example, on the one hand we have Andrea Hershatter, director of the undergraduate business program at Emory University and veteran of college recruiting processes, who says “There is a strong, strong millennial dislike of ambiguity and risk, leading them to seek a lot more direction and clarity from their employers, in terms of what the task is, what the expectations are, and job progression.” They are not boat rockers, not revolutionaries, Hershatter explains (*Brazen Careerist*, October 17, 2007). And, sure, as far as work goes, Gen Y is a bit on the structured side. But on the other hand we have budding entrepreneurs and wild sports enthusiasts who leap into their own personal fray without a backward glance.

Packaged Facts suggests that this seeming discrepancy may be related to differences between Gen Y employment goals and their leisure or sports activities, despite the potential adrenaline



rushes in both environments; it may also reflect discrepancies between the perceptions of job recruiters and Gen Yers themselves, and a fairly loose definition of “risk.” That is, while a strong core in the Gen Y crowd see themselves as risk takers, ready for adventure and new experiences regardless of possible costs, older, more detached observers who grew up without 911, cell phones, instant messaging, live web feeds, ATMs, medi-vacs, or GPS devices might disagree. The experience of the Peace Corps volunteer in the Guatemala jungle of 1972 was a far cry from that of the Ernst & Young intern hanging chalkboards for a few days in Belize: The consequences of a broken foot or a brush with hemorrhagic dengue fever, for example, are decidedly different. And yet, Gen Y Americorps volunteers *are* throwing their backs and hearts into disaster relief; Gen Y eco-tourists are helping developing communities; Echo Boomers are risking their lives in Iraq. In other words, when it comes to answering a Simmons question, “risk” can just as easily describe crawling on your belly under a barrage of sniper fire, as chatting up the hottie at the taco stand.

Thus the important issue here for marketers is that these Gen Y segments see themselves as risk takers, however they define that concept. And to be a risk-taker, at least for this generation, is not at all contradictory to the core values of community, communication and constant feedback: Part of the fun of taking risks—the tongue tattoo, the impertinent email, the backflip off the flag pole—is the excitement of sharing the experience with others. Plus, it’s only fair to note that if 14% of the generation see themselves as heavily into risk, that means that a significant majority, or 86%, aren’t entirely passionate about it. [Figure 6-19]

### **Action Sports a Major Niche, But Authenticity Stakes High**

Perhaps the most obvious risk-taking ventures, at least on the physical side, are extreme or action sports, which form a nexus of challenges for the individual body and the creative mind, but also tend to morph into mainstream movements that with specialized vocabulary, standards, celebrities and even music preferences. As far as retail products and services go, associations with action sports can entail a passionate, loyal and extremely profitable following—as long as marketers maintain a strict policy not of *Marketing To Us*, but *Being One of Us*.

### **Brand-Sponsored Events, Community Crucial to Sports Marketers**

For crazed underground sportsters who do (you don't really "play it") parkour or free-running, the mad dashing, leaping and somersaulting about urban landscapes that sometimes involves leaping from rooftop to rooftop, there's not much of a market yet (though niche insurance policies might have an opening), despite the passion of its participants. But once underground sports such as skateboarding, BMX, surfing, snowboarding, wakeboarding and freestyle skiing start gaining popularity, brands that can seriously connect with both mainstream and core enthusiasts can establish a loyal following—once again through authentic connections, major events and sincere identification with the attitudes and values of the niche market.

### **Mountain Dew Hammers Action Sports Tour**

Take, for example, Mountain Dew, the bright yellow-green carbonated soda with the caffeine-based wallop, whose Dew Action Sports Tour ([www.ast.com](http://www.ast.com)) has averaged over 46,000 participants since its launch in 2005. A summer-long professional multi-sport, multi-venue event, the Tour features top professional action sports athletes who compete in skateboarding, BMX and freestyle motocross, along with lifestyle elements including live music, video gaming, interactive events in both indoor and outdoor venues, and a \$1 Million Bonus Pool for top competitors. Apparently, the Dew has got it right. According to Lil Nancy, a 2008 attendee at the Provincetown venue and a MySpace Friend of the Tour, "the dew action sport tour in P-town rocked. This year was my first time going to it and it was sick, loved it, I'm going again next year coming, I love watching these athletes do there [sic] sick tricks" (<http://profile.myspace.com/index.cfm?fuseaction=user.viewprofile&friendid=16421003>).

One of the reasons the Tour is so successful is that "the team designing the logos for the Dew Tour and each event hung out at skate parks and surf shops, talking to the consumers who would become the Tour's core audience and involving them in the creative process as sounding boards for ideas and evaluators of drafts," says Adam Nisenson, Co-principal of Houston-based sports marketing firm Active Imagination, the agency responsible for the creation of the Dew Action Sports Tour's brand strategy and visual representation (*Sports Business Journal*, October 2, 2006). That is, the Dew brand doesn't just find what appeals to

extreme sports enthusiasts (Nisensen is one himself), but actually creates a community around the product.

Fuse Marketing's Sawabini, who also works on Mountain Dew campaigns, confirms that experiential marketing, whereby companies give out free stuff at events and competitions, sells better to young people than traditional channels such as television and magazine ads (*Burlington Free Press*, September 29, 2008). But the most important element, these marketers agree, is understanding, on a very personal and integrated level, what's cool. Brand-sponsored events may mirror a lifestyle, but the brand gains Gen Y confidence and market share not by being the stand-out sponsor but by being an authentic, creative participant in a specific culture.

### **Creativity Valued in Gen Y Work and Leisure Spaces**

Creativity is important to Gen Y—they like it in themselves and they like it in their marketing. Once they've showered and pulled on some clothes, Gen Y adults are much more likely than the adult average to do something artistic, such as drawing, painting, or sculpture (index 203) or playing a musical instrument (index 161). About 10% of the cohort read gaming magazines (index 187), and a similar percentage are likely to show up at the local tailgating party (index 164), where an intriguing recipe for molten lava chicken wings or a new way to drink beer may be just as welcome as the first kickoff. [Tables 6-13, 6-14]

### ***Dancing, Clubbing, Bar Scene Offer Exciting Social Outlets***

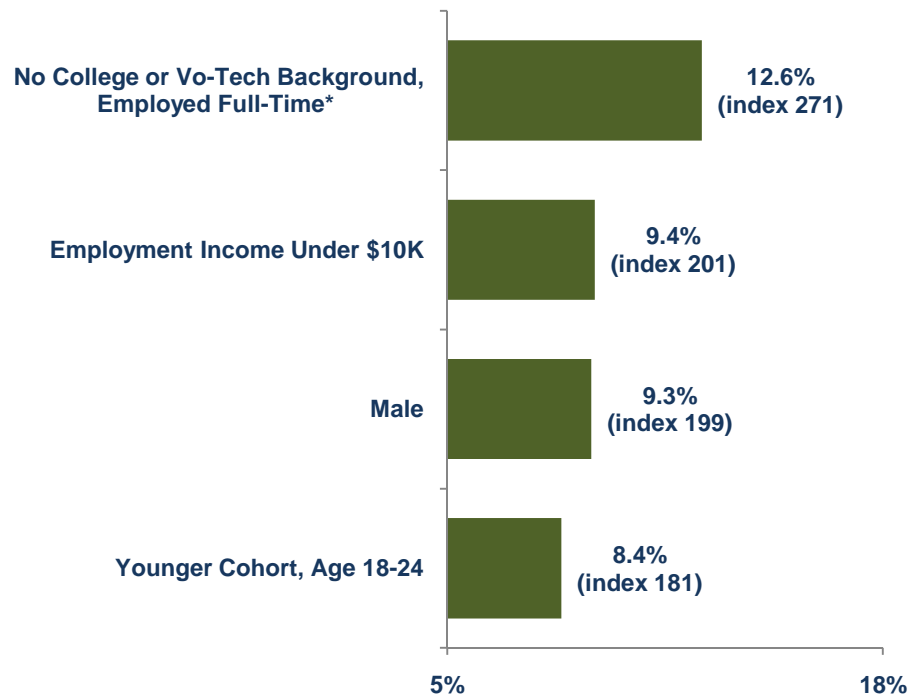
In addition, once the sun goes down Gen Y adults are 72% more likely than the adult average to go out dancing, or to a bar or nightclub (index 172). Over 35% of the cohort say they've done so in the last year, a skew also dominated by college grads, though Gen Yers with specialty job training are no slackers either. While 50% of college grads have bellied up to the bar or haunted some other night spot in the last 12 months, 43% of the specialty job training segment have done so too. [Tables 6-13, 6-14]

In addition, though the majority of Gen Yers have a primarily social approach to drinking, those most likely to insist that the point of drinking is to get drunk are those with full-time jobs and no college and no vo-tech background—12.6% of this segment place their drinking

emphasis on getting hammered, and as such they are 171% more likely than the adult average to do so (index 271). Just under one in ten Gen Y adults with an employment income below \$10,000, and a similar percentage of Gen Y males, say they drink specifically to get ripped, making both segments twice as likely as the adult average to do so. The majority, however, tend to just want to feel really, really good. [Figure 6-8; Tables 6-13, 6-14]

**Figure 6-8**

**“The Point of Drinking Is to Get Drunk”\*: Highest Indexing Gen Y Segments, 2008  
(percent and index of U.S. adults age 18-29)**



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 12.6% of Gen Y adults with no college or vo-tech background and who are employed full-time agree “a lot” with the statement “The point of drinking is to get drunk,” such that they are 171% more likely than the adult average to do so (index 271).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

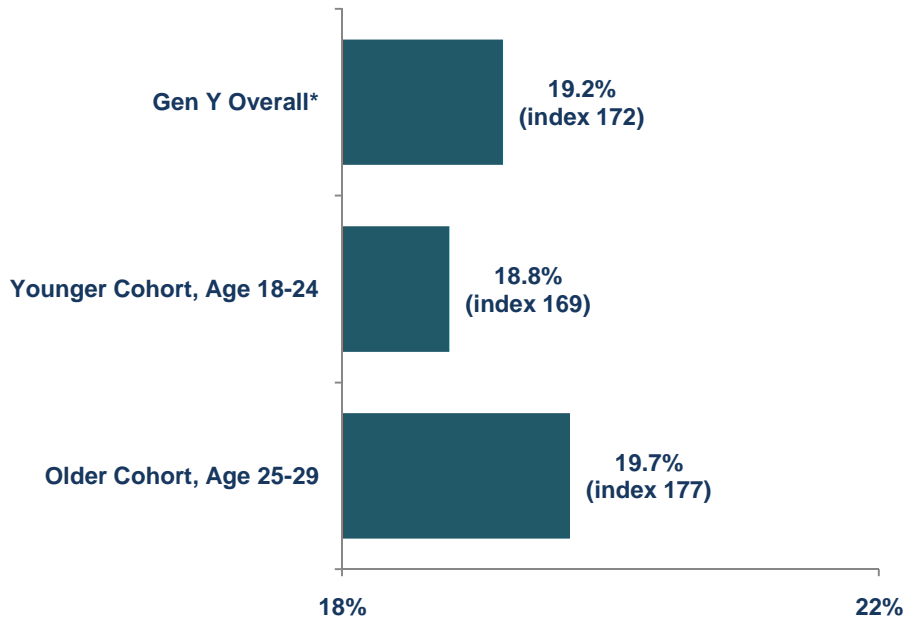
### **Taste for Exotic, Creative Runs Strong in Drink Preferences**

A taste for the creative or unusual runs strong in alcoholic tastes as well. Close to 20% of adults age 18-29 agree strongly that they like to try new drinks. The younger cohort, age 18-24, are 69% more likely than the adult average to agree enthusiastically (index 169), and older cohort, age 25-29, are even more so. Gen Y adults in their late twenties are 77% more

likely than the adult average to say an emphatic *Yes!* to a new drink (index 177). Concoctions such as the Curly, Larry and Mojito or the Mai Tai Is Crooked are bound to appeal to this crowd. Pimp My Drink parties, in which participants decorate their drink glasses to match the funny new drink they've thought up, are an underground phenomenon among the post-college set. [Figure 6-9]

**Figure 6-9**

**"I Like to Try New Drinks": Gen Y Adults Overall and by Age Cohort, 2008**  
(percent and index of U.S. adults age 18-29)



Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: 19.2% of Gen Y adults overall agree "a lot" with the statement "I like to try new drinks," such that they are 72% more likely than the adult average to do so (index 172).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

### **"Green Fairy" of Absinthe Piques Gen Y Curiosity**

But the most obvious craze on the (legally and soberly consumed) alcohol scene is the return of absinthe, the long-outlawed, cloudy green, licorice-flavored, 100-plus proof beverage made with anise, fennel and Grande Wormwood, and renowned for its abilities to drive drinkers insane, make them suicidal, or at least produce hallucinations—a condition called *absinthism* which is as difficult to pronounce when sober as when drunk. Small surprise that Gen Yers love the stuff.

Also known as the “Green Fairy,” absinthe was reintroduced in the United States in 2007, after 95 years of prohibition for its reputedly dangerous properties. Also known as the Green Muse and the artist’s drink in the 19<sup>th</sup> century, absinthe’s “louche” reputation gave rise to all sorts of stories about madness, heightened awareness, dream-like journeys, trembling fits and mysterious psychic experiences. However, according to the study “Chemical Composition of Vintage Preban Absinthe with Special Reference to Thujone, Fenchone, Pinocamphone, Methanol, Copper and Antimony Concentrations” (*Journal of Agriculture and Food Chemistry*, May 14, 2008), it’s not the thujone, or wormwood derivative, that was having psychotropic effects on the likes of Van Gogh, Hemmingway, Toulouse-Lautrec and Picasso: It was the alcohol. With a staggering 70% alcohol content, the 140-proof liquor was designed to be consumed diluted with water. Most likely the absinthism attributed to its more passionate connoisseurs was alcoholism—not so romantic after all.

### ***Belle Epoch, Myth Making and Body Paint***

And yet, says Dirk W. Lachenmeier, first author of the study, even now that the myths have been debunked and first movers Kubler and the ironically named Lucid ([www.drinklucid.com](http://www.drinklucid.com)) are creating a new, more updated mythology around the absinthe experience, “Today it seems a substantial minority of consumers want these myths to be true, even if there is no empirical evidence that they are,” says Lachenmeier (American Chemical Society, “Absinthe Uncorked: The ‘Green Fairy’ Was Boozy—But Not Psychedelic,” *ScienceDaily*, May 4, 2008, <http://www.sciencedaily.com/releases/2008/04/080429120905.htm>). Thus, Kubler, a Swiss brand whose head distiller, Yves Kubler, carries on a centuries old family tradition, plays up the drink’s Belle Epoch associations, with dreamy Art Nouveau-inspired art on its web pages and labels, a Kubler Society, an impending challenge to enthusiasts to make their own literary contributions to the myth of absinthe, downloadable wallpapers, accessory giveaways and brand-sponsored events that play up the romance, the mystery, the authenticity—and the safety—of the cloudy beverage. The brand’s launch parties in Chicago, Boston, Las Vegas, Miami, San Francisco and Los Angeles, with brand ambassadors dressed in little but body paint and Green Fairy wings, had a decidedly Gen Y flavor. What could have made the parties better? A raffle for a few years’ worth of health insurance, maybe.

**Table 6-13**

**Leisure Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>Leisure Activities In The Last 12 Months</i></b>			
Listening To Music* .....	67.4%	78.6%	117
Card Games .....	40.3	49.0	122
Reading Books .....	53.4	48.6	91
Go To A Beach/Lake .....	37.2	42.7	115
Board Games .....	31.1	42.3	136
Going To Bars/Nightclubs/Dancing .....	20.6	35.4	172
Collecting & Collectibles .....	32.2	32.9	102
Photography .....	19.1	23.9	125
Education Courses .....	13.6	23.3	171
Visiting A Zoo .....	19.2	22.4	117
Visiting Museums .....	21.6	20.5	95
Painting, Drawing, Sculpting .....	8.9	18.1	203
Gardening .....	32.3	16.5	51
Playing Musical Instrument .....	9.3	15.0	161
Visiting State Fair .....	11.6	14.3	123
Visiting An Aquarium .....	12.8	12.6	98
Tailgating .....	6.1	10.0	164
Reading Gaming Magazines .....	5.2	9.7	187
Reading Comics .....	7.5	9.6	128
<b><i>Games/Toys Bought In Last 12 Months</i></b>			
Any .....	52.1%	57.5%	110
Children's Books .....	22.2	19.3	87
Board Games .....	15.9	17.6	111
Infant Toys .....	13.7	16.2	118
Cars/Trucks .....	13.7	13.4	98
Pre-School Toys .....	12.0	12.2	102
Plush Dolls/Animals .....	9.7	10.0	103

-- continued --

**Table 6-13 [Cont.]**

**Leisure Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Live Performances Attended In Last 12 Months</i></b>			
Concert .....	29.0%	38.1%	131
Theater .....	21.7	18.3	84
Comedy Club .....	9.8	14.3	146
Dance .....	9.8	11.8	120

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 67.4% of adults overall, 78.6% of Gen Y adults listen to music as a leisure activity, for an index of 117 (17% above the adult average).

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**Table 6-14**

**Leisure Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Leisure Activities In The Last 12 Months</i></b>				
Listening To Music .....	83.3%*	82.7%	84.6%	71.9%
Card Games .....	52.6	57.5	49.0	43.2
Reading Books .....	54.8	67.6	41.3	35.8
Go To A Beach/Lake .....	45.2	55.1	44.8	32.3
Board Games .....	45.9	56.1	40.4	33.1
Going To Bars/Nightclubs/Dancing .....	34.8	50.0	43.1	24.7
Collecting & Collectibles .....	33.9	32.5	36.8	30.3
Photography .....	27.2	31.3	24.8	17.8
Education Courses .....	48.0	28.2	22.9	10.9
Visiting A Zoo .....	19.7	29.5	19.6	19.6
Visiting Museums .....	24.7	40.4	12.4	10.5
Painting, Drawing, Sculpting .....	20.1	15.0	17.4	19.2
Gardening .....	11.7	22.4	18.1	14.4
Playing Musical Instrument .....	23.1	15.0	13.6	12.5
Visiting State Fair .....	11.9	16.7	17.0	12.5
Visiting An Aquarium .....	14.5	20.4	10.2	7.9
Tailgating .....	12.5	16.0	**	6.0
Reading Gaming Magazines .....	10.5	**	10.6	10.9
Reading Comics .....	12.7	**	**	7.6
<b><i>Games/Toys Bought In Last 12 Months</i></b>				
Any .....	51.8%	59.3%	60.0%	56.8%
Children's Books .....	12.3	23.7	20.2	18.4
Board Games .....	15.1	25.7	19.1	13.9
Infant Toys .....	9.5	18.5	18.0	15.5
Cars/Trucks .....	**	11.6	16.1	16.4
Pre-School Toys .....	9.1	14.0	12.0	11.2
Plush Dolls/Animals .....	7.4	10.3	11.5	9.8

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**Table 6-14 [Cont.]**

**Leisure Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Live Performances Attended In Last 12 Months</i></b>				
Concert .....	46.4%	53.4%	35.5%	28.7%
Theater .....	24.2	31.6	11.6	11.8
Comedy Club .....	16.0	25.2	14.7	9.0
Dance .....	16.6	11.9	6.3	12.5

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 83.3% of Gen Y college consumers listen to music as a leisure activity.

\*\* Data omitted due to small sample size.

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**Table 6-15**

**Travel Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>Foreign Travel In Last 3 Years</i></b>			
Any* .....	41.4%	43.5%	105
Foreign Vacation .....	20.9	22.0	105
Cruise Ship Vacation .....	10.7	7.1	66
<b><i>Foreign Travel In Last 3 Years: How Traveled</i></b>			
Plane .....	24.1%	24.1%	100
Car .....	16.7	18.1	108
Bus .....	5.5	8.1	147
Boat/Ship .....	8.7	7.3	84
<b><i>Foreign Travel In Last 3 Years: Selected Destinations</i></b>			
Europe .....	8.7%	8.4%	97
Canada .....	7.5	5.6	75
Central Or South American .....	4.7	4.7	100
<b><i>Foreign Travel In Last 3 Years: Where Stayed</i></b>			
Hotel/Motel .....	18.2%	16.1%	88
Friends And Relatives .....	11.1	13.5	122
<b><i>Foreign Travel In Last 3 Years: Average Amount Spent On Trip</i></b>			
\$3,000+ .....	11.1%	7.8%	70
\$1,500-\$2,999 .....	8.5	7.9	93
Less Than \$1,500 .....	12.3	14.8	120
<b><i>Domestic Travel In Last 12 Months: Purpose Of Trip</i></b>			
Any .....	67.1%	61.3%	91
Business Only .....	8.9	6.4	72
Business & Pleasure .....	5.7	4.0	70
Vacation .....	40.7	36.2	89
Personal (Other Than Vacation) .....	20.9	19.9	95

-- continued --

**Table 6-15 [Cont.]**

**Travel Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Domestic Travel In Last 12 Months: # Of Round Trips</i></b>			
6+ .....	14.6%	10.9%	75
3-5 .....	17.2	13.9	81
2 .....	11.9	9.6	81
1 .....	13.7	12.9	94
<b><i>Domestic Travel In Last 12 Months: How Traveled</i></b>			
Car .....	47.1%	43.1%	92
Plane .....	28.5	22.6	79
Bus .....	2.9	4.4	152
Railroad .....	1.8	1.9	106
<b><i>Domestic Travel In Last 12 Months: Selected Destinations</i></b>			
Florida .....	13.5%	11.7%	87
California .....	10.2	9.7	95
Texas .....	7.0	7.2	103
<b><i>Domestic Travel In Last 12 Months: Where Stayed</i></b>			
Hotel/Motel .....	38.8%	30.6%	79
Friends & Relatives .....	30.4	29.3	96
<b><i>Domestic Travel In Last 12 Months: Average Amount Spent On Trip</i></b>			
\$1,000 Or More	11.5%	6.7%	58
\$500-\$999 .....	19.4	14.6	75
\$300-\$499 .....	10.9	11.1	102
Less Than \$300 .....	18.1	20.2	112

-- continued --

**Table 6-15 [Cont.]**

**Travel Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Other Travel &amp; Travel Services</i></b>			
Have Valid Passport .....	35.4%	33.0%	93
Vehicle Rental .....	30.4	22.6	74
Frequent Flyer Program .....	21.1	12.6	60
Use Travel Agent .....	12.1	7.3	60

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 41.4% of adults overall, 43.5% of Gen Y adults have traveled internationally in the last three years, for an index of 105 (5% above the adult average).

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**Table 6-16**

**Travel Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Foreign Travel In Last 3 Years</i></b>				
Any .....	48.0%*	60.4%	39.4%	33.8%
Foreign Vacation .....	28.4	40.6	12.9	11.7
Cruise Ship Vacation .....	8.5	11.5	**	**
<b><i>Foreign Travel In Last 3 Years: How Traveled</i></b>				
Plane .....	29.2%	46.7%	17.8%	10.0%
Car .....	21.3	30.4	14.9	11.4
Bus .....	12.1	**	**	4.3
Boat/Ship .....	7.9	**	**	**
<b><i>Foreign Travel In Last 3 Years: Selected Destinations</i></b>				
Europe .....	9.1%	18.2%	**	**
Canada .....	9.1	**	**	**
Central Or South American .....	6.4	**	**	4.8%
<b><i>Foreign Travel In Last 3 Years: Where Stayed</i></b>				
Hotel/Motel .....	20.2%	33.5%	10.4%	7.2%
Friends And Relatives .....	14.5	19.2	11.0	9.6
<b><i>Foreign Travel In Last 3 Years: Average Amount Spent On Trip</i></b>				
\$3,000+ .....	**	**	**	**
\$1,500-\$2,999 .....	6.5%	15.4%	**	5.5%
Less Than \$1,500 .....	20.8	18.2	15.0%	8.7

-- continued --

Table 6-16 [Cont.]

**Travel Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008**  
(percent of U.S. adults age 18-29)

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b>Domestic Travel In Last 12 Months: Purpose Of Trip</b>				
Any .....	62.1%	80.9%	56.8%	49.5%
Business Only .....	**	17.7	**	**
Business & Pleasure .....	**	**	**	**
Vacation .....	42.4	54.5	29.8	24.0
Personal (Other Than Vacation) .....	19.4	32.6	16.1	14.0
<b>Domestic Travel In Last 12 Months: # Of Round Trips</b>				
6+ .....	**	**	**	**
3-5 .....	15.4%	32.0%	**	5.6%
2 .....	9.3	13.8	**	7.6
1 .....	14.7	9.3	16.0%	11.4
<b>Domestic Travel In Last 12 Months: How Traveled</b>				
Car .....	46.1%	65.8%	38.6%	30.1%
Plane .....	24.8	47.8	16.4	9.4
<b>Domestic Travel In Last 12 Months: Selected Destinations</b>				
Florida .....	12.9%	21.3%	**	6.4%
California .....	10.0	18.5	**	4.4
Texas .....	6.9	13.3	**	5.9
<b>Domestic Travel In Last 12 Months: Where Stayed</b>				
Hotel/Motel .....	33.1%	54.3%	22.6%	18.5%
Friends & Relatives .....	32.7	48.3	27.7	17.1

-- continued --

**Table 6-16 [Cont.]**

**Travel Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Domestic Travel In Last 12 Months: Average Amount Spent On Trip</i></b>				
\$1,000 Or More .....	8.0%	**	**	6.1%
\$500-\$999 .....	12.1	31.1%	**	9.4
\$300-\$499 .....	10.5	13.6	**	9.0
Less Than \$300 .....	26.2	28.6	20.9%	11.6
<b><i>Other Travel &amp; Travel Services</i></b>				
Have Valid Passport .....	33.7%	66.3%	21.9%	20.9%
Vehicle Rental .....	20.9	37.7	19.6	15.9
Frequent Flyer Program .....	10.7	36.5	**	**
Use Travel Agent .....	6.8	14.2	**	5.2

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 48.0% of Gen Y college consumers have traveled internationally in the last three years.

\*\* Data omitted due to small sample size.

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**Table 6-17**

**Shopping Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>Retail Classifications Shopped In Last 4 Weeks</i></b>			
Shopping Malls* .....	55.0%	57.9%	105
Strip Malls .....	42.2	37.6	89
<b><i>Store Types Shopped In Last 3 Months</i></b>			
Home Improvement Stores .....	62.1%	40.5%	65
Greeting Card Stores .....	55.4	39.7	72
Home Electronic Stores .....	40.7	46.4	114
Office Supply Stores .....	32.5	25.4	78
Home Furnishing & Housewares Stores .....	30.1	23.1	77
<b><i>Selected Chain Stores Shopped In Last 3 Months</i></b>			
Walmart .....	60.1%	53.2%	89
Best Buy .....	29.0	37.0	128
Target .....	34.4	35.2	102
Macy's .....	23.7	24.0	101
Old Navy .....	14.4	22.9	159
JC Penney .....	26.5	20.5	77
Victoria's Secret .....	9.3	17.2	185
Circuit City .....	14.5	16.6	114
Dollar General Store .....	19.1	16.3	85
Family Dollar Store .....	17.7	15.6	88
Kohl's .....	18.5	15.6	84
Kmart .....	20.9	15.3	73
Sears .....	22.0	14.5	66

-- continued --

**Table 6-17 [Cont.]**

**Shopping Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b>Selected Chain Stores Shopped In Last 3 Months [Cont.]</b>			
Gamestop .....	7.3%	14.4%	197
American Eagle Outfitters .....	6.4	14.2	222
Gap .....	8.6	13.8	160
Bed, Bath & Beyond .....	16.6	12.4	75
Toys R Us .....	10.7	11.6	108
Costco .....	13.9	11.1	80
Foot Locker .....	5.7	10.8	189
Radio Shack .....	12.0	10.1	84
Big Lots .....	13.7	10.1	74
Sam's Club .....	14.7	9.8	67
Dillard's .....	9.3	9.3	100
Abercrombie & Fitch .....	4.8	8.9	185
Payless Shoe Source .....	8.7	8.9	102
T.J. Maxx .....	9.6	8.5	89
Hallmark/Hallmark Gold Crown Stores .....	12.5	7.6	61
Babies R Us .....	5.1	7.5	147
Dick's Sporting Goods .....	7.7	7.5	97
Express .....	3.0	7.3	243
Banana Republic .....	4.5	7.2	160
The Disney Store .....	4.7	7.0	149
IKEA .....	4.8	6.7	140

-- continued --

Table 6-17 [Cont.]

**Shopping Patterns: Adults Overall vs. Gen Y Adults, 2008**  
(percent of U.S. adults overall and percent and index of adults age 18-29)

Classification	% Adults Overall	% Gen Y Adults	Gen Y Index
<b><i>Internet, Mail Or Phone Order In Last 12 Months</i></b>			
Any .....	61.5%	51.8%	84
Internet .....	43.4	45.2	104
Catalogs .....	37.4	23.5	63
<b><i>Internet, Mail Or Phone Order In Last 12 Months: Items Purchased</i></b>			
Apparel/Accessories .....	24.5%	23.8%	97
Books/Music/Video .....	21.5	22.4	104
Tickets For Events Other Than Movies .....	8.5	8.3	98
Toys/Games .....	9.5	8.3	87
Computer Products .....	9.3	7.5	81
Electronics/Appliances .....	6.3	7.0	111
Banking Services .....	7.5	6.4	85
Travel Services/Packages .....	9.4	6.3	67
Footwear .....	8.1	6.2	77
Tickets For Movies .....	4.5	5.4	120
<b><i>Internet, Mail Or Phone Order In Last 12 Months: Total Amount Spent</i></b>			
\$500+ .....	19.4%	13.8%	71
\$200-\$499 .....	13.0	9.7	75
\$100-\$199 .....	10.7	10.6	99
Under \$100 .....	13.5	14.3	106

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**Table 6-17 [Cont.]**

**Shopping Patterns: Adults Overall vs. Gen Y Adults, 2008  
(percent of U.S. adults overall and percent and index of adults age 18-29)**

<b>Classification</b>	<b>% Adults Overall</b>	<b>% Gen Y Adults</b>	<b>Gen Y Index</b>
<b><i>Manufacturer Incentive Offers Household Responds To</i></b>			
Cents-Off Coupons .....	68.3%	64.2%	94
Rebates On Product Purchases .....	50.1	49.3	98
Free Products, Coupons .....	34.6	35.6	103
Proof Of Purchase Gifts .....	16.9	17.0	101
Sweepstakes .....	12.3	13.5	110
Contests Or Competitions .....	8.8	9.8	111

Note: Gen Y adults are equated here to adults age 18-29. Percentages are based on a population of 217.0 million adults overall and 39.8 million Gen Y adults.

\* Read as follows: Compared with 55.0% of adults overall, 57.9% of Gen Y adults have shopped in shopping malls in the last four weeks, for an index of 105 (5% above the adult average).

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.

**Table 6-18**

**Shopping Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Retail Classifications Shopped In Last 4 Weeks</i></b>				
Shopping Malls .....	64.2%*	71.7%	54.5%	47.4%
Strip Malls .....	42.1	52.8	30.0	30.1
<b><i>Store Types Shopped In Last 3 Months</i></b>				
Home Improvement Stores .....	32.2%	53.6%	40.1%	36.8%
Greeting Card Stores .....	36.2	62.1	38.2	27.4
Home Electronic Stores .....	53.3	55.1	46.6	38.3
Office Supply Stores .....	28.9	37.4	25.3	15.5
Home Furnishing & Housewares Stores ...	21.0	43.9	19.9	16.5
<b><i>Selected Chain Stores Shopped In Last 3 Months</i></b>				
Walmart .....	53.3%	47.7%	55.1%	53.5%
Best Buy .....	46.4	45.1	36.9	28.6
Target .....	34.9	49.9	32.9	27.9
Macy's .....	24.5	35.0	17.5	20.7
Old Navy .....	24.3	35.6	20.2	16.4
JC Penney .....	20.5	24.1	18.2	17.9
Victoria's Secret .....	25.0	22.3	10.9	12.2
Circuit City .....	16.3	19.8	21.1	14.1
Dollar General Store .....	14.1	**	20.6	17.3
Family Dollar Store .....	12.0	**	21.2	19.2
Kohl's .....	18.4	22.7	17.0	10.3
Kmart .....	9.9	13.6	15.3	17.6
Sears .....	11.9	16.9	15.2	14.7

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**Table 6-18 [Cont.]**

**Shopping Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<b><i>Selected Chain Stores Shopped In Last 3 Months [Cont.]</i></b>				
Gamestop .....	14.8%	12.5%	16.0%	13.6%
American Eagle Outfitters .....	23.5	16.5	**	9.9
Gap .....	15.0	26.3	8.0	7.4
Bed, Bath & Beyond .....	10.1	25.5	10.0	8.8
Toys R Us .....	8.2	9.9	14.2	12.5
Costco .....	12.3	17.0	8.8	7.2
Foot Locker .....	10.3	**	**	15.6
Radio Shack .....	7.1	**	9.8	11.3
Big Lots .....	**	**	12.0	11.3
Sam's Club .....	8.6	12.6	**	9.0
Dillard's .....	**	13.2	**	9.3
Abercrombie & Fitch .....	14.2	**	**	8.5
Payless Shoe Source .....	8.1	10.2	**	9.1
T.J. Maxx .....	9.0	12.2	**	7.9
Hallmark/Hallmark Gold Crown Stores .....	**	15.1	**	**
Babies R Us .....	**	10.5	**	6.9
Dick's Sporting Goods .....	11.1%	**	**	**
Express .....	12.3	13.4	**	3.3
Banana Republic .....	7.6	17.9	**	4.0
The Disney Store .....	6.5	**	**	7.1
IKEA .....	7.4	9.8	**	4.9

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Table 6-18 [Cont.]

**Shopping Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

Classification	College Consumers	College Grads	Specialty Job Training	No College/ Specialty Job Training
<b><i>Internet, Mail Or Phone Order In Last 12 Months</i></b>				
Any .....	58.4%	80.8%	46.2%	34.8%
Internet .....	53.5	76.2	40.4	25.9
Catalogs .....	24.7	37.2	25.4	14.1
<b><i>Internet, Mail Or Phone Order In Last 12 Months: Items Purchased</i></b>				
Apparel/Accessories .....	30.1%	44.0%	19.7%	11.8%
Books/Music/Video .....	28.6	42.6	16.2	11.4
Tickets For Events Other Than Movies .....	8.8	22.6	**	**
Toys/Games .....	**	10.4	**	6.3
Computer Products .....	10.4	14.0	**	**
Electronics/Appliances .....	**	13.5	**	**
Banking Services .....	**	12.5	**	**
Travel Services/Packages .....	**	17.9	**	**
Footwear .....	**	12.9	**	**
Tickets For Movies .....	5.7	10.1	**	**
<b><i>Internet, Mail Or Phone Order In Last 12 Months: Total Amount Spent</i></b>				
\$500+ .....	12.8%	28.4%	14.2%	6.9%
\$200-\$499 .....	10.4	18.2	**	5.1
\$100-\$199 .....	14.3	14.5	**	7.6
Under \$100 .....	18.4	16.1	11.6	12.2

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**Table 6-18 [Cont.]**

**Shopping Patterns: Gen Y Adults by Educational or Job Training Cohort, 2008  
(percent of U.S. adults age 18-29)**

<b>Classification</b>	<b>College Consumers</b>	<b>College Grads</b>	<b>Specialty Job Training</b>	<b>No College/ Specialty Job Training</b>
<i>Manufacturer Incentive Offers Household Responds To</i>				
Cents-Off Coupons .....	67.3%	70.3%	67.3%	59.3%
Rebates On Product Purchases .....	59.0	65.2	46.9	40.4
Free Products, Coupons .....	37.8	40.1	39.4	32.0
Proof Of Purchase Gifts .....	21.3	18.3	18.7	14.7
Sweepstakes .....	13.1	**	15.4	15.5
Contests Or Competitions .....	8.4	**	**	11.9

Note: Gen Y adults are equated here to adults age 18-29. 8.8 million Gen Y adults currently attend college (college consumers), either full- or part-time. 8.0 million have bachelor's degrees (college grads), including Gen Y adults who are current graduate students or have graduate degrees. 5.6 million have career, vocational, or technical backgrounds (specialty job training) through high school or independent programs. 14.7 million Gen Y adults have neither college nor specialty job training backgrounds.

\* Read as follows: 64.2% of Gen Y college consumers have shopped in shopping malls in the last four weeks.

\*\* Data omitted due to small sample size.

Source: Simmons Market Research Bureau, Winter 2008 *Study of Media and Markets*; compiled by Packaged Facts. This material is used with permission.





