

20 TREND INSIGHT 14 REPORT

PURCHASING POWER OF TEENS

The 25.6 million teens in the U.S. have a sizable say in what Mom picks up at the store, and they also have a sizable amount of money in their own pockets to spend — \$91.1 billion, in fact. And when you look at youth as a whole (8-24 year olds), they carry a whopping \$211 billion in spending power.

“When we look at what youth today personally own, it’s definitely more than the generation before them and immensely more than what kids owned two generations ago. What is also important to remember is that youths are not passive receivers of things,” said Regina A. Corso, Senior Vice President for Youth and Education Research at Harris Interactive. “Today’s youth actively have input into what they have and what their families have.”



PURCHASES ARE COLLABORATIVE DECISIONS

Parents are increasingly letting kids dictate, or at least have a vote on, purchases ranging from breakfast food to large ticket items like TVs, cars and vacation destinations. "Decision-making within families today is almost entirely collaborative – and as kids become more influential, they're impacting purchasing decisions," says Christian Kurz, vice president of research at Viacom International Media Networks.

Girls tend to have more influence because they are more aware of items in the house and have more retail experience, says Renee Weber, VP Consumer Strategy & Research for The Marketing Store Worldwide. Older kids, not surprisingly, also have more influence because they have more knowledge and are able to form and state their opinions more clearly.

TEEN PURCHASING POWER FAST FACTS

25.6 million

Number of teens in the U.S.
(13- 18 years old.)

\$208.7 billion

Total U.S. teen spending. (Products bought by and for teens.)

18%

Amount of their income teens spend on food.

14x

The amount of more money spent by adults, as a proportion of their income.

63 million

Numbers of kids who are affecting purchases when adding in 10-12 and 19-24 year-olds.

\$91.1 billion

Total annual teen income in the U.S.

\$117.6 billion

The annual amount of money families spends on teens for food, apparel, personal care and entertainment.

MOM, ARE YOU LISTENING TO ME?

Moms say they ask their teens for their opinions before making a purchase quite often in these categories:



90% RESTAURANTS



88% SNACKS



87% CEREAL



83% BEVERAGES

But when teens are serving up their opinions, are moms listening?
Yes, they are!

57%

Of teens say mom
listens to their opinions
all or most of the time.

40%

Of teens say mom
listens often.

3%

Of teens say mom
never listens.

A QUICK LOOK AT TEEN DEMOGRAPHICS

TEENS ARE MULTICULTURAL

42% of 12-17 year olds are Hispanics, African-Americans and Asian-Americans. (This stat is roughly the same for 18-24 and 25-34 age groups, as well.)

VERSUS YOUNG ADULTS, TEENS LIVE IN HOUSEHOLDS WITH HIGHER INCOMES

In 2012, 29% of U.S. teens lived in high-income homes (\$100k+), while only 25% of young adults lived in households within this same income bracket. There were also more teen households with middle incomes (\$30k-\$100k) than those of young adults. Finally, fewer teens lived in lower-income homes (\$30k) than their slightly older counterparts.



FONA CAN HELP!

Let FONA's market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market.

Our flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution. From concept to manufacturing, we're here every step of the way.

Contact our Sales Service Department at 630.578.8600 to request a flavor sample or visit www.fona.com.

Sources:

Robin Leedy & Associates

Marketing Store Worldwide

Time magazine

Nielsen