

A woman with dark hair, wearing a light-colored top, is smiling and holding a white mug with pink stripes. In the background, a young child is sitting at a table, and a large wooden wheel is mounted on the wall.

CONSUMER INSIGHT: Generation X

2019 • TREND INSIGHT REPORT

They have unique tastes, a passion for nostalgia, a propensity for skepticism, and wield a surprising amount of influence over pretty much every other generation. They're fiercely independent and positioned to outnumber Baby Boomers by 2028. We're talking about Generation X, born between 1965-1979. Called the Forgotten Generation, it's a group often overlooked by marketers in favor of younger Millennials and the older Baby Boomers. Not only is Gen X an important bridge between two highly studied generations, they have a higher-than-average household income and considerable spending power of \$2.4 trillion. *Yes, trillion.* They're proving to be a far cry from the slackers they were called in their youth. In fact, today Generation X is often taking care of growing children and aging parents, while managing demanding careers. Let's take a look at Generation X – *forgotten no longer.*

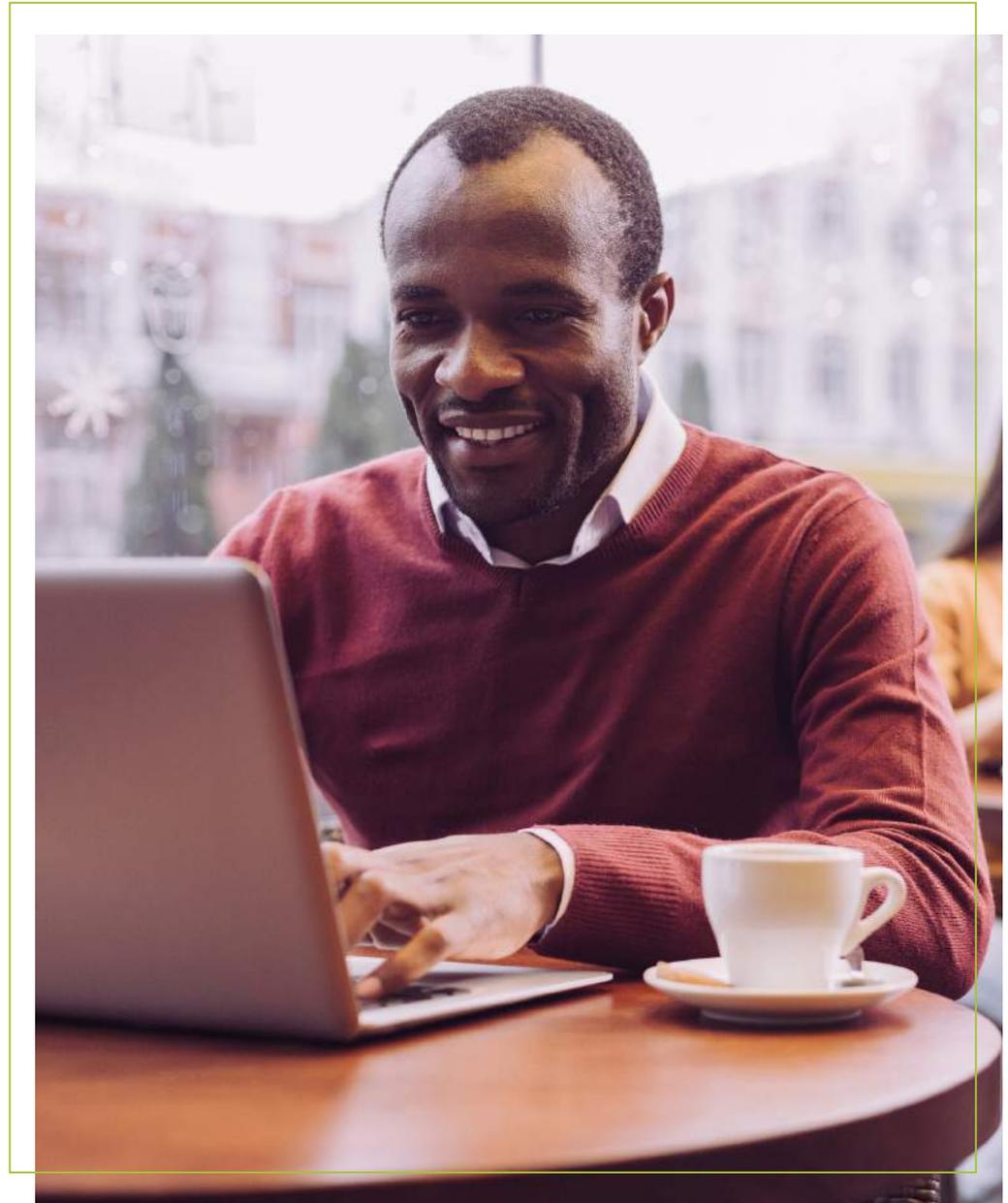
Purchasing Power

Once viewed as sullen and ambivalent, on the whole Gen X is anything but. Relatively small in number (Pew Research says 65.8 million in 2018), they're projected to surpass Baby Boomers in population by 2028. Stuck in the middle of two larger generations, they remain huge influencers on the world around them. Often they're college educated cultural tastemakers, shaping the future in innovative ways. What do Google, Tesla, Facebook, Twitter, and Wikileaks all have in common? Generation X often at the helm or in top positions.

And they're still hard at work, too. The oldest of the group still has on average another 10 years in the workplace, while the youngest will be working for another 30. They're poised to make the bulk of the big decisions within institutions for a long time; DDI reports Generation X leaders account for more than 51% of leadership roles globally.

As with the Baby Boomers and the Swing generations, the net worth of Generation X took a hit with the 2007 crash, but so far, Pew Research data analysis reveals that Gen X is the only population that stands to recover their investments. As a result, they have more spending power than other generations (est. \$2.4 trillion.)

Their typically dual income households make it easier to enjoy convenience; a recent Bankrate survey finds that this especially applies to prepared drinks and restaurant food. But they're also buying groceries for their Generation Z children, who wield impact when it comes to snacks and functional foods within the household.



Gen X Spending

In general, Generation X spends more money than Millennials, as much as one-third more annually, according to the Bureau of Labor Statistics. However, Millennials eat out more and only 23% of restaurant visits are attributed to Gen X. Looking beyond the restaurant scene, Business Insider reports that Generation X is spending the most money on food and wine overall. What scores big points with Generation X? Food quality, the ability to customize, and achieving satisfaction.

At the grocery store, they're looking for convenience more than anything, and they're more open to unique and innovative ideas than some other generations. Remember, they're busy—Mintel indicates that shoppers aged 34-54 are considerably more likely than shoppers aged 55+ to say that they are open to meal planning and recipe ideas as they shop.

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Reaching a hard-to-define generation

Generation X is, in a word, misunderstood. Because Gen X can behave statistically similar to other generations, they're sometimes referred to as a hybrid generation. In order to understand their unique attributes, it might help to take a look at how they grew up.

Generation X is part of the "baby bust" generation, when parents opted to have fewer children; this accounts for its smaller size. Compared to Millennials and Generation Z, Gen X kids were given an incredible amount of freedom and independence. Divorce rates were high for parents in the 1960s and 1970s, and Gen X kids, many of them latchkey children, felt the effects of having single parents. Video games, MTV, shopping malls, pizza, candy, and nachos can be reminders for Generation X of their youth.



"I love seeing things from my past. They make me feel warm and fuzzy and very young at heart"

-Female Gen Xer, IconoCommunities

Healthy Skepticism

The skepticism and disillusionment that is often attributed to members of Generation X might be seen as a “don’t care” mentality to marketers, but it’s just as likely that Generation X is independent enough to exist under the radar, without needing to be watched. Education, responsibility, and authenticity and all top values for this busy, hard-working generation. They’re also in a time of transition, which we’ll delve into more deeply in our last section.

Xers’ Ascending and Descending Values Reflect Their Life Stage Shift

Key values on the upswing for Generation X are centered around self-care and responsibility. Values on the downswing are those related to ambition and passion.

Rank Then	Value	Rank Now
39	balance I strive to have balance in all areas of my life.	23
32	sustainability I strongly believe that people and businesses should use our planet's resources responsibly to sustain current and future generations.	18
35	health One of my highest priorities is to be physically and mentally healthy and free from illness.	24
25	sexuality I desire a fulfilling sexual life.	44
20	identity Everything that I do, say, feel and think reflects my identity or who I am.	37
40	tenacity Once I set my mind to do something, I do not stop or give up, regardless of the obstacles.	53

Source: Gartner Consumer Values and Lifestyle Survey, 2010 - 2017

Source: Gartner/Iconoculture

Generation X Keywords:

- AUTHENTICITY
- RESPONSIBILITY
- LOYALTY
- HONESTY
- EQUALITY
- SUCCESS
- COURTESY
- JUSTICE
- CONSCIENCE
- FAMILY

Drivers: Tech-savvy, deal-finding & surprisingly sentimental

Digital Diet

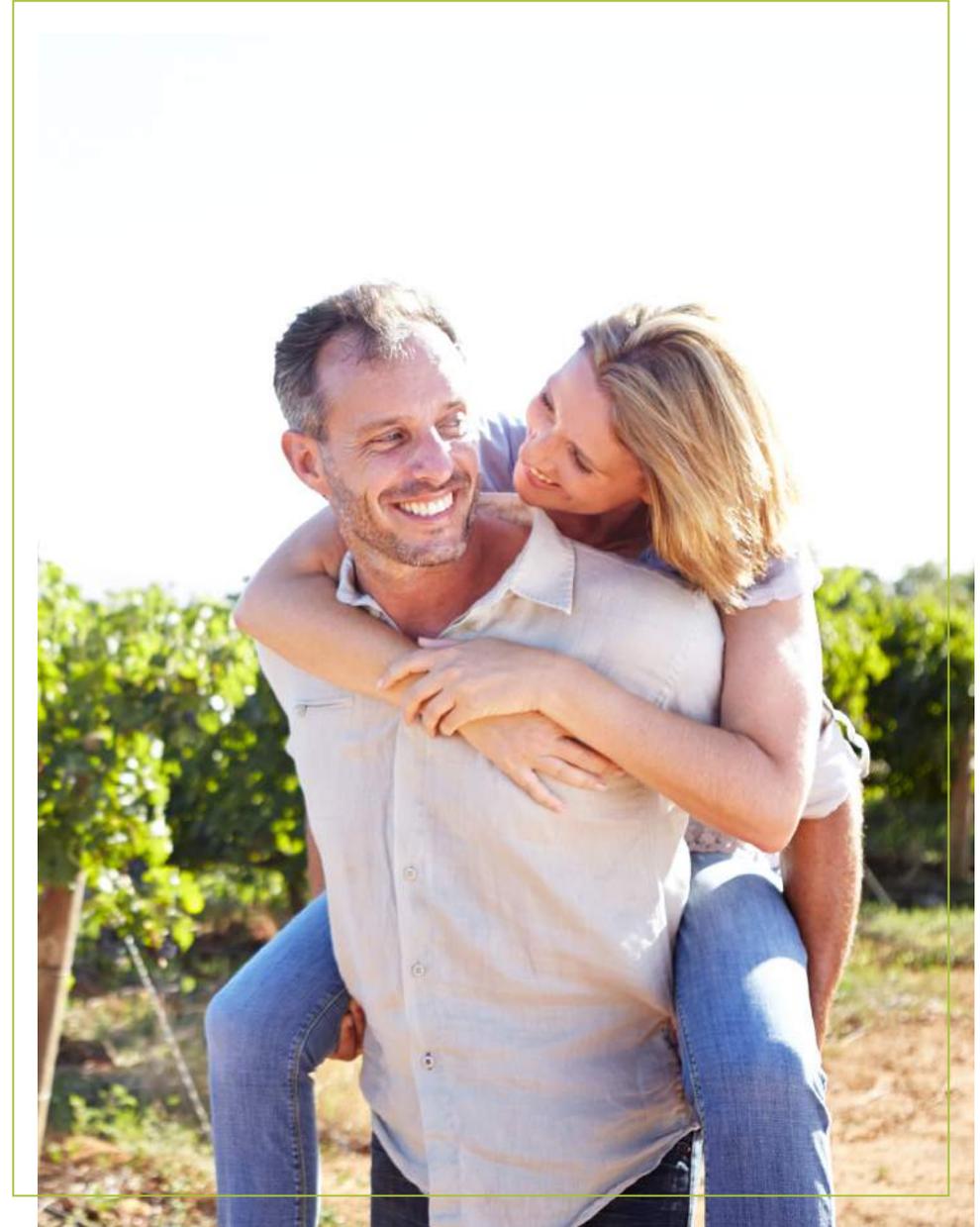
Having reached adulthood in the digital age, we know that Generation X is tech savvy, so much so that they may have more trouble than other generations moderating screen time. According to the New York Times, adults ages 35-49 spent an average of almost 7 hours a week on social media networks, with Facebook being the most popular platform. Of note, email campaigns still work with this generation; Gen X actively monitors and acts upon their email.

Deal Searching

They may be at the peak of their careers, but Generation X still loves a good deal. Coupons, coupon codes, loyalty programs, and sales are all the highest ranking ways to attract their attention. Forbes reports that 88% of Gen Xers join loyalty programs to save money. Reward programs are popular, too; 71% of Gen Xers appreciate receiving rewards.

Nostalgic

Gen X is nostalgic for the icons of their youth: Star Wars, Pee Wee, Pac-Man, and Nirvana (or Madonna), is a way to communicate and bond with their Gen Z & Millennial kids, by showing them what was important to them when they were young. This new resurgence of pop culture is called the Redux. Comebacks of vintage candy, limited edition flavors that are marketed with a nod to pop culture might score big points with more than one generation of consumer. Left to their own devices, Food Business News indicates that Generation X relies on fruit snacks, corn chips, and granola bars—food that they relied on as kids themselves.



Food, Beverage, and Generation X



At this stage in their lives, Gen X is spending a lot of money on grocery bills, feeding their families. Just now reaching middle age, they're not nearly as health conscious as the Baby Boomers or the Swing generations just yet. We know they want:

Convenience

Generation X leads the demand for made-to-order or freshly prepared foods at grocery stores. 73% of Gen X shoppers have purchased prepared food in the last 6 months. Mintel suggests that grab-and-go options are also well received, as long as they're marketed towards freshness. Fried or rotisserie chicken leads the pack, which may suggest that Generation X is looking for proteins and entrées, as opposed to quick snacks.

Great taste

If it's healthy, all the better, but nutritional content isn't a dealbreaker just yet. Taste is the top consideration for purchase. Generation X loves comfort food, traditional food, and all-American classics. Pizzas, burgers, and Southern cuisine are particular favorites. Mexican, Italian, and Chinese are the most popular international cuisines.

Food, Beverage, and Generation X *continued*

To Thine Own Self Be True

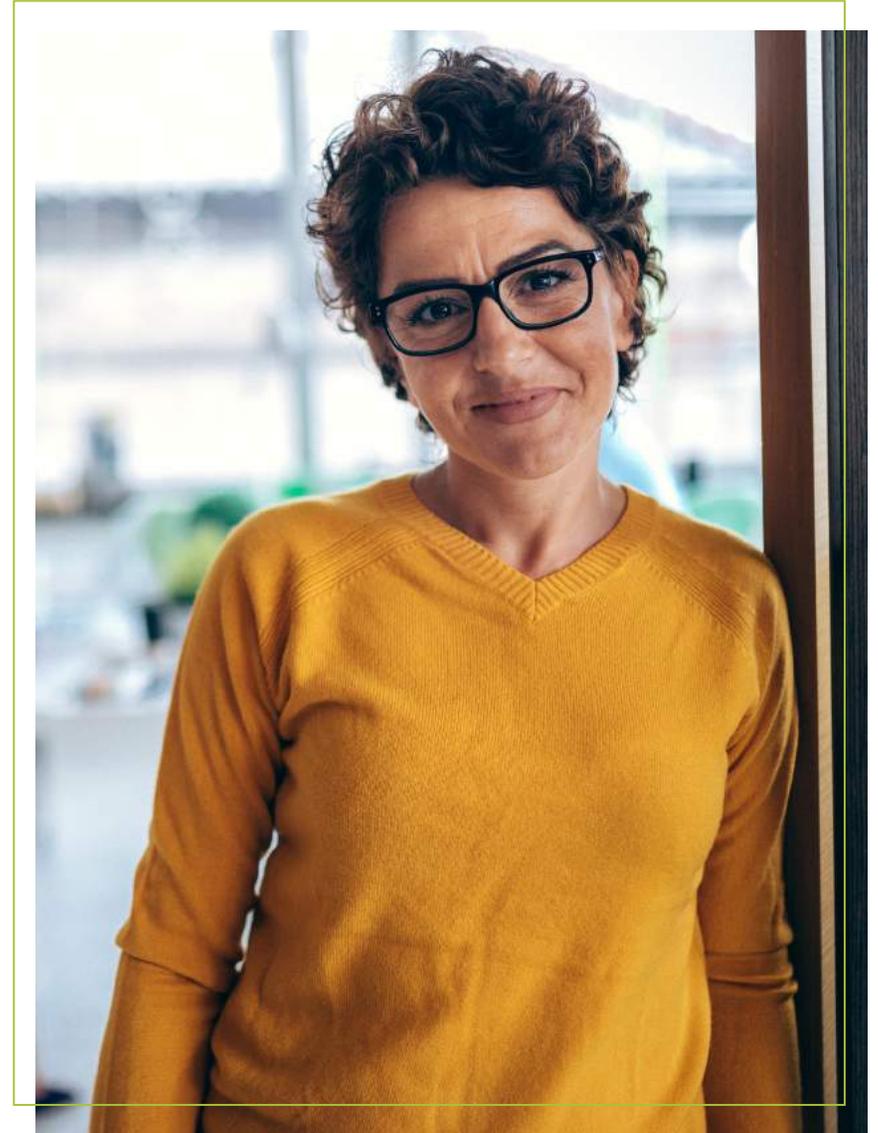
Unlike Millennials, Generation X isn't driven to be the first to try the next big thing or to follow what's trending. They tend to prefer what they already know, and are not often the key consumer for more adventurous flavors. The exception is Generation X *parents*. Those with children, who tend to be more open with their food choices, likely motivated by broadening their children's palates.

Tastes of interest

Meaty, cheesy, sweet, and fruity are the most popular flavor choices for Gen X consumers, although umami flavors are also likely to be selected. However, Millennials are leaning more towards slightly more sophisticated or adventurous notes: smoky, nutty, bitter; it might be difficult to please everybody, every time. Compared to younger generations, Gen X's interest in sweet tastes is 10 percentage points below that of younger generations. For salty tastes, it falls 25 percentage points below younger segments.

Mintel research indicates that the main barrier for Generation X trying new food is that consumers won't like the taste or texture of what they eat. This may create an opportunity to develop "anchor flavors," familiar items cooked in novel ways, to reinvigorate traditional offerings.

Furthermore, creating new spins on comfort food classics might appeal to Generation X. Giving them something they're familiar with — but with slightly more adventurous flavors might be a way to bridge the flavor gap between Generation X and Millennials. But don't worry about spice; it's wildly popular across all the generations. According to Mintel, 48% of Gen Xers like spicy food, while 25% love it.



Food, Beverage, and Generation X *continued*

Other Key Factors

Carefree about Clean

Food Navigator reports that skeptical Generation X is the least concerned of all the generations about clean label attributes. And traditional diet foods don't always impress them, either. They do tend to look for natural, nutritious foods and the most important "clean label" attributes for them: amount of sugar, hormone free, trans fat content.

Prepared drinks

It's hard to imagine a trendy neighborhood without a coffee house, but in 1980, an iced latte was practically unheard of. Generation X is to thank for creating this huge trend with enormous staying power. Although coffee shops are most popular with Millennials, Mintel reports that parents are more likely to visit restaurants offering premium coffees and try more types of coffee including: flavored coffees, cold brew coffees, and Bulletproof coffees.

Bubbles are big

Gen Xers are almost as likely as Millennials to say that they prefer to get health-enhancing and functional ingredients via beverages. Light probiotic sparklers and apple cider tonics to bold kombucha, makes the brand an approachable and convenient option for Gen X. They grew up on fountain drinks, so there's room to introduce interesting fountain mixes they can relate to.

Frozen Future

As household sizes shrink for this segment, smaller, premium frozen foods may do well for smaller households, especially if the emphasis is on quality, rather than quantity.

Wine and alcohol

Gen Xers are still enjoying alcohol and wine on a regular basis, spend more for quality wine, and make more winery visits than Millennials, reports Wine Business.

"Not all healthy choices are yummy, but a lot of unhealthy choices are very tasty"

-Female Gen Xer, Midwest (Mintel)

A Look at the Future

Today's Xers find themselves deep in midlife, which means having more discretionary time, preparing for retirement and grappling with aging. -Iconoculture

Mintel data indicates that by 2023, Generation X will make up 14.2% of the population. All evidence points to Gen X becoming more health conscious as they age and wanting to better the quality of their lives. They'll outnumber Baby Boomers by 2028, according to Pew. By 2023, they'll still be in the workforce, but with smaller households, and on the brink of some important life stage changes.

Expect a greater health focus

Remember, this is a fiercely independent population. As past FONA research into the health and wellness movement has revealed, wellness-inclined consumers are largely motivated by a goal to live *long and independent* lives. This will become more relevant to Gen X as they realize that a healthy lifestyle equates to more independence, for longer.

As Gen X ages, weight loss and weight management are two popular goals, but this group is less likely to take on a restrictive/traditional diet to achieve them. It's likely that a more balanced approach to diet will appeal to them, with an inclusion of complex carbohydrates and moderated fats, with reduced focus "high in" claims (such as high in protein). Nutrient dense foods will carry more weight with Gen X than snacks with empty calories.

Reprioritizing as retirement approaches

Iconoculture predicts that year by year, as more Generation X households become "empty nesters" and grandparents, some key shifts in their priorities are worth noting: self care, balance, sustainability, and health (mental and emotional) are in focus. However, the higher the household income, the more likely there are young children in the household, and the slower this transitional winding down will happen. Career and education focused Generation X will likely be working and achieving for years to come.

Far-off Future:

In 20 years, it's possible that such an innovative, groundbreaking generation will be the ones to shake up and reinvent institutionalized food in hospitals, nursing homes and retirement communities. This may be implemented in a number of ways: grab-and-go food, customizable food, or bringing the food hall movement mainstream.

TAKEAWAYS

Forgotten generation? *Forget about it.* Gen X may be a study in contradictions but they also wield a lot of influence and purchase power. They're big spenders in today's market and will be for many years to come, maybe even for the next three decades. While the core of Generation X may lean towards comfort foods and traditional flavors, there's lots of room for getting them out of their safety zones to try something new, especially with a little help from their Gen Z & Millennial kids. Right now, they're often busy and hyper-focused on their families, and have the income to pay for convenience. As they age and their households shrink, they'll be looking for high-quality, nutritious food that will enable them to lead independent lives. No matter what, Generation X is one to watch, as they'll be making the big decisions for their children and aging parents.

YOU DESERVE MORE. LET'S GET STARTED.

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Let FONA's market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your "what's next." Our technical 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. Let's 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 for you — every step of the way. Contact 630.578.8600 to request a flavor sample or chat us up at www.fona.com/contact-fona/

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