

Unexpected Consumer Insights and Generational Attitudes in this Unprecedented Time

New National Research and Insights from
The Center for Generational Kinetics

SUMMER 2020



INTRODUCTION

Marketers, sales professionals, executives, and brand leaders are facing an unprecedented, challenging situation: how to understand and adapt to consumers in the intensely turbulent time of COVID-19. Store closings, social distancing requirements, and quarantine measures are creating urgent challenges and new opportunities for businesses of every size and across industries.

Missing from the conversation are statistically accurate insights by generation to understand and best serve consumers, clients, and marketplaces. Leaders need to know how consumers are thinking about money, spending, saving, and their financial attitudes toward the future by generation.

At The Center for Generational Kinetics (CGK), we are passionate about solving generational challenges through original research. Our 2020 study, *Unexpected Consumer Insights and Generational Attitudes in this Unprecedented Time*, fills in the missing data gaps so leaders can take fast, data-driven action.

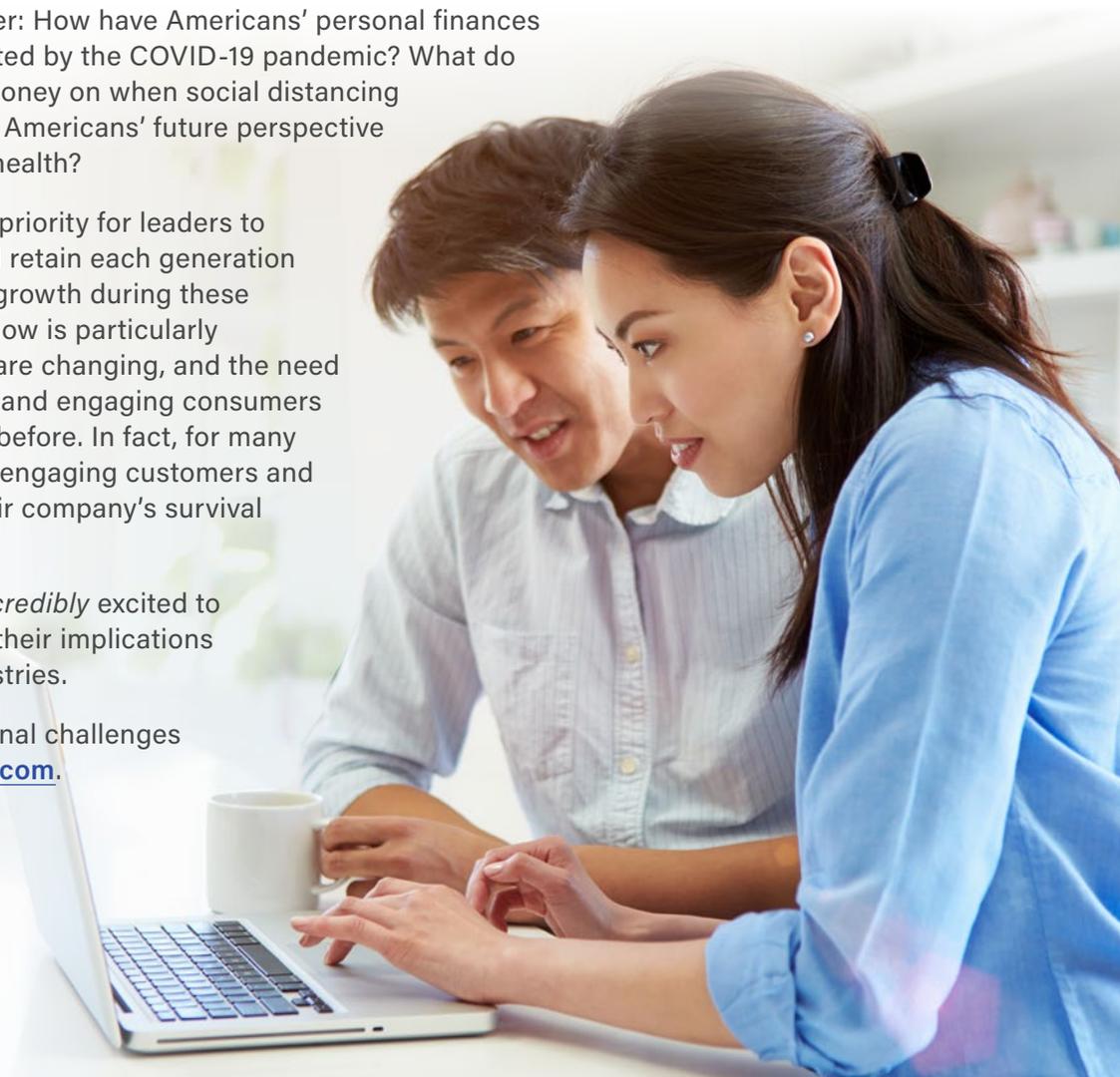
This national study enabled us to uncover accurate insights into four different generations of consumers in the U.S. now: Gen Z, Millennials, Gen X, and Baby Boomers. In addition to each generation's attitudes toward spending and money, we specifically looked at what companies need to know right away that they can't find anywhere else.

Specifically, we sought to answer: How have Americans' personal finances and spending habits been affected by the COVID-19 pandemic? What do Americans plan to first spend money on when social distancing restrictions are lifted? What are Americans' future perspective of our country and its financial health?

Answering these questions is a priority for leaders to inform how they can attract and retain each generation of customers and seek to drive growth during these uncertain times. Taking action now is particularly important. Consumer attitudes are changing, and the need for innovation in understanding and engaging consumers and clients is greater than ever before. In fact, for many businesses, understanding and engaging customers and clients today is essential for their company's survival during and after the pandemic.

The research team at CGK is *incredibly* excited to dive into these discoveries and their implications for revenue growth across industries.

Learn more about the generational challenges we can solve for you at [GenHQ.com](https://www.genhq.com).



RESEARCH STRATEGY:

NATIONAL QUANTITATIVE STUDY WITH A DEEP GENERATIONAL LENS

In approaching this national quantitative study, it was important to uncover and establish a deep understanding of the consumer perspective and expectations across multiple generations in the United States. We studied Generation Z, Millennials, Generation X, and Baby Boomers.

Survey participants in the national study consisted of 1,000 adults ages 18 to 90 years old, weighted to the U.S. Census for age, gender, geography, and ethnicity. This sample composition allowed for a generation-by-generation comparison as well as a highly accurate “snapshot of consumers” across America. In essence, this type of study enables us to understand how adults in America are thinking about spending right now—and with a very low margin of error. This type of research-driven approach is more work to lead and implement, but at CGK, we felt this was exactly what company leaders need to know.

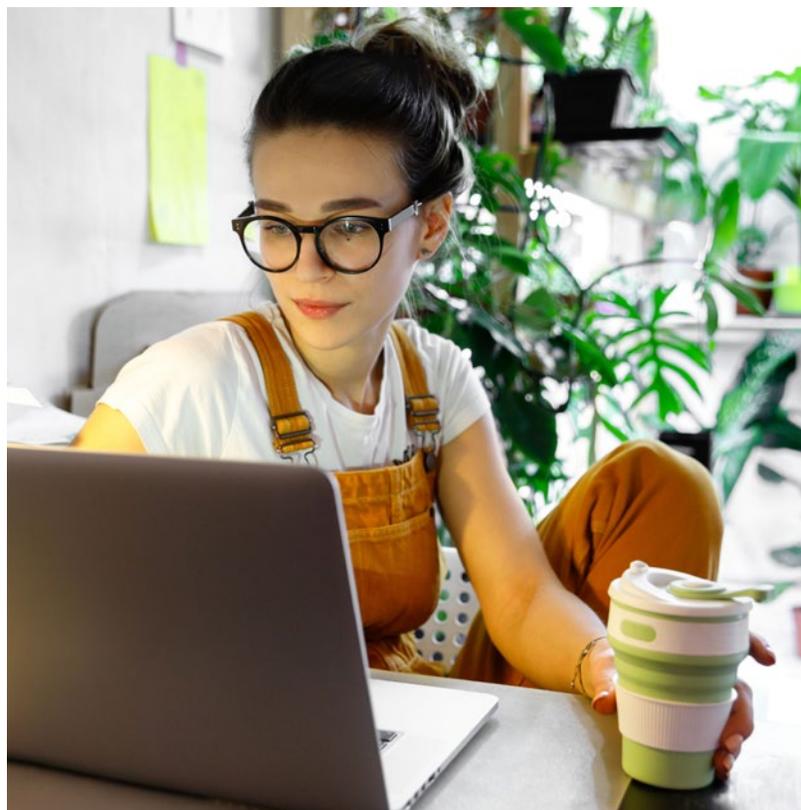
THREE KEY INSIGHTS UNCOVERED ABOUT CONSUMER TRENDS AND FINANCIAL ATTITUDES

The study uncovered many insights. In particular, three of them have broad implications across a wide array of businesses, brands, products, services, and industries. We'll explore each of these key insights in more detail in this executive summary:

1. Generations have established new and different spending habits during this pandemic.
2. Gender and generational differences emerge in what consumers want to first spend their money on after social distancing restrictions are lifted.
3. Generations have different views on what they think will be the most positive things to come out of the COVID-19 pandemic.

NEW FINANCIAL TRENDS COMING INTO FOCUS ACROSS GENERATIONS

Americans are now experiencing unprecedented economic changes during these challenging times, and many are facing difficult financial choices. As lifestyle priorities are shifting and unemployment soaring, Americans are forced to reevaluate and adjust their spending habits and priorities. To better understand these rapidly evolving financial trends, the first focus of the national study was to explore the personal finances and spending decisions consumers are making while battling the unique economic barriers of a global pandemic.



Americans are making financial decisions that reflect the changing times. The research we led shows that across the U.S., over one-third (36%) of Americans purchased groceries online for the first time ever in the past 30 days. Also, over one-third (35%) donated money to an individual or charity to help those in need. Going deeper into donations, almost half (47%) of Americans with annual household incomes above \$100k have donated money to an individual or charity to help those in need in the past 30 days. Conversely, and in a sign of the economic toll, money has become scarcer for many, many Americans. Over one-fourth of Americans have delayed a major purchase (car, house, etc.) (29%), and 26% have used money they saved in an emergency savings account. Interestingly, 40% of parents with three or more children started an emergency savings account in the past 30 days.

Spending decisions have had unique impacts on each generation during these challenging times. **Gen Z has been hit hardest financially by the pandemic**, reporting much higher rates of borrowing money than older generations. In fact, 23% of Gen Z have borrowed money from family or friends in the past 30 days compared to 14% of Millennials and 5% of Gen X. Gen Z are also reporting the highest rates of any generation for

refinancing a loan (20%), borrowing money through a payday advance or other short-term lender (13%), and borrowing money from a coworker or employee (10%).

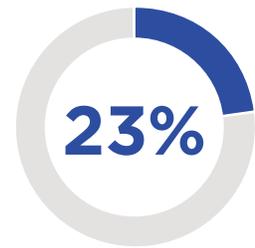
Conversely, Millennials, who are only one generation older than Gen Z, have been buying online the most in two specific areas in the past 30 days. On a percentage basis, more than any other generation,

Millennials have subscribed to a new streaming entertainment service (36%) and spent money on home improvement (29%). Millennials also have the highest rates of starting a new emergency savings account (27%) and using money they have saved from an emergency savings account (32%). Interestingly, older generations are more likely to be charitable than younger generations. In the past 30 days, 40% of Gen X and 39% of Baby Boomers have donated to an individual or charity to help those in need.

Marketers, retailers, and brand leaders need to be aware of the breadth and depth of the spending changes taking place across generations. Understanding these changes is key to understanding and connecting with consumer groups that now have a different perspective on their saving and spending priorities than only a short time ago.



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23% of Gen Z have borrowed money from family or friends in the past 30 days



36% of Millennials have subscribed to a new streaming entertainment service

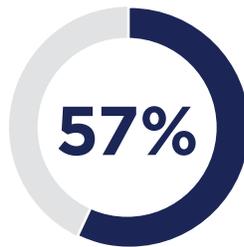


40% of Gen X have donated to an individual or charity to help those in need





73% of Americans plan to first spend their money on dining at restaurants when restrictions are lifted



57% of Americans plan to first spend their money on buying clothes



63% of women plan to spend money on clothing when restrictions are lifted



50% of men plan to spend money on clothing when restrictions are lifted

CONSUMER SPENDING EXPECTATIONS BY GENERATION, GENDER, AND ACROSS THE U.S.

Beyond current spending trends, we wanted to explore America's expectations for the future of their finances by generation. Looking ahead, the national study aimed at uncovering what consumers plan to spend money on first when social distancing restrictions are lifted.

The national study found that the vast majority of Americans (73%) plan to *first* spend their money on dining at restaurants when social distancing restrictions are lifted, by far the most popular expenditure. Furthermore, over half of Americans also plan to spend their money first on buying clothes (57%), vacations (55%), home improvements (49%), paying down bills or debt (49%), and outside-the-home entertainment (48%). As we begin to dig deeper, we start to see more gender and generational differences emerge from consumers.

Men and women appear to have different priorities for how they plan to first spend their money when restrictions are lifted. Nationally, men are 13% more likely to prefer to spend money on consumer technology (phone, computer, smart TV, etc.) compared to women. Men are also 8% more likely to spend money on in-person restaurant dining and 8% more likely to spend money on live events (concerts, sports, festivals, etc.) compared to women. In contrast, 63% of women plan to spend money on clothing when restrictions are lifted compared to 50% of men. Women also prioritize home improvements, paying down bills, health and wellness, and pet expenses at a higher level than men do.

When studied through a generational lens, expectations for future spending can be clearly distinguished by younger (Gen Z and Millennials) and older generations (Gen X and Boomers). Gen Z and Millennials are much more likely than older generations to first spend money on clothes, outside entertainment, and health and wellness experiences. Meanwhile, Gen X and Boomers agree that when social distancing restrictions are lifted, they plan to first spend their money on dining out at restaurants, vacations, and home improvement projects.



Clearly, there are interesting differences by gender and across generations around future expectations for spending. These findings show us not only key demographic differences but could point to emerging lifestyle and behavioral trends that take hold as the pandemic fades and consumer confidence regains strength.

CONSUMER SENTIMENT MOVING FORWARD

Consumer sentiments about the future of our country are a powerful indicator of economic orientation and overall health. Company leaders can learn from and act on these viewpoints and expectations to better position themselves for success in the marketplace.

The national research study revealed that the majority of Americans (71%) agree that they'll try to support local businesses more in the future. Also, almost half (49%) of Americans do not think they'll take a vacation or leisure trip for the rest of 2020. These were the top two highest-rated statements about consumer confidence in the near future.

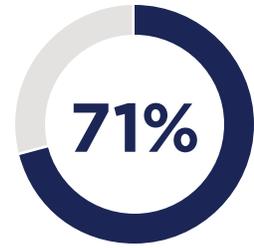
Keeping with the insights trends, Baby Boomers reveal that they are the most pessimistic about our country's recovery from this pandemic. A majority of Boomers (68%) say our country will need at least two years to fully recover, 32% say our country will never fully recover, and 28% say they'll be worse off when this pandemic is over. Baby Boomers were highest in these viewpoints compared to all other generations.

When asked to reveal the most positive thing to come out of the COVID-19 pandemic for them, the majority of Americans said they felt a new perspective on life in general (57%), and a new perspective on their own lives (53%). Also, almost half of Americans said the most positive thing to come out of COVID-19 for them is a new set of priorities (48%), more emphasis on saving money (47%), and a better understanding of health, wellness, and medicine (46%).

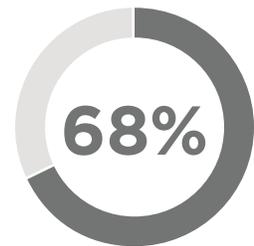
From a generational perspective, Americans vary on their outlook of our country's future, post-pandemic. Over half of Gen Z and Millennials believe the most positive thing to come out of this pandemic for them is an increased emphasis on saving money. Younger generations also see more positives in developing their hobbies, getting in better physical shape, and building relationships with friends compared to older generations.

Contrary to Gen Z and Millennials, Gen X and Boomers find value in a fresh perspective on life after the pandemic is over. Older generations see the positive outcomes of this pandemic as more personal, including a new perspective on life in general, a new perspective on their own lives, a better understanding of health and wellness, a new set of priorities, and a better sense of community.

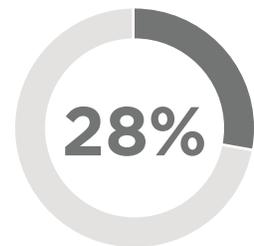
Although the future of our country remains to be charted, Americans are generally positive in their own ways. Younger generations see the positives from this pandemic as a means to improve their immediate lives, while older generations are using this experience to consider and reevaluate the important things in their lives. This unique research-based perspective provides a window of opportunity for company leaders to engage each generation and appeal to them.



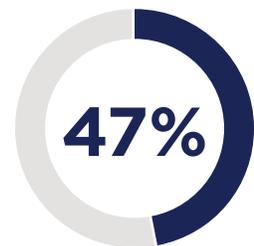
71% of Americans agree that they'll try to support local businesses more in the future



68% of Boomers say our country will need at least two years to fully recover



28% of Boomers say they'll be worse off when this pandemic is over



47% of Americans will put more emphasis on saving money after the pandemic



LOOKING AHEAD:

WHAT THIS MEANS FOR BRAND LEADERS, SALES PROFESSIONALS, AND MARKETERS

One benefit of leading a national study is uncovering unexpected insights, trends, and behaviors that marketers and brand leaders can turn into action and drive sales. This study found that generations are experiencing very different financial realities and expectations based on their unique perspective, life stage, and circumstances. It is a key time for leaders to adjust to meet each generation where they are now as consumers.

The study's findings answer numerous questions about how Americans are being financially affected by the multitude of changes brought on by the COVID-19 pandemic. Generations are all experiencing these changes differently and should be considered based on their unique generational perspective and priorities.

At CGK, we believe understanding these new emerging realities by generation is an important first step for leaders to decide what strategies and actions to take—and why. Leaders must acknowledge that different generations are having different experiences. What each generation wants is different—but brands,

products, services, and marketers can deliver it. The key is to know what matters most and then take the appropriate action.

As we look ahead, we are excited and committed to leading further studies that take these initial findings and dive deeper into specific actions, strategies, and tactics that marketers, executives, and brand leaders can implement now.

We are on this journey with you and are your resource when you're ready to act—whether that is through a custom presentation using our unique insights, strategic consulting, or other solutions to helping you solve the consumer challenge fast.

On behalf of the entire team at CGK, thank you for what you do. We are all in this together, and we look forward to hearing from you.

Please visit GenHQ.com to contact us and see more of our ongoing research.

FOUR WAYS WE CAN HELP YOU

SOLVE YOUR GENERATIONAL CHALLENGES

INTERACTIVE VIRTUAL KEYNOTES

Our professionally filmed, interactive virtual keynotes are packed with CGK's latest research and unexpected insights. From leadership meetings to global customer summits, we'll design an engaging program that aligns with your must-achieve outcomes. Each program is customized to your event, includes unique data, and is highly interactive. We've delivered virtual presentations to leaders in over 100 countries!

STRATEGIC ADVISORY WORK

We advise executive teams around the world on new ways to solve generational challenges to drive measurable results. Our strategic advisory work ranges from helping car manufacturers launch new vehicles to rethinking legacy CPG brands and informing investment strategies for private equity funds.

CUSTOM GENERATIONAL RESEARCH

We lead custom research that solves challenges for brands, leaders, and employers. Our team has worked in almost every industry and brings unparalleled research expertise and frontline experience, a rare combination.

Our findings are designed to drive immediate action. In addition to uncovering new and unexpected answers to your most important research questions, we can work with you to create reports, webinars, media tours and more to make you the research-based thought leader in your market.

CUSTOM HIGH-ENERGY WEBINARS

Our high-energy webinars are packed with "wow" insights and specific actions. We can deliver a webinar series to build excitement and momentum with customized branding and content perfect for your audience, including our brand new research specific to your goals. For executive groups, we can lead virtual roundtables or VIP research reveals.

CONTACT US TODAY

Let's set up an introductory phone call or video meeting to see how we can help. We look forward to hearing from you!

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ABOUT

THE CENTER FOR GENERATIONAL KINETICS

The Center for Generational Kinetics (CGK) is the leading generational research, keynote speaking, and strategic advisory firm focused on Gen Z, Millennials, and solving cross-generational challenges. We've taken clients from last to first in employee retention and customer growth.

CGK's team of generational researchers, strategists, and keynote speakers helps leaders around the world. We solve tough generational challenges such as helping leaders adapt to recruit, retain, and train Gen Z employees as well as how to engage, market, and sell to each generation of customer.

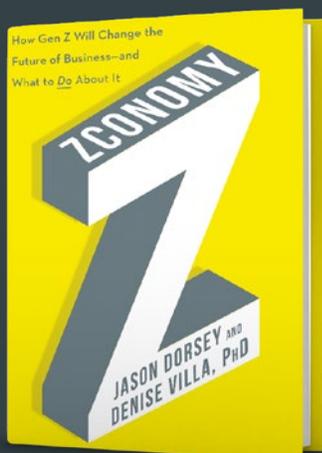
Each year, CGK works with more than 100 clients around the world. These clients range from car manufacturers and global hotel brands to venture capitalists, private equity, insurance companies, hospitals, and pioneering software firms.

CGK's team is frequently quoted in the media about the effect of generational differences on everything from shopping and spending to parenting, work habits, voting, and the impact of social media.

Learn more about The Center for Generational Kinetics and the study's authors at [GenHQ.com](https://www.genhq.com).



Denise Villa, PhD, CEO and Jason Dorsey, President, co-founders of The Center For Generational Kinetics



ZCONOMY

How Gen Z Will Change the Future of Business —and What to Do About It

The most complete guide to Gen Z. Zconomy reveals exactly what leaders and marketers can do to unlock the potential of this important generation. The book is ideal for employers, marketers, influencers, and parents!

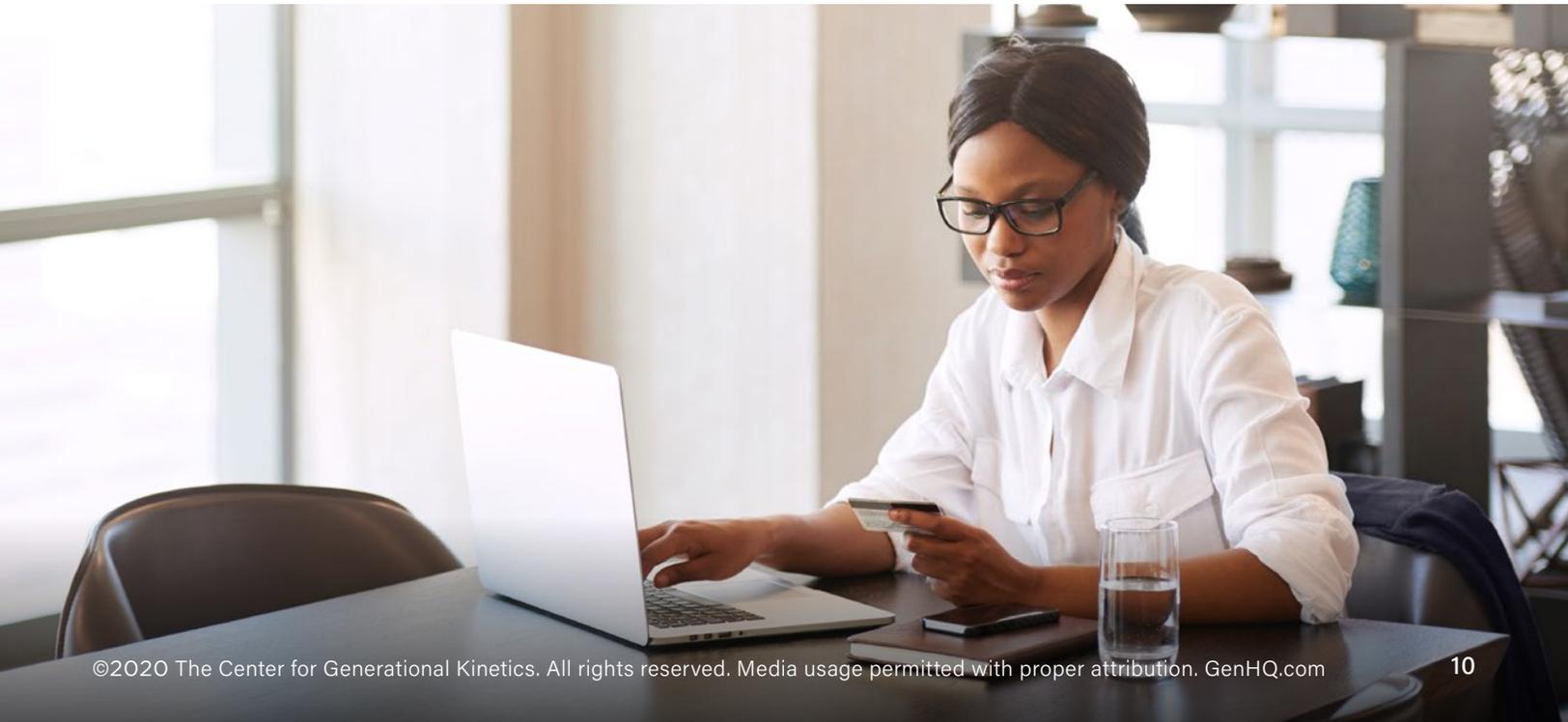
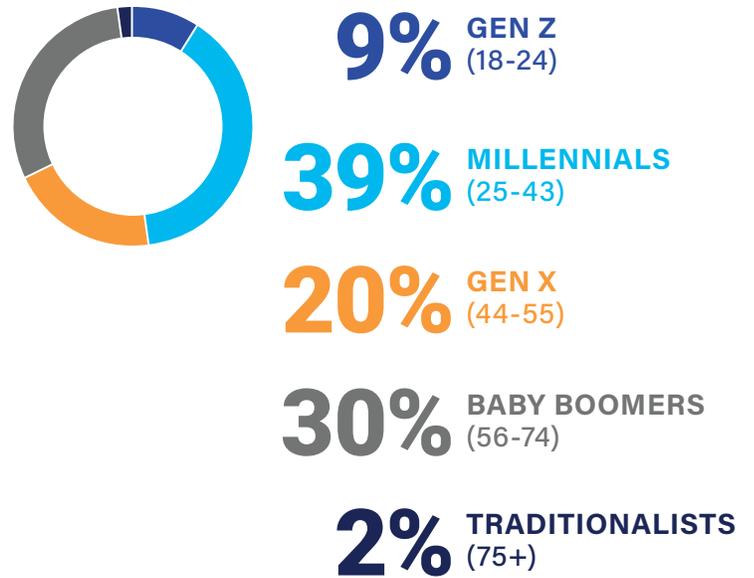
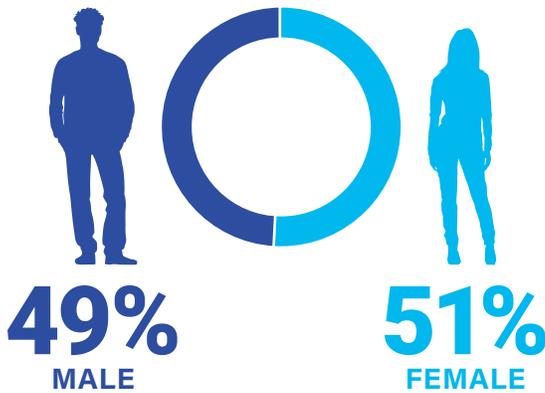
Order your copy on Amazon and email your receipt to z@zconomy.com to receive two free video programs by Jason!

NATIONAL STUDY

METHODOLOGY

This custom study was designed by The Center for Generational Kinetics and conducted online from April 28, 2020, to May 4, 2020. The survey was administered to 1,000 U.S. respondents ages 18-90. The total sample was weighted to the current U.S. Census data for age, region, gender, and ethnicity. Figures are statistically significant at the 95% confidence level. The margin of error is +/-3.1 percentage points.

COMPLETED BY **1,000** PARTICIPANTS





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