



Millennials' Future Travel Purchasing Trends
October 25, 2017



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Conclusions

Millennials have numbers, but they will not halt the long-term trend of the weakening relative economic power of young people

Despite the size of the generation, the number of families in the US will rise only moderately through the next decade

In many ways Millennial spending patterns mimic those of prior generations, which can help you anticipate demand for family travel

Belief: Testing and applying the analyses that follow can help determine when and where to focus your efforts



Conclusions based on my analysis of Govt. estimates and millions of surveys

Social and Economic Supplement to the Current
Population Survey**

Census Bureau: 1961 - 2016

American Community Survey**

Census Bureau: 2005 – 2016

2014 National Population Projections Datasets

Census Bureau: 2014

Survey of Consumer Finance

Federal Reserve: 1989 - 2016

Consumer Expenditure Survey

Bureau of Labor Statistics 1996 – 2016

Natality information (Fertility Rates)

Center for Disease Control: 2007 - 2016

**Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek.
Integrated Public Use Microdata Series: Version 7.0 [dataset]. Minneapolis:
University of Minnesota, 2017. <https://doi.org/10.18128/D010.V7.0>.

US-centric analysis, but these types of data are available in many countries

Census data for eighty-five countries

<https://international.ipums.org/international/>

Australian Bureau of Statistics [Access restricted]

[http://abs.gov.au/websitedbs/D3310114.nsf/home/CURF:+About+the+ABS+Data+Laboratory+\(ABSDL\)](http://abs.gov.au/websitedbs/D3310114.nsf/home/CURF:+About+the+ABS+Data+Laboratory+(ABSDL))





Presentation Flow

Generational income and wealth trends

Family formation and travel forecast

Suggestions for next steps

Definitions vary, but think of Millennials as a generation 9% larger than Gen X

Generation**	Years	# Years	# People (Millions)	People/Yr (Millions)
Silent/Greatest	< '46	29+	28	1.0
Boomers	'46 – '64	19	74	3.9
Gen X	'65 – '80	16	66	4.1
Millennials	'81 - 97	17	76	4.5
Gen Z	> '97	20	82	4.1

The Millennial generation has one more year of births than does Gen X

- On an average, annual bases it has 4.5 million members per year
- That is 9% more than Gen X's 4.1 million

Note that Gen Z (with no defined end date) has the most members

- That's due to it having 20 years of births vs 17 for Millennials
- On an adjusted basis it's no larger than Gen X
- But, it is anticipated to grow through immigration

Source: Summary of States Census Bureau: 2014 National Population Projections
 Datasets: Table np2014-d1 :: 2017 Projections

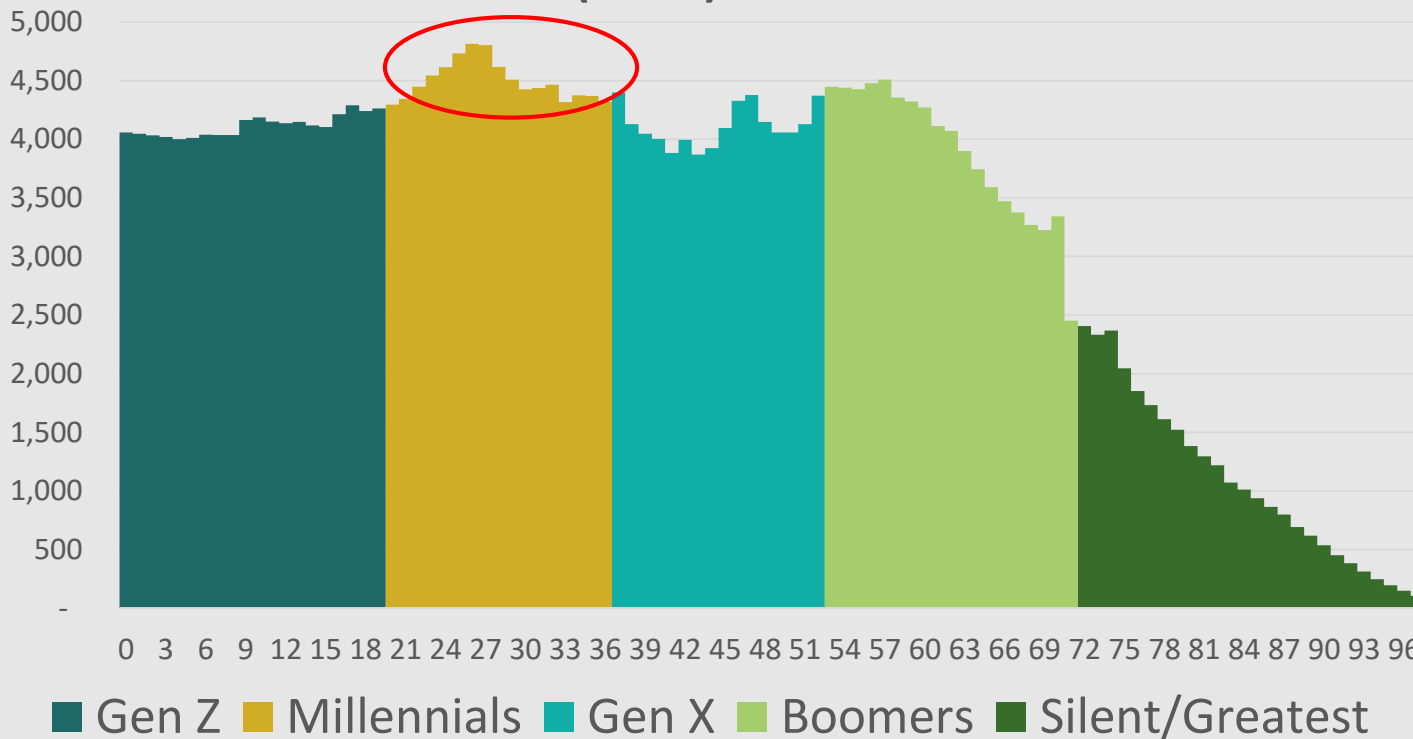
**Generations as defined by Pew Research

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Millennials are a wave that will ripple through the economy as they age

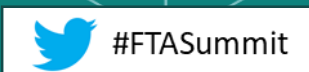
2017 US Population Estimates by Age
(000's)



Source: United States Census Bureau: 2014 National Population Projections Datasets: Table np2014-d1

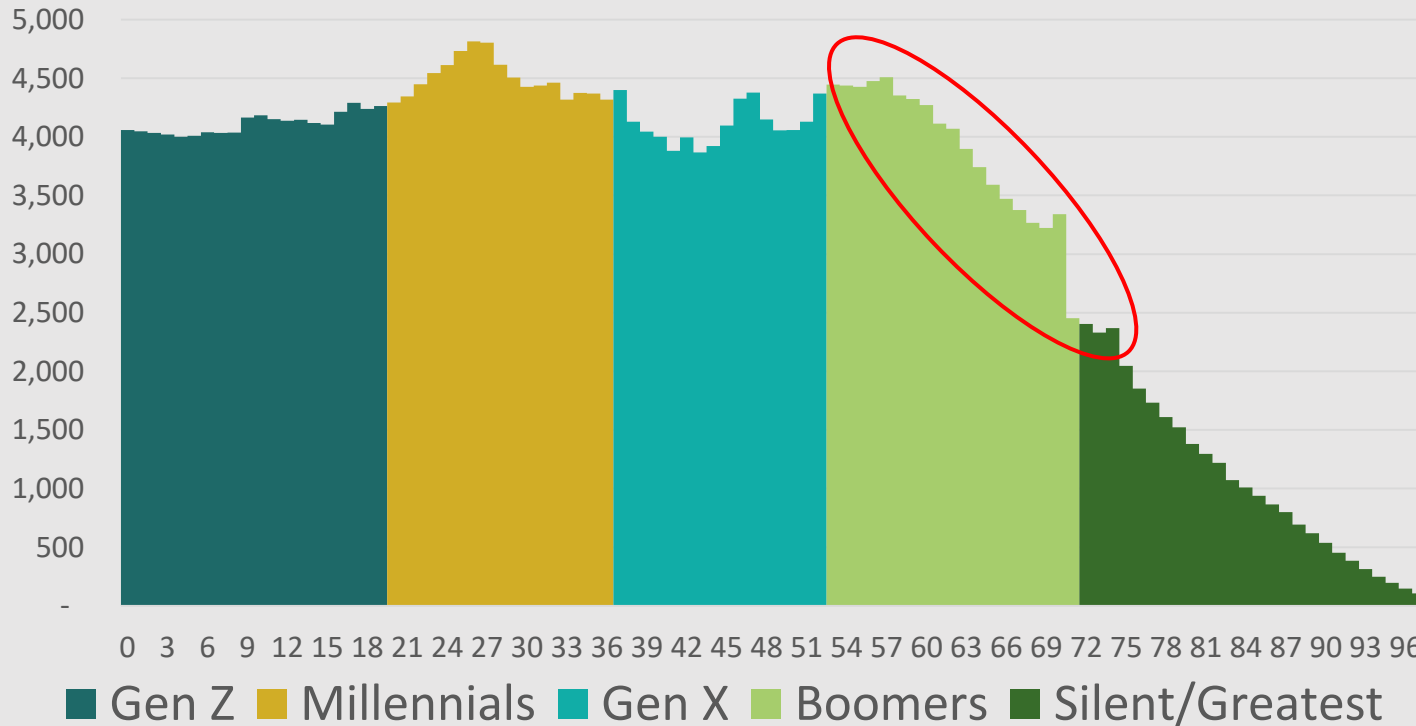


Generations as defined by Pew Research



Boomers are an avalanche, transforming the distribution of wealth in the US

2017 US Population Estimates by Age
(000's)



Source: United States Census Bureau: 2014 National Population Projections Datasets: Table np2014-d1

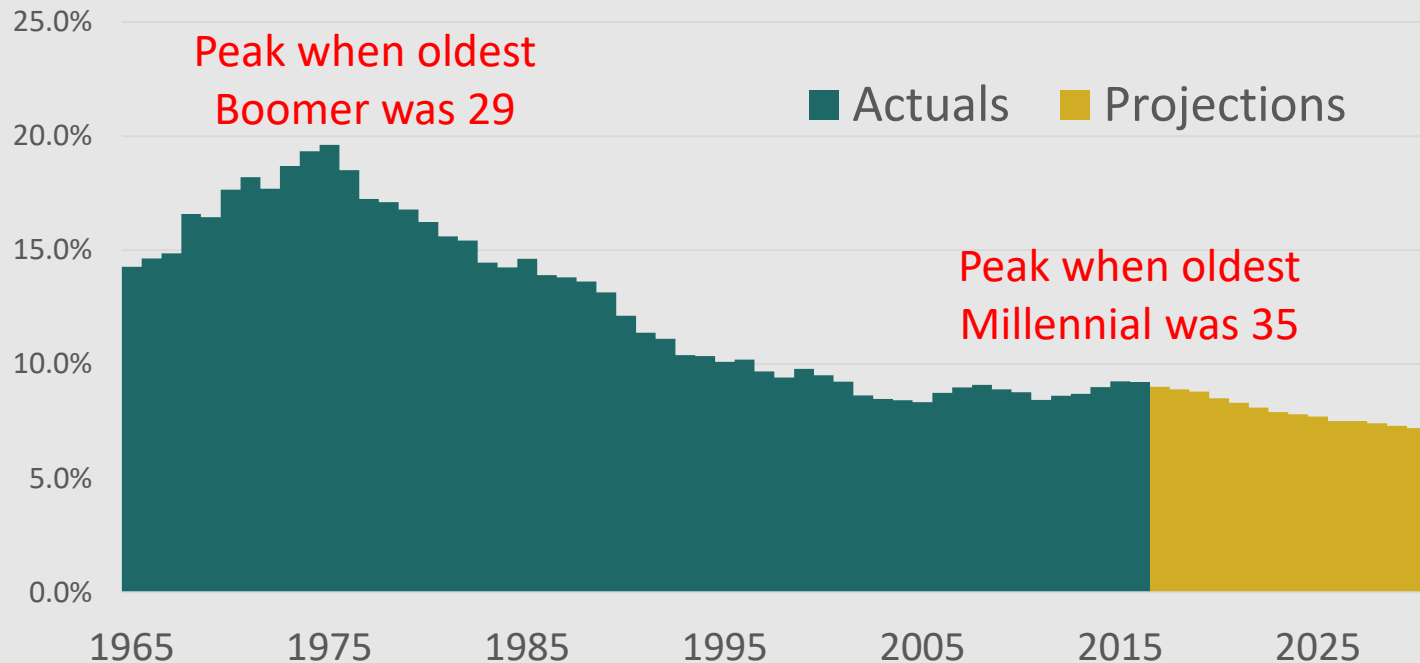
Generations as defined by Pew Research

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Young people** account for less than half the income they did 40 years ago

% of Income Earned by People** in their 20's
1965 – 2030

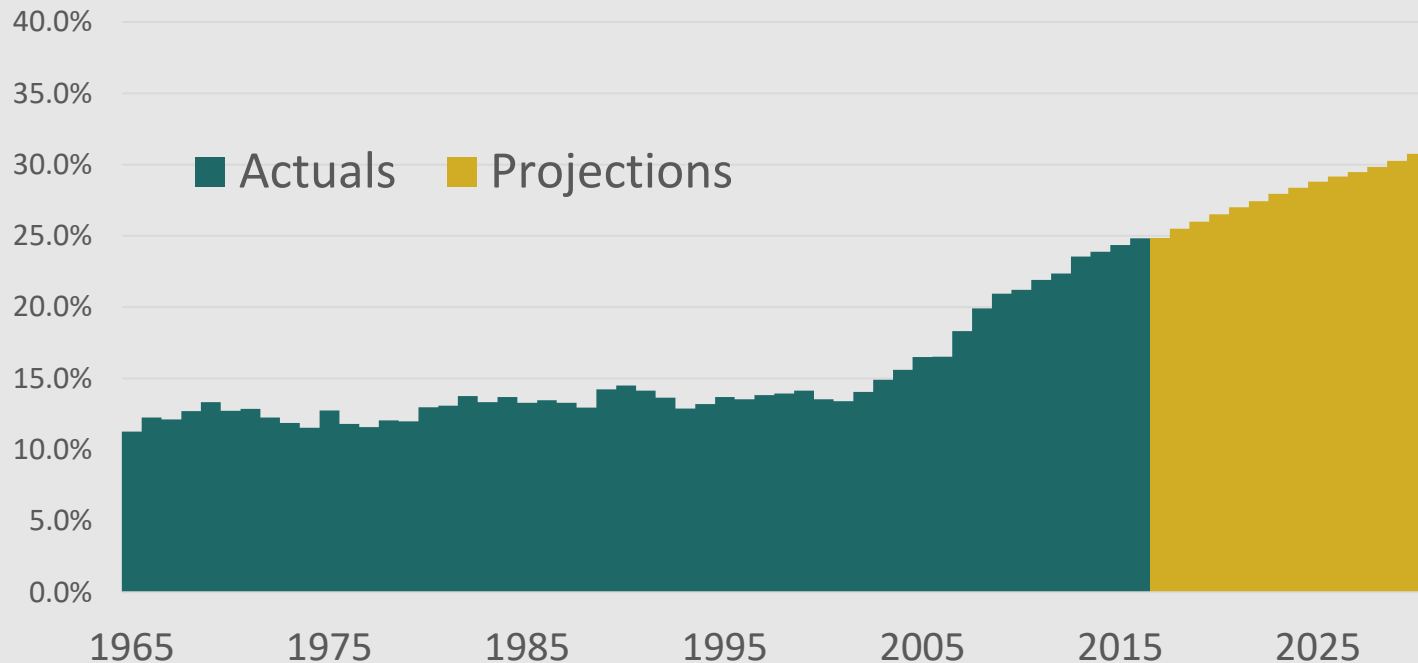


**Sample limited to college graduates

Source: Chase Intel analysis of Public-Use Microdata Samples of the Annual Social and Economic Supplement to the Current Population Survey, 1965 – 2016. Data sourced from ipums.org.

Their share of income will continue going to people 60 and over.

% of Income Earned by People** 60 and Over 1965 – 2030



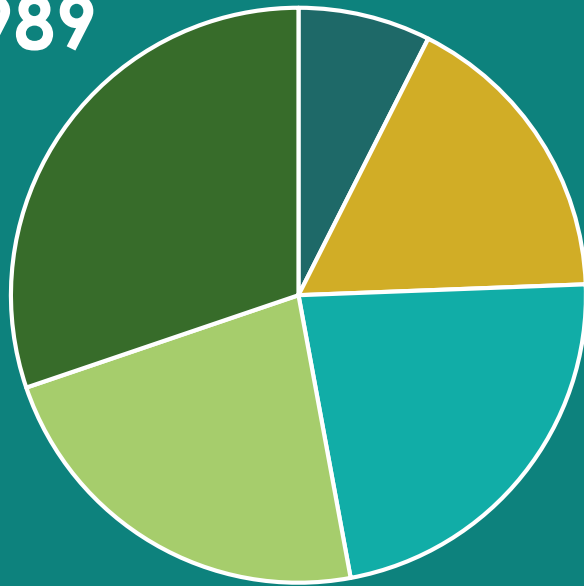
**Sample limited to college graduates

Source: Chase Intel analysis of Public-Use Microdata Samples of the Annual Social and Economic Supplement to the Current Population Survey, 1965 – 2016. Data sourced from ipums.org.

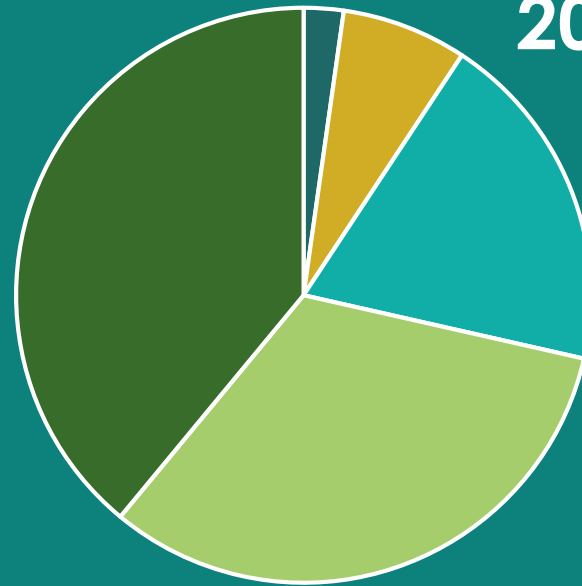
Net worth is a more extreme version of the same story; Millennials hold <3%

Proportion of household net worth by age of householder

1989



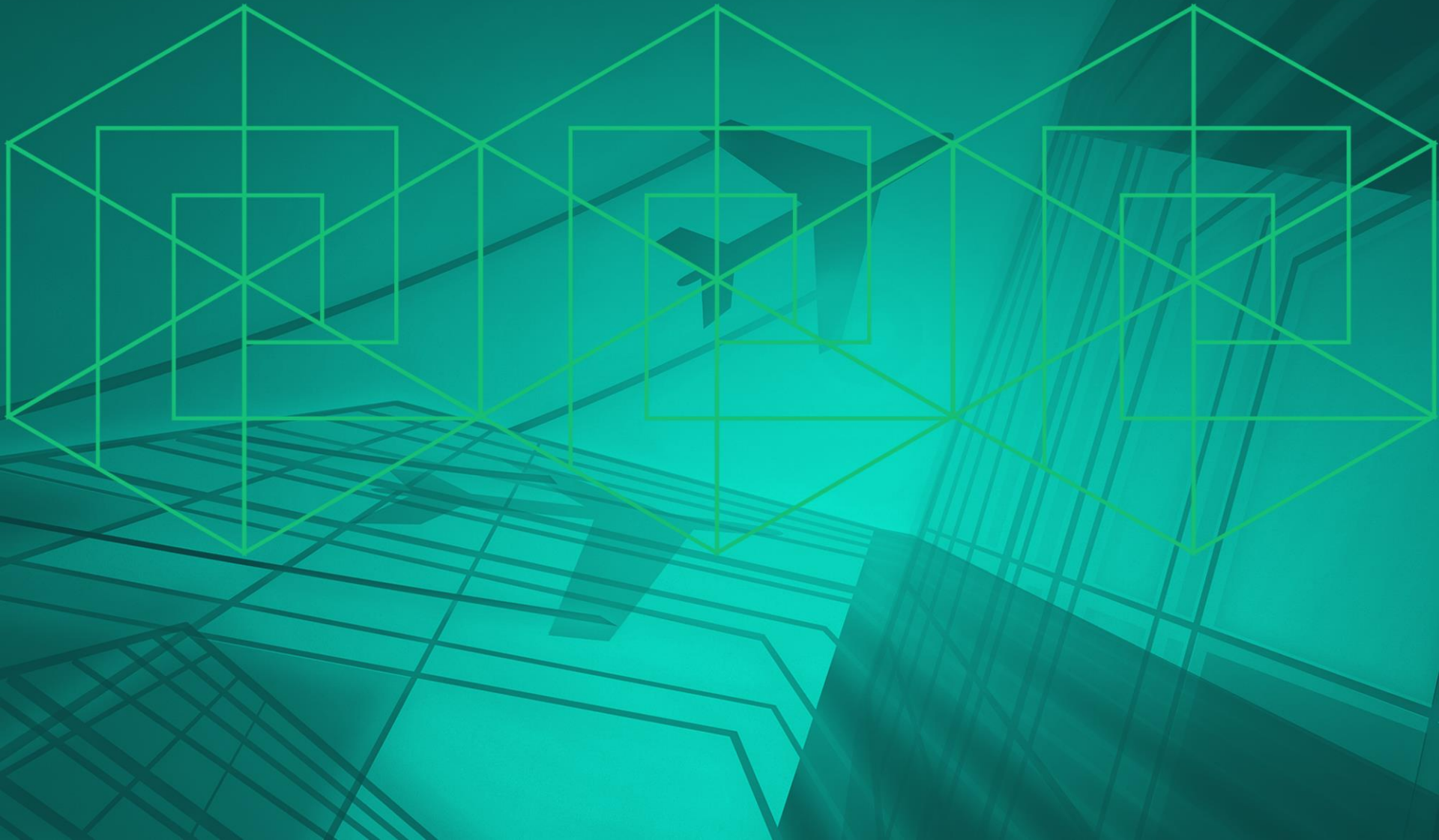
2016



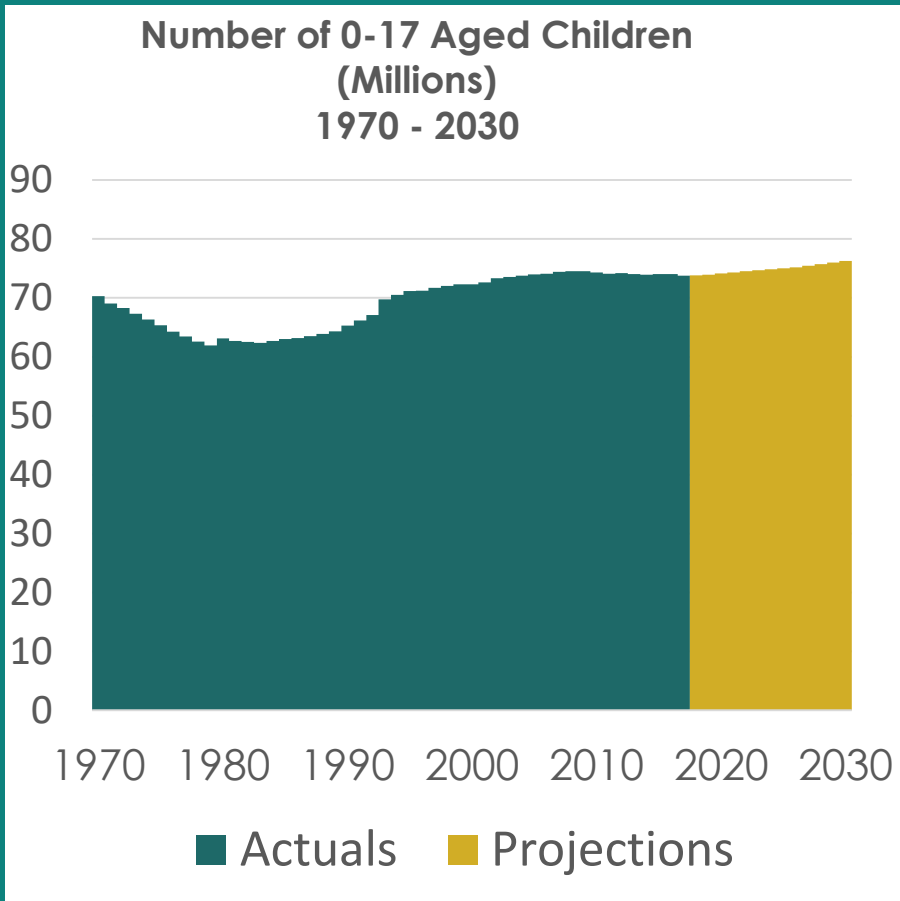
< 35 **35 - 44** **45 - 54** **55 - 64** **65+**

Source: Survey of Consumer Finance: Table 4. Family net worth, by selected characteristics of families, 1989–2016 surveys

Family Formation and Travel



The number of children is anticipated to grow slowly over the next decade



Growing for first time in ten years

Percent growth in number of children: 2017 - 2030

- Total: 3.4%
- Annual 0.3%

Growth will be concentrated in households with younger children

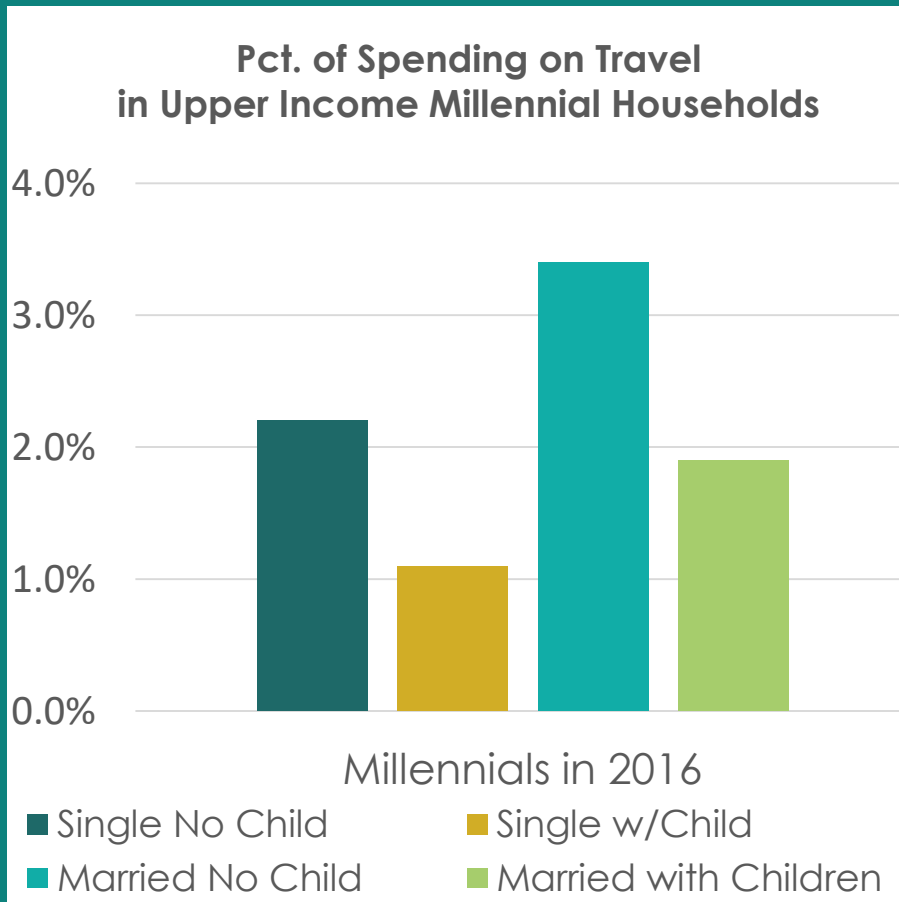
Why is growth so moderate?

- Fertility rate is down 10% in past ten years
- Without immigration there would be no growth

Source: [1970 - 2016](#) Chase Intel analysis of the Public-Use Microdata samples of the Annual Social and Economic Supplement to Current Population Survey 1970 - 2016. [ipums.org](#)

2017 - 2030: <https://census.gov/data/datasets/2014/demo/popproj/2014-popproj.html> Table 1

Millennial couples like to travel, but they cut back when they have children



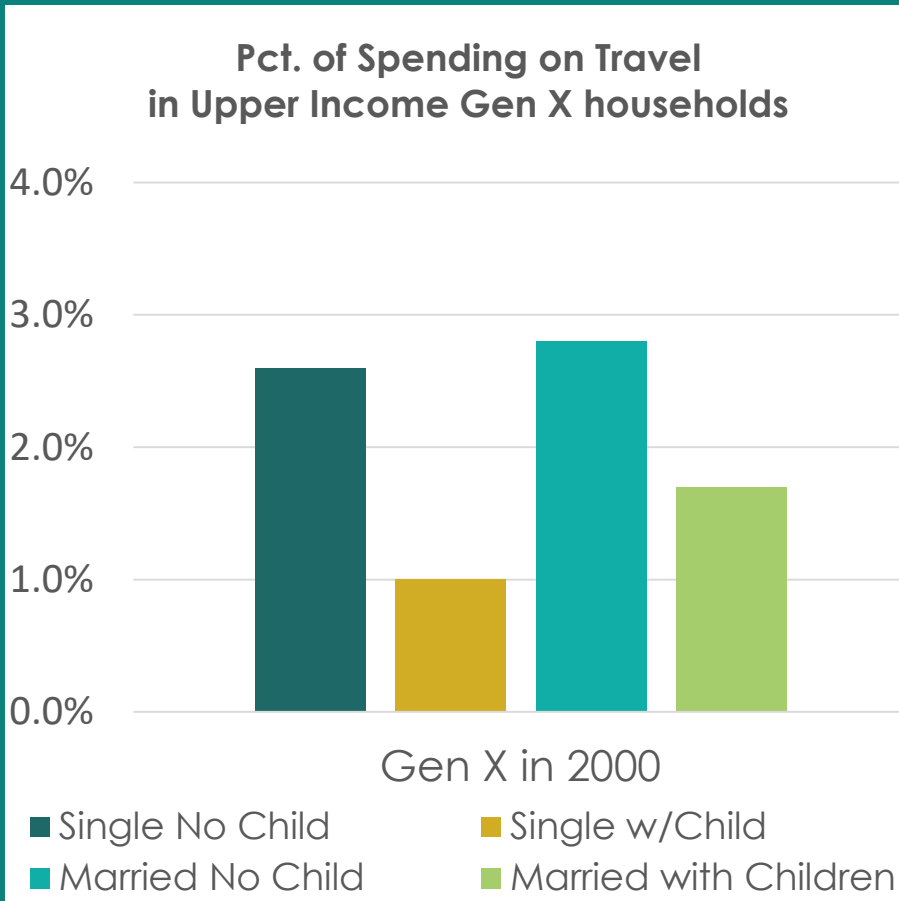
By many accounts, Millennials value experiences over owning “things,” but they aren’t immune to economic reality

On average, married Millennials with children spend over 40% less on travel than those without

Five-year moving average

Source: Chase Intel analysis of Public Use Microdata of the Consumer Expenditures Survey, Bureau of Labor Statistics

X'rs did the same thing when they were the same age as Millennials are now



Millennials with children spend within 0.2% of what Gen X did at the same age

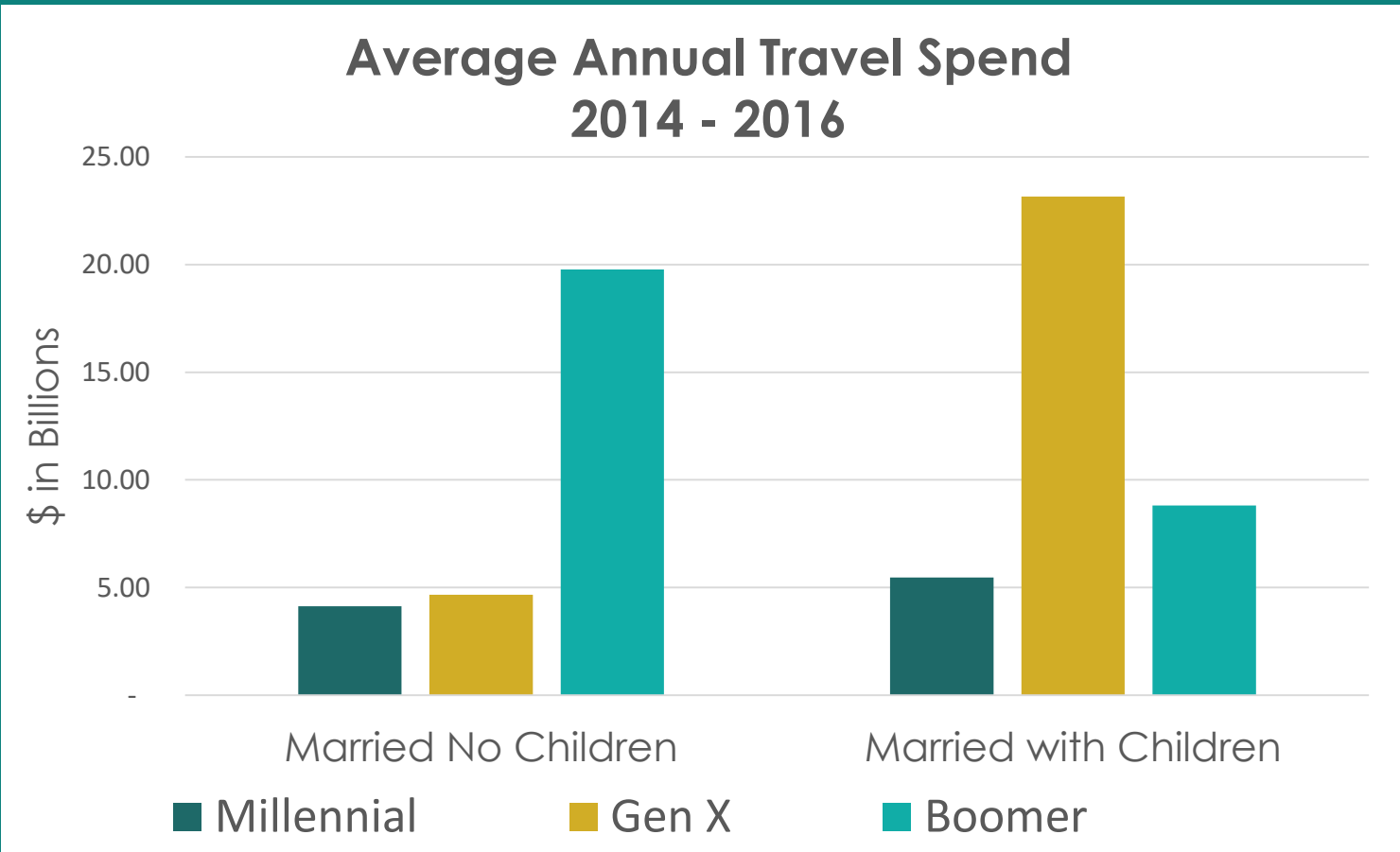
This is true for other categories of spending as well

This predictability facilitates effective planning

Five-year moving average

Source: Chase Intel analysis of Public Use Microdata of the Consumer Expenditures Survey, Bureau of Labor Statistics

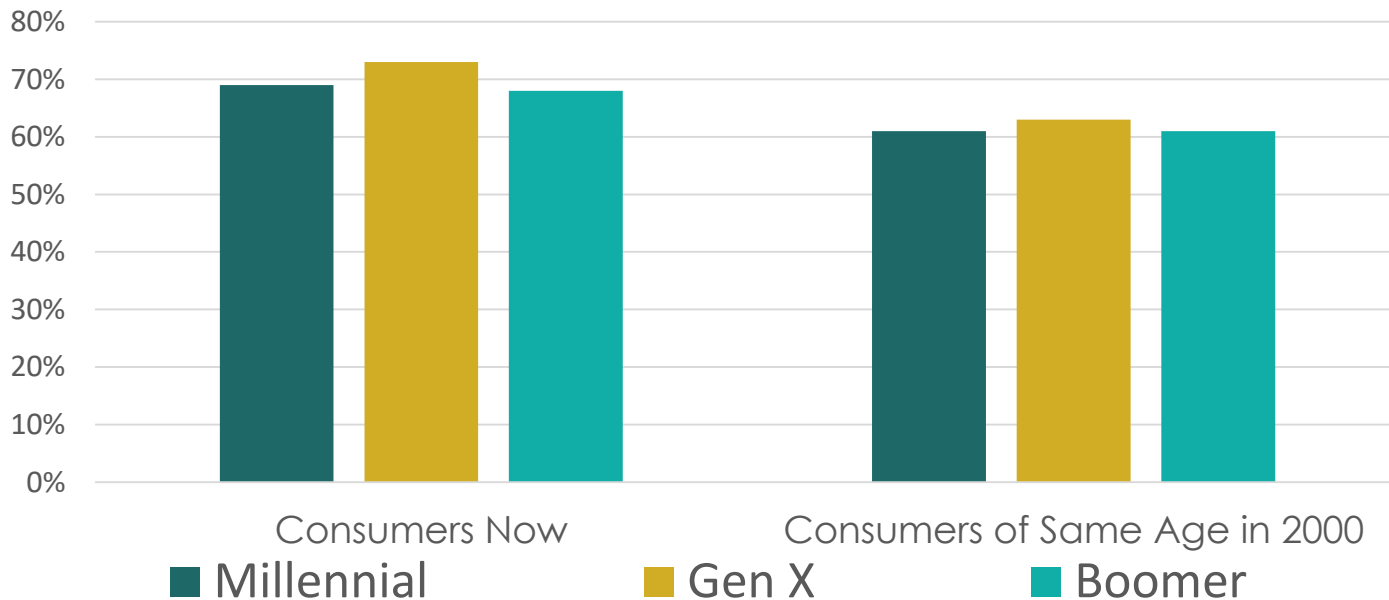
Among couples, empty-nest Boomers and Gen X families are the top travelers



Source: Chase Intel analysis of Public Use Microdata of the Consumer Expenditures Survey, Bureau of Labor Statistics 2014-2016

Travel spending is likely to continue to shift to those with higher incomes

% of Travel Spend from Upper Income Households** 2016 v 2000



Three-Year Moving Average

** Sample includes only Married Householders with children

Source: Chase Intel analysis of Public Use Microdata of the Consumer Expenditures Survey, Bureau of Labor Statistics 1998 - 2016

Concluding thoughts. . .

Set realistic goals for Millennials and other generations, timing your investments appropriately

Explore opportunities for multi-generational travel as a driver of growth

- Grandparents with money and cash-constrained parents who like to travel, sound like a match!

Monitor household formation, income and spending trends to ensure your plans remain in synch with the market

Refrain from relying on a sole source of information (including mine) to inform your decisions

- Compare these conclusions with what you see in your business and in your data
- Combined, these data can suggest insights to be tested and developed

