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**

2014 National Population Projections Datasets
Census Bureau: 2014

Survey of Consumer Finance
Federal Reserve: 1989 - 2016

Consumer Expenditure Survey

Natality information (Fertility Rates)
Center for Disease Control: 2007 - 2016

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]
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

<table>
<thead>
<tr>
<th>Generation**</th>
<th>Years</th>
<th># Years</th>
<th># People (Millions)</th>
<th>People/Yr (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent/Greatest</td>
<td>&lt; ‘46</td>
<td>29+</td>
<td>28</td>
<td>1.0</td>
</tr>
<tr>
<td>Boomers</td>
<td>‘46 – ‘64</td>
<td>19</td>
<td>74</td>
<td>3.9</td>
</tr>
<tr>
<td>Gen X</td>
<td>‘65 – ‘80</td>
<td>16</td>
<td>66</td>
<td>4.1</td>
</tr>
<tr>
<td>Millennials</td>
<td>’81 - 97</td>
<td>17</td>
<td>76</td>
<td>4.5</td>
</tr>
<tr>
<td>Gen Z</td>
<td>&gt; ‘97</td>
<td>20</td>
<td>82</td>
<td>4.1</td>
</tr>
</tbody>
</table>

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

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)


Generations as defined by Pew Research

© 2017 Chase Intel, LLC
Boomers are an avalanche, transforming the distribution of wealth in the US

2017 US Population Estimates by Age (000’s)


Generations as defined by Pew Research
Young people** account for less than half the income they did 40 years ago

**Sample limited to college graduates

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

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

Proportion of household net worth by age of householder


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Family Formation and Travel
The number of children is anticipated to grow slowly over the next decade

Number of 0-17 Aged Children (Millions) 1970 - 2030

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

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

<table>
<thead>
<tr>
<th>Pct. of Spending on Travel</th>
<th>Gen X in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single No Child</td>
<td>2.0%</td>
</tr>
<tr>
<td>Single w/Child</td>
<td>0.2%</td>
</tr>
<tr>
<td>Married No Child</td>
<td>1.0%</td>
</tr>
<tr>
<td>Married w/Children</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

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


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

Average Annual Travel Spend
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

Consumers Now
- Millennial
- Gen X
- Boomer

Consumers of Same Age in 2000

Three-Year Moving Average
** Sample includes only Married Householders with children

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