
BEST CUSTOMERS

Demographics of CONSUMER DEMAND

by the Editors of NEW STRATEGIST PRESS_{LLC}

12th
EDITION

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Introduction

Welcome to the 12th edition of *Best Customers: Demographics of Consumer Demand*, a unique examination of how changing demographics are reshaping the consumer marketplace. *Best Customers* reveals who the best and biggest customers are for hundreds of individual products and services, alerting marketers to potential booms and busts in the years ahead.

Based on data from the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey, *Best Customers* examines spending patterns by the demographic characteristics of households. For most consumer products and services, demographics drive demand. *Best Customers* analyzes household spending on more than 300 products and services by age of householder, household income, household type, race and Hispanic origin of householder, region of residence, and educational attainment of most educated household member. It identifies which households spend the most on a product or service (the best customers) and which control the largest share of spending (the biggest customers).

Household demographics are not static, but ever changing, influencing the consumer market during good times and bad. Today, the aging of the population is one of the most important factors in determining consumer demand. The rapid growth of the Asian, Black, and Hispanic populations makes their spending ever more important to business success. Education, living arrangements, and geography also determine who spends what—critical information as the consumer marketplace becomes increasingly competitive. *Best Customers* reveals the demographic trends behind spending, allowing marketers to prepare for what lies ahead.

Demographic Trends

Two demographic trends are key to today's consumer markets: the aging of the baby-boom generation and the rise of Asian, Black, and Hispanic consumers.

Born between 1946 and 1964, the baby-boom generation spanned the ages of 50 through 68 in 2014. As boomers filled the 55-to-64 age group during the past decade, the percentage of households headed by empty-nesters grew each year. Having children leave home is one of life's major transitions, and spending patterns change accordingly. Empty-nesters spend less on groceries, for example, and more on meals in full-service restaurants. Spending on alcoholic beverages increases after the teetotaler years of child rearing. Empty-nesters are the biggest spenders on travel. And instead of buying children's clothes, they devote more to men's and women's apparel. Millions of two-earner baby-boom couples in their peak earning years may remain in the labor force longer than expected as they attempt to supplement their retirement savings. This should boost the incomes and spending power of older Americans, delaying the shift to a reduced standard of living after retirement. An understanding of the spending patterns of these older Americans is vital to keeping up during the coming years.

Asians, Blacks, Hispanics, and other minorities account for a growing share of the nation's population. In 2014, the 5.6 million Asian, 16.3 million Black, and 16.3 million Hispanic consumer

units accounted for 30 percent of the national total and for 25 percent of household spending. The average Asian household has a higher income and spends more money than the average non-Hispanic White household. Although the incomes and spending of Blacks and Hispanics are below average, both groups spend much more than average on many individual products and services. The distinct spending patterns of Asians, Blacks, and Hispanics make them a major force in many consumer markets. As competition for customers becomes ever more heated, effective wooing of Asians, Blacks, and Hispanics has never been more important.

How to Use This Book

Best Customers is divided into 21 chapters, arranged alphabetically, each focusing on a major spending category as defined by the Bureau of Labor Statistics—such as entertainment, groceries (or what the bureau calls “food at home”), transportation, and so on. Within each chapter, individual products and services are arranged alphabetically. Three chapters of *Best Customers*—computers, telephone, and travel—are unique groupings produced by New Strategist to highlight important spending patterns. The Bureau of Labor Statistics includes computer and telephone spending in its housing category, and it groups the various travel items into the entertainment, food, housing, and transportation categories.

Most individual products and services included in the Consumer Expenditure Survey are analyzed in *Best Customers*. Two types of items are excluded from the book: “other” categories, such as “other food at home,” for which an analysis of spending patterns cannot provide meaningful conclusions; and products and services with spending data considered unreliable by New Strategist because of small sample sizes.

Each product-specific table in *Best Customers* shows average household spending, indexed spending, and market share of spending by age of householder, household income, household type, race and Hispanic origin of householder, region of residence, and educational attainment of most educated household member. New Strategist has calculated the indexes and market shares to reveal the trends. Text accompanies each table that identifies the best and biggest customers, analyzes spending patterns, describes spending trends for the product over the past few years, and predicts future trends based on the nation’s changing demographics.

Spending Data

Best Customers is based on unpublished, detailed data collected by the Bureau of Labor Statistics’ Consumer Expenditure Survey, an ongoing, nationwide survey of household spending. A complete accounting of household expenditures, the Consumer Expenditure Survey includes everything from big-ticket items such as homes and cars to small purchases like laundry detergent and video games. The survey does not include expenditures by government, business, or nonprofit institutions.

The Consumer Expenditure Survey uses consumer unit rather than household as its sampling unit. In this book, the terms “consumer unit” and “household” are used interchangeably. The Bureau of Labor Statistics defines consumer unit as “a single person or group of persons in a sample household related by blood, marriage, adoption or other legal arrangement or who share

responsibility for at least two out of three major types of expenses—food, housing, and other expenses.” For more information about the Consumer Expenditure Survey and consumer units, see Appendix A.

- **Average Spending.** The average spending figures in *Best Customers* are unpublished data from the Bureau of Labor Statistics’ 2014 Consumer Expenditure Survey. The Bureau of Labor Statistics calculates average spending for all households in a segment, not just for those who bought an item. When examining the averages, it is important to remember that by including both purchasers and nonpurchasers in the calculation, the average spending amount is often greatly reduced—especially for infrequently purchased items. For example, the average household spent \$249 on day care centers, nursery schools, and preschools in 2014. Since only a small percentage of households spends money on day care, this figure greatly underestimates the amount spent on day care centers by those who use them. To get a more realistic picture of how much buyers spend on an item, Appendix B shows the percentage of households that purchased individual products and services during the average quarter of 2014 and the amount purchasers spent per quarter. According to Appendix B, only 4.1 percent of households spent on day care centers during the average quarter of 2014. The purchasers spent an average of \$1,509 per quarter, for an estimated annual cost of \$6,036—a much more realistic figure than the average of \$249 for all households. For frequently purchased items—such as bread—the average spending figures give a fairly accurate account of actual spending. But for most of the products and services examined in *Best Customers*, average spending figures are less revealing than indexes and market shares.

Average spending figures are useful for determining the market potential of a product or service in a local area. By multiplying the average amount married couples spend on children’s clothing by the number of married couple households in the San Diego metropolitan area, for example, marketers can estimate the size of the market for children’s clothing in San Diego. The San Diego media could show those figures to potential advertisers to prove the demand for children’s clothing in the area. (Note: Because of sampling errors, average values can vary—especially for infrequently purchased items.)

- **Indexed Spending (Best Customers).** Indexed spending figures compare the spending of demographic segments with that of the average household. To compute the indexes, New Strategist’s statisticians divide the amount a household segment spends on a particular item by how much the average household spends on the item, and then multiply the resulting figure by 100. An index of 100 is the average for all households. An index of 125 means average spending by households in a segment is 25 percent above average (100 plus 25). An index of 80 means average spending by households in a segment is 20 percent below average (100 minus 20).

Spending indexes can reveal hidden markets—household segments with a high propensity to buy a particular product or service but which are overshadowed by larger household segments that account for a bigger share of the total market. Householders aged 65 to 74, for example, account for 14.6 percent of the market for full-service dinners, almost the same share as the 14.4 percent accounted for by householders aged 25 to 34. But a look at the indexed spending figures reveals that, in fact, the older householders are the better customers. Householders aged 65 to 74 spend 11 percent more than the average household on full-service dinners (with an index of 111), while

householders aged 25 to 34 spend 11 percent less than average on this item (index of 89). Using the index column in the product-specific spending tables, marketers can see that older householders are in fact their better customers and adjust their business strategy accordingly. (Note: Because of sampling errors, small differences in index values are usually insignificant. But the broader patterns revealed by indexes can guide marketers to the best customers.)

- **Market Share (Biggest Customers).** To calculate market share figures, New Strategist first determines the total amount all households spend on an item by multiplying average household spending on that item by the total number of consumer units (127,006,000). New Strategist then calculates total household spending for each demographic segment by multiplying the segment's average spending on an item by the number of households in the segment. To calculate the percentage of total spending on the item controlled by a demographic segment—i.e., its market share—New Strategist divides each segment's spending on the item by total household spending on the item.

In 2014, for example, households that included a college graduate accounted for 81 percent of total household spending on ship fares. The cruise industry could reach the vast majority of its customers if it targeted only this demographic segment. Of course, by single-mindedly targeting the biggest customers, businesses cannot nurture potential growth markets. An additional danger of focusing only on the biggest customers is that businesses may end up ignoring their best customers. This is especially problematic because market shares are unstable, thanks to baby booms and busts over the past half-century. In 2014, for example, householders aged 55 to 64 were one of the biggest customers of housekeeping services, controlling 21 percent of the market—but only because the age group was filled with members of the large baby-boom generation. In fact, the best customers of housekeeping services are the oldest householders. Those aged 75 or older spend 93 percent more than the average household on housekeeping services, whereas the 55-to-64 age group spends only 16 percent more than average on this item. Although the older age group controls only 19 percent of the housekeeping services market today, the share will expand greatly as boomers age into their seventies. The best customers of housekeeping services will become the biggest customers as well. Marketers who ignore their best customers in favor of the biggest customers may end up with no customers.

- **Age of Householder.** Age is one of the best predictors of spending because lifestage determines most consumer wants and needs. Ongoing changes in the age structure of the population will have a profound effect on consumer spending. This is why *Best Customers* explores spending by age in so much detail, using it as the primary guide to consumer trends in the years ahead.

Changes in the size of age groups will dramatically affect spending in many categories over the next few years. The number of adults aged 35 to 44 will expand as millennials enter the age group and replace the small generation X. Millennials have been postponing marriage and childbearing, suppressing spending on products and services for infants and young children. As millennials begin to play catch-up, look for spending on these items to rise. The small generation X is now filling the 45-to-54 age group, reducing the share of the consumer market controlled by the nation's most affluent households and biggest spenders. This could dampen average household spending overall. The large baby-boom generation has completely filled the 55-to-64 age group and the oldest boomers

were approaching age 70 in 2014. Millions are transitioning out of the workforce, which should boost spending on full-service restaurants, alcoholic beverages, and travel.

Not only will the sizes of age groups change but, as younger generations replace older ones, attitudes and behavior will also change. New Strategist takes into account not only the changing numbers, but also changing attitudes and lifestyles.

- **Household Income.** It is no surprise that the most affluent households spend the most. For most of the products and services examined in *Best Customers*, households with the highest incomes appear to be the best and biggest customers. Yet the story behind spending is more complex than income alone. Most spending is driven by lifestage (age) or lifestyle (household type), and secondarily by income. For that reason *Best Customers* identifies high-income households as the best and biggest customers only when income has an extraordinary effect on spending or when an item is a purely discretionary expense—such as spending on wine at restaurants and bars. While most businesses would do well to target the affluent, they will find it difficult to design a product or craft a message if they ignore the lifestage and lifestyle reasons for spending.

- **Household Type.** Household type is one of the most important determinants of spending for several reasons. The presence of children requires families to spend on products and services for children. Not only that, but households with children tend to include more people than those without children, and household size is an important determinant of spending. Because married couples head most of the nation’s households, they account for the majority of spending in most categories. But single parents are important in some markets, and single-person households account for a large share of spending on many items. (Note: Market shares by household type do not sum to 100 percent because not all household types are shown.)

- **Race and Hispanic Origin of Householder.** The Bureau of Labor Statistics classifies households by the self-identified race and Hispanic origin of the householder. The bureau classifies households into three racial groups: Asian, Black, and “White and other,” where “other” includes Alaska Natives, American Indians, and Native Hawaiians and other Pacific Islanders as well as those who report more than one race. Because Hispanics may be of any race, the bureau separately classifies all households into one of two Hispanic origin categories: Hispanic or non-Hispanic. Within the non-Hispanic origin group there are Blacks and “Whites and all other races,” which in this classification include non-Hispanic Alaska Natives, American Indians, Asians, and Native Hawaiians and other Pacific Islanders as well as non-Hispanics reporting more than one race.

To simplify things for *Best Customers*, we narrowed the race and Hispanic origin categories to four: Asians (including Hispanic Asians), Blacks (including Hispanic Blacks), Hispanics (a group that also includes Hispanic Asians and Hispanic Blacks), and non-Hispanic Whites and others (a group that also includes non-Hispanic Asians). Because there is overlap among the four race and Hispanic origin groups, numbers by race and Hispanic origin do not sum to the total.

On average, Asian households spend more than non-Hispanic White households, whereas Black and Hispanic households spend less. But there is great variation by individual product and

service category. Asians do not spend much on pets, for example. Blacks and Hispanics spend disproportionately on children's clothes.

The spending of Asians, Blacks, and Hispanics differs from that of non-Hispanic Whites for a variety of reasons. Asians are, on average, younger and better educated than non-Hispanic Whites. Hispanic households are more likely to include children. Food preferences differ by race and Hispanic origin as well. Geographic location can influence purchasing patterns. Asians and Hispanics are concentrated in the West, while most Blacks live in the South. As the numbers of Asians, Blacks, and Hispanics grow, their spending is becoming increasingly important to the nation's economy. Consequently it is important to understand spending patterns by race and Hispanic origin.

- **Region of Residence.** For many products and services, regional differences in spending are small. But for some items, spending differences by region are pronounced. There are several reasons for this, including differences in regional economies, climate, physical infrastructure, racial and ethnic composition, and access to resources. Differences in regional population growth rates also affect household spending patterns.

- **Educational Attainment of Most Educated Household Member.** The population is becoming increasingly educated, and the spending of educated consumers differs from that of those with less education. Households that include a college graduate constituted 39 percent of the nation's households in 2014. Because income rises directly with education, households that include a college graduate tend to spend more on most discretionary items than those in which no member went further than high school. Because older generations are less educated than younger ones, older Americans are overrepresented among households with only a high school diploma or less education. Consequently, the spending of less-educated householders reflects their older age. As well-educated boomers enter the older age groups in the years ahead, the spending of older Americans is going to change. This is one of the most important spending trends of the coming decade.

Back Matter

Best Customers includes four appendices and a glossary of terms.

- **Appendix A** describes the Consumer Expenditure Survey in more detail and tells readers how to contact the Bureau of Labor Statistics.

- **Appendix B** shows the percentage of households that purchased the products and services examined in the Consumer Expenditure Survey during the average quarter of 2014. It also shows how much purchasers spent on items during the average quarter. In some cases, the quarterly spending figure alone is a good estimate of how much a typical purchaser spends. Take new cars, for example, which is a one-time rather than an ongoing expense. In the average quarter of 2014, 0.7 percent of households bought a new car, spending on average \$25,695. (The Consumer Expenditure Survey counts the net cost of an item at the time of purchase, whether households pay for it at once or over time.) For ongoing expenses, however, the quarterly spending figure must be multiplied by four to get an estimate of how much households spend

annually on the product or service. Forty-one percent of households bought women's clothes during the average quarter of 2014, for example, and spent \$207 during the quarter. The annual spending of households that buy women's clothes can reasonably be estimated at four times \$207, or \$828. Appendix B not only supplies readers with invaluable insight into the propensity of households to buy individual products and services, but also provides a more realistic view of how much purchasers spend.

- **Appendix C** ranks products and services by the amount the average household spends on them, from highest to lowest. It shows which categories are most important to the household budget. The relative standing of products and services is often surprising. To know that gasoline and motor oil is the sixth-biggest expense of the average household puts the media's focus on gasoline prices into perspective. The fact that out-of-pocket health insurance cost is the fourth-biggest household expense, ahead of mortgage interest, property taxes, and electricity, for example, explains why many households feel strapped by health care costs.

- **Appendix D** shows trends in household spending by major category between 2006 (the year overall household spending peaked) and 2014. Spending by the average household fell by nearly 9 percent between 2006 and 2013, after adjusting for inflation, but then grew 3 percent in the ensuing year. Households cut their spending deeply on many items during the latter part of the 2000s, revealing American households to be cautious spenders. This caution can be seen in the spending trends for many of the individual products and services analyzed in *Best Customers*.

For More Information

The 12th edition of *Best Customers* examines the demographics of spending on individual products and services and describes how changing demographics will boost or reduce average household spending in the future. To compare and contrast spending patterns on the entire range of goods and services included in the Consumer Expenditure Survey, see the companion volume, the 21st edition of *Household Spending: Who Spends How Much on What*. For analysis of household spending trends by single product category, see New Strategist's Who's Buying reports.

To find out more about these books and reports and to view tables of contents and sample pages, visit New Strategist's web site at <http://www.newstrategist.com>. All New Strategist books and reports are available in print or as downloads with links to the Excel version of each table.

Chapter 1.

Alcoholic Beverages

Household Spending on Alcoholic Beverages, 2006 to 2014

The average household spent \$463 on alcoholic beverages in 2014, 21 percent less than in 2006 (the overall peak-spending year) after adjusting for inflation. Spending on alcoholic beverages fell 23 percent between 2006 and 2010 as the recession took hold and then remained essentially flat until 2013. Between 2013 and 2014, spending on alcohol grew 2.4 percent. (See Appendix D for overall household spending trends.)

Alcoholic beverage spending is changing. While the largest share of the alcoholic beverage dollar is still devoted to beer (40 percent), the share is smaller than the 42 percent of 2006. Wine accounted for 31 percent of the alcoholic beverage budget in 2014, up from 29 percent in 2006. Whiskey and other alcoholic beverages accounted for 18 percent of the budget in 2014, down from 20 percent in 2006.

Spending on alcoholic beverages

(average annual spending of households on alcoholic beverages, 2006 to 2014; in 2014 dollars)

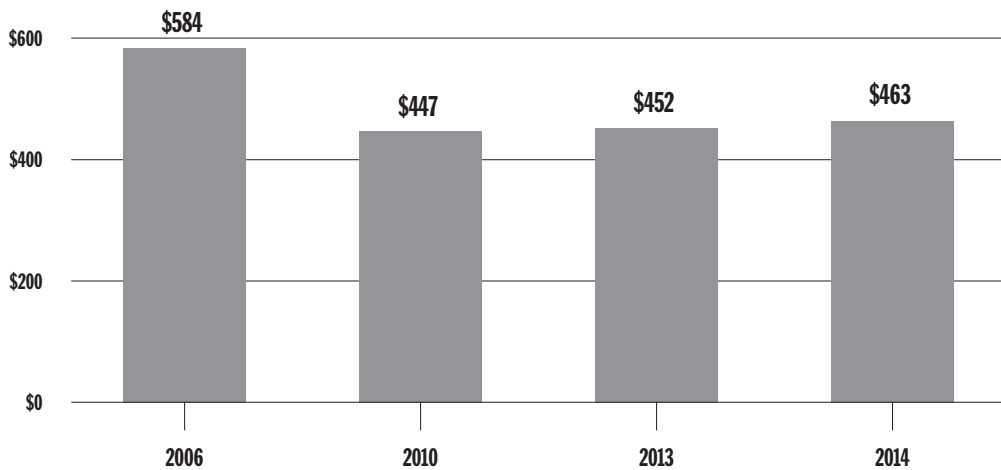


Table 1.1 Alcoholic beverage spending, 2006 to 2014

(average annual spending of consumer units on alcoholic beverages and percent distribution, by category, 2006 to 2014; percent change in spending and percentage point change in distribution for selected years; in 2014 dollars; ranked by amount spent)

	average annual household spending (in 2014\$)				percent change		
	2014	2013	2010	2006	2013–14	2006–13	2006–14
Average household spending on alcoholic beverages	\$462.59	\$451.74	\$447.26	\$583.69	2.4%	-22.6%	-20.7%
Beer and ale	184.17	187.65	179.99	245.01	-1.9	-23.4	-24.8
Beer and ale at home	113.29	120.78	111.64	145.42	-6.2	-16.9	-22.1
Beer and ale at restaurants, bars	70.88	66.87	68.35	99.59	6.0	-32.9	-28.8
Wine	143.75	136.60	131.35	169.56	5.2	-19.4	-15.2
Wine at home	105.03	108.05	95.20	120.68	-2.8	-10.5	-13.0
Wine at restaurants, bars	38.72	28.55	36.15	48.87	35.6	-41.6	-20.8
Whiskey and other alcohol	83.87	80.96	89.55	118.19	3.6	-31.5	-29.0
Whiskey and other alcohol at restaurants, bars	53.59	45.02	55.71	76.21	19.0	-40.9	-29.7
Whiskey and other alcohol at home	30.28	35.94	33.84	41.98	-15.8	-14.4	-27.9
Alcoholic beverages on trips	50.80	46.52	46.37	50.92	9.2	-8.6	-0.2
					percentage point change		
PERCENT DISTRIBUTION OF SPENDING					2013–14	2006–13	2006–14
Average household spending on alcoholic beverages	100.0%	100.0%	100.0%	100.0%	–	–	–
Beer and ale	39.8	41.5	40.2	42.0	-1.7	-0.4	-2.2
Beer and ale at home	24.5	26.7	25.0	24.9	-2.2	1.8	-0.4
Beer and ale at restaurants, bars	15.3	14.8	15.3	17.1	0.5	-2.3	-1.7
Wine	31.1	30.2	29.4	29.0	0.8	1.2	2.0
Wine at home	22.7	23.9	21.3	20.7	-1.2	3.2	2.0
Wine at restaurants, bars	8.4	6.3	8.1	8.4	2.1	-2.1	0.0
Whiskey and other alcohol	18.1	17.9	20.0	20.2	0.2	-2.3	-2.1
Whiskey and other alcohol at restaurants, bars	11.6	10.0	12.5	13.1	1.6	-3.1	-1.5
Whiskey and other alcohol at home	6.5	8.0	7.6	7.2	-1.4	0.8	-0.6
Alcoholic beverages on trips	11.0	10.3	10.4	8.7	0.7	1.6	2.3

Note: Percentage point change calculations are based on unrounded figures. “–” means not applicable.

Source: Bureau of Labor Statistics, 2006, 2010, 2013, and 2014 Consumer Expenditure Surveys; calculations by New Strategist

Alcoholic Beverages Purchased on Trips

Best customers: **Householders aged 25 to 34 and 55 to 64**
 Married couples without children at home
 Married couples with school-aged or older children at home
 Non-Hispanic Whites
 Households in the Northeast

Customer trends: **Average household spending on alcoholic beverages purchased on trips should grow as boomers retire and spend more time and money traveling.**

The biggest spenders on alcoholic beverages purchased on trips can be found in a variety of demographic categories. Householders aged 55 to 64 spend 23 percent more than average on this item, and those aged 25 to 34 spend 19 percent more. Married couples without children at home (most of them older) spend 60 percent more than average on alcoholic beverages while on trips. These empty-nesters spend more than other household types on alcoholic beverages while traveling because they no longer need to devote their time and money to children’s wants and needs. Married couples with school-aged or older children at home outspend the average by one-third. Non-Hispanic Whites spend 21 percent more than average on alcoholic beverages while traveling. Households in the Northeast spend 20 percent more than average on alcohol while traveling.

Average household spending on alcoholic beverages purchased on trips fell 9 percent between 2006 and 2013, but grew 9 percent in the ensuing year. Behind the decline was the Great Recession, which reduced spending on travel. In the years ahead, spending on this item should rise as boomers retire and spend more time and money traveling.

Table 1.2 Alcoholic beverages purchased on trips

Total household spending	\$6,451,904,800.00		
Average household spends	50.80		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$50.80	100	100.0%
Under age 25	23.64	47	3.1
Aged 25 to 34	60.57	119	19.3
Aged 35 to 44	52.41	103	17.7
Aged 45 to 54	57.06	112	20.8
Aged 55 to 64	62.71	123	22.8
Aged 65 to 74	47.67	94	12.3
Aged 75 or older	20.27	40	3.9

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$50.80	100	100.0%
Under \$20,000	13.24	26	5.7
\$20,000 to \$39,999	17.04	34	7.4
\$40,000 to \$49,999	31.24	61	5.4
\$50,000 to \$69,999	39.71	78	11.1
\$70,000 to \$79,999	52.69	104	5.5
\$80,000 to \$99,999	68.35	135	10.5
\$100,000 or more	137.16	270	54.5
HOUSEHOLD TYPE			
Average household	50.80	100	100.0
Married couples	69.98	138	66.2
Married couples, no children	81.13	160	34.4
Married couples, with children	64.74	127	28.3
Oldest child under age 6	45.07	89	3.8
Oldest child aged 6 to 17	70.50	139	15.1
Oldest child aged 18 or older	67.77	133	9.3
Single parent with child under age 18	15.77	31	1.8
Single person	34.69	68	20.4
RACE AND HISPANIC ORIGIN			
Average household	50.80	100	100.0
Asian	47.32	93	4.1
Black	17.78	35	4.5
Hispanic	20.75	41	5.2
Non-Hispanic White and other	61.55	121	90.4
REGION			
Average household	50.80	100	100.0
Northeast	60.76	120	21.7
Midwest	54.25	107	23.9
South	40.35	79	29.5
West	56.62	111	24.9
EDUCATION OF HOUSEHOLD			
Average household	50.80	100	100.0
Less than high school graduate	10.47	21	1.6
High school graduate	21.07	41	8.7
Some college	27.38	54	11.6
Associate's degree	34.10	67	7.2
Bachelor's degree or more	91.95	181	70.9
Bachelor's degree	78.14	154	35.3
Master's, professional, doctoral degree	111.53	220	35.6

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Beer and Ale at Home

Best customers: **Householders aged 35 to 54**
 Married couples with children at home
 Hispanics

Customer trends: **Average household spending on beer and ale consumed at home should grow in the years ahead as the millennial generation marries, has children, and spends more time at home.**

Because beer and ale consumed at home is such a common purchase, average household spending on this item does not vary all that much by demographic segment. Householders aged 35 to 54 spend 29 to 40 percent more than the average household on beer and ale for home consumption. Married couples with children at home outspend the average by 24 percent, and Hispanics spend 10 percent more than average on beer and ale at home despite their lower incomes.

Average household spending on beer and ale consumed at home was falling before the Great Recession, and the economic downturn accelerated the decline. Spending on this item plunged 23 percent between 2006 and 2010 and grew a feeble 1 percent over the next four years. Spending on beer and ale consumed at home should grow in the years ahead as the millennial generation marries, has children, and spends more time at home.

Table 1.3 Beer and ale at home

Total household spending	\$14,388,509,740.00		
Average household spends	113.29		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$113.29	100	100.0%
Under age 25	106.76	94	6.2
Aged 25 to 34	124.15	110	17.8
Aged 35 to 44	145.84	129	22.1
Aged 45 to 54	158.55	140	26.0
Aged 55 to 64	94.54	83	15.4
Aged 65 to 74	69.42	61	8.0
Aged 75 or older	47.29	42	4.1

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$113.29	100	100.0%
Under \$20,000	63.72	56	12.2
\$20,000 to \$39,999	80.20	71	15.6
\$40,000 to \$49,999	91.27	81	7.0
\$50,000 to \$69,999	108.48	96	13.6
\$70,000 to \$79,999	138.11	122	6.5
\$80,000 to \$99,999	141.39	125	9.7
\$100,000 or more	192.73	170	34.3
HOUSEHOLD TYPE			
Average household	113.29	100	100.0
Married couples	125.97	111	53.4
Married couples, no children	116.85	103	22.2
Married couples, with children	140.25	124	27.5
Oldest child under age 6	133.33	118	5.0
Oldest child aged 6 to 17	142.55	126	13.7
Oldest child aged 18 or older	139.64	123	8.6
Single parent with child under age 18	69.58	61	3.6
Single person	79.94	71	21.0
RACE AND HISPANIC ORIGIN			
Average household	113.29	100	100.0
Asian	74.14	65	2.9
Black	68.56	61	7.8
Hispanic	124.72	110	14.1
Non-Hispanic White and other	119.09	105	78.4
REGION			
Average household	113.29	100	100.0
Northeast	106.33	94	17.0
Midwest	122.16	108	24.1
South	109.03	96	35.8
West	117.19	103	23.1
EDUCATION OF HOUSEHOLD			
Average household	113.29	100	100.0
Less than high school graduate	66.02	58	4.5
High school graduate	103.43	91	19.1
Some college	96.92	86	18.4
Associate's degree	139.88	123	13.3
Bachelor's degree or more	129.28	114	44.7
Bachelor's degree	131.78	116	26.7
Master's, professional, doctoral degree	125.46	111	17.9

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Beer and Ale at Restaurants and Bars

Best customers: **Householders aged 25 to 34**
 Married couples without children at home
 Married couples with adult children at home
 Non-Hispanic Whites
 Households in the Midwest

Customer trends: **Average household spending on beer and ale at restaurants and bars may rise in the years ahead if discretionary income grows.**

Householders aged 25 to 34 are the best customers of beer and ale at restaurants and bars, spending 77 percent more than the average household on this item. Married couples without children at home spend 21 percent more than average on beer at bars, while married couples with adult children at home spend a similar 20 percent more than average. Non-Hispanic Whites outspend the average by 18 percent. Households in the Midwest spend 49 percent more than the average on beer and ale at restaurants and bars.

Average household spending on beer and ale consumed at restaurants and bars fell 33 percent from 2006 to 2013, and then grew 6 percent between 2013 and 2014. Behind the spending decline was the Great Recession and consequent belt-tightening, as well as a shift in the preferences of young adults for whiskey and other alcohol when out at restaurants and bars. Spending on beer and ale at restaurants and bars may continue to rise in the years ahead if discretionary income grows.

Table 1.4 Beer and ale at restaurants and bars

Total household spending	\$9,002,185,280.00		
Average household spends	70.88		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$70.88	100	100.0%
Under age 25	59.00	83	5.5
Aged 25 to 34	125.77	177	28.8
Aged 35 to 44	77.38	109	18.7
Aged 45 to 54	79.82	113	20.9
Aged 55 to 64	49.45	70	12.9
Aged 65 to 74	53.42	75	9.9
Aged 75 or older	18.88	27	2.6

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$70.88	100	100.0%
Under \$20,000	28.84	41	8.8
\$20,000 to \$39,999	35.35	50	11.0
\$40,000 to \$49,999	61.50	87	7.6
\$50,000 to \$69,999	65.97	93	13.2
\$70,000 to \$79,999	114.42	161	8.6
\$80,000 to \$99,999	85.29	120	9.4
\$100,000 or more	139.86	197	39.8
HOUSEHOLD TYPE			
Average household	70.88	100	100.0
Married couples	75.35	106	51.1
Married couples, no children	86.04	121	26.2
Married couples, with children	69.09	97	21.6
Oldest child under age 6	71.74	101	4.3
Oldest child aged 6 to 17	59.18	83	9.1
Oldest child aged 18 or older	85.09	120	8.4
Single parent with child under age 18	26.03	37	2.1
Single person	65.74	93	27.7
RACE AND HISPANIC ORIGIN			
Average household	70.88	100	100.0
Asian	38.49	54	2.4
Black	16.50	23	3.0
Hispanic	49.06	69	8.9
Non-Hispanic White and other	83.68	118	88.0
REGION			
Average household	70.88	100	100.0
Northeast	69.08	97	17.7
Midwest	105.79	149	33.4
South	51.11	72	26.8
West	70.85	100	22.3
EDUCATION OF HOUSEHOLD			
Average household	70.88	100	100.0
Less than high school graduate	17.49	25	1.9
High school graduate	40.09	57	11.8
Some college	52.40	74	15.9
Associate's degree	64.88	92	9.9
Bachelor's degree or more	107.66	152	59.5
Bachelor's degree	102.51	145	33.2
Master's, professional, doctoral degree	115.52	163	26.4

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Whiskey and Other Alcohol (except Beer and Wine) at Home

Best customers: **Householders aged 35 to 44 and 55 to 74**
 Married couples without children at home
 Married couples with preschoolers
 Non-Hispanic Whites
 Households in the Midwest

Customer trends: **Average household spending on whiskey and other alcohol consumed at home may grow as the large millennial generation fills the best-customer age group.**

Traditionally, older couples are the best customers of whiskey and other alcohol (except beer and wine) consumed at home. Younger householders are emerging as another best customer segment. Householders aged 35 to 44 spend 44 percent more than average on this item, and married couples with preschoolers spend 13 percent more. Married couples without children at home (many of them younger adults) spend 28 percent more than average on this item. Non-Hispanic Whites spend 21 percent more, and households in the Midwest outspend the average by 28 percent.

Average household spending on whiskey and other alcohol consumed at home fell 28 percent between 2006 and 2014, after adjusting for inflation. Average household spending on whiskey and other alcohol consumed at home may grow as the large millennial generation fills the best-customer age group.

Table 1.5 Whiskey and other alcohol (except beer and wine) at home

Total household spending	\$3,845,741,680.00		
Average household spends	30.28		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$30.28	100	100.0%
Under age 25	23.53	78	5.1
Aged 25 to 34	25.04	83	13.4
Aged 35 to 44	43.71	144	24.8
Aged 45 to 54	25.88	85	15.9
Aged 55 to 64	34.05	112	20.8
Aged 65 to 74	31.52	104	13.6
Aged 75 or older	20.27	67	6.6

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$30.28	100	100.0%
Under \$20,000	15.38	51	11.0
\$20,000 to \$39,999	15.53	51	11.3
\$40,000 to \$49,999	24.53	81	7.1
\$50,000 to \$69,999	31.46	104	14.8
\$70,000 to \$79,999	46.33	153	8.2
\$80,000 to \$99,999	38.57	127	9.9
\$100,000 or more	55.72	184	37.1
HOUSEHOLD TYPE			
Average household	30.28	100	100.0
Married couples	33.91	112	53.8
Married couples, no children	38.89	128	27.7
Married couples, with children	30.29	100	22.2
Oldest child under age 6	34.07	113	4.8
Oldest child aged 6 to 17	31.44	104	11.3
Oldest child aged 18 or older	26.41	87	6.1
Single parent with child under age 18	19.83	65	3.8
Single person	27.76	92	27.3
RACE AND HISPANIC ORIGIN			
Average household	30.28	100	100.0
Asian	24.71	82	3.6
Black	5.68	19	2.4
Hispanic	17.35	57	7.3
Non-Hispanic White and other	36.56	121	90.0
REGION			
Average household	30.28	100	100.0
Northeast	33.64	111	20.2
Midwest	38.69	128	28.6
South	23.66	78	29.0
West	30.34	100	22.4
EDUCATION OF HOUSEHOLD			
Average household	30.28	100	100.0
Less than high school graduate	13.32	44	3.4
High school graduate	11.61	38	8.0
Some college	25.36	84	18.0
Associate's degree	52.28	173	18.6
Bachelor's degree or more	39.87	132	51.6
Bachelor's degree	29.40	97	22.3
Master's, professional, doctoral degree	55.87	185	29.9

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Whiskey and Other Alcohol (except Beer and Wine) at Restaurants and Bars

Best customers: **Householders aged 25 to 44**
 Married couples without children at home
 Households in the West

Customer trends: **Average household spending on whiskey and other alcohol at restaurants and bars may begin to grow again as the economy continues to recover from the Great Recession.**

Householders aged 25 to 34 spend 45 percent more than average on whiskey and other alcohol at restaurants and bars, and those aged 35 to 44 spend 35 percent more than average. Married couples without children at home, many of them young adults, spend one-third more than average on cocktails and shots at bars. Households in the West spend 26 percent more than average on whiskey and other alcohol at restaurants and bars.

Average household spending on whiskey and other alcohol at restaurants and bars declined 30 percent between 2006 and 2014. Spending on whiskey and other alcohol at restaurants and bars may begin to grow again in the years ahead as the economy continues to recover from the Great Recession.

Table 1.6 Whiskey and other alcohol (except beer and wine) at restaurants and bars

Total household spending	\$6,806,251,540.00		
Average household spends	53.59		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$53.59	100	100.0%
Under age 25	45.80	85	5.7
Aged 25 to 34	77.67	145	23.5
Aged 35 to 44	72.43	135	23.2
Aged 45 to 54	52.26	98	18.1
Aged 55 to 64	46.65	87	16.1
Aged 65 to 74	39.05	73	9.6
Aged 75 or older	19.09	36	3.5

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$53.59	100	100.0%
Under \$20,000	22.73	42	9.2
\$20,000 to \$39,999	18.36	34	7.6
\$40,000 to \$49,999	37.46	70	6.1
\$50,000 to \$69,999	38.50	72	10.2
\$70,000 to \$79,999	59.10	110	5.9
\$80,000 to \$99,999	71.23	133	10.3
\$100,000 or more	131.54	245	49.5
HOUSEHOLD TYPE			
Average household	53.59	100	100.0
Married couples	61.18	114	54.9
Married couples, no children	71.24	133	28.7
Married couples, with children	55.84	104	23.1
Oldest child under age 6	39.25	73	3.1
Oldest child aged 6 to 17	59.29	111	12.1
Oldest child aged 18 or older	58.01	108	7.6
Single parent with child under age 18	32.18	60	3.5
Single person	44.24	83	24.6
RACE AND HISPANIC ORIGIN			
Average household	53.59	100	100.0
Asian	56.51	105	4.7
Black	26.53	50	6.4
Hispanic	39.37	73	9.4
Non-Hispanic White and other	60.58	113	84.3
REGION			
Average household	53.59	100	100.0
Northeast	61.70	115	20.9
Midwest	56.86	106	23.7
South	39.21	73	27.2
West	67.70	126	28.2
EDUCATION OF HOUSEHOLD			
Average household	53.59	100	100.0
Less than high school graduate	4.92	9	0.7
High school graduate	27.07	51	10.6
Some college	48.89	91	19.6
Associate's degree	42.83	80	8.6
Bachelor's degree or more	80.68	151	59.0
Bachelor's degree	81.00	151	34.7
Master's, professional, doctoral degree	80.20	150	24.3

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Wine at Home

Best customers: **Householders aged 45 to 74**
 Married couples without children at home
 Married couples with adult children at home
 Non-Hispanic Whites
 Households in the Northeast and West

Customer trends: **Average household spending on wine consumed at home should continue to rise as boomers age.**

The best customers of wine consumed at home are older non-Hispanic White married couples without children at home (empty-nesters). Couples without children at home spend 90 percent more than average on this item, and householders ranging in age from 45 to 74 spend 19 to 45 percent more. Married couples with adult children at home outspend the average by 34 percent. Non-Hispanic Whites spend 22 percent more than average on wine at home. Households in the Northeast spend 41 percent more than average, and those in the West spend 34 percent more.

Average household spending on wine consumed at home fell 21 percent from 2006 to 2010 because of the Great Recession. Between 2010 and 2014, however, average household spending on this item climbed 10 percent. Spending on wine consumed at home should continue to rise as boomers age.

Table 1.7 Wine at home

Total household spending	\$13,339,440,180.00		
Average household spends	105.03		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$105.03	100	100.0%
Under age 25	30.21	29	1.9
Aged 25 to 34	81.98	78	12.7
Aged 35 to 44	77.31	74	12.6
Aged 45 to 54	143.73	137	25.4
Aged 55 to 64	125.11	119	22.0
Aged 65 to 74	151.93	145	19.0
Aged 75 or older	70.09	67	6.6

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$105.03	100	100.0%
Under \$20,000	22.09	21	4.6
\$20,000 to \$39,999	43.39	41	9.1
\$40,000 to \$49,999	56.90	54	4.7
\$50,000 to \$69,999	77.61	74	10.5
\$70,000 to \$79,999	103.22	98	5.2
\$80,000 to \$99,999	140.26	134	10.4
\$100,000 or more	281.37	268	54.1
HOUSEHOLD TYPE			
Average household	105.03	100	100.0
Married couples	151.27	144	69.2
Married couples, no children	199.34	190	40.9
Married couples, with children	107.78	103	22.8
Oldest child under age 6	82.70	79	3.4
Oldest child aged 6 to 17	95.92	91	10.0
Oldest child aged 18 or older	140.92	134	9.4
Single parent with child under age 18	50.36	48	2.8
Single person	52.38	50	14.9
RACE AND HISPANIC ORIGIN			
Average household	105.03	100	100.0
Asian	84.92	81	3.6
Black	44.91	43	5.5
Hispanic	33.43	32	4.1
Non-Hispanic White and other	127.68	122	90.7
REGION			
Average household	105.03	100	100.0
Northeast	147.95	141	25.6
Midwest	88.31	84	18.8
South	72.66	69	25.7
West	140.66	134	29.9
EDUCATION OF HOUSEHOLD			
Average household	105.03	100	100.0
Less than high school graduate	23.99	23	1.7
High school graduate	29.71	28	5.9
Some college	53.52	51	11.0
Associate's degree	83.07	79	8.5
Bachelor's degree or more	191.68	183	71.5
Bachelor's degree	166.55	159	36.4
Master's, professional, doctoral degree	230.08	219	35.5

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Wine at Restaurants and Bars

Best customers: **Householders aged 65 to 74**
 High-income households
 Married couples without children at home
 Married couples with adult children at home
 Asians and Non-Hispanic Whites
 Households in the West

Customer trends: **Average household spending on wine at restaurants and bars should grow as boomers retire—but only if discretionary income grows.**

The best customers of wine at restaurants and bars are householders with the time and money to relax with a glass of wine, perhaps over a meal. Households with incomes of \$100,000 or more spend three times the average on this item, while married couples without children at home (most of them empty-nesters) spend twice the average. Householders aged 65 to 74 outspend the average by 60 percent. Married couples with adult children at home spend one-third more than average on wine at restaurants and bars. Asians and Non-Hispanic Whites spend, respectively, 18 and 22 percent more than average on this item. Households in the West spend 24 percent more than average on wine at restaurants and bars.

Average household spending on wine at restaurants and bars fell 42 percent between 2006 and 2013, but grew a surprising 36 percent in the ensuing year. The Great Recession is largely responsible for the drop in the past few years. Spending on this item should continue to grow as boomers retire—but only if discretionary income grows.

Table 1.8 Wine at restaurants and bars

Total household spending	\$4,917,672,320.00		
Average household spends	38.72		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$38.72	100	100.0%
Under age 25	14.10	36	2.4
Aged 25 to 34	33.44	86	14.0
Aged 35 to 44	35.81	92	15.9
Aged 45 to 54	41.50	107	19.9
Aged 55 to 64	44.47	115	21.2
Aged 65 to 74	61.95	160	21.0
Aged 75 or older	22.99	59	5.9

	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
HOUSEHOLD INCOME			
Average household	\$38.72	100	100.0%
Under \$20,000	9.18	24	5.2
\$20,000 to \$39,999	10.08	26	5.7
\$40,000 to \$49,999	19.72	51	4.4
\$50,000 to \$69,999	23.76	61	8.7
\$70,000 to \$79,999	26.92	70	3.7
\$80,000 to \$99,999	50.45	130	10.1
\$100,000 or more	117.28	303	61.1
HOUSEHOLD TYPE			
Average household	38.72	100	100.0
Married couples	58.19	150	72.2
Married couples, no children	76.74	198	42.7
Married couples, with children	42.98	111	24.6
Oldest child under age 6	42.89	111	4.7
Oldest child aged 6 to 17	37.81	98	10.7
Oldest child aged 18 or older	52.05	134	9.4
Single parent with child under age 18	11.37	29	1.7
Single person	17.37	45	13.4
RACE AND HISPANIC ORIGIN			
Average household	38.72	100	100.0
Asian	45.77	118	5.2
Black	7.05	18	2.3
Hispanic	19.41	50	6.4
Non-Hispanic White and other	47.42	122	91.3
REGION			
Average household	38.72	100	100.0
Northeast	43.70	113	20.5
Midwest	43.53	112	25.1
South	27.87	72	26.8
West	47.96	124	27.6
EDUCATION OF HOUSEHOLD			
Average household	38.72	100	100.0
Less than high school graduate	2.95	8	0.6
High school graduate	11.70	30	6.3
Some college	13.59	35	7.5
Associate's degree	31.83	82	8.9
Bachelor's degree or more	74.56	193	75.5
Bachelor's degree	55.33	143	32.8
Master's, professional, doctoral degree	103.95	268	43.5

Note: Market shares may not sum to 100.0 because of rounding and missing categories by household type. "Asian" and "Black" include Hispanics and non-Hispanics who identify themselves as being of the respective race alone. "Hispanic" includes people of any race who identify themselves as Hispanic. "Other" includes people who identify themselves as non-Hispanic and as Alaska Native, American Indian, Asian (who are also included in the "Asian" row), or Native Hawaiian or other Pacific Islander, as well as non-Hispanics reporting more than one race.

Source: Calculations by New Strategist based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey

Chapter 2.

Apparel

Household Spending on Apparel, 2006 to 2014

Average household spending on apparel, which had been falling for years, may have hit rock bottom in 2013—at \$1,630 after adjusting for inflation. In the ensuing year apparel spending increased nearly 10 percent, to \$1,786, in a reversal of the long-term trend. The apparel category includes men’s, women’s, and children’s clothes as well as shoes, jewelry, watches, dry cleaning, and coin-operated laundry. Falling prices were one factor behind the earlier, decades-long decline in spending on this category as cheaper imports allowed people to buy more for less. Another factor was the shift toward more casual dress in the workplace and at social functions.

Average household spending on women’s clothes—which account for the largest share of apparel spending (31 percent in 2014)—grew by 3 percent between 2013 and 2014, after adjusting for inflation. Spending on men’s clothes increased by an even stronger 5 percent. Spending on women’s shoes soared by a substantial 20 percent, and men’s shoe spending grew 14 percent. Average household spending on infants’ clothes grew by less than 1 percent, in part because of the ongoing baby bust. Jewelry spending grew by 2 percent.

After years of sustained decline, average household spending on apparel may have turned the corner. Pent-up demand after years of recessionary belt tightening may be responsible for some of the disproportionate spending gains in 2014.

Spending on apparel

(average annual spending of households on apparel, 2006 to 2014; in 2014 dollars)

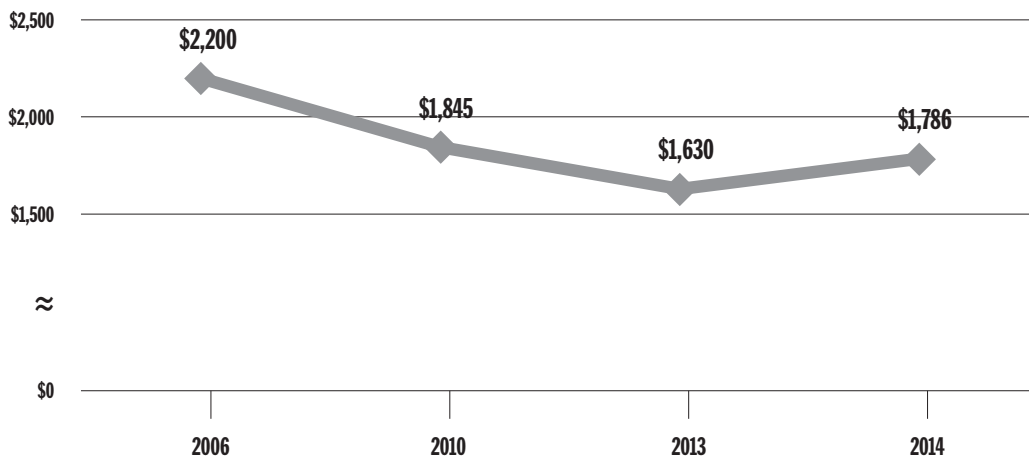


Table 2.1 Apparel spending, 2006 to 2014

(average annual spending of consumer units on apparel, accessories, and related services and percent distribution, by category, 2006 to 2014; percent change in spending and percentage point change in distribution for selected years; in 2014 dollars; ranked by amount spent)

	average annual household spending (in 2014\$)				percent change		
	2014	2013	2010	2006	2013–14	2006–13	2006–14
Average household spending on apparel	\$1,785.66	\$1,630.02	\$1,845.42	\$2,200.48	9.5%	-25.9%	-18.9%
Women's apparel	551.20	535.55	609.60	738.14	2.9	-27.4	-25.3
Men's apparel	326.12	309.29	330.10	414.03	5.4	-25.3	-21.2
Women's shoes	169.12	141.41	158.83	168.67	19.6	-16.2	0.3
Men's shoes	110.57	96.59	109.80	116.03	14.5	-16.8	-4.7
Girls' apparel	104.83	111.25	109.76	143.78	-5.8	-22.6	-27.1
Boys' apparel	103.98	71.24	84.43	106.79	46.0	-33.3	-2.6
Children's shoes	87.16	74.34	60.73	72.17	17.3	3.0	20.8
Infants' apparel	76.23	75.73	98.34	112.41	0.7	-32.6	-32.2
Jewelry	70.99	69.43	104.75	147.24	2.2	-52.8	-51.8
Professional apparel laundry and dry cleaning	48.16	48.25	53.77	72.75	-0.2	-33.7	-33.8
Coin-operated apparel laundry and dry cleaning	39.87	39.62	42.42	45.62	0.6	-13.1	-12.6
Material and supplies for sewing, needlework, quilting (includes household items)	27.09	19.22	21.37	35.87	41.0	-46.4	-24.5
Shoe and apparel repair and alteration	7.23	7.04	8.40	8.57	2.7	-17.8	-15.7
					percentage point change		
PERCENT DISTRIBUTION OF SPENDING					2013–14	2006–13	2006–14
Average household spending on apparel	100.0%	100.0%	100.0%	100.0%	–	–	–
Women's apparel	30.9	32.9	33.0	33.5	-2.0	-0.7	-2.7
Men's apparel	18.3	19.0	17.9	18.8	-0.7	0.2	-0.6
Women's shoes	9.5	8.7	8.6	7.7	0.8	1.0	1.8
Men's shoes	6.2	5.9	6.0	5.3	0.3	0.7	0.9
Girls' apparel	5.9	6.8	5.9	6.5	-1.0	0.3	-0.7
Boys' apparel	5.8	4.4	4.6	4.9	1.5	-0.5	1.0
Children's shoes	4.9	4.6	3.3	3.3	0.3	1.3	1.6
Infants' apparel	4.3	4.6	5.3	5.1	-0.4	-0.5	-0.8
Jewelry	4.0	4.3	5.7	6.7	-0.3	-2.4	-2.7
Professional apparel laundry and dry cleaning	2.7	3.0	2.9	3.3	-0.3	-0.3	-0.6
Coin-operated apparel laundry and dry cleaning	2.2	2.4	2.3	2.1	-0.2	0.4	0.2
Material and supplies for sewing, needlework, quilting (includes household items)	1.5	1.2	1.2	1.6	0.3	-0.5	-0.1
Shoe and apparel repair and alteration	0.4	0.4	0.5	0.4	0.0	0.0	0.0

Note: Numbers do not add to total because not all categories are shown. Percentage point change calculations are based on unrounded figures. "–" means not applicable.

Source: Bureau of Labor Statistics, 2006, 2010, 2013, and 2014 Consumer Expenditure Surveys; calculations by New Strategist

Boys' Apparel

Best customers: **Householders aged 35 to 54**
 Married couples with children under age 18
 Single parents
 Blacks and Hispanics

Customer trends: **Average household spending on boys' apparel may increase as the large millennial generation has children.**

Not surprisingly, the best customers of boys' apparel are households with children, driven especially by those with school-aged children. Married couples with children at home spend over two-and-one-half times the average on this category, while the subgroup with school-aged children spends over four times the average. Single parents spend two-and-one-third times the average on boys' clothes. Householders aged 35 to 44 spend well over twice the average on boys' clothes because most are parents. Those aged 45 to 54 spend 40 percent more than average on this item. Black households spend 48 percent more than average on boys' clothes, while Hispanics with their larger-than-average families spend 69 percent more.

Average household spending on boys' clothes fell by one-third between 2006 and 2013 but increased a whopping 46 percent in the ensuing year, after adjusting for inflation. As the large millennial generation has children, average household spending on boys' clothes may increase—especially if the downward spiral in clothing prices comes to an end.

Table 2.2 Boys' apparel

Total household spending	\$13,206,083,880.00		
Average household spends	103.98		
	AVERAGE HOUSEHOLD SPENDING	BEST CUSTOMERS (index)	BIGGEST CUSTOMERS (market share)
AGE OF HOUSEHOLDER			
Average household	\$103.98	100	100.0%
Under age 25	54.86	53	3.5
Aged 25 to 34	119.39	115	18.6
Aged 35 to 44	239.38	230	39.5
Aged 45 to 54	145.59	140	26.0
Aged 55 to 64	38.11	37	6.8
Aged 65 to 74	33.02	32	4.2
Aged 75 or older	13.22	13	1.3