

Consumer Holiday Spending & 2019 Outlook

November 2018

Market Research & Intelligence

Global Center for Brand & Insights



Methodology

The Holiday Spending & 2019 Outlook results come from an online CARAVAN survey conducted by Engine from November 8 – 11, 2018 among U.S. consumers.



1,004
Respondents*

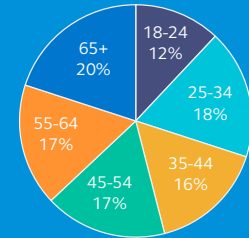


48%



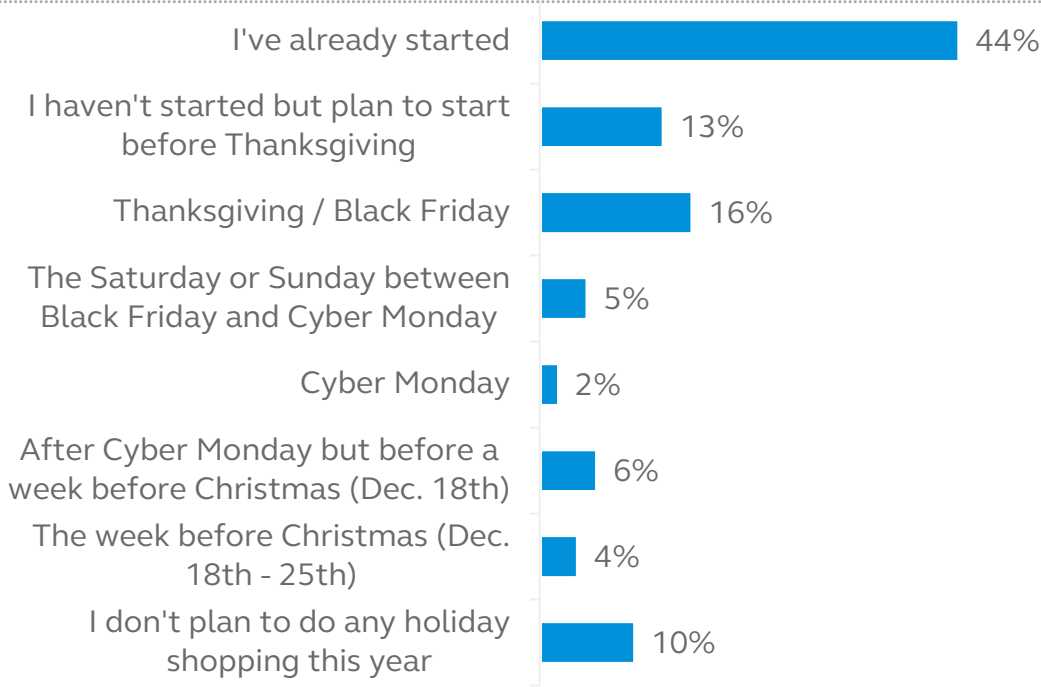
52%

Age Ranges



Completed interviews are weighted by five variables: age, gender, geographic region, race, and education to ensure reliable and accurate representation of the total U.S. population (18 years of age and older). Each respondent is assigned a single weight derived from the relationship between the actual proportion of the population based on U.S. Census data with a specific combination of the five variables listed above. All sample surveys and polls may be subject to multiple sources of error including but limited to sampling error, coverage error, error associated with nonresponses, error associated with question wording and response options, and post-survey weighting and adjustments.

Consumers shopping early this holiday season



Consumers are already getting started with their holiday shopping as 57% will have already started before Thanksgiving.



Gen Xer's (49%) are the most likely generation to have already started their shopping compared to Millennials (40%) and Baby Boomers (45%).



Millennials (20%) are the most likely generation to start their holiday shopping on Thanksgiving/Black Friday compared to Gen X (15%) and Baby Boomers (11%).



"When do you plan to start shopping for holiday gifts this year?"

Intended holiday spending remains neutral



Spend more money than last year: **11%**

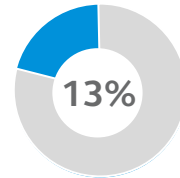


Spend the same amount of money as last year: **52%**

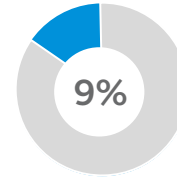


Spend less money than last year: **37%**

Lower income households are planning to spend more money this holiday season compared to higher income households.

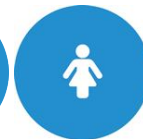


HHI < \$50k



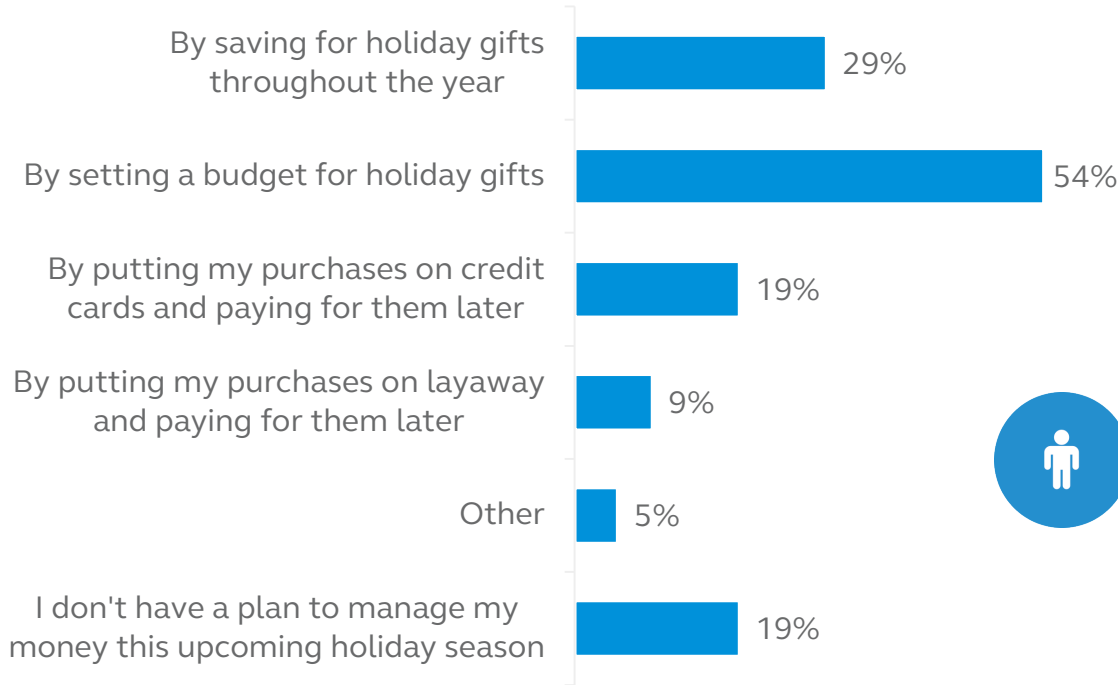
HHI > \$50k

Two-in-five women (42%) are expecting to spend less money than last year while one-in-three (31%) men are expecting to spend less.



“During the upcoming holiday season, do you intend to.....?”

Planning ahead helps manage spending



Millennials (37%) are the most likely generation to save for holiday gifts throughout the year.

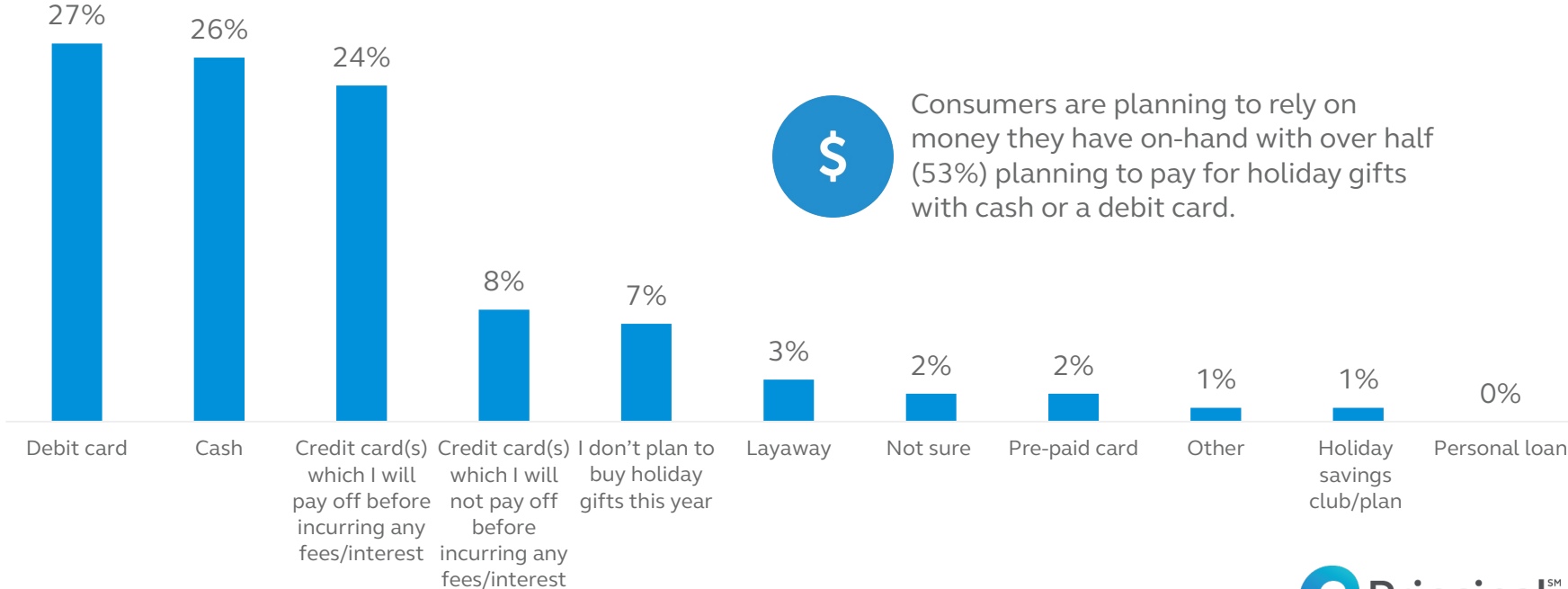
One-in-four Gen Xer's (26%) and Baby Boomers (24%) are saving throughout the year for holiday gifts.



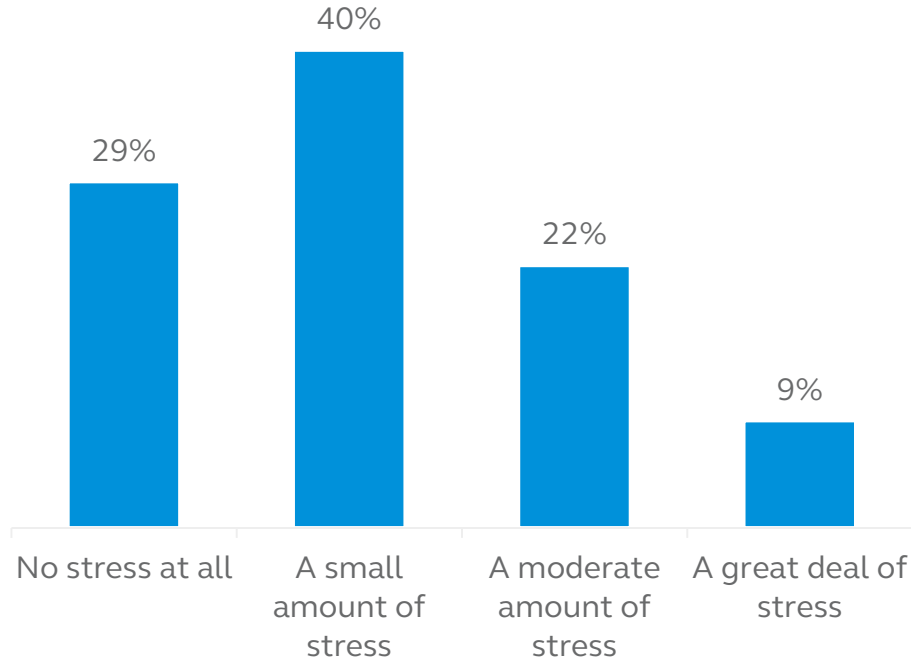
Women (58%) are more likely to set a budget for holiday gifts than men (49%)

"How do you plan to manage your money this upcoming holiday season?"

Consumers checking out with cash on-hand



Little to no personal finance stress expected from holiday spending



Consumers feel prepared for upcoming holiday expenses with 69% expecting no stress at all or a small amount of stress on their personal financial situation.



Men are less likely to feel stress from holiday expenditures compared to women as 36% of men expected to feel 'no stress at all' compared to 22% of women..

"How much stress do you expect holiday expenditures will put on your personal financial situation?"

Lack of saving & overspending lead 2018 financial blunders



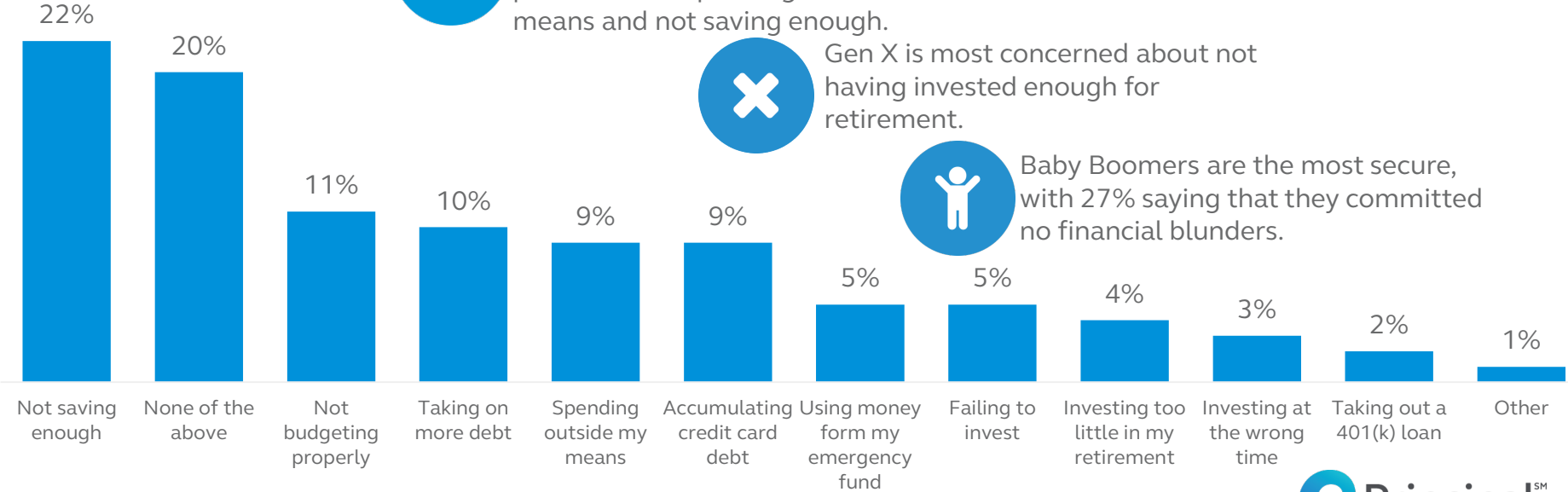
Millennials were most likely to have a problem with spending outside their means and not saving enough.



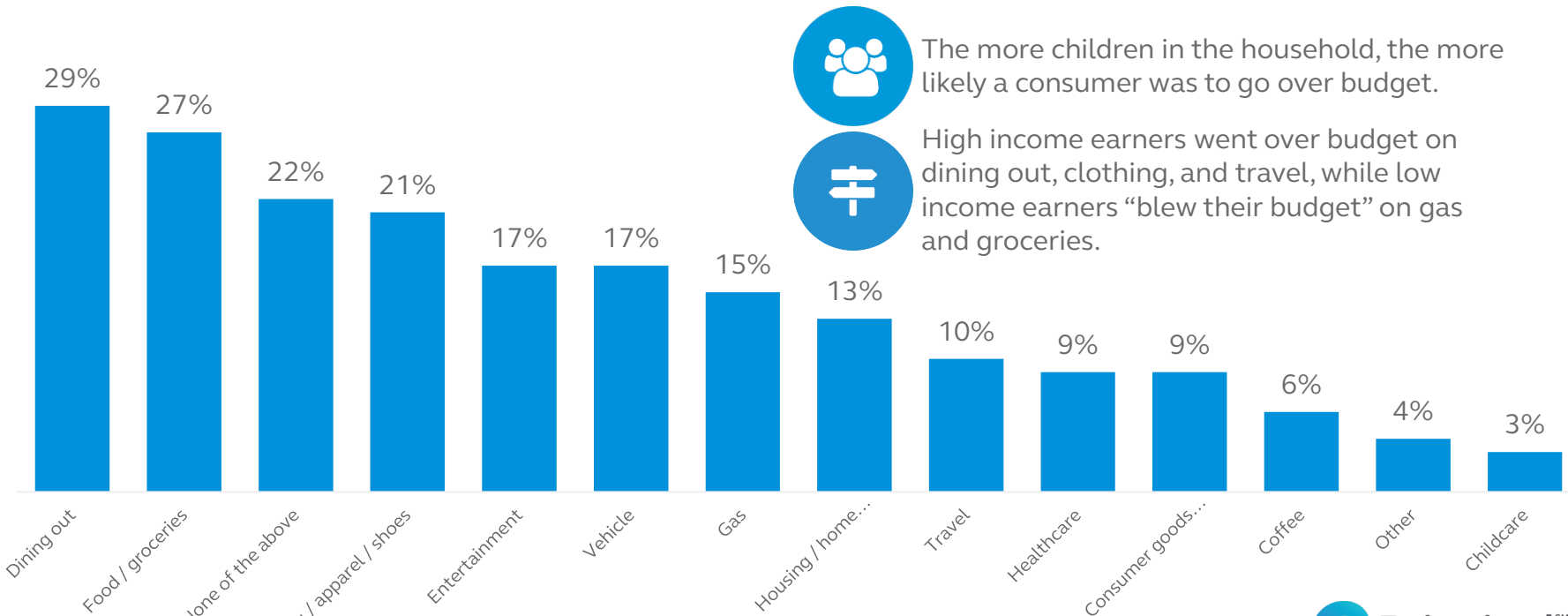
Gen X is most concerned about not having invested enough for retirement.



Baby Boomers are the most secure, with 27% saying that they committed no financial blunders.



Restaurants, food lead 2018 top budget busters



The more children in the household, the more likely a consumer was to go over budget.



High income earners went over budget on dining out, clothing, and travel, while low income earners “blew their budget” on gas and groceries.

9 “In which of the following areas, if any, did you blow your budget in 2018?”

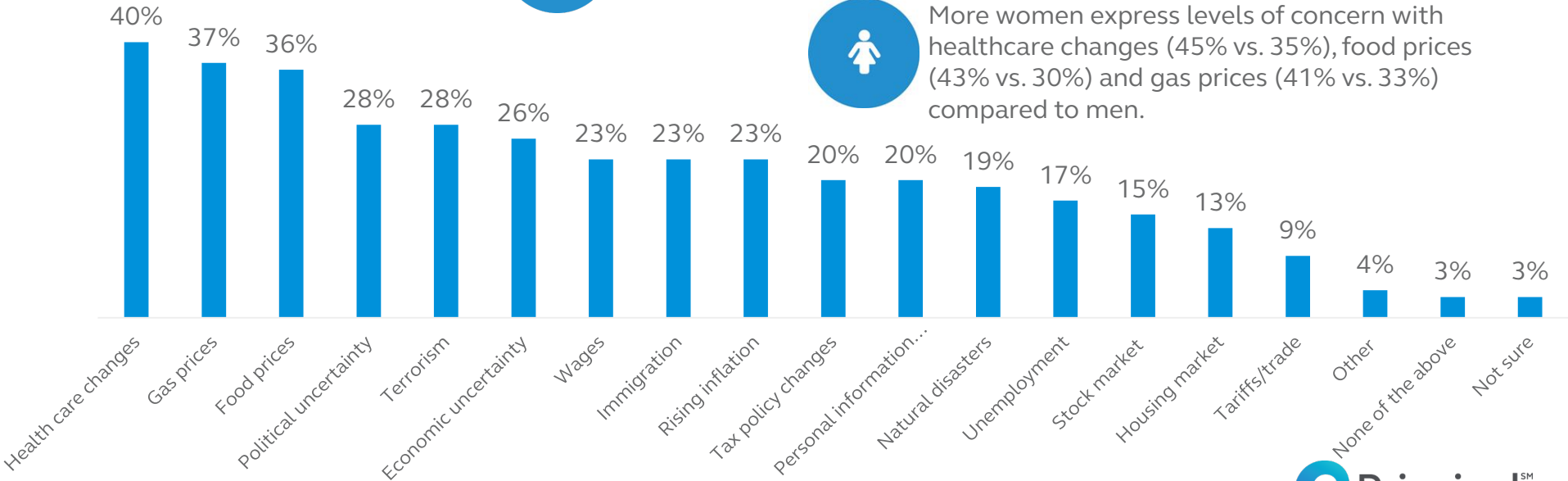
Healthcare instability has consumers concerned



Baby Boomers have the highest level of concern with healthcare changes in 2019, with half (49%) indicating this as a top concern.



More women express levels of concern with healthcare changes (45% vs. 35%), food prices (43% vs. 30%) and gas prices (41% vs. 33%) compared to men.



“Thinking ahead to the New Year, which of the following issues concern you most? Select all that apply.”

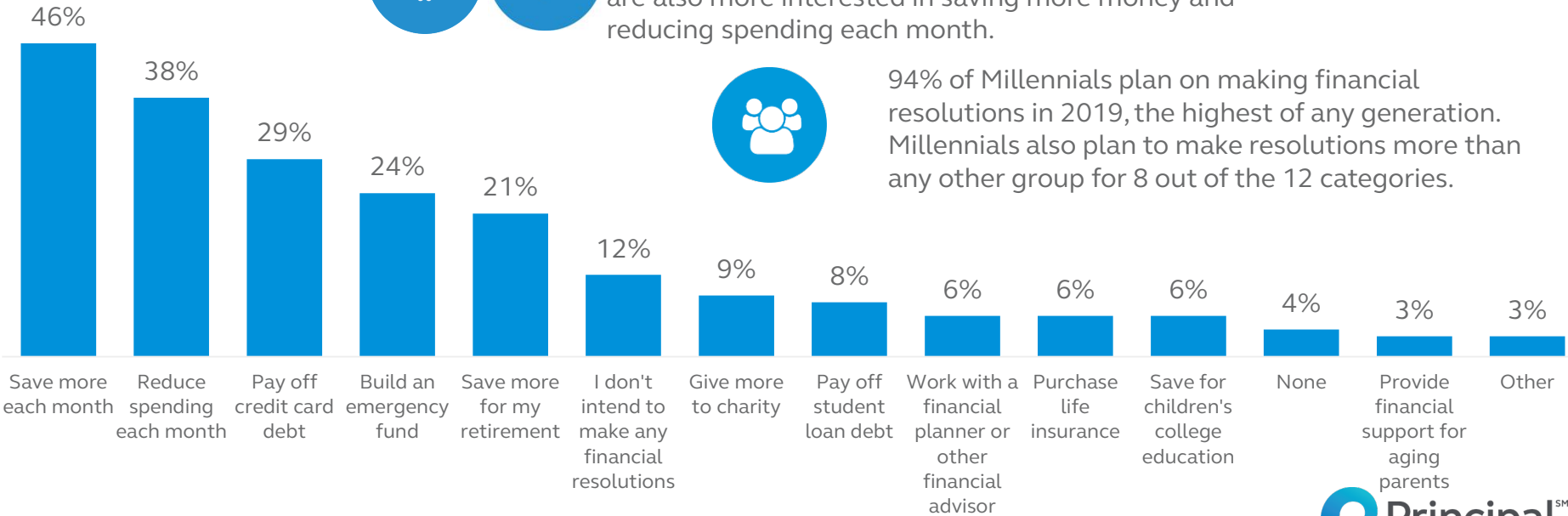
Save more, spend less emphasis for 2019



Women intend on making any financial resolutions at a significantly higher rate. Compared to men, they are also more interested in saving more money and reducing spending each month.



94% of Millennials plan on making financial resolutions in 2019, the highest of any generation. Millennials also plan to make resolutions more than any other group for 8 out of the 12 categories.



11 "Which of the following, if any, do you intend to make as financial New Year's resolutions in 2019? Select all that apply."



Millennials are making the most resolutions

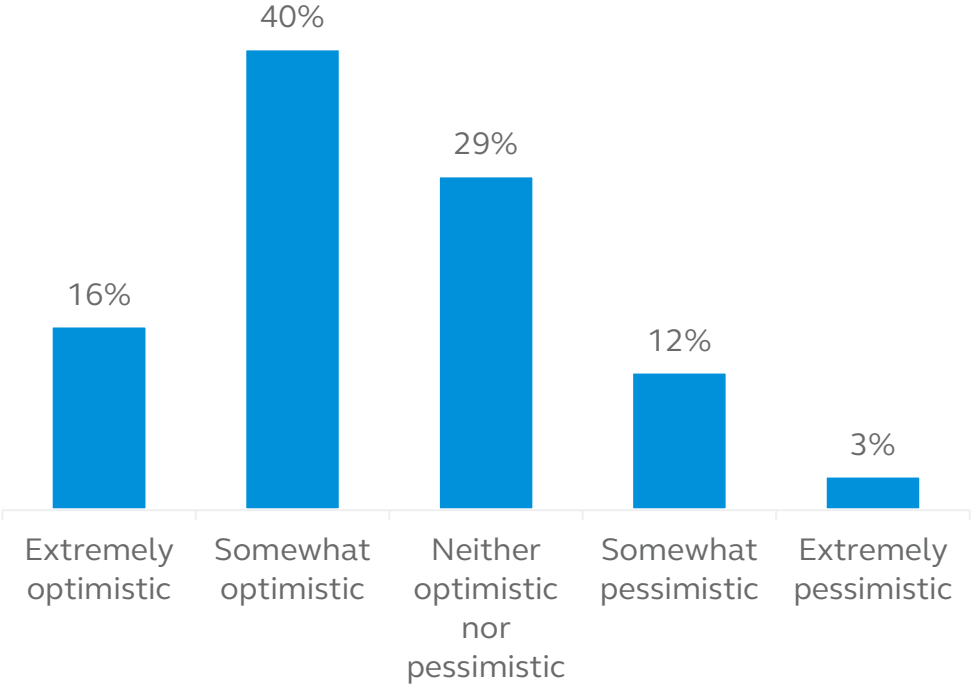
| Resolution | All | Millennials (M) | Gen X (X) | Baby Boomers (B) |
|---|-----|--------------------|--------------------|--------------------|
| Intend to make any resolution | 88% | 94% _B | 91% _B | 83% |
| Save more each month | 46% | 55% _B | 51% _B | 37% |
| Reduce spending each month | 38% | 41% _B | 38% | 34% |
| Pay off credit card debt | 29% | 32% | 30% | 30% |
| Build an emergency fund | 24% | 31% _{X,B} | 24% | 21% |
| Save more for my retirement | 21% | 17% | 29% _{M,B} | 22% |
| Give more to charity | 9% | 8% | 12% | 9% |
| Pay off student loan debt | 8% | 15% _{X,B} | 8% _B | 2% |
| Save for children's college education | 6% | 10% _B | 10% _B | 2% |
| Work with a financial planner / other financial advisor | 6% | 6% | 8% _B | 4% |
| Purchase life insurance | 6% | 7% | 5% | 6% |
| Provide financial support for aging parents | 3% | 5% _B | 3% | 1% |
| Other | 3% | 2% | 3% | 3% |
| None of these | 4% | 3% | 3% | 5% |
| I don't intend to make any financial resolutions | 12% | 6% | 9% | 17% _{M,X} |

M/X/B: Statistically significant difference in proportion for indicated column at 95% confidence level

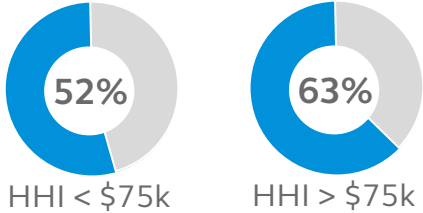
12 “Which of the following, if any, do you intend to make as financial New Year’s resolutions in 2019? Select all that apply.”



Consumers cautiously optimistic for 2019



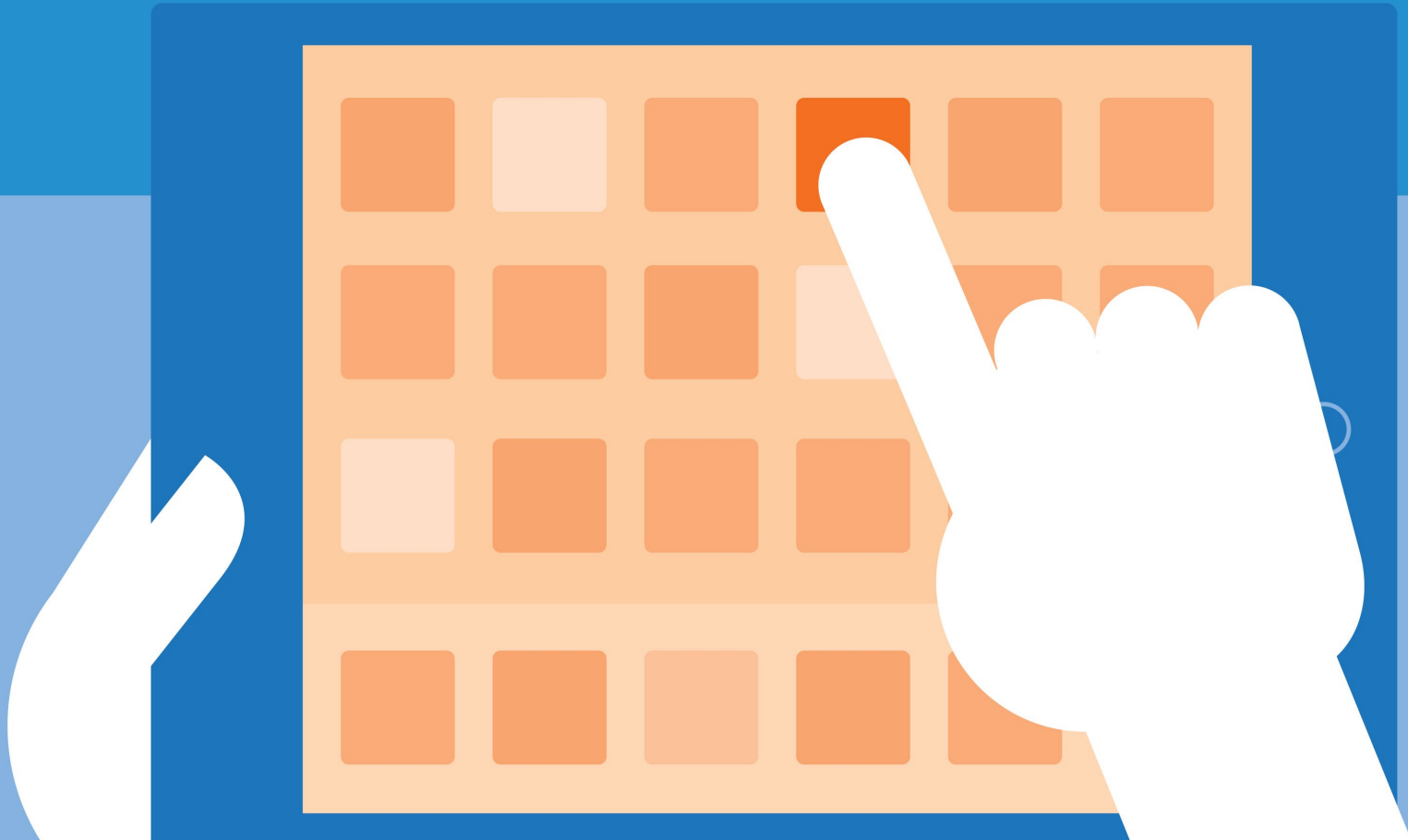
Higher income households (\$75k/yr+) are significantly more optimistic than lower income households.



Men are feeling more optimistic than women going into 2019 with 60% feeling somewhat or extremely optimistic compared to 52% for women.



Appendix



Consumers share concerns for healthcare changes, food prices, and gas

| Top 5 Concerns | | |
|---------------------------|----------------------------|-----------------------------|
| Millennials (20-37) | Gen X (38-53) | Baby Boomers (54-72) |
| Gas prices (43%) | Health care changes (39%) | Health care changes (49%) |
| Food prices (33%) | Food prices (34%) | Political uncertainty (38%) |
| Health care changes (33%) | Gas prices (33%) | Food Prices (37%) |
| Wages (31%) | Economic uncertainty (31%) | Gas prices (36%) |
| Unemployment (26%) | Wages (29%) | Terrorism (36%) |



Millennials report going over their budget for gas more than any other generation (Millennials: 19%, Gen X: 13%, Baby Boomers: 10%) and are the most concerned about gas prices.

Weighted Subgroup Sizes

| Total Respondents 1,004 | Gender | | Age Groups | | | | |
|----------------------------|--------|--------|------------|-------|-------|-------|-----|
| | Male | Female | 18-34 | 35-44 | 45-54 | 55-64 | 65+ |
| | 484 | 520 | 299 | 163 | 172 | 169 | 202 |

| Annual Household Income | | | | |
|-------------------------|-------------|-------------|-------------|---------|
| >\$35k | \$35k-\$49k | \$50k-\$74k | \$75k-\$99k | \$100k+ |
| 375 | 153 | 169 | 90 | 217 |

| Generation | | |
|---------------------|--------------|----------------------|
| Millennials (20-37) | GenX (38-53) | Baby Boomers (54-72) |
| 310 | 258 | 344 |

| U.S. Region | | | |
|-------------|---------|-------|------|
| Northeast | Midwest | South | West |
| 179 | 210 | 377 | 238 |

| Children in Household | |
|-----------------------|-----|
| Yes | No |
| 318 | 686 |



Thanks!

