



Trend Bites

A taste of what's going on out there for the consumer to experience.

How is the economy stressing teens? *[Issue 16; May, 2009]*

Not only is the recession affecting adults, teens are also being impacted and that has produced a negative trickle-down effect.

HOW BIG IS THE TEEN MARKET?

In total, teens add \$125 billion to the economy each year. On average, each teen spends about \$5,000 a year.

BUT TEENS HAVE LESS MONEY TO SPEND THIS YEAR

Overall, jobs typically held by teens are being cut at a higher rate than adult jobs. While teens only represent about 4% of the population, 13% of teen jobs have been cut since November, 2007 (The Bureau of Labor Statistics).

Summer jobs are much less plentiful. The summer employment rate is expected to be worse than last year's rate and far less than in 2000. Typically, teens find employment at restaurants and retail; however, those venues are now cutting back rather than hiring.

Also, they get less money from their cash-strapped parents. More than a quarter of teens say they are receiving less spending money.

HOWEVER, SOME PURCHASES BY TEENS ARE NON-NEGOTIABLE

Research has shown that teens are still spending on music, DVDs, video games and video-game systems. In terms of apparel, spending on accessories is flat and spending on shoes has actually increased.

But, teens are cutting back on general apparel as well as beauty products and food – teens spent significantly less on food last Fall than Fall, 2007. Besides eating out with friends less, they are also cutting back on other ways they typically entertain themselves and hang with friends -- teens are spending less on tickets for movies, concerts and sporting events.

Our research has also shown that they have altered their shopping patterns by spending more time at warehouse clubs, supercenters, discount clothing stores and on ebay and craigslist. Additionally, they are spending less time at their favorite beauty parlor. More than one-third are getting their manicures/pedicures and their haircuts/color at home due to the economic situation than in the past (NRN).

FOR TEEN GIRLS, THERE'S AN ADDED ISSUE...

During weak economic times, 15-18 year old girls generally gain weight – likely due to the higher unemployment rate and the way they spend their free time (Journal of Social Science and Medicine).



WHAT CAN YOU DO?

Conduct research with teens to learn what will draw this economic-savvy demographic to your venue to purchase your merchandise. Teens still want to be seen as “cool” and the right triggers will encourage teens to open their wallets.