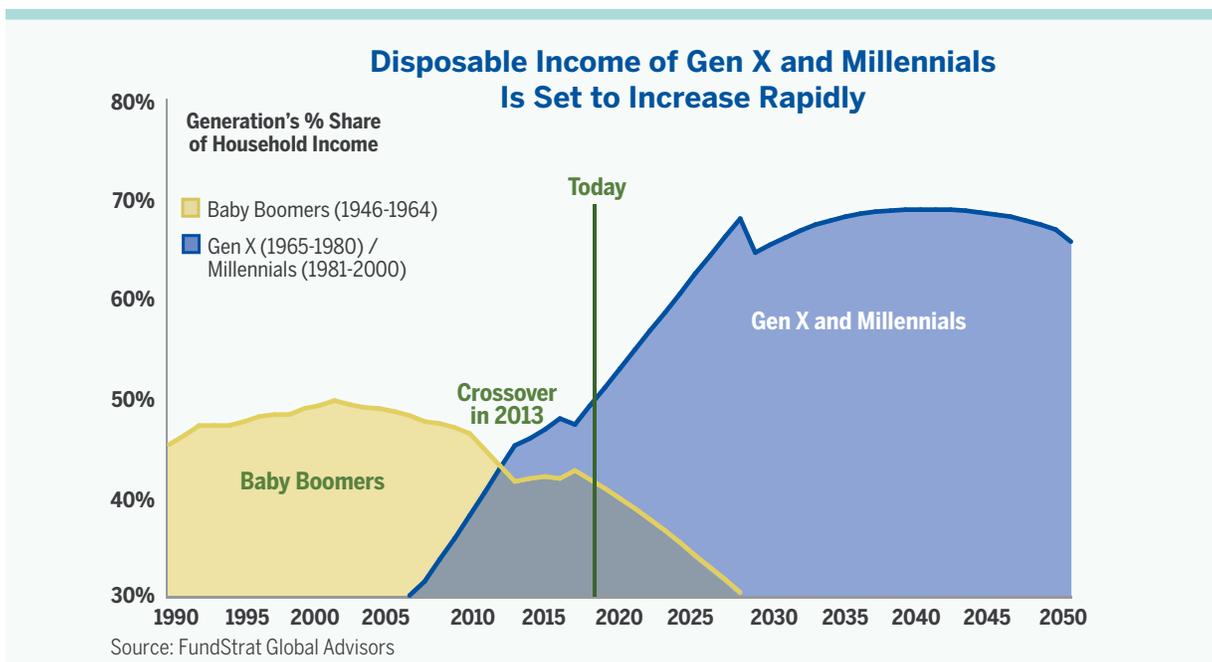


Generational Shift

Many experts pay close attention to the great wealth of the Baby Boomers but Gen X and Millennials have actually surpassed the Baby Boomers in their share of disposable income, which is expected to rise strikingly in coming years. By understanding what distinguishes Gen X and Millennials from other generations, investors can focus on stocks that are positioned to capitalize on their disposable income.



- Gen X and Millennials as a group overtook previous generations in terms of spending power in 2013 and are approaching their prime spending years.
- Gen X came of age as the computer revolution unfolded and Millennials developed during the internet explosion. As a result, these users have become used to being “always connected” and consequently do much of their shopping online; they also use the internet for banking, researching products and identifying the best deals.
- Gen X tends to spend more on food, drinks and restaurant dining than any other generation. They are also willing to pay more for healthier food alternatives. Gen X seeks high quality at the best value. Luxury products, travel, food and wine are popular categories for them.
- Millennials differentiate themselves by showing more interest in having experiences rather than accumulating possessions. They are also large consumers of convenience store food, organic food and energy drinks.
- Companies need to satisfy the needs of Gen X and Millennials if they are to earn their business in the coming decade. That includes implementing an effective mobile internet strategy. Stocks that are poised to benefit include leisure and internet businesses and companies that focus on convenience and authenticity, such as a sports company founded by a mountaineer.

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