



Future of the Family

Trends in Consumer Spending



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The reshaping of the future family is having diverse effects on how and what households buy.

This report will look at spending patterns among different household types through to 2030. Why will single person households see the smallest growth in spending? Why are Asian single-parent homes set to be the fastest-growing spenders of all regions? Learn what key trends are shaping spending by household type and how to take advantage of, and market to, different household consumer groups.

Consumer expenditure by household refers to the annual spending on goods and services by a specific household type – specifically, single-person households, single-parent households, couple-with-children households and couple-without-children households.

Key Findings

Single-person homes have low purchasing power

Single-person homes have the weakest purchasing power of all household types. They do not have the potential to generate multiple income streams as couple households do and do not have the same access to state subsidies and welfare opportunities as single-parent homes do. As such, they have low per household spend and low growth in this spend through to 2030.

Single parents have the lowest spend, but some benefits

While single-parent households on average have the lowest annual per household spend globally, their expenditure levels are growing rapidly. In addition, they have the added benefit of being the most likely household type to receive tax breaks, subsidies and other benefits from the state, providing them an additional boost to expenditure.

Childless couples present a lucrative market

Since couple-without-children households are far more likely to be in a situation with a dual income compared to other household types — or even if there is only one income, there is no added financial responsibility of children — they can spend more. This is a vital point that brands must understand and do more to target niche products at this demographic.

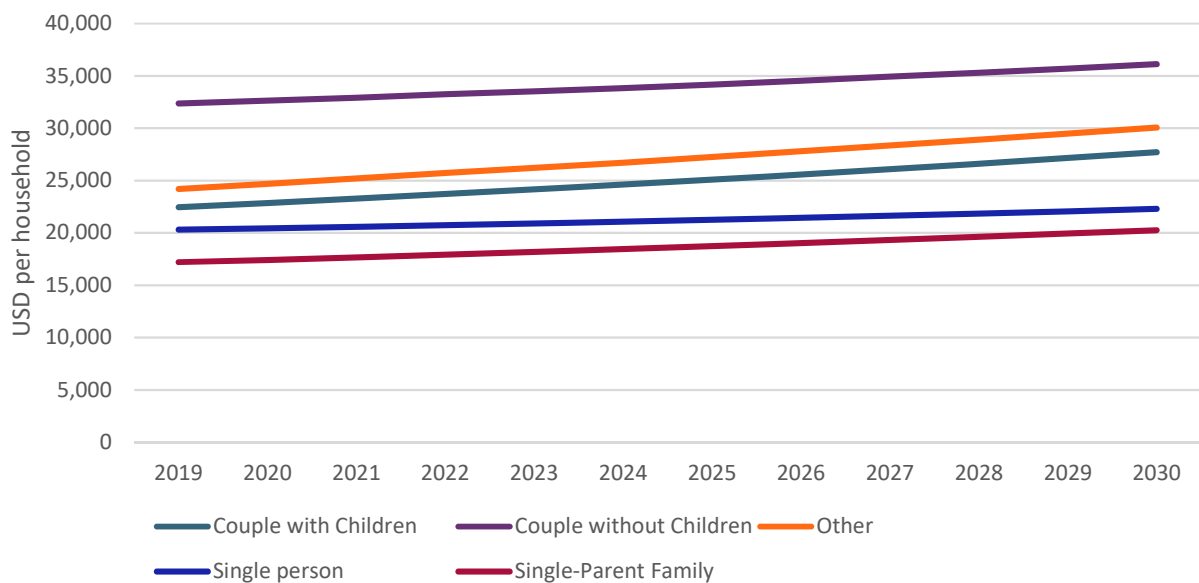
Traditional family homes still offer largest consumer market

Couple-with-children households will see the slowest growth over 2019–2030 of all household types, but this demographic is responsible for both the largest share of total household expenditure globally and the largest average household spend in most regions. This makes the traditional household still arguably the most important demographic for companies.

Introduction

Households made up of couples without children will on average have the highest annual per household spend globally through to 2030. Without children and with a dual income potential, this household type can afford to spend more. The single-parent family will remain the lowest spending household type through to 2030. With only one income source and children to support, single-parent homes must live frugally and are typically unable to outspend other household types.

Global Average Annual per Household Expenditure by Household Type in Real Terms 2019–2030



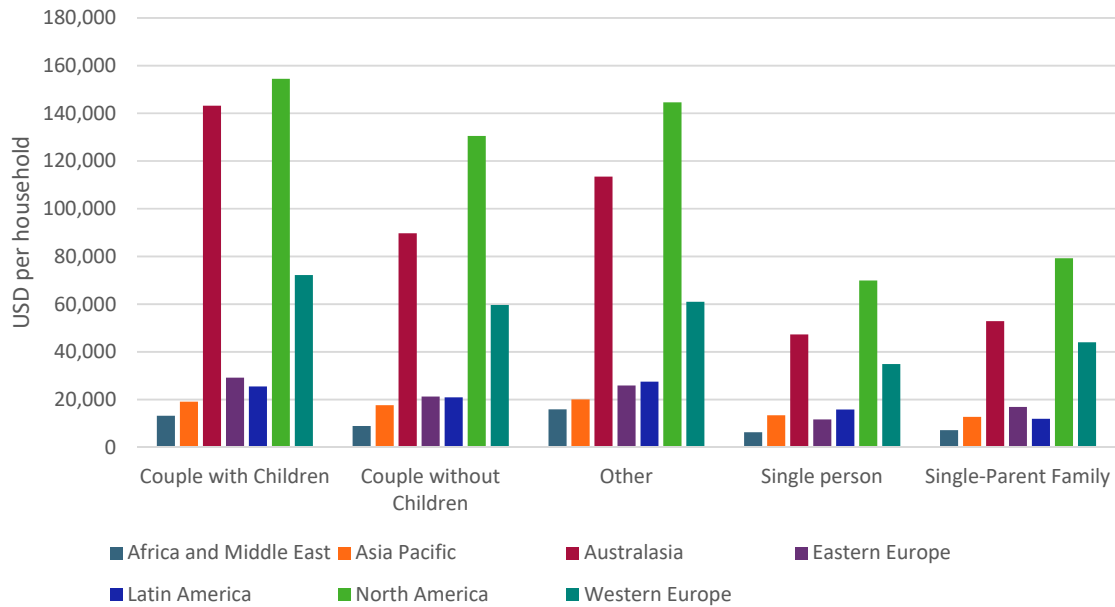
Source: Euromonitor International from national statistics.

Note: Figures are forecast

Socio-economic status shapes family future

As can be expected, households in the advanced economies of North America, Australasia and Western Europe boast the highest per household spending levels across every household type. North American couple-with-children households are the biggest spenders across every household type and region.

Average Annual per Household Expenditure by Household Type by Region in Real Terms 2030



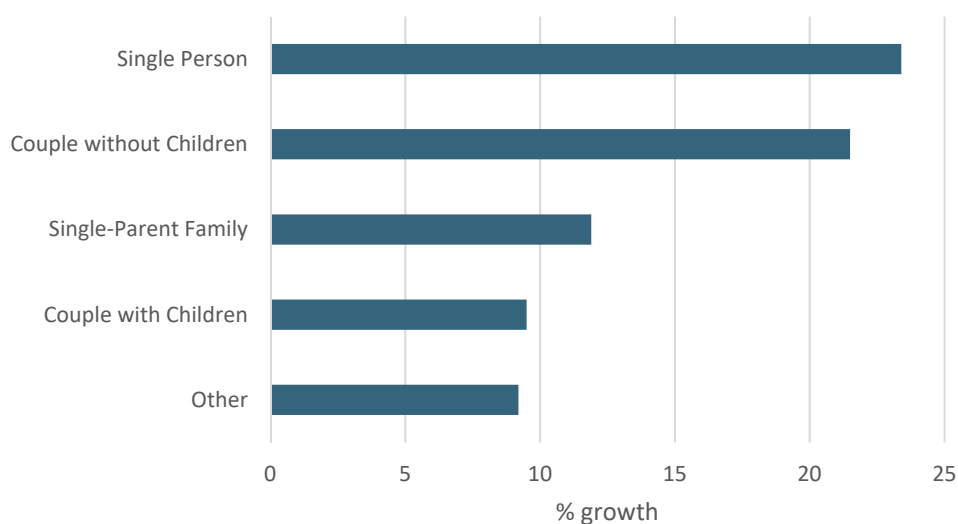
Source: Euromonitor International from national statistics.

Note: 2030 figures are forecast

Single Person Homes to Grow Fastest But Increase Spending Slowest

Globally, single-person households will be the fastest growing household type, expanding by 23.4% over 2019–2030. However, of all the household types, singleton homes will see the slowest expansion in per household expenditure, with a rise of 9.8% in real terms over the same period.

Growth in Households by Type 2019–2030



Source: Euromonitor International

Single-person households do not have the potential to generate multiple income streams as couple households do and do not have the same access to state subsidies and welfare opportunities as single-parent homes. A dominant and growing proportion of single-person households globally are persons aged 65+, living mostly off their pension or savings and the second largest demographic typically making up single-person homes are young people (students or young professionals), who can be burdened by debt and are only at the beginning of their earning potential. Both groups have limited opportunity to increase their spending over the forecast period.

Opportunities: Targeted campaigns, new markets

Even though single-person homes will expand their expenditure at the slowest rate through to 2030, the sheer increase in their total number offers a lucrative and under-penetrated opportunity. Segments ranging from real estate, digital commerce and food to vacations and healthcare are all set to be disrupted by growing demand stemming from single-person homes. This demographic has already a major share in advanced economies and is the fastest growing in most emerging countries.

Few brands target single-person homes directly, preferring to generalise their campaigns towards Millennials or older consumers. There is opportunity in building products specifically for this demographic, with the benefit of an early-mover advantage. Singleton homes will frequently have a frugal approach to expenditure. Products must, therefore, offer value and sense. For example, multibuy deals (like “buy one get one free”), a popular strategy among supermarkets, are less likely to be attractive for a live-alone buyer than straightforward price cuts.

In emerging countries like Bangladesh and India, single-person homes were almost non-existent until recently. Now, rapid growth in this demographic in previously conservative markets dominated by families offers surging potential, particularly in areas like appliances, food and leisure.

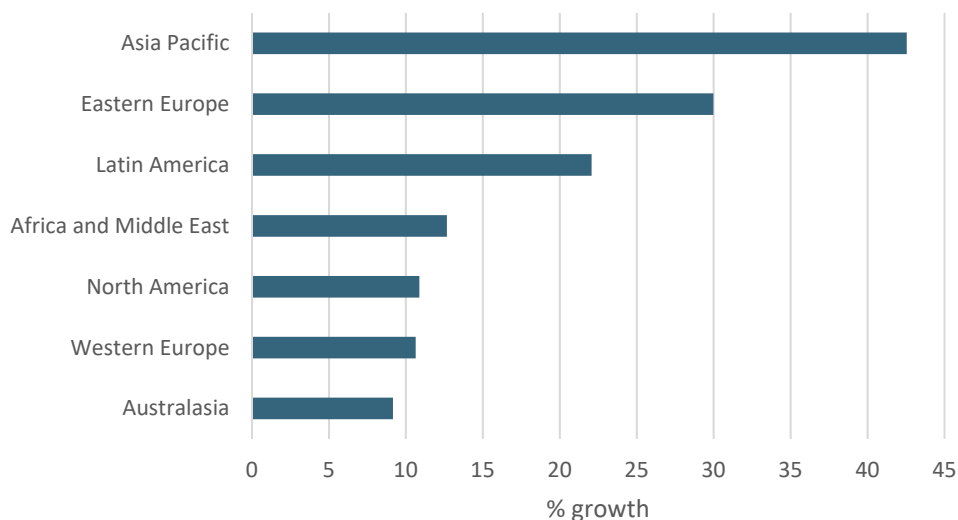
Single Parent Spend Boosted by Divorces and Subsidies

A surge in divorces is increasing the total volume of expenditure by this household type on the back of an overall rise in the number of single-parent homes. There is a growing focus by governments on subsidising and assisting this group, as it becomes a larger share of the overall total number of households. This assistance is aiding its purchasing power and as a result increasing the per household spend. Single-parent per household spend will grow by 17.8% in real terms over 2019-2030, only behind couple-with-children households.

Single-parent households to grow by 9.2% between 2019-2030

Regions with the highest rates of divorces will likewise see the highest increases in single-parent expenditure. For example, Asia Pacific will see the highest rise in single-parent spending over 2019-2030, in tandem with it recording the highest rate in divorces over the same period.

Per Household Real Expenditure Growth by Single-Person Households by Region 2019-2030



Source: Euromonitor International



Opportunities: Positive marketing and mobility services

Single-parent households are often lumped in with everyone else when it comes to product offerings. However, this demographic has very specific needs. Gyms with a children's play area or hotels with day-care services are some examples of services that can pull in the single-parent market.

Single parents dislike pity or condescension in communications that are aimed at them. They perceive themselves to be durable, independent and strong. More diversity and positivity in the tone of marketing aimed at this group would likely be rewarded with greater brand loyalty.

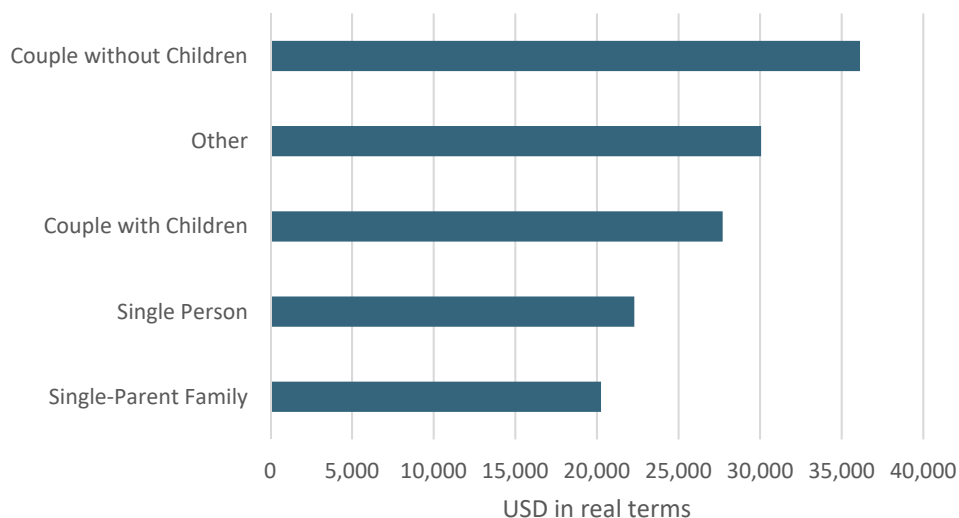
Single parents often find the additional cost of owning a big-ticket item like a car unaffordable. However, a rising number of mobility services like car sharing and ride-hailing apps offer a cheaper and more flexible alternative to expensive car ownership. Single-parent households, especially in urban areas, are a major market for mobility trends.

Couples Without Children Can Afford to Spend Big

Couple-without-children households have more disposable income, because they do not have the added expenses that come with children. Whether by choice or circumstance, the lack of dependents in the household can allow for more income to be put toward savings or to be spent on other interests. Costs for food, clothing and long-term education associated with raising one or more children are eliminated from the home.

The couple also does not require as much living space to accommodate themselves and their needs. That could allow them to rent or purchase dwellings with smaller spaces at lower costs, or they could, conversely, use the additional bedrooms for other purposes, such as a guestroom, a home office or a personal recreation space.

Global Average Annual per Household Expenditure by Household Type 2030



Source: Euromonitor International from national statistics.

Note: Figures are forecast

This greater income potential could allow the couple to make more purchases for personal satisfaction that might otherwise be deemed too expensive. The availability of more disposable cash also creates the

possibility for further exploration of investment opportunities. The money that might have been spent on children could be put into stocks, bonds or other investment vehicles.

Opportunities: Big spenders

Since couple-without-children households are far more likely to be in a situation with a dual income compared to other household types — or even if there is only one income there is no added financial responsibility of children — they can spend more. This is a vital point that brands must understand and do more to target niche products at this demographic.

While households with children are more likely to be concerned by practicality and value, childless couples can typically focus more on design and aesthetics when it comes to products, particularly home furnishings and furniture, craft goods and various home design features. Likewise, childless couples are more likely to live in an urban high-rise apartment complex with all the available amenities onsite.

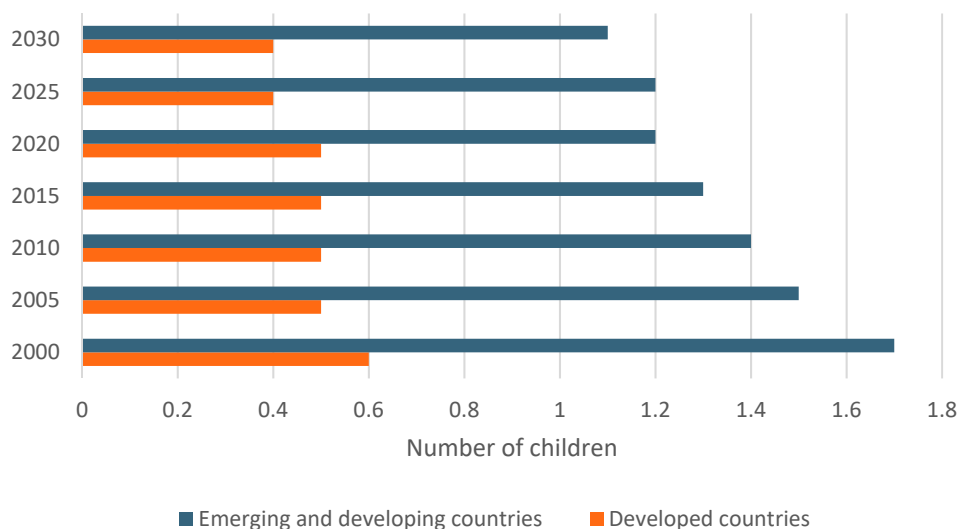
In order to target the segment successfully, marketers should understand the status of the childless-couple household: if the couple does not have children but is ultimately likely to have them (and thus likely to be relatively young), if the couple has made the decision not to have them altogether, or if the children have grown up and left the home (meaning the couple is in middle age or older). Different couple types have different needs.

Traditional Homes with Children Still Hold Major Appeal

Couple-with-children homes will have the second largest increase in per household expenditure globally over 2019–2030, at 23.4% in real terms. This is despite the share of these homes as a proportion of all household types declining.

Why the rise? It mostly comes down to emerging markets where couple-with-children homes will see much healthier growth than in advanced economies. As these markets continue to develop and average incomes rise, such households will spend more on household goods, their children (whether it's clothes, education, toys, food, etc.) and general family products. Since emerging markets represent more than two thirds of the world's households, their global expenditure footprint is significant, despite lower average per household spend.

Number of Children Per Household in Developed and Developing Countries 2000–2030



Source: Euromonitor International



Opportunities: Suburbs, emerging markets and modern families

More families, largely due to reasons of comfort, ecology and real estate prices, are choosing to live in suburban areas and satellite towns, foregoing urban enclaves. This is especially the case, as households can do more jobs and other activities remotely than ever before. Shopping centres and retailers will need to branch out to catch these new family ecosystems, while online players might have to anticipate lower broadband internet speeds from families living outside of highly digitalised urban landscapes.

Emerging markets have only recently started to embrace mainstream family-based brands, such as Lego toys and children's retailers like Mothercare. This trend will only accelerate. Over 2019–2030, couple-with-children households in emerging countries will see the fastest growth rates in per household spend. Segments such as children's education, healthcare and toys are booming in Asia Pacific and the Middle East.

Conclusion

Generic marketing to certain household groups is no longer effective. While couples-with-children will be the largest spenders across most regions in 2030, despite the overall number shrinking, marketing to the generic traditional family unit is increasingly unsuccessful. Each family member sees themselves as an individual consumer from a relatively young age. Millennial parents are happy to give their children more independence of choice in products from an early age. Children might be vegetarians while their parents are meat-eaters, or both parents may have contrasting views on diet and fitness. Brands that can pinpoint their marketing to specific family member profiles will be far more successful over the longer term.

Segments that were previously overlooked or grouped in with other age-related segments need a more tailored approach. Couple-without-children households can lead a much more expenditure-intensive lifestyle and represent a lucrative opportunity for brands, however marketers need to understand more about their individual status to tailor their messaging.

Similarly, single person and single parent households often aren't targeted on an individual basis, however brands that can take advantage of the niche needs of people within these groups can benefit from early mover advantage, especially in growing markets such as Asia Pacific.



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