

MARKETING

Gen Z, millennials three times more likely to spend on luxuries than older counterparts: report

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Millennials and Gen Z are ostensibly ready to spend. Image credit: Afterpay

By KATIE TAMOLA

Younger generations are feeling more comfortable splurging than their older counterparts, according to a new report from business technology corporation Scorpion.

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Gen Z and millennials are up to two times more likely to spend money on luxuries including electronics, dining out and travel than Gen X and Baby Boomers. As younger people feel more comfortable spending, luxury brands will continue their attempts to reach the next generations of affluents to foster and maintain loyal relationships.

"As many Americans accept today's challenging economy, this is a good time for businesses to focus on winning and retaining customers," said Joe Martin, vice president of content marketing at Scorpion, in a statement.

"As the data shows, demographic differences provide opportunities for revising customer marketing while offering different relationship-building strategies for all generations."

The survey was conducted with 1,050 U.S. consumers in Q3 of 2022 by Scorpion and Qualtrics.

Reaching for the wallet

Millennials and Gen Z are ostensibly ready to spend, as they are three times more likely to say they are better off financially this year compared to Gen X and Baby Boomers, 38 percent versus 13 percent.

Forty-four percent of Americans feel worse off than last year, citing rising prices as the biggest reason for their concerns.



Overall, Gen Z and millennials are notably less price sensitive. Image credit: Simplifield

While concern over inflation remains with 75 percent of Americans saying they think it will take two or more years for inflation rates to normalize younger generations are not letting this keep them from reaching for their wallets.

Younger generations are 50 percent more likely to resolve big expenses now than wait until 2024.

Overall, Gen Z and millennials are notably less price sensitive and less likely to cancel planned purchases or plans.

Gen Z and millennials are two times more likely than Baby Boomers to accept higher prices and pay more for restaurants and travel.

Gen X and Baby Boomers are two times more likely to put off spending if prices continue rising than their Gen Z and millennial counterparts.

Regarding where they receive financial updates, Gen X and Baby Boomers are 50 percent more likely to rely on television for economic news than Gen Z and millennials.

Gen Z and millennials are three times more likely to trust social media than Gen X and Baby Boomers.

Capturing young attention

Whether strengthening their social media presences or tapping popular figures, luxury brands are openly making moves to reach the next generations of spenders.

Last month, French fashion label Balmain aimed to "catch 'em all" with its new capsule collection spotlighting Pokmon.

The fun, chic collection spans from denim jackets and cargo pants to sneakers and more. Channeling the joie de vivre of the beloved Japanese animated series, Balmain put its fashionable foot forward for a collection that celebrates a specific brand of child-like joy ([see story](#)).



Naomi Osaka for Tag Heuer. Image courtesy of Tag Heuer

Last year, Swiss watchmaker Tag Heuer enlisted tennis champion Naomi Osaka as its newest ambassador athlete as the brand continues to move in a younger and more diverse direction ([see story](#)).

Digital streetwear and lifestyle platform Hypebeast's ecommerce platform, HBX, has partnered with financial tech company Afterpay.

The partnership invites consumers to purchase coveted luxury and streetwear items online in four installments,

bringing shoppers a new level of accessibility. The two parties are hoping their collaboration will introduce more younger shoppers to contemporary fashion while providing disparate payment options ([see story](#)).

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