



U.S. Demographic and Consumption Trends

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Overview

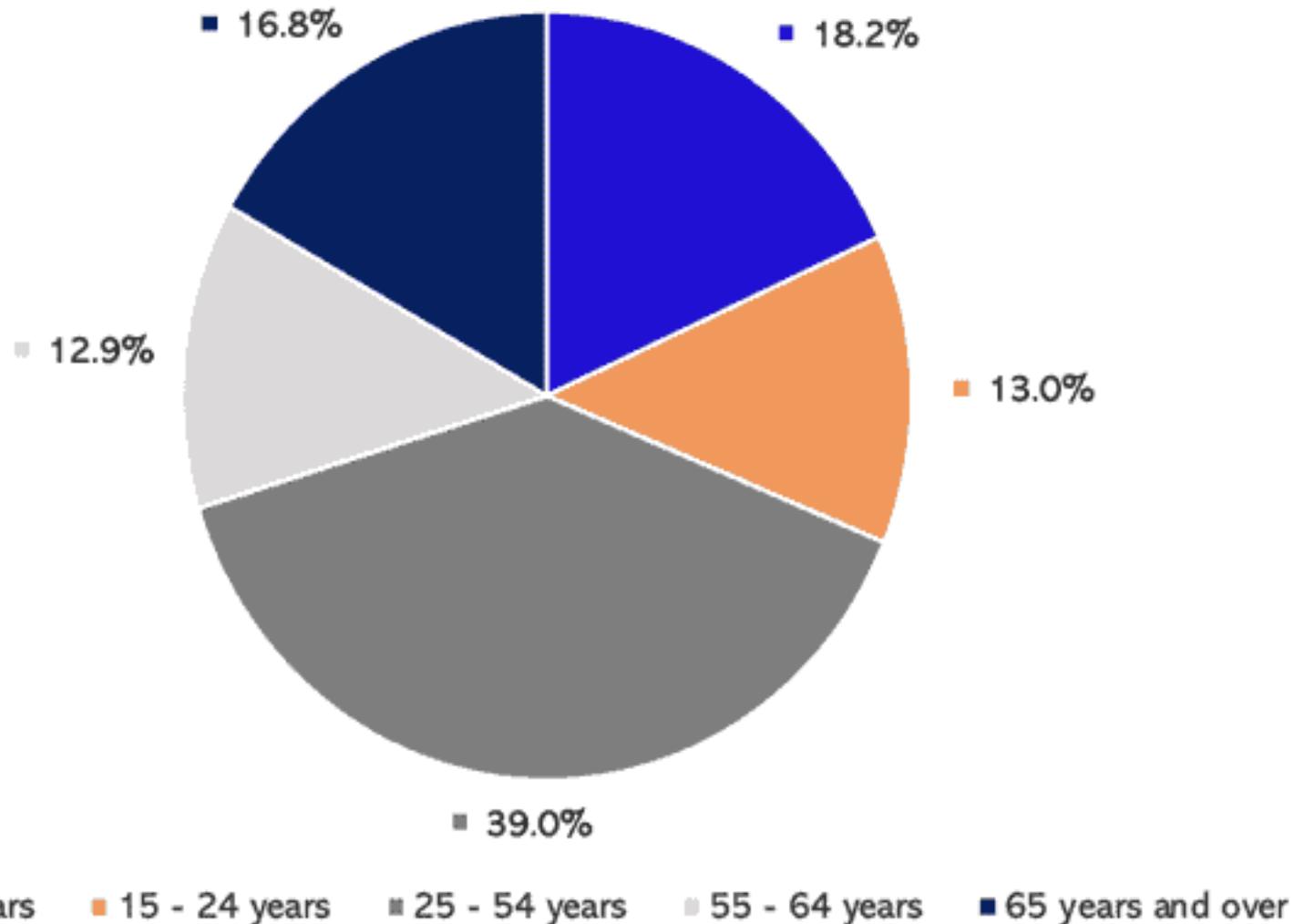
- Demographic Trends
 - Population aging
 - Population becoming more diverse
 - High-income households growing and low-income households shrinking
- Consumption Trends
 - Spending habits shifting
 - Spending on food, personal insurance and pensions ↑
 - Gasoline spending ↓



Demographic Trends

- Aging Population
 - Population aging due to declining fertility and longer life expectancy

United States Population Age Distribution by Selected Age Groups



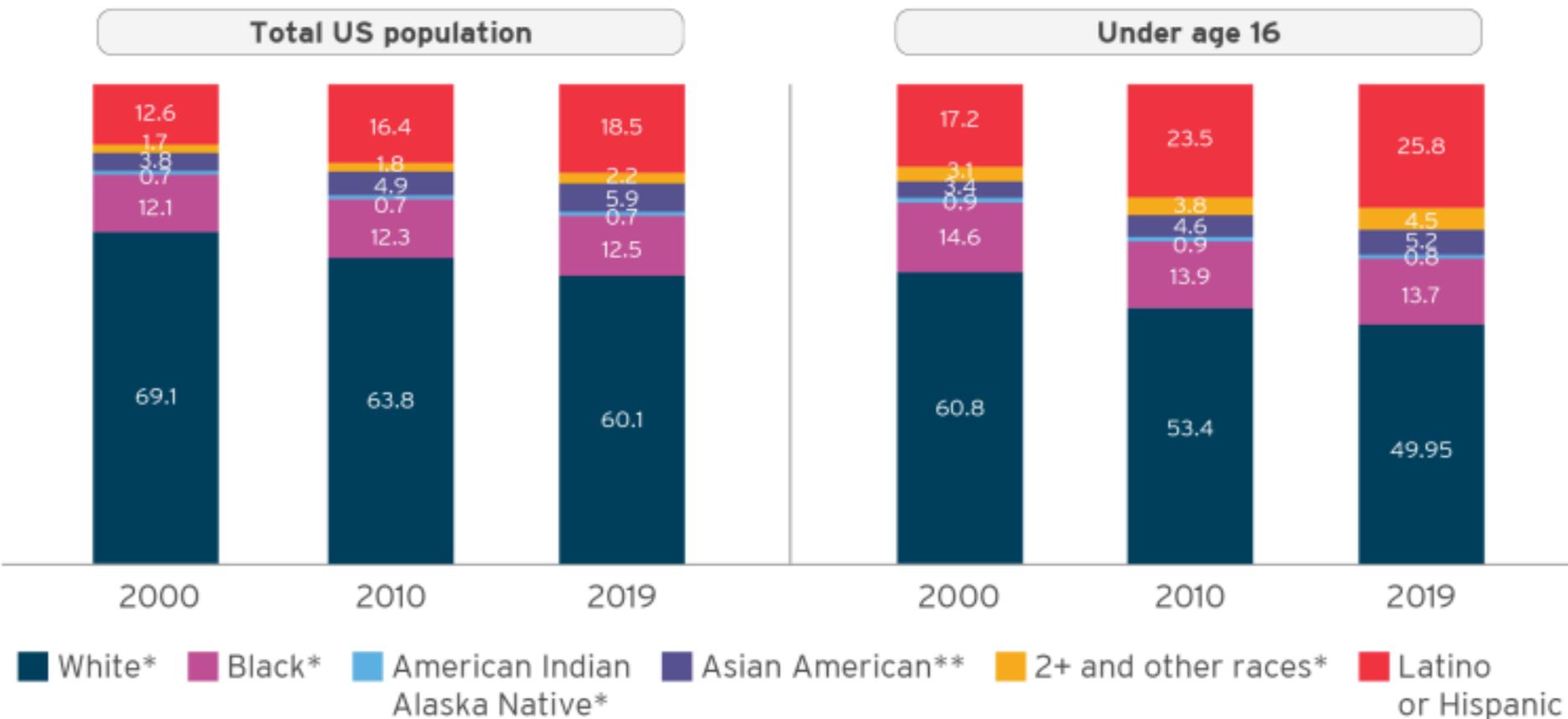


- Diversity increasing
 - Especially among youths
 - Latino, Asian and Black population increasing

FIGURE 1

Race-ethnic profile for total US and under age 16 populations

2000, 2010, and 2019



* members of race group who do not identify as Latino or Hispanic
 * non-Latino or Hispanic Asians, Hawaiians and other Pacific Islanders

Source: William H Frey analysis of 2000 US Census and Census population estimates, released June 25, 2020



- Income Distribution

- High-income households (> \$150,000)
 - 15 percent of population
 - Nearly doubled between 2010 and 2020
- Middle-income households (\$50,000-\$150,000)
 - 46 percent in 2022
 - 43 percent in 2010
- Low-income households (< \$50,000)
 - 39 percent in 2020
 - 48 percent in 2010

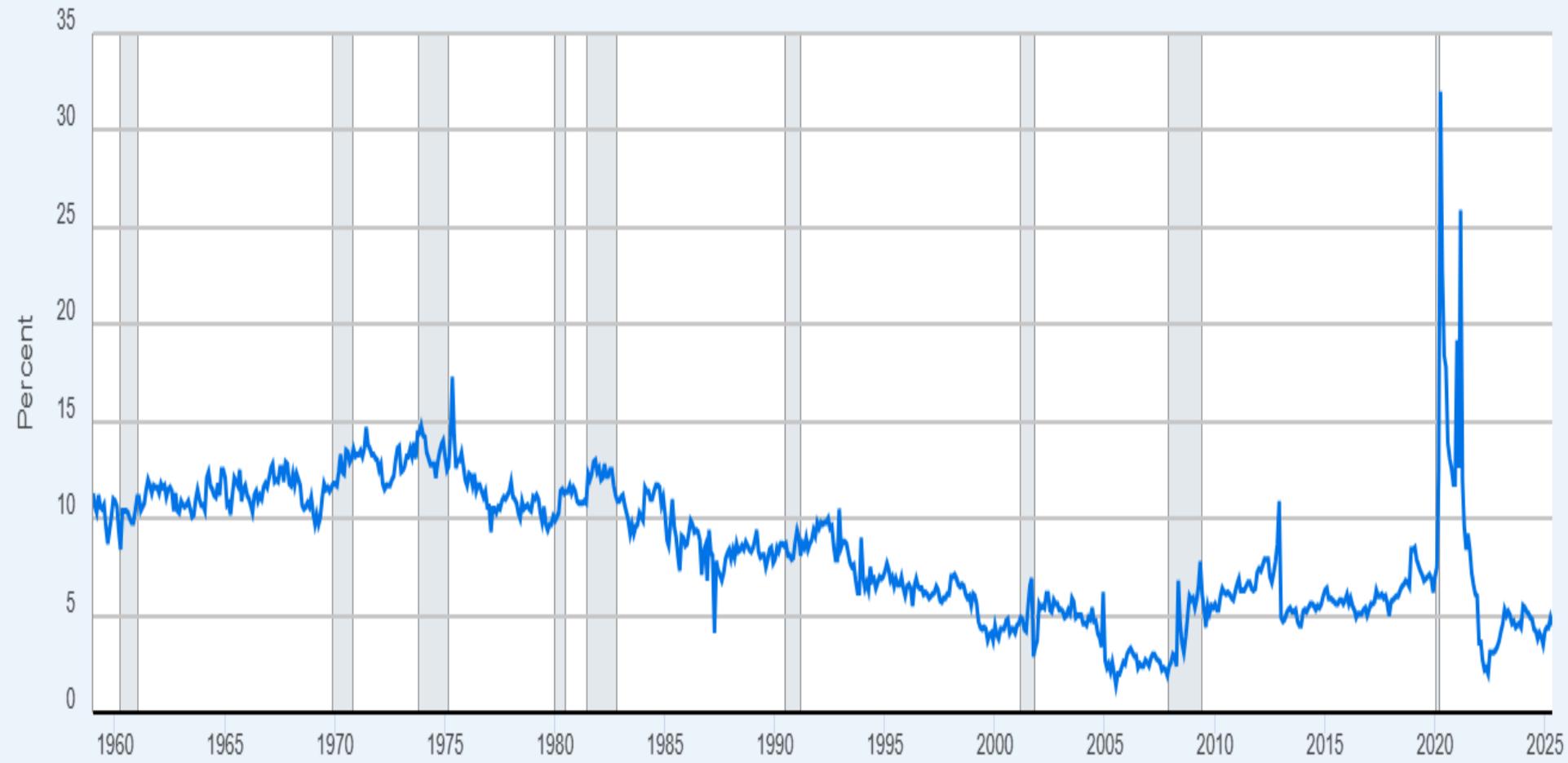


- Geographic Shifts
 - Cities and towns experiencing population growth
 - Some areas experiencing more significant growth than others



Consumption Trends

- Personal consumption expenditures
 - Account for nearly 70 percent of GDP
 - Main driver of economy
- U.S. personal saving rate
 - Personal saving/disposable income
 - Low compared to other industrialized countries
 - Figure



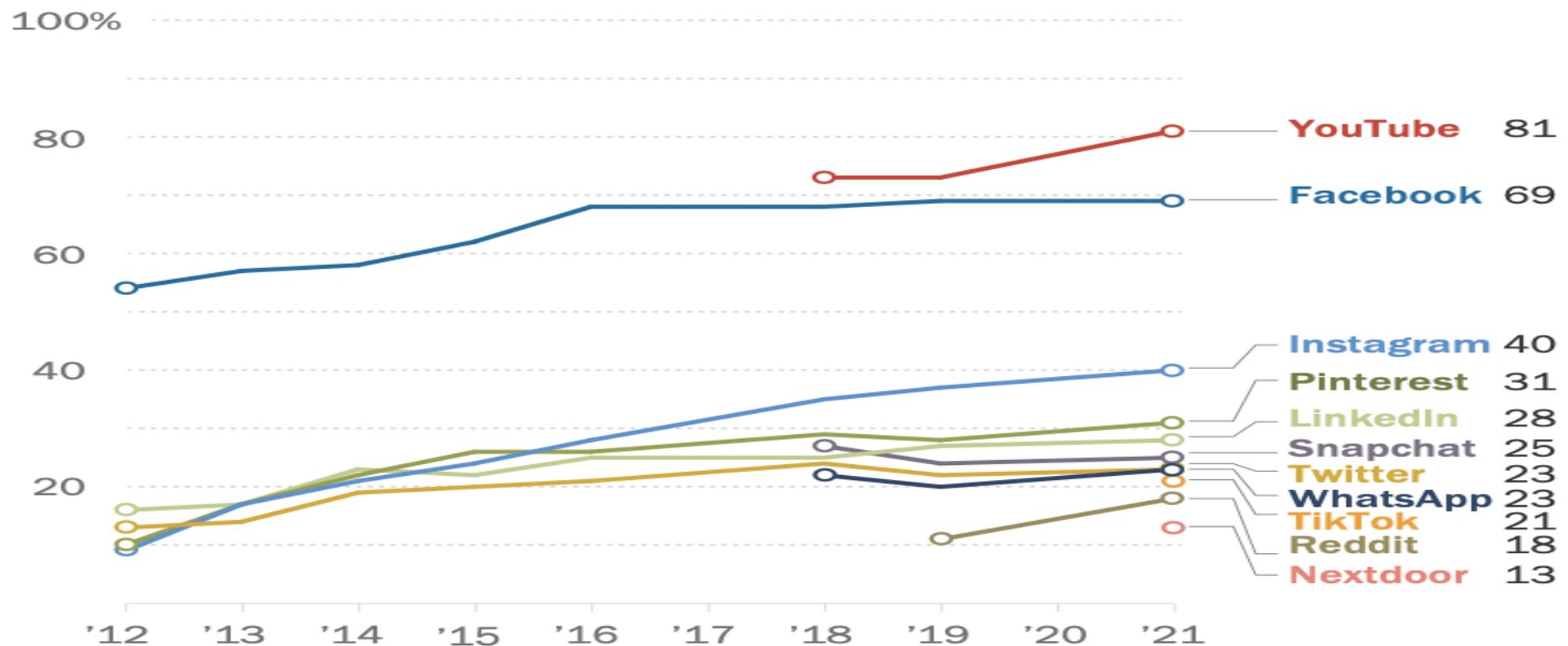
Source: U.S. Bureau of Economic Analysis via FRED®
Shaded areas indicate U.S. recessions.



- Digital Shift
 - Consumers spend more time online and rely more on digital channels
 - Websites, email, chat, text messages, social media
 - Social media not always most trusted source for buying decisions
 - Majority of Americans say they use YouTube and Facebook
 - Instagram, Snapchat and TikTok are especially common in adults under 30

Growing share of Americans say they use YouTube; Facebook remains one of the most widely used online platforms among U.S. adults

% of U.S. adults who say they ever use ...



Note: Respondents who did not give an answer are not shown. Pre-2018 telephone poll data is not available for YouTube, Snapchat and WhatsApp; pre-2019 telephone poll data is not available for Reddit. Pre-2021 telephone poll data is not available for TikTok. Trend data is not available for Nextdoor.

Source: Survey of U.S. adults conducted Jan. 25-Feb. 8, 2021.

"Social Media Use in 2021"



- Consumer Characteristics

- Tend to support local brands over global, multinational brands
- Quality and price
- Value convenience and time-saving
- Brand loyalty
- Environmental and social responsibility
- Focused on value, especially due to rising prices
- Spending on food, personal insurance and pensions is increasing while on gasoline spending is decreasing



- Generational differences
 - Spending habits differ by generation
 - Millennials spend more on travel and jewelry



- Recent Consumer Sentiment
 - 43 percent of consumers reported rising prices as top concern
 - 29 percent of consumers reported tariffs as top concern
 - More than 60 percent of consumers have changed/expect to change spending habits due to recent tariff announcements
 - More than half plan to cut back on non-essential purchases (particularly middle-income and low-income consumers)



Conclusion

- U.S. demographic and consumption trends reveal shifting population with diverse spending patterns
- Population aging, with share of older adults increasing
- Overall population growth is slow but certain demographics growing faster, including Hispanic and Asian populations
- Consumption patterns also evolving, with greater reliance on digital channels and shifts in spending priorities