BUREAU OF THE CENSUS

Statistical Brief

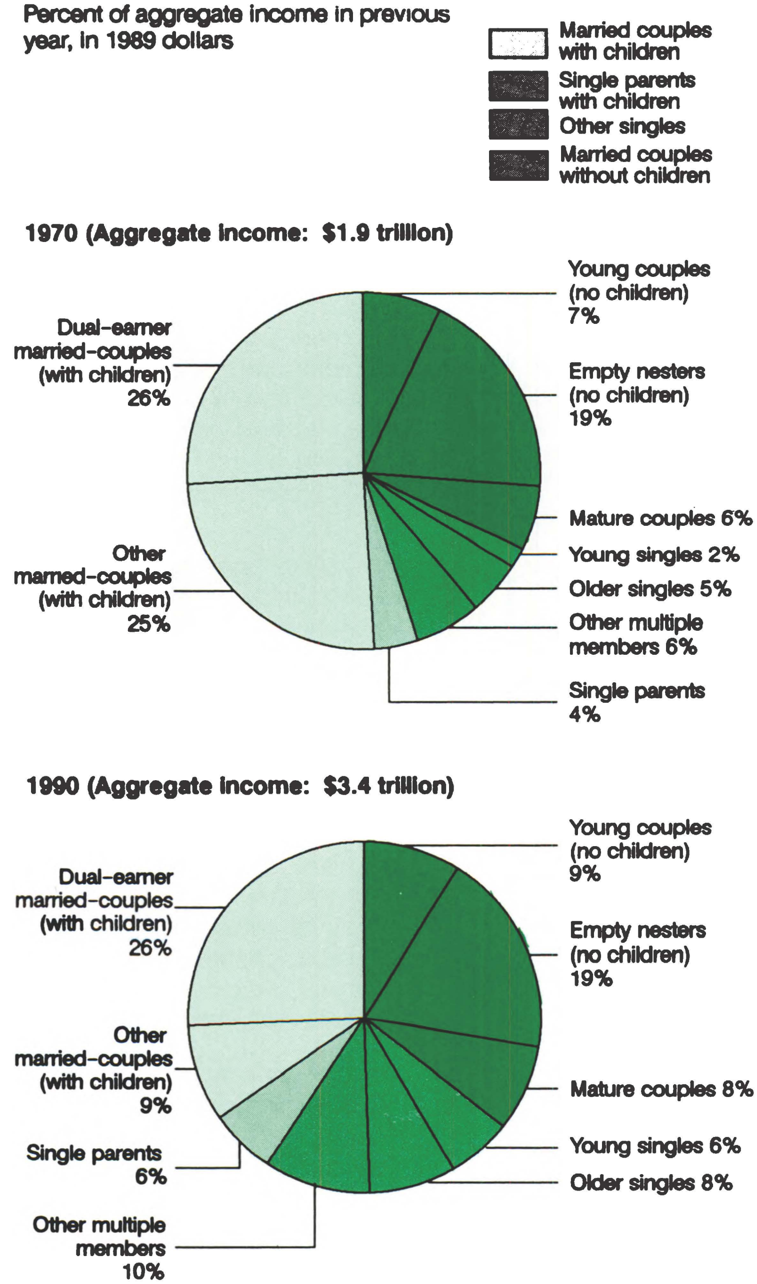
Changing Demographics Cause Shift In Market Share

Changes in living arrangements and the age structure of the population have drastically changed the allocation of income among various groups of Americans. These changes include, among others, passage of the baby boom generation through the life cycle, increases in life expectancy, postponement of marriage, increases in divorce and separation, and the entry of women into the work force.

This Brief shows how demographic, social, and economic changes over the past two decades have altered the share of the market held by various demographic groups. "Market share" is defined as the aggregate income of a particular demographic group as a proportion of the aggregate income of all households. These data were obtained by means of the March 1970 and March 1990 Current Population Surveys. Household income figures are for the previous calendar year and are in 1989 dollars.

Singles Show Growing Marketplace Power as Married Couples with Children Decline

Percent of aggregate income in previous year, in 1989 dollars



SB/91-20
Issued December 1991

U.S. Department of Commerce
Economics and Statistics Administration
BUREAU OF THE CENSUS

Whose share of the market rose?

▪ *Singles.* The biggest increase in market share belonged to singles (persons living alone or with nonrelatives): from 14 percent in 1970 to 24 percent by 1990. Among singles, the biggest percentage gainers were householders under age 45. They tripled both their share of the market (from 2 to 6 percent) and their share of all American households (from 3 to 9 percent). They saw their mean income rise from $20,300 to $25,200.

Another rapidly growing component of the singles population are "other multiple members." These are groups of unrelated individuals living together. Both this group's market share and its share of all households grew from 6 to 10 percent; its income rose from $27,200 to $36,900.

The largest group of singles are those 45 years of age and over. Many of these older singles are retired. They had the lowest income of any group in 1990: $17,500, up from $11,900 in 1970.

Why the increasing importance of singles in the marketplace? They are of the baby boom generation, many of whom have postponed marriage, and there are simply more of them. Singles comprised 24 percent of all households in 1970 and grew to 35 percent by 1990.

▪ *Single-Parent Families.* More divorces, separations, and children born out-of-wedlock resulted in more single parents. They composed 6 percent of all households in 1970 and 9 percent by 1990. Consequently, their share of the market rose from 4 to 6 percent over the period, despite a modest rise in income (from $17,500 to $21,400).

▪ *Mature Couples.* Couples age 65 and over without children living in the home rose slightly to just over 9 percent of all households; their market share rose from 6 to 8 percent. And they experienced a substantial rise in mean household income — from $20,900 to $32,300. Why? More wives with pensions and higher retirement income in general are possible explanations for this group's increased buying power.

▪ *Childless Young Couples.* These married couples, under age 45, saw their mean income jump from $33,100 to $48,300. Not coincidentally, they also saw their market share rise from 7 to 9 percent. Their income increase can be attributed in part to a high incidence of working wives.

Whose share of the market remained the same?

The highest income groups remain married couples — dual-earners and empty-nesters. Due to their continuing high income level, they still dominated nearly one-half (45 percent) of the market, despite composing only 32 percent of households.

▪ *Dual-Earner Married Couples With Children.* This group's share remained at 26 percent, despite a slight drop from 20 to 19 percent of households. Their stable market share can be explained by their rather large income boost — from $38,700 to $49,600.

▪ *Empty Nesters.* This group, married couples aged 45-64 with no children in the household, may have raised children who have since moved out. Their market share held constant at 19 percent, in spite of a decline in size from 15 to 13 percent of all households. Why? A substantial rise in income from $39,500 to $53,800, making them the highest income group.

Whose share of the market fell?

Although the highest income groups are married-couple groups, married couples overall don't have quite the clout in the marketplace they used to. They held 83 percent of the market in 1970, but only 71 percent by 1990. The rest is held by unrelated individuals and single-parent families. Only one group — other married couples with children — showed a decline in market share.

▪ *Other Married Couples With Children.* These families, primarily comprised of an employed husband and a wife not in the labor force (the "traditional" families of yesteryear), saw their share plummet from 25 to 9 percent from 1970 to 1990. Because more married women with children have entered the workplace, this group comprised only 8 percent of households in 1990, down from 21 percent in 1970. Also, their income grew more slowly than most groups — from $35,600 to $40,000. Marketers have targeted this group in the past, but they probably don't command such overwhelming attention now.

Contacts
Market share —
Ed Welniak 301-763-8576

Statistical Briefs —
Robert Bernstein 301-763-1584

This Brief is one of a series that presents information of current policy interest. It may include data from businesses, households, or other sources. All statistics are subject to sampling variability as well as survey design flaws, respondent classification and reporting errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, caution should be used when comparing these data with data from other sources.