

Market Outlook [February 2010]

Like Boomers, Gen Y and Gen X Pet Owners Bear Watching

Pet industry participants are keeping a close watch on the Baby Boomers, whose wealth, preoccupation with health, and often Empty Nest status make them an appealing demographic target. And so far the news is good, with Boomers hanging on as pet owners as they gray. According to Experian Simmons, 57 percent of households age 45-54 owned dogs or cats as of 2009 (by which year Boomers fully inhabited this age bracket), up from 54 percent in 2003 (when Boomers were only halfway through spilling in). At the same time—and flying in the face of historical trends—the dog/cat ownership rates for seniors age 65 or over are on the rise, from 30 percent in 2003 to 34 percent in 2009.

Representing additional good news for the pet industry, the dog/cat ownership rates shot up nine points in the 18-24 segment during the 2003-2009 period, from 40 percent to 49 percent. This likely reflects pets' growing “coolness” factor, both as celebrity involvement in the market grows and as trendy pet products increasingly allow pet owners to express themselves. The dog/cat ownership rates are also up for the 25-34 and 34-44 household groups, by 2 points and 6 points, respectively. As of 2009 both the Gen Y (age 18-29) and Gen X (age 30-44) cohorts were well above average in ownership of all animal types except birds, with Xers standing out especially. Moreover, taken together, Gen Ys and Xers represent over 28 million pet owners as of 2009—only about 5 million less than their older counterparts.

Keeping pet ownership increasing at the younger end of the age spectrum is at least as important as winning over graying Americans, since younger pet owners have more potential years in the market ahead. Also, in young households delaying childbearing, pets often stand in as surrogate kids, much as they do in Empty Nest households. As a result, the ever-potent pets-as-family marketing pitch is likely helping to keep pet market spending by these younger households on par with that of their older counterparts, especially among the growing ranks of dual earners.

Clearly, Boomers are not the only ones to watch.