

An Analysis of Millennials Expenditures on Pets

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Objective and Significance

Nearly two-thirds of U.S. households own pets (American Veterinary Medical Association [AVMA], 2019). Caring for pets is expensive and spending recently has snowballed (American Pet Products Association [APPA], 2019). Data from the APPA showed that Americans collectively spend around \$72.56 billion annually on pets. Figure 1 shows the increase in spending on pets since 2000.

Millennials or Generation Y (born 1981-1996) (Dimock, 2019) are the largest living generation in America. Although they are less likely to be homeowners, car owners, get married or start a family, millennials lead the generation in pet ownership. Psychologists believe that pets replace children for millennials (Bhattarai, 2016).

This poster analyzes the influence of millennials' pet expenditures of time and money on their recreational and social activities expenditures of time and money. The results are of interest to pet market researchers, social scientists and family science researchers.

Method

Variables assessing millennials' money and time pet expenditures will be created using BLS Consumer Expenditure (CE) Interview Surveys data from 2016 to 2018 (see Table 1) and American Time Use Survey data. In the first multiple regression, the dependent variable is admission fees for recreational and social activities. In the second, the dependent variable is time spent on recreational and social activities. In each, the primary independent variable will be money/time spent on pets; independent variables to control for socioeconomic characteristics also will be included.

Preliminary Results

The average annual expenditures on various categories of entertainment (see Table 1) of the millennial generation for the years 2016 through 2018 were retrieved from the CE surveys. Figure 2 depicts that millennials spend more on their pets (including toys, pet supplies and other services for their pets) than they do on each category of entertainment individually in a year. Expenditures incurred on toys and playground equipment and on audio and visual equipment slope downwards whereas expenditures incurred on fees and admission for the purpose of recreation or socializing are on a marginally rising trend.

Conclusions/Relevance

The preliminary results provide some evidence that millennials are, to some extent, substituting time and money spent with pets for time and money they might spend on recreational and social activities. While this might be good news for the pet industry retailers and researchers, who should take note of this upward trend and reap the benefits of this booming industry, it also suggests potential concerns if the millennial generation ultimately substitutes pets for children rather than merely using pets to postpone parenthood. From a social perspective, it is also concerning if millennials' commitment to their pets is socially isolating.

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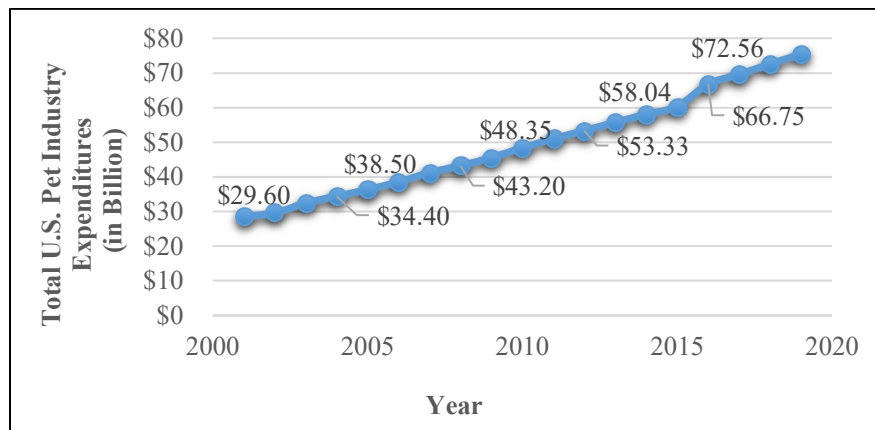
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Table 1- Items under Entertainment in the Consumer Expenditure (CE) Survey

| Items | Description |
|----------|---|
| FEESADM | Entertainment: fees and admissions |
| PETS | Pets |
| PETSPLAY | Pets, toys, and playground equipment |
| TOYS | Toys, hobbies, and playground equipment |
| TVAUDIO | Audio and visual equipment and services |
| ENTEROTH | Entertainment: other supplies, equip., & services |

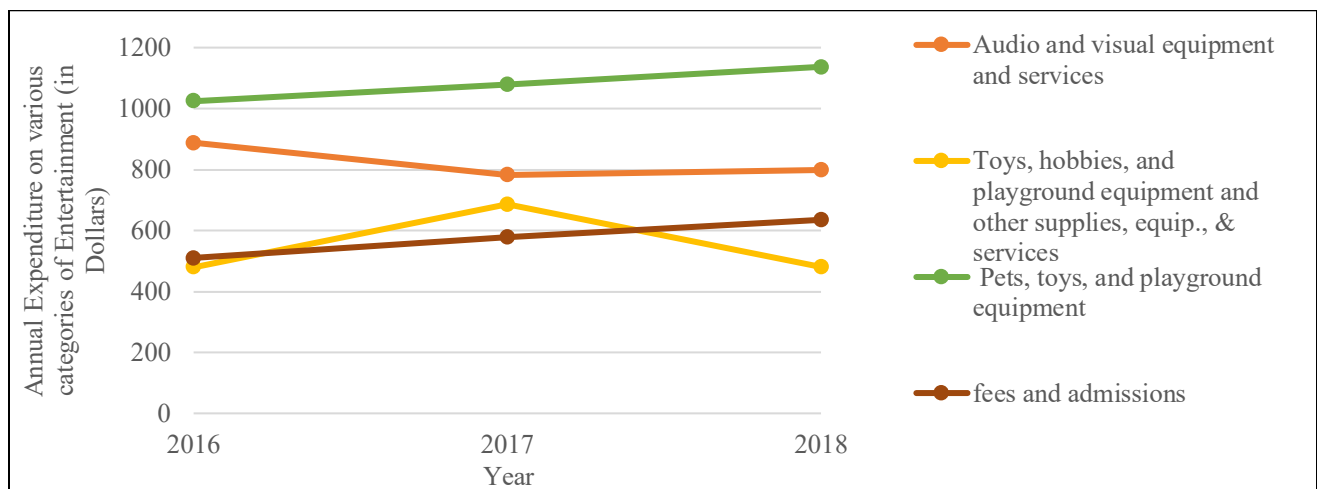
Source: U.S. Bureau of Labor Statistics

Figure 1 - Total U.S. Pet Industry Expenditures by Year (in Billion Dollars)



Source: APPA, 2019

Figure 2 - Annual Expenditure on various categories of Entertainment (in Dollars)



Source: U.S. Bureau of Labor Statistics