

## Generation Z, Toys, and the Cost of Parenting

In the busiest toy shopping period of the year Social Researcher Mark McCrindle reveals the latest research on Generation Z and their toys, the top 5 toy spending trends of their Generation X parents, and the financial cost of raising the average 2.7 children. This research is published in-depth in Mark's new book: *The ABC of XYZ- Understanding the Global Generations* (UNSW Press, [www.TheABCofXYZ.com](http://www.TheABCofXYZ.com))

### How many toys?

The average Australian household with dependents has in excess of 100 toys. How much do parents spend?

96% of Australian parents spend more than \$100 on toys per child, per year. 25% of parents have an annual toy spend per child which exceeds \$500.

***"Today's parents are starting their families six years later than their parents did (median age of first time mother is currently 30.7 years), they are having one less child than their parents generation (currently 1.9 babies per woman), and they most often have a two-income household. The result is that parents have more money per child, and spend more per child than their parents did. Generation Z (born since 1995) are the most financially endowed generation of children ever" writes Mark McCrindle.***

### What kinds of toys do Australian children own?

**Electronic vs. free-play:** Children's toys are a sign of the technological times. Just over half of Australian children's toys are powered/electronic.

**Toys that aren't toys:** The largest "toy" spend on children aged over 8 is allocated to toys that aren't toys. The biggest category is consumer electronics (iPods, digital cameras, mobile phones, computers and peripherals) followed by electronic game technology (X box consoles etc, portable game consoles).

**Educational toys:** When selecting a toy for their child, Australian parents like to buy toys with a stated educational benefit. Half of Australian kids have an even mix of educational and non-educational toys, while just over one-third have more educational than non-educational toys.

***"In addition to being the most materially supplied generation ever, Generation Z are also the most formally educated generation- they are starting formal education earlier than ever, and 90% of them will complete Year 12, with most going on to further study. Free play is out, structured activities are in- and for the Gen X hyper parents, toys have given way to learning tools" found Social Researcher Mark McCrindle.***

## Older younger: today's generation of "upagers":

Today's girls stop playing with dolls at a younger age than their mothers did. The average age for young girls to stop playing with dolls is now age 6; for their mothers, it was at age 10.

***"The 21st Century has ushered in a new lifestage: the tweens. Such is the growing sophistication, marketing influence and upageing that these pre-teens are fashion aware, brand conscious and peer influenced as much as yesterday's teenagers. While this stage between childhood and teenagehood originally defined those aged 8 to 12, it increasingly refers to the 7 to 11's with some commentators redefining the tweens as the 6 to 10's" comments Mark McCrindle.***

## Giving up childish things:

**How many?** A third of Australian parents get rid of between 5 and 10 toys per child every year. 19% get rid of over 15 toys per child per year.

**Why?** 2 in 3 toys are let go of because they are no longer played with. Only 1 in 5 are discarded because they are worn or broken.

**Where do they go?** The top 3 places unwanted toys go to are:

1. Charity (44% of toys or 13 toys a year per household with dependents)
2. Friends (28% of toys or 8 toys a year per household with dependents)
3. Garbage (16.5% of toys or 5 toys a year per household with dependents)

***"Parents feel swamped by their busy lives and undermined by advertising and entertainment that targets their children and was at odds with their values" states researcher Mark McCrindle. "Regarding children under 12 the biggest concern Australian parents have after bullying and negative peer pressure is the influence of advertising and media on their children. In fact one third of all parents surveyed stated that their biggest challenge was counteracting the negative influences of television and other media consumption."***

## The Pushback: Trends for Christmas 2009:

With technology at saturation point, sedentary lifestyles for children on the rise, and more wasted and discarded toys, parents' Christmas shopping behaviour is changing.

Christmas shopping patterns this year have revealed:

**Trend 1: Go out and play.** An increase in outdoor toys, free-play (non powered) toys and sporting equipment. From trampolines, skateboards and bikes to water pistols, swing sets and Frisbees.

**Trend 2: Nostalgia returns.** First observed with scooters returning a decade ago, now wooden train sets, pogo sticks, marbles and collectables, gender specific toys (toolkits for boys, makeup kits for girls), and cute dolls and princess dressups (rather than the edgy tween dolls of the last few years) are making a return.

**Trend 3: Experiences, not just accumulations.** Parents are increasingly taking children on trips, attending events and buying experiences that can be shared and which build relationships rather than just more things. For many families today who “have it all” it is about maximising what they have rather than accumulating more. Particularly after the global financial crisis and in this era of environmental sustainability, parents are enriching the journey rather than buying more “stuff”.

**Trend 4: Values-based and educationally focussed.** The Gen Xer parent is increasingly looking to maximise their toy spend by ensuring their children gain a long term benefit. Toys with a stated educational function, or toys which enhance a skill or develop values top the list. Books, educational technologies and computer products are in, as simplistic entertainment options are resisted.

**Trend 5: Upageing.** Consumer electronics such as iPods and digital cameras, designed for adults are now on the shopping list for the tweens. As the sophistication and technological literacy of children increases, parents are shifting their spend from childhood toys to the technology “necessities” of today. Today’s “toy” shopping is as likely to take place at Harvey Norman as Toys ‘r Us.

## Parenting in the 21st Century: the \$1,000,000 role

The Federal Government’s Child Support Agency ([www.csa.gov.au](http://www.csa.gov.au)) has tables which outline the care costs of raising children and to raise 2 children to 18 based on an average household income will cost \$384,543. However this figure does not include private education, holiday or other “non-essential” items.

In 2007 NATSEM calculated the cost of raising 2 children to age 21 including the education, travel, and real-life expenses was \$537,000 ([www.canberra.edu.au](http://www.canberra.edu.au)). However, even this estimate that raising children today will be \$537,000 is an underestimation for the following reasons:

First, the average number of children per household that has children is 2.7. Therefore based on \$537,000 for children, the average parental expense to raise their (2.7) children is \$724,950. Second, the figure assumes that by 21 the children will be independent. Yet in today’s Australian families the majority of young people stay in the parental home and rely on their parents for some of their expenses until their mid 20’s.

Therefore the cost per household to raise children to age 24 is \$834,000. Further, when the additional, non-essential yet “usual” child rearing expenses are added (toys, holidays and travel, dining and entertainment, private tutoring and education, sport and activities, furniture and household equipment dedicated to the children’s use etc) the cost increases by additional \$3000 per child per year. This takes the total parental cost to raise the average number of children in Australia to \$1,028,000.

## Rising costs of parenting

Here is a breakdown of the costs which total \$1,028,000 to raise the average family (2.7 kids) to independence (24) today per category:

\$206,000	Food
\$165,000	Housing & utilities
\$157,000	Recreation & entertainment
\$153,000	Health & other services
\$129,000	Clothing & equipment
\$123,000	Transport
\$95,000	Education & child care

Note: the costs (e.g. housing) are not the total household costs but only the amount apportioned to the children.

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