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## **Students Consumer Clout Widens as College Class Prepares for Return to Campus**

*-Latest Alloy College Explorer Survey offers early peek of a robust campus economy along with findings revealing students growing optimism towards the nation's financial recovery*

(New York, NY) – July 7, 2010 – Summer is finally in full swing and, while July 4<sup>th</sup> barbecues are just winding down and shore side activities may seem more immediate, preparation for the return to campus is heavily underway for close to 16 million college students between the ages of 18-34<sup>1</sup>. Early findings released today from Alloy Media + Marketing's 10<sup>th</sup> Annual *College Explorer Study*, powered by Harris Interactive, show a historic number of students matriculating this Fall, who will carry back to school with them an unprecedented and immense \$306 billion in projected spending power – up 13% since last year's estimates.

Now the largest class in history, the current college population (ages 18-34) jumps 6% from projected 2009 figures. And, while overall non-discretionary expenses are on the rise, it's this consumer group's discretionary spend that is particularly revealing. Showing a projected 10% increase since last year, the 18-34 year old college set continues to display a penchant for what they deem "must haves", with annual discretionary spending figures rising to an estimated \$69 billion, representing a substantial hike from 2009.

"This year's survey shows a substantial increase in college enrollment and with this ever-broadening population, a student body that appears more confident towards the future of the country's financial state of affairs and doling out their discretionary income for the necessary trappings of college life," commented Dana Markow, VP, Youth and Education Research, Harris Interactive.

### **The Future's So Bright...**

Clearly, these youthful consumers are not cutting back deeply, despite the continuation of a challenged economy. In fact, their spending appears to illuminate an increasingly optimistic view when it comes to the state of the nation. When asked their opinion about the future of the nation's economy, more than four out of every ten students (42%) in both the 18-24 and 18-34 age brackets stated they feel the economy will improve in the coming year. Compared to 31% of those 35 and older in the U.S. general population<sup>2</sup> who reported the same, it appears the current student body is expressing more confidence when it comes to the country's financial turnaround.

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<sup>1</sup> National Center for Education Statistics, Fall 2009 projections

<sup>2</sup> Data from the April, 2010 Harris Poll, conducted on April 12-19, 2010 (n=2755)

This optimism seems to be translating at the cash register, as students (18-34) report they are spending 3% more per month on discretionary purchases than they did last year - an average of \$361 per student.

And where, exactly, is that added chunk of change going? For both the overall 18-34 college student demographic and its younger subset (18-24), entertainment, personal care products and technology (other than cell phones/PDAs) get a lift this year, showing a slight increase in overall monthly category spend. For this decidedly social and connected group, it appears that *looking good and feeling good* remain high priority.

Interestingly, when it comes down to a battle of the sexes, some stereotypes may still apply. Male students ages 18-34 are spending more towards entertainment and technology on a monthly basis, while females lead slightly in clothing and shoes, cosmetics and cell phone purchases. While gaming may be top of mind for the male student body, it also appears the 21<sup>st</sup> century college man is paying increasing attention to his personal appearance; according to the recent report, males are actually spending slightly *more* than females for personal care products.

### **To Have or Have Not**

Annual discretionary spending among 18-24 year old college students jumps to a projected \$37.7 billion. For this younger generation, sacrifice does not seem to be in the current curriculum. While automotive and entertainment, two of the top three categories for annual spending among 18-24 year olds, saw an increase since last year, personal care and technology spending figures increased nearly as much. A similar trend is reported for 18-34 year old college consumers and, while food still leads in annual category expenditure, it is spending on personal care products and entertainment that shows a slightly larger leap over last year's figures.

Interestingly, when students were asked if their spending habits had changed in the past year, 18-24 year olds appear to have set different fiscal priorities than their older counterparts. More than half of the 18-24 year olds surveyed stated spending for entertainment, eating out, and bars and nightclubs has remained steady or increased, while approximately only four in ten 25-34 year olds agreed with such sentiment. Specifically, when it comes to eating out, a hefty 52% of 18-24 year olds stated spending stayed steady or increased, vs. 38% for 25-34 year olds. While neither group reported major shifts in their activity, for the younger college student "fun" goes hand in hand with required studies, appearing to be the way of campus life.



“This year’s findings offer a very compelling view of college consumers’ growing influence in the marketplace,” stated Andy Sawyer, EVP, Media Services, Alloy Media + Marketing.

“From sheer population growth, compounded with notable spending hikes in key discretionary categories, college students’ ever-increasing consumer power is undeniable. The annual *College Explorer Study* definitively reiterates the importance this group holds for brands aiming to gain long term loyalty, and should serve as the marketer’s essential guide to navigating the modern campus and its inhabitants’ unique behaviors.”

Alloy Media + Marketing will release additional findings from the 10<sup>th</sup> Annual *College Explorer Study* in late July, revealing essential data in such areas as college consumer purchasing behavior, social responsibility, media and technology habits, and advertising and spheres of influence. The Alloy *College Explorer Study* remains the largest syndicated study addressing spending and behavioral trends of the influential and ever-changing college demographic.

### **Survey Methodology**

The 2010 Alloy College Explorer study was conducted online within the United States by Harris Interactive on behalf of Alloy Media + Marketing between April 1 to April 30, 2010 among 1,575 18-34 year old college students (2-year, 4-year and graduate students, including 1,469 18-30 year old college students). Results were weighted as needed for age, sex, race/ethnicity, region and school status (full-time, part-time, 4-yr., 2-yr.). Propensity score weighting was also used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the U.S. 18-34 year old college students. Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.

### **About Alloy Media + Marketing**

Alloy Media + Marketing (AM+M) (NASDAQ: ALOY) is one of the country’s largest providers of media and marketing programs reaching targeted consumer segments. Alloy manages a diverse array of assets and services in interactive, display, direct mail, content production and educational programming. Alloy works with over 1,500 companies including half of the Fortune 200. For further information regarding Alloy, please visit our corporate website at [www.alloymarketing.com](http://www.alloymarketing.com).

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