

BUSINESS 

Generation X learns how to be thrifty

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 By Lisa Amin

SAN JOSE, CA (KGO) -- Americans are changing their spending habits. That's nothing new, but, what is new is the age of the people who are doing it. Those under 40 are realizing, many for the first time, that the economy isn't what it used to be.

For the first time in his life, Dave Winter is really watching where is money goes. Even though he and his wife are a dual-income couple, the down economy is changing their spending habits.

"We have normally been able to do anything we've wanted to do and so now we're being more conscious about the decisions we make," said Dave Winter, from San Jose.

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They've opted for less expensive gym

memberships, fewer vacations, and more dinners at home.

"This is definitely the start of a trend," said Kit Yarrow, Ph.D.

Kit Yarrow is a professor of consumer psychology at Golden Gate University. She's also the author of "Gen BuY," a book that explores the change in buying habits of younger consumers.

"They've grown up in an era of economic prosperity, that's one of the hallmarks of this generation, that all they've known is a prosperous life and so transitioning to a more frugal lifestyle for this generation is and will be difficult," said Yarrow.

Yarrow expects luxury items will be cut out of budgets, first.

"We don't travel much compared to last year and the year before and that's a big difference," said Youna Choi, from San Jose.

They aren't the only ones trying to save and stretch their dollars. Managers at a Costco in San Jose say business is way up, now that younger families are opting to buy bulk. Even the choice in meat has changed.

"People are looking for better deals and more value for their buck, pretty much," said Humaro Keita, a butcher.

According to one study, 60 percent of those surveyed are cooking at home more often than before, and that's hurting downtown San Jose restaurants.

Up until a few months ago, the Tied House Restaurant and Brewery was packed on an average Friday night. Now, a half empty restaurant is the norm. It's a financial strain owners can't continue to bear. Until consumers go back to their old spending habits, staff hours will be cut.

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