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Monopoly Money:

An Analysis of the Effects That 7-13 Year-Old Children Have on the American Economy

Christmas: the crowned jewel of child-based business. Thumping down stairs, children across America wake to a morning full of candy and presents. Parents joyfully watch as their children tear at gifts they begged for after watching conveniently placed advertisements.

Defined as between the ages of speech mastery, seven, and reading mastery, thirteen, in the book *The Disappearance of Childhood* (Postman), children are one of the largest consumer groups that businesses target because of their susceptible, emotion-based nature. Children are considerably apparent in American commerce, as seen in such companies as Toys R Us, Disney, and Nickelodeon.

Contrary to typical commerce, these businesses target a group with seemingly minimal personal purchasing power, who instead must rely on another group with more financial ability. In essence, child-based business depends not only on the adolescent population, but also on the adult population as well, making it equally as difficult to successfully market products.

The American economy is responsive yet stagnant, adjusting to each individual purchase but slowly evolving. Every year, thousands of advertisements cater to children, offering imaginary worlds of wonder and mystery, enticing them towards a particular product, and the child, unaware of his economic leverage, silently steers American commerce.

Historically, American businesses began specifically emphasizing and targeting the child during the 1950s, when the booming post-war economy gave families additional purchasing power to spend on their children's well-being. As the American standards of living increased, emphasis was put into the child's playthings rather than necessities.

The 1980's were of particular significance in the evolution of child consumerism, as businesses began to clearly define children as a separate class of consumers; large corporations, for example, created specialized child-based sections in addition to such departments such as "men" and "women," where the child status was elevated in clothing and home-good industries. With adolescent consumerism gaining momentum, US corporations' budgets for child marketing increased fifteen times over between 1980 and 2000, funneling funds into analyses of child consumerist tendencies and increased advertisement development.

During the 2000's and 2010's, companies are habitually targeted children and targeting them at lower ages. Daniel T Cook, Professor of Childhood Studies at Rutgers University-Camden, explained the inseparable mix between childhood and consumerism, "[having allowed] children their pleasures and self-defining practices in and through goods and to integrate these as necessary, unavoidable aspects of childhood without apology, hesitation or equivocation" (426).

As American society progressed to a more technologically-dependent culture, advertisements and marketing mechanisms were more accessible to children born after 2000 than in prior years before. According to Andrew Reid, founder and president of Corporate Innovation, "technologies that will make businesses run better tomorrow are, more and more, being adapted from technologies that [the younger generation] uses today" (Reid).

Beginning with the first push for child consumerism in the 1950s into present day, children, ages seven to thirteen, have significantly developed an upwards-trending influence on the

American economy, affecting the socio-cultural portion as well as the financial and entrepreneurial sections.

Peaking in the 1950s, American socio-cultural values have consistently emphasized the child and his importance in American culture, from ideologies to vibrant advertisements. As Howard Chudacoff notes in his American child study, October 3, 1955, was a revolutionary evening for American society, as it began the immersion and appreciation of childhood into popular culture with the broadcast of Disney's *The Mickey Mouse Club*, a show dedicated specifically to children under thirteen.

Consistently bringing in ten million viewers daily, *The Mickey Mouse Club*'s variety program was the first to include child performers, making the program appealing to children as it offered a personal connection through an adolescent-majority cast (154). Because of Disney's success, companies like Mattel began to target younger audiences since, according to analysts, "the trend is for children to get more decision making authority and exercise that authority at a younger age" (Chudacoff 156), therefore starting the socio-cultural revolution and shift in adolescent economic influence since more emphasis was now placed on cultivating a consumer culture through younger generations.

Chudacoff displays how Mattel's *Barbie* and Disney's *The Mickey Mouse Club* have arguably "exemplified the two major themes of adult domestication of children's play since the mid-twentieth century: commercialization and co-optation of time and activity" (157), showing how the 1950s started bringing childhood into the forefront of American culture, specifically through The Walt Disney Company. Walt Disney was the first entrepreneur included into American pop culture who sold his company strictly upon the basis of childhood, ironically gaining audiences of both children and adults as a result; Disney sold his theme through the notion that as people grow older, they do not necessarily grow up, and that childhood is still present inside adults.

As childhood became more prominent in American society, economic and cultural influence continually increased from 1950 to 2016 with companies like Dreamworks, Cartoon Network, and Nickelodeon mimicking Disney's targeting strategies geared towards younger audiences. As these companies gained valuable battleground in America's cultural spotlight, the childhood image followed in popularity, with more businesses selling the childhood ideology to a more diverse age range.

Presently, America's popular culture includes comic superheroes, produced by companies such as Marvel and DC; Vintage characters intended to target children from the fifties onward who have gained popularity with the current younger and older audiences. Offering a connection to younger audiences through feats of unordinary heroism and power, characters like Superman and Spiderman continue to inspire even the youngest children, despite being created over fifty years ago, and children who grew up with these characters still find the same attraction now as the current adult generation, confirming Disney's selling theory on everlasting childhood.

Financially, to support successful businesses, the Dollar is the method of representation in the American economic system. Similar to the democratic political process, consumers provide businesses votes of confidence through money; children are of no exception, offering up a powerful consumer group corporations cater towards.

Company success rate is measured by stock price, and for child-based corporations, business continues to flourish as stock prices rise, indicating an increased confidence and satisfaction among consumer groups. For corporations like Disney, accounting for 2.5 percent of Florida's GDP in 2011 (Garcia), economic influence is significant with shareholder stakes trending at ninety-two dollars (MSN Money). A corporation employing well over 166,000 worldwide bases its success on targeting children (Garcia), ultimately giving younger generations control in how Disney stipulates business and stimulates the Floridian and American economies.

Aside from Disney, companies like Hasbro, General Mills, and Comcast have also channeled success through attracting younger audiences, developing new strategies to target and invest into childhood. Incorporated as a toy company in 1926, Hasbro is the second largest toy corporation worldwide, after Mattel, and since its inception, Hasbro's consumer confidence has continually trended upwards, its stock peaking at eighty-seven dollars in 2016 (MSN Money). A significant portion of Hasbro's success deals with consumer feedback analysis; analysts observe the interests of the targeted child population and develop products that meet their needs, once again focusing on the importance of the child.

Professor of Economics at Longwood University and mother of two, Melanie Marks reinforced the strength of the adolescent consumer market adding that "when kids vote with their feet, that is going to certainly have an impact on what [imported] bundle [the United States] end[s] up in…[child preferences are] going to steer industries" (Marks, interview).

Additionally, the child base's economic influence is of such worth, mega-corporations like General Mills and Comcast have created or absorbed subsidiaries that specifically cater to younger audiences, hoping to increase corporation net income. General Mills brands like Lucky Charms, Cinnamon Toast Crunch, Trix, and Cocoa Puffs consistently target younger audiences with colorful boxes and cartoon characters; out of the seventy-three General Mills cereals (General Mills), thirty-seven are targeted either specifically towards children or targeted towards parents specifically for children, resulting in approximately fifty percent of General Mills products depending on adolescent cereal preferences.

The food industry is by no means alone in targeting children; television-broadcasting companies like Viacom have also taken the initiative to absorb child-based subsidiaries, hoping to include another profitable consumer group in their audience. Owning television stations like Comedy Central and Spike, Viacom purchased MTV and Nickelodeon brands in 1985, as part of a 667.5 million dollar deal, equivalent to roughly 1.5 billion in today's currency (Hiltzik), hoping to reach and connect with a larger, more diverse age range (Hiltzik).

As a result, Viacom's stock ended 1985 at an all-time, fifty-two week peak, $63.25, and was the fourth most traded stock on the New York Stock Exchange, having nearly twelve percent of its stock exchanged during the year, sizably growing the business both monetarily and by target audience (Harris).

Through colorful text and product placement, advertisements define ways entrepreneurs communicate to consumers, especially regarding the stock exchange. Despite the seeming simplicity of the matter, marketers analyze specific consumer behavior and create formulas dependent on key sensory subjects; certain colors, fonts, and images trigger different emotions. While color perception relies heavily on personal experiences, marketers make broad assumptions based on general public reactions (Ciotti).

Studies show that warm tones indicate excitement, friendliness, clarity, and happiness, versus cooler tones, which indicate creativity, balance, growth, and solidity (Ciotti). Red is a popular color among restaurant industries like Pizza Hut, Kentucky Fried Chicken, and Chick-fil-a, as it stimulates excitement and hunger, enticing consumers to buy their products. Children are not excluded from the marketing mechanism, rather explicitly targeted, since younger children are less likely to control their sensory feelings.

The nature of advertising, having gained momentum in the 1950s, has converted from a primarily product-based focus to an emphasis on consumer-business relationships, with the modern average American child watching upwards of 40,000 television commercials annually (Shah). Minette Drumwright, an associate professor of marketing at University of Texas At Austin, explains how the increase in competition affects marketing towards consumers and how competition between businesses has changed through the decades.

Having minimal competition between businesses, advertisements in the 1950's were focused on detailing the benefits of the product itself. Drumwright notes how a major shift toward children marketing occurred in 1981, when The Federal Trade Commission's ability to monitor advertising, based solely on fairness, was terminated. Due to increased business startups and lowered regulations, companies sought to target consumers, specifically children, through means of a personal connection (Breiner 13-15).

In an effort to create brand loyalty among children, modern businesses began to study Integrated Marketing Communications, which Drumwright bases upon three major points: Segmentation, Targeting, and Positioning. Segmentation requires marketing analysts to divide consumers based on similar behavioral traits, an example being segregating children from adults. Targeting requires more forethought, as analysts predict consumer trends, deciding upon a specific strategy that appeals to the targeted, potential consumers. Current businesses then use Positioning as a method for competition, differentiating their product from other similar items (Breiner 13-15).

Cereals like Lucky Charms employ a variety of marketing mechanisms specifically targeting younger audiences, incorporating red as the primary box color to incite hunger, using clever slogans like "they're magically delicious" to relate to childish fantasies, basing their spokesmascot on a mythical children's creature, and using animated children in television advertisements, creating characters the consumer base identifies with.

Honorary Professor of Humanities at The University of Wollongong, Sharon Beder notes her study of child consumerism that "Advertisers have recognised [sic] that the amount of money that children have to spend is significant. According to *Direct Marketing* magazine, by the age of eight children make most of their own buying decisions" (Beder). Beder details the extensiveness of children's purchasing power, quoting that in the US, children under twelve collectively spend anywhere from eleven to thirty billion of personal funds, contrary to the common child-adult dependency assumption.

In another study, children under twelve directly influence 130-670 billion in parental purchases annually (Shah). Additionally, children, since 1990, are more interested in brand name clothing and sporting items versus playthings and candy, therefore creating a marketing shift for advertising agencies; businesses began to broaden their targeting mechanisms to include children in a variety of departments, anything from sports equipment to toiletries (Beder).

Despite stereotypical, financial assumptions concerning American adolescents, seven-to-thirteen year-olds have considerable influence apart from the adult population, adding significant drive to the American economy through premature, impulsive susceptibilities. For business, children are not only consumers, but also valuable assets subject to the plethora of marketing mechanisms and advertising methods market analysts employ.

Turning potential lapses of mental and financial maturity into stable consumer bases, the stereotypical, impulsive adolescent generates millions in business revenue annually, significantly contributing to American economic processes and financial flow. While public views designate children into lower classes of consumers, advertising and marketing analysts often elevate adolescents to equal adult consumer bases in terms of financial ability, recognizing the significance in children's personal financial decision-making and creating subsidiaries and departments to accommodate young consumers. A profitable investment, child-based business expansions generally flourish in the stock exchange, increasing audience range and consumer diversity while simultaneously increasing company value.

Children are the epicenter of American commerce. From 1950 to 2016, adolescents have exploded influentially, dominating both the socio-cultural spectrum and the American economy due to a uniquely immature impulsiveness associated with younger audiences. Channeling a combined impulsiveness and lack of emotional control, young consumers are uniquely placed in a powerful position regarding corporate targeting groups; children have both the recognized financial ability and the susceptibility to advertising mechanisms that businesses strive to acquire in audiences, creating foundations of economic influence and business-consumer dependence.

As Walt Disney began his childhood market campaign in the fifties with *The Mickey Mouse Club*, the "child within" mentality has since been a profitable investment for businesses looking to reach a large, diverse audience. Childhood influence is not endangered in the American economy and will continue to prosper far into the future, as Walt Disney's ideology famously summarizes that "growing old is mandatory but growing up is optional"(E2BN).

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