STRATEGIC RESEARCH REPORT

The Optimization Consumer

How demographic, economic, cultural, and AI forces are rewriting American consumption.

2027 – 2032 OUTLOOK

EXECUTIVE SUMMARY

From Transactions to Decisions

For seventy years, competitive advantage came from scale, then assortment, then convenience. The next era is fundamentally different: the central challenge is no longer satisfying demand, but helping consumers optimize increasingly complex lives.

“Every purchase becomes a multidimensional optimization problem.”

Consumers no longer ask “What should I buy?” but “What decision best advances my broader objectives?”

Multidimensional value

Consumers optimize seven scarce resources at once — money, time, health, identity, sustainability, information, and cognitive effort.

Cognitive scarcity

Mental effort has become an economic constraint. Reducing decision complexity now rivals price as a source of advantage.

AI as decision infrastructure

Recommendation systems and agents narrow choices before marketing is ever seen — shifting commerce from consumer-directed to AI-mediated.

EXECUTIVE SUMMARY

Twelve Findings Defining the New Landscape

1. **Four structural forces reinforce one another**
2. **Consumers optimize many resources at once**
3. **Cognitive load is now an economic constraint**
4. **AI becomes consumer infrastructure**
5. **Journeys give way to decision ecosystems**
6. **Traditional segmentation loses predictive power**
7. **Competition expands beyond traditional rivals**
8. **Data quality matters more than quantity**
9. **Operational excellence goes enterprise-wide**
10. **AI changes the economics of scale**
11. **Capabilities become the real moat**
12. **Optimization becomes the battlefield**

WHY A NEW ERA

Four Forces Are Rewriting Consumption

Demographic Older, smaller, more diverse households shift demand toward convenience, health, and services.

Economic Persistent affordability pressure and wealth divergence make optimizing total household resources central.

Cultural Identity, trust, wellness, and sustainability rise — purchasing becomes values-driven.

Artificial Intelligence AI becomes an active decision participant, shaping discovery, evaluation, and purchase.

Individually meaningful; together they create nonlinear change.

WHY A NEW ERA

Every Era Optimized Something Different

1950s–70s	1980s–90s	2000s	2010s	2020s–30s
CONSUMER CONSTRAINT **Availability**	CONSUMER CONSTRAINT **Price**	CONSUMER CONSTRAINT **Information**	CONSUMER CONSTRAINT **Convenience**	CONSUMER CONSTRAINT **Decision quality**
WINNING CAPABILITY Scale, logistics, assortment	WINNING CAPABILITY Supply-chain efficiency	WINNING CAPABILITY Search & e-commerce	WINNING CAPABILITY Mobile, personalization	WINNING CAPABILITY AI optimization ecosystems

Competitive advantage consistently migrates toward whoever solves the consumer's most binding constraint — now decision complexity, not transaction friction.

The Seven Dimensions of Optimization

Dimension	The consumer asks...	Retail opportunity
Financial	*Am I getting the best economic outcome?*	Value transparency, pricing intelligence
Time	*Does this reduce effort?*	Convenience, automation, fulfillment
Health	*Does this improve my wellbeing?*	Wellness products and services
Identity	*Does this represent who I want to be?*	Brand meaning and community
Trust	*Can I rely on this choice?*	Transparency and credibility
Sustainability	*Does this align with my values?*	Durable, responsible products
Cognitive Effort	*Does this simplify my life?*	AI assistance and personalization

The Optimization Consumer is not a segment but a behavioral operating model appearing across generations and income levels.

DEMOGRAPHIC FORCES

A Population Transition Reshaping Demand

Five shifts redrawing the market

1. Population growth slows — a mature demand environment
2. Rapid aging lifts demand for health, convenience, services
3. Below-replacement fertility slows household formation
4. Immigration becomes the primary source of growth
5. Households grow more diverse than the nuclear norm

As consumers age, priorities shift

Younger households	Older households
Exploration	**Confidence**
Assortment	**Simplicity**
Novelty	**Reliability**
Discovery	**Trusted recommendations**
Ownership	**Services & maintenance**

Age alters optimization priorities far more than it alters spending capacity.

ECONOMIC FORCES

The Polarization of Consumer Spending

Affordability pressure and wealth divergence are splitting the market into two optimization economies — squeezing the middle.

Asset-Advantaged

OPTIMIZE FOR

Experiences, wellness, convenience, premium, personalization

POWERED BY

Home equity, retirement assets, market gains, higher incomes

Budget-Constrained

OPTIMIZE FOR

Affordability, promotions, financing, durability, efficiency

UNDER PRESSURE FROM

Higher living costs, thin savings, price sensitivity, uncertainty

Value = economic benefit + time saved + risk reduced + personal fit + long-term outcome.

CULTURAL FORCES

Values Are Being Reordered

The new value hierarchy

Price → **Total economic outcome**

Quality → **Long-term performance**

Convenience → **Time optimization**

Brand image → **Identity alignment**

Transaction → **Relationship**

Product ownership → **Life improvement**

The trust premium

Consumer challenge	Trust response
Too many choices	**Curated recommendations**
Conflicting reviews	**Credible authority**
Product uncertainty	**Transparency**
AI-generated content	**Verification**
Complex tradeoffs	**Confidence**

As information abundance rises, trust shifts from a marketing goal to strategic infrastructure for AI-mediated commerce.

From Digital to AI-Mediated Commerce

The internet changed ***where*** we shop. Mobile changed ***when***. AI is changing ***who — or what — shops.***

Traditional commerce	AI-mediated commerce
Consumer identifies product	**Consumer describes an objective**
Keyword search	**Intent interpretation**
Product comparison	**Tradeoff optimization**
Human evaluation	**AI-assisted evaluation**
Manual purchase	**Automated execution**

Algorithms increasingly decide which products a consumer evaluates — before traditional marketing exerts any influence.

WINNING STRATEGIES

The AI-Augmented Customer Journey

1

TRADITIONAL

Awareness

AI-ENHANCED

AI-curated discovery

2

TRADITIONAL

Consideration

AI-ENHANCED

Automated comparison

3

TRADITIONAL

Preference

AI-ENHANCED

Personalized recommendation

4

TRADITIONAL

Purchase

AI-ENHANCED

Assisted execution

5

TRADITIONAL

Loyalty

AI-ENHANCED

Continuous optimization

Discovery, evaluation, decision, and relationship all become continuous — the central question shifts to "Will AI recommend us?"

THE CONSUMER AS OPTIMIZER

Five Optimization Consumer Archetypes

The Efficiency Optimizer	The Value Optimizer	The Wellness Optimizer	The Identity Optimizer	The Experience Optimizer
"How can I simplify my life?"	*"How do I maximize economics?"*	*"How can I improve my future self?"*	*"Does this represent who I am?"*	*"How do I maximize meaning?"*
HIGH-VALUE CATEGORIES	HIGH-VALUE CATEGORIES	HIGH-VALUE CATEGORIES	HIGH-VALUE CATEGORIES	HIGH-VALUE CATEGORIES
Grocery delivery, subscriptions, AI assistants	Private label, marketplaces, comparison tools	Food, beauty, fitness, healthcare	Fashion, luxury, lifestyle brands	Travel, hospitality, entertainment

UNDERSTANDING AND RESPONDING

The Consumer Optimization Flywheel

1 **Understand**
Collect signals across purchases, preferences, context, and goals

2 **Interpret**
Use analytics and AI to read the consumer's real objectives

3 **Recommend**
Offer relevant options and the tradeoffs between them

4 **Execute**
Cut friction with automation, fulfillment, and services

5 **Learn**
Turn every outcome into a better future decision

Companies with superior flywheels compound their advantage with every cycle.

INDUSTRY IMPLICATIONS

Industry Exposure to Optimization

Industry	Decision complexity	AI opportunity	Strategic impact
Grocery	Medium	High	Mission-based shopping
Beauty	High	Very High	Personalized recommendations
Healthcare retail	Very High	Very High	Decision support
Home improvement	Very High	Very High	Project optimization
Travel	High	Very High	End-to-end planning
Fashion	Medium/High	High	Identity + personalization
Luxury	High	High	Trust and authenticity
Restaurants	Medium	High	Convenience & personalization
Mass retail	High scale	Very High	Ecosystem advantage
CPG	Medium	High	Demand & discovery shift

Categories with high uncertainty and high complexity — healthcare, home improvement, travel — offer the greatest optimization upside.

WINNING STRATEGIES

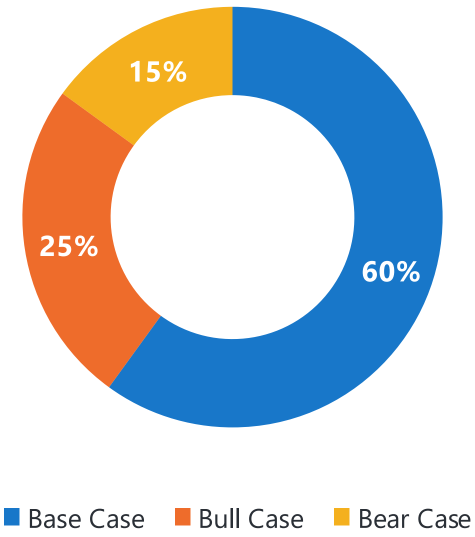
The Optimization Maturity Model

Scale creates advantage only when converted into intelligence.

			Advantage
1	Transactional	Sell products efficiently	Scale
2	Digital	Enable online commerce	Convenience
3	Personalized	Recommend products	Relevance
4	Predictive	Anticipate needs	Speed
5	Optimization	Improve consumer outcomes	Decision ownership

THE 2027–2032 OUTLOOK

Three Scenarios for the Optimization Economy



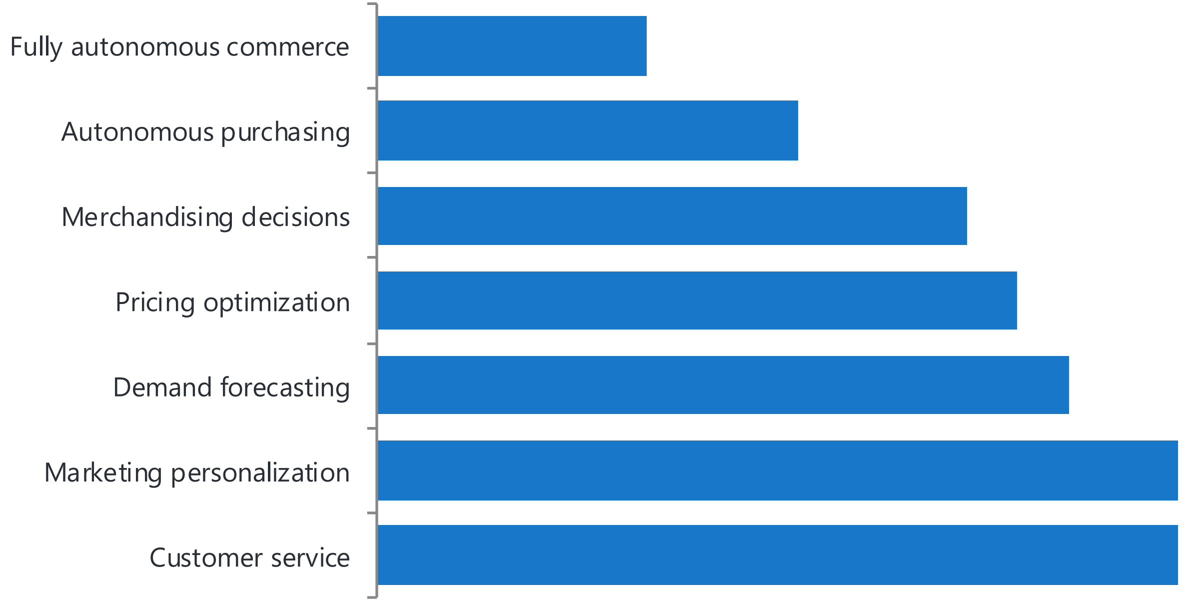
60% **Base Case**
Gradual AI integration reshapes decisions; humans stay involved in high-emotion choices.

25% **Bull Case**
AI agents rapidly become mainstream interfaces; disintermediation becomes the key risk.

15% **Bear Case**
Economic pressure and trust barriers slow adoption; operational excellence still wins.

The decade will be defined not by whether consumers adopt AI, but by how deeply it embeds in everyday decisions.

AI Impact Forecast by Business Function



Illustrative index of expected AI impact by 2032, based on the report's qualitative confidence assessments.

Where the evidence is strongest

Prediction, personalization, automation, and information processing.

Greater uncertainty remains around **fully autonomous consumer purchasing.**

THE STRATEGIC AGENDA

Five Strategic Shifts for Leaders

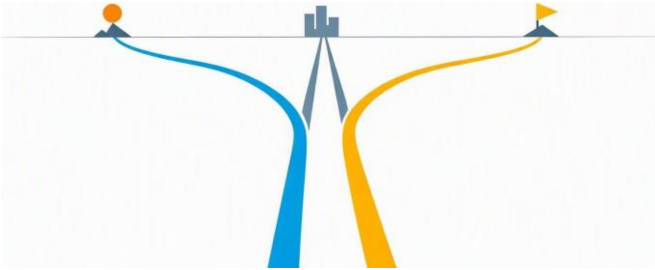
1. From transactions → **to decisions**
2. From products → **to solutions**
3. From personalization → **to optimization**
4. From customer data → **to consumer intelligence**
5. From digital commerce → **to AI-mediated commerce**

Competitive advantage moves upward — from transactions toward decision intelligence.

THE STRATEGIC AGENDA

The Board Agenda for the Next Decade

1. Are we organized around consumer outcomes, or internal functions?
2. Will AI systems actually recommend us?
3. Do we possess the data required to compete?
4. Are we building consumer-intelligence capabilities?
5. Can we become a trusted optimization partner?



The ultimate objective: not retailer, manufacturer, or marketplace — but the consumer's trusted optimization partner.

THE OPTIMIZATION CONSUMER

Advantage will accrue not to those who optimize transactions, but to those who optimize decisions.

The next decade rewards the organizations that become indispensable partners in helping consumers navigate an increasingly complex world.

Sources: U.S. Census Bureau · BLS · BEA · Federal Reserve · Pew Research · McKinsey · Bain · Deloitte · Gartner · Stanford AI Index

THE GRAYSON COMPANY

STRATEGIC RESEARCH REPORT

The Optimization Consumer - Part 2

How demographic, economic, cultural, and AI forces are rewriting American consumption — and what it demands of retail and consumer goods leadership.

A synthesis of U.S. Census, BLS, BEA & Federal Reserve data with McKinsey, Bain, Deloitte, EY, PwC and NIQ research.

EXECUTIVE SUMMARY

From trade-down to trade-off

The American consumer has not stopped spending — the consumer has started **optimizing**. Every purchase is now solved as a constrained trade-off across price, time, health, identity and trust simultaneously.

This is not austerity. It is a structural change in the decision architecture of spending — not a cyclical mood.

3-4.5%

Personal saving rate band held through 2026 — not a retrenchment

+62%

Top-decile household spending growth, Q3 2020–Q3 2025

$18.8T

All-time high in total U.S. household debt

THE CENTRAL ARGUMENT

Four forces acting as one system

These forces do not operate independently. Read together, they collapse the distance between “I want this” and “an agent bought this” faster than most organizations can adapt.

01

Demographic

Who the consumer is becoming — the oldest America ever, alongside a rapid generational handoff of spending power.

02

Economic

How much room the consumer has — an absorbed price level, a K-shaped divide, and record household debt.

03

Cultural

What the consumer wants — resourcefulness as identity, a measured health revolution, and durable experience-seeking.

04

AI

How it all gets discovered and bought — a fragmented discovery layer and the rise of agentic commerce.

01

Demographic Forces

Who the consumer is becoming: an aging nation and a generational handoff of spending power already underway.

01.1 AGING & THE HANDOFF

The oldest America — and a live handoff

39.1

Median U.S. age in 2024 — the oldest in the nation's history

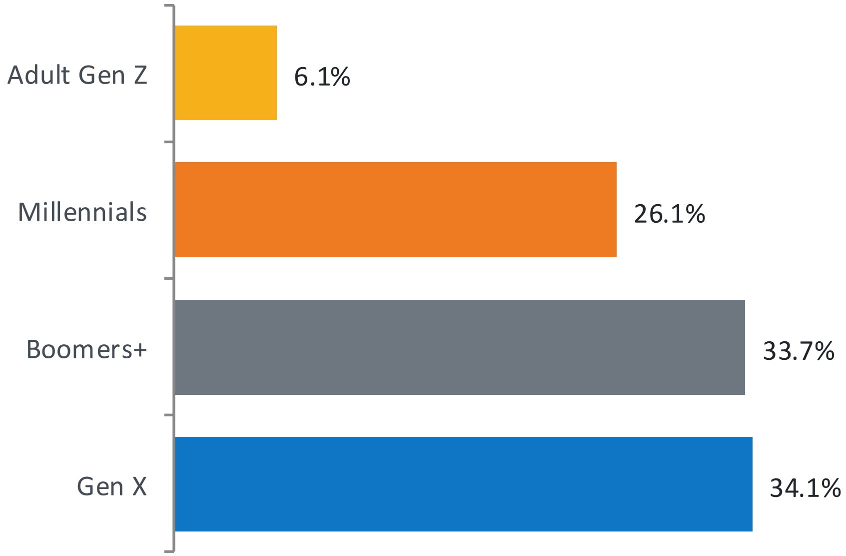
+60%

Growth in households headed by someone 80+ over the next decade

32%

Gen Z + Millennial share of U.S. consumer spend, up 8 points since 2020

Share of CPG, general merchandise & QSR spend, YE 6/30/2025



Gen X — not Gen Z or Boomers — holds the single largest share of category spend, yet receives the least dedicated strategy.

01.2 A MULTI-YEAR UNLOCK

Gen Z’s spending power is a base, not a ceiling

$450B → **$12T** → **$74T**

Gen Z global spending power today (NIQ)

Projected trajectory by 2030 as the cohort ages into peak earning

Lifetime, by 2040 (BofA)

+50%	The average 25-year-old Gen Z household out-earns the average Boomer at the same age (inflation-adjusted) — with far higher fixed housing costs.
2.6→6.1%	Adult Gen Z’s share of CPG spend has more than doubled in five years.
2×	Target gains Gen Z share at roughly twice the total-population rate — loyalty is rebuilt, not inherited, each cohort.

Fewer new households, a new map of demand

SLOWING & DIVERSIFYING

1.16M

Net new households/yr this decade fall toward ~380K/yr by the 2044–53 window — with net immigration the dominant source of growth and a materially more diverse household base.

THE CAREGIVING ECONOMY

~600K

Additional senior-housing units needed by 2030 to hold penetration. Delivery, safety tech and in-home services move from niche to a core, cross-generational line item.

THE SHIFTING MAP

Sun Belt

Texas, Florida and fast-growing Carolinas, Tennessee, Georgia and Arizona metros pull spending power away from coastal networks — a durable structural shift.

0 2

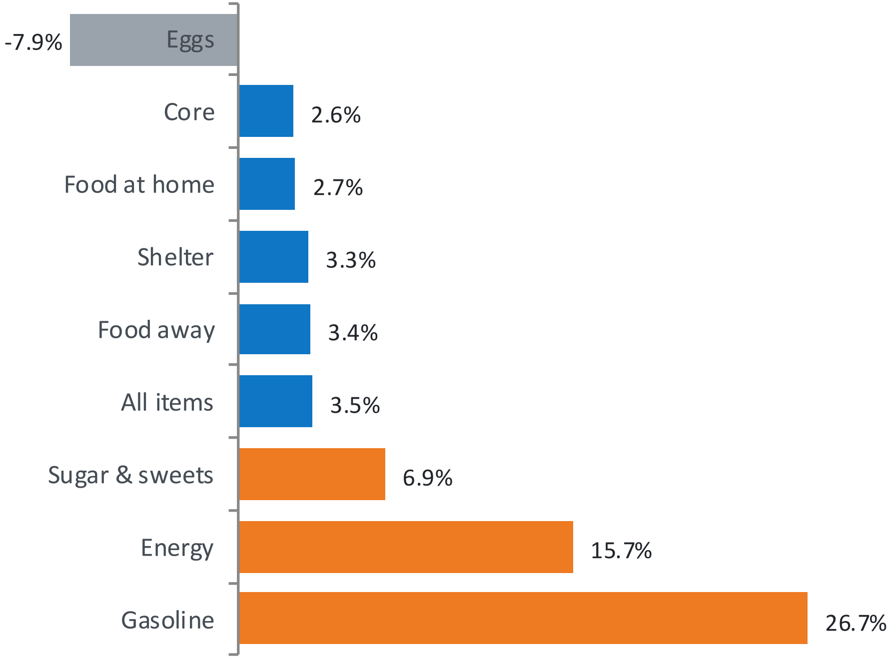
Economic Forces

How much room the consumer has: an absorbed price level, a contested K-shaped divide, and record household debt.

02.1 INFLATION ABSORBED

The rate cooled; the price level did not reset

Selected CPI categories, year-over-year change, June 2026. A 2.7% food-at-home rate sits atop four years of cumulative repricing that was never rolled back.



One in three consumers globally now say they struggle to afford the foods they want.

Real on wealth, contested on spending

WHAT'S CLEAR — WEALTH

~31%

of all U.S. household wealth held by the top 1% — vs. 2.5% for the bottom half

+62%

spending growth among the top 10% of households, Q3 2020–Q3 2025

WHAT'S CONTESTED — SPENDING

25.7%

top-decile share of spending in 2023 — near the 26.3% recorded back in 2000

Stable

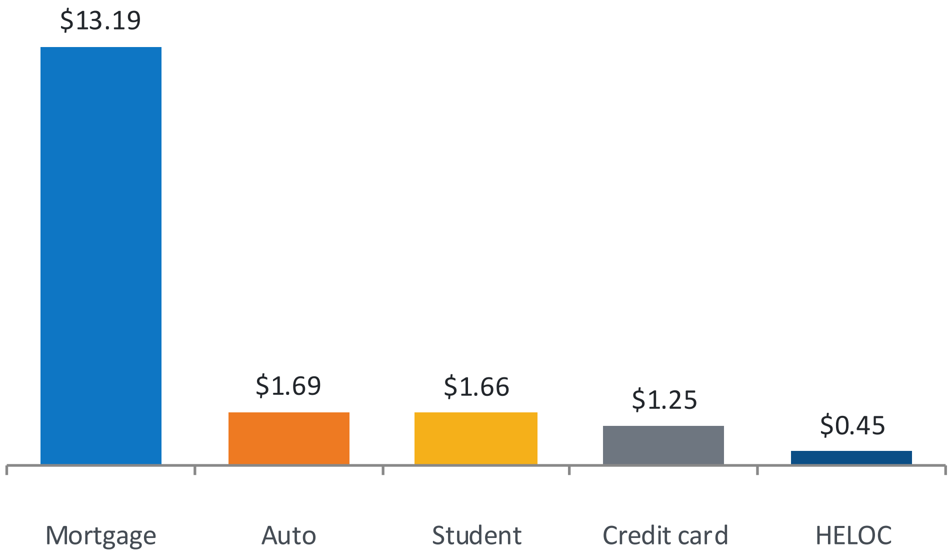
spending concentration has held for two decades, even as growth rates diverge

Takeaway: top-decile households drive incremental growth, but most category volume still runs through a broader, debt-exposed base. Plan for both at once.

2.3 HOUSEHOLD DEBT

A record high, with delinquency at the edges

U.S. household debt by category, Q1 2026 ($ trillions)



$18.8T

total household debt — an all-time high

Aggregate delinquency is a reassuring 4.8% — yet it masks a stressed tail: auto-loan delinquency is at the highest rate ever recorded, and credit-card delinquency approaches 2008 levels.

2.4-2.5 SHADOW CREDIT & TARIFFS

Leverage and cost pressure still building

BUY NOW, PAY LATER

91.5M

U.S. users in 2025 — adoption nearly identical across the under-$50K and over-$100K income brackets

41%

of BNPL users have missed at least one payment; FICO now folds it into credit scores

TARIFF PASS-THROUGH

$2,400

projected annual cost per household in 2026 (Yale Budget Lab)

~20%

of tariff cost had reached shelves six months in — the other 80% is still coming

0 3

Cultural Forces

What the consumer wants once room is accounted for: resourcefulness as identity, a measured health revolution, and experience over goods.

03.1 RESOURCEFULNESS AS IDENTITY

Make-do has become a cross-income choice

Trade-down has evolved from a recession coping mechanism into a durable, even prestigious identity — and higher-income households now adopt these behaviors at rates that meet or exceed everyone else.

82%

use items longer before replacing them

69%

repair rather than discard products

~50%

now DIY services they used to pay for

30%

buy apparel secondhand — the top resale category

95%

say brand trust is critical to their choice

3.6%

global private-label growth — now seen as equal, not inferior

03.2 THE HEALTH REVOLUTION

Measured, GLP-1-influenced, and segmented

~1 in 6 U.S. households has tried a GLP-1 — cutting grocery spend ~6% (9% among high earners) within six months.

75% of Gen Z use wearables or trackers vs. just **32%** of Boomers — a measurement layer that changes behavior in real time.

Maximalist optimizers — a quarter of consumers driving 40%+ of spend — reward genuine innovation and clinical credibility over broad wellness marketing.

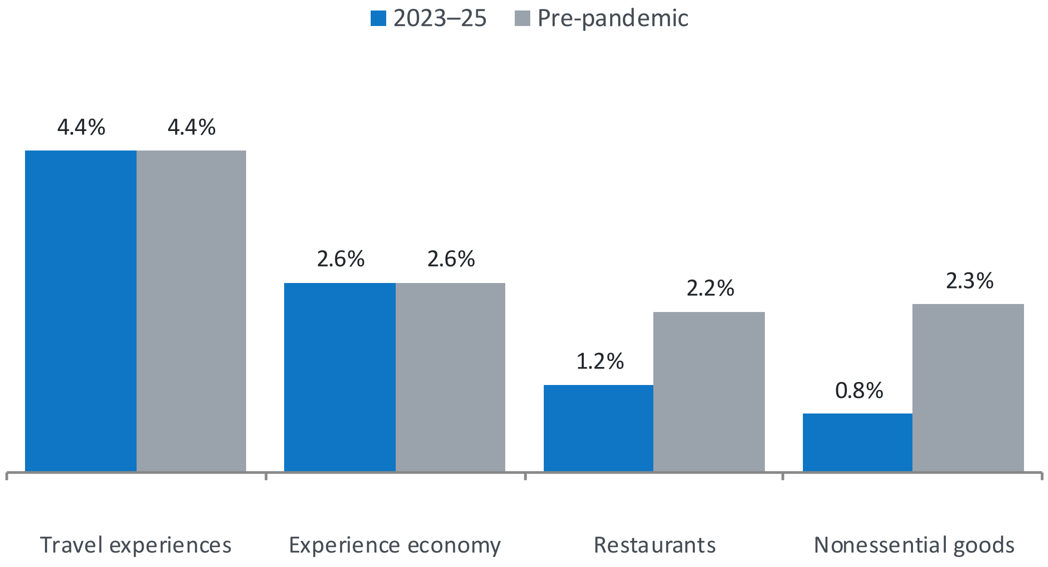
McKinsey's five wellness segments

Segment	Defining trait
Maximalist optimizers	~25% of consumers, >40% of wellness spend; skew Gen Z/Millennial
Health traditionalists	Lower experimentation, high category loyalty
Health strugglers	Engaged but frustrated — open to guided offerings
Confident enthusiasts	Consistent spend, low need for reassurance
Wellness shirkers	Least engaged; lowest innovation priority

03.3 THE EXPERIENCE ECONOMY

Meaning and memory outgrow goods

Category growth, 2023–2025 vs. the pre-pandemic (2015–19) baseline



The real-estate signal

In 2025, U.S. landlords leased more space to gyms, spas and experiential concepts than to traditional retailers selling goods.

"Save it for a vacation" was the top answer, across every generation, for what to do with an extra $200.

0 4

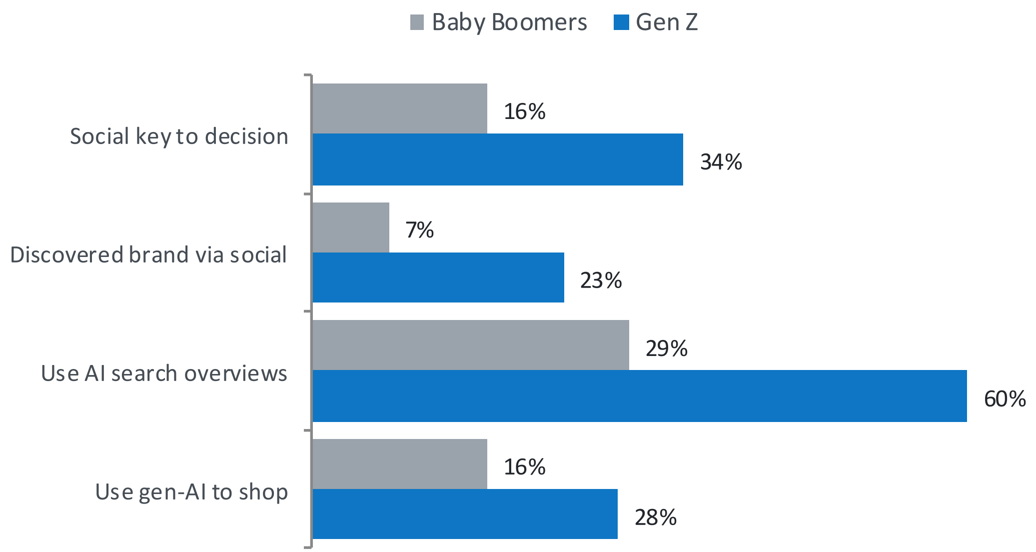
AI Forces

The fastest-moving layer: a fragmented discovery funnel, a brand-visibility crisis, and the rise of agentic commerce.

04.1 THE NEW PATH TO PURCHASE

Generative AI joins social as a primary channel

Generational adoption of AI & social channels in shopping, 2026



-90%

of retail leaders expect AI to increasingly replace search engines by 2026 — and roughly half expect the multi-step journey to collapse into a single AI interaction by 2027.

Owned websites no longer control the narrative

1-2%

of the sources AI models cite when discussing a consumer brand come from the brand's own website.

"Signal dissonance"

When third-party sources disagree, AI models become less likely to represent a brand at all — inconsistency can render a brand effectively invisible to AI-mediated discovery.

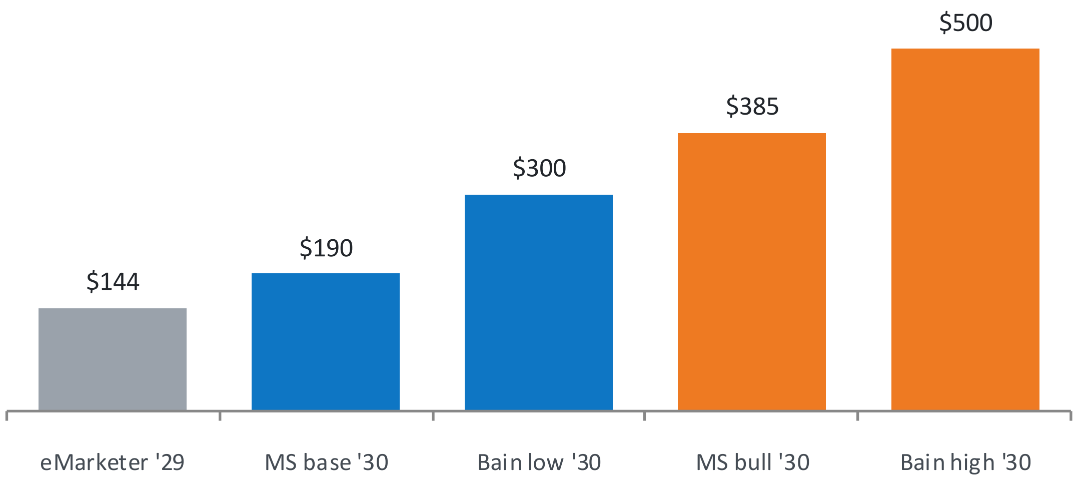
Only 31% of consumer-products executives say they are actively addressing how to influence AI-assisted shoppers — the single largest near-term capability gap in this report.

The response: generative engine optimization (GEO) — structured, AI-legible content, published evidence, and earned media in the forums AI actually cites.

04.3 AGENTIC COMMERCE

No consensus on size — full consensus on direction

U.S. agentic-commerce estimates by 2029–30 ($ billions). Ranges reflect genuinely different definitions, not modeling error.



The consensus beneath

Double-digit share of U.S. e-commerce by 2030 under almost any definition. AI-referred traffic already converts **42% better** than non-AI — a reversal within twelve months.

Consumers trust retailer-owned agents ~3× more than third-party agents to transact for them.

FRAMEWORK ONE

The Optimization Consumer Matrix

Retire the value-vs-premium income spectrum. Segment on two axes instead — and note the base is shifting horizontally, toward higher optimization intensity, faster than it moves vertically.

RESOURCE ELASTICITY

High

Effortless Affluent

High resources, low trade-off management — brand-loyal, convenience-driven; meaningful but shrinking.

Curated Maximalists

High resources, high intensity — resells and researches by choice; rewards innovation and AI-visible credibility.

Constrained Traditionalists

Low resources, low intensity — often older, most exposed to price with the fewest coping tools.

Resourceful Strategists

Low resources, high intensity — private label, resale, DIY and AI comparison as active skills.

Low

Low | OPTIMIZATION INTENSITY | High

FRAMEWORK TWO

The Four-Force Readiness Scorecard

Rate capability 1–5 on each force. Most retail and CPG teams score well on the two forces that mattered a decade ago — and poorly on the two that will decide the next five years.

Force	Diagnostic question	Score 1 — Unprepared	Score 5 — Leading
Demographic	Do plans account for Gen X's dominance, Gen Z's emerging power, and caregiving?	A single blended "average consumer" age	Distinct strategies for 4+ life-stage cohorts
Economic	Do we segment demand by resource elasticity, not one national trajectory?	One blended national demand assumption	2–3 household resource tiers modeled
Cultural	Do we offer optimization pathways across all segments, not just value?	Resale/private label only in the lowest tier	Pathways used by high-resource customers too
AI	Do we manage AI brand visibility and have an agent strategy?	No GEO monitoring; no agent strategy	Live GEO program and first-party AI agent

SECTOR DEEP DIVES

The four forces, in practice

Grocery	+1.2% sales, −1.0% volume	Growth is entirely price-driven; private label becomes a multi-tier portfolio, not a bottom tier.
Apparel & resale	30% buy secondhand	Trade-in and “multilife” design turn resale into a brand-controlled second price tier.
Beauty & wellness	Science over story	Clinical credibility and IP (Olaplex) win capital; value brands like e.l.f. still compound on innovation.
Consumer electronics	Earliest AI exposure	Spec-driven, highly comparable — the category where “outcome loyalty” displaces brand loyalty first.
Discount & off-price	~$405B market	Sits at the intersection of all four forces — a structural beneficiary as optimization goes mainstream.

THE STRATEGIC PLAYBOOK

Five imperatives for leadership

1	Replace income-based with optimization-based segmentation	Build a pathway for each matrix quadrant — not just the price-sensitive ones.
2	Build first-party AI visibility and an agentic capability now	Stand up a GEO function; evaluate a first-party agent while trust still favors retailers.
3	Reconstruct the retail-media and advertising model	Move from sponsored search toward AI-native placement before agents force the issue.
4	Treat Gen X as priority, and caregiving as a core category	Rebalance investment to actual spend concentration and a fast-growing demand pool.
5	Separate the resilient and stressed tails in demand planning	Model resource tiers explicitly; track the stressed segment as a leading indicator.

PATH TO 2030

Three scenarios, one converging future

A

BASE CASE

Optimization Deepens

Elevated price level persists, the debt tail stays stressed without crisis, and agentic commerce reaches ~20% of U.S. e-commerce. Matrix segments become permanent.

B

BIFURCATION

K-Shape Widens

Wealth concentration accelerates while real wages lag. Growth concentrates in premium, experience and wellness — rewarding separated demand-tier planning most.

C

DISRUPTION

Agentic Acceleration

AI-agent adoption outpaces forecasts as platforms converge on standards. “Outcome loyalty” dominates within five years; late movers face a hard-to-reverse discovery gap.

None is mutually exclusive — elements of all three are already visible. Treat them as three lenses on a single future, not three futures to choose between.

CONCLUSION

Build for the Optimization Consumer

The consumer is not harder to serve — the tools to compare, discover and buy have never been better, and the range of legitimate value has never been wider.

The winners won't pick a single lane — value or premium, digital or physical, loyalty or algorithm. They will build the capability to serve the full optimization logic, category by category, starting now.

METHODOLOGY

Sources & analytical basis

A synthesis of publicly available government statistics, Federal Reserve research, and published industry and academic research current as of July 2026. Where sources diverged — on K-shaped spending and agentic-commerce sizing — the range and its reasoning are presented rather than a single figure. The two frameworks are original to this report.

GOVERNMENT & FED

- U.S. Census Bureau
- Bureau of Labor Statistics
- Bureau of Economic Analysis
- Federal Reserve Board & Banks
- Congressional Budget Office

INDUSTRY RESEARCH

- McKinsey & Company
- Bain & Company
- Deloitte
- EY · PwC
- NIQ / NielsenIQ · Numerator

ACADEMIC & OTHER

- Joint Center for Housing Studies
- USDA Economic Research Service
- Pew Research Center
- Brookings Institution
- Financial & industry press