

The Alpha Influence: How the Youngest, Most Connected Generation Is Steering Parental Spending



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Introduction

They may not control the family budget, but Generation Alpha is already guiding household decisions in ways that are redefining modern consumer behavior. Comprising children born between 2010 and 2025, this generation is laying the groundwork for a new era of influence — one where their preferences ripple across industries and shape the way families interact with brands.

As the first cohort to grow up entirely in the 21st century, Gen Alpha navigates the digital world with ease, seamlessly engaging with brands from an early age. However, their impact extends far beyond passive interaction. They are shaping family decisions in areas like food and beverage, entertainment, education and personal care. Their millennial parents are translating these preferences into real-world spending, creating a dynamic that brands can't afford to ignore.

In this Special Report, L.E.K. Consulting will explore how Gen Alpha and their millennial parents are rewriting the rules of consumer engagement. From the products they demand to the values they champion, this generation is setting new expectations for businesses, offering a glimpse into the future of consumer behavior and brand loyalty.

About the research

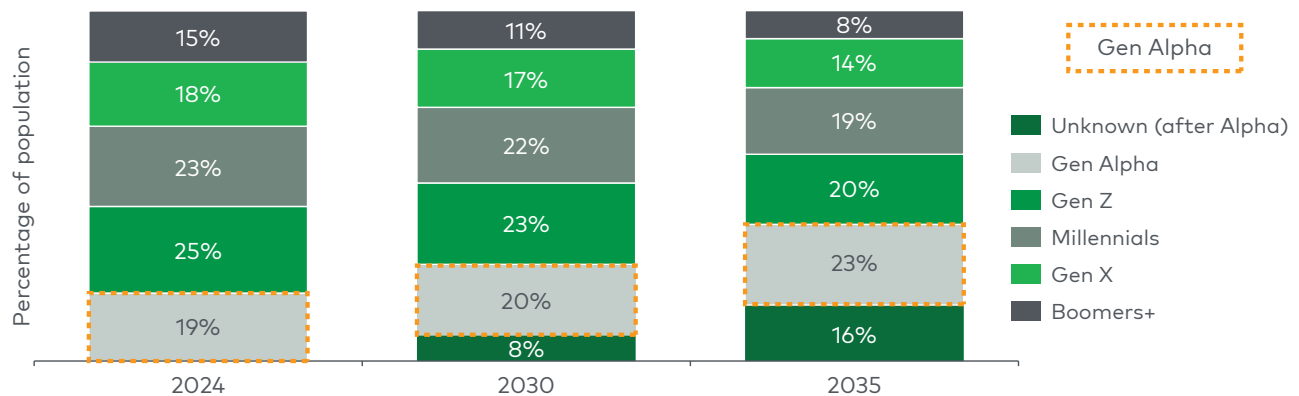
This report draws from an L.E.K. survey of 2,000 parents of Gen Alpha children, along with insights from in-depth qualitative focus groups made up of children aged 10 to 14. The research explores the evolving dynamics of parental spending habits, household decision-making and the unique influence of Gen Alpha. By combining robust quantitative data and rich qualitative data, the study offers a nuanced perspective on how this generation is shaping family purchasing behavior and redefining brand engagement.

Driving a new consumer dynamic together: Gen Alpha and their millennial parents

Gen Alpha represents the first cohort raised entirely in the digital age. Within the U.S., 25% of households have at least one child under 18, and nearly 84% of those homes include a Gen Alpha child.¹ Globally, their numbers are set to exceed 2 billion by next year,² as illustrated in Figure 1, highlighting their role as a major force in shaping family spending decisions.

Figure 1

Total global population by generational cohort (2024, 2030, 2035)



Source: L.E.K. Generational Shopping Behavior: How Gen Z Shops; Nielsen IQ; McCrindle; World Data Lab; BLS; Yahoo Finance

Gen Alpha's influence is rooted in their unique relationship with technology. Research shows that 90% of children under 12 regularly use tablets or smartphones,³ making them fluent in navigating apps, streaming platforms and social media. This early and constant connectivity exposes them to a wealth of information and ideas, giving them a stronger voice in family decision-making than any generation before them.

More than 80% of parents⁴ report that their Gen Alpha children shape family spending in categories like food and beverage, personal care and entertainment. While Gen Alpha drives preferences, it's their millennial parents who guide the final decisions and manage the finances.

By 2035, as many in Gen Alpha enter the workforce, they will age into even greater influence and spending power, reshaping consumer dynamics on an even larger scale. Companies that invest in engaging with this generation today — through personalization, interactivity and ethical alignment — are not just responding to today's opportunities but shaping the trajectory of future consumer behavior.

Navigating parenting in a digital world

Faced with rising costs of living, high levels of student debt and delayed homeownership, many millennials have postponed parenthood until they feel financially stable. This trend has led to smaller family sizes, allowing parents to concentrate resources to ensure their children thrive. With the average cost of raising a child now exceeding \$300,000⁵ (excluding college tuition), these financial realities are reshaping family priorities in profound ways.

This shift has created opportunities for children to play a more active role in household decisions. Millennials' collaborative parenting approach emphasizes shared decision-making, fostering creativity, independence and alignment around family goals. According to our survey, 58% of millennial parents report that they are comfortable with the level of influence their child has on spending habits.

Millennials, now in their peak earning years, hold around 25% of global spending power. They are intentional in their purchasing decisions, prioritizing sustainability, health and social responsibility. Eco-friendly products and investments in educational experiences that support their children's physical and mental well-being are key areas of focus.

For brands, aligning with these priorities is essential to building trust and loyalty. Companies that address both millennials' values and Gen Alpha's growing influence will position themselves to engage today's consumers while building connections with tomorrow's most influential generation.

Understanding Gen Alpha's influence on parental spending

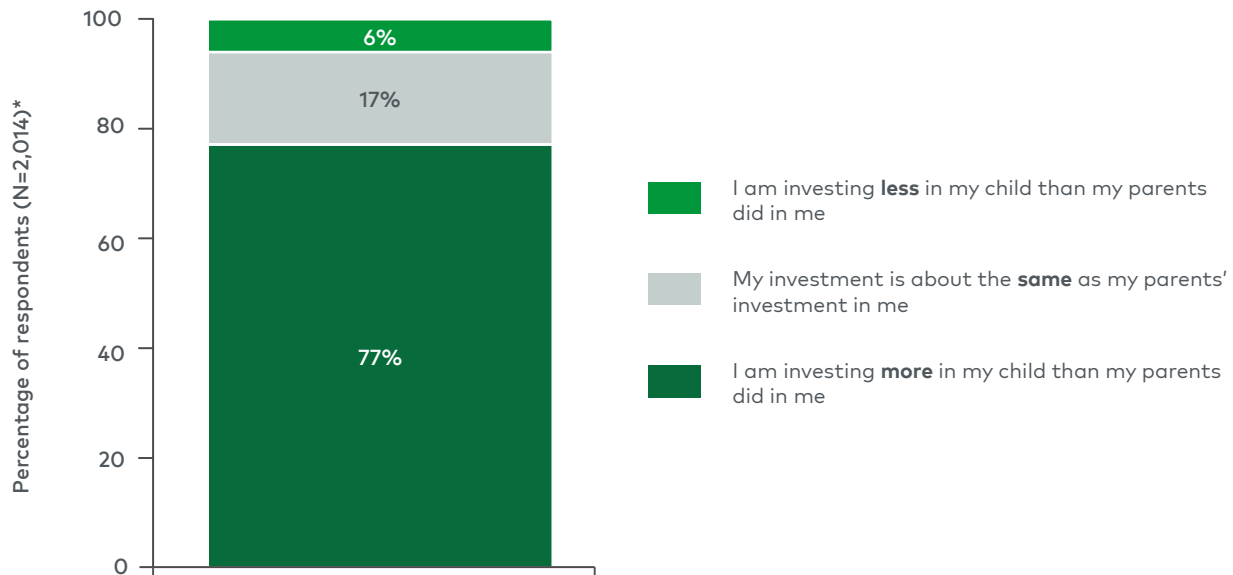
Three key themes emerged from the research that demonstrate the extent of Gen Alpha's impact and highlight why brands must evolve to keep up with this generational shift.

1. Higher expectations for children are driving greater investments from parents

Millennial parents of Gen Alpha kids believe that preparing their children for the future demands greater investments of time, resources and money than ever before — far more than their own parents invested in them (see Figure 2). As they navigate a world that they perceive as more competitive and complex than previous generations experienced, these parents are making intentional, forward-looking choices to ensure their children's mental, physical and academic development. While every generation may feel these pressures to some extent, millennials' heightened awareness of societal and economic challenges shapes their approach to parenting.

Figure 2

Parents' view of their investment in their children vs. their parents' investment in them



*Survey question: When you think about the future you envision for your child, how do you think your investment in their development (time, resources, effort) compares to how your parents invested in you?

Source: L.E.K. survey and analysis

According to our survey, parents are leading this charge, with those who did not graduate high school and those holding advanced degrees both significantly increasing their investments. For the parents without a high school diploma, the motivation often comes from a desire to offer their children the opportunities they themselves lacked. In contrast, parents with advanced degrees are focused on their children preserving or surpassing their own achievements. This is a cross-demographic trend that underscores a universal truth: Parents today are striving to set a higher bar for their children's futures.

Parents' priorities also reflect a shift in values. Our survey reveals that 74% of parents rank mental health and emotional well-being as their top priority, followed by physical health (71%) and academic success and ethics/values (63%) (see Figure 3). These findings indicate that parents are focusing on holistic development rather than just traditional metrics of success.

Figure 3
Parents' sentiment toward their Gen Alpha children

Parents' view of top five most critical life aspects for their children (2024)
Percentage of respondents ranking 1, 2 or 3*



*Survey question: Among the life aspects listed, which five do you think are the most critical when you think about your child's future? Please rank 1-5, with 1 being the most critical; for each of the life aspects you selected, please indicate if you think they are less important, more important or just as important to a successful life compared to when you were a kid
Source: L.E.K. survey and analysis

When it comes to discretionary spending, parents are aligning their financial decisions with these values. According to our survey, beyond saving and investing, parents are most likely to allocate additional funds to educational opportunities (e.g., private school), high-quality groceries and extracurricular activities. This level of investment reflects a broader shift toward what experts call "intentional parenting," where the focus is on nurturing potential and fostering development in a way that goes beyond traditional caregiving.⁶

2. Kids know what they want, and parents are listening

Approximately 76% of parents surveyed encourage their children to explore their interests and passions, fostering a culture of shared decision-making. With this growing influence, Gen Alpha has become an integral part of the purchasing process across many households.

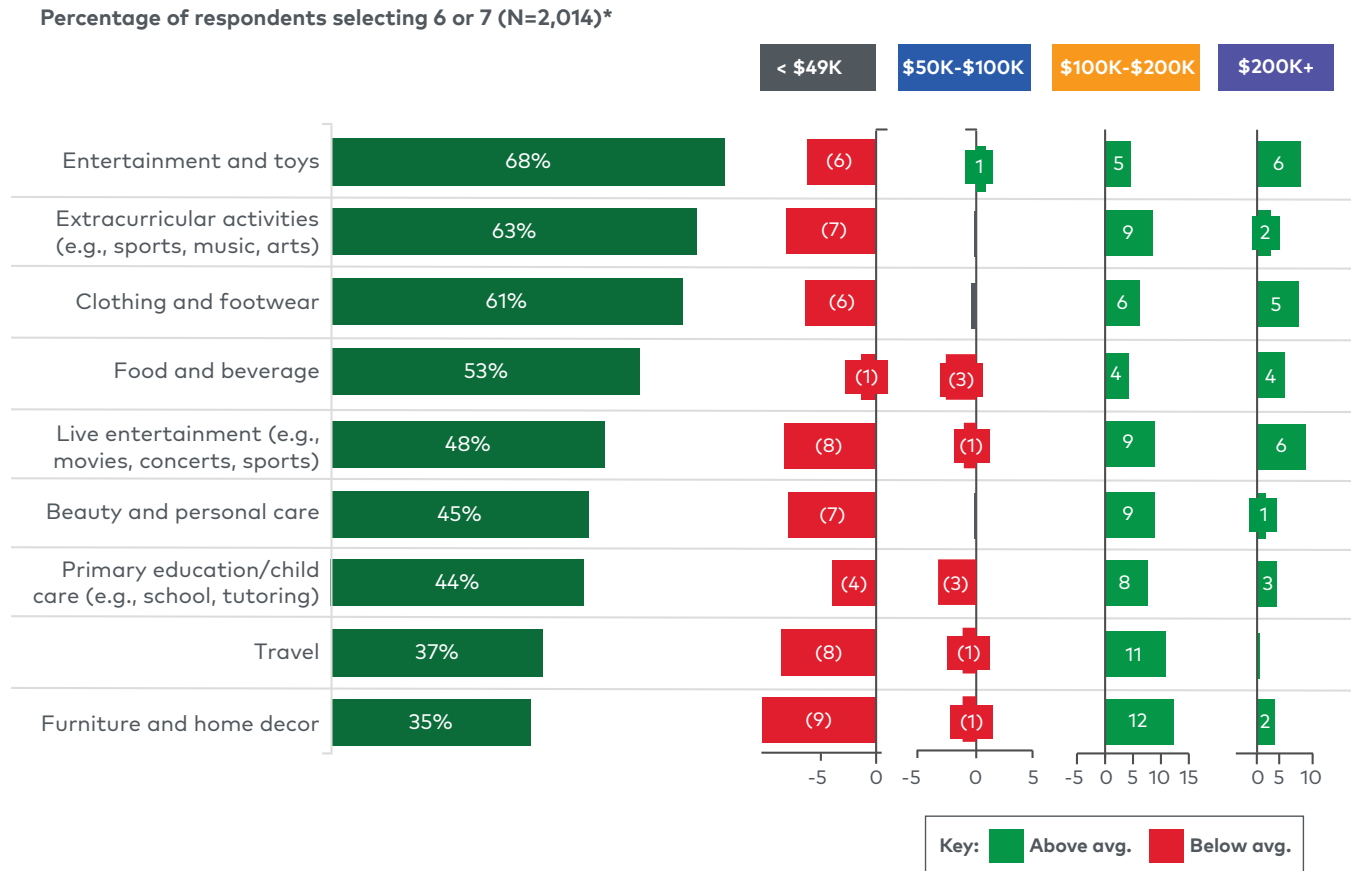
Our survey also reveals that 57% of parents say their children influence household spending more than kids did a decade ago, particularly when it comes to categories like entertainment, toys, extracurricular activities and clothing. And in many cases, these requests aren't subtle hints — they're direct demands for specific brands and products. For instance, a 14-year-old boy from the focus groups remarked, "A couple of years ago, after my growth spurt, my parents let me pick out most of my clothes and shoes and I decided to go with Nike."

This influence tends to increase with age. Older children (ages 11-14) are already exerting considerable sway over parental purchases, particularly in categories like fashion, beauty and extracurricular activities. These kids are discerning about the brands they want, and their choices are often influenced by trends they see online or in peer groups.

Children from higher-income families show an even stronger impact across multiple spending categories (see Figure 4). These parents with greater financial flexibility tend to allow their children to play a central role in purchases ranging from everyday necessities to pricier items like technology or clothing. However, Gen Alpha's influence isn't limited to material value — it extends to aligning purchases with their preferences and values.

Figure 4

Children's influence on purchasing, by category and family household income



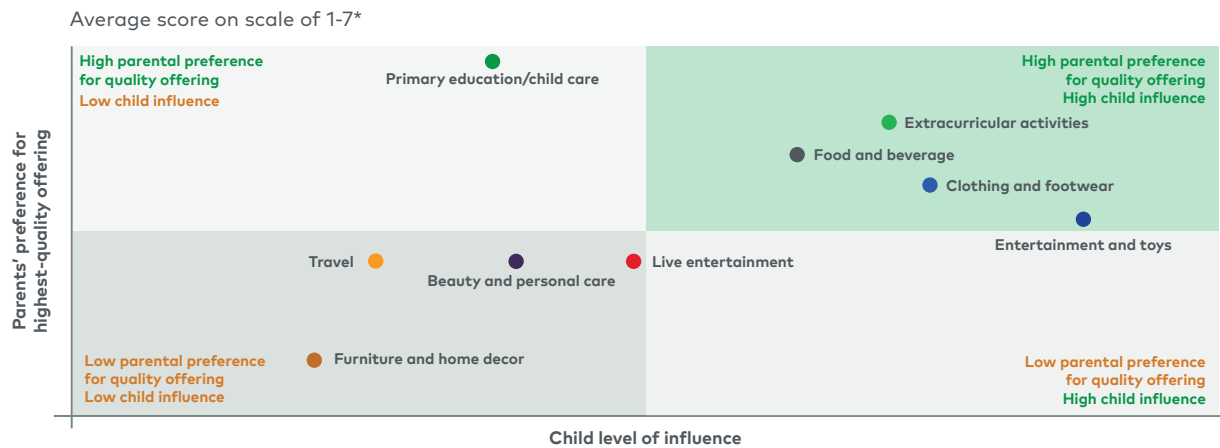
*Survey question: When you think about the future you envision for your child, how do you think your investment in their development (time, resources, effort) compares to how your parents invested in you?

Source: L.E.K. survey and analysis

For example, a 12-year-old boy from our focus groups shared, "Most of my family is vegan, but I don't want to be. My parents are OK with that. Now, when I go shopping with them, I make sure to get regular milk for my cereal."

Another example comes from a 14-year-old who convinced his dad to switch to a specific brand of shoes after showing him a video about their durability on mountain hikes. "Now we both wear them on our hikes and tell our friends to get them, too," he proudly added. As shown in Figure 5, Gen Alpha's influence spans categories like food, clothing and extracurricular activities, demonstrating their ability to guide decisions that balance everyday needs with individual and family values.

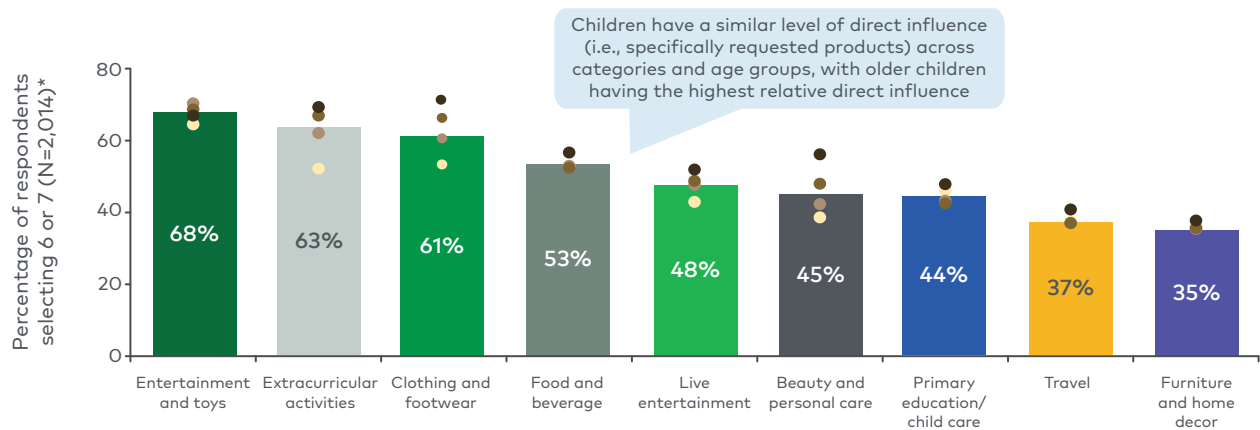
Figure 5
Parents' preference for highest-quality offering compared to children's level of spend influence, by category



*Survey questions: What level of influence does your child have on what your household purchases for each of the following categories as it relates to purchases for them (items)/including them (vacation/experiences)? For each of the following categories, please indicate where it is most important to you to ensure the highest potential quality of offering for your child
Source: L.E.K. survey and analysis

Across all categories, children's influence skews more strongly direct than indirect, meaning that Gen Alpha isn't simply passively accepting what their parents buy — they are actively driving the decision-making process. Roughly 68% of children are directly involved in entertainment and toy purchases, while 63% influence extracurricular activities and 61% weigh in on clothing and footwear (see Figure 6).

Figure 6
Child influence on purchasing, by category (2024)

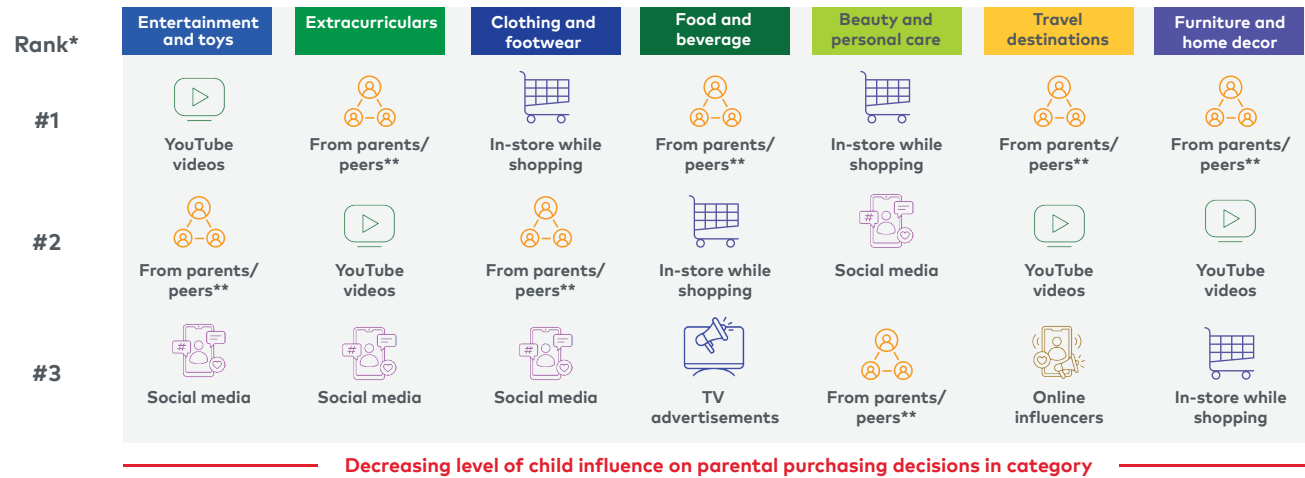


*Survey questions: What level of influence does your child have on what your household purchases for each of the following categories as it relates to purchases for them (items)/including them (vacation/experiences)? For each of the following categories, please indicate where it is most important to you to ensure the highest potential quality of offering for your child
Source: L.E.K. survey and analysis

3. Gen Alpha is redefining customer engagement

The way Gen Alpha discovers brands evolves with age and across categories. Within specific categories, children’s preferred methods of discovery reflect their broad engagement with various channels, including in-store experiences, peer recommendations and digital platforms (see Figure 7). For example, YouTube videos dominate discovery in entertainment and toys, while parental input takes precedence in categories like food and beverage. These diverse preferences highlight the critical need for brands to adopt a comprehensive approach to effectively capture Gen Alpha’s attention.

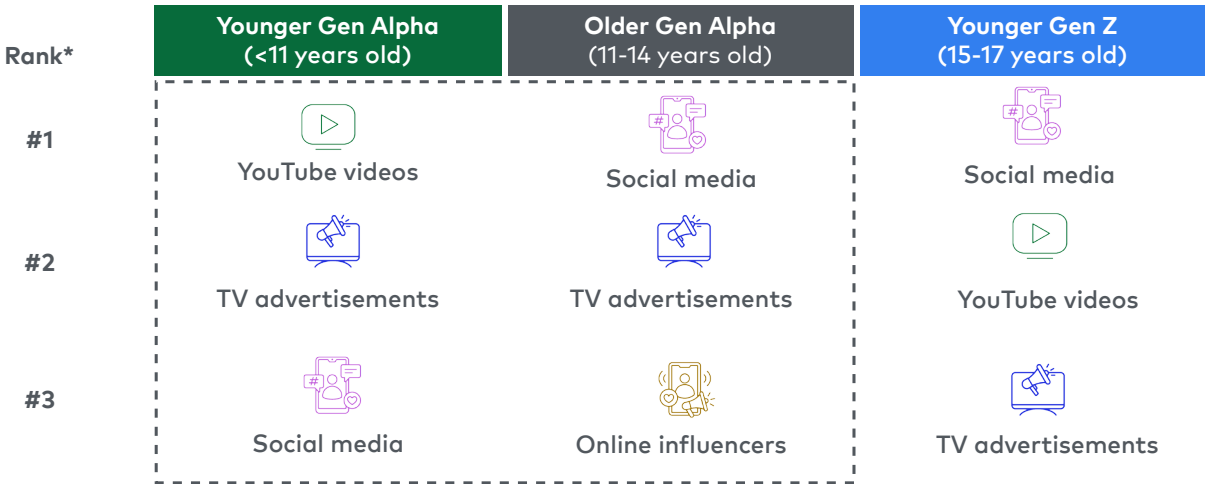
Figure 7
Top sources of discovery of children’s preferred products, brands and experiences, by category



*Survey question: How does your child typically discover their preferred brand/product in this category? Please select up to three
**Includes learning about products from school, friends and/or parents
Source: L.E.K. survey and analysis

As children grow, their reliance on specific media channels shifts significantly. For younger Gen Alphas (<11 years old), YouTube videos are the leading source of brand discovery, followed by TV advertisements and social media. As they transition into the 11-14 age group, social media becomes the dominant channel, with TV advertisements maintaining influence and online influencers emerging as a key driver. By the time children reach the 15-17 age range, social media solidifies its position as the leading platform for brand discovery, with YouTube videos and TV advertisements rounding out the top three channels (see Figure 8). This progression highlights a shift from broader general platforms to more personalized, influencer-driven content.

Figure 8
Multichannel media sources of discovery of children’s preferred products, brands and experiences, by age



*Survey question: How does your child typically discover their preferred brand/product in this category? Please select up to three
Source: L.E.K. survey and analysis

Gen Alpha’s discovery of brands/products across channels underscores the need for seamless omnichannel experiences for these digital natives. Whether discovering a product on social media or making a purchase through an ecommerce site, they demand ease, immediacy and personalization at every touchpoint. Brands that can’t deliver fast, interactive experiences risk falling out of favor with this generation before they even fully enter the consumer market.

By the time they reach their early teens, Gen Alpha kids are moving from exploring digital worlds to actively making purchases within them. Our survey reveals that 21% of children, including those aged 15-17, have made purchases through social media apps without parental supervision. Among older teens (ages 15-17), this trend is even more pronounced, with 30% reporting independent purchases. This highlights the increasing autonomy and purchasing power of this age group as they engage with digital platforms.

Peer influence also plays a crucial role in shaping Gen Alpha’s purchasing decisions. Once they discover a new product or brand through a favorite YouTuber or social media influencer, they often share their experiences with friends, further expanding a brand’s reach. For example, an 11-year-old boy from the focus groups described how

he persuaded his mom to buy a new pair of shoes after seeing a YouTuber recommend them. After receiving the shoes, he encouraged his friends to get them too, extending the brand's visibility within his peer group. Similarly, a 13-year-old girl shared how her family chose a vacation destination after she watched a video about it. After the trip, she posted photos on social media, inspiring her friends to suggest similar trips to their families.

As they navigate both online and physical shopping environments, Gen Alpha places a premium on personalization and values like sustainability and ethical practices. They tend to select brands that are in line with their beliefs and that are endorsed by their peers — and that they can share in return.

For instance, a 13-year-old girl told us how she always looks for the “bunny sign” (i.e., the Leaping Bunny logo that indicates a product has not been tested on animals) on face and body care products. She shared this value with her mom and now actively influences their household purchasing decisions based on her ethical priorities.

It's clear that Gen Alpha's influence is built on their ability to engage directly with brands, discover new products online and use their voices to shape their family's purchasing choices. Brands that succeed in creating personalized, interactive experiences that resonate with this generation's values will capture not only their attention but also their loyalty as these young consumers mature into the next generation of spenders.

Winning Over Gen Alpha

As the first generation to grow up fully immersed in technology, Gen Alpha holds unprecedented power in shaping consumer trends. To truly connect with this young cohort, brands need to craft strategies that resonate with both Gen Alpha and their millennial parents. By understanding the values, digital habits and spending influence of this group, brands can position themselves for long-term success. The following highlights the strategic steps brands need to take to build lasting relationships with Gen Alpha — from fostering early loyalty to aligning with their deeply held values.

- **Cultivate brand loyalty early.** Building a lifelong relationship with Gen Alpha begins with recognizing their substantial impact on parental spending. Brands should leverage this influence to establish loyalty from an early age. Programs that engage younger consumers — whether through formal loyalty programs or informal methods like influencer partnerships and gamified content — can foster long-term retention. Brands that invest in understanding the lifetime value of engaging Gen Alpha now will see dividends as these children mature into adult consumers.
- **Create tailored marketing strategies.** Marketing to Gen Alpha requires more than a one-size-fits-all approach. Brands must deeply analyze the demographics, household income and age dynamics within this generation to craft effective campaigns. Whether targeting a 5-year-old or a tween, understanding the nuances of each segment is critical. Parents are increasingly looking for brands that align with their children's preferences while meeting their own values concerning sustainability, wellness and ethical practices. Brands that can balance the interests of both millennial parents and their Gen Alpha kids will stay ahead of the curve.
- **Prioritize a robust digital strategy.** A strong digital strategy is no longer optional — it's a necessity. Gen Alpha kids live and breathe in the digital world, and brands must meet them where they are. This means assessing the user experience across channels, like social media, YouTube, TikTok and even traditional platforms like TV ads, to ensure seamless engagement. Brands that excel at delivering personalized, interactive content on these platforms will not only

capture attention but also foster deep engagement. Developing a comprehensive customer acquisition and engagement strategy that aligns with these digital behaviors is key to winning the loyalty of this generation.

- **Meet Gen Alpha's values head-on.** Perhaps the most critical factor for brands is understanding what Gen Alpha wants from the products they buy. For this generation, functionality is important — but they also care deeply about the ethics behind the brand. Products need to be sustainable, cruelty-free and aligned with the values that matter most to Gen Alpha buyers. Brands that embrace these values in product development, from ethical sourcing to eco-friendly packaging, will resonate more strongly with this influential group. In turn, this alignment can foster a sense of authenticity that helps brands build lasting connections with both Gen Alpha and their parents.

Brands that start investing in Gen Alpha today are setting themselves up for success tomorrow. By embracing digital strategies, crafting personalized experiences and aligning with values, brands can position themselves at the forefront of this generation's influence. Those that wait to act risk losing relevance with a generation that is transforming consumer engagement and redefining the marketplace with every decision.

For more information, please [contact us](#).

Endnotes

¹U.S. Census

²Nielsen IQ; McCrindle; World Data Lab

³Pew Research

⁴Dealaid.org, "15 Gen Alpha Consumer Trends & Statistics You Need To Know In 2024." <https://dealaid.org/data/gen-alpha/>

⁵Money.USnews.com, "How Much Does It Cost to Raise a Child?" <https://money.usnews.com/money/personal-finance/articles/how-much-does-it-cost-to-raise-a-child>

⁶NYtimes.com, "The Parents Aren't All Right." <https://www.nytimes.com/2024/10/09/podcasts/the-daily/parenting-stress.html>

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