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“Shortages of eligible bachelors frustrating sales of wedding jewelry, according to Equity Communications' State of the Core Market Report”

---- At current trends, less than 50 percent of adult women will be married in 2020----

Docklands – December 8, 2014 -- Specialty jewelry retailers are worried about the growing tendency among Americans to retreat from marriage altogether. The number of married people has increased with population growth. However, rate of marriage formations has trailed the rate of population growth. The business implication for jewelers is that fewer Americans are in the market for engagement rings and weddings rings.

Sales of engagement and wedding rings account for 12.7 percent of jewelry and watch sales in America and the figure is projected to retreat slightly to 11.4 percent in 2020, according to data from Equity Communications.

At face value, 13 percent of total jewelry and watch sales does not sound like a lot. However, married couples also go on to buy more jewelry over the duration of the marriage, in celebration of special events like the birth of a child or milestone events like wedding anniversaries. Even random feelings of intense love for a spouse can trigger a visit to the neighborhood jeweler.

Therefore, all the above situations considered, the broad marriage jewelry segment accounts for 32.1 percent of jewelry and watch sales. That figure is also projected to retreat to just under 30 percent by 2020 unless retailers can take advantage of current facts about the market.

Jewelry retailers benefit if more people decide to get married but they are not able to influence the decision to get married. Aggressive advertising can make single women desire to wear exquisite jewelry on their fingers but it cannot present them with eligible bachelors.

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Indeed, the growing shortage of eligible bachelors is quite the reason why more Americans are retreating from marriage. This is according to Equity Communications' annual State of the Core Market Report on US Fine Jewelry Sales. The report measures the vibrancy of the three core pillars that drive jewelry consumption - marriage formation trends, economic well-being of American households, families and individuals, and the business of jewelry store establishments.

Men's employment and economic potential are among the most consistent and robust predictors of marriage. Those who are employed and who demonstrate greater economic potential have been shown to be more likely to enter into marriage across many periods and for various types of groups. According to data from the US Census Bureau, 97.7 percent of married men had income in 2013 compared to just 72.2 of single men who had never married.

Marriage, for the most part, is still about men. Both men and women still expect the man rather than the woman to be able to support an anticipated family before transitioning to marriage. This is despite significant advances toward gender equality. In 2011, wives contributed 37 percent to family income in households where both husband and wife had income. Similarly, just 28.1 percent of wives earned more than their husbands in 2011.

Women still prefer to marry men who demonstrate a higher earning capacity and many have been unwilling to compromise on this. In particular, college educated women have higher and more stringent standards of minimally acceptable living levels for setting up a marital household. For this reason, the pool of acceptable potential life partners continues to decrease as women increase their education and earning status to rival that of most men.

According to data from the National Center for Education Statistics, in fall 2012 there were 10.0 million female undergraduate students (56 percent of total enrollment) and 7.7 million male undergraduate students (44 percent of total enrollment). Since 1990, female enrollment increased by 52 percent (from 6.6 million to 10.0 million students), while male enrollment increased by 43 percent (from 5.4 million to 7.7 million students).

Similarly, the number of working professional women has grown 41.3 percent since 2004. Women now make up 48 percent of workers 25 years and over with at least a bachelor's degree, up from 44 percent in 2004.

Women have strengthened their economic position but they still want to marry men who demonstrate stronger earning potential. However, that is increasingly becoming unrealistic because women have gradually narrowed the gender income gap. Consequently, at current trends, less than 50 percent of adult women will likely be in a marital relationship in 2020. 54 percent of men were in a marital relationship in 2013, down from 59.9 percent in 1993. 51.5 percent of women were in a marital relation in 2013, down from 56.4 percent in 1993.

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Still, it is not all gloom for the jewelry industry. In general, women overwhelmingly prefer to receive expensive jewelry as gifts from men but a growing number of working women are demonstrating financial independency and self-sufficiency. These empowered women are not waiting around for men and are showing the freedom and confidence to go into stores to buy exquisite jewelry for themselves.

Moreover, women have always seen a clear link between fashion, jewelry, and self-expression. They have always been fond of jewelry for adornment purposes and today more of them have money to spend on elaborate jewelry accessories. In fact, jewelry as a fashion statement is behind the rise of branded jewelry. According to Equity Communications, the fashion jewelry segment is the brightest category for jewelry sales now accounting for 55.6 percent of total jewelry sales. That is likely to increase to 57.4 percent of sales in 2020.

Equity Communications also expects the marriage jewelry segment to experience much needed revival in the coming years. They site improving employment fundamentals for men in core ages for marriage formation as one reason. Add to this, the population of persons ages 25 to 39 is expected to increase by 1.06 percent annually from 2010 to 2020 after declining by 0.19 percent annually from 2000 to 2010. These are the ages most likely to purchase marriage jewelry due to life stage - the majority of first marriages and second marriages).

However, if jewelry retailers hope to boost sales of marriage jewelry, they really should aggressively target the baby-boomer generation for more sales of anniversary jewelry. Demographic facts and income trends clearly show that boomers are the hottest prospects for significant sales of expensive jewelry, which is typically bought to celebrate milestone occasions.

The population of persons ages 50 to 64 will increase by 50 percent from 42.2 million in 2000 to 63.2 million in 2020. Baby boomers are on the move. Moreover, men ages 45 years and above now have 59.7 percent share of aggregate income earned by all men, up from 46.5 percent in 1993.

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Please Note: The full State of the Core Market Report highlights document can be downloaded from:

http://www.diamondshades.com/index.php/download_file/382/

About State of the Core Market Report for US Jewelry Sales

The 2014-2015 State of the Core Market Report provides actionable market intelligence for jewelry businesses. It measures the vibrancy of the three core pillars that drive jewelry consumption:

1. Marriage formation trends
2. The economic well-being of American households, families and individuals
3. The business of jewelry store establishments

Methodology:

In compiling the State of the Core Market Report, Equity Communications relies heavily on comprehensive analysis of data provided by the United States Census Bureau, United States Bureau of Labor Services and the triennial Survey of Consumer Finances provided by the Federal Reserve System.

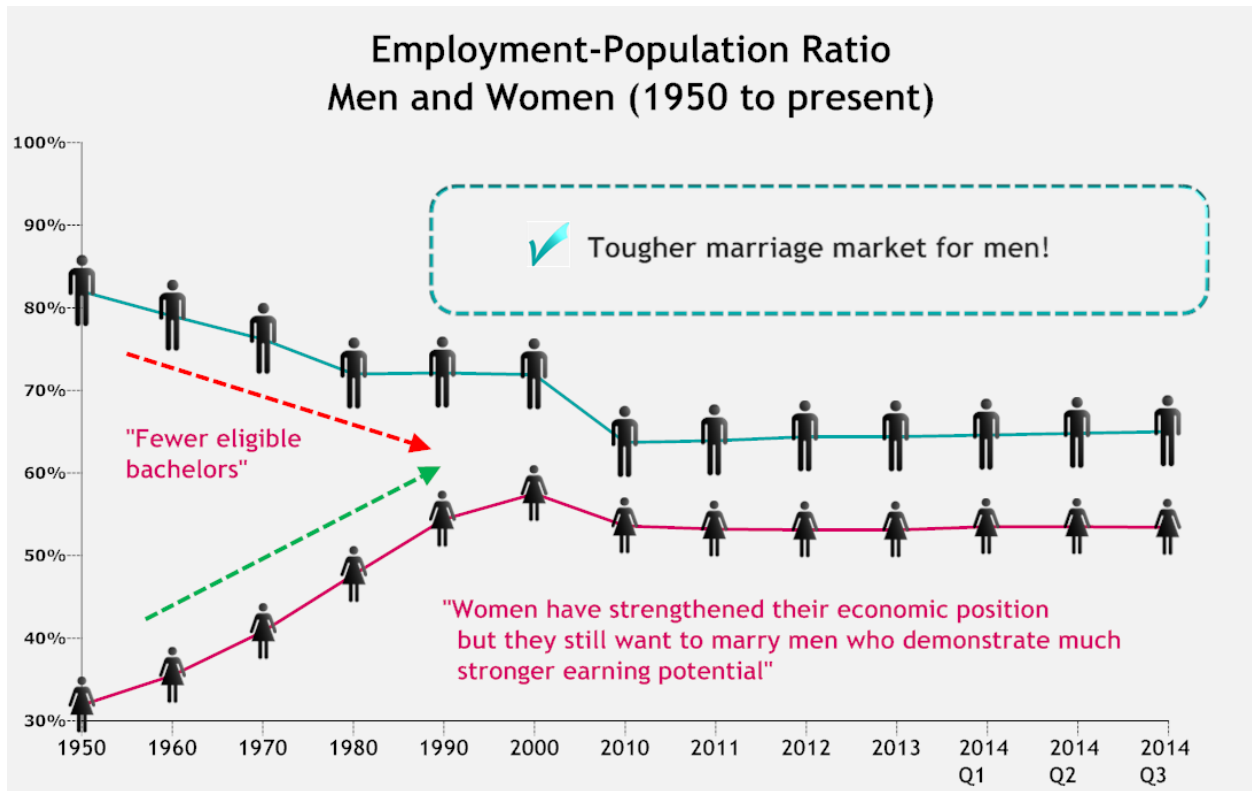
When put together, data from these very reputable agencies provides the most authoritative study of the economic condition of Americans and American businesses.

About Equity Communications

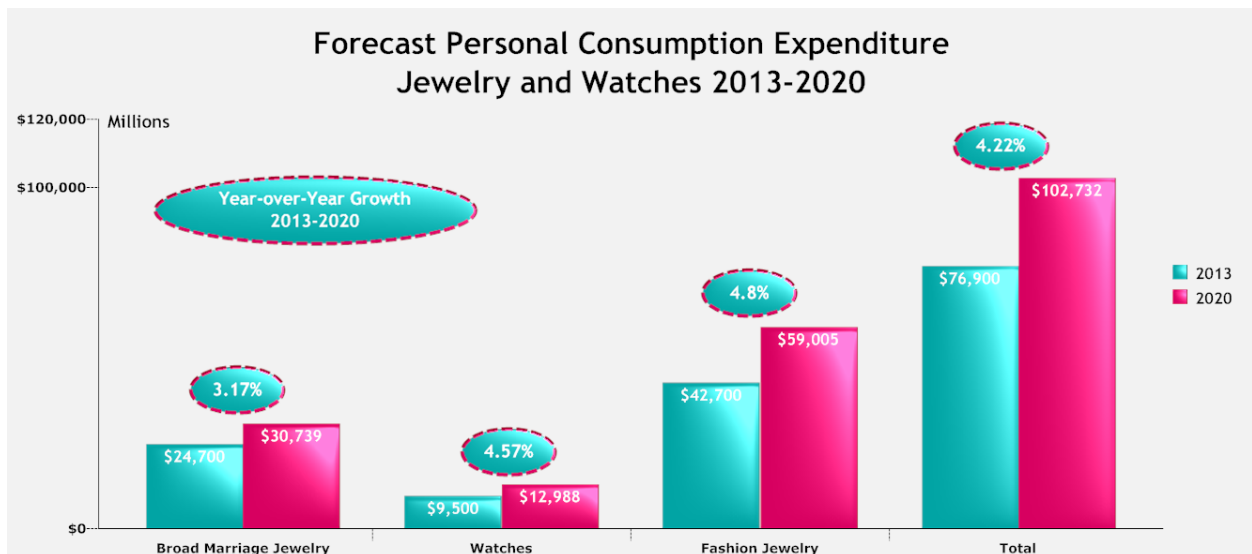
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Supplementary Charts



Source: Equity Communications, using data from the U.S Bureau of Labor



Source: Equity Communications