

How Well Do You Know Boomers? Counting Down the Top 10 Boomer Myths

Overview

Open up any newspaper or turn on the television, and you probably hear the term "Baby Boomers" any number of times. The media seems to be obsessed with this generation of people born between 1946-1964, and frequently the headlines make blanket statements about the cohort that paint either a very positive or a very negative picture. Many headlines create myths or feed into them. But what is the truth? Focalyst identified and investigated the top myths that we hear about Boomers to separate fact from fiction. Here is a countdown of the top 10 Boomer myths.

Note to reader: *Unless otherwise noted, the data provided are an analysis of over 17,000 Baby Boomers surveyed in the Focalyst View, the largest, most comprehensive study of Boomers and beyond.*

Myth #10 - Boomers are Retiring Early

There has been a lot of media attention lately given to the first Boomers turning 62 this year, thus being eligible to take Social Security benefits early. But in actuality, **very few Boomers are planning to stop working entirely when they reach retirement age – only 11%**. Two-thirds of Boomers are already certain about their plans for when they reach retirement age – and **more than 8 in 10 of those are planning to work or actively volunteer once they reach retirement age**. Some of these Boomers may be planning to work due to financial need, but there is obviously another group that is planning to work as a means to stay actively engaged in society.

Only 11% of Boomers plan to stop working entirely when they reach retirement age

- Of those Boomers who know what they are planning to do when they reach retirement age, **72% plan to work either part (65%) or full-time (7%) after they reach retirement age**, and many of these are planning to spend some time volunteering as well (31%)
- **13 million Boomers are already working in what they consider a second career**
- They are continuing their education – over **13 million Boomers are taking courses** either towards a certificate or degree or for their own enjoyment

Life is not slowing down for Boomers!

Myth #9 - Boomers are Downsizing their Homes

Despite the image of older consumers "winding down" as the years progress, and simplifying their lives and homes, Boomers are doing the opposite. In fact, **only 6% of Boomers are planning to be living in a smaller residence five years from now**, while

76% plan to live in either a same sized (their current home or a new home of the same size) or larger home!

This will have great implications on the housing and home improvement industry, as

Three quarters of Boomers plan to live in either a same sized or larger home five years from now

Boomers look for products and services that will help them "age in place." It will also have financial implications on Boomers themselves, as they continue to carry a mortgage into later years (**only 20% of Boomer homeowners own their homes "free and clear"**). Boomers are likely to have a lot of their net worth tied to their home equity, and considering the unstable housing market, the future of that investment is far from certain.

- **Boomers own 57% of all vacation/seasonal homes** according to the *National Association of Realtors*
- **92% of Boomers plan to buy a major household item** (furniture, home décor, appliances and outdoor and gardening items) in the next 12 months, planning to spend an average of \$2,200
- **74% of Boomers plan to make a home improvement in the next year, spending an average of \$6,000**

Myth #8 - Most Boomers are Married Empty Nesters

Most are actually not Empty Nesters! Data suggests that **only about 1 in 4 Boomers fit the profile of married with adult children who have left home**. A significant number still have children at home, the rise of the boomerang "adultolescents" means that adult children are back in the home and older parents may live in the home and require care. Still others are single and dating:

- **37% have children** under 18 in the home
- Over **5 million** Boomers have had an **adult child move back into the home** in the past year
- Almost **4 million** Boomers have **parents living in their home**
- **A third of Boomers** - over 23 million – **are single**. More than ever, the singles population consists not just of widows and widowers, but of those who have been separated or divorced, as well as those who have remained single all their lives out of choice. **8 million Boomers never married** and another **4 million are living with a partner**, but not married.

Almost **7 million Boomers recently started dating**, and at least **1.7 million are participating in online dating**.

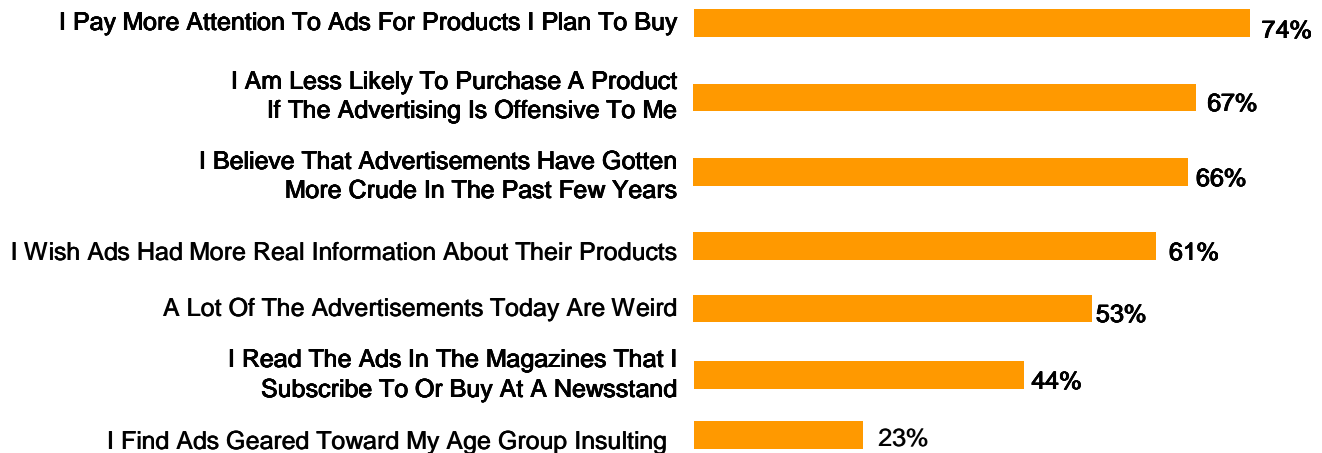
More than 23 million Boomers are single

This is why online dating services have recently begun focusing campaigns toward older consumers looking for a partner - since 2000, the number of Boomers on Match.com is up 350%.¹ And whether married, partnered or single, Boomers care about how they look - **68% say it is important to remain attractive** to the opposite sex.

Myth #7 – You Can Capture Boomers With Mainstream Advertising

Boomers are paying attention to advertising – but they do not always like what they see; 66% say that ads have gotten more crude in recent years and another **67% say they are less likely to purchase a product if they find the advertising offensive** (23% actually say they find ads geared toward their age group insulting). They are often searching for more product information, and are particularly receptive to print advertising.

Boomer Attitudes Toward Advertising



Source: Focalyst

Think that you can capture Boomers in the same way as the 18-49 mainstream target? Although the lagging Boomers fall into that age range, the same message may not resonate with them – and they may not even be there to see it. On average, the half-dozen top rated television programs geared to 18-49 year olds are only viewed by 7% of the 50+ audience.²

At the same time, a fragmented media landscape means that there are many more places for Boomers to turn their attention. **On average, Boomers use close to four ad-supported media daily.** They engage with ad-supported media more often than non-ad supported media, which provides advertisers with multiple opportunities to reach this population, but marketers trying to reach this market need to know where to find them.

Boomers are also paying attention to new media; 26% of connected Boomers say they click on Internet ads that interest them. Recent analysis that Focalyst conducted with Dynamic Logic on its MarketNorms® database found that **Boomers are just as likely or more likely as younger generations to be motivated to buy a product or service based on an Internet ad.**

Consumers over the age of 50 represent a growing market – there are **92 million 50+** consumers in America today, and this number will **increase to 155 million by 2050**.³ In comparison, the size of the younger demographic market will remain relatively stable, and have less to spend. Consumers ages 45 and older accounted for **55% of total consumer expenditures**, or **over \$3 trillion** in 2006.⁴ Makes you wonder why marketers are paying so much attention and advertising dollars to a smaller market with less money to spend.

Myth #6 - Boomers are Brand Loyal and Will Not Switch

Commonly thought to be set in their ways, Boomers are just as likely as younger cohorts to experiment with new products. They are actually paying attention to advertising for new products and **61% of Boomers agree that “in today’s marketplace, it doesn’t pay to be loyal to one brand”** (vs. 62% for consumers ages 18 to 41)⁵.

Almost two-thirds of Boomers say “it doesn’t pay to be loyal to one brand”

- From cars to apparel to appliances, more than **50% of Boomers don’t stick to any particular brand**
- Most are responsive to sampling, with **59% agreeing they are likely to buy a product if they can try it first**
- However, among financial services, such as insurance and banks, Boomers are indeed more likely to remain loyal. This is not completely surprising given the perceived inconvenience involved when switching companies, but it may also be an indication of more careful scrutiny before making a long-term commitment when financial security is at stake

Myth #5 - Boomers are all Wealthy

Boomers are the wealthiest generation in history, but **only 9% are truly affluent** (defined as having pre-tax incomes of \$150,000 or more if working, or \$100,000 or more if retired). Analysis of the Federal Reserve’s Survey of Consumer Finances indicates that while Boomers account for about half of the nation’s net worth in 2004 (the most recent available), the lowest **40% of this segment have virtually no net worth outside of home equity**, with the lowest 20% having a net worth of only \$2,480.

Shockingly, **one quarter of Boomers have no savings or investments at all**. Boomers are resolving debts later in life. Loans to pay for children’s educations and other expenses are taking precedence at a time when retirement planning and savings should be front and center.

- **25% do not have any savings accounts or investments** (not including their primary residence)
- **One out of three** do not own a basic retirement savings account
- **Nearly 4 in 10 have no life insurance**

- More than **4 out of 10** consider themselves **spenders** more than savers

But they are not uniformly bad savers - **57% say they have already taken steps** to ensure they will have adequate income in retirement.

Myth #4 - Boomers are Winding Down with Age

Actually, they are quite active, as the typical **Boomer regularly participates in an average of 10 activities** and the participation extends beyond going to church or gardening:

Participation in Select Activities		
	% Boomers	Number of Boomers
Listening to music	68%	51,000,000
Dining out	53%	40,000,000
Movies	46%	34,000,000
Fitness walking/exercise walking	42%	31,000,000
Religious/prayer services	36%	27,000,000
Live sports events	29%	22,000,000
Music/concert performances	27%	20,000,000
Camping	21%	16,000,000
Fitness work-out/aerobics	19%	14,000,000
Gourmet cooking	18%	14,000,000
Bicycling	16%	12,000,000
Swimming	16%	12,000,000
Hiking	14%	11,000,000
Weight training	14%	10,000,000
Photography as a hobby	11%	8,000,000
Dancing	9%	7,000,000
Jogging/running	9%	7,000,000
Motorcycling	8%	6,000,000
Painting/drawing/sculpting	7%	5,000,000
Yoga/Pilates	6%	4,000,000
Visiting spas	5%	3,500,000

Source: Focalyst

- They are traveling - **80% of Boomers took at least one trip last year**
- Almost half attend movies regularly, more than a quarter attended a music concert, and **almost a third attended a live sports event**
- Boomers are **twice as likely to be attending a concert** than sewing or knitting

- They are **three times as likely to be bicycling or swimming** than they are to be visiting spas

When they are at home, you are likely to find Boomers listening to music, gourmet cooking or painting.

Myth #3 - Boomers are Technologically Challenged

When thinking about older consumers, many may conjure an image of somebody who still does not know how to change the clock on the VCR. Not Boomers! Boomers have been in the workforce during the evolution of computers, e-mail and the Internet, and were the first to understand the value of technology. **Many have the discretionary income and desire to purchase high tech products**, and many already own digital video recorders (29 million) MP3 players (17 million), and home theater equipment (19 million).

82% of Boomers are online, and 64% have been connected for 6 or more years

- **82% of Boomers use the Internet**, and their online activities extend beyond just e-mail to instant messaging, downloading music or movies, financial transactions, and online gaming
- **64% have been online** for six years or more
- **7 million Boomers with no children in the home own video game systems**
- Almost a third of bloggers are over the age of 45⁶
- Pew Internet & American Life finds that **almost half of those 50+ visit video sharing sites like YouTube**⁷

Myth #2 – Baby Boomers are the "Me Generation"

Boomers have typically been portrayed with the self-centered label the "Me Generation," but from their actions in later adulthood, Focalyst finds that a label of "We Generation" is more accurate. They are caring for others and caring for the world:

More than two-thirds of Boomers say they have a responsibility to make the world a better place

- **70% say they have a responsibility to make the world a better place**
- **24% volunteered** for a charitable cause in the last year, and **15 million are planning to spend a significant amount of time volunteering** when they reach retirement age
- 5 million are providing primary care for an elder, and **28 million have children under 18 in the home**, which may or may not be their own (grandchildren, other relatives, blended families)
- **57% say they try to buy from companies that give back** to their communities
- They are becoming increasingly "green" consumers, with **more than half (54%) seeking out environmentally friendly products**, 48% preferring to buy locally produced goods, and 84% say it is important to support local retailers

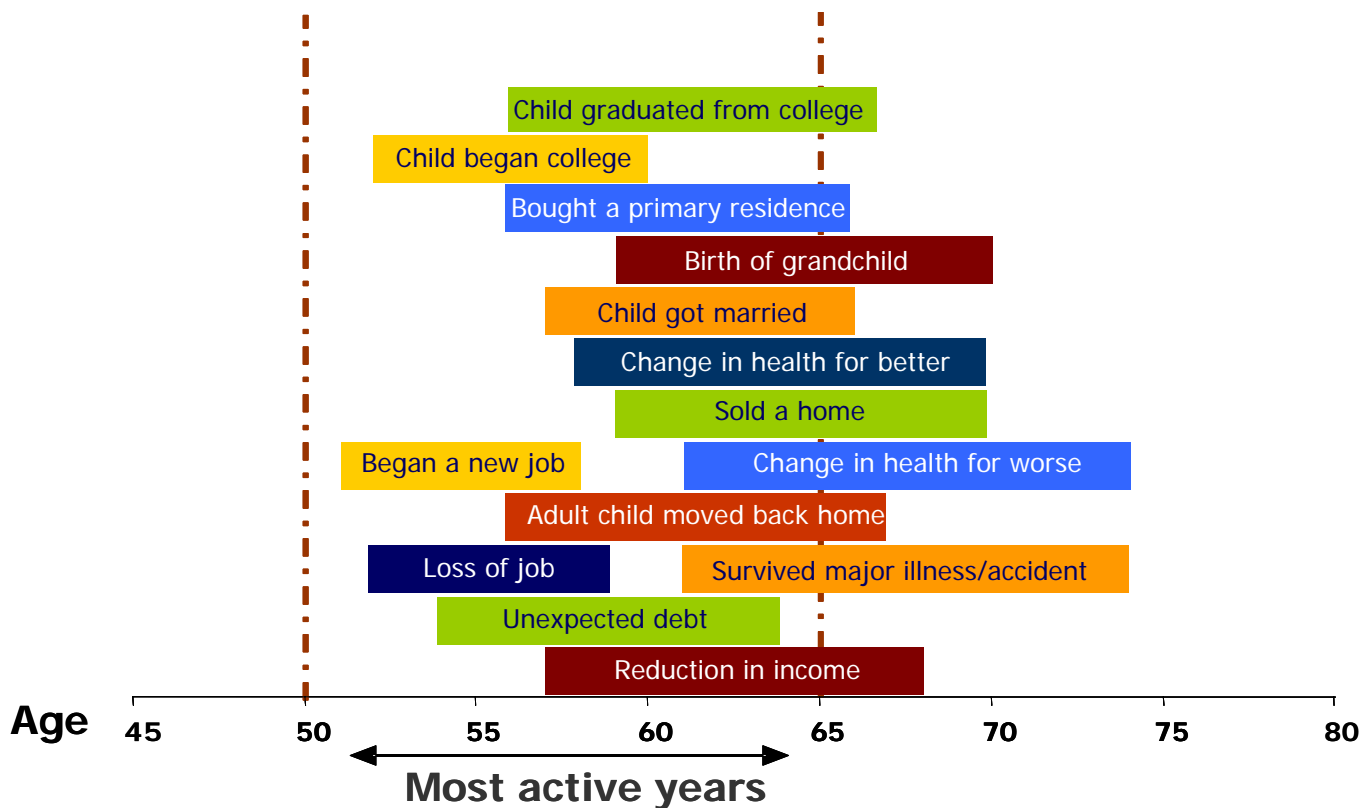
The desire to be "green" increases with age, as the older, Mature generation, is even more likely to be socially conscious. The data suggest that as Boomers grow older and consider the legacy they will leave behind their desire to give back will intensify.

Myth #1 - Boomers are all the Same

The media often portrays the members of the Baby Boom generation as a monolith – 77 million people thinking, acting, behaving and buying all in the same way. Nothing could be further from the truth. In fact, members of the Boomer generation are more different from one another when compared to members of either younger or older generations.

More life events occur between the ages of 50-65 than in any other time in one's life, with the typical Boomer experiencing an average of 2 major recent life events around career, family, finance or health each year. These events can range from buying a new home (11 million Boomers) to retirement (5 million Boomers) to starting a new job (7 million Boomers).

Life Events Most Likely to be Experienced by Boomers



Source: Focalyst

Two Boomers of the same age can be living very different lives, perhaps one becoming a parent for the first time, another retiring, and another taking courses toward a degree. This is especially true when thinking about leading vs. lagging Boomers, as the average 44 year old could be substantially different from the average 62 year old.

It is a mistake to think of this cohort as all alike, and it is not all about age. Recognizing the differences among Boomers and understanding the truth behind the myths can help marketers craft products, strategies and messages that will resonate with this generation.

Focalyst™ (www.focalyst.com) is a leading source of information and insights about Baby Boomers and Mature consumers. As a Millward Brown specialty practice supported by AARP Services Inc.,SM Focalyst offers a broad range of qualitative and quantitative custom research solutions. Focalyst pioneered the largest, most comprehensive study ever conducted about Boomers and Matures and has the unique expertise to help marketers better understand and connect with this important demographic. For more information about Focalyst call 212.548.7270 or email Jackie.Bartolotta@focalyst.com.

¹ USA Today, February 27, 2007.

² MRI, Fall 2007.

³ U.S. Census Population Projections.

⁴ U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2006.

⁵ AARP Brand Loyalty Study, 2005.

⁶ BIGresearch SIMM, January 2008.

⁷ Pew Internet & American Life Project, December 2007.