

## Then and Now: Understanding Boomers' Evolving Perspectives

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### Where we have been, where we are today

In 2006, Focalyst conducted the *Focalyst View* – the largest, most comprehensive study of Boomer consumers (born 1946-1964). Like our respondents, we were influenced by the social and economic climate of that time. There was a strong housing market, gas prices were low(er), and financial markets were stable. Focalyst found that, while Boomers prove to be extremely diverse (ethnically, attitudinally, financially), there were common themes of optimism and accomplishment.

A lot has changed in the past two years. The national news headlines tell the story; banks going under, a stock market faltering, increased prices for gas and food, consumer confidence at about half what it was two years ago, and a housing market in collapse. What effect, if any, is this having on the Boomer psyche? Is optimism as strong today as it was two years ago? How have recent "shocks" and "circumstances" affected Boomers' outlook? Focalyst interviewed Boomers (about half of which were respondents of the original *View* study) to find out.

### Methodology

- This study was conducted via online survey among 324 Boomers using the Lightspeed Research panel and re-contacting original respondents from *The Focalyst View*
- Additionally one-on-one qualitative interviews were conducted by Greenfield Consulting Group
- Field dates were August/early September 2008.

### Then and Now

When Focalyst conducted the original View Study, containing the responses of over 17,000 Baby Boomers, we found that despite the media's tendency to characterize them as one homogenous group, Boomers were fundamentally differentiated by three things:

- their circumstances and life stages (many of which they couldn't control)
- their mindset or inherent mental make up
- major events (both external and internal) that had both positive and negative impacts on their lives

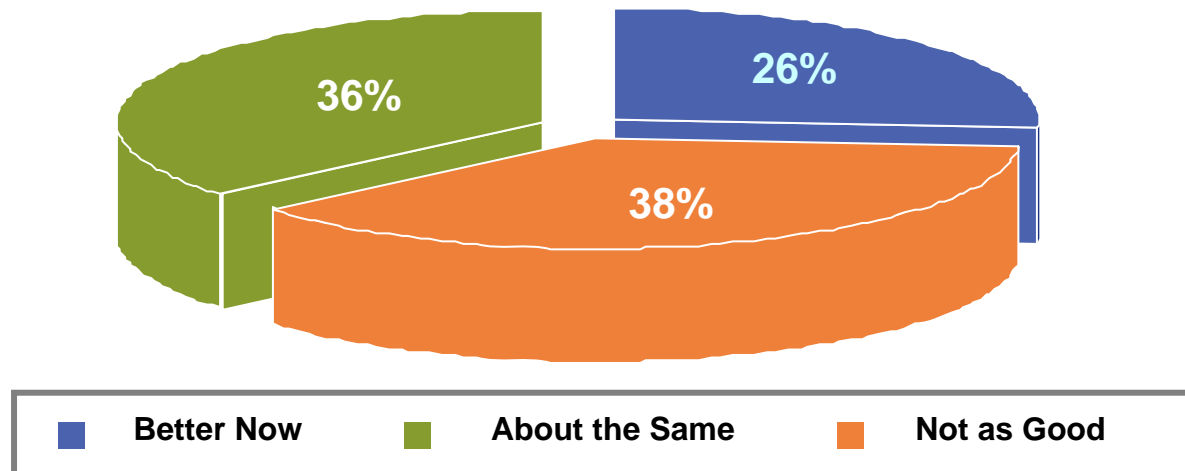
We found that Boomers were conditioned and constrained by circumstances and responded to life events based on some fairly established habits of mind. Some appeared to be insulated against the bad events, others more vulnerable.

That being said we did discover common themes of optimism and accomplishment across the generation. Most (85%) believed they had been very fortunate in life, over 3 in 4 felt they had accomplished a great deal, and almost half were optimistic about their financial situation. But how are they doing now in comparison to 2006 (Figure 1)?

When asked how their life has changed in the past 2 years, over a third say that things are not as good (Note to reader: this survey was fielded before the demise of Lehman Brothers, the stock market crash of October, and the \$700 Billion bailout package approved by the US government).

Figure 1

### In general, how has life changed in the past 2 years?



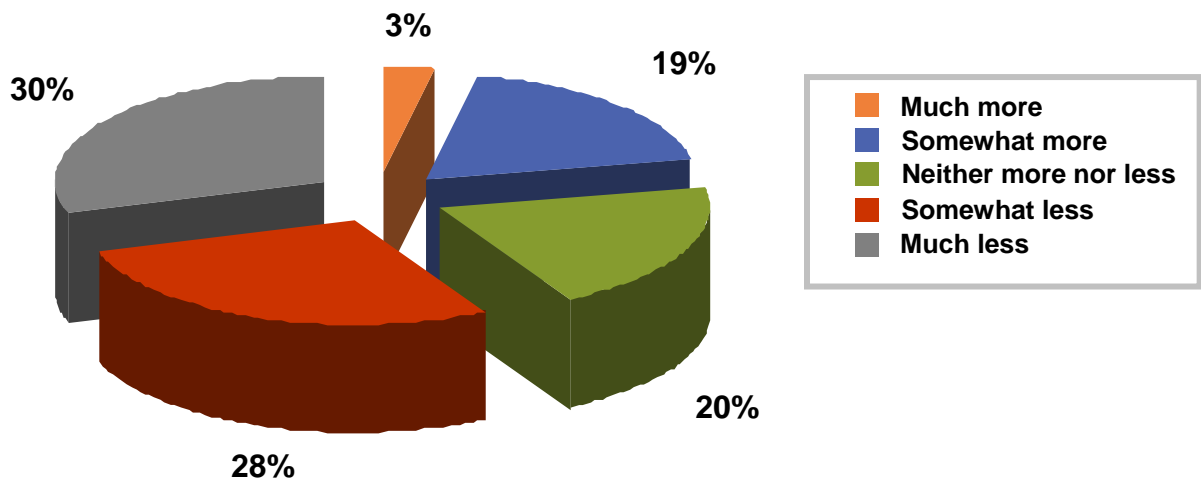
Source: Focalyst 2008

A majority of Boomers are trying to manage with having less. More than half (58%) say they have less expendable income than they did 2 years ago, and they are in a situation where they need to make changes in order to cope (Figure 2).

Figure 2

## More Than Half of Boomers are Dealing with Less

In the past 2 years would you say you have more or less expendable income?



Source: Focalyst

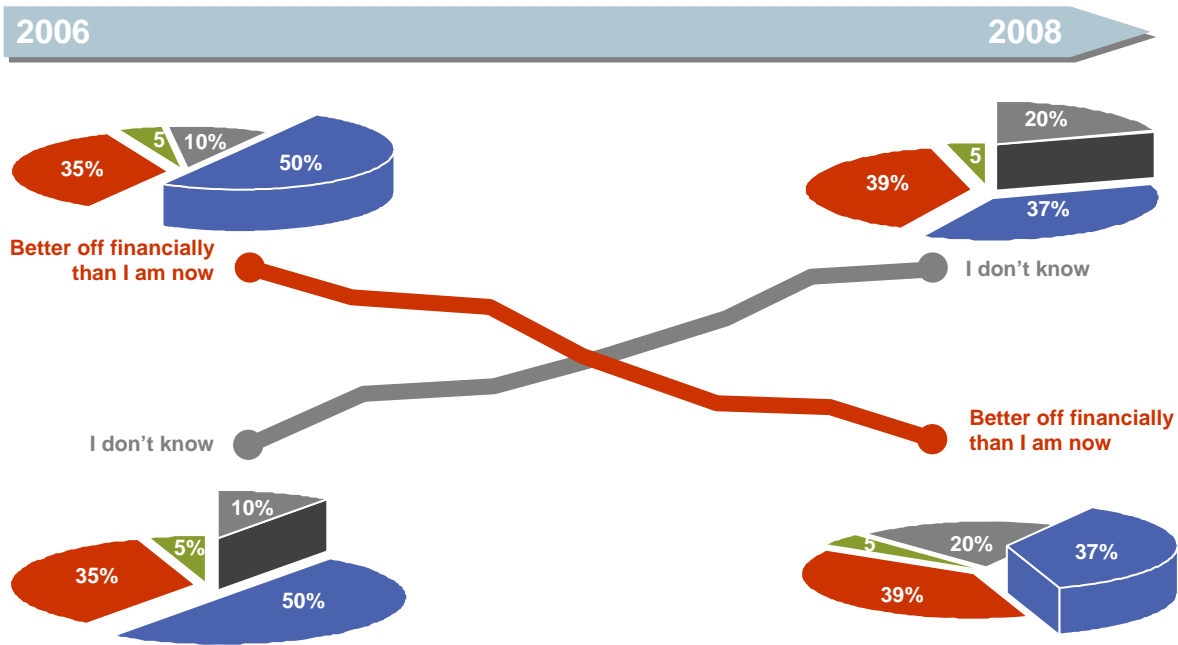
Who's to blame for the worsening situation? When we asked those Boomers that feel things are worse, they blame oil companies (59%), economic policies (55%), the government in general (53%), the President specifically (49%), and big corporations (38%).

Conversely, if they feel things have gotten better, who gets the credit? Almost everybody – 99% - said **Me!**

When we surveyed Boomers in 2006, half thought the future held a better financial future for them, and only 10% did not know what to expect (Figure 3). When we asked the same question in 2008, we found that optimism is down and uncertainty is on the rise only about a third now thinks that the future will be better, and twice as many (20%) are unsure (Figure 3).

Figure 3

**Financially speaking, how do you see yourself in 5 years?**



Source: Focalyst

Among the questions we asked Boomers were whether their finances or health had declined or improved in the past 2 years, and separately, whether or not they feel personally better or worse when compared to 2 years ago. Looking at the answers to both, we see that they are a good indicator of what drives personal well-being. What lever is having the greatest impact on Boomers' lives? Two years ago it was all about health. For today's Boomers, "general well-being" is more about financial health than it is about physical health (Figure 4).

Figure 4

**Health or Wealth? What's Drives General Well Being?**

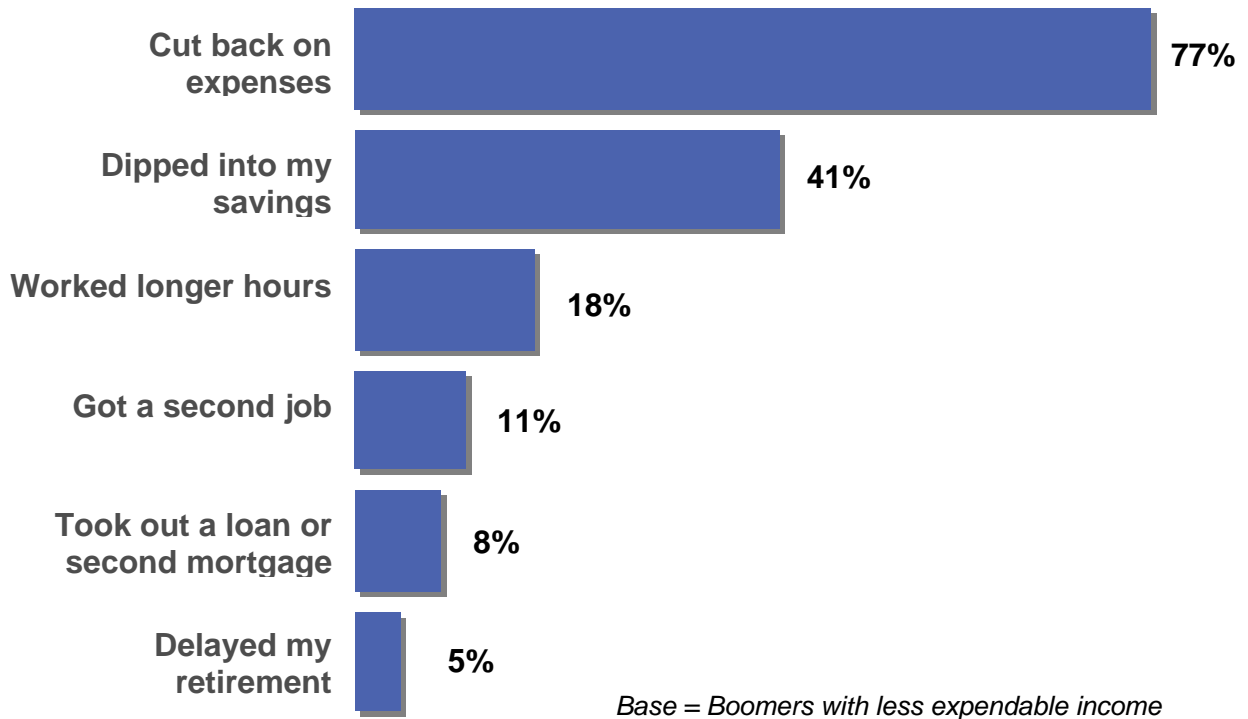
	Health Improved	Health Declined	Finance Improved	Finance Declined
Personally Better	52%	22%	69%	5%
Personally Worse	21%	49%	8%	77%

Source: Focalyst

For those that are dealing with less income than they had 2 years ago, what steps are they taking to maintain their general (and financial) well being? Three-quarters have cut back on expenses, and almost half have dipped into their savings at a time when they should be storing funds away for their future (Figure 5). Others are working more or delaying a planned retirement.

Figure 5

### How have you dealt with having less?



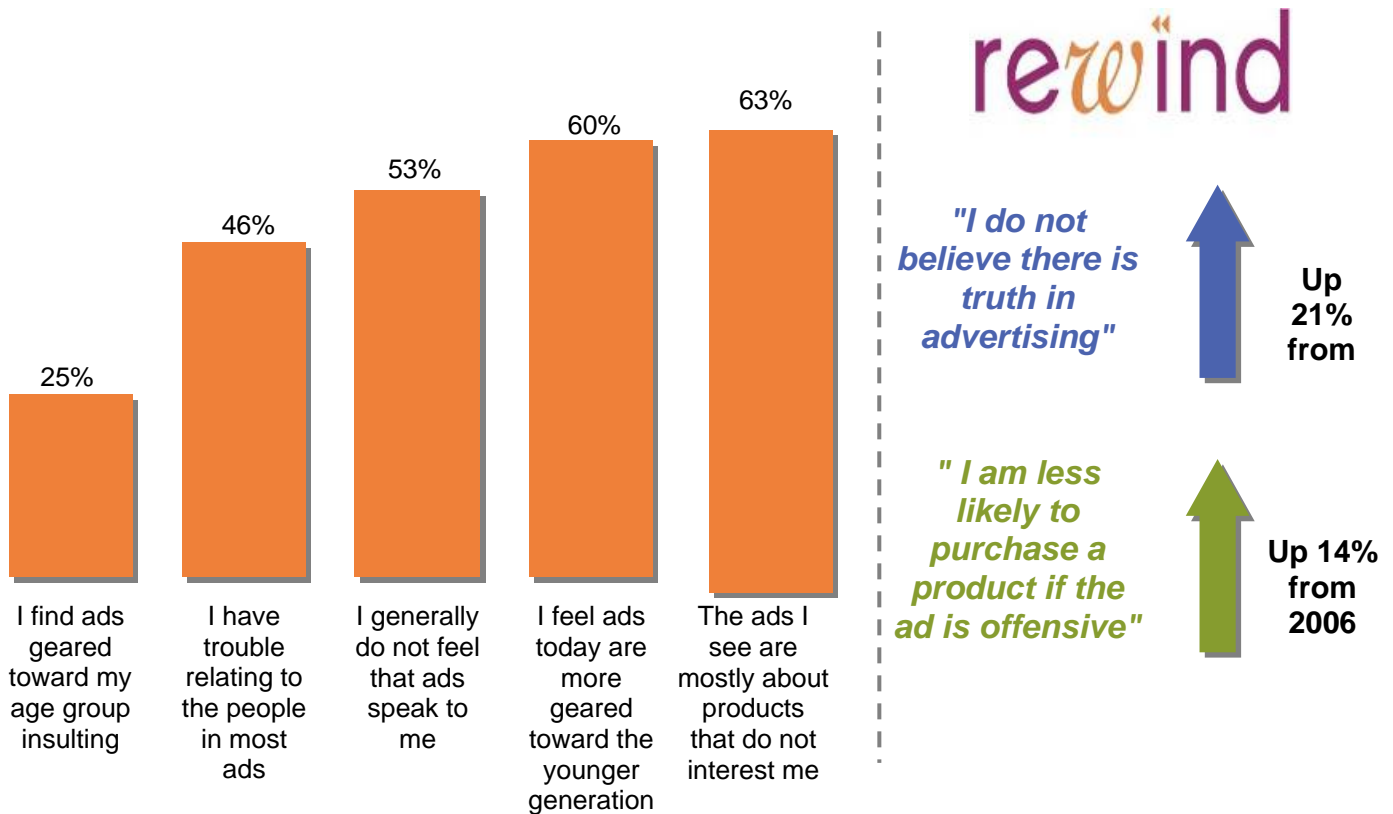
Source: Focalyst

### Advertising and Messaging

So what can we say about the importance of messaging appropriately to Boomers? Two years ago, Focalyst found that many advertisers were missing the mark when it comes to message alignment – and that is just as true today; there has been a 21% increase in the number of Boomers that say there is not much truth in advertising, and 14% more agree that they are less likely to purchase a product if the advertising is offensive. However, permission is granted to target them directly, with most Boomers looking for advertising that speaks to them and people their age (Figure 6).

Figure 6

### Boomer Attitudes About Advertising



Source: Focalyst

What does this mean when it comes to message alignment? We are living in a period of great pragmatism and immediacy, and many Boomers are just trying to make ends meet. Much of advertising geared towards Boomers today focus on retirement and the need to prepare. Retirement is important, but it may be better to acknowledge these short-term struggles and be realistic about retirement goals. Many Boomers say ads place too much emphasis on retiring rich, so it is important to adjust from terms like "rich" and "indulge" to terms like "stable future."

### What does this all mean?

Most Boomers are thinking very short-term right now, and priorities are more day-to-day in nature. They are cutting back on expenses, and may be moving more to private labels.

If history is a teacher, this too shall pass. We hesitate to suggest that shifts to frugality are "fundamental" in nature. It is more likely we are witnessing a tactical frugality that will begin to fade along with our short-term memories when the stock market rises and gas prices stabilize. Boomers have been through this recessionary road before, and know that they will get through it again. Downturns represent breakaway growth opportunities for those clever enough to influence consumers' attitudes; you can help consumers feel good about migrating to lesser goods by enabling them to justify their decisions in terms other than affordability.

For now, we can "Make the new normal feel better," and communicate in the context of the concerns of the day, being mindful that this "new normal" will probably only be temporary.

*Focalyst™ ([www.focalyst.com](http://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.,<sup>SM</sup> 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.*

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