



Boomers Turning 60 What's Next?

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AARP's Mission

“AARP is dedicated to enhancing quality of life for all as we age. We lead positive social change and deliver value to members through information, advocacy and service.”

Boomers Will Be Boomers Even at 60+



Myth One

Boomers have not saved

Fact One
*They have saved more
than their parents had at their age.*

Net Worth (2002 dollars)

Boomers at 37-55 years old	\$108,519
37-55 year olds in 1983	\$ 89,645

Net Worth Less Home Equity

Boomers at 37-55 years old	\$ 51,400
37-55 year olds in 1983	\$ 23,611

Financial Assets

Boomers at 37-55 years old	\$ 32,719
37-55 year olds in 1983	\$ 5,419

*Myth Two
Boomers don't have enough money
to retire and keep spending*

*Fact Two
Boomer wealth is growing,
and those nearest retirement are in good shape.*

<u>2004 dollars</u>	Born in 1946-1949	Born in 1962-1965
2004	\$248,700 Ages 55-58	\$ 98,000 Ages 39-42
2001	\$ 189,560	\$ 55,269
1998	\$ 131,279	\$ 40,809
1995	\$ 121,885	\$ 26,731
1992	\$ 88,587	\$ 15,325
1989	\$ 103,426 Ages 40-43	\$ 4,259 Ages 24-27

- ◆ CBO estimates they will need \$300K plus Social Security to have 80% replacement income by age 66.
- ◆ Oldest boomers in 2004 still had 8 more years to save to retire at 66.
- ◆ Based on past performance, they have a good chance of reaching that \$300,000 goal.
- ◆ Some are much wealthier – mean net worth of oldest cohort is nearly 750K

John Gist, AARP Public Policy Institute,
Comparing Boomers' And Their Elders'
Wealth at Midlife (2005)

Myth Three

Boomers will not spend

Fact Three

They are already doing it, and will continue to do so.

Age	Share	Dollars
All U.S.	100%	\$5.4 trillion
All 45+	55%	\$3.0 trillion
Ages 45-54	25%	\$1.36 trillion
Ages 55-64	16%	\$888 billion
Ages 65 +	14%	\$751 billion



What They Buy at 45+

✦ Drugs	77% / \$47 billion
✦ Health Care	71% / \$222 billion
✦ Home Maintenance	71% / \$91 billion
✦ Cash Contributions	66% / \$129 billion
✦ Reading materials	66% / \$10 billion
✦ New cars/trucks	56% / \$127 billion
✦ Personal Care	56% / \$36 billion
✦ Entertainment	55% / \$154 billion
✦ Household furnishings	55% / \$114 billion
✦ Housing	54% / \$958 billion
✦ Women's/girls' apparel	52% / \$46 billion



Myth Four *Boomers will become their parents*

Fact Four
Demographics alone suggest differently.

- **More consumers**
- **More diverse**
- **More affluent**
- **Longer and healthier life spans**
- **Longer work lives**
- **More singles by choice**
- **Especially more independent working women**
- **More Tech Haves**



*Myth Five
Boomers will handle the crises of aging
the same way their parents did.*

*Fact Five
Boomers at age 60 suggest otherwise.*

They

- **Remain optimistic about aging**
- **Expect to continue to improve their financial status**
- **Plan to take better care of their health**
- **Are seeking/experiencing the freedom to do what they want to do – whether that is indulging in self-expression or giving back**



- ✦ Patricia would like to scuba dive around “fantastic coral reefs.”



My Time



- ✦ Nancy has a lot of plans . . .
 - ◆ Maybe go into business . . .
 - ◆ Maybe catering. . .
 - ◆ Maybe write a book. . .

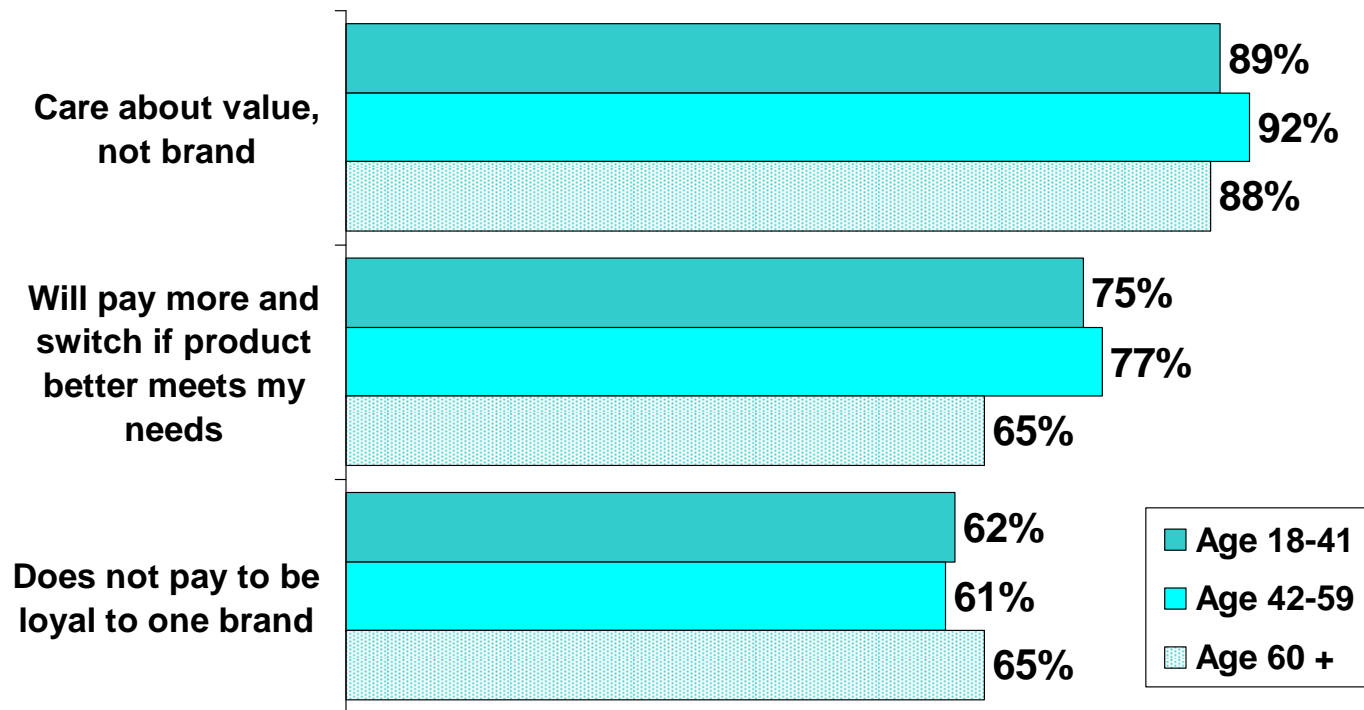


What I Want for My 60th Birthday

- ✦ **A red convertible/ a Harley**
- ✦ **Trips (to Alaska/ Vegas/ around the world)**
- ✦ **To see the man I had an affair with**
- ✦ **A million bucks (and a diamond ring)**
- ✦ **A grandchild/ a hug**
- ✦ **A good book/ jug of wine/ glass egg/ trip to spa**
- ✦ **Health**
- ✦ **To be 30 again**
- ✦ **Immortality/ 60 more birthdays!!!!!!!**

*Myth Six
Boomers won't buy new products or
brands.*

*Fact Six
You can win them if you try and you can lose them if you
take them for granted.*





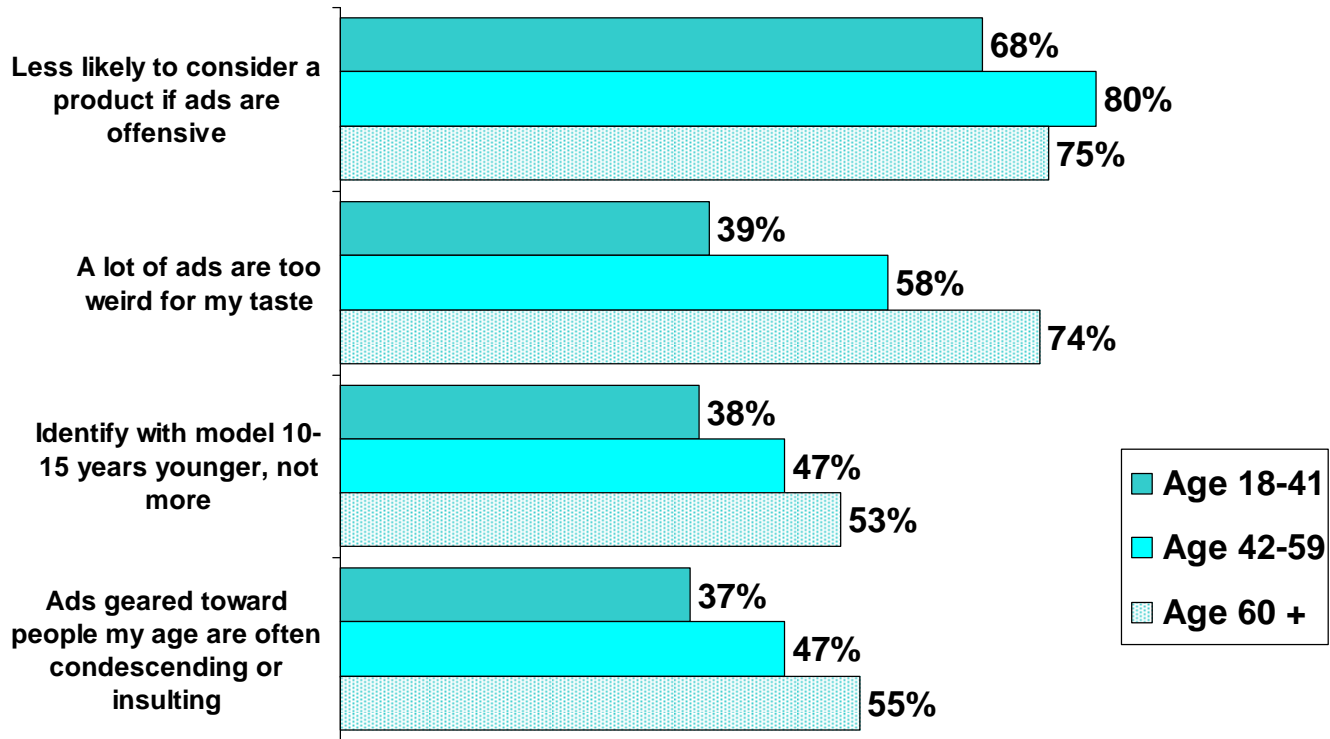
*Myth Seven
Boomers won't touch new technology.*

*Fact Seven
They use technology as a tool to gain control.*

- ✦ Don't talk down to me when it comes to technology. For me, technology is a tool that helps me to
 - ◆ Get my work done, whether personal or career
 - ◆ Keep in touch with family
 - ◆ Locate right product for my needs
 - ◆ Research/compare products
 - ◆ Save time and/or money
- ✦ I will buy more online if you meet my demands for service, quality, ease of return, and data security

Myth Eight
You can reach them by advertising
to a younger audience.

Fact Eight
You are insulting them with your ads.





Boomer Market Drivers

- ✦ **Tremendous diversity – singles, women, racial/ethnic groups, techies, adventure travelers**
- ✦ **Still working and planning new ventures for the future – even at age 60**
- ✦ **Spending fed by work/care-giving/leisure**
- ✦ **Technology used as a tool, not a gadget**
- ✦ **Looking for new products/brands**
- ✦ **Insulted by what you are trying to sell them and how you are speaking to them.**
- ✦ **Demand understanding, service, and respect!!!!!!!**

More Information

Web Site

- ✦ <http://www.aarp.org/>
- ✦ <http://www.aarp.org/research>
- ✦ <http://www.focalyst.com/Sites/focalyst/>

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