

# Strategic Plan

MAY 2008



HEALTH / FINANCES / CONNECTING / GIVING / ENJOYING





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# Strategic Plan Summary

## AARP'S VISION

A society in which everyone ages with dignity and purpose, and in which AARP helps people fulfill their goals and dreams.

## 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.

## MAKING A DIFFERENCE

**Social Change Goal:** People 50+ will have independence, choice and control in ways that are beneficial and affordable for them and for society as a whole.

**Member Value Goal:** People 50+ choose to join and stay with AARP because we deliver meaningful value and play a unique role in their lives.

### Economic Security

- Americans can rely on Social Security that is solvent for the long term and maintains an adequate, guaranteed benefit and income protection features.
- Americans 50+ remain in the workforce, as desired.
- Americans accumulate and effectively manage adequate retirement assets.
- Americans with low incomes and vulnerable populations have increased resources available to meet their needs.

### Health and Supportive Services

- Americans have affordable coverage for, and access to, quality health care and supportive services.
- Americans have access to and control over the long-term care services and support they need.

- Americans 50+ have improved health status through healthy behaviors.

### Livable Communities

- Americans 50+ are able to sustain mobility as they age.
- Americans 50+ have appropriate and affordable housing options.

### Global Aging

- Governments, businesses and non-governmental organizations (NGOs) advocate for and adopt policies and practices to better serve the needs of their older population and recognize their specific needs, interests and talents.
- Societies around the world value and respect the contributions of the older population to their communities, families, workplace and to society as a whole.

### Information

Members trust AARP as a primary source of credible, accurate and actionable information that helps them make informed decisions and enhances the quality of their lives.

### Benefits, Products and Services

Members trust and choose AARP-endorsed market-changing (or market-leading) benefits, products and services because they meet their needs and enhance their lives.

### Engagement on Social Issues

Members actively embrace and engage in AARP's social mission.

### Relationship with AARP

Members feel they have a relationship with AARP, appreciate their ability to be heard and engaged, and value their experience.

### Champion Brand to Enrich Life

AARP is viewed as a champion that enriches the lives of all people and enhances society as a whole.

## MAXIMIZING OUR ASSETS

AARP will have the capacity it needs to lead positive social change and deliver value to members.

### People Strategy

AARP is an exemplary "WORLD CLASS" organization that recruits, develops and retains a dedicated, diverse and high-performing workforce of staff and volunteers committed to and capable of achieving our social mission and delivering value to members.

### Financial Resources

AARP will assure that the financial resources required to address strategic priorities will be available. This will include an adequate and diversified base of revenue, cost savings and increased productivity.

### Systems, Processes and Technology

AARP will enhance planning, knowledge management, information-sharing, decision-making and program implementation.

### Organizational Structure

AARP will review and adjust, as needed, its organizational structure to maximize efficiencies and expand capabilities.

# Setting the Stage

## SETTING THE STAGE



## Vision, Mission and Overview

### Vision

A society in which everyone ages with dignity and purpose, and in which AARP helps people fulfill their goals and dreams.

### 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.

### Overview

AARP's Strategic Plan charts our course for the future. It begins with our vision and our mission. Our Strategic Plan speaks to the areas in which we will focus—the needs and interests of our members, as well as major issues and challenges facing society.

Every two years, we systematically review our plan. We scan the external environment; take the pulse of members, staff, volunteers, opinion leaders and others; and calibrate as needed. What we seek to achieve may remain constant, yet there may be changes in society or the political climate that illuminate new directions in accomplishing our goals or setting priorities for our resources.

Some elements of the plan also speak to how AARP accomplishes its mission: recruiting and retaining members and delivering value to our members. Other elements relate to building our capacity and effectiveness as an organization.

## SETTING THE STAGE

As AARP celebrates our 50th Anniversary, we are building on our successes and creating new legacies for the future.

## AARP's Leadership Role: Past, Present and Future

Ethel Percy Andrus was ahead of her time when she founded AARP based on the principles of serving others—giving back to our communities and the nation—and relying on our collective voice and buying power. Our collective buying power generates revenue to reinvest in our mission and influences the shape of the marketplace.

As AARP celebrates our 50th Anniversary, we are building on our successes and creating new legacies for the future. We are connecting our past, present and future in ways that are even more meaningful for all generations in the 21st century.

Dr. Andrus believed that the second half of life should be seen as an opportunity for new growth and involvement with society. She

saw AARP as an “army of useful citizens” with the ability, experience and desire to promote and enhance the public good. Today, AARP taps the talents of those “useful citizens” as members. In the months leading up to the 2008 presidential election, empowered volunteers across the country helped AARP change the political landscape and made health care access, affordability and reform and financial security top-of-mind for elected officials and the media.

The environment in which AARP works has become increasingly challenging. Efforts to deal with the ballooning federal deficit will likely focus on cutting programs such as Social Security and Medicare, and efforts to control state and federal budgets are likely to focus on cutting Medicaid and social services serving those in greatest need.

In 2007 alone, health costs rose at more than twice the rate of inflation. The compact between employers and individuals has been eroding, shifting the burden to individuals for meeting their health care coverage and financial security needs.

Some believe that the cause of our current problems is simply too many aging boomers. They suggest that the solution lies in reducing our investment in programs like Social Security and Medicare. But without Social Security, Medicare and Medicaid, the picture would change dramatically for the worse, and not just for those who are poor. Strengthening and guaranteeing Social Security and reining in the rising costs of health care will be fundamental to improving the lives of older people, even as individuals take on more of the burden for ensuring their own financial security.

AARP has been vocal in reminding policy makers of the value of these programs. On the advocacy front, our efforts will intensify as we hold decision-makers accountable for realistic solutions that reduce the strain on our systems and our resources. These solutions will require cooperation among public, private and nonprofit sectors as well as individuals. They also will require systemic change, not simply shifting costs from one sector to another.

AARP is committed to a solution-oriented approach that involves all sectors. In fact, older adults are part of the solution. They are continuing to contribute to society by working, donating, volunteering and serving as caregivers for older relatives and for grandchildren.

As Americans redefine what it means to turn 50, so does AARP. We as a society must create a new vision that reaches beyond the immediate challenge of the aging of the boomers. This vision is

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→ To continue our history of success, we will become more adept at connecting with members on a personal basis, becoming more nimble in responding to the needs and interests of individuals.

framed by a productive, high quality of life. AARP and our members will create more opportunities for active civic engagement, linking members to others and empowering individuals with the tools to advocate for changes in health care, financial security and livable communities.

To continue our history of success, we will become more adept at connecting with members on a personal basis, becoming more nimble in responding to the needs and interests of individuals. Speed and relevance will be increasingly important for AARP.

AARP leads in a search for practical, realistic solutions that can make a positive difference for individuals 50+. We will foster debate and identify and assess potential solutions. Seeking out the views of our diverse membership helps assure the solutions are workable ones. We recognize that it will be difficult to find solutions that will please every constituency. This may mean that AARP will find itself the target from both ends of the political spectrum. We pledge to exert responsible leadership and to pursue solutions that are achievable given the external environment.

#### SETTING THE STAGE



## What We Do

Delivering member value and leading positive social change—together they represent the organizing framework for all that we do. We cannot achieve one without achieving the other.

### Delivering Value to Members

Our members are our future. AARP will continue to offer them valuable and relevant benefits. Just as important, having a base of engaged members is the cornerstone for our social impact efforts. We will continue to seek out members' insights, exchange information and create community-building opportunities. We will focus on responding to individuals' needs and interests at each life stage, maintaining our commitment to our older members, offering value to boomers and planning for the interests of generations to come.

We will build our capacity to customize and personalize members' experiences. We will create an interactive, ongoing experience with our members through communication—social networking on our website, engaging articles in our publications, TV programming, fun events and outreach.

Our overall member value goal continues to guide our work: People 50+ choose to join and stay with AARP because we deliver meaningful value and play a unique role in their lives. To achieve

this goal, we will strengthen our efforts to provide:

- **Information.** Be the most authoritative, trusted source of credible, objective, relevant and actionable information that helps members make informed decisions and enhances the quality of their lives.
- **Benefits, Products and Services.** Make available market-changing benefits, products and services through third-party providers. These include innovative lifestyle products and discounts, such as on travel, and needed financial and health products that fill a gap, such as health insurance for 50- to 64-year-olds. Much of our royalty revenue comes from products that have both high social impact and member value. We will continue to drive transformative changes in the marketplace.
- **Relationship with AARP.** Actively engage members in our social impact agenda. Our members are our most important resource as we work for positive social impact. It is the voice of the members that creates AARP's power as an organization.
- **Engagement on Social Issues.** Build two-way communication with our members—opportunities for them to express and exchange opinions, network with others who have similar interests, and become involved with AARP in ways that fit their individual interests.
- **Champion Brand to Enrich Life.** Build AARP's brand as a champion, based upon five needs of members: health, financial, enjoying, connecting and giving.

AARP also is providing member value more globally. Imagine a global network of like-minded, nonpartisan, national organizations working together to meet the needs of the maturing population around the world. The AARP Global Network now has member organizations from Denmark, Canada, Italy and AARP here in the United States. The Network will focus on providing individual members of its organizations with enhanced membership value, including shared access to benefits, discounts, products and services. The Network also will continue to expand in other countries with member organizations that share the vision of ensuring the needs of the 50+ are better met so that they are able to live fulfilling lives with dignity and purpose.

In addition, members of the Network share research, technology, media content, advocacy techniques and other information so that each Network organization can strengthen its capabilities. (See page 19 for information on international advocacy through AARP's social impact work.)

It is the voice of the members that creates AARP's power as an organization.

By the year 2025, about 30 percent of the 50+ population in the U.S. will be of diverse ethnic and cultural backgrounds ...representing the breadth of America simply makes us a more relevant and effective organization, and one that better serves society and our members.

### Critical Audiences

AARP represents and serves 50+ America. We create value for our millions of members, serve people who are in need, and—through our advocacy, service, information and products—contribute to society as a whole.

AARP seeks an engaged and diverse membership, and we recognize that individuals are different in many ways. Culture and economics drive some of these differences, and so do one's life stage and life experiences. Less and less can these life stages be predictably tied to chronological age.

**Individuals in Different Life Stages.** People are returning to school in mid-life and later. They are having children later. They may be supporting adult children for longer periods. They may retire and re-enter the workforce multiple times (about half of our members are still working). They may be widowed at age 55 or 75.

Such differences also may affect individuals' needs and interests. We will take such differences into account as we plan products, services, communication and outreach.

To be relevant, we will tailor our interactions and benefits accordingly.

We will continue our state-of-the-art technology to build and maintain relationships with members in ways that are meaningful to them. We also will enhance our interaction with members through our website as well as through mobile devices and satellite radio.

**Diverse Populations.** By the year 2025, about 30 percent of the 50+ population in the U.S. will be of diverse ethnic and cultural backgrounds. Many of the issues people face are common across different cultural groups, but there are also differences. With energy and sharper focus, we will better understand those differences and communication needs so that we can be increasingly effective. For us, representing diverse populations is not a strategy that stands in isolation. Instead, it is deliberately and consciously woven into every goal.

We recognize that the nation's multi-culturalism compels us to create value across different cultures and economic conditions. But representing the breadth of America simply makes us a more relevant and effective organization, and one that better serves society and our members.

**Older AARP Members.** AARP is a multigenerational organization that takes into account the needs of all generations as we pay

special attention to the needs of those 50+. Our strength as an organization has been derived through the sustained commitment of our members. The older AARP member—the 65+ audience—has represented the core of AARP for many years, and we remain committed to serving these members.

**Younger Members.** America will face challenges due to the unprecedented size of the aging boomer generation. Boomers have redefined every life stage they have experienced and more than likely will continue to do so. In some ways they are better off than their parents; yet in others, they are less prepared to deal with the issues they may encounter in later life. Understanding and responding to those differences is a critical component of our work. Among younger people, for instance, there are an increasing percentage of single households, with a greater number choosing to divorce or not to marry at all. Such demographic factors also will be affecting the profile of our members.

**Future Generations.** While the nation is focused on boomers, there are generations not far behind. Individuals in their 40s are beginning to appreciate the value of an organization like AARP. Even younger people are already making decisions that will affect their well-being as they age. Many children and grandchildren of our members are shouldering heavy financial or health care burdens themselves. AARP will lead in dealing with the needs and interests of younger generations that can affect their long-term financial security and health.

Regardless of where our members are on life's continuum—working full time, part time or fully retired; married, widowed or single; urban, suburban or rural; taking care of children, grandchildren or parents; seeking adventure or seeking serenity—AARP has the collective energy, commitment and power to make life better for everyone.

We intend to do better what we already do well. We will add lifestyle products and services that appeal more to current and future members. Members will choose from a wider array of activities that are personally rewarding to them and their communities.

Members have said that leisure, personal and community enrichment opportunities, and family are important to them. We will use online community-building tools and other technology to expand AARP's reach and to connect people with shared interests, whether it is advocacy, grandparenting, travel or gardening.

Regardless of where our members are on life's continuum—AARP has the collective energy, commitment and power to make life better for everyone.

## Leading Positive Social Change



Our mission is positive social change that will make society stronger and life better for all people 50+. Our strategies include efforts to change public and private policies and practices that affect individuals as they age. Through advocacy and effective communication, AARP will continue to bring about change that leads to improved quality of life for all people as they age.

Our overall social change goal expresses the impact we seek:

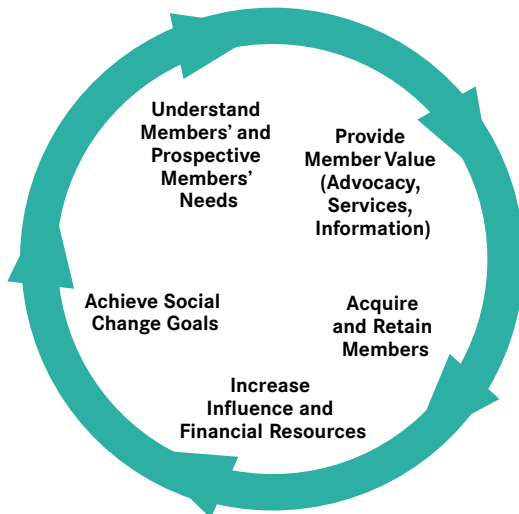
People 50+ will have independence, choice and control in ways that are beneficial and affordable for them and for society as a whole.

Members have told us the critical factors that influence their ability to achieve independence, choice and control. Those factors are financial security, health and supportive services, and communities. (See detail, pages 10-18)

We are committed to serving our members and society through advocacy, service and information.

By joining forces with other organizations and agencies, we can make a meaningful difference. To bring about change, it often takes a coordinated effort aimed at politicians and policy makers, corporate leaders, media representatives, the philanthropic community, academicians and researchers, service providers, industry representatives as well as 50+ individuals and the broader public.

We are committed to serving our members and society through advocacy, service and information. As members respond to those efforts, our numbers grow, increasing our influence and helping us to achieve our social impact goals. Thus, our member value and social impact work are intertwined.



## How We Do It

As we deliver value to members and lead positive social change, AARP strives to address the needs and interests of people 50 and older—from serious issues, such as caring for aging parents, to finding meaningful experiences that are fun and rewarding. We address these wants and needs in several ways:

- **Advocacy** at the federal, state and community levels, in legislatures, regulating agencies, and in the courts on issues that affect quality of life for people as they age. Going forward, we expect more accountability from elected officials. Our expectations will be clear, and we will more tangibly link the power of millions of members who vote to the actions of decision-makers at every level.
- **Information/education/research** shared through AARP.org, *AARP The Magazine*, *AARP Bulletin*, *Segunda Juventud*, *AARP Bulletin Today* (online) and other publications, radio and TV programming, earned media, seminars and local, state and national events. We want to be recognized as the source of relevant, credible, accurate and expert knowledge. Our creative, effective communications will be critical to achieving this in today's digital world. As we exchange ideas and information with members, we will continue to reflect their preferences, such as the way in which they like to communicate. Radio may be the best channel to connect to one audience, while a social networking aspect of our website (such as caring for an aging parent or spouse) appeals to others. We will continue to focus on effective distribution channels for our increasingly interactive communication.
- **AARP-endorsed products and services** that use purchasing power of our members to make available market-changing products and services at good value and a competitive price and with unique features tailored to their preferences—spanning health and auto insurance, financial investment, travel and hotel discounts, educational opportunities and information services for caregivers and their aging parents.  
  
In addition to being aligned with our social impact agenda, our products and services generate revenue that fuels additional efforts to drive our social impact.
- **Volunteers** have always been an integral part of AARP. Fifty years ago, AARP was founded to use our collective voices to make a difference. Today, members can choose from a variety of ways to help make things better in their communities: deliver and exchange information; advocate at the community, state or national level; or help those in need.

### SETTING THE STAGE



Volunteers have always been an integral part of AARP... AARP was founded to use our collective voices to make a difference.

More than 35,000 trained volunteers help low- and middle-income citizens fill out their tax returns through Tax-Aide. Thousands more reach out through efforts such as Driver Safety, Day of Service, *Faith in Action*, Rebuilding Together and community-based AARP volunteer efforts.

Millions of members participate in our e-advocacy efforts, communicating with legislators when needed. Divided We Fail has created a movement of members and potential members who are helping to inform the candidates and government officials about the need to create a better future. More than 35,000 trained volunteers help low- and middle-income citizens fill out their tax returns through Tax-Aide. Thousands more reach out through efforts such as Driver Safety, Day of Service, *Faith in Action*, Rebuilding Together and community-based AARP volunteer efforts. We are constantly seeking new ways to expand the range of opportunities for volunteers to give back to our communities.

- **Partnerships and strategic alliances** with public agencies, professional societies, nonprofit organizations and the corporate community will be critical to our success. The rising costs of health care and the costs associated with pension coverage are pushing employers to consider different options. This situation presents a unique opportunity for AARP to partner with corporations to search for solutions to shared concerns.
- **Philanthropy** provides opportunities for AARP to make a difference close to home. We are becoming an increasing presence in the philanthropic community overall, as our members are financially supporting the charitable work of the AARP Foundation and the advocacy work of AARP. Our Foundation has an emphasis on helping vulnerable individuals. And our members who contribute have stronger connections to AARP. The funds raised from members and institutions enhance our ability to carry out our social impact agenda.

AARP's brand acts as an umbrella across all of AARP, building awareness and helping to change some of the public's frozen perceptions of the organization and its work. Our brand emphasizes five needs—health; finances; the need to contribute and give back to society; the need to play and enjoy life; and the need to be connected to a community, from friends and neighbors to clubs and online communities.

## HEALTH / FINANCES / CONNECTING / GIVING / ENJOYING

To increase the number of people 50+ who feel that AARP is “relevant to me,” AARP blends its brand with its mission by spotlighting the five needs and focusing on positive change in society. For instance, a music icon like Aretha Franklin can have a powerful impact on people when singing the inspirational “Stand Up For Yourself,” a piece of original music written by AARP for

our Divided We Fail campaign. This exemplifies the way we must emotionally connect with our target audiences and engage them with our social mission as well.

Our research tells us that the more members engage with us, the more likely they are to renew their membership. Engagement comes through enjoying our products, services and publications; connecting with other members and AARP through our website, radio/TV programming and events; and banding with others in advocacy or civic engagement. When involvement increases, so does our social impact.

## Making a Difference

### Our Social Change Priorities

For many members, AARP's social impact agenda represents the driving reason they join and renew. This agenda is focused on a single, overarching goal:

“People 50+ will have independence, choice, and control in ways that are beneficial and affordable for them and for society as a whole.”

From individuals' perspectives, three main factors determine their ability to achieve independence, choice and control:

- their health
- their economic status
- their communities

Systems—such as pensions and health coverage—as well as individual actions influence people's ability to maintain their health and maximize their financial security. It is important that systems be in place to support and assist individuals when health or financial status deteriorates.

We reaffirm our commitment to those who are vulnerable—the frail, isolated, people with disabilities and people with limited income. Poverty increases with age, especially among women. Poverty also disproportionately affects African American and Hispanic populations. Our AARP Foundation specifically focuses on those audiences in its work. We will increase our effectiveness in serving those who are less able and have fewer resources. As we work on issues in states and communities—economic security, health, long-term care, consumer protection—we will collaborate

MAKING A DIFFERENCE



People 50+ will have independence, choice, and control in ways that are beneficial and affordable for them and for society as a whole.

There are four major elements of our agenda for social change: Economic Security, Health and Supportive Services, Livable Communities and Global Aging.

with volunteers and other organizations. We also will apply our growing competency in philanthropy to reach more people.

There are four major elements of our agenda for social change: Economic Security, Health and Supportive Services, Livable Communities and Global Aging. To achieve this social change, we use six tools in concert: advocacy, volunteerism, information and education, products and services, philanthropy and partnerships.

Empowered volunteers—who choose a particular activity that they enjoy and one that meets the goal—are particularly critical. Volunteers might be arranging an AARP presence at a Latino film festival in one city, or helping citizens get their checks from the 2008 federal economic stimulus in another. Volunteers are our muscle on the ground—our spokespersons, advocates and partners in reaching out.

This is particularly true at the state and local levels, where member value and social impact intersect daily and help us expand our reach. We are committed to building our volunteer capacity, and to acquiring members that can help bring about this social impact.

#### MAKING A DIFFERENCE



## Reframing the Debate—Divided We Fail

Through Divided We Fail, hundreds of thousands of people have become attuned to AARP priorities on health and financial security. We have engaged thousands of energetic and committed new volunteers. Divided We Fail is a national movement to make sure that all Americans have access to affordable, quality health care as well as peace of mind about their financial security. With an ever-present chorus for action, volunteers' grassroots presence surrounded the 2008 presidential candidates, legislators and opinion leaders. And because Divided We Fail volunteers and field activities engaged candidates with a constructive, bipartisan approach, we are well positioned to work with elected officials from both parties.

Divided We Fail has helped to create the political climate for change. We heard and communicated heartfelt stories from individuals who need help, and collected pledges from a half-million Americans pushing their elected officials for action on health care reform and financial security.

By fostering consistently balanced discussions among our members and outreach to other groups and opinion leaders, Divided We Fail is reframing the debate away from “entitlement reform”

toward shared responsibility on health care costs and personal financial security. In issue forums, town halls and community conversations across the country, we will spotlight the need for action and help people see the common ground that unites all Americans.

Divided We Fail strives to inform the public about the tough choices ahead. It will not be quick or easy to forge a new social compact on health and financial security.

Divided We Fail is a long-term effort. We will work with the new president and Congress to drive our advocacy agenda on health and financial security. In public and behind-the-scenes, we will communicate Americans' needs and develop the policy options to achieve our goals. Our grassroots capacity will help us propel meaningful action through Congress, and AARP's communications channels will help the public understand and respond to reforms.

Divided We Fail is bringing people and organizations representing diverse and often divergent interests together on areas of broad agreement. We are joined in this cause by the Business Roundtable, whose members consist of the CEOs of America's largest corporations; the workers of the Service Employees International Union; and the small business owners of the National Federation of Independent Business. These individual allies may sometimes support different policy approaches, but we all agree on principles and on the importance of demanding answers and action from our political leaders.

This "strange bedfellow" approach exemplifies our openness to innovative ideas and demonstrates a path for breaking through stubborn political barriers. Divided we will fail, but together we can succeed.

Divided We Fail is bringing people and organizations representing diverse and often divergent interests together on areas of broad agreement.



We will continue our hard work on Social Security so that future generations can count on it being there for them.

## Economic Security

The four elements of economic security in retirement are Social Security, pensions and individual savings, earnings from employment, and health security. (Health security is addressed on page 15.) Overall economic growth in the United States is crucial to help achieve these goals.

**Social Security.** Social Security is the major source of income for older Americans. Over 9 in 10 Americans aged 65 or older receive Social Security benefits. About two-thirds of Social Security recipients aged 65 or older depend on Social Security for at least half of their income; about a third depend on it for at least 90 percent of their income; and about 20 percent rely entirely on Social Security, receiving no other income. Without it, the poverty rate would soar to almost 45 percent among the 65+ population. Assuring solvency of this program therefore remains one of AARP's priorities.

Some policy makers and opinion leaders continue to pursue proposals to take money out of Social Security to pay for private individual accounts. As the clear national leader on Social Security, AARP will continue to oppose these proposals and work in a bipartisan manner to ensure that reform of this program achieves long-term solvency, adequacy and equity, consistent with our principles, and assures Social Security will continue as the basis of lifetime, guaranteed, inflation-protected retirement income. Two measures that would partly address Social Security solvency are increasing the cap on taxable wages (set at \$102,000 in 2008) and diversifying the way that part of the trust fund assets are invested to increase the rate of return. We will continue our hard work on Social Security so that future generations can count on it being there for them.

**Pensions and individual savings.** Even though having a pension and individual savings on top of Social Security is critical to a secure retirement, too few people have earned a pension or built up any savings. Even fewer have accumulated enough to maintain their standard of living in retirement. Only half of private-sector workers have a retirement plan with their current employer.

Over recent decades, there has been a rapid shift—from employer to employee—in the fundamental responsibility for retirement planning and saving. Today, 401(k)-type plans are the most common type of retirement plan. They require individuals to make critical decisions about whether and how much to contribute, how to invest and how to make an account last throughout retirement. Research demonstrates that many individuals lack

the information, foresight, time, inclination or ability to carefully manage their own retirement saving programs. Research on 401(k) plan participants has demonstrated that better participation and contribution rates come about when the plans make saving as easy as possible.

AARP's goal is to improve retirement plan access, participation and adequacy, in collaboration with employers. We are promoting solutions that will dramatically increase the availability of retirement plans that make saving as simple as possible in the workplace, such as automatic 401(k) plans that would automatically sign workers up to contribute at a pre-selected rate into pre-selected investments, unless they opt out. In addition, automatic IRAs would guarantee workers the chance to contribute part of each paycheck automatically to an IRA, and state-facilitated 401(k) plans make it easier and less expensive for employers to provide retirement plans.

People who succeed in building retirement assets face another challenge at retirement: how to ensure that their income lasts a lifetime. It is difficult to make sound decisions about how to ensure a steady stream of income, how much to withdraw at required times and how to protect oneself against the risk one's money will not last a lifetime. We will offer tools that individuals can use to make sense of the complexities and make the most out of what they have saved.

AARP also will chart a new course in our work to promote financial literacy through educational strategies that improve people's savings habits and how they manage their retirement income. And we will strengthen our endorsed products and services that help people build savings and manage retirement income, move the marketplace in a positive way and center on AARP's five investment principles (diversification, indexing, low fees, rebalancing and simple choices), which guide the work of AARP Financial, Inc. (AFI). Our members and others have tools to save and invest wisely by using one-stop shopping for financial guidance, financial products and services with exemplary, market-leading features.

**Earnings from Employment.** Boomers already have had a profound effect on the U.S. workplace and the demand for older workers. Many boomers are likely to remain in the workforce longer than the typical retirement age, while at the same time, the pool of younger workers will not grow. The number of workers age 50 and over will increase 27 percent from 2007 to 2016 while the number of workers ages 16-49 will decrease by 0.5 percent.

AARP has taken a leadership role in reaching out to employers, trade associations, chambers of commerce, nonprofits and others

AARP has taken a leadership role in reaching out to employers, trade associations, chambers of commerce, nonprofits and others to promote 50+ workers and to encourage the adoption of policies and practices that will keep these workers productive.



We worked hard to get Medicare’s prescription drug benefit (Part D) into law in 2003, and launched a comprehensive nationwide campaign to educate all Medicare beneficiaries about the benefit.

to promote 50+ workers and to encourage the adoption of policies and practices that will keep these workers productive. We are also assisting members (e.g., through job-linking to AARP’s National Employer Team, companies that value the experience and abilities of 50+ workers). We also are helping lower-income people access jobs via the Senior Community Service Employment Program and WorkSearch.

## Health and Supportive Services

Older Americans consistently identify health and access to health care as two of their greatest concerns. We have a long history of working to bring affordable health care to our members: one of the driving forces behind the founding of our organization was the inability of retired people to obtain health insurance. For decades, we have served our members and all older Americans by advocating for a strong Medicare program, partnering to make available affordable health insurance, educating people to make the most of their health care, and working on the state and national level to contain rising health care costs.

Our priorities include affordable access to home- and community-based care, prescription drug affordability, strengthening Medicare, improvements in the quality of health care and health care coverage for all.

**Rx Affordability.** Prescription drug expenditures represent one of the fastest-growing components of health care spending. Of all ages, older Americans are most likely to need prescription medications and least likely to have coverage. We worked hard to get Medicare’s prescription drug benefit (Part D) into law in 2003, and launched a comprehensive nationwide campaign to educate all Medicare beneficiaries about the benefit. Despite the law’s success in expanding coverage, costs continue to rise faster than inflation. Even those with coverage bear an increasing out-of-pocket burden.

AARP is pursuing two major Rx strategies: wise use and advocacy. AARP is advocating for generic biologics, creation of a center for comparative effectiveness, and—for Medicare Part D—removal of the asset test and other barriers that prevent low-income people from receiving the extra help the law provides. We also are striving to maximize state purchasing power and create market transparency, and exploring other means to moderate costs.

To promote wise use of prescription medicines, AARP stresses the importance of consumers asking questions of their health care

providers so that they understand the risks and benefits, understanding that there may be effective and safe alternatives to their medication at a lower cost, and sharing information about medications that they take with their health care providers to avoid adverse interactions.

**Health Care Coverage and Quality.** Because of a changing political climate and the growing cost of health care, the time has arrived for a new attempt at major, systemic health care reform. AARP is taking a leading role, marshalling our resources to drive solutions that give all Americans coverage and access to affordable, quality care. Our work includes efforts to ensure that the diverse needs of our members are met, including health literacy and decision-making skills. We will employ our advocacy, research, communication and education capacities. We also will build strategic alliances, and a volunteer force to help bring about solutions. Market-leading products and services and philanthropy also will help us achieve the needed changes.

**Healthy Behaviors.** At the same time we are pushing for health care reform and quality health care systems, we recognize that prevention and wellness behaviors—such as quitting smoking, controlling high blood pressure and reducing obesity and its effects—can help individuals improve their health and reduce the need for costly interventions. AARP has focused on ways to encourage walking—and to keep walking over time—and has linked with national partners to expand our reach and effectiveness, particularly with diverse populations. We are expanding our program to educate consumers and practitioners in wise use of medications.

AARP aims to promote a major U.S. investment in prevention. Seventy percent of the physical decline that occurs with aging is related to factors that individuals can control—lack of physical activity, failure to use preventive services, poor nutrition and inappropriate medication use. We offer individuals the tools to modify these factors and ward off physical decline. We believe there is a role for government in establishing policies that encourage prevention and for employers in promoting healthy behavior.

**Long-Term Care.** As Americans are living longer, they have a greater incidence of chronic conditions that result in disability. Just maintaining the activities of daily life demands more supportive services, which most people do not have coverage to pay for. These expenses, which in some parts of the country can approach \$100,000/year for institutional care, are an enormous financial drain.

AARP has focused on ways to encourage walking—and to keep walking over time—and has linked with national partners to expand our reach and effectiveness, particularly with diverse populations.

There is no organized system for the delivery of such long-term care or for dealing with the crushing cost. Individuals and their families are left on their own to navigate a labyrinth. Most people prefer to receive care in their home or community, yet home- and community-based services often do not receive enough state funding.

There are only two sources of non-cash financing: Medicaid (via the states), which requires impoverishment; or private long-term care insurance, which must generally be purchased while the individual is still healthy—and preferably young—in order to be affordable. As a result, most long-term care is either paid for out-of-pocket or provided by unpaid caregivers.

AARP will continue our intensive work at the state level to create systems and strengthen funding so that people who are able and want to live in their own homes can continue to do so, with the appropriate services. Ultimately we seek a broader reform that creates a consumer-focused delivery and financing system that promotes equitable cost-sharing among individuals and levels of government.

#### MAKING A DIFFERENCE



As people grow older, they want to stay in their homes and continue to be involved in their communities.

## Livable Communities

As people grow older, they want to stay in their homes and continue to be involved in their communities. The question is—will our communities support successful aging? With the aging of the boomers, it is time to examine the infrastructure of our nation's communities. AARP will lead the nation in enhancing the independence of those 50+ through support of livable communities.

A livable community is one that has affordable and appropriate housing, supportive community features and services and mobility options, which together facilitate personal independence and the engagement of residents in civic and social life.

Our focus on Livable Communities is in two key areas—mobility and housing. Our 10-year Social Impact Agenda sets out two goals: Americans 50+ have appropriate and affordable housing options; and Americans 50+ are able to sustain mobility as they age.

To achieve our goals, we will position ourselves as the leader for the 50+ population in these areas. At the foundation of our work is the expectation that success will come from strategic partnerships at the national, state and local levels. We also will pursue advocacy, deliver information and drive innovation in the mar-

ketplace and in industry. We will explore creative new ways to engage members at the local level to be agents of change and help us to accomplish our goals.

**Mobility.** We will continue our long-standing efforts to help older drivers refresh their driving skills and will work to change the travel environment to enhance safety for all users. In addition, we will work to expand availability and use of mobility options. Such options will ensure that there are travel choices so people can stay engaged with their communities and get where they want and need to go, whether or not they drive.

**Housing.** Our focus will be on affordability and appropriate design features that can help people age successfully and stay in their communities. Our Livable Communities Joint Award program with the National Association of Home Builders will influence both affordability and good design in the housing industry.

**New Opportunities.** For AARP, this issue area signifies the next new arena for our social impact work. We have a 50-year history of work at the federal level and are now well positioned through our state office structure to influence how states are meeting the needs of the 50+ population. To accomplish our goals in Livable Communities, we now must significantly extend our efforts to reach the local level. While there is important work to be done at the federal and state levels related to housing and transportation, these issues are played out in communities.

We will succeed by identifying new and creative ways to engage at the community level, using our members as catalysts for change. One example includes the following: we are recruiting volunteers to be citizen participants with local planning bodies, bringing the voice of the 50+ consumer to influence local decision-making. Also, members are now engaging in assessing their communities, identifying areas that need improvement and working with other community organizations to bring about positive change. For example, as a result of community evaluation, members have conducted pedestrian safety audits in several communities and have succeeded in getting improvements to make walking a more sustainable alternative to driving (such as countdown clocks at intersections and improved sidewalks).

We are recruiting volunteers to be citizen participants with local planning bodies, bringing the voice of the 50+ consumer to influence local decision-making.



We will continue to work with governments, international organizations and opinion leaders, helping to formulate policies that address the opportunities and challenges of aging populations.

## Global Aging

Around the world, societies are facing the challenges and opportunities of an increasingly aging population. More and more people are living longer, due in large part to economic development, improved medical treatment, access to health care and better nutrition, and lifestyle changes. However, the quality of life for older people around the world varies tremendously.

AARP has two complementary efforts, International Outreach and AARP Global Network, dedicated to improving the lives of the 50+ around the world so that they may age with dignity and purpose. (See page 4 for AARP Global Network.)

**International Advocacy.** Through our outreach and innovative programs, AARP is now established as a leader in global aging. Our international initiatives serve a dual purpose. They strengthen credibility and recognition of AARP's role and brand globally through convening and participating in major international forums; solidifying relationships with opinion leaders and decision makers; and being the hub for research and information. We also help to advance our domestic policy, advocacy and membership strategies in the United States by identifying and promoting international best practices and experiences. To maximize these opportunities, we focus on industrial countries, which tend to have demographic and policy challenges similar to the United States.

We will continue to work with governments, international organizations and opinion leaders, helping to formulate policies that address the opportunities and challenges of aging populations. We are also actively involved with the international aging community to increase understanding and facilitate dialogue on demographic changes.

# Maximizing Our Assets

## World Class

Like people, organizations are defined by their aspirations and their actions, and also by their values, their attitudes and their everyday behaviors. At AARP, we capture the attributes and behaviors that will help us to be a world-class organization by using “WORLD CLASS” as an acronym.

**WALK THE TALK** We walk the talk, lead by example and model behaviors consistent with a WORLD CLASS culture.

**OPEN** We are open to ideas and freely share knowledge and information.

**RECOGNIZE** We take the time to recognize, celebrate and reward our successes and lessons learned.

**LEARN** We continually learn and apply new knowledge and skills to all that we do.

**DECISIVE** We make and communicate timely, informed and effective decisions and are willing to change and adapt, as needed.

**CREATIVITY** We value and encourage innovation, creativity and risk-taking.

**LISTEN** We listen, trust and respect one another’s views and opinions.

**ACCOUNTABLE** We hold ourselves accountable for using resources wisely and for the results we commit to achieving.

**SERVICE** We commit to providing valuable service to members and society.

**SHARED RESPONSIBILITY** We share collective responsibility for the Association’s success.

Thus, WORLD CLASS has a double meaning for AARP. It is a goal that we aspire to as individuals and as an Association, as a place to work and as a place to volunteer. It is also the acronym that summarizes the behaviors that will help us be world class. WORLD CLASS tells us how we should treat each other and interact with our members. It permeates our culture and helps guide our plans and activities. WORLD CLASS is how we will succeed.

## MAXIMIZING OUR ASSETS



World Class tells us how we should treat each other and interact with our members.



AARP offers our members and employees many ways to enrich their AARP experience by exercising “the power to make it better” in their community.

AARP-endorsed products lead the market to make changes to benefit consumers.

## Our People

To achieve our ambitious goals, AARP must be a world-class organization with a world-class staff working together in an environment that encourages and enables their highest achievement. Defining and strengthening the workplace policies, practices and culture that will support that vision is the work of our People Strategy. It represents the collective, collaborative work of every team and individual across the organization. It will take staff and volunteers, fully engaged and committed, working together in a WORLD CLASS manner to achieve our mission.

We have a legacy of service that goes back to our founder, Dr. Ethel Percy Andrus. Today, AARP honors the commitment to giving in many ways. AARP offers our members and employees many ways to enrich their AARP experience by exercising “the power to make it better” in their community. We rely on their skills, expertise, and generosity of spirit to extend our capacity to advance our social impact agenda. As AARP looks ahead, we seek to expand the range of opportunities for them to serve and contribute.

Through our People Strategy and Volunteer Engagement initiative, AARP has distinguished itself as an exemplary WORLD CLASS organization that recruits, develops and retains a dedicated, diverse and high-performing workforce of staff and volunteers that achieves positive social change and delivers value to members.

## Financial Resources

We will ensure that the financial resources required to successfully address our priorities will be available. This includes an adequate and diversified revenue base, contingency plans for dealing with potential business risks, and programs to realize appropriate cost efficiencies and increased productivity. Responsible stewardship will ensure that the Association’s resources are directed to social change initiatives and to valued member benefits to the greatest extent possible.

AARP-endorsed products lead the market to make changes to benefit consumers. Making available relevant and valuable products and services to our members also generates royalty revenue. We will continue to enhance these products and services. Alliances with companies and other organizations extend our ability to serve members and to lead positive social change.

Through the AARP Foundation, we have increased contributions

from members and corporations, as well as obtained government grants that add to our overall revenue, enabling us to have even greater impact.

We will continue to look for new ways to ensure that we have the financial means to implement our aggressive agenda.

## Systems, Processes and Technology

We rely on our systems, processes and technology to effectively carry out our mission. Several areas warrant continued attention:

- We will further integrate our strategic and financial planning to support effective decision making. We will implement tools to identify revenues and expenses associated with particular activities in order to help us make effective resource allocation decisions.
- We will ensure our managers have the necessary information upon which to base timely, effective decisions.
- We will enhance communications to get timely and relevant information to and from members, volunteers and staff. We aim to be a top-of-mind source of information for our members and others in the public, and for government agencies, opinion leaders and non-governmental organizations.
- Technology will continue to be a key enabler for enhancing personalized member value and achieving our social impact goals. The push to expand volunteer engagement, for instance, would not be effective without workable, dependable systems to manage recruitment and track progress. Technology also is strengthening our administrative systems, giving us a needed boost in accomplishing operational objectives and strengthening customer service.
- We will continuously evaluate and refine our internal business processes to ensure effectiveness, cost-efficiency and productivity.

### MAXIMIZING OUR ASSETS



We aim to be a top-of-mind source of information for our members and others in the public, and for government agencies, opinion leaders and non-governmental organizations.



Our state offices are powerful change agents on the front lines in achieving both national and state-specific priorities.

## Organizational Structure

AARP achieves its vision, mission and goals through a family of organizations. Based on need, experience or trends, we will make adjustments to our organizational structure that can enhance our probability of success.

Earlier, for instance, AARP Services created a subsidiary, AARP Financial, to improve quality of life for people as they age by filling a gap in the marketplace. We reconfigured the AARP Foundation to recognize philanthropy as a critical element of what we do to extend our reach, particularly on behalf of at-risk populations, and to offer a range of opportunities for individuals to become involved with AARP.

**States.** Our state offices are powerful change agents on the front lines in achieving both national and state-specific priorities. A national initiative like Divided We Fail, for instance, is tailored to each state, but the overall goals are the same throughout the country.

Because of states' expertise on the ground, we are able to enhance our advocacy (such as on long-term care or utility costs in state legislatures or e-advocacy on Divided We Fail), our service (such as advising individuals on getting their economic stimulus checks in 2008); our communication (such as online State Member Updates and better digital interaction with members and others) and our connections to each other and our communities (empowering volunteers). States are an important player in the work of the AARP Foundation and social impact efforts to assist low-income individuals.

States also do the heavy lifting on day-to-day diversity outreach and engagement. Such efforts can involve collecting Divided We Fail pledges—in Vietnamese—and relaying them to an influential Vietnamese legislator; rallying African American volunteers to help with a 381 Days exhibit (Rosa Parks); or energizing Hispanic Latino voters in support of our Social Impact Agenda.

We rely on state staff and volunteers to be the eyes and ears—and minds—on emerging issues and concerns that may be percolating. States also help ensure we are using the most effective communication and outreach channels, particularly as we connect with diverse audiences, corporate and organizational partners and media.

Our states are a huge asset and powerful tool for change. We will maximize those talents and better measure state impact as we ensure AARP's impact is focused externally.

## Planning for and Measuring Progress

Using our Strategic Plan as a starting point, we create multi-year plans and annual operational plans that define goals, objectives, strategies and performance measures in more specific terms. We link our planning to budget development and to staff members' individual performance objectives. All this ensures that we make steady, tangible progress.

**AARP Dashboard.** AARP's Dashboard is a tool that allows us to identify the most critical outcome measures and to measure organizational performance and progress. AARP's Dashboard communicates a clear idea of what success looks like and how we will know that we have achieved it. We also can determine how successful we are likely to be, and make necessary adjustments in a timely fashion.

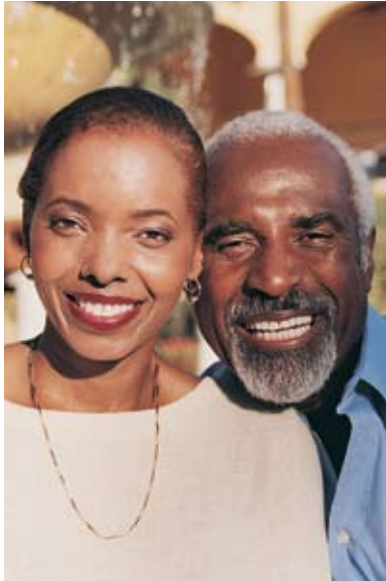
The Dashboard goals for Member Value and Social Impact reflect the organizing elements of this Strategic Plan and are adjusted annually. In 2008, for instance, we established new performance goals for Membership Growth, Economic Security and Health and Supportive Services. Several supporting goals—such as member engagement, diverse audiences, products and services, brand and our website—are cross-cutting efforts that undergird both Social Impact and Member Value. Goals relating to Financial, People and Volunteers speak to internal capacity and employee/volunteer engagement.

The current version of the Dashboard is included at the back of this plan.

### MAXIMIZING OUR ASSETS



AARP's Dashboard communicates a clear idea of what success looks like and how we will know that we have achieved it.



By engaging members who can help achieve our social impact goals, we will expand our reach and make progress to solve complex problems in health care, financial security and livable communities.

## Conclusion: Making Our Vision a Reality

AARP has impact. We work hard to affect the quality of life for all, especially for those with less ability to meet their own needs. We will continue to build relevance and value, tailored to the needs and preferences of individuals at different life stages. We will build on our brand; our creative and engaging publications and website; and interaction with members—whether face-to-face at an event, or through online community-building around shared interests.

By engaging members who can help achieve our social impact goals, we will expand our reach and make progress to solve complex problems in health care, financial security and livable communities.

While the focus of our Strategic Plan is right, the obstacles to achieving our vision are significant. Our Strategic Plan helps us prepare with the necessary strategies, priorities and resources.

We have tremendous assets. AARP is one of the most recognized and trusted organizations in the country. We have built an enormous constituency and play a significant role in national and state policy making. As we work with others to forge realistic solutions to the nation's biggest challenges, AARP will be both pragmatic and courageous. As we connect to our millions of members and the power of their voices, expertise and votes, we will deliver on our promise to enhance quality of life for all as we age.

## About AARP

AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. AARP does not endorse candidates for public office or make contributions to either political campaigns or candidates. We produce *AARP The Magazine*, the definitive voice for 50+ Americans and the world's largest-circulation magazine with over 33 million readers; *AARP Bulletin*, the go-to news source for AARP's 39 million members and Americans 50+; *AARP Segunda Juventud*, the only bilingual U.S. publication dedicated exclusively to the 50+ Hispanic community; and our website, AARP.org. AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.



