

RAB Instant Background Report For Baby Boomer Market

Who Buys

The Baby Boom generation is defined as adults born between 1946 and 1965, a group that includes almost 80 million Americans.

The average household income of older Baby Boomers (those born between 1946 and 1955) is \$58,889, while the average household income of younger Boomers (those born between 1956 and 1965) is \$56,500.

The average age of younger Baby Boomers (those born between 1956 and 1964) is 40. This segment includes 23.9 million U.S. households, with an average number of 1.7 earners and 3.3 people in each household.

The average age of older Baby Boomers (those born between 1946 and 1955) is 49. This segment includes 21.9 million households, with an average of 1.8 wage earners, and 2.7 people in each household.

According to a study by New Strategist Publications, 73% of Baby Boomers are classified as non-Hispanic White.

Baby Boomers account for 43% of the labor force in the U.S.

According to 2003 population estimates, adults in the 40-59 age bracket made up 27.4% of the population in the U.S.

A total of 28.5% of Baby Boomers have a Bachelor's degree or higher.

According to research by Age Wave Impact, one of the country's Baby Boomers reaches the age of 50 every seven seconds.

When They Buy

According to a RADAR study produced by Arbitron, Baby Boomers listen to the radio an average of 21 hours per week, about two hours more per week than most other adults.

Why They Buy

A 2004 survey conducted by the Allstate Corporation asked Baby Boomers (individuals born between 1946 and 1964) to list their top concerns about retirement: Not being able to afford the health care they need, 64%; that Social Security benefits might be reduced or discontinued, 60%; not being able to care for themselves, 54%; getting frail or ill, 50%; not having enough money, 49%; having to move from their home, 28%; being bored, 12%.

The 2004 survey conducted by homebuilder Del Webb found that among those Boomers considering a home purchase in an age-qualified adult community, 86% sought security features, 85% wanted high-tech features, 79% wanted social activities and 72% desired fitness programs. Of that same group, 30% prefer a community in an urban location, and 29% desire

Source

U.S. Census Bureau, 2004

MetLife Mature Market Institute, 2004

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New Strategist Publications, 2004

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U.S. Census Bureau, 2004

MetLife Mature Market Institute, 2004

Age Wave Report, 2004

Source

American Demographics, 2003

Source

Allstate Corporation, 2004

Business Wire, 2004

a community with fewer amenities that maximizes local natural benefits such as hiking trails.

According to a 2004 survey by homebuilder Del Webb, among those Baby Boomers who plan to move after they become Empty Nesters, the two main reasons are that they want a smaller house, and they want a house with less maintenance. Business Wire, 2004

The favorite vacation activities of Baby Boomers (age 35-54), according to American Express Travel Related Services: Shopping, 31%; outdoor activities, 16%; visiting historical places/museums, 13%; going to the beach, 10%. Research Alert, 2003

A 2002 study by the American Association of Retired Persons determined that consumers age 45 and up are more likely to buy higher-priced brands and less likely to change brands just to get a cheaper price than people younger than 45. USA Today, 2002

Top health concerns of Baby Boomers: Heart disease, 74%; aging, 72%; reduced vision, 68%. Selling To Seniors, 2002

A 2002 survey conducted by Euro RSCG Worldwide asked Baby Boomers to identify their greatest personal worries: Health, 38%; personal relationships, 18%; money, 17%; career, 11%; aging, 9%; weight and appearance, 7%. Youth Markets Alert, 2002

How They Buy

According to a study by Knowledge Networks/Statistical Research, 24% of Baby Boomers (ages 39-57) have received an inheritance, and 26% expect to receive one in the future. Source Research Alert, 2003

What They Buy

A 2004 survey by homebuilder Del Webb found that 36% of Baby Boomers expect to move into a new home when they become Empty Nesters, and that 26% are considering purchasing a home in an age-qualified active adult community. Source Business Wire, 2004

According to the NPD Group, sales of anti-aging products jumped 13% in 2003, more than double the growth rate for the previous two years. The NPD Group, 2004

A 2004 study by the Outdoor Industry Foundation discovered that almost 40% of people ages 45 and older say they're looking for a new outdoor activity. Those activities mentioned most often were backpacking/hiking (47%), road biking (38%), camping (30%) and paddle sports (23%). Footwear News, 2004

A study by the University of Michigan found that the number of recreation vehicles owned by consumers ages 35-54 grew faster than all other age groups over the past four years. Recreation Vehicle Industry Association, 2004

According to the American Society of Plastic Surgeons, percentage of cosmetic surgical procedures attributed to the 35-50-year-old age group in 2003: Thigh lift, 59%; hair transplantation, 56%; buttock lift, 55%; tummy tuck, 54%; breast lift, 52%; breast implant removals, 52%; liposuction, 51%; lower body lift, 50%; breast augmentation, 45%; lip augmentation, 39%; eyelid surgery, 36%; upper arm lift, 35%. American Society of Plastic Surgeons, 2004

According to the American Society of Plastic Surgeons, overall share of the following cosmetic non-surgical procedures attributed to 35-50-year-old age patients in 2003: Botox injection, 57%; cellulite treatment, 55%; sclerotherapy, 48%; collagen injection, 46%; laser treatment of leg veins, American Society of Plastic Surgeons, 2004

43%; chemical peel, 37%; microdermabrasion, 36%; laser skin resurfacing, 34%; laser hair removal, 33%.

A 2004 study by Vertis Customer Focus determined that younger Baby Boomers (23%) and older Baby Boomers (17%) account for 40% of shoppers of athletic equipment in the U.S. Vertis, 2004

Statistics compiled by STS Market Research determined the most popular brands of sportswear among Baby Boomer men (ages 40-57), according to share of Baby Boomer market sales: 1. Levi's, 7.1%; 2. Dockers, 6.5%; 3. Polo Ralph Lauren, 3.5%; 4. Wrangler, 3.1%; 5. Hanes, 2.2%; 6. Haggar, 2.1%; 7. Old Navy, 2.0%; 8. (tie) Tommy Hilfiger and Van Heusen, 1.7%; 10. Nike, 1.6%. Daily News Record, 2003

According to a report by Mediamark Research, 21% of Baby Boomers go online at least once a day, compared to 16% of non-Boomer adults. American Demographics, 2003

A study by Frank N. Magid Associates determined that consumers ages 35-54 account for 39% of overall cellphone users. American Demographics, 2003

According to a 2003 survey of adults ages 39-57, conducted by eMarketer, 22% of Baby Boomers have an online banking account, while 17% have online access to other segments of their investment portfolio. eMarketer, 2003

According to a 2003 survey by American Express Travel Related Services, baby boomers (age 35-54) engage in more travel than any other age group in the U.S. Research Alert, 2003

According to statistics, approximately 80% of the clients of the dating service Great Expectations are Baby Boomers. At The Right One and Together, two other dating services, Baby Boomers account for 57% of the clients. Dallas Morning News, 2003

According to a study by American Demographics, consumer categories in which younger Baby Boomers (those born between 1956-1965) spend more than average (by percentage above the average figure for all consumers): American Demographics, 2002
 Other vehicles (motorcycles, airplanes, etc.), 100%; apparel for girls ages 2-15, 67%; mortgage interest and charges, 38%; apparel for boys ages 2-15, 33%; personal services (housekeeping, babysitting, etc.), 33%; pensions, Social Security, 18%; owned dwellings, 17%; fees and admissions (movies, club memberships, etc.), 14%; tobacco products/smoking supplies, 13%; entertainment, 12%; household operations, 11%; pets, toys and playground equipment, 11%; furniture, 10%.

Based on a study by American Demographics, consumer categories in which older Baby Boomers (those born between 1946-1955) spend more than average (by percentage above the average amount for all consumers): American Demographics, 2002
 Housewares, 50%; education, 47%; other lodging, 23%; life insurance, other personal insurance, 20%; pensions, Social Security, 18%; apparel for women ages 16 and over, 13%; mortgage interest and charges, 12%; apparel for men ages 16 and over, 11%; vehicle insurance, 10%; other entertainment supplies, equipment, services, 10%; vehicle rental, leases, licenses, other charges, 7%.

A 2002 AARP study showed that consumers age 45+ are less brand loyal than consumers in general when it comes to motor vehicles besides cars (SUVs, for example), home stereo equipment, home computers, cell phones, athletic footwear and career clothing. They are more loyal when it comes to products such as cars and auto parts, bath soap, large and small home Selling To Seniors, 2002

appliances, TVs, breakfast cereal, vitamins and shoes.

According to a 2002 survey by the Alliance for Aging Research, 89% of Baby Boomers have done something to fight getting older, including 31% who have colored their hair. Eighty-six percent have made dietary changes in the previous year, while 57% have taken vitamins, minerals and dietary supplements to look or feel younger.

Where They Buy

Based on 2002 population figures, states with the largest percentage of Baby Boomer residents (when compared to each state's total population): Alaska, 33.3%; New Hampshire, 32.8%; Vermont, 32.2%; Maine, 31.8%; Maryland, 31.6%; Colorado, 31.4%; Connecticut, 31.2%; Virginia, 31.1%; Wyoming, 31.0%; Washington, 30.9%; New Jersey, 30.8%; Montana, 30.7%; Massachusetts, 30.5%; Minnesota, 30.3%; Oregon, 30.2%.

Source

MetLife Mature Market Institute, 2004

A study by Arbitron concluded that news/talk is the favorite Radio format for older Boomers, while younger Boomers prefer adult contemporary as their top format choice.

American Demographics, 2003

Consumers age 30-54 account for just 42% of shopping mall customers, but contribute 50% of sales, according to research by Stillerman Jones & Company. The report concluded that the fastest growing group of mall shoppers is the first wave of Baby Boomers (age 45-54).

Research Alert, 2002

Business Trends

The spending power of the Baby Boom generation is estimated at \$2.1 trillion, with the younger Baby Boomers (those born between 1956 and 1964) accounting for \$1.1 trillion of the total, and older Boomers (those born between 1946 and 1955) generating the remaining \$1.0 trillion.

Source

MetLife Mature Market Institute, 2004

According to a study by TributeDirect, the median size of inheritance received by Baby Boomers from their parents is \$47,909.

American Demographics, 2004

Eighty percent of Baby Boomers say they intend to continue work in some form during their retirement.

Research Magazine, 2004

An estimated \$1.5 trillion in assets will be transferred from the nation's senior generation to their Baby Boomer children over the next 15 years, and much of it will be in the form of real estate.

Selling To Seniors, 2002

Misc

According to a 2003 report by Vertis, 70% of Baby Boomers plan to make non-monetary (time, food, clothing, etc.) donations to charity in the coming year.

Source

Research Alert, 2003

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