

RAB Instant Background Report For Senior Market

Who Buys

As of March 2002, 21.1% of the U.S. population was age 55 years and over, while 12.0% was 65+.

Percentage of the following ethnic groups whose population was age 55-and-over in 2002: White, 24.8%; African American, 14.8%; Hispanic, 10.3%; Asia/Pacific Islander, 14.7%.

Marital status of the U.S. population 65-and-over (2001 figures), by gender: Men -- married, 73%; widowed, 14%; single (never married), 4%; divorced or separated, 9%; Women -- married, 41%; widowed, 46%; single (never married), 4%; divorced or separated, 10%.

In the 55-and-over age bracket, women account for 55.4% of the population, compared to 44.6% for men.

Percent of men and women 55 years and over in the civilian labor force in 2002, by age group: Men -- 55-59, 77.1%; 60-64, 57.2%; 65+, 18.0%; Women -- 55-59, 63.4%; 60-64, 44.3%; 65+, 9.8%.

Persons reaching age 65 have an average life expectancy of an additional 17.9 years (19.2 years for females and 16.3 for males).

Americans age 50+ own two-thirds of U.S. household wealth (up from 56% in 1983) and control \$800 billion in discretionary income out of a combined income of over \$1.5 trillion.

A 2002 survey by Wharf Research revealed that 32% of mature adults age 55-74 with incomes of \$75,000 or more dine out three or more times per week, compared to only 8% of those whose incomes are under \$35,000.

A 2002 study by the American Association of Retired Persons found that 40% of the organization's new members are Hispanic.

Age range of grandparents who are raising grandkids without the children's parents in the household: 50-59, 12%; 60-69, 49%; 70-79, 36%; 80+, 3%.

Source

U.S. Census Bureau, 2003

U.S. Census Bureau, 2003

Administration on Aging, 2003

U.S. Census Bureau, 2003

U.S. Census Bureau, 2003

Administration on Aging, 2003

Research Alert, 2002

Brandweek, 2002

Selling To Seniors, 2002

American Association of Retired Persons, 2002

When They Buy

Since 1978, the first Sunday after Labor Day has been designated as Grandparents Day.

Older Americans Month is celebrated in May.

Source

Administration on Aging, 2003

Administration on Aging, 2003

Why They Buy

Among computer users aged 55-69, the number one reason they use a computer is to give them the ability to continue to work (or to enhance their employability). Communicating with friends and family is the second most important reason.

According to a survey of customers age 50+, commissioned by Purdue University, their major complaints about the ambiance of restaurants: 1. Tables placed too close together; 2. Background music often too loud; 3. Too noisy overall; 4. Too smokey; 5. Tables are too small; 6. Too dark inside.

Source

AgeLight Institute, 2003

Research Alert, 2003

A 2002 study by the Food Marketing Institute showed that 56% of consumers age 65+ believe that their diets could be healthier, up from 43% in 2000.

Food Marketing Institute,
2002

According to a survey conducted by the American Association of Retired Persons, the top reasons that grandparents spend money on their grandchildren (multiple answers): Birthday gifts, 97%; holiday gifts such as Christmas, Hanukah or Kwanzaa, 96%; because they enjoy buying things for their grandchildren, 93%; to entertain or have fun with their grandchildren, 90%; to help with educational expenses, 52%; to help with living expenses, 45%.

AARP, 2002

A 2002 study by the Kaiser Family Foundation showed that 22% of seniors have failed to fill prescriptions due to cost or have skipped doses to make medicine last longer.

Research Alert, 2002

How They Buy

Source

Based on research by the Social Security Administration, percentage of seniors (65+) who received income from the following sources in 2000: Social Security, 90%; asset income, 59%; retirement benefits other than Social Security, 41%; earnings, 22%; public assistance, 5%; veterans' benefits, 4%.

Forecast, 2003

According to a study by Packaged Facts, more than 70% of mature Web surfers use the Internet to research products and services, and 41% use it to buy products or services.

MarketResearch.com,
2003

Seniors average \$24,000 in annual disposable income.

Selling To Seniors, 2002

Amounts spent by 50-59-year-old grandparents on their grandchildren in a typical year: Under \$100, 5%; \$100-\$249, 20%; \$250-\$499, 28%; \$500-\$749, 13%; \$750-\$999, 6%; \$1,000+, 20%; don't know, 8%.

American Association of
Retired Persons, 2002

Amounts spent by 60-69-year-old grandparents on their grandchildren in a typical year: Under \$100, 6%; \$100-\$249, 20%; \$250-\$499, 23%; \$500-\$749, 17%; \$750-\$999, 7%; \$1,000+, 20%; don't know, 8%.

American Association of
Retired Persons, 2002

According to a survey by the Cotton Incorporated Lifestyle Monitor, the amount of money spent on clothes in the past month by women ages 50-55: None, 20%; \$1-\$50, 30%; \$51-\$100, 14%; \$101-\$200, 20%; over \$200, 17%.

Cotton Incorporated
Lifestyle Monitor, 2002

What They Buy

Source

Leading retail categories in which seniors (65+) spend above average: Drugs, +182%; health insurance, +135%; health care, +126%; medical services, +67%; postage & stationery, +67%; medical supplies, +67%; fresh fruits, +50%; fresh vegetables, +50%; processed vegetables, +50%; fresh milk & cream, +33%; sugar and other sweets, +33%; laundry & cleaning supplies, +33%; cereals & cereal products, +25%; bakery products, +25%; housekeeping supplies, +23%; major appliances, +20%.

American Demographics,
2003

According to the Travel Industry Association of America, consumers in the 55+ age bracket spend \$130 billion on travel each year, and account for one-third of all trips (defined as journeys of 50 miles or more, or at least one night away from home).

Travel Industry
Association of America,
2003

- According to a 2003 survey of 60+ consumers conducted by RoperASW, when asked what product or activity they have used or have considered using to look younger, the most frequent answer was regular exercise. The second most-frequently given answer was hair color to hide the gray, followed by cosmetics. Selling To Seniors, 2003
- A 2003 New York Life/Taylor Nelson Sofres survey indicated that 37% of senior citizens (ages 55-70) utilize the services of an investment advisor in some capacity. USA Today, 2003
- Based on research by LIMRA International, consumers age 65 and older accounted for only 4% of life insurance policies sold in 2001. USA Today, 2003
- According to studies by the Recreation Vehicle Industry Association, almost 10% of 55+ households owns an RV. Selling To Seniors, 2003
- Based on a 2003 study by Packaged Facts, diet colas are the soft drink of choice for mature consumers, followed by sparkling and still bottled water. MarketResearch.com, 2003
- According to a survey by Harris Interactive, 55% of Americans age 55+ have heard or read about anti-aging medicine, but 90% don't believe it can prevent people who are generally healthy from getting old. Of the 7% who have actually used anti-aging medicines, 60% found them helpful, 27% called them harmful and 13% experienced no difference. Research Alert, 2002
- A study by the American Association of Retired Persons found that Americans 45 and older are more brand loyal than younger consumers to such products as cars and auto parts, large and small home appliances, TVs, breakfast cereal, vitamins and shoes. They are less brand loyal when it comes to vehicles besides cars (such as SUVs), home stereo equipment, home computers, cell phones, athletic footwear and career clothing. Selling To Seniors, 2002
- According to a study by the International Dairy Deli Bakery Association, nutrition changes made by consumers age 50+: Increase intake of fruits and vegetables, 85%; cut back on high-fat foods, 79%; eat more high-fiber foods, 73%; cut back on high-cholesterol foods, 73%; cut back on high-calorie foods, 58%; cut back on carbohydrates, 50%; cut back on/stop eating red meats, 43%. Research Alert, 2002
- According to a report by the International Health, Racquet and Sportsclub Association, the number of 55-and-over health club members grew 266% between 1987 and 2001, the largest increase for any age bracket. IHRSA, 2002
- By far, the most popular form of recreation among people 65 and over is exercise walking. Other popular forms of exercise include swimming and exercising with equipment. U.S. Census Bureau, 2002
- Householders age 55 and older spend 52%-90% more than average on re-upholstering and furniture repair. Selling To Seniors, 2002
- According to a 2002 study by Wharf Research, half of seniors age 55-74 named fruit as their favorite snack, with apples and bananas being the most popular choices. Brandweek, 2002
- A study by the National Nutritional Foods Association found that 65% of adults over the age of 50 consider the use of dietary supplements to be "essential." Drug Store News, 2002
- A report by Wharf Research showed that mature adults ages 55-74 Brandweek, 2002

are three times more likely to snack periodically during the day, as opposed to eating three full meals.

A 2002 report in American Demographics found that seniors spend 86% above average on preserving their homes, 50% more on fruits and vegetables, 33% more on milk and cream and 67% more on postage and stationery. American Demographics, 2002

According to a 2002 survey by the American Association of Retired Persons, items that grandparents have bought for their grandchildren in the past year (multiple answers): Clothing, 87%; books, 80%; fun foods, 78%; toys, 76%; music CDs or tapes, 48%; videos or DVDs, 45%; jewelry, 37%; magazines or subscriptions, 32%; video games, 31%; other electronic devices, 28%; computer or software, 28%. AARP, 2002

The best customers for dinnerware are householders age 65-74, who account for 34.8% of the total market. Research Alert, 2002

Where They Buy

Metro areas with the largest share of senior households (percent of households with one or more people age 65 or older): 1. Punta Gorda, FL, 50.9%; 2. Sarasota-Bradenton, FL, 42.9%; 3. Fort Pierce-Port St. Lucie, FL, 40.3%; 4. Ocala, FL, 39.9%; 5. Fort Myers-Cape Coral, FL, 39.6%; 6. Naples, FL, 39.4%; 7. Barnstable-Yarmouth, MA, 38.0%; 8. West Palm Beach-Boca Raton, FL, 37.6%; 9. Daytona Beach, FL, 37.0%; 10. Johnstown, PA, 33.6%; 11. Scranton-Wilkes-Barre-Hazleton, PA, 32.9%; 12. Yuma, AZ, 32.8%; 13. Melbourne-Titusville-Palm Bay, FL, 32.7%; 14. Lakeland-Winter Haven, FL, 32.2%; 15. Steubenville-Weirton, OH/WV, 31.9%.

Source

American Demographics, 2003

U.S. metro areas with the largest concentration of 50+ residents (totals in millions): 1. New York, 5,193; 2. Los Angeles, 3,049; 3. Chicago, 2,364; 4. San Francisco, 1,931; 5. Philadelphia, 1,493; 6. Boston, 1,306; 7. Detroit, 1,287; 8. Miami, 1,217; 9. Washington, DC, 1,193; 10. Dallas, 1,182.

Arbitron, 2003

Research by the National Association of Realtors identified the states with the most rapidly increasing retiree populations: 1. Nevada; 2. Alaska; 3. Arizona; 4. New Mexico; 5. Hawaii; 6. Utah; 7. Colorado; 8. Delaware.

National Association of Realtors, 2003

According to a study by the National Association of Realtors, states with the largest percentage of retirees: Florida, 17.6%; Pennsylvania, 15.6%; West Virginia, 15.3%; North Dakota, 14.7%; Rhode Island, 14.5%; Maine, 14.4%; South Dakota, 14.3%; Arkansas, 14.0%. The average for all states is 12.4%.

National Association of Realtors, 2003

Largest owners of senior housing properties in 2003, according to number of units: 1. Holiday Retirement Corp., 32,596; 2. Senior Housing Properties Trust, 19,988; 3. Nationwide Health Properties, 15,663; 4. Sunrise Senior Living, 13,784; 5. Health Care Property Investors, 12,755; 6. Boston Capital, 12,600; 7. Health Care REIT, 11,043; 8. Atria Senior Living Group, 9,239; 9. Brookdale Living Communities, 8,307; 10. Merrill Gardens LLC, 7,712.

American Seniors Housing Association, 2003

States with the highest percentage of 50+ residents in 2000: Florida, 33.5%; West Virginia, 32.7%; Pennsylvania, 31.3%; Maine, 31.2%; Iowa, 29.9%; Arkansas, 29.9%; Montana, 29.7%; Connecticut, 29.6%; Vermont, 29.3%; North Dakota, 28.9%; Alabama, 28.8%; Administration on Aging, 2002

Missouri, 28.8%.

According to Scarborough research, favorite discount stores among the 55+ population are Wal-Mart, Target and Kmart, while their favorite department stores are Sears, Burdines, J.C. Penney, Dillard's and Bealls. Seniors' favorite off-price stores include Burlington Coat Factory, Family Dollar Store, Ross, Marshalls and TJMaxx.

Selling To Seniors, 2002

States with the largest increases in 60+ residents between 1990 and 2000: Nevada, +68.0%; Alaska, +50.4%; Arizona, +38.0%; New Mexico, +27.5%; Utah, +24.8%; Colorado, +24.4%; Idaho, +21.0%; Delaware, +21.0%; South Carolina, +20.4%; Georgia, +19.9%; Wyoming, +19.4%; Hawaii, +19.1%; Texas, +18.3%; North Carolina, +18.0%; Virginia, +17.1%.

Administration on Aging, 2002

Of the 21.8 million households with occupants 65 and older, 24% have a computer and 17% have Internet access, according to the Administration on Aging.

USA Today, 2002

Ninety-two percent of computer owners age 55+ have shopped online, and 78% have made purchases.

AgeLight Institute, 2002

According to the marketing research company Sold on Seniors, 74% of seniors use the Internet to find health information.

Selling To Seniors, 2002

Business Trends

Source

According to a study by Packaged Facts, the total buying power within the mature market will increase from approximately \$1.6 trillion in 2002 to \$2.1 trillion by 2007. The report estimates that the buying power of the 55-64 age bracket will grow by around 48% between 2002 and 2007, while the buying power of those aged 65-74 and 75+ will each increase by approximately 22% during the same time period.

Selling To Seniors, 2003

The 2003 study by Packaged Facts calculated that there were 45.6 million grandparents aged 55+ who spent a total of \$22.8 billion on their grandchildren in 2002. The report predicts this amount will climb to \$29.8 billion by 2007.

Selling To Seniors, 2003

Adults age 50+ are 36% more likely than the average person to have liquid assets of more than \$100,000, and are 70% more likely to have available funds of more than \$250,000, according to a 2003 survey by Media Audit.

Medialifemagazine.com, 2003

Based on a study by Forrester Research, health behaviors of American consumers age 65+ (multiple answers): Takes prescription medication regularly, 77%; concerned about personal health, 68%; consults a doctor at least monthly, 35%; living with a chronic/serious disease, 33%; diagnosed with a disease in the past six months, 15%.

Research Alert, 2003

Three in 10 people over age 55 were in the labor force in 2000, according to the Bureau of Labor Statistics.

Research Alert, 2002

According to the Employee Benefit Research Institute, 24% of retirees have worked or continue to work since they "retired."

Research Alert, 2002

An estimated \$1.5 trillion in assets will be transferred from the 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

A study by SRI Consulting Business Intelligence found that the number of bankruptcy filings among 55-64-year-old Americans increased 85% between 1991 and 2001, while the number of bankruptcies for those 65 and older jumped 244%, the highest for any age group. USA Today, 2002

Misc

According to a study by the National Institute on Aging, about 600,000 people age 70 or older stop driving each year and become dependent on others to meet their transportation needs. Source
Research Alert, 2003

Based on a 2003 study by Vertis, 43% of Seniors plan to make non-monetary (time, food, clothing, etc.) donations to charity in the coming year. Research Alert, 2003

A 2003 online study of 3,500 single adults ages 40-69, conducted by Knowledge Networks, found that 60% of them were women, a majority of them divorced. Yet, more than 40% of the men and 24% of the women had never been married. Selling To Seniors, 2003

More than 60% of all people aged 55+ report that they have lived in their homes for at least 20 years. Nearly 80% own their own homes. MarketResearch.com, 2003

According to a 2003 AARP survey of individuals between the ages of 50 and 70, 45% of the respondents said they expected to work into their 70s and beyond, with 27% expecting to quit sometime before age 80, and 18% planning to work after that. The Wall Street Journal, 2003

According to a 2003 survey of consumers aged 58+, conducted by Vertis, a third of the respondents said they occasionally read direct mail advertising based on their needs. The most popular types of direct mail advertising among the older survey participants were ads for retail stores, followed by charity/fundraising promotions. Selling To Seniors, 2003

According to Bureau of Labor Statistics, 57% of older workers (55+) who lose their jobs retire following the job loss. Research Alert, 2002

Some 82% of men and 55% of women age 70 and older drive cars, according to the National Institute on Aging. Among men, driving prevalence declines from 88% of those in their early 70s to 55% of those 85 and older. Among women, the decline is from 70% of those in their early 70s to 22% of those 85 and older. Research Alert, 2002

Approximately 95,000 adults become grandparents each month. AgeLight Institute, 2002

Approximately 15% of grandparents provide childcare services for their grandchildren while the parents are at work. Twenty-four percent of grandparents who provide childcare services for their grandchildren do so at least once a week to once every two weeks while the parents are not at work. American Association of Retired Persons, 2002

A 2002 study by the International Council of Shopping Centers determined that seniors (55+) spend more time at the mall during a typical visit than any other age group. Selling To Seniors, 2002

Seventy-two percent of citizens ages 65-74 voted in the 2000 Presidential election, the highest rate of any age group. U.S. Census Bureau, 2002

According to a study by EPM Communications, the average age for becoming a grandparent for the first time is 47. Research Alert, 2002

The 2002 study by EPM Communications showed that 95% of seniors age 75+ would like to remain in their current homes. Research Alert, 2002

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