

Marketing to Baby Boomers - US - December 2012

Scope and Themes



“Boomers face a host of financial challenges as they near retirement, which these may cause them to postpone as they build up funds. Boomers are using their resources to care for aging parents and adult children. Increases in human longevity necessitate greater funds to prevent outliving resources while increases in the occurrence of chronic conditions and rising medical costs mean more expenditure toward healthcare. Shifts in pension trends and changes in Social Security place more responsibility on individual savings. Crises in the stock market and housing market have diminished the value of assets and the prolonged period of low interest rates means much lower interest-based income.

– Ika Erwina, Retail, Apparel & Technology Analyst

In this report we answer the key questions:

- **How does the rise in multigenerational households impact Boomers?**
- **Boomers as caregivers; what do they need to support this new role?**
- **Are Boomers retirement prospects necessarily gloomy?**
- **How can Boomers stay in control of their healthcare plans?**

Baby Boomers (born between 1946 and 1964) view themselves as a unique generation, unlike any that came before. This generation was instrumental in many of the most significant events in our nation’s history and, as a group, has rejected and redefined many social mores and long-standing traditions.

The oldest Boomers have now reached the traditional retirement age of 65. It is more than likely that, once again, the Baby Boom generation will cause massive changes to the societal infrastructure as they begin to exit the workforce. However, there are some very serious challenges that may postpone that retirement.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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Scope and Themes

The latest recession, the slump in the housing market, the recent stock market crash, rising healthcare costs, unfavorable shifts in Social Security and in many pension plans; these are just some of the issues that are draining Boomers' financial resources and threatening a timely retirement. For instance, the poor economic climate has caused Boomers' kids to 'boomerang' back to the home to save money. At the same time, many Boomers' parents are at the age where chronic health problems are limiting their ability to live independently. Boomers sandwiched between these two generations may be raiding their retirement funds to provide financial assistance. While guilt might be the motivating factor behind this generosity, Boomers may not be aware of the long-term damage this is doing to their own retirement security.

Yet, Boomers are somewhat more hopeful now than they were last year. They are more active, health-conscious, affluent, and educated than the preceding generations. Boomers are interested in making the best choices possible as they approach this new milestone. This generation is just in need of some guidance to help them make the right decisions.

This report builds on the analysis presented in Mintel's *Lifestyles of Baby Boomers—U.S., 2011*, as well as the *Baby Boomers Across Seven Categories—U.S., October 2011*, *Baby Boomers and Finance—U.S., January 2010* and *Baby Boomers and Vacation—U.S., December 2010* reports of the same title.

For the purposes of this report, Mintel has used the following definitions:

- **Baby Boomers** are defined as the generation born between 1946 and 1964. In 2012, Baby Boomers are between the ages of 48 and 66.
- **Younger Boomers** are defined as between the ages of 48 and 56.
- **Older Boomers** are defined as between the ages of 57 and 66.
- **The Boomerang generation** refers to adults 18 and older who, after being at college or living independently, have moved back in with their parent(s).
- **A multigenerational household** means a household with at least two generations of adults (i.e., adult children aged 18+ living with parents or in-laws) or at least one other generation (for example, grandparents living with grandchildren).

In reference to U.S. Census and Experian Simmons consumer data, Mintel has used the available age groups that best reflect the Baby Boomer generation in 2012:

- Baby Boomers are considered those between the ages of 45 and 64.
- Younger Boomers are defined as between the ages of 45 and 54.
- Older Boomers are defined as between the ages of 55 and 64.

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