



50 and Over: What's Next?

The generation that defined youth marketing for Madison Avenue is readying for retirement. Here's what they're thinking, and what marketers should know in order to reach them.



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➔ **ABOUT THIS REPORT**

This report is based on data from the third AARP Boomers Envision What's Next survey—conducted in early 2011 and assessing this generation's attitudes, assumptions, aspirations and plans as they approach their later years—and GfK MRI's fall 2010 BoomerView, which considers current Boomer demographics, consumer actions, media usage, lifestyle and psychographics.

Introduction

THEY WERE THE first youth generation. Collectively, they were the *raison d'être* for nearly every advertising agency on Madison Avenue in the 1960s. Boomers have continued to redefine each life stage as they've arrived at it. So it should come as no surprise that this generation is viewing its retirement years differently than past generations.

Today, the youngest are turning 46 and the oldest are hitting 65: definitely not young, but certainly shy of "elderly." And so, they have become the first youthful generation of older Americans: the iPad-toting grandparents, the Facebook mothers and fathers. Some 78 million strong, Baby Boomers are a force that will be around for a long time to come. The typical 50-year-old has an average life expectancy of 79 (for men) and 83 (for women), according to the Human Mortality Database at the University of California, Berkeley, and the Max Planck Institute for Demographic Research in Germany.

Certainly, as have all Americans, they've faced significant economic and lifestyle challenges, particularly in the aftermath of the 2007-2009 recession. Few likely looked forward to developing gray hair and wrinkles, but the financial and housing crises have made this life stage seem that much more unkind. As they've been edged out of the work force or seen retirement savings dwindle, some have found that they are unable to assume a brighter future, unlike younger generations who have time to make up for losses. For those born between 1955 and 1964, many of whom are taking care of children and older parents, the last few years have been particularly challenging. According to the U.S. Bureau of Labor Statistics, Americans aged 45 to 54 constituted more than one-quarter of those filing for unemployment amid the mass layoffs of 2008 and 2009—not as great as those aged 30 to 44 (around 34%), but greater than those aged 55 and older (around 18%).

The good news, however, is that the majority of Boomers feel optimistic about their retirement years: 60% of working Boomers told the AARP this year that they were either "very optimistic" or "fairly optimistic" about retirement and looked forward to it. And 53% of those already retired felt that retirement was better than they had thought it would be. A tremendous opportunity exists for marketers keenly attuned to this generation's struggles, needs and desires. This group still comprises an enormous consumer force, with \$3 trillion in disposable income. Now more than ever, they are turning to marketers that understand what they're up against and that speak to them with sincerity. They are particularly open to new products and services as they move in and out of life stages, from empty nesting to remarriage to grandchildren. Those marketers that understand the nuances of this group's new challenges and responsibilities stand to reap huge rewards.

COVER PHOTO: DANIEL LAFLOR/ISTOCKPHOTO

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Post-Recession Reality

THE FINANCIAL PICTURE FOR those approaching their retirement years is far from pretty. As a direct result of the recession, many stopped putting money into retirement accounts or prematurely withdrew funds in order to pay for living expenses, according to the AARP. Those laid off during the recession often found they were overqualified or turned away on the basis of age when applying for new jobs, as reported by the MetLife Mature Market Institute. And more recently, the Urban Institute found that workers aged 50 to 61 who lost their jobs during the recession were one-third less likely than those 25 to 34 to find new work within 12 months. Among those lucky enough to find new jobs, wages in many cases were lower.

Planning for retirement wasn't a top priority for many. In GfK MRI's Fall 2010 BoomerView, only 11.6% of older Boomers and 7.5% of younger Boomers reported visiting a financial planner in the previous 12 months. Meanwhile, less than 9% (or approximately 7.02 million) said they owned a U.S. savings bond or stock in a company aside from their employer—roughly the same number who said they were planning a trip to Hawaii in the coming year.

Furthermore, most never had a large nest egg to begin with. The average value of Americans' tax-sheltered retirement accounts was \$45,500 prior to the recession, Susan Jacoby, author of "Never Say Die: The Myth and Marketing of the New Old Age," wrote in a Los Angeles Times op-ed this year. But even for those who were scrupulous savers, the recession proved to be the great leveler for retirement, as savers suddenly found themselves on par with lavishly spending peers. Many saw their net worth—including the value of homes, cars and savings accounts, among other assets—fall precipitously. The pains were acute for younger Boomers, whose net worth declined 45% to an average of \$94,200 between 2004 and 2009, according to a 2009 report from the Center for Economic and Policy Research. These should have been peak years of accruing wealth and savings. Older Boomers also experienced hardship during the period, their net worth plunging nearly 50%, to an average of \$159,800.

Younger Boomers are also in the unenviable position of having more responsibility despite limited funds, often caring for generations older and younger. In a joint survey published last year by The Hartford and ComPsych, two-thirds of younger Boomers said they missed work in the prior six months because of care giving. Younger Boomers were primarily concerned about how care

SNAPSHOT:



CHRIS VACA

Hometown: Fort Pierce, Fla.

Age: 58

Relationship status: Separated

Employment status: Self-employed web entrepreneur

Children: Three adult children

Grandchildren: "I'm too young for grandchildren!"

Before the recession, Chris Vaca ran his own mortgage business. When the market crashed in 2008, mortgages he originated that once numbered four to five a month dwindled to that same number per year. "When the business first failed, I hardly ever slept," he said. "It was stressful, very stressful." Mr. Vaca and his wife separated, sold their home, and he rented an apartment. He went through all his savings and before long was evicted. He had nothing. "But you can't sit in a corner and cry about it," he said. "You have to do something."

So he reinvented himself as an entrepreneur, turning to the internet for opportunities in health, pet care and relationships. He had a limited background in computers, but after a year was finally able to earn some income. It's not a lot, he reports—but he is determined to meet success online and grow his web empire. About seven months ago, his two adult sons were laid off from construction jobs and moved in with him. Still, he remains optimistic: "I'm 58-years-old and I'm starting over—why can't they?"

\$45k

average value of Americans' tax-sheltered retirement before the recession

-45%

net worth decline of younger Boomers to just \$80,000 from 2004 to 2009

-38%

net worth decline of older Boomers to \$140,000 from 2004 to 2009

giving impacted work, while older Boomers worried whether it would postpone their retirement. In more recent data by Mintel, 47% of younger Boomers said they "have only spent money on necessities" for at least a year, as opposed to just one-third of those surveyed overall, which included Millennials, Gen Xers and older Boomers. Younger Boomers are being squeezed by their own expenses and those of their families. And they are changing their lifestyles because they realize an employer, recovery in the housing and financial markets, or the government are likely to rescue them.

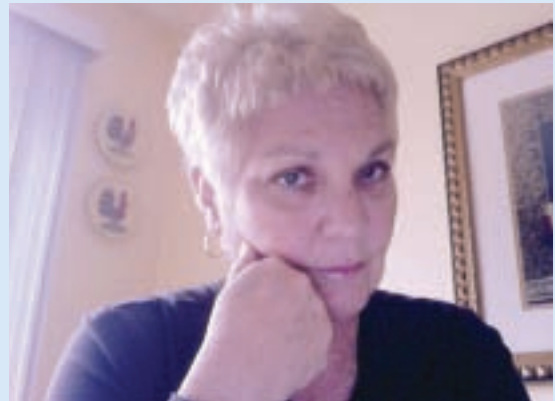
"Younger Boomers are rightfully more concerned than older Boomers about Social Security, Medicare, things like that," said Carol Orsborn, a co-founder of FH Boom, a Boomer-oriented group within Fleishman-Hillard, who has since moved on to CEO of BoomerInfluence.com. "There's more anxiety," she said.

"They're thinking day to day," added Eileen Marcus, senior VP at Fleishman-Hillard and co-founder with Ms. Orsborn of FH Boom. But she notes that even with Social Security and pensions, older Boomers still feel anxious. "They're equal in feeling pain."

While there are clearly differences in hardship between older and younger Boomers, there is also a disparity emerging that transcends age: the widening gap between the poor and the super rich. A study last year by The Urban Institute found that those in the bottom fifth of income distribution were poised to pour a greater portion of their income into healthcare expenses than those in the top fifth (39% vs. 8%).

"Even though some people say the recession might be the great leveler in terms of affluence, we still have, as a generation, very poor poor, and there's not a lot of balance in the middle," said Lori Bitter, president of Continuum Crew, a marketing company focused on "mature" consumers. "There's a lot of pain out there for this generation," she said, adding that while it appears bleak, some are better off than others. Boomers' income fell between '08 and '09 but by less than the average for other demographic groups, according to Ad Age's MarketFinder. And of the nearly 44.5 million Boomer households in the U.S., about 10% earn more than \$100,000 a year.

"The opportunity marketers have is to really speak to values, which is a much more emotional and simple sell rather than, 'I recognize you're old and now I want to sell you something,'" Ms. Bitter said.

SNAPSHOT:**CINDEE MORRISON****Hometown:** Upstate New York**Age:** 60**Relationship Status:** Married**Employment Status:** Self-employed, but looking for work**Children:** Two adult children**Grandchildren:** None

"My plans for retirement are to keep working until I can no longer," said Cindee Morrison. A decade ago, at the age of 50, Ms. Morrison retired, having achieved nearly \$1 million in savings and a home of her own. But that proved a fleeting moment, interrupted by the dot-com bust and, later, the housing crash. Now, at 60, Ms. Morrison is back at work.

She and her husband keep monthly expenses at \$1,200 (down from a high of \$5,600, when they lived in the New York metropolitan area)—but even that is a struggle. "Higher taxes, heating costs, gas, food, necessities are hurting us, with no end in sight," she said. Her favorite store is Walmart, which she credits with keeping her off food stamps. She and her husband, 54, get all of their drugs, vitamins and other health products at the retail chain and have their eyes examined at its Vision Center.

Even as they watch their money, the Morrisons are running out of it. Ms. Morrison, who is self-employed, is not getting as much work as she would like, while the rising taxes on the real estate she owns and her business are "crippling." She and her husband, who is also self-employed, have tried to get full-time staff jobs but say they face age discrimination. Recently, her husband went on a job interview and again was asked how much longer he anticipated working. "Most everyone we meet today say the same exact thing: They are holding on by a thread," said Ms. Morrison. "But what are they holding on to? A dream? A life? Survival?"

Work

WAS RETIREMENT EVER A desirable life stage for Boomers? According to 2010 data from GfK MRI, 50% of Boomers said they felt they would continue to work even if they won the lottery, compared to just 43% of those a generation older. (Interestingly, Millennials and Gen Xers felt even more strongly than Boomers that they'd keep working.)

From 2006 to 2007, Ms. Bitter—while still at J. Walter Thompson, where she was president of JWT BOOM—found that many viewed retirement years not as a time to hit the links or obsess about Florida weather but to pursue a vocation they really wanted. After toiling away for decades behind a desk, they might dream of opening a winery, to “get their cool back on,” she said.

Even when retirement was in the distant future, Boomers never seemed to associate retirement with sitting on the front porch. In 1998, the first AARP Baby Boomers Envision Retirement survey was published. When asked if they wanted to retire from work completely, only 16% (or an estimated 12.5 million) answered yes. Most said they wanted to work part-time after retirement. When asked at what age they expected to retire completely and not work for pay at all, they answered 64. Over the past 13 years, however, that number has crept upward. In '03, they expected to retire at age 65.5, and by this year, it was 68—this, even though they still said they wanted to retire at 64, the same as the first year that question was asked. Sixty-eight is slightly higher than the official U.S. retirement age, which was 65.8 in '07, according to the Economic Policy Institute, and likely reflects the impact of the recession. Despite increases in life expectancy, a study published by the Center for Economic Policy and Research shows that retirement closer to 70 will mean that many, especially those in the lower half of income distribution, will have a shorter retirement than their grandparents.

“There’s this recognition that we’re going to have to die with our boots on,” Ms. Bitter said of Boomers’ attitudes. It’s no longer about the freedom to choose to work or not work—it’s about necessity. Or, “I’m going to have to work until I die.”

And because they’ve postponed plans for retirement, securing employment is more competitive than ever. “This has really put a strain on the work force, where you have four generations working together,” said Ms. Marcus. “This may be the first time in history this has happened.”

68

age Boomers in 2011 expect to retire, vs. 65.5 in 2003

69%

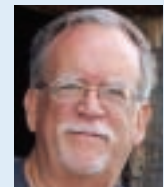
of those already retired stopped working completely

15%

of those currently working believe they will truly be able to retire

SNAPSHOT:

BOB LOWRY



Hometown: Scottsdale, Ariz.

Age: 61

Relationship Status: Married

Employment Status: Retired, but volunteers and works part-time

Children: Two adult children

Grandchildren: Three

Bob Lowry knows he's one of the lucky ones, happily retired as he approaches 62. After 40 years in the radio industry and saving roughly one-third of his income annually, Mr. Lowry built up a nest egg that enabled him to retire in 2001. “We have no debt,” Mr. Lowry said, adding that he buys every car in cash and purchased his most recent home in cash, too.

But not everything has been rosy since the recession. Mr. Lowry estimates he lost 25% of his portfolio between '08 and '09 and said he suffered when the real-estate market in his area imploded. Three years ago, when he first debated downsizing to a condo, his house was worth double what it is today. As a result, he plans to do what many in his generation will do: stay in place, and renovate. “We figure we'll probably be here for another five to eight years before we can get out,” Mr. Lowry said. Meanwhile, he's spending “a fair amount” of money redoing bathrooms and putting in carpeting. “We might as well enjoy where we are right now,” he said.

Mr. Lowry is grateful the recession forced him to reevaluate his priorities. “Family relationships are much more important to us than cruising the Mediterranean,” he said. He and his wife will celebrate their 35th wedding anniversary in June. Mr. Lowry's primary concern today is healthcare. “We're obviously one or two disasters away from having all of that go away,” he said. A large portion of his income every year goes to health insurance, and Medicare is several years off, but “even that is no real guarantee.”

In this year's AARP survey, most of those who had retired did so without plans to work again (69%, or 11 million). Only 17% (or 2.72 million) said they were working part-time, either for added income (6%) or personal interest or enjoyment (11%). This presents a contrast to what working Boomers believe they will do in their retirement years: Only 15% (representative of 9.3 million) believe they will not work at all, and the majority believe they will work part-time, either for added income (29%, or approximately 17.9 million) or personal interest or enjoyment (23%, or 14.3 million). Fully 7% (4.3 million) believe that even after retiring from current jobs, they'll continue to work full-time for pay doing something else.

Chuck Nyren, author of "Advertising to Baby Boomers," notes that many are scared of what he calls "the R word." Defined by their jobs and what they do, some find the idea of not having either in retirement terrifying. Others resent that poor economic conditions have taken the retirement option away, at least for now. Fifty-four percent (42.2 million) of Boomer respondents in the GfK MRI survey said that they worked at a paid job outside the home. Another 13% (10.14 million) said they worked at a paid job at home.

"The jobs market is like a precarious mountain ridge: The young are desperately trying to climb onto the ridge and their parents are scrambling to keep a foothold," said Dick Stroud, founder of U.K. consultancy 20plus30. He is not optimistic things will change anytime soon. "At best, the U.S. and Europe will have a jobless recovery, at least for the next five years."

Men more than women in this group were affected by the recession. Men accounted for the majority of lost employment, as many women actually ended up returning to the work force after a long absence, according to data from the U.S. Bureau of Labor Statistics. Ms. Orsborn believes that these days, women don't talk even about retirement: "They talk about semiretirement, more freedom, reinvention. The old notion that you've saved enough and can have a life of leisure is kind of out the window, but the truth is, this generation didn't picture that for themselves really even before the recession."

Surprisingly, the majority feel optimistic about retirement. Sixty percent of working Boomers told the AARP this year that they were either "very optimistic" or "fairly optimistic" about retirement and looked forward to it. Seventy-four percent of retired Boomers said they were either "very optimistic" or "fairly optimistic" about their retirement years and looked forward to them, while 53% felt retirement was better than they expected.

And another bright spot for Boomers: The recession has enabled some to get started on entrepreneurial endeavors they may have only envisioned doing years ago. Boomers increasingly are turning to self-started businesses—and more so than any other age group, per a 2009 report by the Kauffman Foundation, an entrepreneurship-focused organization. In the AARP survey, 22% of working Boomers identified as self-employed and had an average of 3.7 employees. About one-third of them began their entre-

SNAPSHOT:

JULIA DEGRAF

Hometown: Skokie, Ill.

Age: 50

Relationship status: Married

Employment status: Self-employed book editor and humor blogger

Children: None



Julia DeGraf used to envision retiring in Florida at 65, or even younger, and traveling with her husband. Now, those are distant fantasies. "I definitely don't see myself retiring anytime soon." With day-to-day expenses and an equity line of credit to pay on a home that has decreased in value, she worries about finances. Since the recession, she and her husband have put less money into their 401(k) plans. "There are a lot of factors contributing to our decision: not getting a raise, [the] price of gas going up. I honestly feel like unless something miraculous happens, we're going to be on a pretty tight budget in our later years."

Ms. DeGraf typifies the technologically savvy Boomer. She estimates she does 75% of her shopping online and is a heavy user of Amazon and Expedia. "Any store that doesn't offer easy and fast online shopping is not getting my money." She goes online for movies and TV shows, and said she would be "lost without Hulu and Netflix."

Ms. DeGraf is very perceptive about marketers courting her generation. She appreciates that Dove, for one, embraces the older consumer of "different shapes and sizes" and features people with wrinkles in its ads, and that L'Oréal has Diane Keaton as a spokesperson. She feels "silly" shopping at The Gap these days, since the chain is "more youth-oriented." Ms. DeGraf is holding off on buying a car as long as possible, but when she does, is leaning toward a Volkswagen, "not only because I have fond memories of my mom's red Beetle, but because the ads are fun."

Ms. DeGraf also worries about caring for her mother if she has to move into an assisted-living facility. "That would definitely be a financial strain." Her future is of concern too. "It may be a bit unrealistic, but I worry about being homeless and about being older and in poor health without the resources to get decent care."

preneurial enterprises after retiring from another job. Another 15% of those working wanted to work for themselves after retirement, which was consistent with prior AARP surveys. Forty-eight percent of working Boomers indicated that they expected to volunteer or do more community service during retirement.

Finances

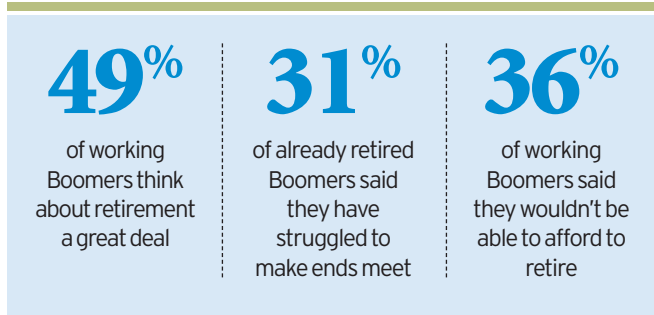
THIS YEAR'S AARP survey revealed that while Boomers may still be optimistic about retirement, they are tempering expectations. One-third of working Boomers said they envisioned struggling to make ends meet, and 36% (or 22.3 million) didn't think they would be able to afford retirement at all. That is an increase from past surveys, and mirrors data reported elsewhere. A study published this year by the Employee Benefit Research Institute found between 4% and 14% of Americans who would have had adequate income to cover basic expenses in retirement now are "at risk" of running short as a result of the financial and housing crises.

"They're scared to death about outliving their money—I know I am," Mr. Nyren said, giving voice to his generation. On top of that, many Boomer grandparents are being called in to help out with finances, said Jeff Mahl, CEO of Grandparents.com. Meanwhile, 31% (or 4.96 million) of those already retired said they've struggled to make ends meet since retirement, while 38% (or 6 million) said they weren't really able to afford to retire but did so anyway.

For working Boomers, retirement is just around the corner, but that doesn't mean they're planning for it any better than they did in the past. Forty-nine percent of working Boomers (approximately 30.38 million) now think about their retirement years "a great deal," up from 39% in the 1998 survey and 43% in the '03 survey. But only 34% of working Boomers (or 21 million) said they often discussed retirement planning with family, friends and co-workers, while roughly the same percentage today said they planned to save for retirement as in 1998, according to AARP.

Perhaps that is simply because many don't see the need. Most retired Boomers (68%) in this year's AARP survey said they felt they gave adequate thought to retirement during their working years, including what they would do and what they would live on. Maybe that's because 30% of them still have financial obligations for a child 18 or older and can't wrap their minds around anything else. "Younger Boomers just don't have the time and the opportunity to repair their finances," Mr. Stroud said. "Their only option is to work longer, if they can."

Sixty-one percent of working Boomers expect to be able to rely on their diminished retirement savings accounts after retirement, and 55% of working Boomers also expect to count on income or money from savings accounts. In her op-ed, Ms. Jacoby



noted that just over half of Americans receive any income from stocks and savings accounts, and of these, half receive less than \$2,000 a year. It's a paltry sum that won't be able to substantially support retirement.

Among those already retired, 41% (or 6.56 million) expect to rely on personal retirement savings, and 44% (7.04 million) on income or money from savings accounts. Significantly more (68%, or 10.8 million) expect to rely on Social Security. (An equal percentage of these retired Boomers are already receiving Social Security.) Three out of five working Boomers (approximately 37.2 million) are also relying on Social Security, even if they don't know correctly at what age they will be eligible for the benefit.

While the data from AARP take into account respondents whose annual income ranged from less than \$10,000 to more than \$200,000, many experts recognize a widening gap between the wealthy and everyone else. "What we are seeing is an ultra-fragmentation of the 50-plus into a minority who will retain their spending power during their retirement, but the majority will not have sufficient funds and will see their standards of living decline," Mr. Stroud said.

The implication for financial-services marketers is clear: Financial and financial-planning companies aren't necessarily doing a good job reaching out to working Boomers to help them plan for retirement. "A lot of the financial marketers out there are kind of pretending like it never happened," said Ms. Orsborn. "They're still selling the old dream of a lifetime of golfing and walking hand-in-hand on the beach. What Boomers want more than anything else is authenticity: someone who can tell it straight."

Health

50%

of those working said their health was excellent or very good

43%

of retirees reported their health was fair or poor

20%

of working respondents believe they will retire early due to health issues

IN THE AARP survey, roughly two out of five Boomers (or approximately 31.2 million) indicated that they had become responsible for the care of a parent, many in the previous year. The responsibility of care giving, often for the first time, makes Boomers bump up against the healthcare system or face their own mortality, said Continuum Crew's Ms. Bitter. As a result, it's often the time when they first buy long-term health insurance.

Health and healthcare are mounting concerns, particularly among those already retired. Those who responded to the AARP survey were, on average, aged 55.1, but said they felt 7.5 years younger than that. And 50% of working respondents said their health was either excellent or very good. Still, 20% reported their health as fair or poor, and about one in four expect to have serious health problems in the future. Among retired Boomers, only 35% said their health was excellent or very good, and 43% said their health was fair or poor. For the 47% of retired respondents who said their outlook for retirement had changed for the worse, two-thirds said it was because their health was worse than five years earlier.

Health continues to be a major factor in early retirement for Boomers. Forty-three percent of retired Boomers had to stop working earlier than they wanted because of poor health or disability. This is not something many anticipate: Only 20% of those working believe poor health or disability will force them to stop working before they're ready to retire.

Health and wellness are not an abstract notion but a daily priority. Roughly four out of five said they visit a doctor for regular check-ups and generally eat right, according to GfK MRI. Ninety-one percent said they take prescription medicines "exactly" as prescribed, while 60% said they followed a regular exercise regimen and more than three-quarters were "always looking for new ways to live a healthier life." (Of course, that may reflect more of what they wish they did or aspire to do as opposed to what they actually do.) Not all were happy with their lot, with two out of five saying a medical condition limited their lifestyle.

Boomers plan to retain a healthy lifestyle during retirement. In the AARP survey, 55% of working Boomers anticipate exercising regularly and 63% expect to have plenty of time for recreation. Only one in four working Boomers admit they weren't doing enough to maintain their health. Still, despite advances in

SNAPSHOT:

PATRICIA (PAT) LAWSON

Hometown: Snohomish, Wash.

Age: 55

Relationship Status: Divorced; now in a long-term relationship

Employment Status: Employed full-time as a supervisor for manufacturing company

Children: Three adult children; youngest lives at home

Grandchildren: Two

These days, Pat Lawson doesn't even think about retiring. Rather, she thinks about working full-time indefinitely.

"With the way the economy has been these past few years, I'm going to have to," she said. Ms. Lawson is still paying off the mortgage on her home, but knows she is among the lucky ones, given its value is greater than what she paid. Still, she worries about her children. Her daughter and son-in-law in California were not as fortunate with their investment in a home. Another son was laid off several months ago and now lives with his father, and her daughter, 21, still lives at home while attending college and working full-time. "I worry about my children and the future they're going to have. I don't see any of them in a place where they can put money away for retirement, which is a little scary." Her parents, in their eighties, are also on her mind. While they're self-sufficient, living in a motor home, their future weighs on her. "I wouldn't move away from where I am because this is where they are and they need me." She lives for staying in touch with her family, by landline phone, Skype, and on her new Droid, which makes it easy to see pictures of her grandchildren.

medicine, diagnostic technology and drug therapies, just over half of those working believed that their generation's health in retirement would be better than their parents—even though they were more likely to agree they'll live longer than their parents.

Lifestyle

FOR THIS GROUP, FAMILY continues to be a critical part of retirement, and for marketers, this opens up a host of multigenerational opportunities. Most Boomers want to spend more time with family during retirement, look forward to being grandparents and believe that a family's "emotional support" is essential during retirement. The AARP survey found that just 49% of those working and even fewer of those retired (42%) associate retirement with the travel they couldn't do when they were younger (down from 61% in 1998). Three out of five of those working expect to live close to at least one of their children after they retire. Just one in four expects to move from his or her current area; 13% expect to move out of state and 3.5% out of the country.

Data from GfK MRI tell a similar story: Of those who expect to retire in the next 12 months, 14% say it's likely that they will sell their house in the same timeframe. And most spent time with their children and grandchildren on a weekly basis. "People aren't looking to live in retirement homes," Ms. Marcus said. "They want to be with their families."

Curbed travel and relocation plans mirror cutbacks to lifestyle overall. Two out of five of those working expect to scale back in retirement, and the same proportion of those retired have already scaled back, according to GfK MRI. Also, most of those already retired said they don't go out to eat or to see plays, movies or other entertainment as much as they did when they were working.

What will Boomers do at home? If retired folks are any guide, they will cook, read, surf the internet, watch TV and exercise more so than they ever did before. "Boomers grew up in the golden age of TV," said Jim McDonnell, principal at Deloitte Consulting. "In all of our surveys, they still have the affinity for TV." Boomers spend more time watching TV, movies, online video and mobile video than even Gen Xers or Millennials (189 hours per month vs. 159 and 119, respectively), according to Google data from September 2010. In fact, this group accounts for the most time spent online of any group, with 56 million people spending 91 billion minutes online.

As they prioritize life at home, many will spend money on their houses to make them age-friendly. This group spent more money improving their homes than any other in the previous 12 months, according to GfK MRI. Ms. Marcus believes the needs of Boomers will create an opening for transportation companies, home-delivery services and home-renovation businesses.

CHART 1

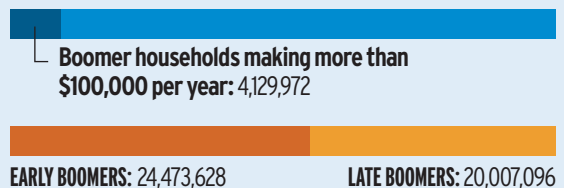
BOOMER NATION

Where to find the over-50 households

Boomer population: 79,379,432



Boomer households in the U.S.: 44,480,724



Areas with the most Boomer households:

STATE/METRO AREA	EARLY BOOMERS (45-54)	LATE BOOMERS (55-64)	TOTAL BOOMERS
NEW YORK New York (metro area)	■	■	■
CALIFORNIA Los Angeles	■	■	■
TEXAS Dallas	■	■	■
FLORIDA	■	■	■
PENNSYLVANIA Philadelphia	■	■	■
Washington, D.C.		■	
Chicago	■	■	■

Source: AdAge MarketFinder



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UP...

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CHART 2

BOOMER HOUSEHOLD INCOME

ITEM	ALL CONSUMER UNITS	45-54 YEARS	55-64 YEARS	INDEX 45-54 YEARS	INDEX 55-64 YEARS
Number of consumer units (in thousands)	120,847	25,440	20,731		
Income before taxes	\$62,857	\$80,976	\$70,609		
Income after taxes	\$60,753	\$77,460	\$67,586		
Average annual expenditures	\$49,067	\$58,708	\$52,463	120	107

CHART 3

BOOMER SPENDING: FOOD

ITEM	ALL CONSUMER UNITS	45-54 YEARS	55-64 YEARS	INDEX 45-54 YEARS	INDEX 55-64 YEARS
Food	\$6,372	\$7,445	\$6,303	117	99
FOOD AT HOME	\$3,753	\$4,343	\$3,678	116	98
Cereals and bakery products	\$506	\$586	\$465	116	92
Cereals and cereal products	\$173	\$188	\$152	109	88
Bakery products	\$334	\$397	\$313	119	94
Meats, poultry, fish and eggs	\$841	\$978	\$849	116	101
Beef	\$226	\$263	\$242	116	107
Pork	\$168	\$196	\$166	117	99
Other meats	\$114	\$129	\$110	113	96
Poultry	\$154	\$177	\$147	115	95
Fish and seafood	\$135	\$166	\$142	123	105
Eggs	\$44	\$47	\$43	107	98
Dairy products	\$406	\$465	\$386	115	95
Fresh milk and cream	\$144	\$155	\$127	108	88
Other dairy products	\$262	\$310	\$259	118	99
Fruits and vegetables	\$656	\$750	\$663	114	101
Fresh fruits	\$220	\$249	\$227	113	103
Fresh vegetables	\$209	\$247	\$219	118	105
Processed fruits	\$118	\$136	\$105	115	89
Processed vegetables	\$110	\$118	\$111	107	101
Other food at home	\$1,343	\$1,564	\$1,314	116	98
Sugar and other sweets	\$141	\$170	\$147	121	104
Fats and oils	\$102	\$117	\$106	115	104
Miscellaneous foods	\$715	\$810	\$664	113	93
Nonalcoholic beverages	\$337	\$405	\$329	120	98
Food prepared by consumer unit on out-of-town trips	\$49	\$62	\$68	127	139
FOOD AWAY FROM HOME	\$2,619	\$3,102	\$2,626	118	100
Alcoholic beverages	\$435	\$502	\$440	115	101
Tobacco products and smoking supplies	\$380	\$513	\$410	135	108

CHART 3 (CONT'D)

BOOMER SPENDING: HOME					
ITEM	ALL CONSUMER UNITS	45-54 YEARS	55-64 YEARS	INDEX 45-54 YEARS	INDEX 55-64 YEARS
Housing	\$16,895	\$19,004	\$16,991	112	101
SHELTER	\$10,075	\$11,356	\$9,749	113	97
Owned dwellings	\$6,543	\$8,093	\$7,149	124	109
Mortgage interest and charges	\$3,594	\$4,677	\$3,352	130	93
Property taxes	\$1,811	\$2,296	\$2,234	127	123
Maintenance, repairs, insurance, other expenses	\$1,138	\$1,120	\$1,563	98	137
Rented dwellings	\$2,860	\$2,369	\$1,570	83	55
Other lodging	\$672	\$894	\$1,031	133	153
UTILITIES, FUELS AND PUBLIC SERVICES	\$3,645	\$4,275	\$3,896	117	107
Natural gas	\$483	\$552	\$530	114	110
Electricity	\$1,377	\$1,596	\$1,481	116	108
Fuel oil and other fuels	\$141	\$179	\$177	127	126
Telephone services	\$1,162	\$1,398	\$1,179	120	101
Water and other public services	\$481	\$550	\$528	114	110
HOUSEHOLD OPERATIONS	\$1,011	\$964	\$871	95	86
Personal services	\$389	\$253	\$103	65	26
Other household expenses	\$622	\$711	\$767	114	123
HOUSEKEEPING SUPPLIES	\$659	\$703	\$825	107	125
Laundry and cleaning supplies	\$156	\$172	\$157	110	101
Other household products	\$360	\$380	\$490	106	136
Postage and stationery	\$143	\$152	\$178	106	124
HOUSEHOLD FURNISHINGS AND EQUIPMENT	\$1,506	\$1,705	\$1,651	113	110
Household textiles	\$124	\$135	\$154	109	124
Furniture	\$343	\$375	\$330	109	96
Floor coverings	\$30	\$39	\$36	130	120
Major appliances	\$194	\$199	\$278	103	143
Small appliances, miscellaneous housewares	\$93	\$103	\$110	111	118
Miscellaneous household equipment	\$721	\$855	\$743	119	103
FASHION					
Apparel and services	\$1,725	\$1,885	\$1,591	109	92
Men and boys	\$383	\$443	\$335	116	87
Men, 16 and over	\$304	\$360	\$301	118	99
Boys, 2 to 15	\$79	\$83	\$34	105	43
Women and girls	\$678	\$772	\$664	114	98
Women, 16 and over	\$561	\$652	\$596	116	106
Girls, 2 to 15	\$118	\$120	\$69	102	58
Children under 2	\$91	\$50	\$66	55	73
Footwear	\$323	\$351	\$269	109	83
Other apparel products and services	\$249	\$270	\$256	108	103

CHART 3 (CONT'D)

BOOMER SPENDING: TRANSPORTATION					
ITEM	ALL CONSUMER UNITS	45-54 YEARS	55-64 YEARS	INDEX 45-54 YEARS	INDEX 55-64 YEARS
Transportation	\$7,658	\$9,409	\$8,323	123	109
Vehicle purchases (net outlay)	\$2,657	\$3,233	\$2,752	122	104
Cars and trucks, new	\$1,297	\$1,618	\$1,623	125	125
Cars and trucks, used	\$1,304	\$1,532	\$1,064	117	82
Other vehicles	\$55	\$82		149	
Gasoline and motor oil	\$1,986	\$2,398	\$2,074	121	104
Other vehicle expenses	\$2,536	\$3,199	\$2,962	126	117
Vehicle finance charges	\$281	\$333	\$291	119	104
Maintenance and repairs	\$733	\$927	\$854	126	117
Vehicle insurance	\$1,075	\$1,406	\$1,307	131	122
Vehicle rental, leases, licenses and other charges	\$447	\$534	\$510	119	114
Public transportation	\$479	\$579	\$535	121	112
HEALTHCARE					
Healthcare	\$3,126	\$3,173	\$3,895	102	125
Health insurance	\$1,785	\$1,688	\$2,017	95	113
Medical services	\$736	\$862	\$1,054	117	143
Drugs	\$486	\$485	\$679	100	140
Medical supplies	\$119	\$139	\$144	117	121
ENTERTAINMENT					
Entertainment	\$2,693	\$3,176	\$2,906	118	108
Fees and admissions	\$628	\$811	\$629	129	100
Audio and visual equipment and services	\$975	\$1,065	\$1,024	109	105
Pets, toys, hobbies and playground equipment	\$690	\$855	\$777	124	113
Other entertainment supplies, equipment and services	\$400	\$445	\$476	111	119
Personal-care products and services	\$596	\$666	\$617	112	104
Reading	\$110	\$119	\$147	108	134
Education	\$1,068	\$2,055	\$1,003	192	94
TAXES					
Personal taxes	\$2,104	\$3,515	\$3,023	167	144
Federal income taxes	\$1,404	\$2,510	\$2,090	179	149
State and local income taxes	\$524	\$779	\$673	149	128
Other taxes	\$177	\$229	\$261	129	147
Income after taxes	\$60,753	\$77,460	\$67,586	127	111
Net change in total assets and liabilities	-\$5,416	-\$5,163	-\$1,389	95	26
Net change in total assets	\$6,448	\$7,259	\$6,404	113	99
Net change in total liabilities	\$11,864	\$12,423	\$7,793	105	66
Other money receipts	\$514	\$527	\$863	103	168

CHART 3 (CONT'D)**BOOMER SPENDING: INSURANCE, PENSIONS**

ITEM	ALL CONSUMER UNITS	45-54 YEARS	55-64 YEARS	INDEX 45-54 YEARS	INDEX 55-64 YEARS
Personal insurance and pensions	\$5,471	\$7,654	\$6,793	140	124
Life and other personal insurance	\$309	\$427	\$446	138	144
Pensions and Social Security	\$5,162	\$7,226	\$6,347	140	123
Money income before taxes	\$62,857	\$80,976	\$70,609	129	112
Wages and salaries	\$50,339	\$72,345	\$53,711	144	107
Self-employment income	\$2,673	\$3,582	\$4,745	134	178
Social Security, private and government retirement	\$6,837	\$2,248	\$8,457	33	124
Interest, dividends, rental income, other property income	\$1,460	\$1,031	\$2,164	71	148
Unemployment and workers' compensation, veterans' benefits	\$432	\$614	\$540	142	125
Public assistance, supplemental security income, food stamps	\$435	\$459	\$540	106	124
Regular contributions for support	\$416	\$406	\$295	98	71
Other income	\$266	\$291	\$157	109	59
GIFTS					
Gifts of goods and services	\$1,067	\$1,653	\$1,582	155	148
FOOD	\$96	\$144	\$168	150	175
ALCOHOLIC BEVERAGES	\$9	\$6	\$11	67	122
HOUSING	\$202	\$271	\$300	134	149
Housekeeping supplies	\$31	\$29	\$56	94	181
Household textiles	\$9	\$10	\$10	111	111
Appliances and miscellaneous housewares	\$15	\$18	\$21	120	140
Major appliances	\$4	\$6	\$7	150	175
Small appliances and miscellaneous housewares	\$11	\$12	\$15	109	136
Miscellaneous household equipment	\$41	\$51	\$60	124	146
Other housing	\$106	\$162	\$153	153	144
APPAREL AND SERVICES	\$237	\$295	\$284	124	120
Males, 2 and over	\$53	\$63	\$63	119	119
Females, 2 and over	\$86	\$129	\$93	150	108
Children under 2	\$48	\$44	\$61	92	127
Other apparel products and services	\$49	\$60	\$67	122	137
Jewelry and watches	\$14	\$12	\$20	86	143
All other apparel products and services	\$35	\$48	\$46	137	131
TRANSPORTATION	\$86	\$121	\$84	141	98
HEALTHCARE	\$28	\$44	\$37	157	132
ENTERTAINMENT	\$91	\$65	\$173	71	190
Toys, games, arts and crafts, and tricycles	\$34	\$16	\$53	47	156
Other entertainment	\$57	\$49	\$120	86	211
PERSONAL-CARE PRODUCTS AND SERVICES	\$12	\$8	\$13	67	108
READING	\$1	\$1	\$1	100	100
EDUCATION	\$229	\$624	\$387	272	169
ALL OTHER GIFTS	\$76	\$74	\$125	97	164

Takeaways:

What Marketers Can Do

THE GENERAL ATTITUDES of Boomers as revealed in the AARP and GfK MRI surveys are illuminating for marketers. This generation is facing later life with less money and less free time than they might have envisioned—while at the same time, they are experiencing many firsts, like becoming empty nesters, caring for elderly parents and having grandchildren. They are choosing to age in place and work longer. As such, they have unique needs, many of which have been unmet.

“This is the first generation of older people who aren’t leading very linear lifestyles,” said Ms. Bitter. They are getting divorced and remarried, going back to school late in life, and having children and stepchildren living under the same roof—a marked change from their parents, who went off to war, got married, had children, stayed at the same company for 30 years, retired and moved to Florida. Since this group is moving in and out of life stages at different times, they are receptive to products and services they never before considered. These could include furniture for a condo, toys for grandchildren, or smartphones that allow them to update their Facebook status. But few marketers are actually talking to them.

Boomers comprise roughly one-quarter of the population and have some \$3 trillion in buying power, and yet less than 5% of ad dollars are targeted to adults 35-64, according to The Nielsen Co. (that includes some Gen Xers). Even when they are targeted, it’s usually for an age-related financial or health product, and often in very patronizing ways. Reaching out to this group because of its age is a marketing technique Mr. Stroud calls the “age silo.” A second strategy is to get older consumers to buy something that most other consumer groups buy, something that is inherently age-neutral. “These require totally different marketing techniques,” Mr. Stroud said. “Most companies treat them the same.”

The over-50 set doesn’t want or need advertising that features a gray-haired woman using technology to learn about arthritis. (They get enough arthritis commercials as it is!) But they do want to see themselves represented in ads—and accurately. “Whenever someone over 50 is being portrayed in a [TV] spot, they’re either smiling, vapid idiots on the beach or they’re old hippies,” said Mr. Nyren.

“There’s not a lot of focus that’s very realistic or very engaging right now for Boomers,” said Ms. Bitter. Most don’t want to be targeted because they’re old—they want to be targeted because of who they are. “I don’t like to make generalizations about a 20-year

cohort,” she said. “But this is a group willing to vote with their feet and walk away when they’re pissed off.”

Many brands fear that if they do reach out to Boomers, they will risk “aging” their brand, Ms. Bitter said. Few marketers contacted for this report said they marketed to this group at all or even considered them in the design of a product or service. (Exceptions are the featured case studies here.) Ms. Bitter has a solution: Market to Boomers based on values, not age. “We’ve really moved away from that,” she said, speaking about the past few decades. “Hallmark ads were emotionally engaging...where did all of that go?”

Mr. Nyren believes a lack of diversity in the ad industry is partly to blame. “In some ways, you could say we created our own hell,” he said, noting that in the ‘60s and ‘70s, marketing glorified youth. “That sort of stuck, even though the money has moved on.”

Ms. Orsborn has noticed that a number of companies that originally targeted more mature consumers no longer do so, especially in women’s fashion. “Fashion is hopeless,” she said. “Brands that we really supported don’t seem to think that we want to buy clothes now. I understand that you want to build appeal and sell to the next generation, but you don’t have to abandon your loyal customers to do that, especially when we still have to money to spend.”

Women between the ages of 50 and 64 are twice as likely as men the same age to be the principal shoppers for their households, according to GfK MRI. Bank of America Merrill Lynch recently issued a “long on women” investment theme that noted women already make the majority of household purchases and may soon be the higher-income earners in their households. “Nowadays, the women are making decisions,” said Ms. Orsborn, who recently coauthored “Vibrant Nation: What Boomer Women 50+ Know, Think, Do and Buy.” “[Marketers] have to be retrained to not talk to the man or the couple. Many [women] see through empty promises, read the fine print. Even if the advertiser makes the fine print so small that they think the people won’t see it, the Boomer woman will get out her magnifier glass and find it.”

Ms. Marcus sees enormous business opportunity for those that cater to those over 50, particularly when it comes to improving their quality of life. “Make it easier for me to get to the doctor, to buy my food, to understand financial reform and healthcare. If marketers are looking for a key word...it’s going to be simplicity.

Case Studies

FORD MOTOR CO.

THE AVERAGE AMERICAN household procures seven cars after the head of the household turns 50, according to research by AutoPacific, an automotive market research and consulting firm. Even as Boomers push toward the age of 65, they're not likely to settle for the large, no-frills automobiles of yesteryear. In other words, this is not your father's (or grandfather's) market, something that Ford—which spent \$889 million in measured media in 2010, according to Kantar Media—is aware of even if it doesn't market directly to Boomers (and, in fact, targets no particular age group in any of its marketing).

Amy Marentic, Ford's group manager for large cars, crossovers and sports utility vehicles, said Boomers care not only about size and safety but style and power as well. "Boomers are not willing to compromise," she said. "They'll say, 'Listen, we need fuel economy, but we're not willing to give up performance. We want a large car, but we're not willing to give up sexy interior.'"

For more than 10 years, Ford has worked with the Massachusetts Institute of Technology's AgeLab to develop auto technology for the aging population, according to AgeLab Director Joseph Coughlin. When it comes to new technology, Boomers don't want a model that might identify them as old, Mr. Coughlin said—rather, they want products that help them perform at their best. "We're not asking for an 'old man' anything; what we're asking is to be able to live longer and to live better while managing all the things that old age is known for," he said. Like, say, a bad back or diminished vision: both addressed by developing technologies such as multicontoured seats and blind-spot monitoring. AgeLab and Ford recently studied how parking-assistance technology can alleviate driver stress.

Boomers are poised to have more disposable income and buy more new cars than any other generation. According to Polk data provided by Ford, Boomers in 2010 purchased 46.6% of all new vehicles among Ford's large car, crossover and SUV products. Ford's market share in this demographic grew a full percentage point, second only to 18-to-24-year-olds, where market share grew 1.4%.



AMY MARENTIC
Group manager, Ford

Blind Spot Information System (BLIS)[®] with Cross Traffic Alert

Ford's Blind Spot Information System (BLIS)[®] with Cross Traffic Alert is a feature that helps detect vehicles in blind spots during normal driving and alerts approaching from the side when reversing out of parking spots.

BLIND SPOT INFORMATION SYSTEM (BLIS)[®]

How it Works

- The feature only has multiple Cross Traffic Alerts, so users alert with Cross Traffic Alert, which are packaged in the rear quarter panel — one per side.
- The radar identifies when a vehicle enters the detected blind spot zone and continuously monitors right or left side of the corresponding adjacent lanes, providing a warning for a vehicle approaching.

CROSS TRAFFIC ALERT

How it Works

- Working in conjunction with Blind Spot Information System (BLIS)[®], Cross Traffic Alert warns the driver of approaching traffic while backing-out of a parking spot.
- Cross Traffic Alert warns within the blind spot system's rear multiple beam radar coverage.
- It can pick-up an object moving at up to 38 miles per hour within a 30-foot range — or three parking spaces — from either the left or right side of the vehicle.
- When cross traffic is approaching, two warning tones and green or yellow lights up to five corresponding lanes near and an audible alert is sounded.
- The side-bleed mode when backing-out of angled parking spaces (reverse) is over a meter from the safety warning traffic coming at 30-40 mph or less.

Availability

Options on the 2011 Ford Fusion and Focus sedans, Ford Taurus, Lincoln MKZ midsize sedan, Lincoln MKT crossover, Mercury Milan and Meridian.

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Adults 50 and over are also the fastest-growing demographic to tap into social media, according to Pew Research Center's Internet & American Life Project. Thus, Ford this year launched a social-media campaign called "Go. Do. Adventures." in support of the 2011 Explorer that "celebrates the 365-day road trip," Ms. Marentic said. "Boomers love to live their lives. They're not sitting around in a rocking chair, waiting for life to end."

THERMADOR HOME APPLIANCES, BOSCH AND SIEMENS HOME APPLIANCES GROUP

DESPITE THE PROLONGED economic downturn, high-end home appliance brand Thermador has experienced double-digit growth in each of the past two years. The secret? Smart design, value, and a commitment to meeting Boomers where they are right now—financially, physically and emotionally.

In 2009, the Bosch and Siemens Home Appliances Group brand—which spent \$11 million in measured media in 2010, according to Kantar Media—started a "One, Two, Free" promotion. At first, this was limited to a free dishwasher when a cus-



ZACH ELKIN
Managing director,
Thermador

tomers upgraded two select appliances. But in March 2010, the promotion expanded to include more appliance options, including free ventilation along with purchase of a refrigerator. Since then, refrigerator sales doubled.

Thermador Managing Director Zach Elkin said the “One, Two, Free” promotion was designed to appeal to U.S. homeowners—particularly those over 50—who choose to renovate their homes rather than move to new ones. “Many U.S. buyers are electing to age in place rather than relocate to Arizona or Florida, and that is driving our business,” he said. When Boomers renovate, kitchens are often the first to get refurbished. “[Boomers] still love to cook, love to eat and love to entertain,” he said. “They’re just doing it in their homes.”

According to GfK MRI’s Fall 2010 Survey of the American Consumer, 13% of Boomers said it was likely or very likely they would remodel their kitchens in the next 12 months. The NPD Group said Boomers in 2010 accounted for 44.6% of unit sales in major kitchen appliances, up from 42% in 2009. And Boomers are the single largest group buying those appliances.

While Thermador may benefit to an extent from the still soft housing market, the company’s success is not simply a matter of timing and economic factors. Thermador realizes that a high-quality product is one that features good design that’s easy to use, particularly for aging consumers. “Simplicity of use and real innovations are at the heart of the brand,” Mr. Elkin said. To that end, Thermador has introduced wall ovens with large, easy-to-use dial controls and induction cooktops that turn themselves

off once a pan is removed from the surface or when sensors detect a spill. Thermador is also looking at ways to improve the design of its dishwashers so older people won’t have to bend down as much. Such innovations are informed by consumers over 50 but benefit users of all ages.

DEPEND, KIMBERLY-CLARK CORP.

“When you say Depend, the first things that come to mind are old people and diapers,” said Mark Cammarota, Depend’s brand director. But that’s not the reality. The average age of the Depend user is 58, an average that has trended lower over the past several years as 78 million Boomers have aged and the American population has become more obese and prone to diabetes. Perceptions are changing, however, as Depend has rejuvenated the brand via ad campaigns, packaging and consumer outreach. A few years ago, Depend—which spent \$10 million in measured media in 2010, according to Kantar Media—started brainstorming ways to effectively reach Boomers in a way that was not stigmatizing or belittling. At the time, many associated Depend with their own ailing parents. “It’s all about discretion and looking like underwear that is normal,” Mr. Cammarota said. Depend introduced his and her versions in 2009, colored and print versions with waistbands in March 2010, and redesigned its packaging to make the product look less diaper-like. Last spring, Depend launched a campaign that showed energetic older people going about their everyday activities—at work, on vacation—all the while keeping their Depend secret.

In January of this year, Depend went even further with spots featuring happy-go-lucky Boomers—gasp!—without gray hair. The brand also revamped its website to educate consumers about incontinence and placed promotional ads on health sites like WebMD, enabling consumers to sample different sizes for free.

The changes have proved successful. Unit sales of Depend’s adult-incontinence products (excluding Walmart) grew 7% to 17.4 million in the year ended this past February, according to market research firm SymphonyIRI Group. And web traffic for Depend, the category’s lead brand, has nearly tripled in the last year.



MARK CAMMAROTA
Brand director, Depend



The recession crystallized for Mr. Cammarota that Depend’s thinking was on-target. Now, Boomers are working longer and doing more with their lives than ever before. “For us, it’s heightened the idea that we need to make sure that the products really enable that lifestyle,” he said. Ms. Orsborn praised Depend’s recent campaign: “It’s redefining who needs these products and destigmatizing them, without apology.”

CVS CAREMARK

Age ain't nothing but a number—or, rather, the accumulation of numbers. And as Boomers enter their fifties and sixties, they also face increasing numbers of ailments, doctor's appointments and medications. All those new aches, pains and diagnoses bring about questions. "They need someone to help them navigate through all that complexity," said Bari Harlam, senior VP-marketing at CVS Caremark. To that end, CVS Caremark began redesigning its stores in 2004 to better serve its customers, most of whom are over 50 and 80% of whom are women. It created wider aisles, added carpeting and lowered shelving units to 60 inches high from the standard 76 inches so that the average woman (height: 5'4") could see over them.

CVS Caremark—which spent \$99 million in measured media



on its CVS brand in 2010, according to Kantar Media—also enhanced natural lighting in stores and added magnifying glasses to shelves stocked with over-the-counter medicines and vitamins to aid those with impaired vision. And the drugstore chain now boasts more than 500 MinuteClinics, in-store clinics where customers can get walk-in advice from nurse practitioners and physician's assistants.

With stresses exacerbated by the recession, Boomers want clarity, ease and savings, Ms. Harlam said, adding that CVS Caremark aims to help "our consumers have lower costs and also achieve better health outcomes"—adding that "the highest level of doing that is helping them get the medicine right."

CVS Caremark recently segmented its top pharmacy customers into five categories in order to better meet their needs in-store, online and over the phone. Those customers have different concerns, priorities and media preferences than other customers.



BARI HARLAM
Senior VP-marketing, CVS

The segmentation of CVS' customers "gives us a very deep understanding of how to create messages that align with those different segments' needs," Ms. Harlam said.

TOUCHSMART, HEWLETT-PACKARD

According to the NPD Group's Consumer Tracking Service, Boomers accounted for 38% of all desktop and 33% of notebook purchases in 2010, up from 34% and 31% the year prior, respectively. Of those Boomers who purchased a PC in 2010, one in four bought a desktop versus a notebook.

So perhaps it's no surprise they also constitute the No. 1 market for Hewlett-Packard's TouchSmart PC, which features touch, voice recognition and keyboard capabilities. More than half of TouchSmart buyers are over 55. And with each new generation of TouchSmart products, HP—which spent \$209 million in measured media in 2010, according to Kantar Media—has kept the older user in mind, developing technology to meet their needs and working with organizations including the AARP as well as retirement communities. The company has even instituted an Accessibility and Aging department.

It helps, too, that HP is listening closely to this market. With the latest version of the TouchSmart PC, HP set out to resolve the "arm fatigue" many of its older consumers had said they experienced as they navigated the screen by increasing the range whereby the screen reclines. "If you're interacting with the touchscreen for a longer period of time, you want the screen to be as low as possible to desk," said Ken Bosley, software product manager-consumer desktop global business unit at HP. "The older people mentioned this as more of an impediment."

The company also enlarged many of the icons and controls on the screen to make the device more functional for those with poor eyesight or shaky hands. "Of course, it makes it easier for younger people to use, but it definitely addresses a complaint coming from the older people," Mr. Bosley said. With each new version of TouchSmart, HP tests users with varying degrees of vision and—in a move particularly relevant to Boomers and older—those who wear bifocals. Mr. Bosley noted that the new, more flexible touchscreen enables those with bifocals to not have to look through the farsighted half of their glasses to see the screen.



KEN BOSLEY
Product manager, HP





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