

## Series Topics

- The changing face of workforce demographics
- Myths about older workers
- Multi-generational interaction at the workplace
- Elder care benefits
- Leveraging the changing demographics
- Marketing to the older consumer

All newsletter issues are available as PDFs at <http://www.uni.edu/iacagorg/business.htm>

Please contact us with comments, questions or suggestions...

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This information is part of a series of brief publications from the Iowa Consortium for Applied Gerontology (IaCAG) located at the University of Northern Iowa. It is designed to raise awareness about the aging population in Iowa and how these changes may impact businesses, employees, and consumers.

## Marketing to the Older Consumer

With the Baby Boomer generation occupying a majority proportion of U.S. markets, businesses can no longer ignore this booming market segment and will have to rethink their perspective on the older generation of consumers.

### Quick Facts

- Number of Baby Boomers in 2003 = 77.7 million.<sup>1</sup>
- Number of Baby Boomers age 50+ in 2003= 24 million.<sup>1</sup>
- Number of Baby Boomers age 50+in 2010= 90 million.<sup>4</sup>
- Number of Baby Boomers age 50-64 in 2010= 54 million.<sup>4</sup>
- Estimated annual spending power of younger Baby Boomers (age 40 to 48) = \$1.1 trillion.<sup>1</sup>
- Estimated annual spending power of older Baby Boomers (age 49 to 58) = \$1 trillion.<sup>1</sup>
- Estimated amount of discretionary household income held by adults age 45+= \$750 billion.<sup>4</sup>
- Amount of all U.S. wealth controlled by adults age 50+= 50%.<sup>5</sup>
- Amount of all discretionary spending in U.S. accounted for by adults age 50+= 50 percent.<sup>5</sup>
- However, people age 50 and above are the target demographic of only 5% of the money spent on advertising.<sup>5</sup>

#### Sources:

1. <http://www.metlife.com/WPSAssets/10593749371075405177V1FBoomerProfile2003-1-03.pdf>
3. [http://www.aarp.org/about\\_aarp/aarp\\_leadership/on\\_issues/baby\\_boomers/helping\\_aging\\_boomers\\_to\\_age\\_in\\_place.html](http://www.aarp.org/about_aarp/aarp_leadership/on_issues/baby_boomers/helping_aging_boomers_to_age_in_place.html)
4. <http://www.aarp.org>
5. Following the Money, Dave Carpenter, Associated Press.

## Changing trends of the aging population

Clearly, the Boomer generation stands in contrast to most of the stereotypical views held of the aging population. From their lifestyles to their working habits, they differ in many respects from the previous generations of older adults. Baby Boomers are more active and adventurous than members of past generations. They are also more aware of advances in technology and are more at ease with the rapid pace of change. Some of the most striking characteristics of the Baby Boomer generation are:<sup>3</sup>

- They are usually more sophisticated buyers than previous generations.
- They belong to the 'Now' generation who prefer instant delivery and satisfaction.
- They are more independent thinkers, leaning less toward attempting to blend in with the crowd.
- They seek out more information and are more conscious in their decision making.
- They make decisions – on their own terms and on their own time.
- They are diverse – ethnically, sociologically and economically.

With the above points in mind, businesses will have to tailor their future marketing strategies to appeal to the needs and interests of the Baby Boomers. In view of the estimated annual spending power of Baby Boomers—\$2.1 trillion—organizations will need to adjust to better accommodate the Boomers' spending preferences and buying habits. In order to stay competitive and to leverage the market changes, businesses will have to design products and services, as well as adjust their marketing and sales approaches, to appeal to the older consumer.

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IaCAG has been working actively with prominent regional businesses to create further awareness of this and other issues concerning management of an aging workforce and consumer base.

Visit our website at <http://www.iacag.org> for more information on other aging issues

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