Audience Insights

7 Reasons 50+ Adults Will Grow Your Bottom Line
In today’s challenging economic times, businesses are striving to efficiently and effectively engage consumers who will immediately impact their bottom line.

Now, as in the past six years, households headed by adults age 50+ are responsible for more than half of all U.S. consumer spending, reaching an historical peak of 53% in 2019. This share of consumer spending will most certainly escalate over the next decade. The 50+ population is expected to grow 63% faster than the 18-49 population by 2030.

Evidenced by our nearly 38 million members, AARP knows a thing or two about marketing to the 50+ consumer. We continue to see an increasing number and variety of mainstream advertisers using AARP media to engage the most financially powerful members of the 50+ consumer population.

We believe now is the right time to share what we know about this market to help you prosper through both challenging and better times to come. We invite you to leverage the unprecedented opportunity of today’s 50+ market through the valuable insights reflected in “7 Reasons 50+ Adults Will Grow Your Bottom Line.”

If you have questions, comments, or are interested in learning more, AARP Media Solutions is here to help.

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AARP Media Solutions

SOURCE U.S. Consumer Expenditures Survey, AARP Membership
There are 120 million consumers age 50 and older.

Today, due to the Baby Boom (1946-1964), decades of immigration, and increased longevity, they represent an astonishing 46% of the adult population.

Because of their enormous numbers and the advent of demographic targeting, Boomers were marketers’ darlings as they transitioned from childhood through adulthood. And, as a result of Boomers aging into each new life stage, industries—from toys and cars to housing and healthcare—were founded, and flourished. Yet, once they turned 50, they became perceived as part of a larger, invisible demo in the eyes of many marketers.

The irony here is the reason the 18-49 demographic became the desired consumer target was to reach Baby Boomers as they bought their way through each life stage. So why now, when generations between age 18-49 have increasingly less buying power, are 50+ consumers no longer directly pursued by most mainstream marketers?

One misperception might be that 50+ has a limited life span as a consumer. While life expectancy at the turn of the 20th century was 47 years old, thanks to innovations in health, wellness, and technology, today’s 50+ Americans can expect to live for at least three more decades.

Even as a mature cohort, 50 and older consumers will remain a dominant and highly powerful consumer group for decades to come. As a marketer, no matter your age, 50+ will likely dominate the consumer marketplace for the majority of your career.
As the wealthiest demographic in history, 50+ consumers are in the best position to boost your brand. Fueled by Boomer spending, 50+ households account for $4.4 trillion, or 53%, of our nation’s annual consumer expenditures.

While Millennials (born 1981-1996) have size, Gen Xers (born 1965-1980) have high household income, and Matures (born before 1946) have high accumulated wealth. Only Boomer households have all three.

Boomers have money in the bank. Given that people are working longer (7 in 10 Boomers expect to work past age 65 or do NOT plan to retire), many working Boomers are at the peak of their earning. Conversely, Millennials have been hampered by lingering college debt and the inability to gain a financial foothold. Today, 52% of adults age 18-29 are living at home with parents.

Since the recession of 2007-2009, 50+ consumers continue to drive our economy more than younger generations. In the past three years, their consumer expenditures have risen by $565.6 billion, representing 62% of the increase in total buying power.

The discrepancy in financial power is starkly represented by a difference of over $125,000 in median household net worth, with 50+ households at $291,000 and people 18-49 at $166,000. Finally, 50+ households own 61% of all investments and are 86% more likely to own $100,000+ in investments than 18- to 49-year-olds.

Given the size of the 50 and older consumer population and their earned and accumulated wealth, adding 50+ to your marketing strategy ensures your brand has a share of voice with the consumer group that can most profoundly impact your bottom line.
50+ consumers are a massive market with extraordinary spending power. What makes them even more valuable to marketers is that after turning 50, they embark upon a large number of new purchase decisions driven by age, life stage, or both.

1. Age milestones are a wake-up call to establishing long-term financial security, necessitating a heightened focus around planning and investing.

2. Becoming an empty nester creates new housing considerations - whether downsizing, remodeling, moving, or buying a second home.

3. Family cars are replaced by vehicles that meet evolving lifestyles, as reflected by the 59% of all new hybrids and 32% of all motorcycles purchased by 50+.

4. High rates of job and career changes create opportunities around connectedness, technology needs, and skill-building. In fact, 50+ represent half of all business owners.

5. Health becomes a daily priority with a new focus on prevention, maintenance, and management, providing new opportunities for food, health, and weight-loss marketers.

6. Given that nearly one-third of people age 50+ become separated, divorced, or widowed, new opportunities emerge around apparel, beauty, entertainment, fitness, and dating.

At 50+, consumers are looking to marketers for guidance in making the right purchase decisions for themselves, their families, and their futures. Companies that provide products and services to meet the changing needs of this audience will thrive.

Consider just a few of the significant events likely to impact Boomer spending at age 50 and beyond.

SOURCE MRI Spring 2020
While spending at 50+ is largely driven by life-stage needs, it is also driven by life-stage desires. Boomers have a history of reinventing every life stage before and after 50. This means discretionary spending on products and services help 50+ create rewarding, meaningful, enjoyable experiences throughout their second adulthood.

With both accumulated wealth and expanding market power, 50+ consumers can make purchases that others simply cannot afford.

In fact, 50+ represents close to half of American adults that are responsible for nearly half of all new vehicle sales (48%) and new vacation home purchases (48%). And, over 1 in 3 buy tech products annually — cell/smartphones, digital cameras, computers, tablets, and e-readers.

Pre-pandemic, 50+ spent more than any other demo on foreign vacations—$36.1 billion more than 18-34 and $33.7 billion more than 35-49—and in total accounted for half (49%) of all foreign vacation spending, or $70.6 billion. They spent 51% of all home remodeling dollars ($81.8 billion — $1.5 billion more than 18-49), and made 43% of all trips to restaurants each month, or $1.7 billion more than Gen X on home remodeling. Given that adults 50+ have suffered less than younger adults during the current recession, they are likely to be an even more crucial consumer as the U.S. recovers.

More than any other demographic, 50+ consumers have the ability to go beyond buying essentials and spend on those “extras” that help them truly make the most of life at 50+. Before the end of this decade, 63.9 million more Americans will enter the 50+ life stage. Marketers who invest in the 50+ audience now will reap rewards for decades to come.
The digital age has changed the way people do business and connect with family and friends. Despite popular misconceptions, 50+ consumers embrace technology as part of their daily lives. Nine in ten 50+ (89%) are online. In fact, consumers age 50-64 (93%) are almost as likely to go online as Millennials (96%).

On the surface, it may seem that 50+ use digital media in much the same way that younger consumers do. However, their actual online experience differs significantly and reflects unique life-stage goals, making them more appealing than their younger counterparts.

Based on MRI data, 9 of the top 10 activities people 50+ engage in online are the same as those under 50. 50+ have increasingly adopted the vast potential of the Internet to support their everyday lives - from seeking health and financial info, to staying connected to family and friends, to making an impact in their communities and beyond, and leveraging many of the entertainment opportunities available.

Online shopping is the #3 online activity engaged in by 50+ (vs. #4 for Millennials). They account for $34.3 billion in online purchases, or 42% every year. Research from comScore indicates that 50+ are 9X more likely than 18-49 to authorize purchase decisions online and account for 81% of heavy online searchers, making them an ideal target for marketers looking to get more bang for their proverbial buck.

Advertisers who make the investment to connect with the 50+ online audience through a combination of robust content, effective creative, and targeting will cash in on the audience that accounts for 42% of all online sales.
6. Ready and Responsive

Marketers who speak to 50+ on their own terms, which means portraying them as they see themselves—not getting older, but in perpetual middle age—will find a highly engaged and responsive audience looking to create better lives at 50+. Ironically, the youth-focused fashion industry has taken a leadership role in this regard with a range of older women and men featured in premium brand campaigns in 2020. These brands include Coach (Jennifer Lopez, 50), Moncler (Will Smith, 51), Yves St. Laurent (Lenny Kravitz, 56), L’Oréal Paris (Susan Sarandon, 73), and Gucci (Jane Fonda, 82). This is exactly the kind of marketing needed to grab the attention of all generations of 50+.

This is not to say 50+ only responds to ads that target them exclusively. Universal creative also works, but it must show authentic messaging that is relevant to the lives of a diverse and growing demographic. Apple has done an exceptional job creating products, aesthetics, and marketing with cross-generational appeal. Marketers who recognize the power and nuance of the 50+ market, and realize these vital consumers want to be targeted in ways they relate to, will find an eager audience searching for products and services that enhance their lives.

Advertising must accurately portray 50+ vitality, priorities, relationships, and the roles they play in their families, communities, workplaces, and society at large.

SOURCE
With money comes power. The generation with the most money—Boomers—finds itself in a unique position to heavily influence the spending of those in and beyond their own households.

In the wake of recent economic uncertainty, the number of multigenerational households has skyrocketed to its highest level since the Great Depression. 64 million Americans live in a house with at least two adult generations. 79% of parents with adult children age 18-34 are providing some form of financial support. In fact, over half (52%) of 18- to 29-year-olds currently live with either one or both parents.

These adult children have become accustomed to a certain standard of living. Faced with the realities of the modern financial climate, they are forced to move back home in order to maintain their lifestyle, placing many of their purchase decisions back in the hands of their Boomer parents.

Additionally, Boomers are Influentials, those individuals that GfK Roper defines as highly trusted, well-informed consumers who make frequent recommendations across broad social networks. Boomers represent over 1 in 4 (25%) Influential consumers across 60 different categories measured by MRI-Simmons, including key categories such as real estate, home remodeling, household furnishings, vacation travel, finance/investments, healthcare, insurance, pharmaceuticals, and groceries.

With category Influentials comprising at most 13% of all adults, marketers targeting Boomers will hit the Influential market sweet spot. Because Influentials are significantly more likely than other consumers to pay attention to marketing messages, marketers targeting Boomers will maximize the power of their messages to impact all Americans.

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One out of two 18-to 29-year-olds now live with his/her/their parents

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7 Reasons 50+ Adults Will Grow Your Bottom Line

1. **Sheer numbers** There are 120 million consumers age 50 and older. Today, due to the Baby Boom (1946-1964), decades of immigration, and increased longevity, they represent an astonishing 46% of the adult population.

   Even as a mature cohort, 50 and older consumers will remain a dominant and highly powerful consumer group for decades to come. As a marketer, no matter your age, 50+ will likely dominate the consumer marketplace for the span of your career.

2. **Spending power** As the wealthiest demographic in history, 50+ consumers are in the best position to boost your brand. Fueled by Boomer spending, 50+ accounts for $4.4 trillion, or 53%, of our nation’s annual consumer expenditures.

   Given the size of the 50 and older consumer population and their earned and accumulated wealth, adding 50+ to your marketing strategy ensures your brand has a share of voice with the consumer group that can most profoundly impact your bottom line.

3. **Life stage triggers** 50+ consumers are a massive market with extraordinary spending power. What makes them even more valuable to marketers is that after turning 50 they embark upon a large number of new purchase decisions driven by age, life stage, or both.

   At 50+, consumers are looking to marketers for guidance in making the right purchase decisions for themselves, their families, and their futures. Companies that provide products and services to meet the changing needs of this audience will thrive.

4. **Responsible rewards** While spending at 50+ is largely driven by life-stage needs, it is also driven by life-stage desires. As they have done through every life stage, inspired by Boomers’ history of reinventing every life stage before and after 50, this means discretionary spending on products and services that help 50+ create rewarding experiences.

   50+ consumers, more than any other demo, have the ability to go beyond buying essentials and spend on those “extras” that help them truly make the most of life at 50+. Marketers who strike now will generate sales levels among 50+ that won’t be seen again for another 20 years.

5. **Plugged in** The digital age has changed the way people do business and connect with family and friends. Despite popular misconceptions, 50+ consumers embrace technology as part of their daily lives. Nine in ten 50+ are online (89%). In fact, consumers age 50-64 (93%) are almost as likely to be online as Millennials (96%).

   Advertisers who make the investment to connect with the 50+ online audience through a combination of robust content, effective creative, and targeting will cash in on the audience that accounts for 42% of all online sales.

6. **Ready and responsive** Boomers are the first generation to have been a primary marketing target from childhood to the beginning of their middle-age years, making them the savviest consumers. Yet, marketers have abandoned them just when they’ve got more spending power than ever - and when they are most looking for marketers’ help.

   Marketers who recognize the power and nuance of the 50+ market, and realize these vital consumers want to be targeted in the ways they relate to, will find an eager audience searching for products and services that enhance their lives.

7. **Boomer bonus** With money comes power, and the generation with the most money, Boomers, finds itself in a unique position to heavily influence the spending of those in and beyond their own households.

   With category Influentials comprising at most 13% of all adults, marketers targeting Boomers will hit the Influential market sweet spot. Because Influentials are significantly more likely than other consumers to pay attention to marketing messages, marketers targeting Boomers will maximize the power of their messages to impact all Americans.