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For Advertisers, Baby Boomers Are A Market Hiding In Plain Sight

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Transcript

SCOTT SIMON, HOST:

I'm Scott Simon.

(SOUNDBITE OF SONG, "PENNIES FROM HEAVEN")

LOUIS PRIMA: (Singing) Every time it rains, it rains pennies from heaven...

(SOUNDBITE OF SONG, "MONEY")

BARRETT STRONG: (Singing) The best things in life are free. But you can give them to the birds and bees. I need...

(SOUNDBITE OF SONG, "MONEY")

PINK FLOYD: (Singing) Money, get away...

SIMON: NPR's Ina Jaffe joins us now from NPR West for a conversation that we call 1 in 5, about the one-fifth of the population that will be 65 years old or more just 15 years from now. Ina, why are they all singing about money?

INA JAFFE, BYLINE: Well, you know how bank robber Willie Sutton allegedly said that's where the money is? In just five more years, nearly half of all adults in this country will be 50 or older and they will control about 70 percent of the country's disposable income. And that's according to a study from the market research firms Nielsen and one called BoomAgers.

SIMON: Seventy percent perhaps, but certainly, a lot of older Americans aren't going to be rich at all.

JAFFE: No, no. It's just that older Americans have had more time to accumulate savings and investments. If they're still working, they're at their peak earning years probably. Plus, expenses for things like mortgages and the kids' college tuition may be going down for some of them.

SIMON: Yeah, but not for all of them.

JAFFE: That's true. And those aren't the only reasons that some of the people we're talking about will have to keep working. A lot of older adults haven't saved enough to retire. According to one recent survey, about a quarter of people between the ages of 50 and 64 haven't saved anything for retirement. And we should also remember Scott, that poverty is still a problem. Around 10 percent of people over 65, they're living in poverty. And the percentage is even higher in minority communities and for women who are living alone.

SIMON: I have to assume that if this group is going to have 70 percent of the country's disposable income in their hands, advertisers and marketers are taking notice.

JAFFE: Well, you'd think so but there's an AARP study that shows that baby boomers alone account for nearly half of all consumer spending, but only 10 percent of marketing dollars are aimed their way. I mean, Scott, what commercials do you see that are focused on older adults? They're for denture creams and incontinence products. Blood thinners are big. In other words, products that have something specifically to do with getting old. I recently spoke to a guy named Ken Dychtwald. He's the founder of a company called Age Wave. They do research and consulting. And he thinks businesses are missing a big opportunity to sell all kinds of stuff to older people.

KEN DYCHTWALD: Maybe our marketers should stop targeting all their ads to 22-year-olds and go after the 55-year-olds. Maybe we ought to be thinking about what kind of cars do they want to drive? What kind of boats do they want to buy? What kind of gifts for their

grandchildren? My view is that the most vibrant market that's hiding in plain sight - the people with the time and the money and the interest, are people over 50 and they're largely ignored.

SIMON: Why would that be?

JAFFE: You know, for a very long time the conventional wisdom has been that if you go after younger consumers, you'll have their brand loyalty for decades. Of course, that idea really took off when baby boomers were those younger consumers and the sheer enormity of that generation represented tremendous opportunity.

SIMON: Yeah. On the other hand of course then you have the success of the most interesting man in the world. Do know what ad I'm talking about?

JAFFE: Yes, I do. I do, Scott.

SIMON: He looks to be well over 65 years of age and, you know, people are hanging off of his weathered biceps, aren't they?

JAFFE: Yes. Very gorgeous, much younger women are hanging off of each of his arms. But you're right, Scott. There are exceptions. And surprisingly one of them is the usually youth-obsessed world of women's fashion, and that's one of the things we can talk about next time.

SIMON: All right. Stay thirsty my friends...

JAFFE: (Laughter). You bet.

SIMON: ...To coin a phrase. NPR's Ina Jaffe, she covers aging for NPR. She joined us from NPR West. Transcript provided by NPR, Copyright NPR.

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