



# Facts on Aging

## Rise of the Silver Industries

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***Americans age 50 and older make up the fastest growing market today, now comprising 29% of the U.S. population. Yet this consumer group controls 70% of all disposable income. This increasingly powerful market is driving the growth of the so-called Silver Industries: businesses that create, produce, market and sell goods and services to older people. Despite this enormous “age wave” large parts of corporate America still haven’t recognized the potential of reaching this critical senior market.***

### *Sizing up the Mature Market*

- In this decade alone, the much-celebrated 25-to-44 age group will shrink by about 4.3 million people, with a corresponding loss in purchasing power of approximately \$106 billion dollars. At the same time, the 45-to-64 age group will grow by about 16 million people, with an increase in spending power of about \$360 billion.

*Source: Glenn Ruffenach, Why Gerontologists Should Join Forces with the Business Community, 2005*

- Boomers earn more than \$2 trillion in annual income and own more than 77% of all financial assets in the U.S. And they are going through more transitions now than in any other time in their lives. Each of those transitions is a tipping point for product and service decisions.

*Source: Tapping the Boomer Marketplace, by Mary Furlong, 2007*

#### Why Target Seniors?

- Nearly 28% of all seniors are Internet enabled. Of the seniors who are in the top 30% income bracket, nearly 80% are Internet enabled.
- Seniors spend over \$7 billion online.
- Seniors have a cumulative household value of \$19 trillion.
- Seniors purchase more than 40% of all new cars and over 80% of the luxury new cars.
- Seniors purchase 74% of all prescriptions
- Seniors spend more time online than teenagers.

*Source: U.S. Census Bureau*

- Seniors like to travel and do it often: they represent 80% of all luxury travel purchased in the U.S., make up 65% of all cruise passengers and typically spend 74% more on vacations than the 18-49 year-old population segment.

*Source: Mature Market Facts, 2003*

- Boomers are willing to spend vast amounts of money to stay healthy – so they buy Bowflex machines, free weights and vitamin supplements. Annual revenues for the weight-loss business alone jumped from \$100 million in the 1950s to \$50 billion in the 1990s.

*Source: Tapping the Boomer Marketplace, by Mary Furlong, 2007*

- Grandparents are a major consumer market. There were 69 million U.S. grandparents in 2000, a number expected to grow to 80 million by 2010, and they spend a median of \$489 per year on their grandchildren, about \$30 billion annually.

*Source: AARP Special Study, 2002*

### *Tapping into the Boomer Market Potential*

- People over the age of 50 account for half of all the discretionary spending in the U.S., and they are voracious cultural consumers. They watch more television, go to more movies, and buy more CDs than young people do. Yet, Americans over 50 are the focus of less than 10% of the advertising. In short, the romanticization of youth persists.

*Source: Glenn Ruffenach, Why Gerontologists Should Join Forces with the Business Community, 2005*

- In contrast to previous aging generations, boomers are more likely to try unfamiliar brands than are consumers aged 16 to 34.

*Source: What do Boomers want in 2006?, by Joanna Krotz*

- Marketing messages that embrace clichéd themes not only miss their mark but also alienate older adults. A recent survey reported that people over age 50 feel that advertising messages geared to them are condescending, stereotypical and place far too much emphasis on medical conditions. Smart marketers are replacing conventional approaches

with new ways of understanding and connecting with mature Americans.

*Source: The Business & Aging Networker, 2001*

- The growing boomer market is misunderstood by many businesses that assume all boomers share the same tastes and passions. Actually, the boomer generation represents hundreds of market segments. The key to reaching this market is in developing relevant services and products through understanding the demographic data, the trends, the psychology of boomers and the most effective ways to communicate with the target audience.

*Source: Tapping the Boomer Marketplace, by Mary Furlong, 2007*

- Experts say the financial services industry will be particularly promising for gerontologists. Americans 50 and older control more than 70% of the nation's wealth, and companies that want to capture their share of that market will look for specialists trained in both finance and aging.

*Source: Bob Moos, Dallas Morning News, Nov. 18 2006*

## *Marketing to the Aging Consumer: Some Examples*

- Boomers, unwilling to give up their youth, are pouring \$30 billion a year into anti-aging products. An AARP survey found that 35% have tried anti-aging cosmetics and 53% use hair color to hide the gray. It is estimated that in the next three years, anti-

aging will be a \$50 billion industry.

*Source: Evolution of the Link Between Business and Aging, H. Dennis*

- In 2002, 6.9 million people age 55 and older belonged to gyms – a 350% jump compared to 1987. The International Health, Racquet and Sportsclub Association estimates that one third of all U.S. clubs are revamping facilities, equipment, and exercise programs for an older clientele. Programs for older gym goers include classes that focus on balance, range of motion, osteoporosis-fighting strength training, arthritis-friendly aquatics courses, and chair-exercise classes.

*Source: AARP Magazine, April 2005*

- Boomers spent an estimated \$42.7 billion on apparel in 2004. But they don't wear the same sizes they wore at age 18. Clothing stores are opening across the U.S. that specialize in great-looking apparel for woman over age 35 – clothing that has verve as well as elastic waistbands.

*Source: Tapping the Boomer Marketplace, by Mary Furlong, 2007*

- While the car is becoming increasingly "intelligent", with innovative applications of information technology to assist younger and older drivers alike, these novel systems present their own problems. A major challenge for the auto industry is how to develop and integrate these innovations into the car of tomorrow with drivers who have decades of experience driving the car of today.

*Source: Joseph F. Coughlin, in: Generations Winter 2004-2005*

***More than ever,  
older people will be a big part  
of our economy and culture.  
Even if you don't pursue  
gerontology as a career,  
you're going to be affected by it.***

*Robert Atchley, Gerontologist*



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