

# The Boomer Elite: A Brief Overview of One of Today's Most Coveted Markets

## Executive Summary: The Wealthiest Boomers

All Baby Boomers are wealthy, aren't they? The way the media portrays this generation, with headlines such as "Wealth of Baby Boomers May Prove To Be A Rich Part of Our Future," you may believe this to be true. While Boomers are "wealthier" than previous generations when comparing median net worth, not all members of this generation are wealthy.<sup>1</sup> Only a fraction, 9% or 6.5 million consumers, of Boomers are truly affluent. This segment of the Boomer population has significant income and while only 9% of the population, accounts for 17% of intended spending on select products in the next year, making them attractive to marketers.<sup>2</sup>

Focalyst has defined the Boomer Elite as those consumers born between 1946 and 1964 that are either working with a pre-tax annual household income of \$150,000 or more, or are retired with a household income of \$100,000 or more. To capture this segment, marketers must understand their habits, attitudes and behaviors, and how they differ from the general Boomer population. Areas where there are significant differences are in the way they handle their finances, how they shop and spend, where their brand loyalty lies, and in advertising and media attitudes.

### Profile of Average Boomers vs. Boomer Elite

	Average Boomers	Boomer Elite
Percentage Male	49%	64%
Married or Partnered	69%	92%
Children in HH	37%	42%
College Educated	73%	92%
Health Status Rated Very Good/Excellent	55%	75%
Avg. Market Value of Home	\$282,000	\$519,000

Source: Focalyst



The analysis, opinions and data presented in this report are based on the information available at the time of publication and are subject to change.

## Key Takeaways:

- The majority of Boomer Elites feel that they are always on top of their finances (91% vs. 80% of total Boomers) and that they have prepared well for retirement (82% vs. 57% of total Boomers).
- These affluent Boomers are comfortable making their own financial decisions, with only one third say they "seldom make a financial move without an expert opinion."
- The Boomer Elite are very loyal to financial related services, such as banks, brokerages and credit cards. When choosing a financial or brokerage firm, 54% of the Boomer Elite use one company all of the time.
- Boomer Elites place a high level of importance on their homes, not just as a shelter, but as both an investment and as an extension of their own image. 40% of the Boomer Elite have a real estate investment other than their primary residence, as compared to 18% of the total Boomer population.
- Print media are particularly effective with this group, as they are spending a lot of time with newspapers and magazines, an average of more than 30 minutes every day with each, and over 43% say they read the ads in magazines that they subscribe to.

While the notion that all Boomers are wealthy is a misnomer, the 6.5 million consumers that comprise the wealthiest of this generation, the Boomer Elite, cannot be ignored. Wielding large wallets and a willingness to spend make this segment attractive, but its demand for value, its brand habits and shopping awareness make it a difficult one to capture. Products that help save them time or make them feel good about themselves, whether it be their image, their intelligence or through altruism, have a good chance to connect with this savvy group.

*The majority of the analysis in this report stems from data from The Focalyst View, the largest, most comprehensive view of Boomers and beyond. With 30,000 respondents between the ages of 42 and 87, the study provides the most comprehensive view of this lucrative market. Focalyst™ (www.focalyst.com) is a leading source of information and insights about Baby Boomers and Mature consumers. As a Millward Brown specialty practice supported by AARP Services Inc.,<sup>SM</sup> Focalyst offers a broad range of qualitative and quantitative custom research solutions. Focalyst pioneered the largest, most comprehensive study ever conducted about Boomers and Matures and has the unique expertise to help marketers better understand and connect with this important demographic.*

*For more information call 212.548.7270 or email Jackie.Bartolotta@focalyst.com.*

<sup>1</sup> Comparing Boomers' and Their Elders' Wealth at Midlife, John Gist, AARP Public Policy Institute (September 2005).

<sup>2</sup> Intended spending in the next 12 months for apparel, beauty, home improvement, household items, technology and travel.