

Baby Boomers - Marketing to the Me Generation

Unless you've been in a dimly lit cavern for the past several decades, you know that "Baby Boomers" is the collective name given to the 76 million people born in the United States between the end of World War II and 1964. Often described as the largest, most knowledgeable and most fiscally influential demographic group in American history, their motto could very well be: Where does a 750-pound gorilla sit? Anywhere it wants!

Getting to Know Them

Dubbed the "Me Generation" for their nonstop quest for self-gratification, many "Boomers" pride themselves on their counterculture values, for having led movements for social rights and environmental awareness. However, marketers should take note?

- **The cultural rift opened by the Vietnam War** between Boomers who answered the call and those who avoided military service, or thought service dishonorable, has never completely closed.
- **Significant medical and scientific breakthroughs** beginning in the 1940s have allowed Boomers to be the first Americans to take responsibility for being healthy, not just avoiding disease; to be fit, in shape, and to live longer...in effect, taking charge of their lives in ways earlier generations could never imagine.
- **Boomers value simplicity and like being in control.** They view maintaining fitness and good health as manifestations of their ability to affect everything going on around them. For many, for example, the most dreaded aspect of a serious illness is as much being unable to think clearly or exercise as much as they want, as it is losing the ability to earn income.
- **Women may have first come into their own in this country as a result of World War II**, but it was the demographic clout of fiercely independent Baby Boomer women, combined with their widespread entry into the workplace, that has led to their increasingly controlling the purse strings of American households and businesses.
- **Out of necessity or otherwise, many Boomers of both the popular genders will continue working well-past retirement age.** In truth, if all the Boomers who begin turning 65 in 2011 retire on schedule, the effect on national productivity, not to mention the financial markets, will be enormous. As a result, policies that encourage Boomers to remain in the labor force will be a necessity, but you can bet Boomers will find a way to make it all seem trendy (just as they did when they invented the youth culture of the '60s).
- **Through all this, the adult children of Baby Boomers will continue to be an important part of their parents' lives.** Because Boomers had children later in life than previous generations, some of these children will still be in school and living at home even as their middle-age parents are gearing up second or third careers or just now realizing they may soon have their own parents to care for.

What This Means to You?

As a result of these and other factors, Baby Boomers' financial obligations will also be long-lived, and so, even now, staying on top of their long-term financial security is (or should be) a very high priority. Because of their economic clout, Boomers will always be an attractive marketplace.

Marketers have focused their efforts on Boomers for decades. "One of the surest ways to make sure a product prospers is to wait until Baby Boomers enter that stage of their lives," said Brad Edmondson, senior writer for American Demographics magazine.

Younger Boomers are still in their prime home buying and family-starting years. Yet according to LIMRA, this is a generation where life insurance has not been on their radar screens. Similarly, until recently most Boomers also were well behind the retirement planning curve.

Let's see why?

The children of the '60s married and had children later in life--but many of these marriages didn't take, and second families and weekend visitation privileges became unhappy institutions for this generation. Add the effects of corporate mergers and downsizing, the need to support elderly parents, and the Boomers' mistaken belief that they could keep spending while meeting other financial goals...it's little wonder so many found themselves with credit problems and got a late start on retirement savings.

According to a report published by the Investment Company Institute: "Baby Boomers have done less financial planning for their future than did the previous generation. Studies show that despite a large number of two-income households and a higher per-capita income, they have a lower savings rate than their parents.

"More than half of the Boomers surveyed said they did not have enough money to save regularly," according the report, which was published on the Web site of financial planning firm, Waddell & Reed, "while two-thirds felt they could not invest for the long term because of the need for immediate access to their money."

At the same time, Boomers are confident they can keep earning income later in life, either by postponing retirement, launching new careers or starting homegrown businesses. Ironically, though, according to another study, Boomers still receive as much as 10% of their wealth from living parents.

Millions of Boomers began turning 50 in 1996, but you can still market to them as though they were still in their 30s or 40s. This generation never has wanted to be like their parents, and will always be young in their minds. Boomers may have been careless with money in the past, but you can help by giving them another chance to achieve personal financial security.

Your message to this generation: It's never too late, but the sooner you start, the more you can do.