



Retirement Facts and Trends

1. Retirement as defined in the 1940's worked because 50% of the population was not expected to live past age 65. The "new retirement" issue is only an issue because of increased life expectancy. If your retirement only lasts 5 years, then leisure works. But when it lasts 25 years, it becomes a whole new phase.

2. Retiring with a sense of purpose, being psychologically prepared, is more important than financial well-being according to a study by the Center for Retirement Research:

"The results show that while economic well-being (as measured by income and wealth) does increase overall well-being, the effect is relatively small... On the other hand, two other factors stand out as having a more important effect on well-being. The first is the reason for retirement. If individuals say that they voluntarily retired, they express much higher levels of well-being compared to those who did not voluntarily retire. It is likely that if they retired before they had expected to, they may not have completed financial or *psychological preparations* [emphasis added] for retirement, leading to lower well-being in retirement... The second major factor is health. Unsurprisingly, those with poor health also experience dramatically lower levels of well-being." - *"What Makes Retirees Happy?"*, Keith A. Bender and Natalia A. Jivan, Center for Retirement Research

3. Hugh Downs on retirement: "Nothing wrong with it [retirement] if it is voluntary and if you're going on to something else. If it's mandatory or if you're going to be sitting around and doing nothing, that's wrong... As a culture, we are prejudiced against older people. We're hung up on youth. Even though more and more people are living longer and healthier lives and continuing to make positive and important contributions, people still believe clichés such as you can't teach an old dog new tricks. I'm here to tell you that you can." - *Commercial Appeal*, 4/15/05
4. William Safire on retirement: "But retraining and fresh stimulation are what all of us should require in the last of life, for which the first was made... We can quit a job, but we quit fresh involvement at our mental peril... When you're through changing, learning, working to stay involved - only then are you through." - *"Never Retire."* *New York Times*, 1/24/05
5. The age for retirement was first set at 65 by Kaiser Wilhelm in the late 1800's. It is now generally accepted among gerontologists that life expectancy may exceed 85 years - and may, in fact, reach closer to the biblical life span of 120.

Retirees' Views on Life

1. "The average person over 50 mentally pictures themselves as 15 years younger than they really are. People don't want to see who they really are. They want to see who they want to be," says Scott Gilbert, CEO Saatchi & Saatchi, Los Angeles, citing research studies - *USA Today 11/19/2002*
2. "On average, mature consumers now consider 'old age' to start at 72, not 65, according to research by RoperASW. The older they get, the older 'old' seems. Consumers younger than 50 say 'old age' starts at 68; those older than 50 say it starts a decade later at 78, according to the research." - *USA Today 11/19/2002*
3. 95% of all retirees consider themselves open-minded, 94% peaceful, and 94% independent, according to an A.I.G. SunAmerica Harris interactive Reconditioning Retirements survey. The study divides today's retirees into four broad categories: Ageless Explorers, Live for Today's, Comfortably Content, and Sick and Tired. Over two-thirds are engaged, active and enjoying a vigorous part of their life.

The Demographics of America's Retirees

1. One of the 77 million baby boomers reaches age 50 every seven seconds. That amounts to about 11,960 people a day and 4 million a year.
2. In 2001, 77 million Americans were 50 or older (comprising 28% of the U.S. population). By 2020 that segment will be 36% of the population.
3. About 6,000 Americans turn 65 every day; that figure will jump to 9,000 as the baby boomers age.
4. Nearly 35 million Americans were 65 or older in year 2000.
5. Consumers aged 65 and over make up 13% of the population but account for only 2% of the characters on prime-time TV.
6. By 2020 16% of US adults will be over 65, up from 13% in 2004. Only 4% of Americans were 65 or older in 1990.
7. The average American who retired in year 2000 was 62 and could expect to live another 20 to 22 years .
8. In the next 25 years, there will be over a million centenarians in this country.
9. Average life expectancy in U.S. in 1903 was 47. Today it is just over 77.
10. More than 20% of the baby boom population is already over 50 years of age.
11. More than 30 million U.S. adults have taken educational vacations to learn or improve skills, or to pursue a sport or hobby.

12. Over the next 10 years, for the first time in U.S. history, population growth will be driven not by increase in birth rate, but by a decrease in mortality rate.
13. The number of people 80 years of age or older is projected to grow approximately three times faster than the overall population through 2010.
14. In 2001, 12 to 16 percent of retirees were working after retirement, whereas surveys show that 80 percent of baby boomers say that they expect to work after retirement.
15. 53% of baby boomer women color their hair.
16. A 20-year Yale University study conducted by Becca Levy, epidemiologist, showed that older consumers with "positive" perceptions of aging live seven years longer than those with "negative" ones. - USA Today 11/19/2002
17. Nationwide survey by Ultima II of women over 45:
 - a. 70% are willing to try new things
 - b. 60% are willing to go back to school
 - c. 73% want to spend more time with their families rather than focus on their careers
 - d. 40% feel they look better now than at any point in their lives
18. Between 2000 and 2010, the number of American's between the ages of 55 and 64 will jump 47.2%, compared to a scant 2.8% increase among those aged 25 to 34, according to the Bureau of Labor Statistics. Moreover, 35 - 45 year olds, who probably account for the bulk of top management talent, will actually drop 13.7%.

The Importance of America's Retirees

1. Americans older than 50 control more than 77% of the country's financial assets.
2. Americans older than 50 account for 54% of consumer demand.
3. Americans older than 50 account for 74% of all health care spending.
4. Americans older than 50 account for 77% of all prescription drug purchases.
5. Americans older than 50 account for 61% of purchases of over-the-counter drugs.
6. Americans older than 50 account for 80% of luxury travel purchases.
7. Americans older than 50 account for 47% of auto sales.
8. Americans older than 50 account for 41% of sales of all new cars and trucks.
9. Baby boomers spend more than any other age group on travel, recreation and personal care products.