



The Freetirement Generation

Research commissioned by

March 2007



FRIENDS PROVIDENT

The *Freetirement Generation* research was commissioned by Friends Provident and undertaken in January and February 2007.

The members of the Social Issues Research Centre staff responsible for the project were Dr Peter Marsh, Simon Bradley, Carole Love, Patrick Alexander and Kate Kingsbury.

Further details of the research can be obtained via group@sirc.org or +44 (0) 1865 262255

Contents

Summary and highlights	4
Introduction	7
Key questions	7
The <i>Freetirement Generation</i>	8
21st century retirement in perspective	8
At the turn of the century	8
At the end of the Second World War	9
In the age of globalization	9
Retirement today	9
Sample and methods	11
Main findings	12
Characteristics of the generations	12
Defining the eras	12
Boomer wealth	13
Marriage and divorce	14
How old do we actually feel?	15
What does 'old' mean?	20
The 'Silver Surfers'	25
Retirement age	28
Planning for retirement	31
Expectations of retirement	32
The experience of retirement	34
<i>Freetirement</i>	37
Financing <i>freetirement</i>	40
The recipe for ideal <i>freetirement</i>	47
Consuming retirement	50
Transport	51
Recreation	51
Food and drink	52
Holidays	52
Marketing to the Freedom Generation	52
Looking good: cosmetics and cosmetic surgery	53
Redefining beauty	54
Conclusions	55

Summary and highlights

This report focuses on the generation of people who are approaching or have already taken retirement – the Baby Boomers, born after the end of the Second World War and before 1964 during the 'bulge' in birth rates. We have followed established conventions and divided this rather broad group into Baby Boomers 'proper' – those born between 1946 and 1954 (currently aged 52-60) – and the Shadow Boomers – those born between 1955 and 1964 (currently aged 42-51).

Attitudes towards growing old and retirement among the Baby Boomers have been compared with those of two older cohorts – those born between 1939 and 1945 (the years of the Second World War) and currently aged between 61 and 67, (WWII), and those born prior to 1939 (Pre-WWII). Comparisons have also been made with the younger group, 'Generation X' – those born between 1965 and 1981 and currently aged between 25 and 41. For our purposes, however, given the focus of the study on retirement, only the first part of this cohort has been included – i.e. people aged between 35 and 41.

Baby Boomers see their age as more characterised by political protest, liberation, music, gender equality and being anti-establishment than any other group in recent history. They are sharply distinguished sharply from both the WWII group and the Shadow Boomers in these terms. The older generations, and the Pre-WWII group in particular, identify their age as one more of tolerance, generosity and challenge compared with their younger peers. Generation X, in stark contrast, characterise their generation in terms of higher levels of greed, ambition and consumerism. This generation, together with the Shadow Boomers, are also the least likely to characterise their age as one of financial freedom.

The main methods of the study consisted of four focus groups, comprising between eight and ten participants, and a national poll of 3,400 representative UK citizens conducted to our specification and on our behalf by YouGov.

We have selected the following findings from the research to highlight the principal features of what we see as the Freetirement Generation – the Baby Boomers for who retirement is mostly seen as a potentially liberating and fulfilling experience.

- **Freetirement:** Baby Boomers are looking forward to *freetirement* — a period in their lives characterised by choice and, perhaps for the first time, the opportunity to do the things that they really want to do. This involves a wide range of activities and aspirations that is by no means restricted to stereotypes of degeneration or to 'youthful' eccentricity. The reality is far less polarised, and rather more interesting.
 - Boomer wealth: the over-50 population owns approximately 80% of the UK's wealth. 86% of poll respondents aged 52-60 own their own homes.
- **Expectations of retirement:** Retired people expected that they would enjoy a period of increased choice before they retired. They looked forward to freedom in a time of their lives mostly characterised by financial security.
 - In contrast, non-retired participants expect to find things financially difficult when they retire. More expect to have to work in retirement to support themselves.
 - While retirement is seen as an opportunity for positive activities by the younger generation, there is also a sense of anxiety. Far fewer say that

they are looking forward to the experience — 28%, compared with 50% in the retired group.

- **The ideal retirement:** For all Baby Boomers the key ingredients of a happy retirement are physical well-being, financial security, keeping busy and maintaining strong connection with friends and family.
- **Planning for retirement:** A quarter of the population have never given much thought to retirement.
 - Those who have started planning suggest that they did so at an earlier age to those who are already retired. Retirement is not quite the 'automatic' process it used to be — more thought needs to be given to the process.
 - While retired people expected to be financially comfortable, those still working expect to find things financially difficult when they retire.
 - While 21% of retired people say that they struggle to make ends meet, 32% of those yet to retire expect to struggle financially in old age.
- **Experiences of retirement:** Freedom is the distinguishing characteristic of most people's experiences of retired life — the relatively younger Baby Boomers are most likely to describe retirement with the word 'freedom', while the older pre-WWII group are more likely to choose 'happiness' .
 - Being able to pursue passions, hobbies and interests is the second-most important element, followed by the chance, simply, not to have to go to work.
 - For most people retirement is a relatively sedentary and social affair, with walking being the only physical activity ranked in the top 10 list of ways to spend time.
 - While around 50% of people say that that their retirement has, or that they expect it to, allow them to be more adventurous, less than 1% say that this would be manifested in the form of unusual or risky activities such as extreme sports. These findings contrast markedly with recent media coverage about today's grannies and grandads jumping out of planes or climbing mountains.
 - Overall, retired people see their experiences of retirement to be preferable to those of their parents.
- **Older Baby Boomers — financial security:** Most older people in the Baby Boomer cohort feel comfortable about their financial position in retirement. In particular, this Freedom Generation have higher levels of disposable income, relying principally on work pension schemes and investments. This allows them a greater sense of financial freedom. At the same time they still feel the need to be responsible about spending.
- **Consumer habits:** Baby Boomers, despite their financial prudence, are spending more on consumer products and leisure activities in their old age. This suggests the continued importance of consumption in defining how members of this generation see themselves as they get older.
- **Generation X — financial anxiety:** There is a distinct difference in perceptions of retirement between older people in the Baby Boomer cohort — the Freedom Generation — and the younger members of Generation X who are yet to retire. People in Generation X generally feel less prepared for retirement in financial terms and consequently have greater anxieties.
- **Changing perceptions of age:** The research shows an important shift in perspectives of what it means to be old, with perceptions of physical and mental age varying between the different age groups. There is general

agreement that age is a matter of how you feel, rather than a specific actual age.

- Most Baby Boomers and older people consider themselves to be between 10 and 20 years younger than their actual age. They consider themselves, mentally, to be between the ages of 40-44.
- There is a greater awareness of the restrictions of physical age, although most still consider themselves to be physically younger in this sense than their 'real' age.
- There is a clear consensus across all age groups that older people are marginalised in British society. At the same time, there is also a consensus that older people are an important force in the UK economy, as is evidenced in the marketing and advertising campaigns of companies eager to capture 'the grey pound'.
- **Perspectives on work and retirement** have also changed, suggesting that Baby Boomers are developing novel ways to incorporate continued work into the experience of retirement.
 - The majority of retired people in the study experienced retirement at what used to be the conventional age of 60 for women and 65 for men or, in many cases, younger. Expected retirement ages have, however, shifted upwards. The most common peak is now the 65-66 years category.
 - 13% of people do not expect to retire at all.
 - While some retired people see continued work as a financial necessity, most see it as a matter of 'work-life' balance: work continues to provide structure and social contact.
- **New technologies** are playing an important part in reshaping experiences of retirement, with more and more older people maintaining social networks online.
 - Older people are increasing joining the online community.
 - While the ability to surf the web and the exchange email is generally considered to be an essential part of their lives, older people suggest that other technologies might be less so: fewer use mobile phones for text messaging and very few own games consoles or mp3 players.

Introduction

The issue of what it means to be old in the twenty first century is of increasing importance to the economic, political, social and cultural future of Britain. As the post-war Baby Boomer boomer generation (those born between 1946 and 1964¹) begin to reach retirement age, much speculation surrounds the question of exactly how the world's 'first teenagers' are going to grow old. The Baby Boomers are the first generation to use consumer products as vital ingredients in defining who they are. They are also of the generation of the civil rights movement, of feminism, and of the social and political liberation that characterised the counterculture of the 1960s. Now they are beginning to retire in their millions, with greater longevity and more freedom than any other generation before them. This report from the Social Issues Research Centre analyses the opinions, experiences and the expectations of older people in order to find out what it means to grow old in the UK today. It also examines the characteristics of the generation that will immediately succeed them.

Key questions

For the latest generation of old people, and for society in general, modern retirement presents an interesting set of questions. Often to the resentment of their children, Baby Boomers grew up in a period of distinct and unprecedented social and economic change, and will often tell you so. Raised in the very early years of the consumer capitalism that flourishes today, their's was the first generation to know what it felt like to be a teenager. Their's was a generation of political activism, of sexual liberation and, of course, rock n roll, but also of marriage and family, steady jobs and a pervasive, intensive, iconographic consumer culture.

Today, this is the generation of retirement. Older people – Mick Jagger, David Bowie and Tony Blair included – now make up 42% of the adult UK population.

- How will those living through this significant demographic shift experience 'retirement', whatever that really means, and how do the newer generations of of British citizens anticipate growing old?
- How will the legacy of the Baby Boomer generation's youth be played out in old age?
- Will the increasingly large retiring population be characterised by the same attitudes and outlooks that stereotypically characterised their youth?
- Or will they slip comfortably into the feet-up, knitwear stereotype of old age?
- Are they likely to bungee-jump themselves into their twilight years, as recent reports featuring extreme sports-minded grandparents suggest?
- Will there be there a happy medium between these two extremes?

1 While this is the normal definition, based on the increased birth rate between these years, it is too broad in our view to allow genuine characterisation of the diversity within it. For this reason, as described in the Methods section, we have split them into two groups.

The Freetirement Generation

The research undertaken by SIRC points to the fact that growing old today is characterised neither by sitting by the fire nor wakeboarding but by the freedom to choose between these and many other options. Freedom – in terms of beliefs, lifestyles, careers, and money – is a central characteristic of the ageing Baby Boomer generation and one that is often overlooked or misrepresented in public discussion of the older generations. More often than not, contemporary media representations of old age are polarised between caricatures of degeneration and decline and 'youthful' eccentricity. Old people are either polishing their bifocals in front of the television or sailing solo around the world, skydiving and knitting underwater.²

Policy analyses of modern retirement are similarly black and white. We are either facing a crippling pensions crisis,³ or Baby Boomers are primed to flood the economy with new sources of disposable income.⁴ Happily, as this report shows, the reality is rather different, and rather more interesting. Baby Boomers are not just facing the prospect of giving up work: they are looking forward to *freetirement* – a period in their lives characterised by choice and, perhaps for the first time,, the opportunity to do the things they really want.

There are, of course, some down-sides to *freetirement*, and we explore these in this report as well. But even for many of the relatively disadvantaged members of our society who are either retired or about to do so, there is a sense of broad contentment that rarely surfaces in discussions about the elderly in Britain. Perhaps the people who should be worried are not so much today's pensioners but the generation now in their 30s and 40s for whom retirement seems a distant prospect but will, nevertheless, arrive. Their's is a distinctly less optimistic prospect, as we also explore in this report.

21st century retirement in perspective

In order to form a balanced perspective of growing old today it will be useful to take a quick look back at how experiences and perceptions of old age and retirement have changed in recent years. Retirement, after all, is a relatively new phenomenon – it is by no means a 'natural' or universal characteristic of growing old.

At the turn of the century At the end of the 19th century and during the first half of the 20th century, old age was principally characterised by poverty. For most people, getting old was not about deciding to stop working – it was about working until you were too old to provide for yourself. The Poor Laws in place at the end of the 19th century did little to alleviate the poverty experienced by most working class people in Britain. While the early welfare reforms put in place during the first half of the 20th century provided some support in the form of old age pensions and housing, retirement remained an option for a relatively small proportion of the population.

2 *Guardian*, G2 Section, January 21st, 2007

3 *The Times*, September 9th, 2003, 'Selfish generation' is a threat to the welfare state

4 *The Daily Telegraph*, July 12th 2004, 'Harleys and Hornbys for the wealthy middle-aged'

At the end of the Second World War By the 1950s, experiences of retirement were beginning to change. Welfare support for Britain's elderly still fell short of needs but levels of poverty among older people had begun to diminish steadily. Older men were actually able to stop working and live off their pensions and for the first time retirement started to become an increasingly 'normal' stage in people's social and professional lives.

From this point on we began to develop the traditional notions of retirement and old age that apply today. At the same time, the 1950s also marked a period of significant change for younger generations. For those still working and raising the world's first teenagers in the 1950s and early '60s, soaring incomes and shorter working hours meant more money and more time to spend – providing the base upon which a new culture of consumption and leisure, from televisions and branded foods to seaside holidays, would develop. These fundamental social, political and economic changes helped to shape the unprecedented nature of the cultural climate in which the Baby Boomer generation experienced their youth and, subsequently, their working lives.⁵

In the age of globalization Just as the 1950s marked a watershed in the social and economic life of Britain, so did the changes taking place at the end of the Twentieth century. Social and economic globalization and the development of new digital technologies have profoundly effected patterns of work, family structures and the very means by which we communicate with one another. The society into which Baby Boomers are beginning to retire is not characterised by jobs for life or traditional patterns of marriage and child-raising, as it was when they began to work. Digital technologies such as the internet, and an ever-more pervasive and self-referential consumer culture, have allowed normal boundaries between age groups to be blurred. Children can be adults online and adults get together to watch *The Simpsons*.⁶

Retirement today Given the extent of the social and economic change that has taken place in Britain since the end of the Second World War it is perhaps not too surprising that the nature of retirement and old age has changed as well. For the Baby Boomers, retirement is being constructed relative to experiences that have been categorically different to those of their parents. As a generation they are wealthier, healthier, and better educated – total domestic income in Britain almost tripled between 1950 and 2000⁷ – and the identities of Baby Boomers are inextricably tied to the culture of consumption that has made pop music, phones, stereos, washing machines and computers normal parts of their life experiences.

Rates of life expectancy at age 65 are at the highest levels ever. People retiring now can expect to live well into their late 70s and 80s – showing an increase of more than a decade since the 1950s.⁸ In 1963 the Robbins Report ushered in the beginning of a massive increase in the number of people going to university, adding to the changing nature of the UK workforce.

5 Gilleard, C. & Higgs, P. (2002) The Third Age: Class, Cohort or Generation? *Age & Society*, 22, 269-282.

6 Prout, A. (2005) *The Future of Childhood*. London:Routledge

7 Gilleard, C. & Higgs, P. (2002) op cit, 377.

8 Office For National Statistics, <http://www.statistics.gov.uk/cci/nugget.asp?id=168>; Office of Health Economics, www.ihe.org.

With these factors in mind it is unlikely, indeed perhaps impossible, that Baby Boomers will grow old and retire as their parents did.

Sample and methods

Both qualitative and quantitative methods were used in the study. Four focus groups were convened in SIRC's studio. This is equipped with remotely controlled video cameras and sound recording equipment to provide detailed material for subsequent coding and analysis. Three of the groups comprised between eight and ten participants between the ages of 51 and 75, selected to provide a reasonable spread across age, gender and social class categories. The fourth group included participants in the 25 to 45 age group.

Coding and analysis of the transcripts of the focus group discussions was undertaken in order to frame questions for inclusion in a bespoke national poll. This was conducted online by YouGov between 15th and 20th February 2007. The sample consisted of 3,400 nationally representative citizens between the ages of 35 and 95. It included those who were retired, including people retired from their main profession but still working part-time (1,734) and those who were not retired (1,563), yielding analysable data for N=3,297.

For the purposes of analysis the sample was segmented into five age categories using standard classifications that are common in social science and consumer research. The Baby Boomer generation is normally described as those born between 1946 and 1964 – the years covering a distinct increase in birth rate. This classification, however, is generally regarded as too broad, comprising people currently aged from 60 down to 42 spanning two distinct cultures. We have followed established conventions¹ and describe Baby Boomers as those born between 1946 and 1954 (currently aged 52-60) while those born between 1955 and 1964 (currently aged 42-51) are termed Shadow Boomers.²

The older groups were divided into those who were born between 1939 and 1945 – the years of the Second World War – and currently aged between 61 and 67 (WWII), and those born prior to 1939 (Pre-WWII). The youngest group, following convention, was termed 'Generation X' – those born between 1965 and 1981 and currently aged between 25 and 41. For our purposes, however, given the focus of the study on retirement, only the first part of this cohort has been included – i.e. people aged between 35 and 41.

The subsequent data analysis, illustrated with appropriate extracts from the focus groups transcripts, is detailed in the following section of this report.

1 e.g. Gillon, S. (2004) *Boomer Nation*. Free Press

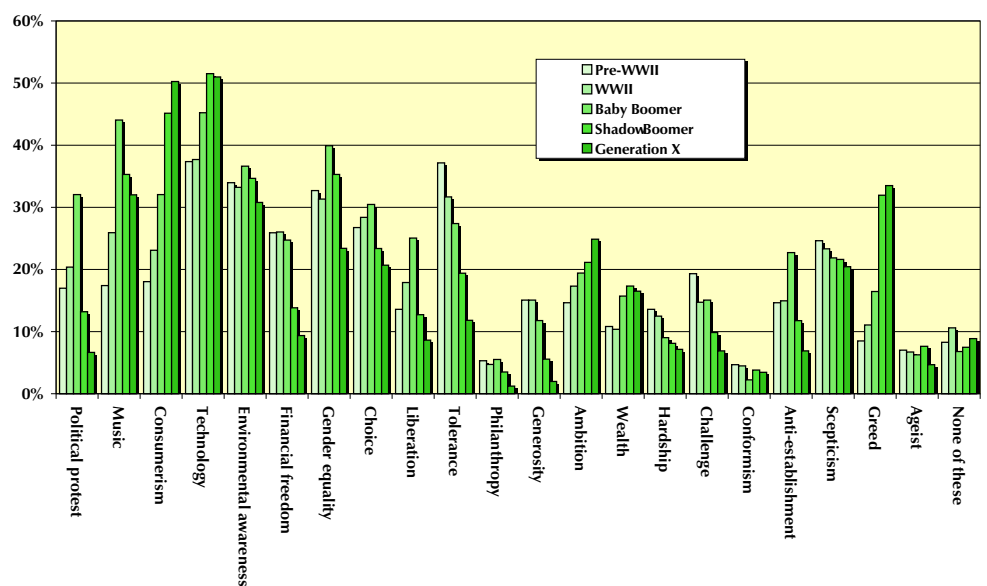
2 The term 'Shadow Boomer' is occasionally used, incorrectly, to refer to the children of Baby Boomers. These, however, are more properly described as 'Echo Boomers'.

Main findings

Characteristics of the generations

Defining the eras As noted in the previous section, the sample was divided in five categories ranging from those born prior to the Second World War to those born after 1964. To what extent, though, do such classifications have any real meaning? Do people from these different generations view themselves any differently from those who preceded them or came after them? We posed the question in our poll, giving respondents the option of selecting from a range of terms that they felt best characterised their generation. The responses are illustrated in Figure 1.

Figure 1. Characteristics of the generations



From Figure 1 it is clear that respondents in the various age categories view their generations as being characterised in very different ways. Particularly noticeable is the way Baby Boomers see their age as more characterised by political protest, liberation, music, gender equality and being anti-establishment than any other group in recent history. They are even distinguished sharply from both the WWII group and the Shadow Boomers in these terms – illustrating the wisdom of dividing those born in the birth-rate 'bulge' between 1946 and 1964 into two distinct categories.

In the focus groups, Baby Boomer participants made comments such as:

Barbara (62) "Even my brother's generation – he was five years older than me – they couldn't have sex before they were married, they had to wear certain clothing, they couldn't branch out, they couldn't wear short skirts like we were able to. They couldn't go on excursions away from the home, the mother was very forceful about what her daughter could do and what she couldn't do and that was only five years before me."

Nina (63) "My son once said to me ...when he was in his late teens or early twenties (this would have been in the eighties I guess, when it was really unfortunate and everything was a 'me, me, me culture'), he said 'you were really so lucky and I really envy you because you had all those causes...you had the Vietnam war, you had civil rights, you had all of these things'. He said [his generation] had nothing."

"We were the first generation to have our own music, we were the first generation to have our own clothes...all that kind of stuff...we invented sex! So yes, we are very special."

Ron (60) "Beatles songs, everybody in this room can sing along with Beatles songs."

The older generations, and the Pre-WWII group in particular, identify their age as one more of tolerance, generosity and challenge compared with their younger peers, linked with a slightly heightened sense of skepticism. Generation X, in stark contrast to previous generations, characterise their generation in terms of higher levels of greed, ambition and consumerism – a rather depressing self-image provided by what has been dubbed a 'lost generation'. This generation, together with the Shadow Boomers, are also the least likely to characterise their age as one of financial freedom.

The role of advancing technology is a dominant characteristic of all of these ages – most significantly for Shadow Boomers and Generation X but also for the older groups, along with increased environmental awareness.

Boomer wealth According to a recent poll, 40% of people aged 55-64 (those coming up to retirement) consider themselves to be wealthy.¹ Having worked through periods of relative economic prosperity, Baby Boomers are now reaching an age when their financial responsibilities are diminishing, leaving them with money to spare. According to the Economic and Social Research Council (ESRC), 80% of older people aged 50-64 own their own properties; at the same time people in this age range also have fewer obligations to support children and other family members.

Because of this increased disposable income, Baby Boomers are an important economic force, and the 'grey pound' has become a massive source of potential purchasing power.² According to some estimates, the over-50 population now command approximately 80% of the UK's wealth.³ They also have by far the largest amount of expendable income among older people.⁴

Our poll results support the home-owning aspect of the Baby Boomer generation. Over 86% of respondents aged 52-60 own their own homes, with over 50% having no remaining mortgage. Among Shadow Boomers and Generation X home

1 BBC, January 26, 2007, 'Baby Boomers to retire 'wealthiest'.'

2 NVision/The Future Foundation (2006) *Marketing Implications for an Ageing Population*.

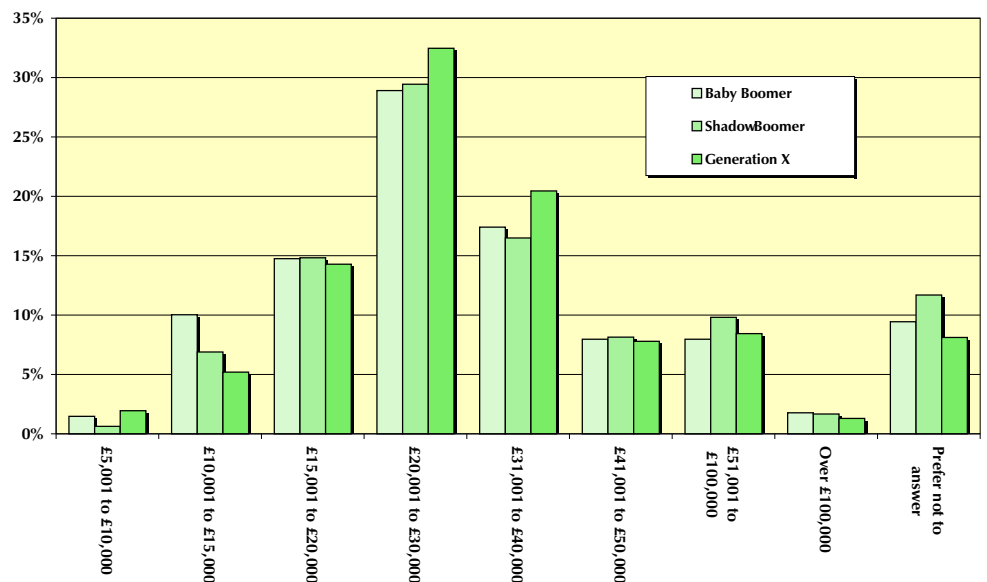
3 Carrigan M, and Smigin, I. (2000), Advertising in an Ageing Society, *Ageing and Society*, Vol. 20, 2 (2000) 217-233.

4 Department for Work & Pensions (DWP) *Focus on Older People* (2005).

ownership is also relatively high at around 65%, but only 10% or so own their properties outright.

At the same time, average annual earnings among Baby Boomers still in full-time employment is on a par with their younger peers as shown in Figure 2. Here we can see that the largest group of Baby Boomers earn between £21,000 and £30,000 – the same as both the Shadow Boomers and Generation X. They are slightly over-represented in the £51,000 to £100,000 category of income, but fewer than 10% achieve such a level. However, given the prices that Baby Boomers would have originally paid for their homes compared with current prices and, consequently the size of their mortgages, or absence of them, it is easy to see where much of the wealth of this generation has been acquired.

Figure 2. Annual incomes (those in full-time work)



The implications for retirement, at least in financial terms, are very clear and we explore this issue much further later in this report.

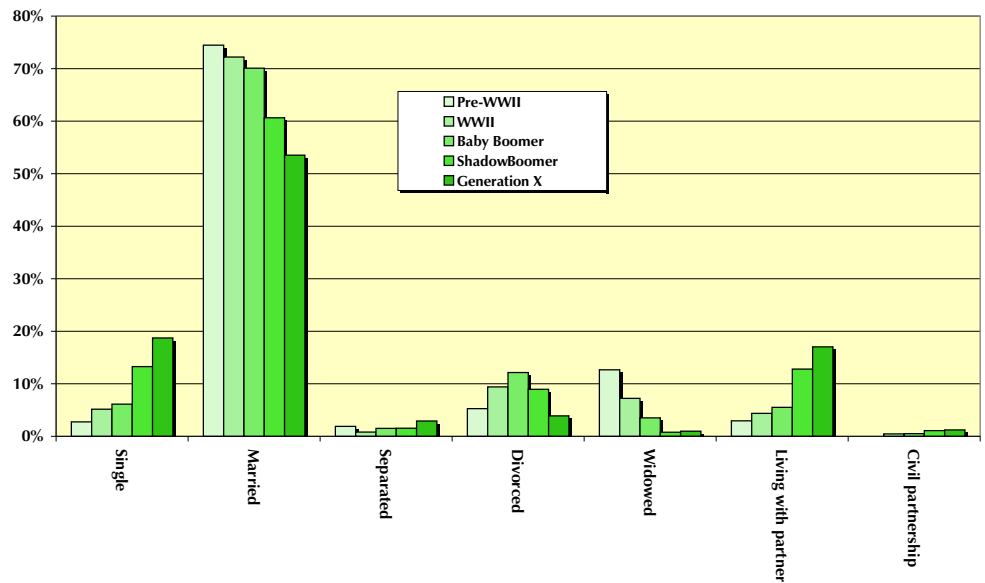
Marriage and divorce

Figure 3 below shows the marital status of respondents in the national poll. Here we can see that although the young heydays of the Baby Boomer generation in the 1960s were characterised by, among other things, free love and a rebellion against traditional family values, 70% of them are now married, with only 6% remaining single throughout their lives. The sixties' 'living together' arrangement is now largely the preserve of Generation X.

We can also see, however, that Baby Boomers have the highest divorce rate of any of the age categories – 12%. Many of these, one suspects, will re-marry and, in the case of men at least, take a younger partner.

Among the benefits of a relatively high disposable income among this group is the ability to set up a new home while paying maintenance to their ex-spouses.

Figure 3. Marital status



How old do we actually feel?

Higher levels of disposable income have had, and will continue to have in the future, significant impacts on the kinds of lifestyles that Baby Boomers choose to follow in retirement. Public debate about these patterns of consumption normally centres on the idea that they are buying back their youths – that retirement provides the opportunity to be young, reckless and care-free. But is this what is *really* happening?

The report by the think tank Demos on the Baby Boomer generation, for example, was entitled '*Eternal Youths*'.⁵ In part the report suggested that Baby Boomers are 'living life again' – that they are somehow 'returning' to outlooks and lifestyles that were put on hold during the years in which they were raising families and developing careers. Similarly, Help the Aged published a report in 2002 that dealt with ageism in marketing and advertising. In an attempt to redress unfair negative stereotypes of older people, the report created a polarised image of 'bolder' older people, which some would view as equally patronising: "increasingly, the over-50s are bold and adventurous people who love to travel and often want the sort of holidays traditionally associated with gap year students, like safaris."⁶

⁵ Demos (2004) *Eternal Youths: How the Baby Boomers are Having Their Time Again*.

⁶ Help the Aged (2002) *Marketing and Advertising to Older People*. Report of a seminar held in September 2002 as part of the organisation's campaign against age discrimination.

In the focus groups and the national poll we began to look at perceptions of age in terms of mental and physical well-being. Our focus group participants typically said that, mentally, they felt at least ten years younger than their actual age and, in some cases, twenty.

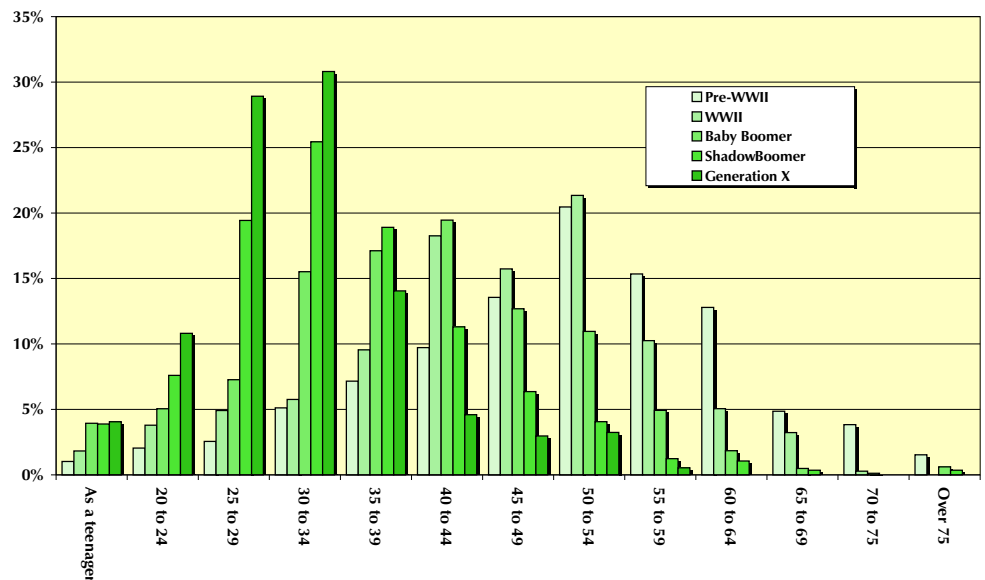
Anita (60) *"I don't [feel old] at all, I'm quite amazed to say that I'm sixty"*

Nina (63) *"Don't you find it strange being sixty if inside you don't feel it? I find it really hard ... sixty is always old when we were young and all of a sudden you're there and you don't feel it."*

Bruce (79) *"I must admit as one approaches 80 it does begin to sound a little old"*

Our poll respondents agreed, as illustrated in Figure 4.

Figure 4 Perceptions of mental age

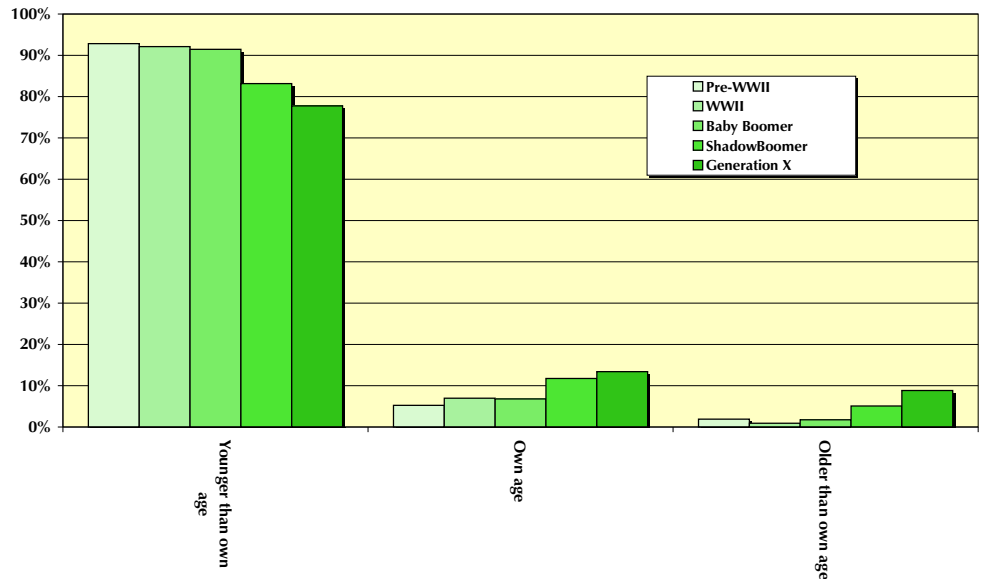


From Figure 4 we can see that Baby Boomers are most likely to feel that they are, mentally, between the ages of 40 and 44, with a significant proportion feeling even younger in these terms – between 30 and 39. The WWII group similarly tend to say that they feel either between 50 to 54 or as young as between 40 and 44. Those born before the Second World War most typically perceive their mental ages as being between 50 and 54.

This tendency to feel mentally younger than one's actual age is even more clearly demonstrated in Figure 5.

From Figure 5 we can see, firstly, that the majority of people of all generations feel younger in these terms than they really are and, secondly, that this tendency increases slightly with age – the pre-war generation has the highest level of age reduction in this sense while nearly 8% of Generation X say that they actually feel older than they really are in mental terms.

Figure 5 Perceptions of relative mental age



The average responses for each group in this context were:

- Pre-WWII — Average mental age: 51, Average actual age: 73
- WWII — Average mental age: 45, Average actual age: 65
- Baby Boomers — Average mental age: 40, Average actual age: 57
- Shadow Boomers — Average mental age: 34, Average actual age: 46
- Generation X — Average mental age: 31, Average actual age: 38

One's sense of physical age, however, is a rather different matter. One of our male focus group participants aged 60, for example, said:

Ron (60) *"I think one does feel old, especially when you think about what you can't do anymore. I've just charged down the road on my bike and it's knackered me."*

Another 60 year old female participant observed:

"In the last couple of years if I'm doing lots of heavy work in the garden, lifting heavy rocks and everything, I actually can't do as much as I used to do and it really shocked me. I can still do a lot, I've got a lot of stamina, but not nearly what I used to have and that's really irritating".

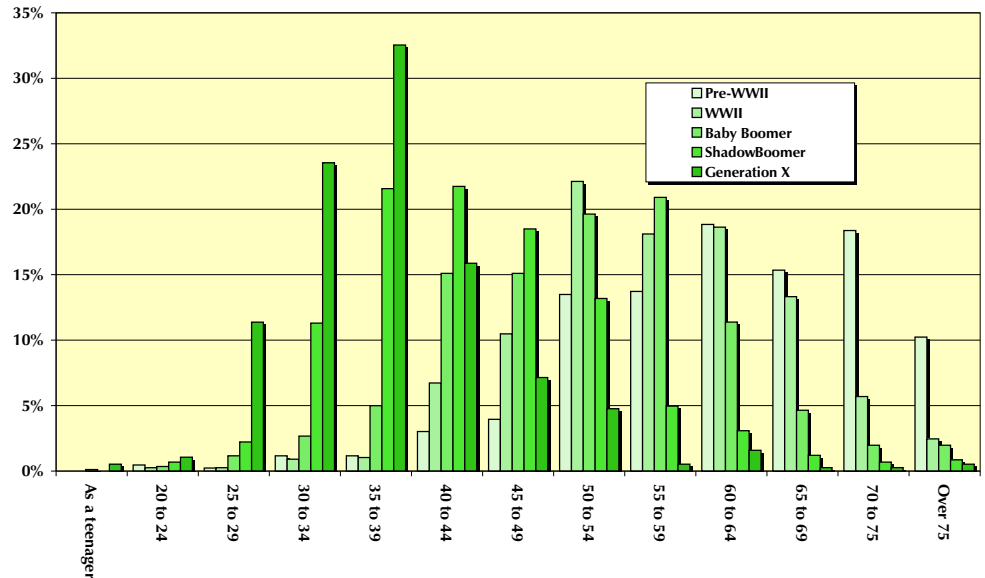
There was, however, a general agreement in the focus groups with Baby Boomers that the physical ageing process was now less rapid than in the past. One 62 year old woman, for example, commented:

Barbara (62) *"I actually think we age slower than people of a previous generation....you know people die later than they used to and they're physically more healthy than our parents were at this age."*

The responses obtained from the national poll are illustrated in Figure 6. Here we can see that perceptions of physical age tend to be rather more 'realistic' than those of mental age. Baby Boomers, for example, most typically tend to see themselves as

being between the ages of 55-59 (about their 'real age') but a substantial proportion feel physically younger than this – between 50 and 54 or as young as between 45 and 49.

Figure 6. Perceptions of physical age



Those born during World War II also typically tend to see themselves as being aged physically about the same as the Baby Boomers (between 50 and 59) but a more significant proportion put the estimate as between 60 and 64 – again close to their actual age. Shadow Boomers and Generation X also tend to have closer matches between their actual age and perceived physical age.

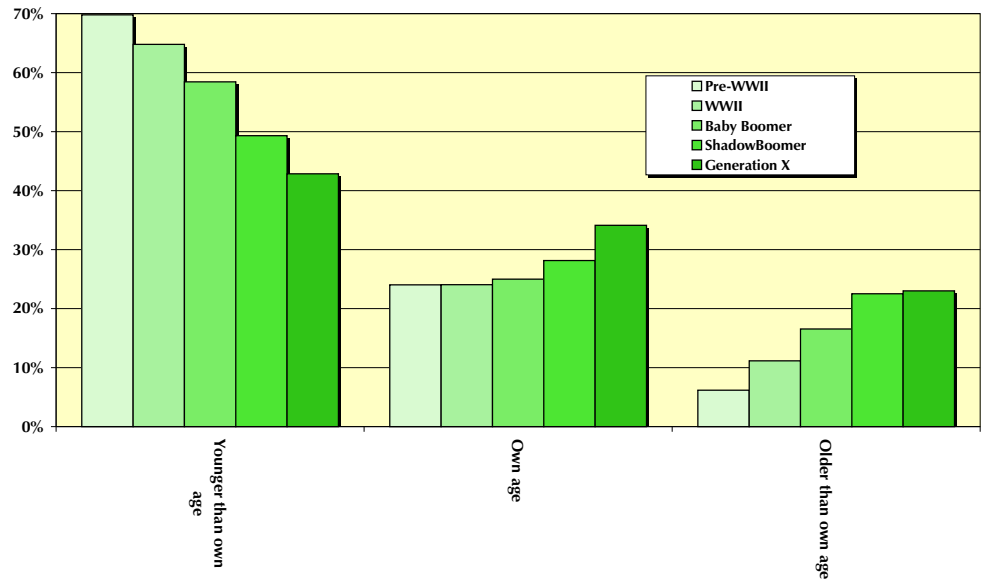
In the overall pattern of perceived physical age, however, there is still a tendency to view oneself as being physically younger than one really is, and this tendency again increases with age – quite significantly in this context.

This pattern is illustrated in Figure 7. Here we can see that 70% of the Pre-WWII group say that they feel physically younger than their real age. For Baby Boomers the proportion is 58% (still a majority) while for Generation X the figure falls to 42%.

Figure 7 also shows that over 20% of Shadow Boomers and Generation X actually feel physically older than their actual age. The reasons for this are unclear, but it might be related to current health and fitness philosophies that urge people to take more exercise, join gyms and general keep their bodies in good shape. It is, perhaps, the experience of strenuous exercise of this kind that leads one to feel physically old rather, than the fact that one's body has deteriorated. Note, in this context, the comment above from the cycling Baby Boomer. The average responses for each group in this context were:

- Pre-WWII — Average physical age: 62, Average actual age: 73
- WWII — Average physical age: 56, Average actual age: 65
- Baby Boomers — Average physical age: 52, Average actual age: 57
- Shadow Boomers — Average physical age: 44, Average actual age: 46
- Generation X — Average physical age: 38, Average actual age: 38

Figure 7. Perceptions of relative physical age



Comparing these figures with those above relating to mental age, the following overall pattern emerges. Among the oldest group (Pre-WWII), people tend to feel mentally 22 years younger and physically 11 years younger than they really are. For the WWII group the differences fall to 20 and 8 years respectively and among Baby Boomers the differences are 17 and 5 years. For Shadow Boomers and Generation X the differences fall markedly – 12 and 2 years and 7 and 0 years respectively.

In a sense, then, the old adage that 'you are as young as you feel' holds true for both mental and physical age. It is in one's older years, however, that the truism has the most significance.

Improving health and medical provision for older people has, in this sense, allowed the process of ageing to be delayed, meaning fewer and fewer people actually fit into the category of what it means to be perceived as physically 'old'. A BBC poll undertaken in 2004 suggested that the majority of people consider 70 and above to be physically old, while people aged 65 and older only consider themselves to be 'old' when they reach an age of 80 or beyond.⁷

There is obviously a difference between actual age and functional age (or how old you feel), but the fact that people are remaining physically 'young' for longer has implications for the kinds of lifestyles and values that are being sustained in retirement. This extension of physical well-being can be explained in part by the increased social and political focus on healthy living and nutrition in British society. In general people are more aware of the supposed means for maintaining a balanced and healthy lifestyle, particularly in old age, than they were in the past.⁸

7 BBC/ICM Research (2004) *Survey on ageing*

8 See http://www.bbc.co.uk/health/health_over_50/index.shtml for an example of this.

What does 'old' mean?'

While there are clear differences between people's perceptions of their own age, mentally and physically, and their actual ages, how do they perceive other people? Who do they describe as being old? We put this question to the focus groups in the following way. The moderator would say: "If I came into the room and told you that I had just been having a conversation with a nice old lady (or man), how old would you think the person was that I been talking to." The responses tended to centre around 80 years old and upwards for both the Baby Boomer groups and the one that consisted mainly of Generation X.

Participants in the focus groups who were retired tended not to associate a particular age with being old as such, other than it was usually twenty years older than they were themselves. Different aspects of physical appearance very much influenced their perception of what 'old' was. The Pre-WWII participants offered comments such as:

Janet (74) *"If I saw an old person bent and walking like that I would think she was an old person but she might only be 70, but if she was walking bent and slowly and with a stick I would think she was old but maybe she was only 70 but she was a bit arthritic..."*

Ann (72) *"If you're healthy it's a bit different – both to you and the people you perceive ... I mean sometimes I say to [my partner] 'look at those poor old people standing outside the Post Office'. I look at them and I think 'well, I wonder if they're any older than me'."*

Participants in the WWII group (mainly retired) tended to think that the term 'retired' itself was synonymous with 'old' and, for this reason, they were reluctant to apply the term to themselves:

Don (65) *"I don't like describing myself as retired, I mean given the choice I never say to people I'm retired because I think that then immediately puts you in ... a category of someone who is past it...you know, you've done your bit now you're retired. I don't like to sort of think of myself in that way."*

"yes it [retired] is a very general term...well it's kind of the end of the conversation isn't it...It's just a huge box that you get put in."

Baby Boomers in the focus groups all, without exception, saw 'old' as being older than they were themselves:

Margaret (60) *"Being old is always older than we are ... I meet 80 year olds who feel sorry for that poor old man over the road and he's actually 72 and things like that because others' perception of age changes."*

"It's all relative though isn't it. I was talking to a 99 year old yesterday who is active, articulate, interesting, not walking with a stick and I think 'I've got no right to feel old, I'm only sixty – you've got forty years on me yet!'"

Shadow Boomers and Generation X participants in the focus groups shared this relativistic approach but were also more prone to attaching specific ages to 'old'.

Poly (46) *"When I was a kid my mum at 40 seemed really old...she dressed old. She dresses younger now she's 81 than she did then."*

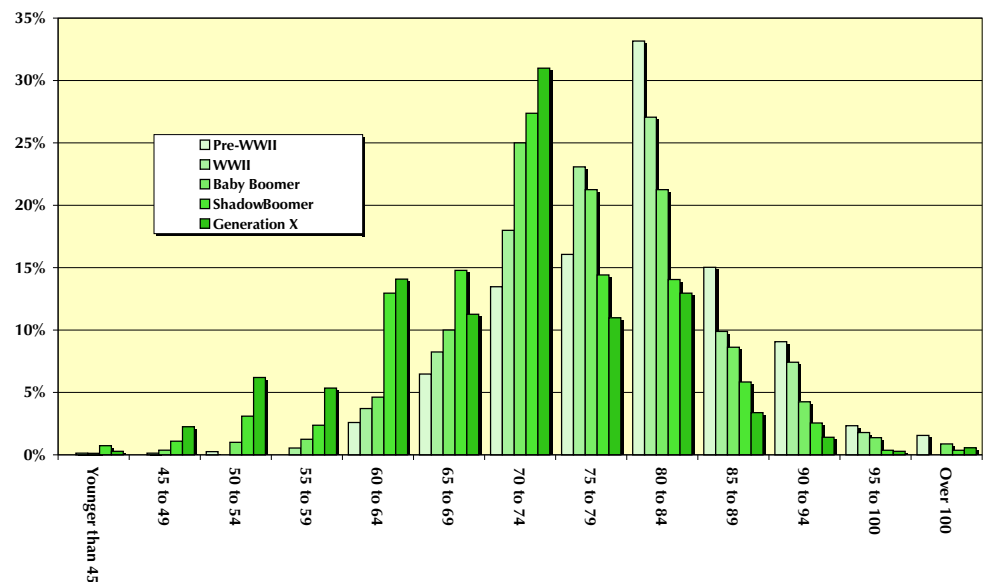
Jo (38) "70 plus is what I'd say"

Ben (40) "Yeah, 70 is what I'd say"

Walter (42) "That must have changed though ... because retirement or sort of OAP was 60."

In the national poll we posed the question 'What age, if any, do you associate with being old?' The responses are illustrated in Figure 8. We can see that the most common definitions of 'old' are between 70 and 74 and between 80 and 84. For some unexplained reason there is a dip in the 75 to 79 category. As we might expect, the younger generations say being old starts at an earlier age than those in the older age groups.

Figure 8. Perceptions of 'old' in terms of age



The average responses for each group were:

- Pre-WWII — 'Old' = 81
- WWII — 'Old' = 78
- Baby Boomers — 'Old' = 76
- Shadow Boomers — 'Old' = 72
- Generation X — 'Old' = 70

A consistent picture, therefore, emerges from the data. 'Old' is always older than you are. This gap, however, decreases with age. While Baby Boomers, on average, think that an 'old' person is someone who is 19 years older than themselves, those in the Pre-WWII group perceive only a 7 year difference.

'Old' can be defined in terms of age, but as was apparent in the focus groups it can be defined in terms of certain characteristics that are associated with being old.

Janet (74) "I had an aunt who belonged to some sort of club or something that was maybe a choir, I don't know, but they used to go round singing in what you

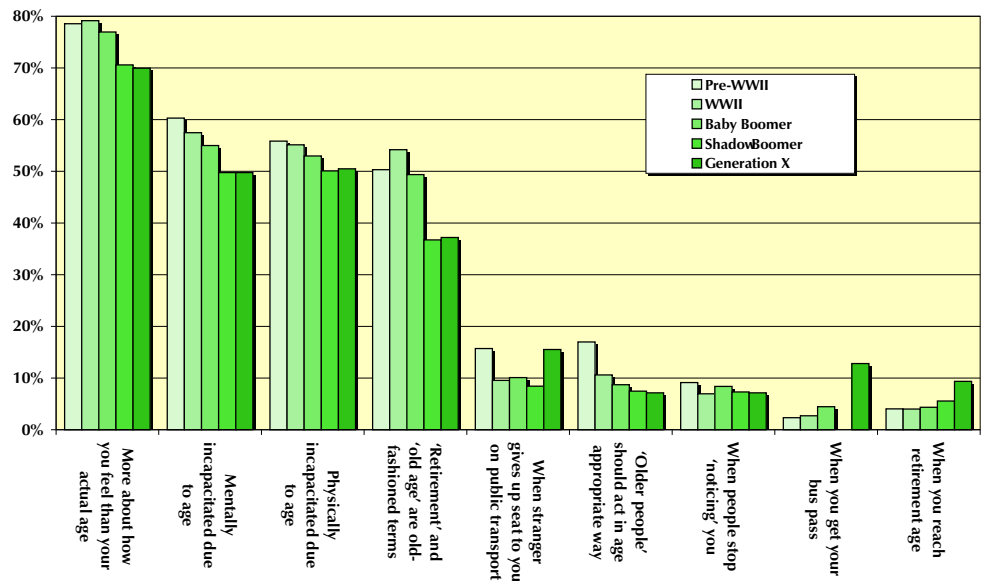
call the old folks home and she was 82, you know and she used to go and sing for the old folk and she did think of them as the old folks ... some of them were probably ten years younger than her."

Mark (42) *"I think it depends on your attitude as well, your attitude towards your life and your friends and everything and what kind of attitude you have to age and the way you feel about ageing."*

Katy (35) *"We've got a friend whose mother is 72 and a daughter my age and they swap clothes, they go out together and I mean...she looks fantastic for being in her early 70s. She looks really fantastic and she's got the attitude to go with it. She's always smiling and she always wants to get involved with the younger ones."*

In the poll we explored this aspect of age further. The responses are illustrated in Figure 9. The dominant response is clearly that being old is matter of how you feel rather than your actual age. This is consistent with the self-perceptions noted above. Mental and physical incapacity were also seen as major contributors to being classified as old. There was a strong feeling that both 'retirement' and 'old age' were out-dated and perhaps pejorative terms, again reflecting sentiments expressed in the focus groups.

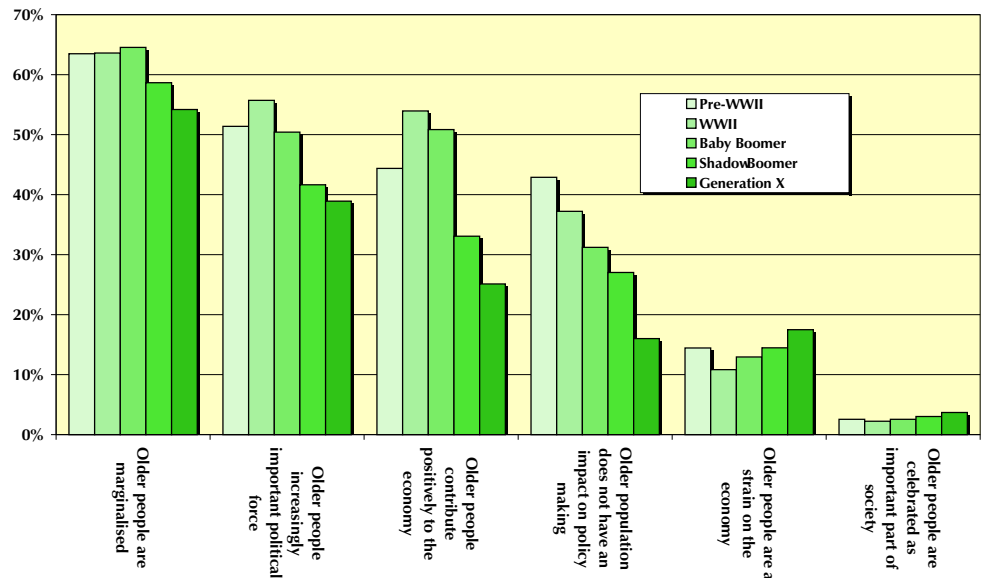
Figure 9. Characteristics associated with 'old'



In the poll we sought the views of retired people on these and other terms commonly used to describe older people. The least popular phrase was 'over the hill', with over a third of respondents selecting this from a list of seven terms. This was closely followed by 'grumpy old man/woman', although the WWII group and the retired Baby Boomers seemed less offended by this. 'Senior Citizen' was chosen by around 12 % of retired respondents as something they would rather not be called. 'Golden Oldies' and 'Silver Surfers', however, aroused little offence, along with 'long in the tooth' and 'recycled teenagers'.

We also explored views about what it was like to be old in contemporary British society. The responses are illustrated in Figure 10. Here we can see a clear consensus across all age groups that old people tend to be marginalised – a view most strongly held by those who might be included in the 'old' category and, in particular, by the Baby Boomers. Perhaps it is when approaching retirement that this becomes a most salient issue.

Figure 10. Views about older people



At the same time, there was almost equal recognition of the fact that older people make a positive contribution to the UK economy – the notion that they are a drain on the economy was held by relatively few respondents. Views were divided, however, on whether old people had a significant impact on politics and policy making.

Some of these sentiments were evident in the focus groups with Baby Boomers and those of older generations. A typical exchange started with the issue of marginality and invisibility:

Brian (64) *"One of the things I find about being older is that you fade into the background anyway."*

Nina (63) *"Yeah you do."*

(group in agreement)

Barbara (62) *"It's wonderful!"*

Brian (64) *"Not when I'm trying to get a drink."*

The discussion then moved on to the economic power of old people, in this example linked to the unwelcome marketing of anti-ageing products.

Kate (60) *"All these adverts for looking younger just annoy me, just look our age and accept it."*

Nina (63) "But we might say that we're not bothered about that but society as a whole is preoccupied with that, I mean you can tell just by the number of products. There wouldn't be that many products if they didn't sell. There are just hundreds of anti-wrinkle creams and anti-ageing and toning and ..."

The broader social and economic significance of Baby Boomer spending is reflected in the increasing amount of money spent by advertisers and marketing executives in order to woo older audiences. In recent years the financial papers have been littered with articles that hail the benefits of 'harnessing the grey pound'.⁹ This has involved moving away from traditional old age stereotypes in order to accommodate the more novel and innovative approaches that Baby Boomers are taking in order to grow old in the style that they choose. This aspect is explored more fully in the section of this report: 'Consuming retirement'.

Companies such as the Saga Group are emblematic of this shift. As a mainstay of the older demographic within the tourism industry, Saga has traditionally been associated with the stuffy, shuffleboard cruises and sightseeing trips enjoyed by stereotypically 'old' tourists. In order to promote its services to the supposed needs of a different generation, Saga now provides 'travel for today's over-50s' including safaris, 'Indian Jungle Encounters', and 'Malaysian Wildlife Adventures' alongside its more traditional holiday options. The most recent addition to Saga's services is an online, user-led community similar to 'younger' services provided by sites such as *myspace* and *facebook*. Eschewing the technophobic stereotype of old age, this online community is populated by older people for whom the internet is a new medium for communication and interaction, as we explore further in the next section of this report.

Many other companies have also felt the effects of Baby Boomer spending and consumption. Harley Davidson, for example, puts the current average age of its customers at 46, compared with 38 in 1990.¹⁰ A report published in 2004 by UK think tank Demos suggests that music industry sales are increasingly attributed to older customers. Sales to music fans between the ages of 40-49 increased from 16.5% to 19.1% between 2002 and 2004, while sales to teenagers dropped from 22.1% to 16.4%.¹¹

This is evidence of a wider trend towards marketing and re-marketing to older consumers, in the music industry and elsewhere¹². Records are, after all, more than LPs, CDs, or mp3s; they represent memories, ideological perspectives, and real or imagined ways of living that appeal to Baby Boomers as much (and sometimes more) in their old age as they did when they were younger. The ideological messages behind these patterns of consumption – whether nostalgic, iconoclastic, or both – provide important insights both into the lived experiences of people growing old today and into the social categories that are being constructed, through public discourse, to define the changing nature of old age.

9 See, for example, *Sunday Times*, June 5, 2005, 'Harness the power of the grey pound'

10 J Harkin, *Independent on Sunday*, March 2, 2003, 'Brand on the Run'

11 Demos, (2004) *Eternal Youths : How the Baby Boomers are Having their Time Again*, pp.49

12 See *CNN Money*, September 15, 2005, 'Golden Oldies'

<http://money.cnn.com/2005/09/14/news/fortune500/boomers/index.htm>

The 'Silver Surfers'

As we noted above, older people are increasingly joining the online community. It is estimated around 65% of people between the ages of fifty and sixty have a personal computer and over 60% have access to the Internet, with well over half of these having broadband connections. Of people aged between 45 and 54, 68% will have accessed the web in the past three months. The figure for those aged between 55 and 64 is 52%.¹³

People over the age of 65 are less likely to have internet access (currently around 22%), with only 15% of people in this group accessing the web in the past three months. This figure, however, is likely to rise very rapidly, especially as the Baby Boomers move more firmly into their retirement years. The impact of the so-called 'Silver Surfers' is, and will become, increasingly substantial – a fact recognised by all who successfully offer goods and services to the Baby Boomers and older generations.

According to recent research, even though only a minority of retired people have direct access to the Internet, surfing the web is still more popular among people of this age than gardening or DIY, who spend most of their time online sending emails or searching for information.¹⁴ Having gained computer literacy during their working lives, most Baby Boomers will continue to participate in social interactions online as part of a wider repertoire of social competencies. Moreover, for older people who are becoming increasingly removed both physically and socially from the communities in which they live, the Internet provides opportunities to explore new services, such as online shopping, as well as new kinds of social networks.

Social networking online and subscription to user-led sites such as *myspace*, for example, is normally associated with younger internet users. However, as evidenced by Saga's own online community (noted in the previous section of this report), these kinds of virtual social worlds are becoming increasingly popular with older users as well. A notable example of this is Geriatric1927, a 79 year-old user of the popular video-sharing website *YouTube*. Through online networking with other users of different ages, Geriatric1927 has achieved global fame for his online broadcasts.¹⁵

Older people are also creating their own online communities. The popular UK-based online magazine *The Oldie* provides content specifically targeted at an older audience, while the websites www.ageinghipsters.com and www.aboutmygeneration.com provide just two examples of countless online 'boomer' communities. On a daily basis, then, email and the internet present older people with an increasingly important means for keeping in touch with family and friends.

In the focus groups this devotion to the web was very apparent. A woman of 63, for example, said:

¹³ Office for National Statistics, *Internet Access*, August 2006

¹⁴ AXA Survey, http://www.axa.co.uk/media/pressreleases/2007/pr20070202_1100.html

¹⁵ BBC, February 15 200, 'Coming to Your Screen: DIY TV'

Nina (63) *"I spend at least five or six hours a day on there...and that has made a huge difference to everybody, not just old people because the amount of information that is available is just phenomenal, things that you could only find from going into libraries and opening printed books before. Things like Wikipedia, I mean that's really changed everybody not just older people..."*

A man of similar age ...:

Brian (64) *"It's not just the information ...I never go anywhere to pay a bill; I never go to a bank."*

... and a woman of 62:

Barbara *"I've got it all online, my whole ancestry has been put on our website. We have a website for our family."*

One lady of 74, however, thought that might still be too young to get to grips with the Internet:

Janet *"I went on a computer course and first I learnt word processing and then I learnt email, I actually did learn internet but I can't sit still long enough to fiddle about with the internet...I'll get round to that when I get a bit older (laughing)...I get bored just waiting for the things to happen. They tell me I should go on broadband but I don't think I have enough use for that. I got very interested in the word processing side and then I discovered the wonders of email having been on holiday in New Zealand with two Americans who I kept in touch with for two years afterwards and they were all over the world. I had this wonderful thing where I could send them a letter not knowing where they were and they got it...you know I thought that was just magical."*

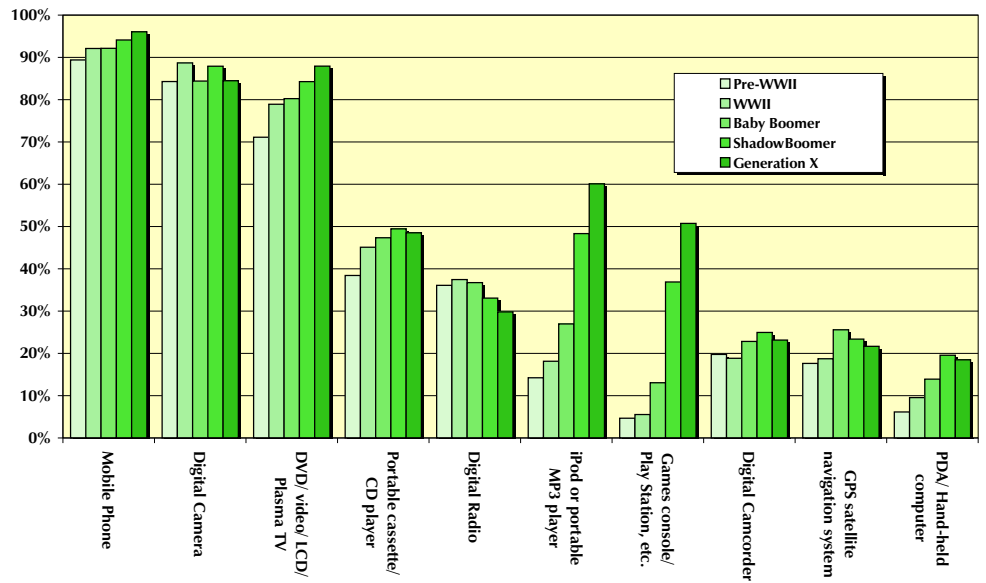
While the ability to surf the web and to exchange emails was generally considered by focus group participants to be an almost essential part of their lives, they hinted that other forms of 'modern' technology might be less so. A 65 year old male participant, for example, said:

Donald (65) *"Don't forget that some technology is essential and others are an optional extra. I think the mobile phone for some of us is still an optional extra whereas an email has become essential because it is assumed, in many organisations, that they will only communicate with you by email and if you're not on email then you're disenfranchised. Positively it's obviously a great way to communicate with lots of friends around the world in your own time at your own sort of pace whereas the phone is oppressive – you know you've got to answer it or whatever but you know with email you can sit and look at it and say 'well I'll answer it when it suites me sort of thing'."*

We explored the take-up among older people of these other technologies in the national poll – are these still largely the preserve of younger people who have grown up entirely within the new technological revolution of the post 1970s? Are the Baby Boomers and those of older generations just as techno-literate as their younger peers? The responses are illustrated in Figure 11.

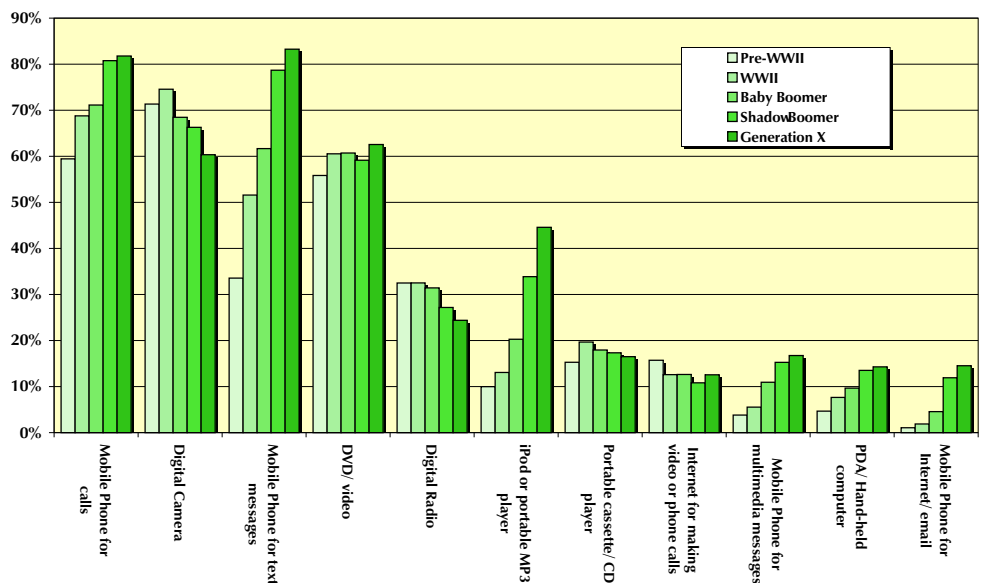
From Figure 11 we can see that the older generations are not much different in some respects from Shadow Boomers and Generation X. They have nearly as many mobile phones, despite the distaste that some older people express towards them.

Figure 11. Gadgets owned



They have slightly fewer DVD players and plasma screen TVs but have roughly equal numbers of digital cameras and camcorders and digital radios. The only striking differences are in ownership of iPods and the like and of games consoles such as Play Station.

Figure 12. Regular use of technology.



The question here, of course, is that while older people may own these gadgets, do they use them as frequently as younger people? We explored this issue as well in the

national poll by asking which gadgets people used regularly and for what purposes. Here we start to see some bigger differences, as shown in Figure 12 above. Here we can see that mobile phone use is less frequent among the Pre-WWII and WWII groups compared with younger groups and Generation X in particular. The difference is most pronounced in the context of using mobile phones for text messaging. The older groups, however, seem to use their digital cameras more often than the younger groups. The regularity of the use of iPods simply reflects different levels of ownership of such things.

Retirement age

The majority of retired people in our focus groups had experienced retirement at what used to be the conventional ages of 60 for women and 65 for men. In these cases their retirement was not necessarily something that they had chosen. One 79 year old man was typical in saying:

"My retirement wasn't a matter of choice because on the 22 November 1992 the [company] held a party for me and sent me off. I was 65 and that was that"

Some of the slightly younger participants, however, had made the decision to retire before these 'traditional' ages. To get a more accurate picture of retirement age we included specific questions focusing on this aspect in the national poll. We also asked people who were still working at what age they expected to retire.

Figure 13 below shows the distribution of ages at retirement for men and women. We can see clearly a peak in retirement for women between the ages of 60 and 62. The pattern for men, however, is more broadly spread. While some worked into their mid sixties and even seventies, many also retired in their mid- to late-fifties. There is surprisingly little difference in the average age of retirement – 59 for men and 58 for women. The expected ages of retirement for those currently working are shown in Figure 14 below.

Overall, we can see that the expected retirement ages have shifted up the scale. The most dominant peak is the 65-66 years category and around 13% of people do not expect ever to retire. The average expected age of retirement is, predictably, a little older for men than for women, as shown in the table below.

Expected Retirement age		
	Men	Women
Baby Boomers	65	63
Shadow Boomers	62	62
Generation X	63	62

The implications for this are quite clear. Both men and women expect to be in work for longer in their lives than previous generations, with a substantial proportion expecting to work until they are no longer able to do so. This was reflected in the comments of some of our focus group participants. One participant said:

Figure 13. Age at which retired

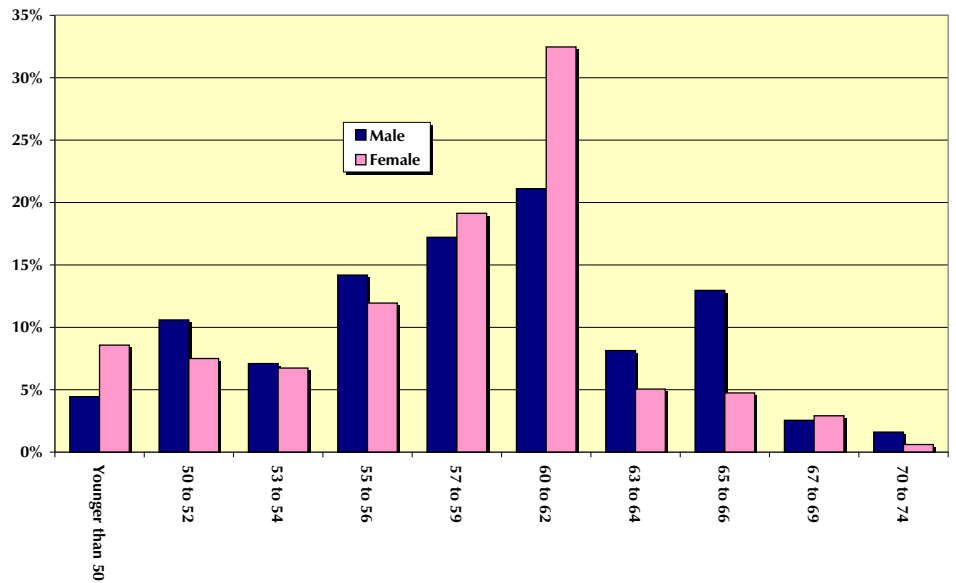
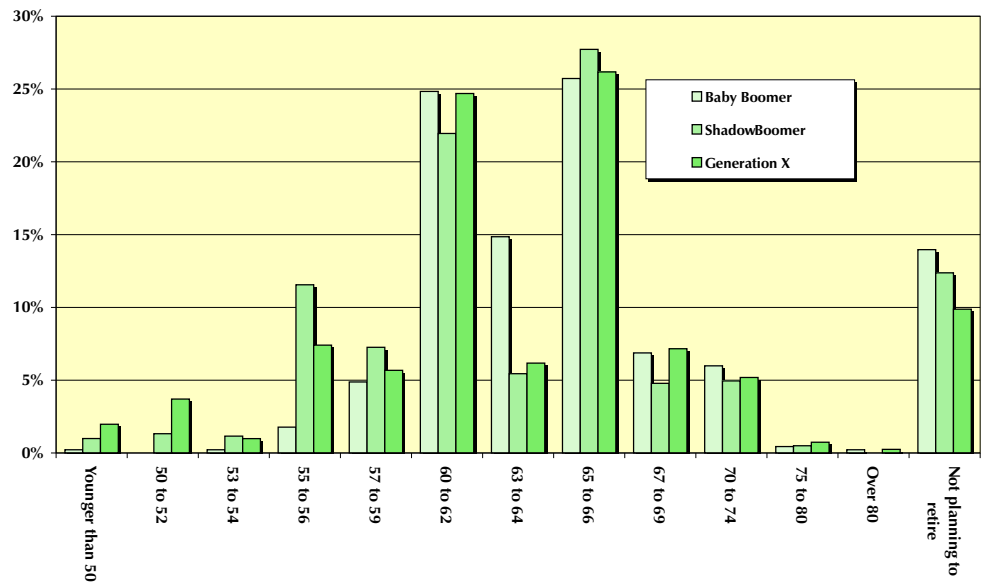


Figure 14. Expected age of retirement for those in work



Len (55) "I always said I was going to retire at 60 at the latest, but the closer I get to it the more I see that what I want when I get to that age is the choice – to be able to choose whether I will or not and that's what I'm really aiming towards. I certainly don't see a point where I will stop any sort of work...that's the essence of it for me at that age. I really hope I am in a position where I can choose whether I work or not..."

The inability to work is one of the key negative stereotypes typically associated with growing old. Baby boomers are likely to challenge this stereotype by adopting novel approaches to work that blur the line between employment and retirement.¹⁶

As a result, rethinking our perspective of retirement and work is an integral part of understanding what it means to grow old in the 21st century. As has already been suggested, it is increasingly unlikely that Baby Boomers will follow a traditional linear path from full-time employment to a retirement that involves no kind of work at all. Indeed, in a society where a person's worth is to some extent defined by his or her economic productivity – their ability to work – it is perhaps not surprising that older people are eager to retain this aspect of their social status. The role of work in our lives, however, is far more complex than simple economics. Work is a means to social interaction and fulfilment as well as a way of making ends meet. These issues are of fundamental importance in understanding what retirement actually means today.

For some participants in the focus groups the financial implications of retirement was the critical issue – they simply could not see themselves as being able to give up their income in the foreseeable future. On a pragmatic level, continued work provides an obvious source of financial support for older people. Wages and salaries made up 32% of household income for people aged 60-69 in 2003/4.¹⁷ For those who have not saved enough to stop working completely, then, working can be a financial necessity.

According to Age Concern, this potentially represents a large proportion of older people who are about to retire – 24% of the population of post-retirement age.¹⁸ For some, then, 'retirement' is not strictly speaking an option – the perceived inadequacy of state pension provision obliges some older people to continue to work in order to support themselves.

This was not the case, however, for many participants in our focus groups. It was more to do with 'work/life' balance and, in line with the comment above, about choice:

Mark (42) "I think it depends on your work/life balance as well ... if you've got interests outside work as well...you find with a lot of people who put too much into work and then suddenly they retire, they go on a downhill slope because they've got nothing to keep themselves going anymore. But if you balance it off a lot more then it's much better."

Another 48 year old man also emphasised the positive aspects of carrying on working for as long as he could.

Karl "If you'd asked me 20 years ago I would of said I wanted to finish at 50 ... but certainly it's an open ended thing now... I'm much more positive about working...I want to continue working. I might not necessarily manage the pace

¹⁶ *The Times*, May 11, 2005, 'Forget the gold watch, we want to work – but on our own terms.'

¹⁷ Department for Works and Pensions (2005).

¹⁸ Age Concern/Heydey, (2006)

<http://www.ageconcern.org.uk/AgeConcern/C436F35AE1264E708C639B262260B10F.asp>

although it's fairly gentle anyway...(laughing)...but it's more the direction of the work..."

For some, then, retirement is no longer a question of work or no work, but a chance to choose how to structure work later in life. Baby Boomers who are financially stable will be able to decide how much they work, and in what areas. Once again, choice is key. Moving away from full-time employment, or into a different career gives Baby Boomers the chance to explore new kinds of professional lives. Without the financial pressures of supporting a family or the competitive stress of forging a career, employment takes on a different significance.

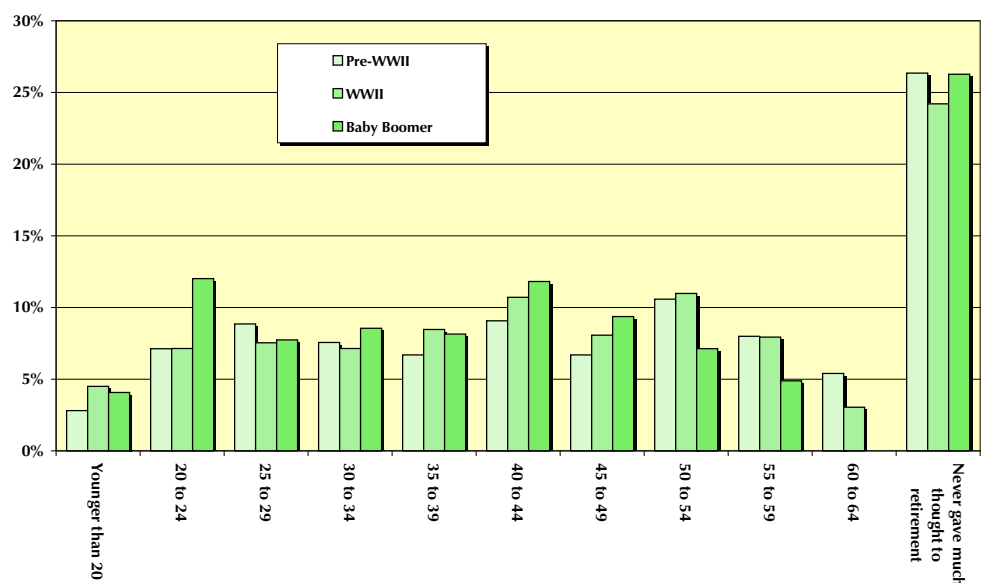
Crucially, work, whether paid or not, continues to provide structure and meaning to people's lives. For many it represents a social network through which they are able to remain active within a wider community. Status and belonging are inextricably tied into the values that we associate with the routines and rewards – both social and financial – that employment brings.

There is perhaps some irony in the fact that the 'liberated' pasts of post-war Baby Boomer pensioners afford them the opportunity to choose to continue work and earn rather than eschewing established paths of pay and employment. At the same time, by continuing to work Baby Boomers are actively involved in changing what it means to work. The increased involvement of an older population in the workforce is likely to bring with it new conceptions of how careers, companies, and even workplaces themselves are structured.

Planning for retirement

The ages at which retired people started to plan for their retirement are summarised in Figure 15. The striking feature here is the number of people who never gave much thought to retirement (25%).

Figure 15. Ages at which retired people started to plan for retirement



The average age at which of those who did give some thought to it started to plan for retirement were:

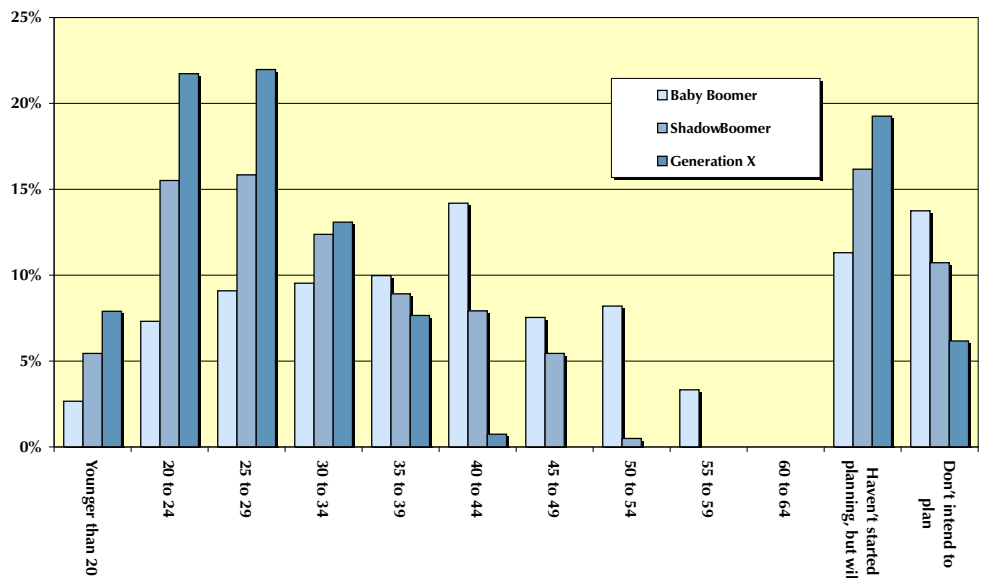
- Pre-WWII — 40
- WWII — 40
- Baby Boomers — 37

There is little difference between the three groups here. Figure 16, however, shows when people who are still in work expect to start planning, or have already started to plan in some way, for retirement. We can see here that around 16% of poll respondents have not started to plan yet, but intend to do so at some unspecified time, while a further 9% intend never to do any planning at all. Of those who have given it some thought, the projected ages at which they started to plan were:

- Baby Boomers — 30
- Shadow Boomers — 23
- Generation X — 21

These are substantially younger ages than those of people who are currently retired. It would seem that now retirement is not quite the 'automatic' process it once was, and perhaps with new age discrimination legislation in place, more thought needs to be given to the process in the past – which means starting to think about earlier.

Figure 16. People in work — age at which planning for retirement



The notion of 'planning', of course, is a little vague. There is a difference between just idly thinking about retirement and actively making specific provision for it.

Expectations of retirement

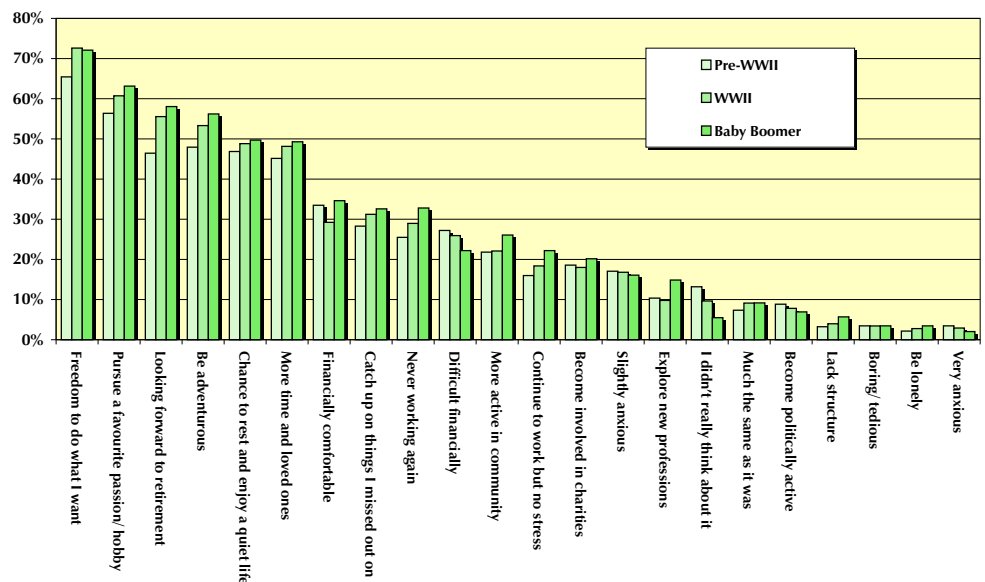
The expectation that retirement would be a period of increased choice was very evident in the focus groups. One 42 year old participant said:

Walter "You can pick and choose your work as well, that's what age gives you as well...experience gives you the luxury, cherry picking the good stuff."

Others referred to the idea of replacing work (to a large extent at least) with the opportunities to pursue existing or newly developed hobbies and leisure activities and seeing more of their families and friends. We derived a number of questions from these aspects of the discussions to frame questions in the national poll.

Respondents who had retired were asked about the expectations they had of retirement prior to retiring. From Figure 17 we can see that these were overwhelmingly positive. The freedom to do what one wanted was the most anticipated aspect. This was followed by pursuing particular passions, hobbies and interests and an opportunity to be a bit more adventurous. At the same time retirement was seen as offering rest and relaxation and spending more time with friends and family. The idea that one would be financially 'comfortable' after retiring was also very evident.

Figure 17. Expectations of retirement (retired people)

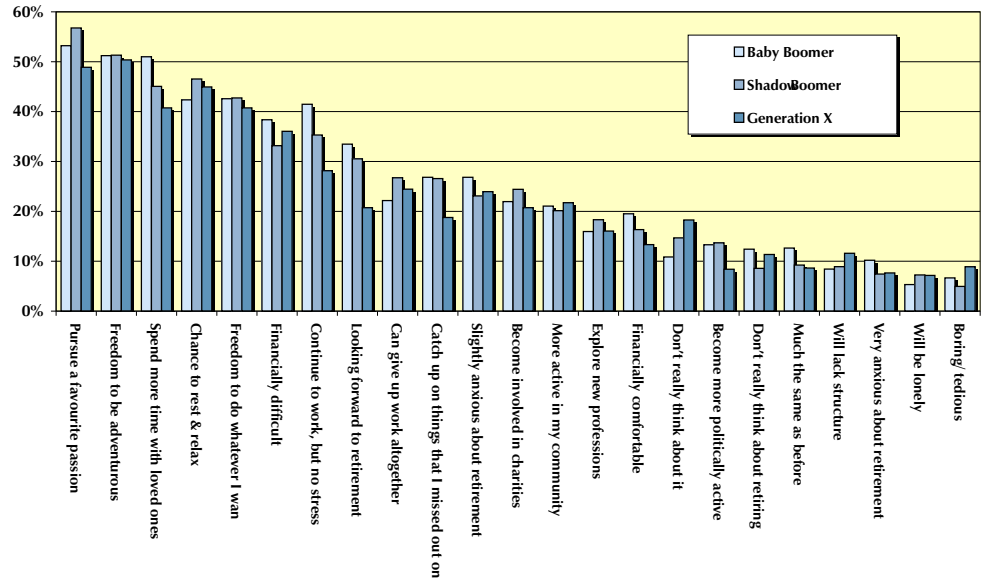


We also asked the non-retired respondent what they expected retirement to be like. Their responses are summarised in Figure 18. They anticipated similar aspects to those of the retired group, but with one big difference. While retired people expected to be financially comfortable, those still working expect to find things financially difficult when they retire.

There was also a higher proportion of non-retired respondents who expected to work after retirement, although without the stress and pressures of their current jobs, compared with those who had already retired. One gets the sense that although retirement is seen as an opportunity for positive activities by the younger generation, there is also a sense of anxiety – rather more expressed this sentiment compared with those respondents who had already retired. Far fewer also said that they are

looking forward to the experience – 28%, compared with 50% in the retired group who said that this was how they felt prior to retirement.

Figure 18. Expectations of retirement (non-retired people)



The experience of retirement

In the focus group discussions about the experience of retirement, as opposed to the expectations of it prior to giving up full-time work, the issue of choice and the freedom to do what one pleased again featured centrally.

Janet (74) "I wanted to get my house in order, I wanted to have time for myself, I wanted to visit people, I wanted to travel...I had so many things I wanted to do ... then I got my first grand child. She came in the October and I retired in the following summer so I was able to go back and forth to see my children and grand children more frequently...they were all very positive things."

Kate (60) "I don't think I'm doing anything different. I just think I'm doing more of the things that I enjoy like swimming and yoga and writing poetry. I'm hoping to do some study but I haven't got round to it yet."

For other participants the freedom from responsibilities was highlighted as the benefit of retirement.

Margaret (60) "It's a time of fewer responsibilities, fewer commitments, for me anyway it's a time for myself, something I haven't had for most of my life. It's great just not to have children around...enjoy grandchildren and hand them back."

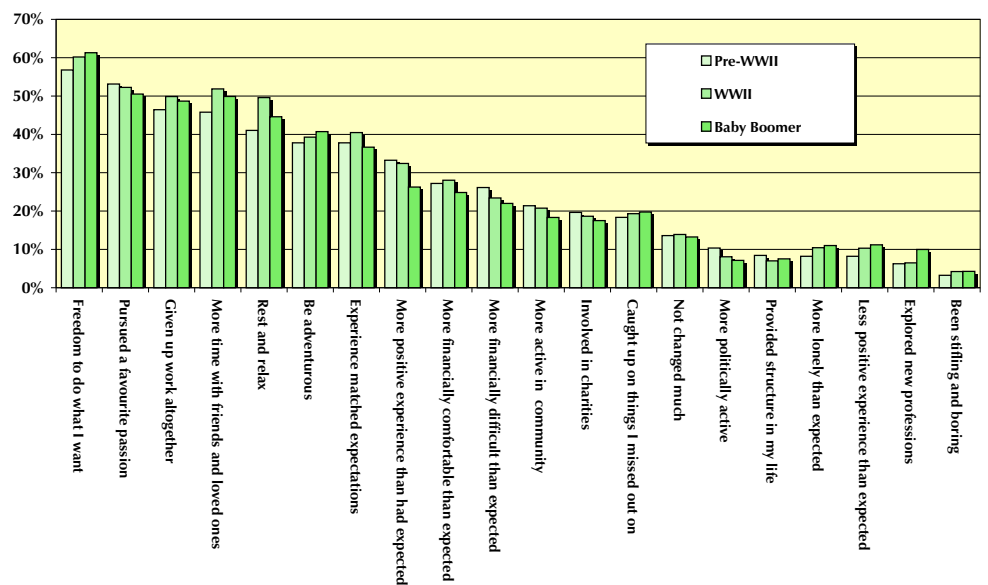
Others spoke of the financial freedom that they experienced after retirement.

Barbara (62) "I work for [charity] two days a week as a volunteer. I can afford to work for [them] because I'm paid a pension, whereas before I had to work constantly to pay off bills that I no longer have to pay. Because of my age we've

paid for the house so we don't have all those outgoings and I can actually spend my time doing what I want, as opposed to doing a job that I had to do in order to earn money."

Following the discussions we presented our retired national poll respondents with a list of statements about retirement and asked them to select the ones that they felt applied most. The results are summarised in Figure 19. Here we can see the sentiments expressed in the focus groups strongly reflected across the country. The notion of 'freedom' comes top in people's selection – being able, perhaps for the first time in one's life, to do what one really wants.

Figure 19. The experience of retirement



Being able to pursue passions, hobbies and interests was the second-most important element, followed by the chance, simply, not to have to go to work. While being able to rest and relax was an important feature, so too was the opportunity to be a bit more adventurous. The experience of retirement, clearly, is not that of simple idleness. The specific activities in which retired people engage are illustrated in Figure 20 below. Here we can see that for most retired people retirement is a relatively sedentary and social affair with walking being the only physical activity that features in the top eight of the list. Sport and exercise for its own sake appears down in ninth place. Interestingly, although around half of poll respondents who are retired said that had expected retirement to offer them an opportunity to become more adventurous (see Figure xxx above), this has not been manifested in the form of extreme, unusual or risky activities such as skydiving or surfing. Less than 1% say that this features at all regularly in their schedules.

Our non-retired respondents had expectations of retirement very much in line with the reality experience by retired people, except that walking features slightly higher in the list, as shown in Figure 21 below

Figure 20. Specific activities in retirement

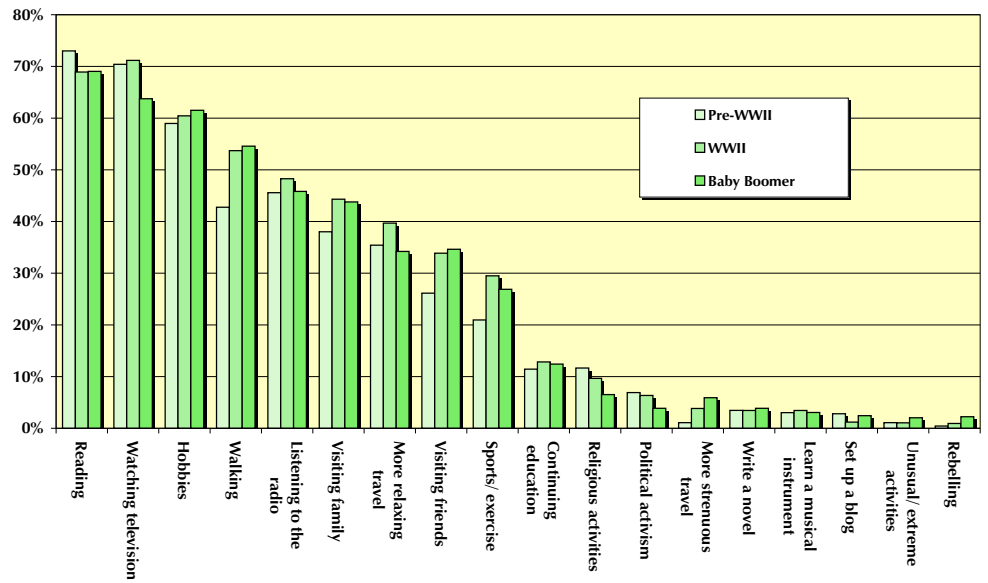
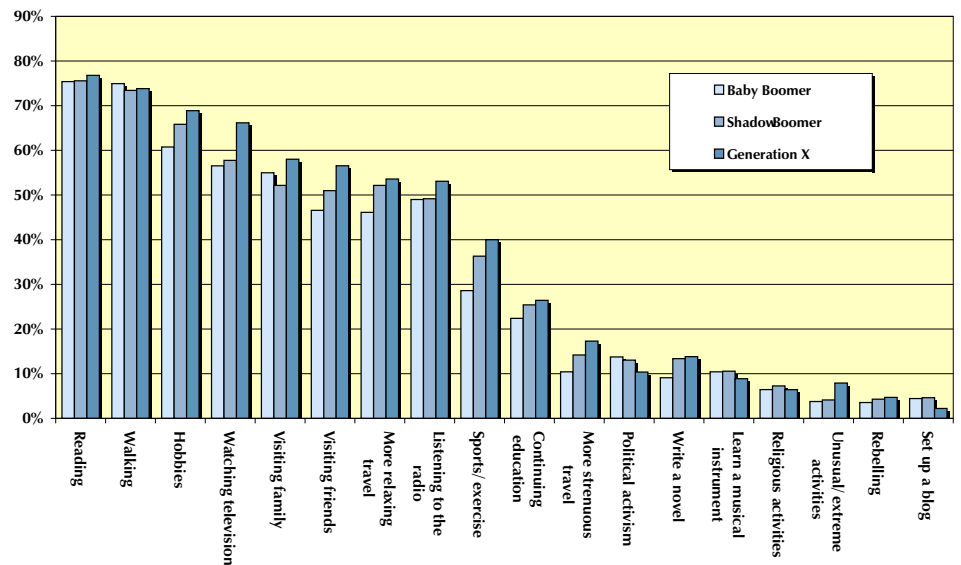


Figure 21. Expectations of activities in retirement



From Figure 21 we can see that the anticipation of bungee-jumping type activities is very low and like their elders, the poll respondents do not see retirement as offering a suitable opportunity for rebellion.

These finding contrasts markedly with recent coverage (some might say 'hype') about today's grannies and grandads jumping out of aeroplanes, climbing mountains in the Himalayas or trekking through rain forests. There may be a newsworthy few who live out their retirement in this way. For the vast majority, however, giving up work leads to an altogether more gentle, but very positive, lifestyle in which the pursuit of personal interests and passions is combined with an increased level of socialising, the maintenance of family and friendship bonds and leisure travel – but not the 'extreme' kind, as we will see later in this report.

Some typical examples of activities offered by focus groups participants were:

Sheila (71) *"I joined a choir, which I had always wanted to only I couldn't read music. But I found a choir here where you didn't have to be able to read music which was wonderful and that opened up a whole new thing for me that was really good"*

Margaret (60) *"We store up family and friends in different parts of the world ... it's nice having them in different parts of the world to go and play."*

Nina (63) *"On a best day I might be going out to do a little bit of a job in the morning. In the afternoon, if it's summer, I would do gardening ...that would be a really good day for me ... Allotments are great! ...but we still go on marches against the Iraq war and we do other things as well. We don't just tend our allotments..."*

Alan (64) *"I spend most of my time kind of as a hobby doing mathematics and astrophysics, which is what I used to do. I found it the most enjoyable thing in life, in fact and still do."*

Turning back to Figure 19 we can see that over a quarter of retired poll respondents felt that retirement had been financially easier than they had expected – slightly more than those who had found the experience more financially difficult. This contrasts with the fact that over a third of currently non-retired respondents expect retirement to be financially difficult, as noted in Figure xxx above.

There is, of course, a small minority for whom retirement has not brought much in the way of benefit. Around 10%, for example, have found life rather more lonely than expected and for around 4% it has been stifling and boring. Those experiencing financial difficulty may also not perceive giving up paid work as the best thing that has happened to them in their lives.

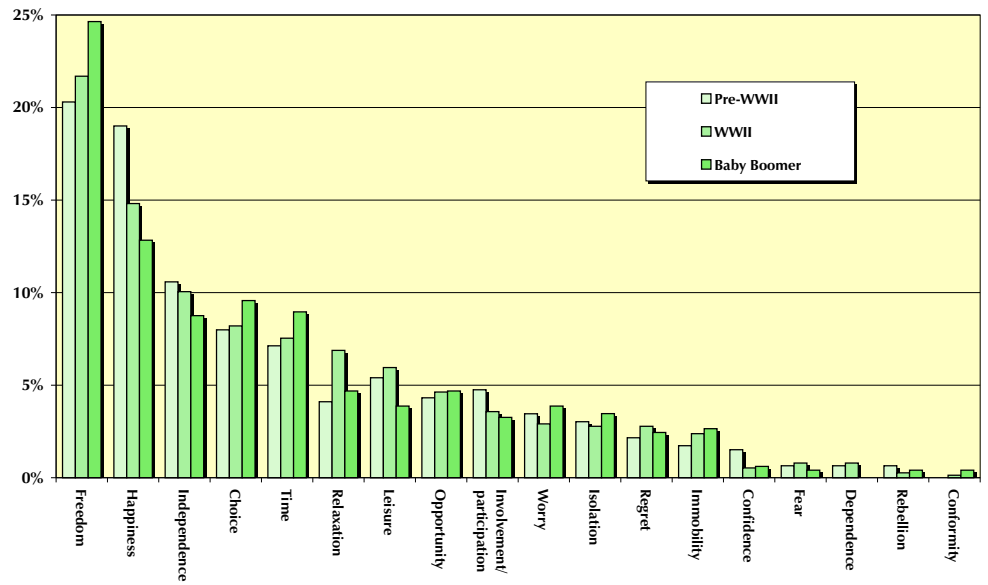
Freetirement

Despite the plight of a minority, the picture for the overwhelming majority is a very positive one. It illustrates clearly what we have termed *freetirement*. This term seems even more appropriate because it lies at the heart of the concept of retirement, as we can see from Figure 22 below.

These data illustrate responses by retired respondents to the question 'Which of the following best describes your perspective on retirement?' Top of the list and selected by over a quarter of the poll respondents, was the simple term 'freedom', followed by happiness and independence. The relatively younger Baby Boomers were most likely to select the freedom description while the older Pre-WWII group were the most likely to emphasise the happiness aspect. What we see here is ample justification for referring to the current set of retired people as the *Freetirement Generation*.

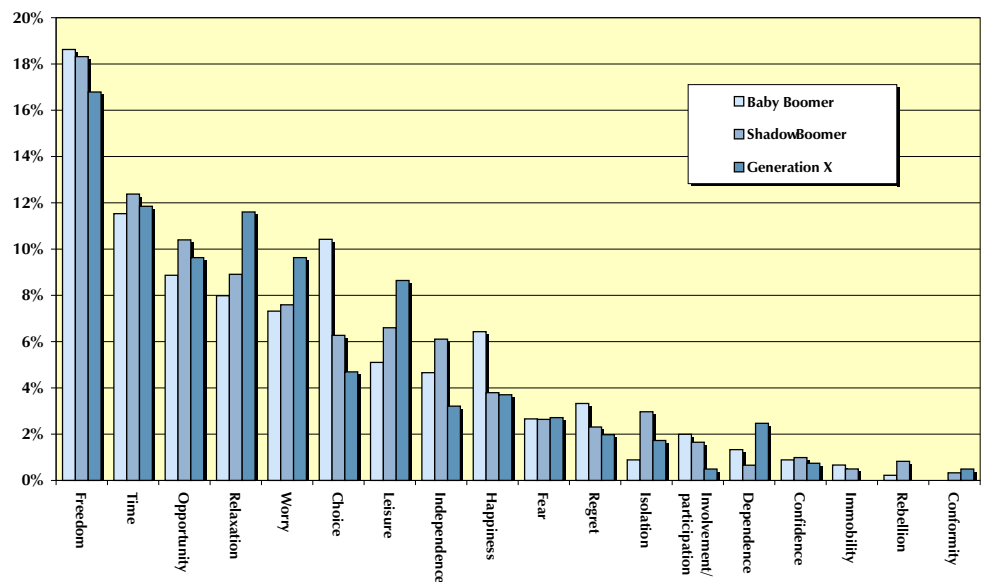
We can also see from Figure 22 that notions of independence, choice, relaxation and leisure feature in the concept of retirement amongst retired people. There are, of course, some negative components as well, including worry, isolation and regret. These, however, are relatively at a very low level and swamped by the overwhelmingly positive associations with the concept of retirement.

Figure 22. The concept of retirement (Retired respondents)



The notion of freedom is also dominant in the perceptions of retirement offered by respondents still in work. There is, however, a big difference between them and those already enjoying their freetirement, as we can see from Figure 23.

Figure 23. The concept of retirement (Non-retired respondents)



We can see from the two graphs above that while the notion of happiness is the second-most important component of retirement for the Freetirement Generation, it ranks only ninth in the imagination of those who have yet to retire. In addition, the issue of worry features much more significantly among this group than among those who have already retired.

We have here a very strong contrast. Today's retired people recognise the new freedom in their lives and are generally happy with it. Those still working also anticipate the freedoms that retirement will bring, but anticipate an altogether less happy experience and one more beset with worry. This is consistent with what we have already seen in the context of expectations and experience of retirement, but writ much larger because these differences lie at the core of the concept of retirement itself.

Not only is the experience of today's Freetirement Generation likely to be happier and more free than the next generation is likely to encounter, it also compares very favourably with that of previous generations. Our retired focus group participants certainly thought that things were very different now from what their parents had experienced.

Peter (60) *"Well when my father retired, you know he was a commuter, and my mother was the last in her generation that didn't work and there was a terrific difference because suddenly when my father was going to retire, she panicked. And I said 'what's the matter? You know, you're going to be able to do things together' and she said: 'Oh, but I can't go out for the day, I've got to be home to cook him dinner and this sort of thing. So it was very different then ..."*

Nigel (59) *"I think [retired] people are more critical now or have the luxury of being more critical now, more than the generation before who were more accepting.... It does seem that people want that freedom and more time to themselves."*

Alan (64) *"If our lives were anything like our parents then we would have to be still working until we were seventy or seventy five."*

Our national poll respondents certainly saw their retirement as being altogether much more of a positive experience than that of their parents, as Figure 24 below shows.

Having more money was identified by the largest group of retired respondents as distinguishing their retirement from that of their parents. For many of these respondents, of course, their parents would have retired in the days before the modern Welfare State and in times where work pensions were far from the norm. But even those retired focus group participants who were far from well off still spoke of the sense of freedom to do what they want that they now enjoyed.

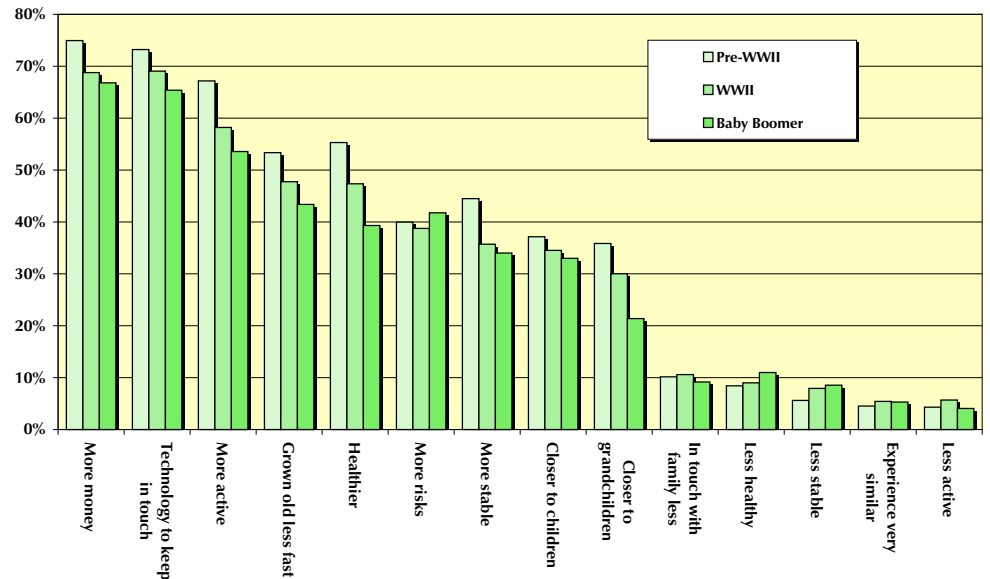
Ann (65) *"Well I'm in the position that I can't earn money because I would lose my income support...I'm absolutely at that point. But I belong to a wonderful Church and I teach them and they give me supper, something like that so that's very nice and I'm learning Spanish as well. I can't count the number of old ladies that I visit and support and help... that's roughly how my day is."*

Margaret (60) *"If we really want to do something we're lucky enough mostly to be able to...and I've never had a bean but I've still managed to do most things, it's a matter of choice really."*

Margaret (65) *"The other thing I think is that you've got a bit more time ...so you've got time to look up the cheapest ways of doing things on the internet and shop around ... I love going to markets and things, I enjoy it, shopping is quite"*

enjoyable from that point of view but you can get the cheapest things going so you know, you've got more time to do that."

Figure 24. Experience of retirement compared with that of parents



Peter (60) "I don't think our parents did have that luxury – the freedom to choose."

The role of modern technology has also clearly played a role in adding benefit to contemporary *freetirement*. There is also great emphasis played on being more active and healthy than one's parents in retirement. At the same time, of course, there is a small minority who see themselves as relatively disadvantaged compared with their parents. Around 10% feel that they are in touch with their families less often and a similar proportion view themselves as being less healthy and less active. Again, however, the dominant picture is a very positive one.

Financing *freetirement*

The demographic shift towards an older population has sparked widespread concern about the so-called 'pensions crisis' that retiring Baby Boomers will create. The argument is quite simple: if the number of people retiring on state benefits continues to outpace the number of people working and paying tax, eventually there will not be enough to go around. According to this argument, the demands on the welfare state will be such that it will be impossible to sustain a decent level of support for all older people who need it, particularly given the supposedly poor saving habits of the Baby Boomer generation¹⁹. The public sector, it is feared, will experience 'boomergeddon'²⁰.

¹⁹ According to Age Concern, 41% of people in their 50s are not yet actively planning for retirement.

²⁰ See *The Times*, October 6, 2006, Golden State faces Boomergeddon as 'me generation' turns it grey'

In light of these potential developments, pension reform has become a key objective for the government and a cause célèbre for major charitable organisations such as Help the Aged and Age Concern. Public concern about the future of the UK's ageing population prompted the government to set up an independent Pensions Committee to investigate the need for pension reform in the future. Building on the Pensions Committee findings, the government's White Paper 'Security in retirement: towards a new pensions system' published in 2006, suggested that the pensions system will need to move towards a means-tested model, with a later retirement age, if it is to be effective in providing support for older people in the future.

The focus of the proposed reforms says a lot about the current state of pension provision in the UK. Over the past few decades government pension policy has become more voluntaristic, placing the onus on individuals to plan for their retirement. Along these lines the 2006 White Paper highlights the continued importance of private pensions and savings as a means to providing support for old age, and the need to maintain the involvement of the ageing population in working life.

In this sense pensions are an issue not only in terms of state welfare provision, but more importantly in terms of individual planning and changing perceptions of who should foot the bill for retirement. Diminishing levels of pension provision are changing individual expectations of what they will receive in support from the government. While retiring Baby Boomers still think that the government should provide adequate old age support, they are more cynical about the realities of what they will actually receive.²¹

According to the British Social Attitudes survey, most people think that the government should cover the costs of care for those who cannot afford it, but consider saving for retirement to be the responsibility of the individual²². This being the case, it would seem that concerns over the 'demographic time bomb' of Baby Boomer retirement might have been overplayed. At the same time, however, these perspectives of pension provision raise interesting questions about the spending and saving habits of older people today. There is, after all, a difference between what people say and what they do. Are Baby Boomers really the kind of people who are likely to put money aside for the future, and will they manage their lifestyles in a way that will provide a source of income into their ever-increasing old age?

The majority of the retired participants in our focus groups had pensions of one kind or another. While a few relied on State pensions, topped up with such things as income support, most had continuing income from work or private pensions. This, however, was far from the case with the younger participants, as we discuss later in this report.

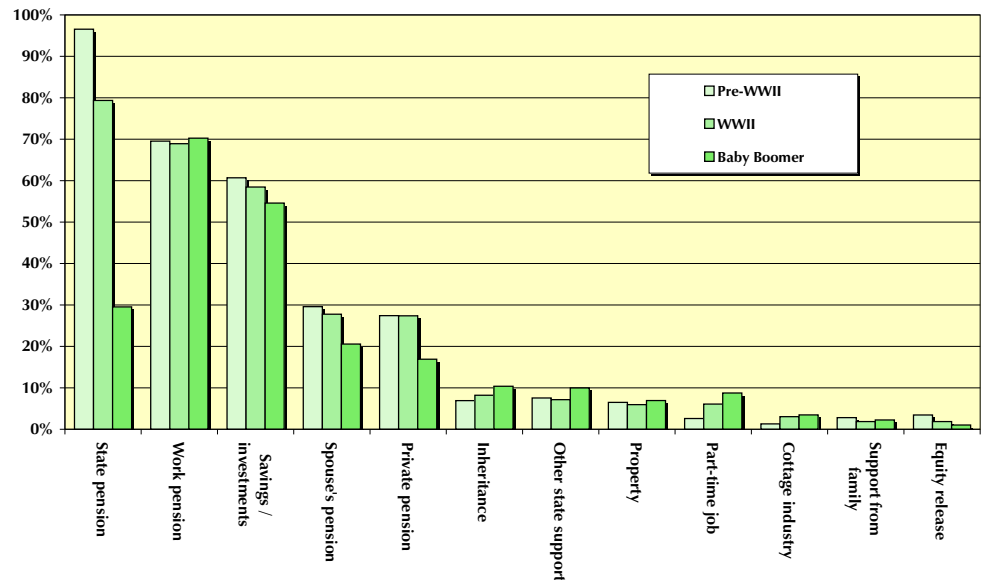
The sources of retirement funding identified by our poll respondents are summarised in Figure 25. Here we can see a big difference between the generations.

21 Harper, S. (2006) *The Future of Retirement: Results from the HSBC Global Survey* (HSBC)

22 Alan Park, John Curtice, Katarina Thomson, Miranda Phillips, Mark Johnson (eds) (2007), *British Social Attitudes. The 23rd Report: perspectives on a changing society*. London:Sage, pp.85

For those born before World War II, State pensions are a primary means of support – rather less for the WWII group and much less for the retired Baby Boomers. While the Pre-WWII and WWII groups also about the same level of work pension and slightly higher levels of private pension, it is the Baby Boomers who seem to rely least on State provision to maintain their lifestyles – reflecting, perhaps, the higher level of overall income among this group.

Figure 25. Sources of retirement funding (retired respondents)



Savings and investments play an important part in funding retirement for all groups while inheritances are a source for only about 8% of the retired population

The picture for non-retired respondents is rather similar overall, as shown in Figure 26 below. There is, however, an expectation among a greater proportion of people that they will rely on State pensions – particular those Baby Boomers who have yet to retire. While only 30% of retired Baby Boomers who have retired think that State pensions are the most significant source of income, 80% of non-retired Baby Boomers expect this to be the case.

It is the case, of course, that those Baby Boomers who are retired entered retirement relatively early – e.g. before the age of 60. It is likely that these are the relatively well off members of their generation compared with those continuing to work past the age of 60. It does seem that while freetirement is certainly a reality for today's retired people, the future might be less comfortable for those who still have some years to go before retiring. Around 30% see the need for a part-time job in order to fund their retirement and twice as many compared with those already retired anticipate inheritances playing a significant role in their lives. These differences are also reflected in Figure 27 below.

From Figure 27 we can see that while 59% of currently retired people say that they are financially comfortable, only 49% of those yet to retire expect this to be the case. Similarly, while 21% of retired people say that the struggle to make ends meet, the expectation of such hardship rises to 32% among those still working – a an increase

of over 50%. As expected, Generation X, Shadow Boomers and non-retired Baby Boomers are more likely to regret not having saved than those in the retired groups.

Figure 26. Expected sources of retirement funding (non-retired respondents)

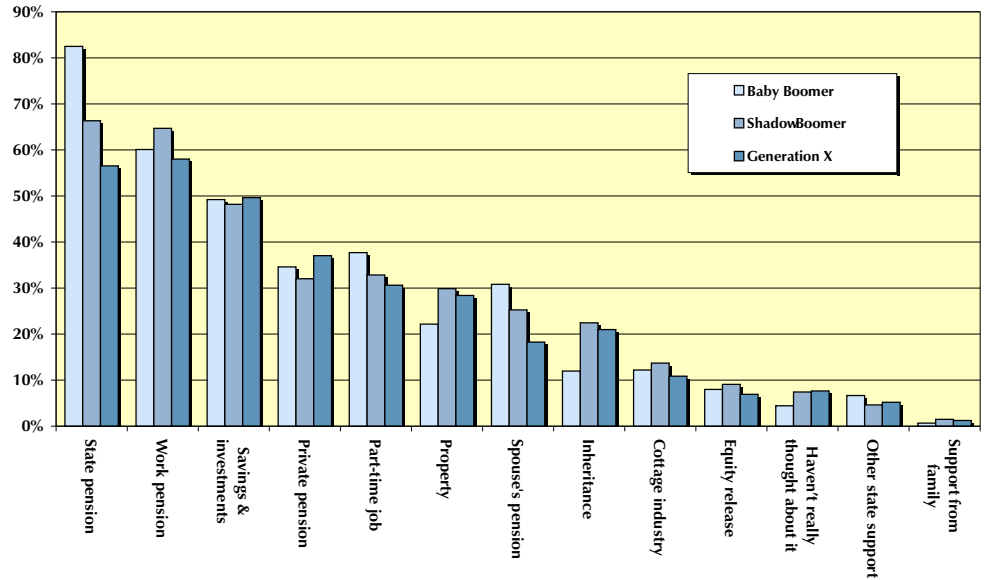
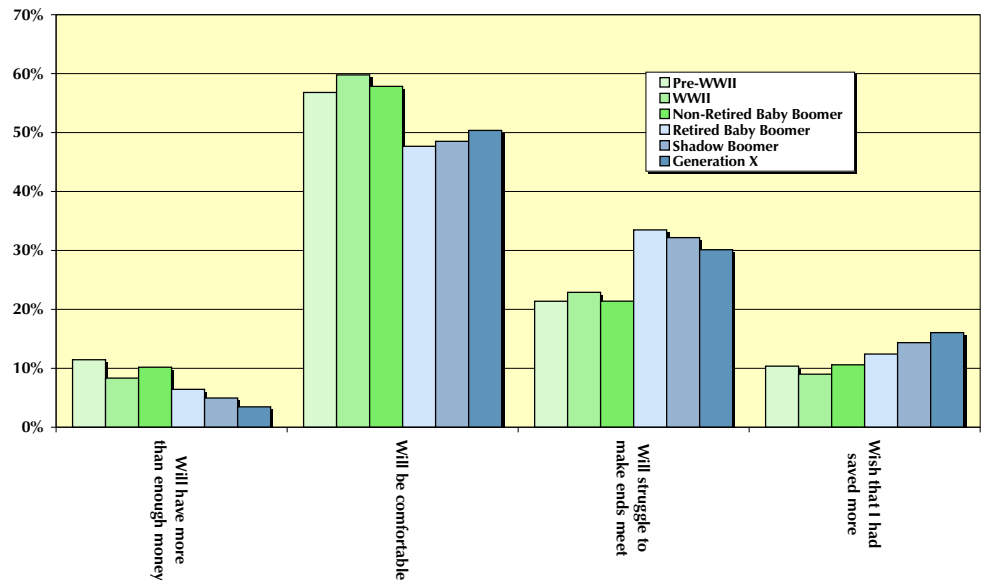


Figure 27. Level of retirement comfort — experienced and expected



Our Generation X and Shadow Boomer focus group participants offered comments such as:

Walter (42) "Twice I've cashed pensions in because I was desperate for money and kind of regret it now I suppose. You do think I should have listened to mum."

Jo (38) "My plan was never to have a pension [but rather] get another house, get somebody in it and you know do that."

Polly (46) "I've never really been in a position to make any provisions ... we've only been buying our house for 5 years which means I've got to be paying for that until I'm 60 at least. So really I've not got anything and because we're supposed to be separating maybe we won't have the house either ... I'm longing to live on my own, that's a great idea, but I've still got to pay to live somewhere so I've got no provision at all, but hey! ..."

Of those respondents in the national poll who were retired, 21% were still doing some kind of work part-time. The retired Baby Boomers, as we would expect, had the highest part-time employment rates – 24%. But *why* were they still working?

We provided retired respondents with a number of statements about working after retirement from the main job or career and asked them to select the ones with which they agreed the most. Their answers are summarised in Figure 28 below. Here we can see that, for most people, retirement is an opportunity to stop working altogether. Over a quarter, however, also saw it as an opportunity to do voluntary or unpaid work, as we saw in the case of one of focus group participants earlier.

There is a strong indication in the data presented in Figure 28 that a small proportion of retired people would like to continue to do some kind of paid work, perhaps to maintain social contact, but think that they are over-qualified for such jobs and that their age will count against them in the employment market. Less than 3% feel that actually need to work for the money. Among the non-retired respondents it was a very different picture, with over 15% expecting to work in retirement to support themselves financially, as shown in Figure 29.

Figure 28. Feelings about work in retirement (retired respondents)

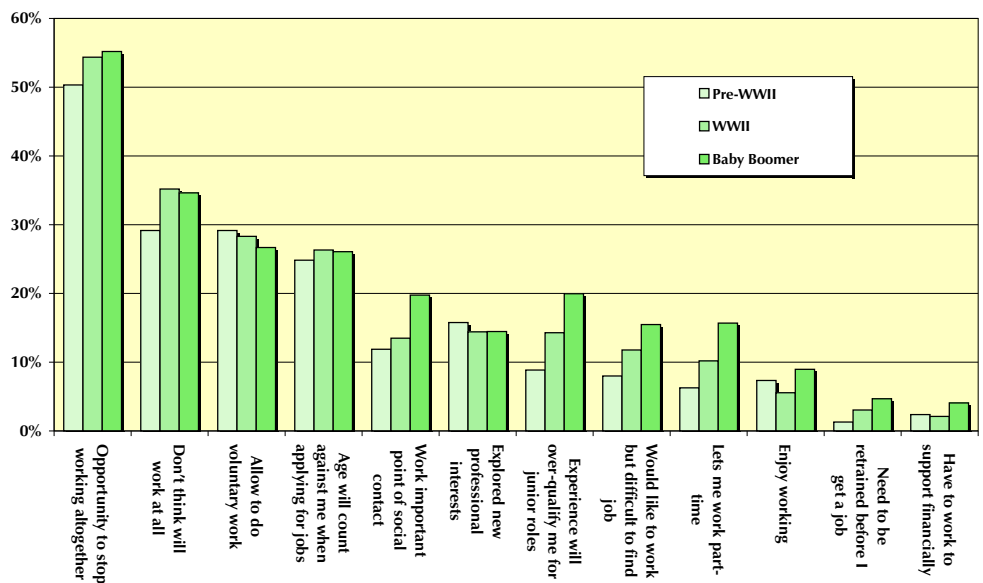
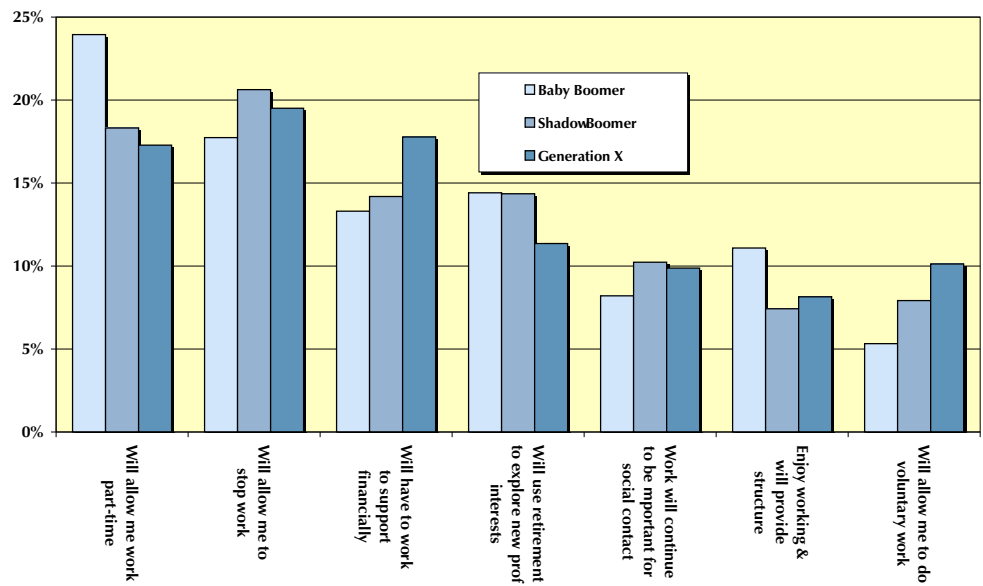


Figure 29. Expectations of work in retirement (non-retired respondents)



Compared with the majority of currently retired people who saw their retirement as being an opportunity to give up work altogether, less than 20% of those facing retirement felt this way. In addition, while 28% of those in retirement could happily afford to do voluntary work, and enjoy the experience, less than 8% of the not-retired respondents envisage this as part of their retirement.

This is slightly depressing. In the focus groups with retired people there was a strong sense of 'ideology' coming through in the discussions, along with the notion of giving something back to the community. One woman of 62, for example, said:

Barbara (62) *"Where I used to put money into [a charity] as opposed to my time, I can now spend my money that I used to put into it and spend the time with the charity. You know it's a [moral] trade off in that sort of sense."*

Another retired man said:

Nigel (59) *"I've always been a peace campaigner but I actually do a lot more of that now – in fact I'm organising a blockade ..."*

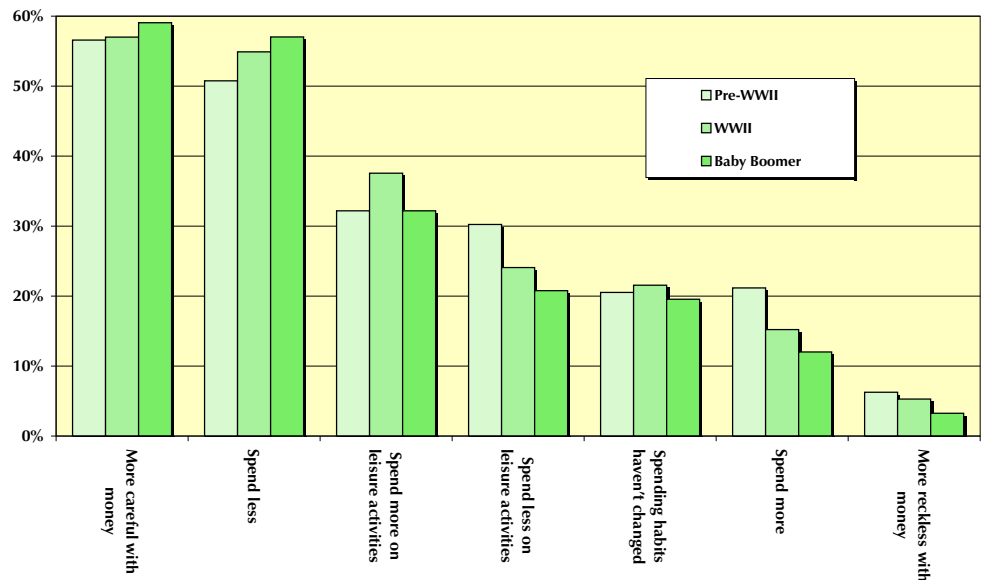
It has been argued that the 'grey' vote will become increasingly important in British politics, given that an increasing number of older voters will bring the political legacy of the 1960s with them to the ballot box.²³ According to Age Concern, older voters represented 40% of votes cast in the last general election – as a group, older people vote far more frequently than do younger members of the population.²⁴ This makes them a political force to be reckoned with, not least in terms of policy that is directly relevant to old age.

²³ *The Observer*, October 30, 2005, 'Baby boomers flex their political muscle'

²⁴ Age Concern (2006) *Winning in 2009, the importance of the Baby Boomers report*

While freetirement, for those that have achieved it, is financially comfortable for most people, the majority of respondents still feel that they need to be more careful with money and now spend less than they did before retirement, as shown in Figure 30 which summarises responses to statement about spending patterns.

Figure 30. Spending in retirement



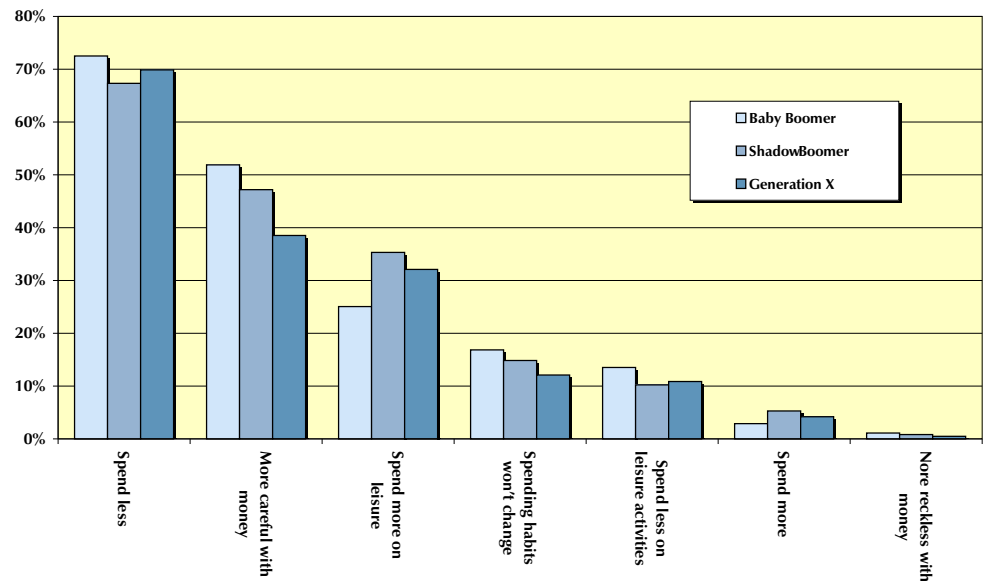
We should also note here, however, that while Baby Boomers are widely associated with the social and political liberation of 60s society, this generation is also central to current concerns about environmental issues such as global warming. Lifestyles defined by consumption have provided Baby Boomers with multiple choices for how they build their identities, but they have also produced a lot of waste. People aged between 50 and 64 are responsible for the highest levels of carbon emissions in the UK. According to a report published by the Stockholm Environment Institute, the average 'carbon footprint' – the total average amount of emissions per capita per year – for a person aged 55 to 64 is 13.5 tonnes²⁵. Ironically, over-50s are also the portion of the population that is most concerned about climate change and pollution.

From the poll data it is interesting to note that spending less does not necessarily mean cutting back on leisure activities. Over 35% of respondents say that they now spend more on leisure than they did before while less than 25% report spending less. A more detailed analysis of the patterns of Baby Boomer spending is contained in the section of the report 'Consuming retirement'.

The picture regarding the expectations of non-retired respondents in this context is not dissimilar, as shown in Figure 31 below.

25 Haq, G., Minx, J., Whitelegg, J., and Owen, A. (2006) *Greening the Greys: Climate Change and the Over 50s*. Stockholm Environment Institute: University of York

Figure 31. Expectations of spending in retirement (non-retired respondents)



Rather more non-retired respondents expect to spend less in retirement (70% vs. 57%) but they still see leisure activities featuring importantly in their lives and over 30% expect their spending to increase in these areas.

The recipe for ideal freetirement

Having examined these aspects of retirement, or the expectation of it, we asked our poll respondents who had retired about their perceptions of the ingredients for a happy retirement. Their responses are illustrated in Figure 32 below. Here we can see that staying fit and healthy was of the greatest concern – reflecting the fact that we noted earlier that being 'old' has as much to do with being physically and mentally incapable as it has to do with the passing of the years.

Having adequate financial resources was the second-most important ingredient, although this did not preclude have a few worries about money – that item ranked only seventh. The social/familial aspect was emphasised in the fourth most important ingredient while, in line with what we have seen before, engaging in 'adventurous' pursuits came bottom of the rank order.

The comments from our retired focus group participants were very much in line with this national picture, especially the emphasis on keeping healthy:

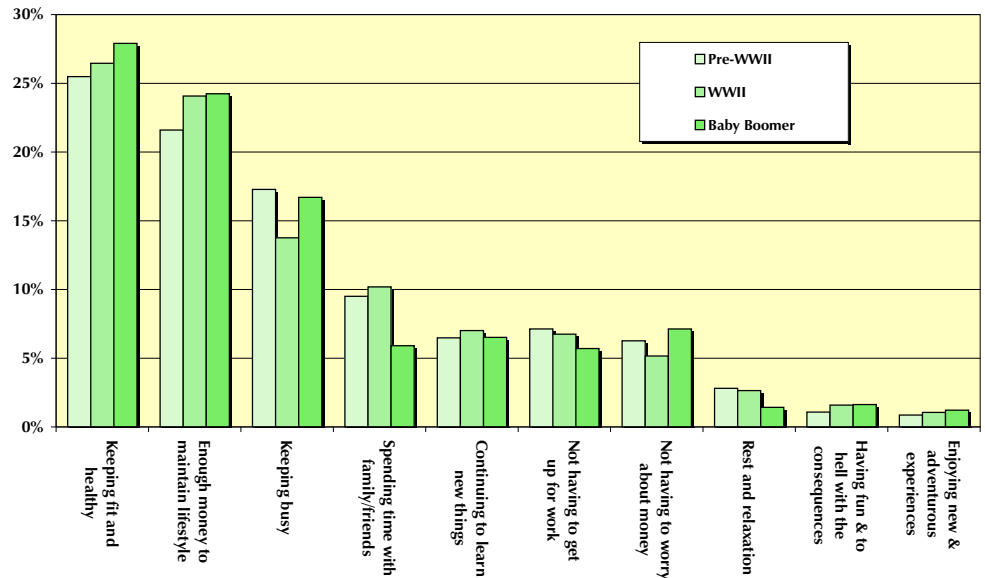
Janet (74) "Well what I want to do is to keep on walking ... and get out in the fresh air. I want to keep on doing that...as far as travel goes I'm going to northern Cyprus for my next holiday before it gets too busy."

"... going for a swim at Hinksey pool in the afternoon and going to the theatre with a friend in the evening."

Kate (60) "Well I get up and do my exercise in the morning and then I undo all my exercise by going out for lunch with a friend, and in the afternoon I'd do some

reading or something or studying ...there's lots of things I want to study...hmm, do some gardening perhaps, evening would be cinema, something like that."

Figure 32. Retired respondents recipe for happy and fulfilling retirement



Given the fairly close match between this perception of the 'ideal' retirement and what retired people are actually doing, it would seem that most manage to achieve a lifestyle that is not far removed from this recipe for perfection.

This is not so say, of course, that *freetirement* is completely worry free. In fact, retired people seem to worry about the very same things that they see as being the ingredients of a happy and fulfilling life – physical and mental health and, of course, money. This is clear from Figure 33 below. There is also a concern about 'running out of time' – not being able to achieve all of those plans that they had set for themselves in retirement.

Non-retired people expect to worry about similar things, as shown in Figure 34 below. Here, however, there is the expectation that money worries will feature more significantly. While 36% of retired people have worries about finances, 48% of those facing retirement expect to have such worries.

It is also the case that rather more non-retired people feel they will be concerned about the lack of state provision (levels of pension, etc.) in retirement compared with those who have already retired – 17% vs. 11%. This is consistent with what we have seen earlier in the context of funding retirement.

Figure 33. Worries in retirement (Retired respondents)

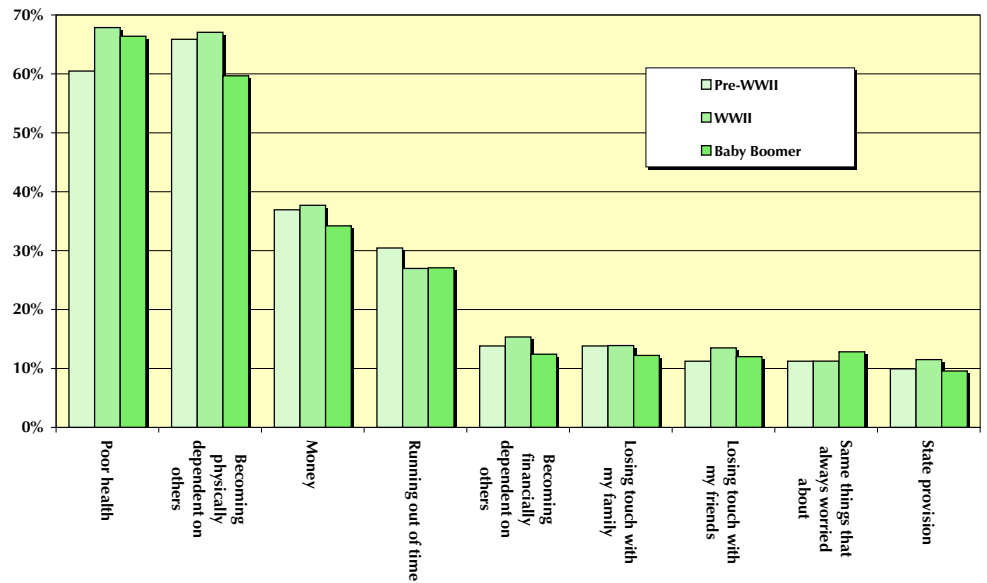
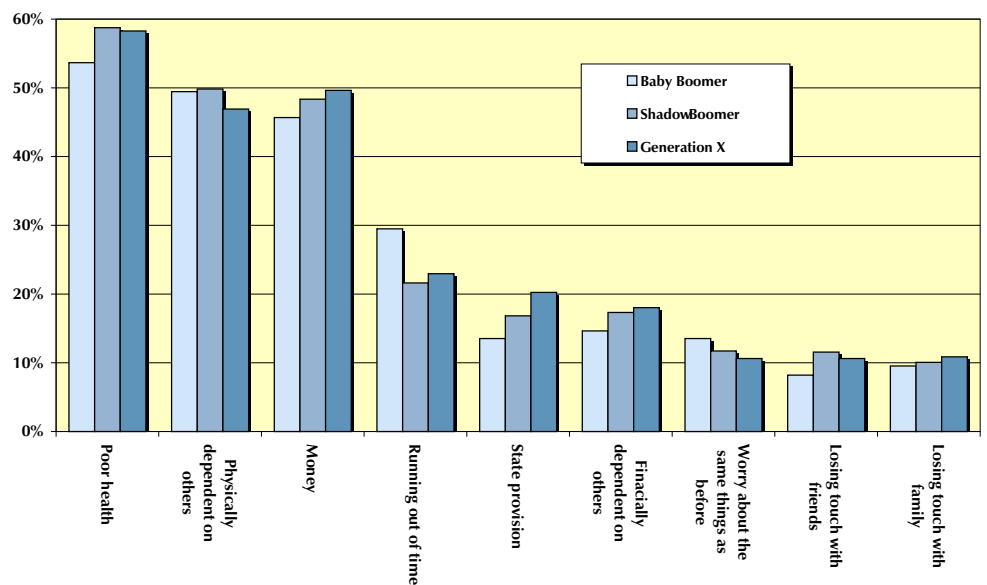


Figure 34. Expected worries in retirement (Non-retired respondents)



Our focus group participants in their 40s offered comments such as:

Mark (42) "Well the state pension ...there's too many old people that it's got to go to, there's not enough in Serps as they call it ... I don't think the state pension is worth anything"

Walter (42) "... I had that feeling a long time ago. I remember my mum living on peanuts and thinking 'hmmm' ..."

Consuming retirement

Just as consumption has helped to define the Baby Boomer generation, so too has spending, and it would be impossible to draw an accurate portrait of this generation's retirement without looking at the deeper social significance of spending and consumption as building blocks for identity and belonging.

Recent research into 'cultures of consumption' points to the fact that consumption – from listening to music to buying washing powder – is a vital aspect of defining who we are in modern society¹. What we buy, what we consume and how we spend our time are key factors in expressing a sense of belonging to a specific social group, or in showing adherence (or pretence) to a particular ideological point of view. This is evidenced as much in brand loyalty as it is in decisions to 'go organic', 'go green', or to buy jazz over country music. People who are unwilling to take part in this consumption process risk becoming alienated from popular society. This, perhaps, may explain traditional stereotypes of old people – particularly those born before the baby boom – as grumpy, lonely and out of touch with the wider social world.

Baby Boomers, on the other hand, were the first generation to grow up with these categories of consumer identity, and they will grow old with them too. In comparison with other sections of the ageing population, this generation spends more. In homes where the household reference person (HRP) was aged 50-64, spending was £441 a week in 2003/4, while for households where the HRP was aged over 75, weekly spending was approximately £183.²

The more recent Family Spending Survey 2005/6 confirms this trend³. Total household expenditure for 50-64 year olds increased by 8% to £477, while household expenditure for the over 75s increased by 12% to £206. Some caution, however, has to be taken in reading too much into these data. Households with younger reference persons are also more likely to be larger and hence their expenditure will be greater. Households where the HRP is between 50-64, for example, comprised an average of 2.2 persons, whereas the over 75 households comprised an average of 1.4 persons. It is only by examining consumer spending as a proportion of total spending per household that it is possible to compare patterns of consumer spending by age.

So what exactly are the baby boomers spending their money on? With the help of data from the Office of National Statistics (ONS) we can examine the purchasing habits and rifle through the 'shopping basket' of the Baby Boomers.

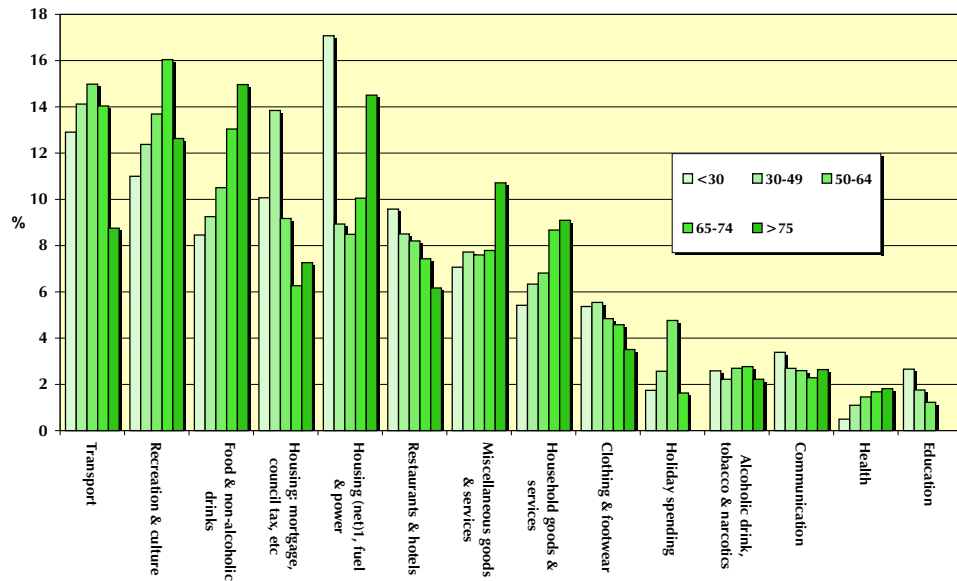
The distributions of major categories of spending for the various age groups within the ONS data are illustrated in Figure 35 below.

1 The ESRC 'Cultures of Consumption' Project – see <http://www.consume.bbk.ac.uk/>

2 Department for Work & Pensions (2005)

3 Family Spending Survey 2006 edition, Office for National Statistics

Figure 35. Major categories of spending by age group



Transport

The baby boomers spend the largest proportion ⁴ (15%) of their income on transport – the highest proportion of household income spent by any age group on this commodity - equating to an average weekly expense of £71.40. The 30-49 year olds do, however, spend a little more money than them on this (£77.20), even though this accounts for a smaller percentage of total expenditure. Within this category, Baby Boomers also spend the highest proportion of their total expenditure on the purchase of vehicles (6.1%) and on the operation of their personal transport (6.8%), including the maintenance and running costs.

Recreation

Other significant areas of financial outlay, each accounting for over 10% of total expenditure for the baby boomers, are 'recreation and culture' (13.7%) and 'food and non-alcoholic drinks' (10.5%). Within the category of recreation and culture there are some interesting differences. Baby Boomers, for example, spend the highest proportion of their total expenditure of all age groups on TV, video and computers (1.1%) compared with the 0.7% they spend on gardening. A total 4.4% of their money also goes towards 'recreational and cultural services' including: sports

⁴ The divisions of commodities and services are based for the most part on the 12 expenditure groups provided in the Family Spending Survey. For the purpose of this analysis the two main components of the 13th category (listed as 'other expenditure items' in the FSS) have been extracted to provide more detail. These are 'housing: mortgage interest payments etc' and 'holiday spending'.

admissions, subscriptions, leisure class fees and equipment hire, cinema, theatre and museums, TV, video, satellite rental, cable subscriptions and gambling payments. While Baby Boomers spend the most money per week on gambling (£5.40) when expressed as a proportion of their total expenditure (1.1%) they trail their elder counterparts – 65-74 year olds, 1.3%; 75 and over, 1.4%. While the Boomers satisfy their cultural leanings, punctuated with the odd flutter, it appears that they also have a sensitive side. They spend the highest proportion of their weekly allowance on their pets (0.9%).

Food and drink

The average weekly household spend on food and non-alcoholic drinks varies between £30.90 (75s and over) and £50.60 (30-49s), with Baby Boomers spending a slightly smaller total of £50.10. When taking into account the number of persons per house, however, the 50-64 and the 65-74 year olds spend the most money on food per head. As a proportion of the total household expenditure, money spent on food and non-alcoholic drinks increases with age.

Baby Boomers spend twice as much on alcohol for consumption in the home (1.6% of total expenditure) than on non-alcoholic beverages. With the exception of the under 30s, they also spend the highest proportion of their money on tobacco and narcotics (1.1%) and alcohol consumed outside of the home (2.2%)

Holidays

In this area of holiday spending the Baby Boomers excel – 4.8% of their total expenditure is on this – three times that spent by the 65-74 year olds (1.6%) and nearly twice that spent by 30-49 year olds (2.6%).

An illustration of the Baby Boomer's 'shopping basket', in terms of percentage household expenditure, is shown in Figure 36 below.

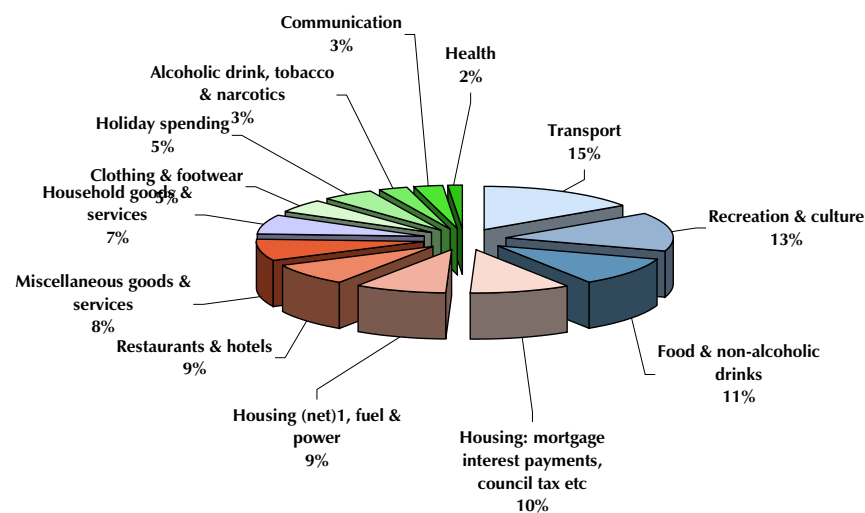
Marketing to the Freedom Generation

Advertisers have certainly become aware of the power of the 'grey' pound in relation to the traditionally more lucrative market of younger consumers. They have also seen the potential for selling the idea of 'youth' back to the old, as is evidenced in the swathe of anti-ageing products targeted at both male and female Baby Boomers.⁵

By focusing on consumption patterns that involve products stereotypically emblematic of 'youthful' vitality and rebellion – Harley-Davidsons, rock albums and adventure holidays, for example – popular discussion of baby boomers entertains the paradox of celebrating a new kind of old age through the idea of remaining forever young.

⁵ See *Saga* magazine, 'Anti-ageing creams' (<http://www.saga.co.uk/magazine/health/anti-ageing/Anti-AgeingCreams.asp>)

Figure 36. The Baby Boomer shopping basket



There are doubtless some Baby Boomers who see retirement as a way to go back to the (real or imagined) halcyon days of their youth, but this is certainly not the whole picture. Maintaining the consumption habits and lifestyles that have characterised their younger years does not necessarily indicate that Baby Boomers are attempting to 'relive' a 'golden' youthful past. Instead, their experiences of leisure and consumption characterise a new stage in the process of ageing. They are not trying to be teenagers again but are becoming a new kind of adult, bringing their own unique experiences of youth to bear on the way they live their lives after work. They are not born-again twenty-somethings – they are the first retiring adults to remember a teenage past.

Looking good: cosmetics and cosmetic surgery

At the same time, remaining physically 'youthful' still involves the issue of aesthetics and there is an obvious contradiction in the notion of accepting old age, but not old looks – the difference between functional and aspirational age. Baby Boomers have access to a variety of methods for reducing the signs of ageing. Currently such products account for the biggest share of the skin care market, valued by Euromonitor at €38.3 billion. While the number of people having cosmetic surgery remains relatively small, the UK market was worth £224.6million in 2003 and continues to grow at a rate of approximately 9.4% a year⁶.

Cosmetics and cosmetic surgery are allowing older people – men and women alike – to look younger for longer. This is an indication of the fact that body image and normative ideas of beauty remain intensely important in modern British society.

⁶ BBC, December 1st, 2004, 'Who will be beautiful in future?'

Indeed, while Baby Boomers are free to explore new kinds of old age, it is arguable that there is now more pressure than ever for older people to maintain youthful lifestyles and appearances. Extending consumer culture into old age obliges older people to confront the conflicting messages conveyed through advertising and marketing strategies. Baby boomers are popularly mythologised as eternally youthful, but they are also starting to see and feel the effects of old age.

Celebrated sexagenarian pop icons of the 1960s, such as Mick Jagger, are symbolic of both the iconoclastic ideology of their generation but also of an idealised version of how to stay young (or at least young-looking) for longer⁷. How are Baby Boomers expected to marry these conflicting ideals in old age?

Redefining beauty

Despite the pressures imposed marketing and advertising to adhere to a traditional notion of beauty in old age, there is the possibility that Baby Boomers will exercise their freedom to choose in this area of their lives as well. Cosmetics companies such as Dove are beginning to cater for members of this generation who are more comfortable with accepting the physical realities of old age. In early 2007 Dove launched its 'pro-age' philosophy, seeking to celebrate old age rather than viewing it as a barrier to positive self-image.⁸ The existence of this kind of campaign suggests that Baby Boomers are seeking to embrace new perceptions of old age, or at least that advertisers are aware of the ready money to be made from providing this kind of alternative. In this sense the purchasing power that Baby Boomers wield may actually have the effect of altering popular perceptions of what it means to look 'old', in terms of disassociating physical old age from the stereotypical attitudes and perspectives normally connected with growing older. Grannies are no longer as 'old' as they look.

7 BBC, December 2nd, 2004, 'Mature fans enjoy a new musical youth'

8 See www.dove.com

Conclusions

This study of age and retirement has been one of the most comprehensive in recent times. It has combined in-depth qualitative work with an extensive, bespoke poll of 3,400 nationally representative citizens across Britain. It has generated a picture of Baby Boomers and people who are retired or about to retire which is rather different from some of the more 'exotic' accounts that have circulated in the popular media.

The older years for the Freetirement Generation are characterised by the exercise of *choice*, even among those who are by no means 'wealthy' in the conventional sense. Growing up as teenagers in the sixties, today's Baby Boomers bring with them into retirement the values, attitudes and expectations which characterised that decade and, perhaps, no other in recent history. Unlike those experiencing their formative years in the 1980s – Generation X – their's is not a generation characterised by greed and ambition (a view that even Generation Xers recognise in themselves) even though they have managed, perhaps accidentally, to be the greatest beneficiaries of post-war economic growth. Rather, it is one that as it approaches retirement is able to anticipate a comfortable and fulfilling continuation of active life.

As in the case of all generalisations, of course, there are exceptions. There are some Baby Boomers who, for reasons largely outside of their control, find themselves living in very reduced circumstances on meagre pensions and income support. While they may be less 'materialistic' than those who grew up in Mrs Thatcher's era, despite the consumerist boom in which they grew up, and perhaps more able to cope with financial adversity, their plight is one that quite rightly is of concern to pensioner groups and, indeed, to us all. For the more fortunate majority of Baby Boomers, however, old age promises to one of unprecedented freedom and opportunity.

The outlook for Generation X, however, is far less promising. They, like Baby Boomers, see retirement as potentially one of freedom. But unlike Baby Boomers, they also see it also being fraught with worries and financial insecurity – an unhappy freedom rather than the more joyful experience that their elders are now starting to enjoy. They expect to have to work to an older age or to continue some kind of paid work in retirement in order to support themselves. The majority of Baby Boomers, in contrast, see work in retirement more as an opportunity to continue doing something that they enjoy or which gives them social contact than a financial necessity.

It is possible, of course, that the pessimism expressed by Generation X is partly a result of their relatively unrealistic expectations of retirement. For Baby Boomers, the reference group here is their parents who, on turning 60 or 65, may have had little to show for their long years of work. For Generation X, in contrast, the reference group is the Baby Boomer generation who they see has having had a much easier life, with much more to show for it at the end, than themselves. Even so, the reality is that the lifestyles of Generation X are likely to dip considerably further in retirement than those of the preceding generation.