

# Volunteer Achievement Program

VAP Sample chapter

#### Chapter 3

### **Boomers Redefine Life Stages**



Thanks to medical advances and healthcare education, baby boomers, born between 1946 and 1964, will enjoy a long and healthy retirement. Many will also work longer before beginning their retirement years. They will remain active longer than did their parents and grandparents, and boomers will age more slowly psychologically. Although they're unable to recover the years that have slipped by since they headed for a music festival in Woodstock or to the jungles of Vietnam, boomers will retain some of their youthful idealism. Some boomers even may attempt to make up for the years lost in the workforce through volunteerism or other altruistic activities.

The accumulation of wealth from iobs, their own businesses, and inheritances will make boomers a little more conservative in retirement. The ordinary challenges of living that they've encountered in the past two decades—including economic downturns, job pressures or losses, health crises, divorces, and deaths in the family—will make them a bit more jaded. Yet boomers generally will retain the optimism and ideals that were ingrained in their formative decades of the sixties and seventies. To a boomer, old age begins at 79, according to some surveys.

## The Impact of the Boomer Bulge

Boomers see things differently. They behave differently than did their parents. At an age when their parents were fishing on a lake or relaxing on a deck, boomers may as likely be skiing or even skydiving. Retirement may mean more time devoted to their own business, a long-awaited stint in the Peace Corps, or running the Boston Marathon. For most boomers, retirement is unlikely to mean more time to play bingo.

Economists and social theorists debate the possible results of the large boomer generation's redefinition of aging. Some fear that boomers will drain the resources of the younger generations to support their more active lifestyles. These doomsayers believe that boomers, who have been slow to save for retirement, are likely to use the trillions of dollars they will soon inherit from the mature generation to meet

Boomers will redefine retirement.

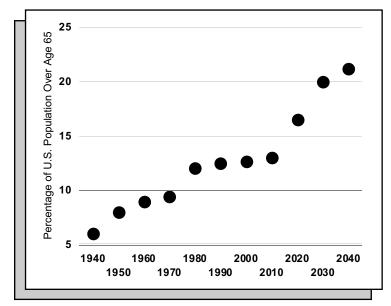
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their own retirement needs and fulfill their dreams—rather than passing this wealth to younger generations. Some social theorists predict that the boomer population bulge will change forever our concept of human aging and revolutionize society as much as the development of the computer and the Internet.

Figure 3.1 depicts the growth in the number of older Americans as the baby boom generation ages. (This generation will age but will never become the mature generation. Boomers will remain boomers for their entire life span.)

The boomer redefinition of aging combined with the overall graying of America will affect the types and enhancements of credit union products that members are

Figure 3.1 The Graying of America



Source: U.S. Census Data

looking for. Understanding this generation's mindset and behaviors can help the credit union provide a product mix that meets boomer needs, using messages that harmonize with their life experience.

### What Do Boomers Care About?

Since the majority of boomers grew up in relative affluence in families that owned cars, televisions, radios, and modern household appliances, these material possessions are less important than they were to their parents' generation. Even though boomers freely spend their dollars on consumer goods, the goods themselves are actually less of a priority than they might have been if boomers had grown up without them. Boomers take material consumption for granted. There's never been a need to be concerned about what they will eat, wear, or drive tomorrow.

As a result, boomers tend to focus inward. The outer, material world has been won; but there's a huge inner world yet to explore, especially in the areas of self-development and spirituality. Boomers both ushered in the Age of Aquarius and created New Age spiritualism.

Boomers have purchased selfhelp books by the armful, forcing the editors of *The New York Times Book Review* to create a separate category for them. Boomers are always eager to add new skills to their résumés, and education is important to them. Among the oldest half of the boomers, 87 percent completed high school. A quarter graduated from college and more than half have completed some college studies. In contrast, as recently as 1950, three-fourths of Americans over 55 had not graduated from high school.

Your credit union can supply the knowledge boomers crave through financial planning seminars, newsletters, and the Internet. Boomers will be interested in how to plan for retirement, pay for their children's education, and invest their accumulating wealth. Since they've usually had the money they need to purchase the items they want, boomers have become critical consumers. They're not always easy to please, but the credit union that provides the quality products boomers want will find them willing to pay for perceived value. Price is less of a barrier for boomers than it is for matures.

Boomers care about integrity, equality, and democracy. Having grown up in an era of peace marches, communes, and co-ops, boomers often support socially responsible investing, environmental causes, and organizations that operate with integrity. In other words, many boomers can easily understand and appreciate the credit union philosophy.

#### Boomers tend to focus inward.

Boomers also appreciate independence. Their "Question Authority" slogan appeared on their shirts and bumper stickers when they were young, and they still prefer to control their own futures. Credit unions that position themselves as a resource and valued consultant—rather than an expert on the mountain top—will be rewarded with boomer loyalty. The boomer generation often distrusts big business and big government, but it appreciates friendly, customer-focused organizations like your credit union.

### What Do Boomers Worry About?

Boomers' biggest worries are money and time, which is good news for credit unions that can help them with quality products and convenient services. In today's boomer families, both spouses work to maintain their desired lifestyle, while juggling the needs of children and parents, house and yard tasks, and other responsibilities. Divorce may increase time and money pressures.

Boomers are chronically short on time. These aging idealists want to have it all, accomplish it all, and experience it all. They're stressed, sometimes short-tempered, and always impatient.

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What an opportunity for credit unions. Your credit union can help solve the boomer time crunch by offering convenient services like ATMs, online financial services, phone banking, drive-through windows, and direct deposit. It also can train tellers and member service representatives to be patient with boomers, listen to their needs, and respond positively.

Boomers need the assistance of their credit unions to grapple with their pressing financial worries. They have aging parents to care for and children to put through college. In addition, boomers must finance their own longer retirement years. Yet many are unprepared for retirement and will need to work beyond age 65.

Their lack of retirement planning stems from their generally affluent upbringing. "What? Me worry? Why?" was a common sentiment of the 1960s and 1970s. As a result they have let retirement planning slide. There's always been enough money in the past; surely, there will also be sufficient funds in the future. Even though boomers have endured a high divorce rate, AIDS, and other catastrophes over the past decades, they remain eternal optimists—perennially rooted in the idyllic Camelot that ended with one of their most significant events, the assassination of President Kennedy.

Many boomers are reaching a financial crisis.

Boomers have not switched from a borrowing mentality to a savings mentality as early as previous generations. Many credit unions report that boomer families are still a very strong lending market. Unlike their parents, boomers are very comfortable with debt. Home mortgages, vehicle loans, and credit cards enable them to enjoy a comfortable lifestyle. In reality, many boomers are far too comfortable with debt and living beyond their means.

Many boomers are reaching a financial crisis: They need to keep working hard to pay off debts and assist with the financial needs of their parents and college-age children at a time when they'd rather leave their full-time jobs to explore the dreams they put on hold when they entered the real world twenty or more years ago. Finding a balance between sufficient income to meet their needs and sufficient time to reach their dreams is a common boomer dilemma.

### Solving the Boomer Dilemma

Your credit union can help boomers address this common timeversus-money dilemma. Your credit union can provide financial management expertise to boomers. It can help them save for retirement while paying off debts, supporting children and parents, and funding projects of real importance—such as a second career or education. Working with

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boomer families one-on-one can help each construct a financial plan that meets their needs. Your credit union also can help by offering financial planning workshops, newsletter articles, and online information.

Opportunities to serve boomers abound. In addition to financial planning, many boomers will be interested in the following products and services:

- IRAs can help boomers save for retirement and perhaps gain a tax advantage at the same time.
- Investment services can aid boomer stewardship of their own and their parents' estates.
- Payroll savings plans can ensure saving small amounts on a regular basis.
- Home equity loans and lines of credit can help boomers meet pressing financial needs or get them started in a new business or second career.

- Longer terms on recreational vehicle loans can help boomers
  who want to make more time for
  family, travel, and self-growth.
- If your credit union is considering offering online financial services, this may be a good time to reach the time-conscious boomer market.
- ATMs, drive-through windows, and phone banking can address the boomer dilemma of never enough time.

Whichever products and services your credit union promotes to boomers, be sure that staff are trained to answer questions and explain them to members. Boomers can be a critical audience, but they will respond positively to quality customer service, knowledgeable employees, and products that help them balance their time and money needs.