

VIDEO ADVERTISING BUREAU - A MARKETER'S GUIDE - 2019

The Age Of Opportunity

Understanding The Consumer Value Of Adults 50+



Contents

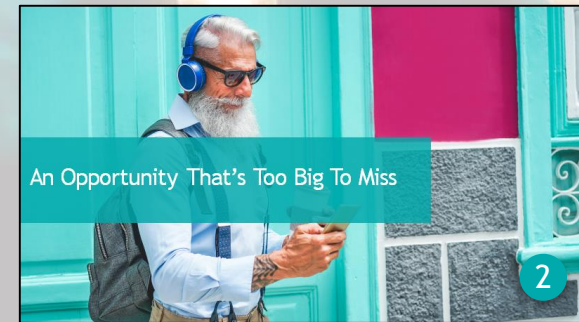
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A New Investment Plan

The New Face of 50+

The face of Adults 50+ in America is changing. Enabled by extended employment and disposable income, older Americans lead vibrant, active lives. They are traveling and exploring, entertaining friends and family at home, and they are very involved in their communities. As such, Americans over 50 are a significant consumer group across a wide variety of goods and services.



However, 77% of older adults feel that their age group is being ignored by advertisers.

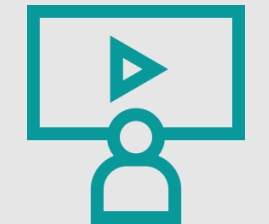
Are Marketers Missing A Huge Opportunity?

There are 114 Million Adults 50+ in the U.S., comprising over one-third of the U.S. population; a number that's projected to grow more than the Adult 18-34 segment over the next several decades. This group is just *too big to be ignored*.



Why Are A50+ So Valuable To Marketers?

- ❖ They are working longer into their careers and currently account for 34% of the U.S. workforce
- ❖ They account for over \$3.2 trillion in aggregate annual expenditures, or 41% of total U.S. consumer expenditures
- ❖ They enjoy an active lifestyle, are heavy purchasers across product categories and, for many of them, their wallet is still up for grabs when it comes to many goods and services.
- ❖ They're huge viewers of video, enjoying a variety of programming across screens and devices. This represents a great opportunity to build, or reinforce, a relationship with these highly engaged viewers.



Join us, as we look at the Age of Opportunity for Adults 50+...and for marketers.

The New Face of 50+

They're Influencers

They're Actors

They're Entertainers

They're Musicians

They're Thinkers

They're Artists

They're Athletes



They're Also Carpenters
They're Teachers
They're Accountants
They're Chefs
They're Lawyers
They're Retirees
They're Doctors
They're Architects

And More



Adults 50+ Often Feel They Are Underrepresented, Misrepresented Or Ignored By Advertisers

78%

Say That They Felt Their Age Group Was Underrepresented And Misrepresented In Advertising

77%

Of 50-59 Year-Olds Feel That Their Age Group Is Most Ignored By Advertisers

62%

Believe That They Are Ignored Because Advertisers Are Too Young To Understand Their Market



49%

Avoid Brands Who Actively
Ignore Their Age Group



However The Industry Is Beginning To Realize That Marketers Are Missing A Huge Opportunity By Not Realizing The Potential Of Older Americans



Losing Money By Missing the Demo Target

The New York Times

*Baby Boomers to Advertisers:
Don't Forget About Us*

AdAge

**ADVERTISING HAS AN AGEISM
PROBLEM**

Forbes

**Marketers Throw Out The Baby
Boomers With The Bathwater**

 **Mumbrella**

**Ad land ageism: 'Why do we
target millennials with no money
and ignore older consumers with
wealth?'**



**Tanya Joseph: Campaigns
ignoring mature consumers are
the folly of youth**

Why Exactly Is This Generation Such A Missed Opportunity?





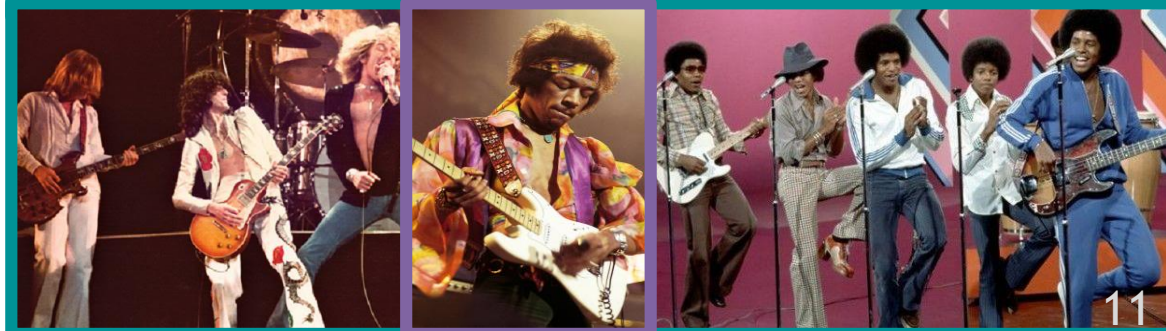
An Opportunity That's Too Big To Miss

Fueled By The Aging Of Baby Boomers, The Adult 50+ Segment Is Steadily Growing

Following the end of World War II, the U.S. experienced a sharp spike in births, the result of a strong post-war economy

By 1964, the 76.4 million babies born into the baby boom generation constituted a whopping 40% of the US population

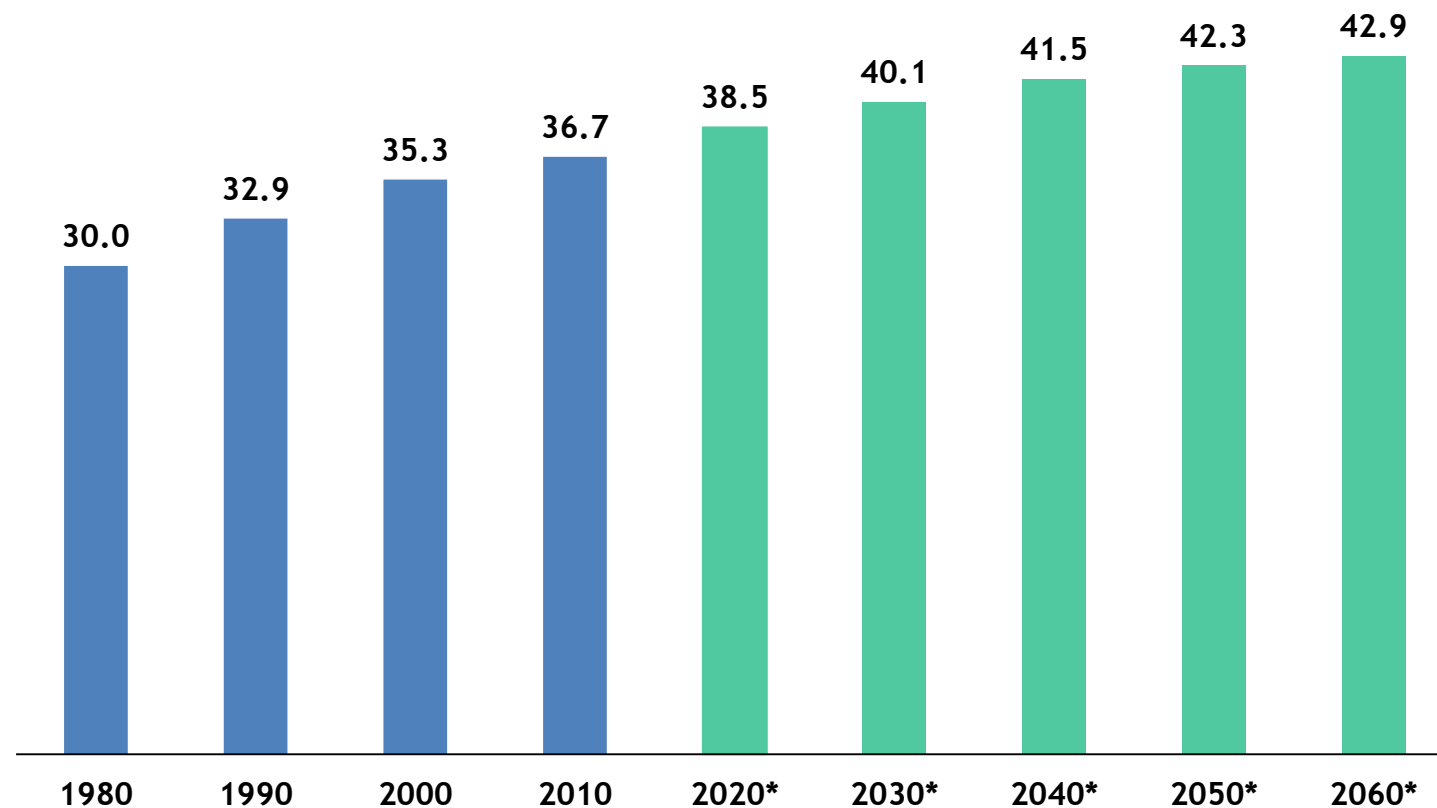
As a result of their size & personality, the Baby Boomer generation heavily influenced the American economy, culture & social change - a significant parallel to the Millennials of today



As A Result Of The Aging Of The Baby Boomer Generation, The Median Age Of Americans Is Increasing

The median age has increased nearly 20% over the last 30 years

Median Age Of U.S. Population

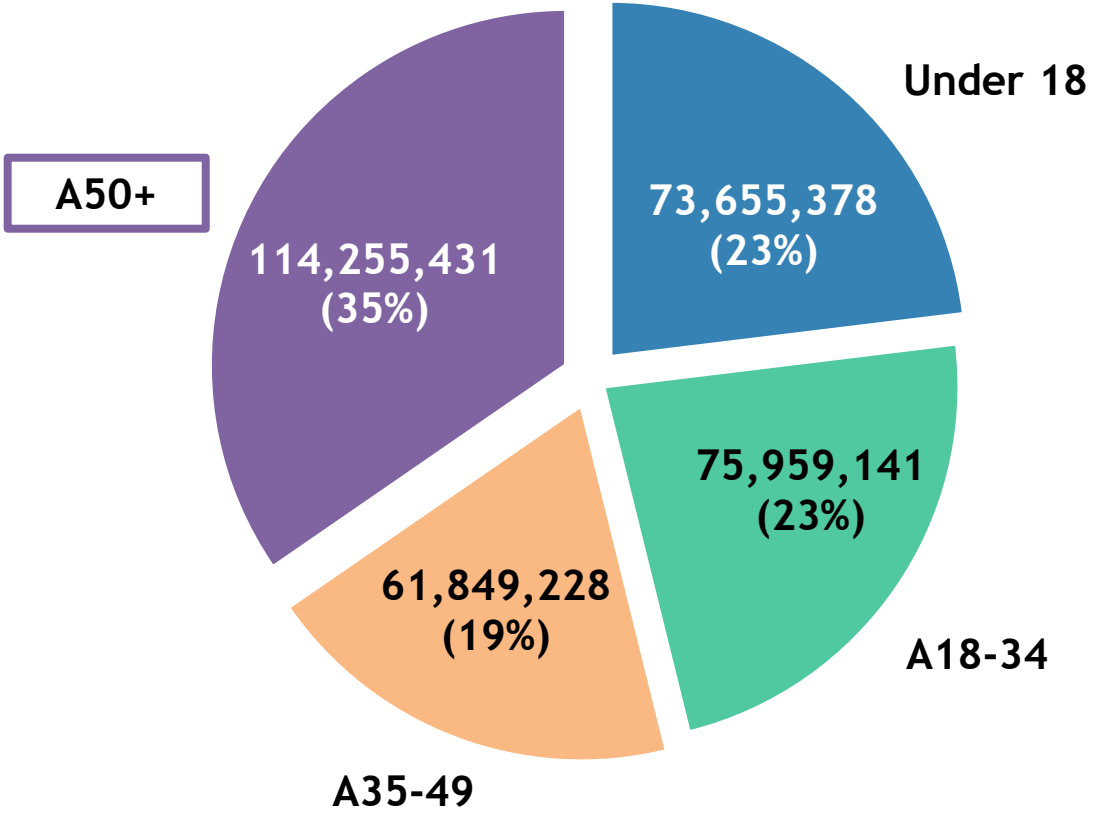


Source: U.S. Census Bureau, Population Estimates for 1980, 1990, 2000, 2010; U.S. Census Bureau, *Projected 5-Year Age Groups And Sex Composition of the Population, 2017 - 2060*.

* = Projected Median Age.

There Are 114 Million Adults 50+ In The U.S. And They Account For 35% Of The Total Population

2018 U.S. Population by Age



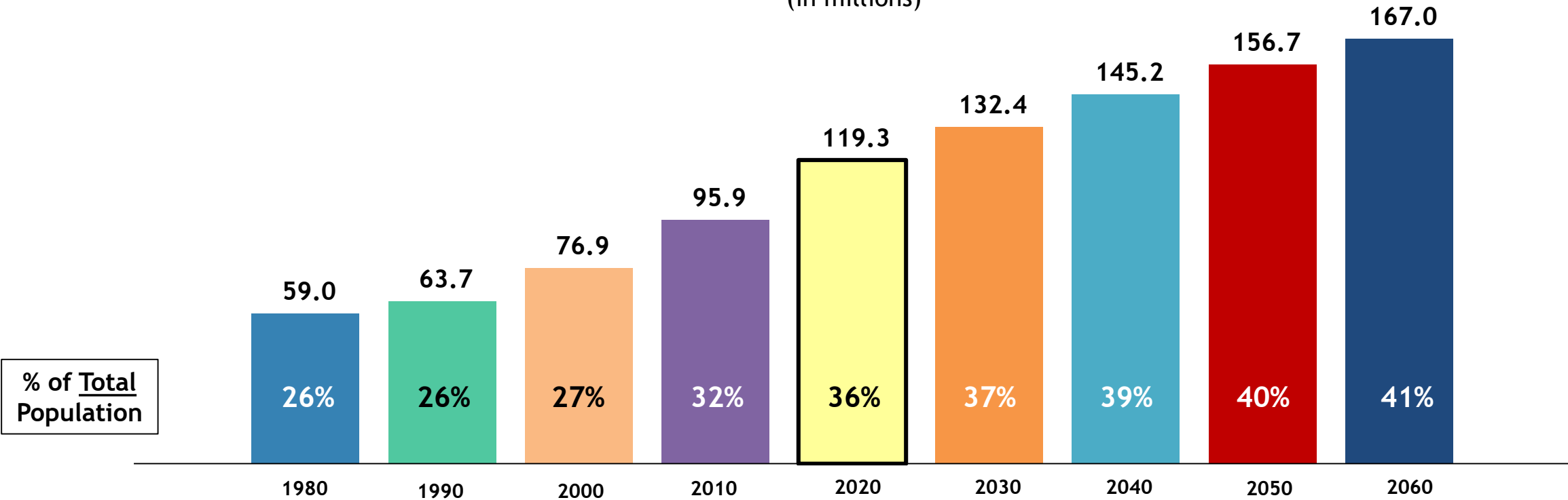
They Also Account For 45% Of The Adult (18+) Population



By 2020, The Adult 50+ Population Will Have Doubled In Size Over The Last 40 Years, Reflecting An Increase Of *60 Million* People

Adults 50+ will account for 46% of all adults 18+ by 2020 & 51% by 2030

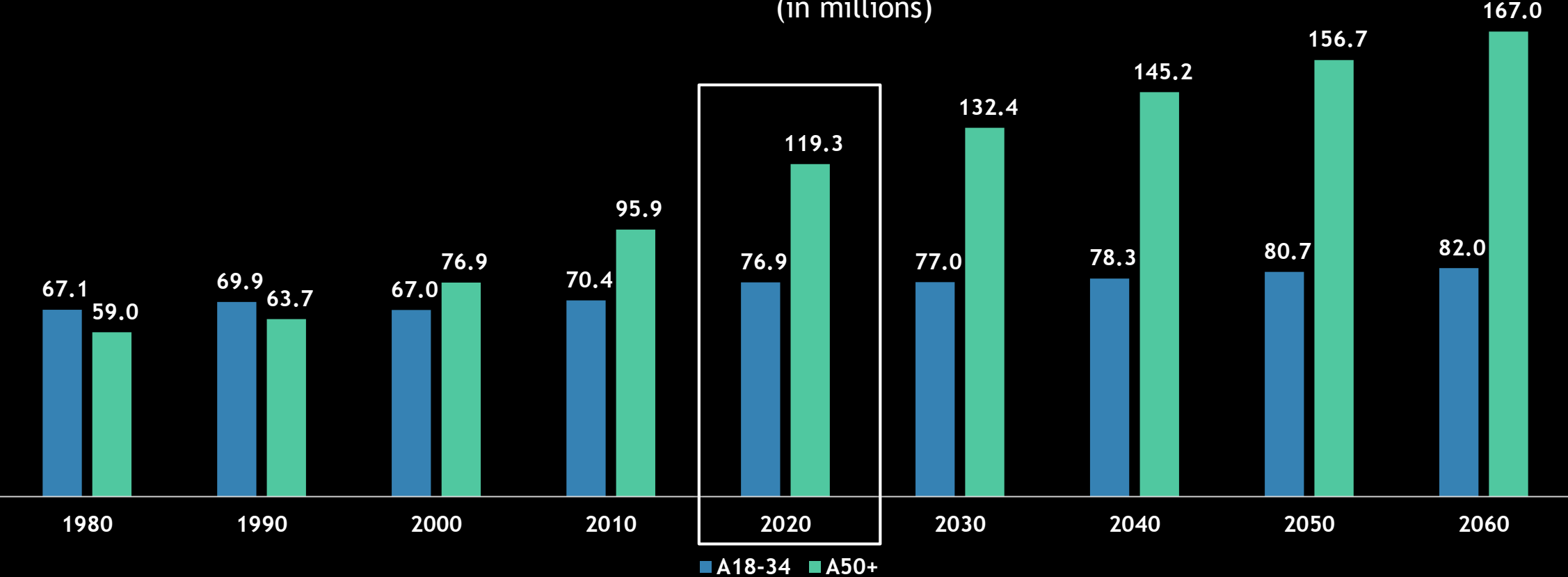
U.S. A50+ Population, Actual and Projected
(in millions)



While Marketers Often Focus On Younger Demos, The Adult 50+ Population Dwarfs Those Audiences...And The Gap Is Growing

By 2020, there will be over 42 million more A50+ than A18-34, and by 2030 that gap will increase to over 55 million

A18-34 & A50+ Actual & Projected U.S. Population
(in millions)



Source: U.S. Census Bureau, Population Estimates for 1980, 1990, 2000, 2010; U.S. Census Bureau, Population Division: Washington, DC., Projected Age Groups and Sex Composition of the Population: Main Projections Series for the United States, 2017-2060.

A woman with voluminous, curly grey hair is the central figure. She is wearing a white short-sleeved top and dark trousers. Her arms are crossed, and she has a slight smile, looking towards the camera. The background is a modern library or study area with light-colored wooden bookshelves filled with books. A wooden table and a black chair are visible in the foreground. A teal banner is overlaid across the middle of the image.

Working Longer = Increased Spending Power

Adults 50+ *Work Longer*
Now Than Ever Before

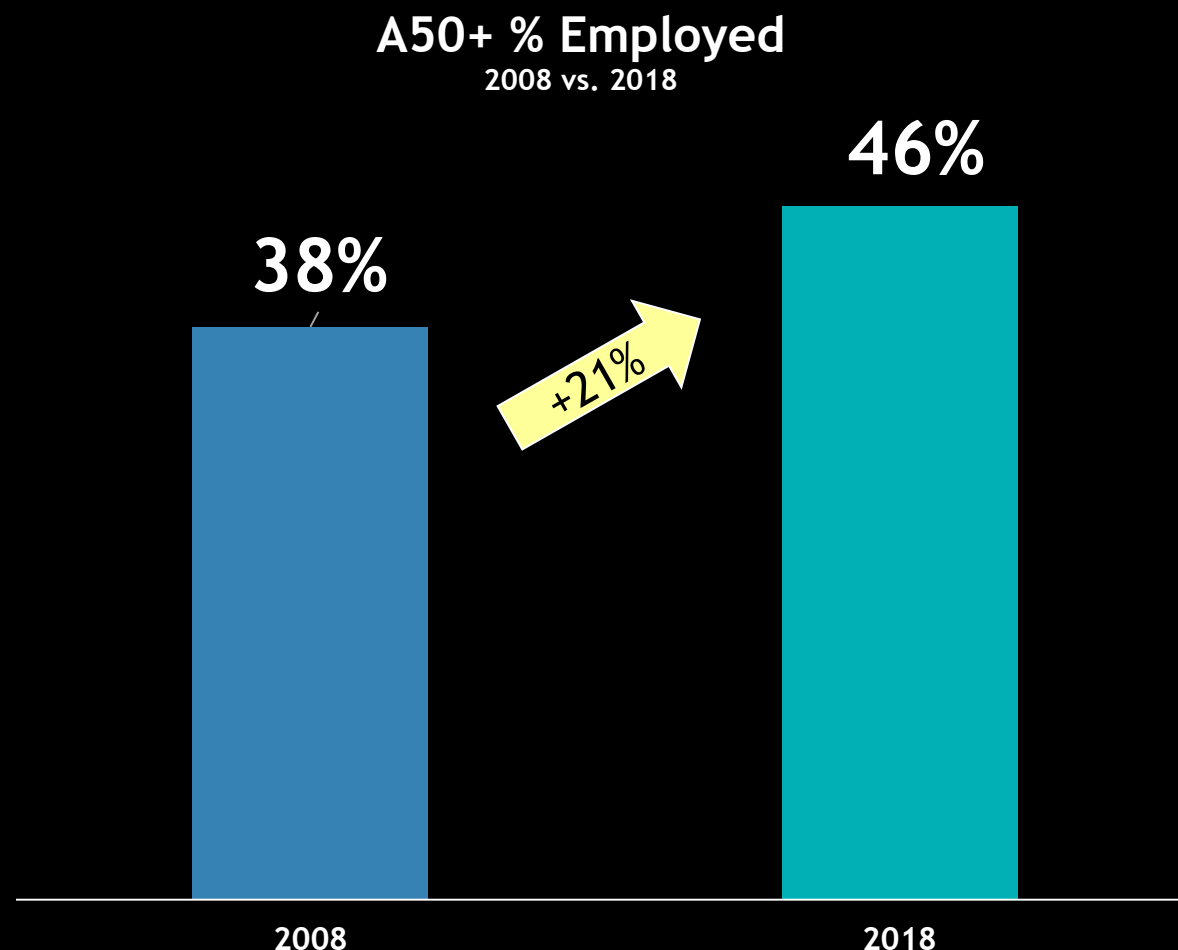
They're "*Influencers*" In
Their Professions

And They Have *More*
Money To Spend



Nearly **Half** of Adults 50+ Are Working, Accounting for **34%** Of Employed Individuals In The U.S.

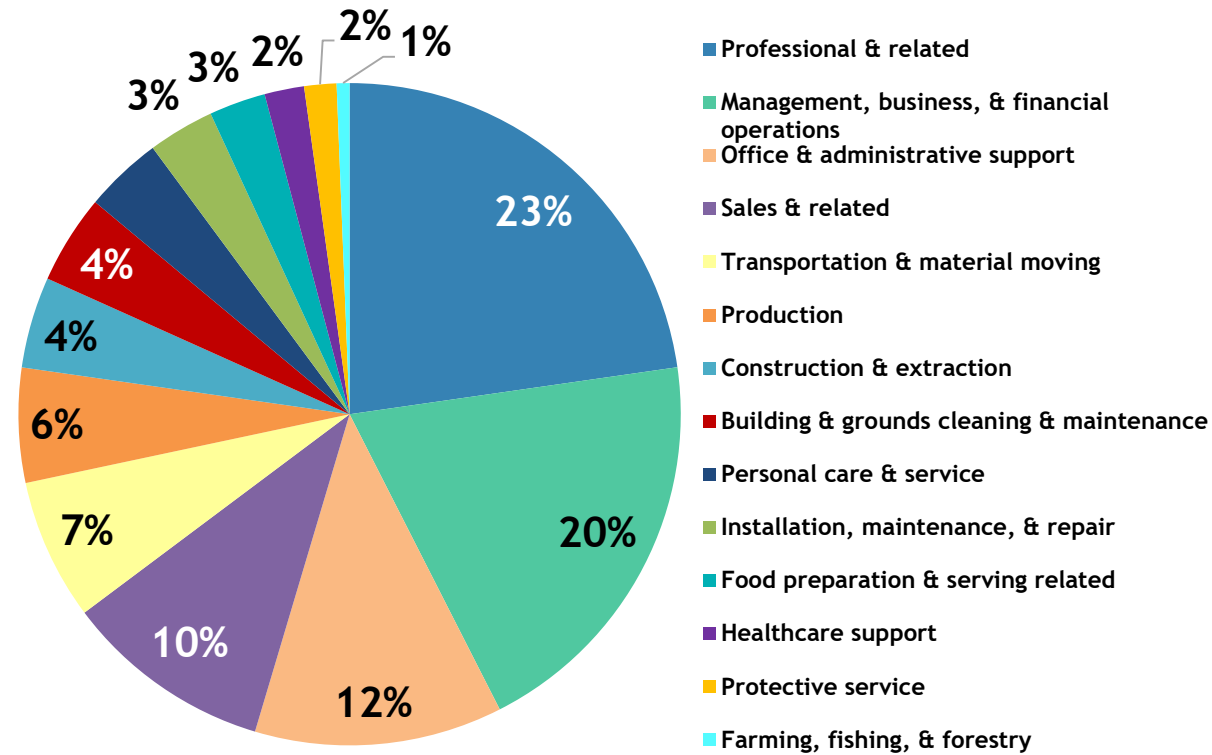
The Number Of Employed People Over The Age Of 50 Has Also Increased **21%** Over The Last 10 Years



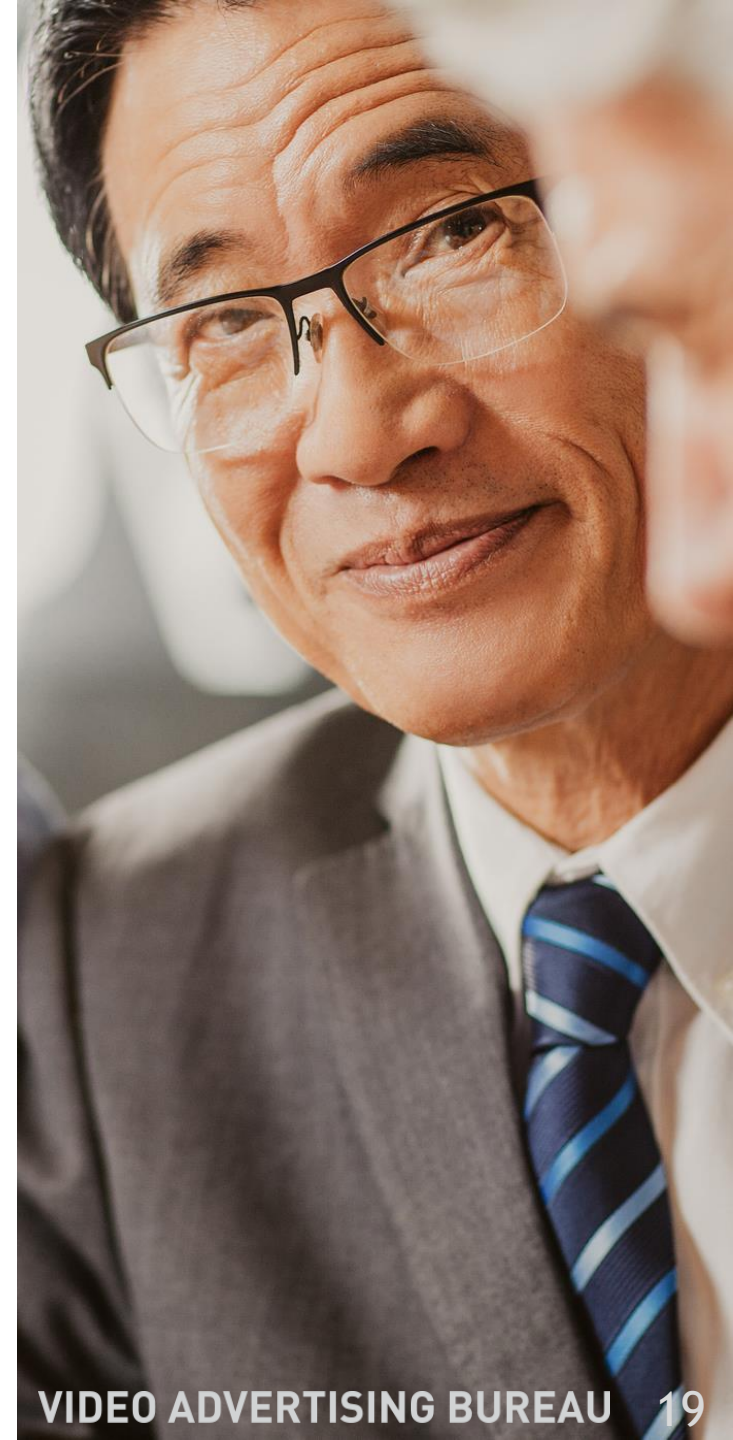
Adults 50+ Are Leaders In The Workforce

Adults 55+ are **62%** more likely than older Millennials to hold management positions

2018 Employment of Workers Ages 55 and Older, by Occupation Group
(Thousands)



Source: U.S. Bureau of Labor Statistics, Household Data Annual Averages, Employed Persons By Detailed Occupation and Age, 2018; Data represents adults 55+ due to data age group breakouts; Millennials = Adults 25-34 due to data age group breakouts.



Many Americans Plan On Working Past Retirement Age
As Their Job Fulfills Both Economic And Social Needs

4 in 10

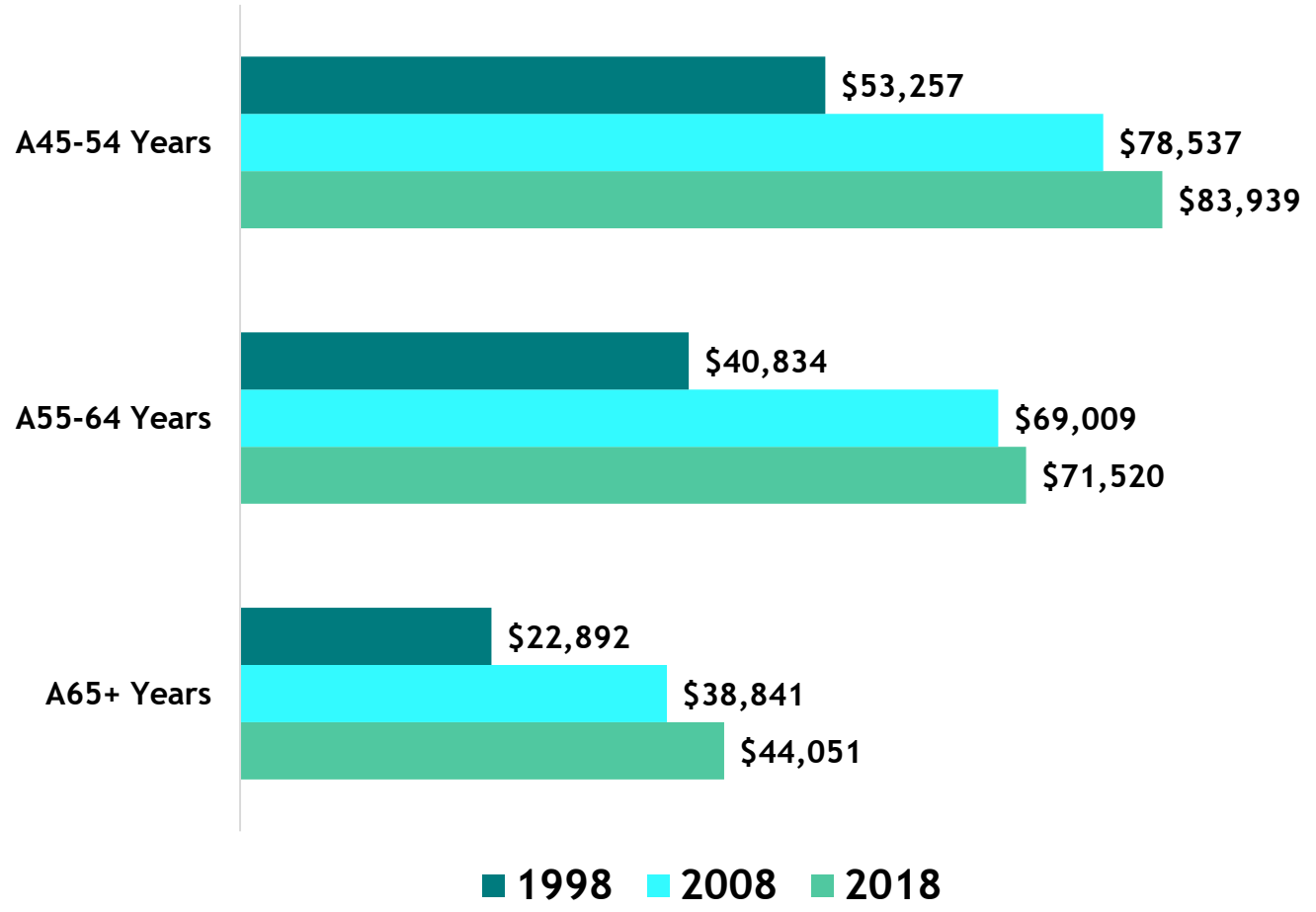
Americans Expect To Work
Until 70 Years Or Older

Source: Northwestern Mutual, *Planning & Progress Study 2018*; The 2018 Planning & Progress Study seeks to provide unique insights into U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people's long-term financial security. The study is based on an online survey of 2,003 U.S. adults age 18+ conducted from March 7-19, 2018. Data were weighted to be representative of the U.S. population (age 18+) based on Census targets for education, age/gender, race/ethnicity, region and household income.

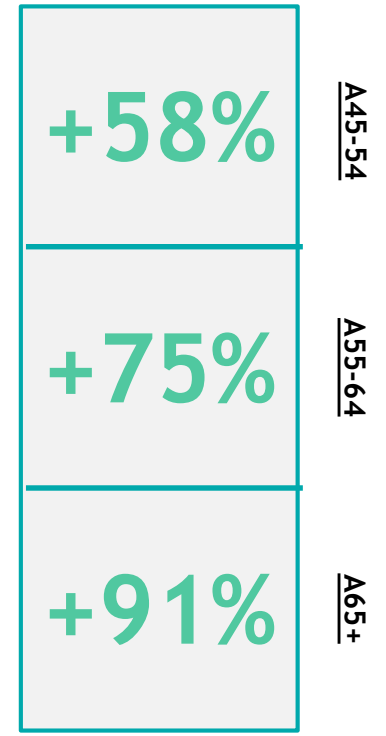


With More Adults 50+ Working Later Into Life, Their Household Income Has Outpaced The National Average Increase Over The Past 20 Years

Annual Household Income



1998 vs. 2018
% Change



+66%
National Average
% Change

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 1998, 2008 & 2018; Reflects income after taxes.

They're Choosing To Work Later Into Life Because They View Their Job As Being An Integral Part Of Who They Are

Why do you anticipate working past the traditional retirement age of 65?

I want additional disposable income	55%
I enjoy my job/career and would like to continue	54%
It is a social outlet that will help me stay active/prevent boredom	44%
I want to do something that will let me give back to the community	18%
It is my opportunity to try a new field	10%
I plan to start my own business	9%
I plan to pursue a passion that was too risky to commit to previously	9%

The number of entrepreneurs over age 50 has increased 50% since 2007

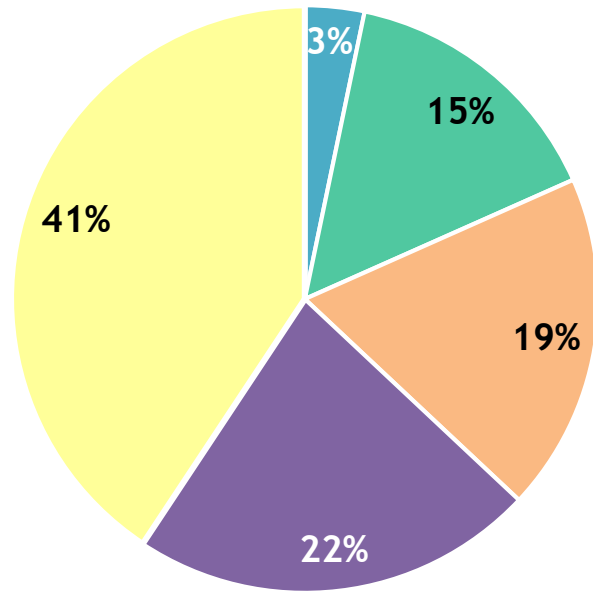
Their Aggregation Of Disposable
Income Over The Years Means Adults
50+ Have Significant Spending
Power, And They Use It



Adults 55+ Account For 41% Of Annual Total U.S. Expenditures

This translates to \$3.2 trillion in total yearly spend

% Share of Annual Aggregate Expenditures By Demo



■ Under 25 Years ■ 25-34 Years ■ 35-44 Years ■ 45-54 Years ■ 55+ Years

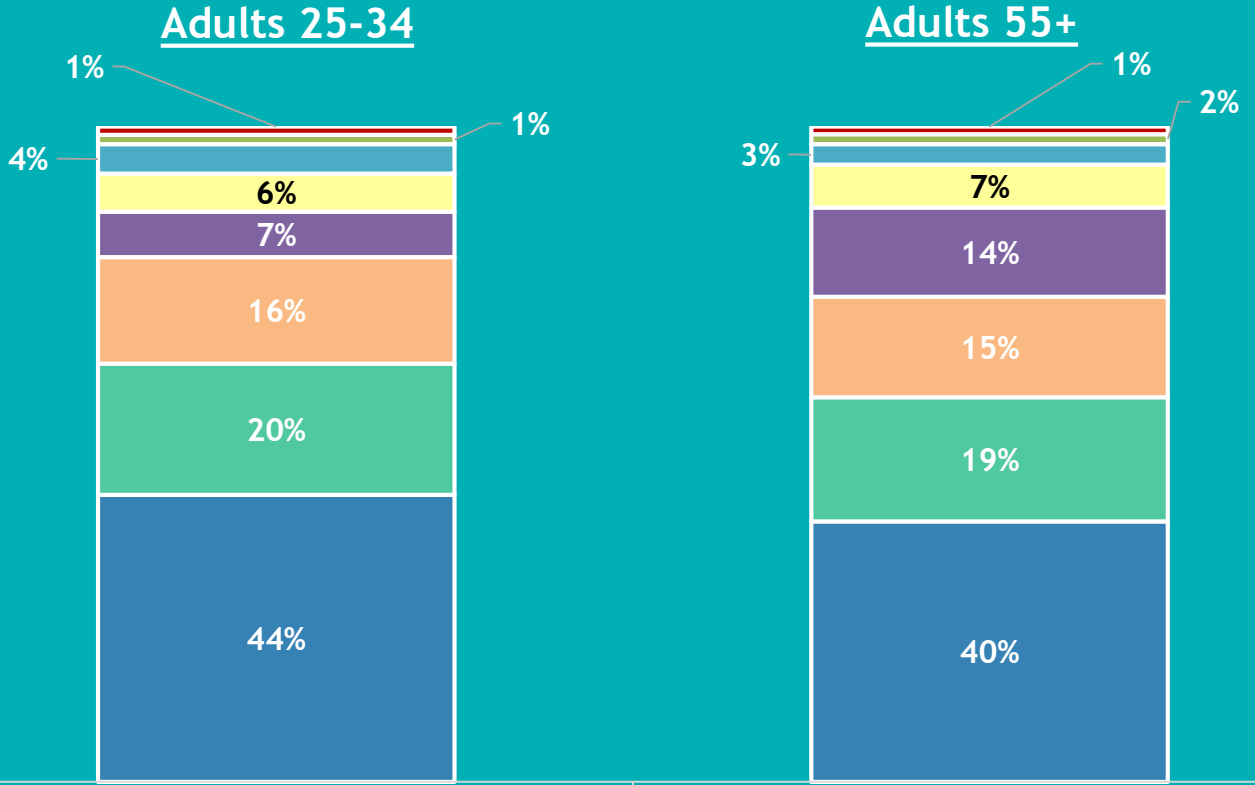


VIDEO ADVERTISING BUREAU

Source: VAB Analysis of *Consumer Expenditure Survey* data, U.S. Bureau of Labor Statistics, September, 2018, Data represents adults 55+ due to data age group breakouts.

Their Spending Profile Is Virtually Identical To Older Millennials

Average Annual Expenditures by Category



- Housing
- Transportation
- Food
- Healthcare
- Entertainment
- Apparel and Services
- Personal Care Products & Services
- Alcoholic Beverages

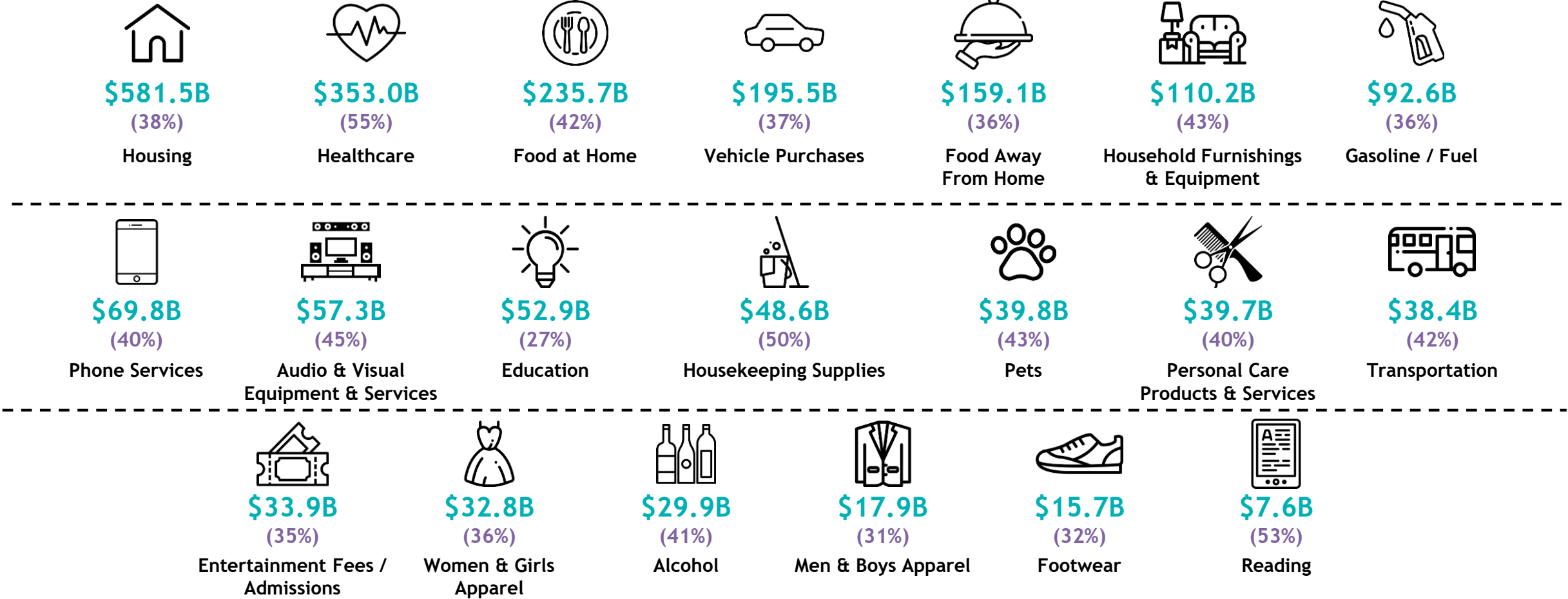
Source: VAB Analysis of Consumer Expenditure Survey data, U.S. Bureau of Labor Statistics, September, 2018, Adults 55+ calculated based on a weighted average for Adults 55-64 and Adults 65 and older; Data represents adults 55+ due to data age group breakouts.



With More Disposable Income, Adults 55+ Collectively Spend More On Consumer Goods & Services Than Any Other Demographic Segment

In fact, on average, adults 55+ are responsible for 40% of the spending across the top consumer categories

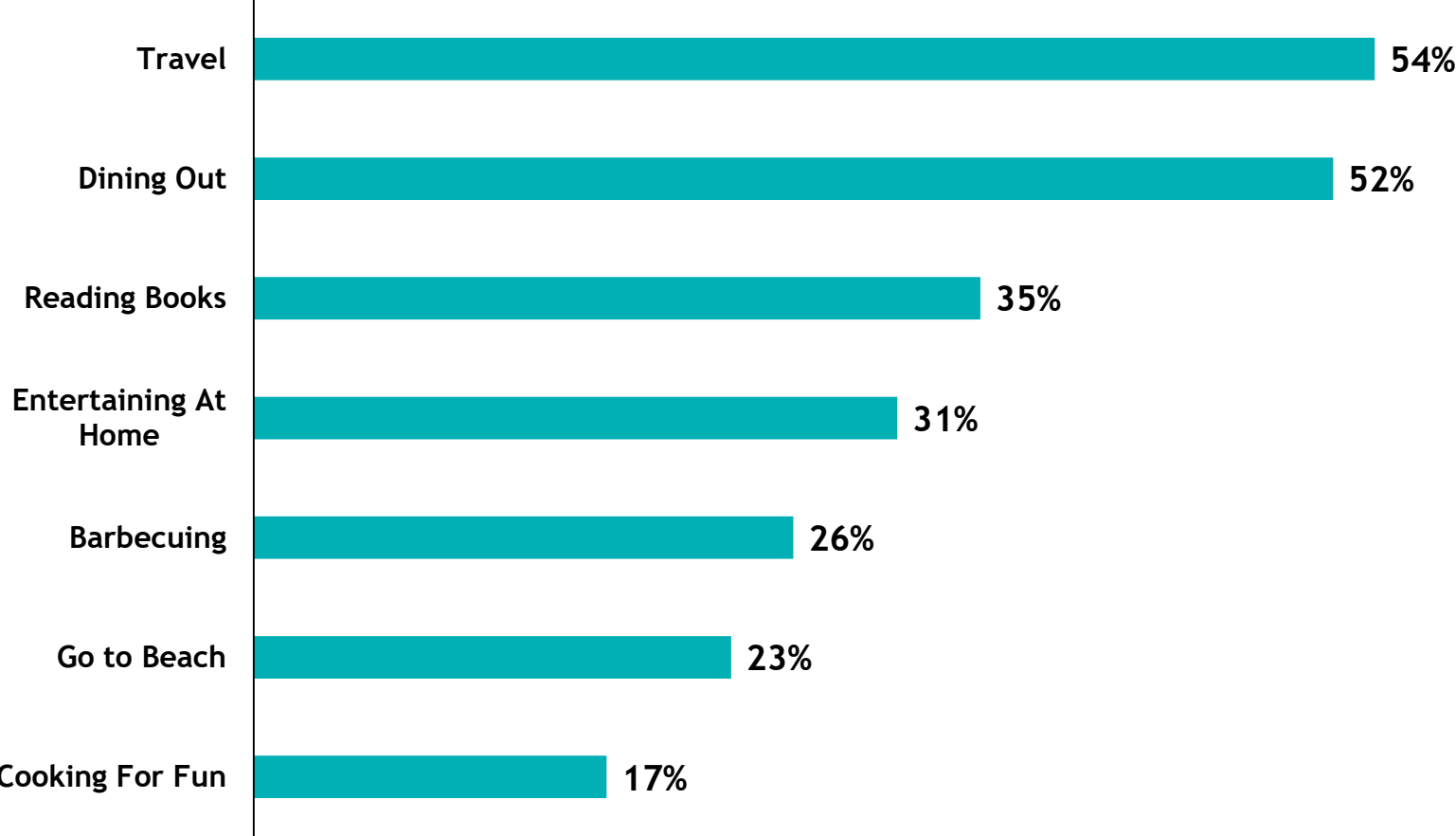
A55+ Total Annual Expenditures By Category (% Share of Total Category Spend)



Source: VAB Analysis of Consumer Expenditure Survey data, U.S. Bureau of Labor Statistics, September, 2018. Data represents adults 55+ due to data age group breakouts.

Because They Lead Such Socially Active Lifestyles, They Are Investing In Travel And Entertainment

A50+ Top Leisure Activities (% Participated In Last 12 Months)



Source: GfK MRI, 2018 Doublebase; *Leisure Activities - Personally Participated Last 12 Months, All Domestic Travel Reason for Trip Past 12 Months/Any Trip or All Foreign Travel Reason for Each Trip Last 3 Years/Any Trip.*

More Disposable Income, And Often Less Demanding Familial Responsibilities, Frees Older Adults To Indulge Their Interests

In many ways, they are more active than older millennials



A55+ Spend **11% More Time** Than Older Millennials
Eating & Drinking



A55+ Spend **22% More Time** Than Older Millennials
Shopping



A55+ Spend **56% More Time** Than Older Millennials
Doing Leisure Activities & Sports



A55+ Spend **47% More Time** Than Older Millennials
Doing Household Activities To Maintain Their Homes

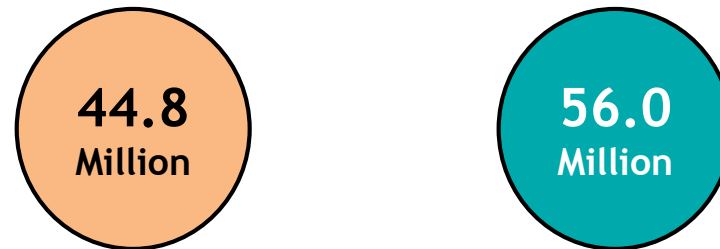
Source: VAB analysis of Bureau of Labor Statistics data, *American Time Use Survey*, 2017, % Share Based on Average Hours Per Day Spent in Primary Activities; Data represents A55+ due to data breakouts; Older Millennials = A25-34 due to data breakouts.

Most Importantly, Marketers Can Win Over Adults 50+ Since, For Many Of Them, Their Wallet Is Still Up For Grabs Across Goods & Services

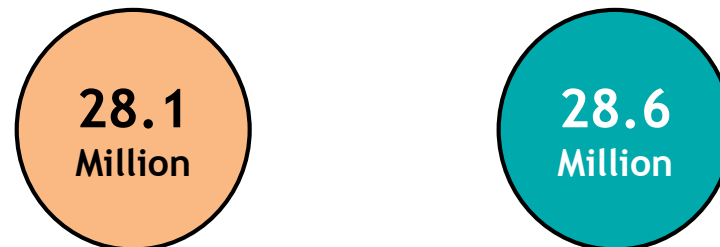
There are more Adults 50+ than Millennials actively in the market looking for new, relevant products to purchase



of Consumers Who Are On The Lookout For New Products That Are Relevant To Them



of Consumers Who Enjoy Variety In The Products They Purchase



Age Doesn't Matter To Data-Driven, Direct-To-Consumer Brands Who Are Capitalizing On The Value Of Adults 50+ With Custom Products & Services

DIGIDAY

'We're dealing with an issue that's unsexy': New DTC brands are targeting baby boomers

FASTCOMPANY

This plant-based food startup targets seniors instead of millennials

crunchbase

Startups With Focus On Older Demographic Gain Traction



Retirees can buy Warby Parker designer glasses for under \$50 with UnitedHealth's Medicare plan

SmartBrief

DTC brands aim to capitalize on baby-boom category

crunchbase

Startups Serving The Elderly Are Tech's Next Big Market

telegram.com
WORCESTER, MASSACHUSETTS

Retail's new niche: Aging baby boomers

And The Leaders Of These Companies Are Making Sure To Keep Older Consumers In Mind By Going Out Of Their Way To Be Inclusive And Accessible

“There’s no doubt that the baby boomer space is red hot....This demographic has significant purchasing power and it’s growing very, very fast.”

- Christian Gormsen, CEO, Eargo
Digiday, ‘We’re dealing with an issue that’s unsexy’: New DTC brands are targeting baby boomers, 3/21/19

“When we do use technology, we work to build something advanced enough that a millennial would be impressed, without making marketing and design choices that alienate older consumers,”

- Adam Karp, CEO, Lively
CrunchBase News, Startups With Focus On Older Demographic Gain Traction, 3/12/19

“I think you’re starting to see in your baby boomers adults that have spent the last 10 to 20 years using technology, using the internet, and getting more and more comfortable with it through their children,”

- Jason Shuman, Principal, Primary Ventures
Digiday, ‘We’re dealing with an issue that’s unsexy’: New DTC brands are targeting baby boomers, 3/21/19

“Right now, younger baby boomers are paving the way to technology adoption....We believe that we [older users] have been adapting to technology and now it’s time technology adapts to us.”

- Ashish Mudgal, Founder, HeyHerbie
CrunchBase News, Startups With Focus On Older Demographic Gain Traction, 3/12/19

“They’re active, healthy, they have money to spend, they’re interested, and they’re curious....I don’t think many businesses have tapped into exactly how different they are.”

- Dr. Doug Norris, SVP, Chief Demographer, Environics Analytics
Financial Post, Move over, millennials – baby boomers are the ultimate untapped market, 4/2/19

"It's become a gold rush...Whether you're a hairbrush-maker or a technology company, you're thinking about how you can meet the needs of an aging population."

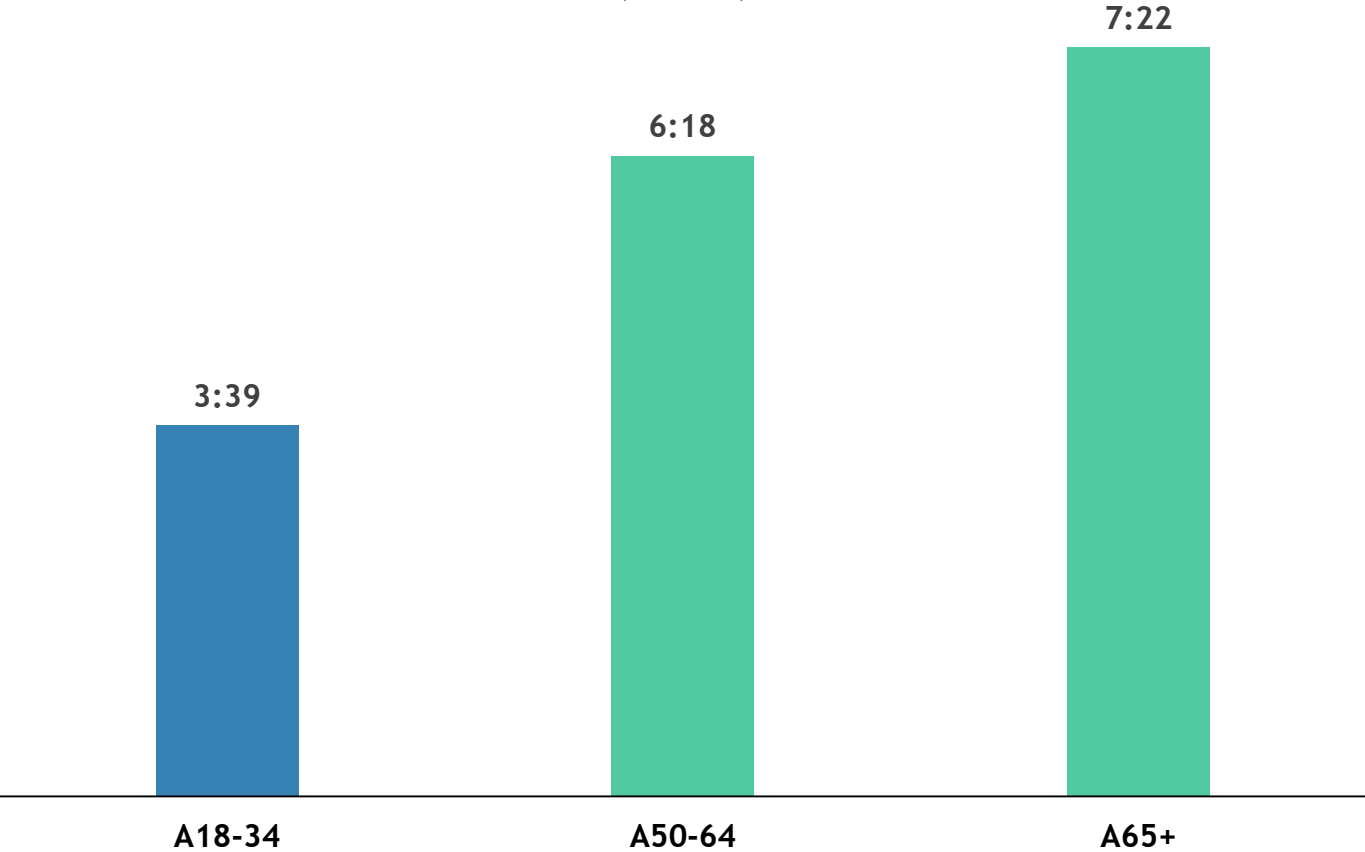
- Danny Silverman, CMO, Clavis Insight
Telegram.com, ‘Retail’s new niche: Aging baby boomers, 9/1/18



Reaching The New Face Of 50+

They're Huge Consumers Of Video, Spending Twice As Much Time With It As Millennials

Daily Time Spent With Video
Based On Total U.S. Population, 3Q '18
(Hrs:Mins)



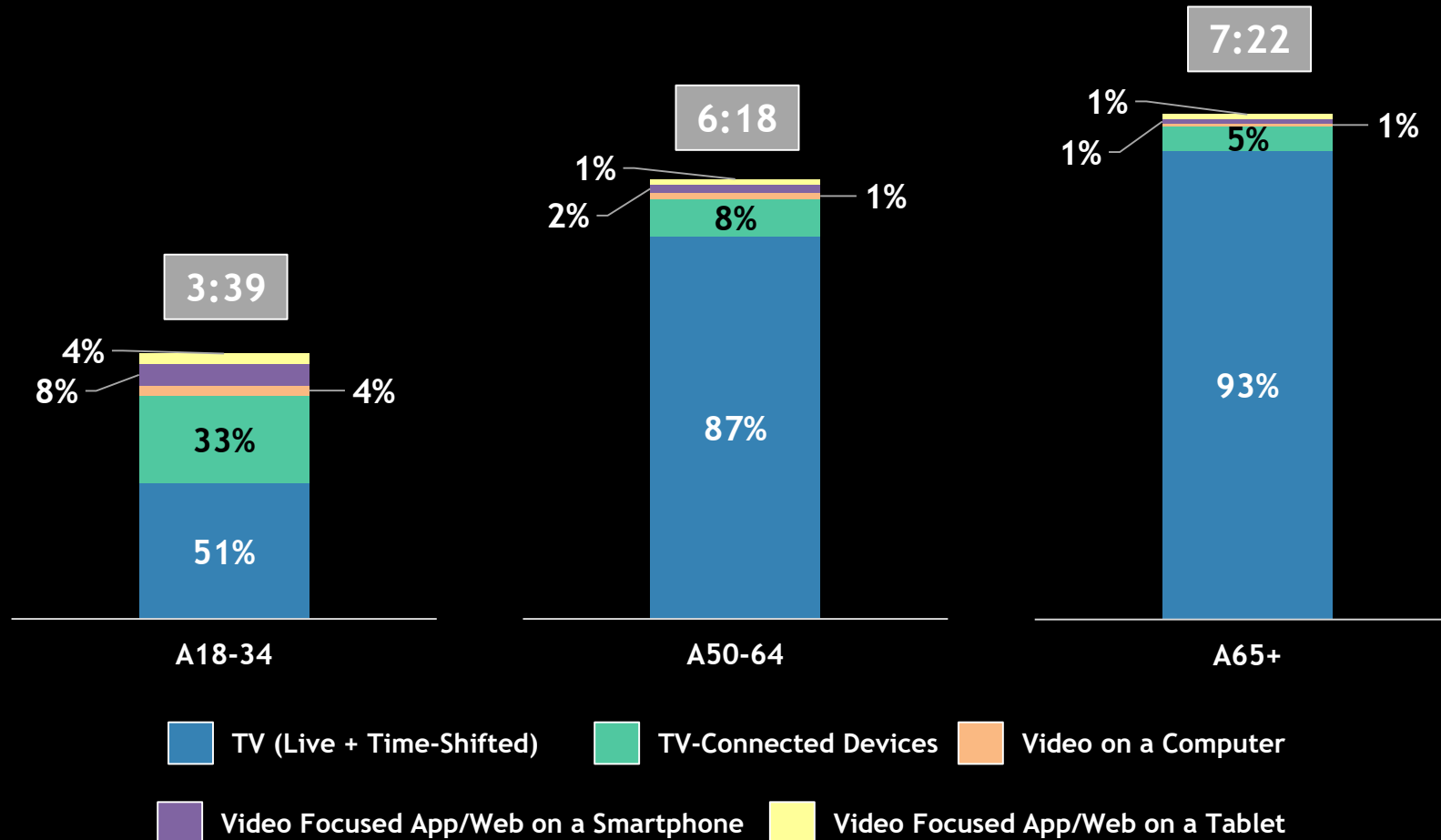
Source: VAB analysis of data from the Nielsen Total Audience Report, Q3 2018. Video includes: Live + Time-Shifted TV, TV-Connected Devices, Video on a Computer, Video on a Smartphone & Video on a Tablet. TV-Connected Device = DVD, game console, internet connected device; Internet Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage).



More Specifically, They Can Be Found Consuming Ad-Supported TV

% Share Of Average Daily Time Spent On Video By Platform

Based On Total U.S. Population, 3Q '18
(Hrs:Mins)



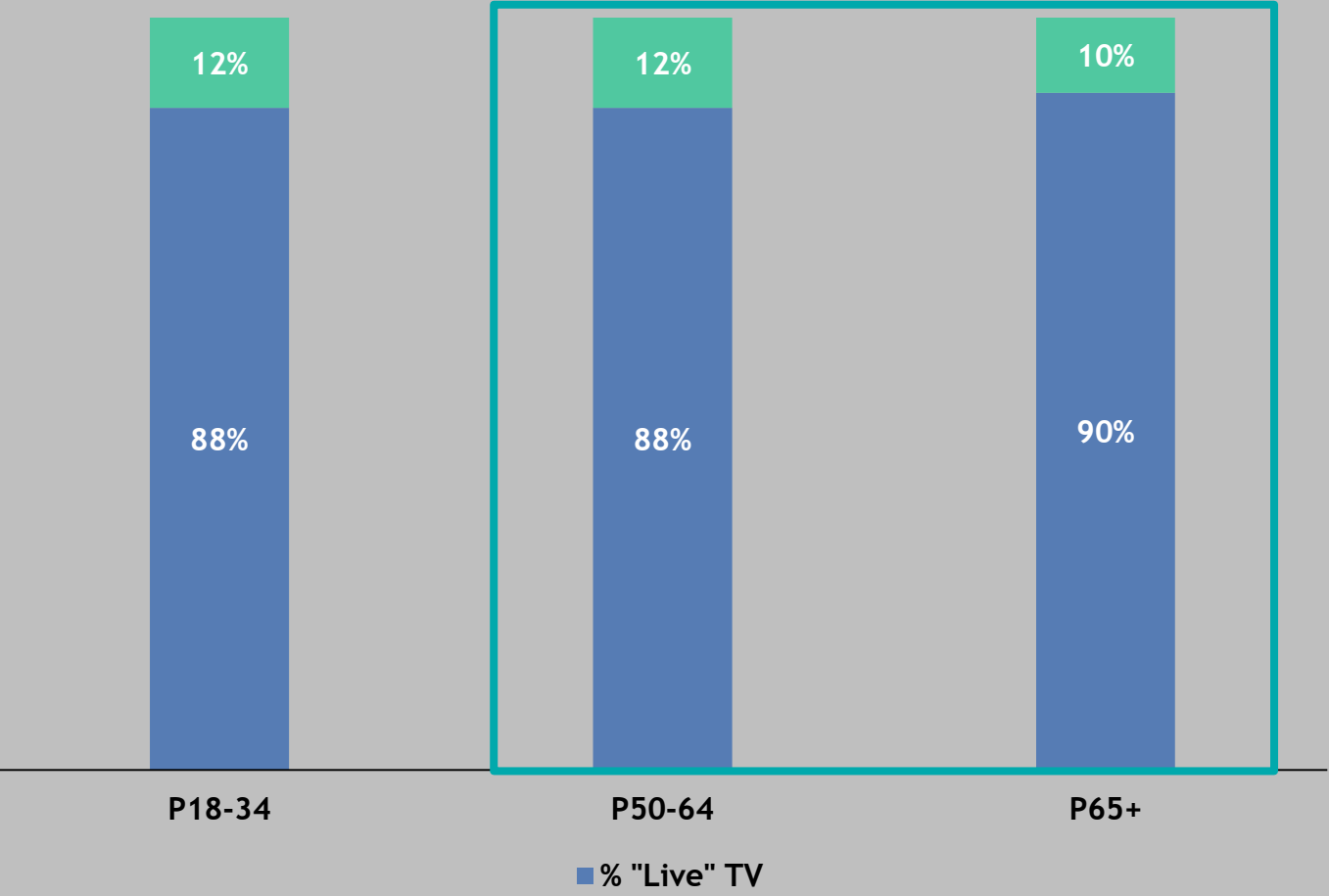
Note: Keep in mind, TV content is viewed on connected devices, mobile and computer screens as well

Source: VAB analysis of data from the Nielsen Total Audience Report, Q3 2018. TV-Connected Device = DVD, game console, internet connected device; Internet Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage).

They're Also Just As Likely As Millennials To Watch TV Live

'Live' vs. 'Time-Shifted' TV Viewing

Average Weekly TV Time Spent, 3Q '18



Source: VAB analysis of Nielsen Total Audience Report 3Q 2018; based on U.S. population.

TV Is A Great Source Of Entertainment, Information & Inspiration For Them

% A50+ Who Agree That TV...
(Index vs. A18+)

83%
Is pure entertainment
(107)

73%
Is a good escape
(110)

65%
Relaxes me
(110)

70%
Keeps me informed /
up to date
(119)

62%
Is a good source
of learning
(118)

56%
Puts me in a
good mood
(111)

52%
Gives me good ideas
(114)

52%
Makes me think
(115)



They Have An Eclectic Taste In TV Programs And Can Be Found Enjoying Programming Across A Variety Of Networks & Genres



Source: VAB analysis Nielsen R&F Program Report, ranked on top 250 regular pgms (regular 3 or more t/c) ad-supported cable+english bdcst; total day; P50+; 9/25/17-9/23/18.

They Enjoy TV Content So Much That They Consider Their Favorite TV Shows “Appointment Viewing”

75%

Try to watch every new episode of their favorite TV programs

60%

Say watching their favorite TV shows is their 'me-time'

58%

Regularly set aside time in their busy schedule to watch their favorite TV programs



Source: Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q13: Please rate how much you agree or disagree with the following statements. % of Respondents who agree-Top 2 Box (net); Q15: Which of the following statements are true for you? Check any that apply. Total Respondents=1,001, A55+=307.

Because Of Their High Attention To TV, They Are Also Receptive To TV Advertising

% A50+ Who Agree

“Advertising on TV provides me with useful information about new products and services”

53%

(Index vs. A18+: 106)

“Advertising on TV provides me with useful information about bargains”

43%

(Index vs. A18+: 102)

“For me, advertising on TV is amusing”

42%

(Index vs. A18+: 105)

“Advertising on TV provides me with meaningful information about the product use of other consumers”

38%

(Index vs. A18+: 102)

“Advertising helps me keep up-to-date about products and services that I need or would like to have”*

36%

(Index vs. A18+: 108)

Source: GfK MRI, 2018 Doublebase, *Advertising helps me keep up-to-date about products and services that I need or would like to have [6 or 7 or 8 or 9 or 10 - Describes your attitude completely].

Their Increasing Adoption Of Technology And New Devices Means A Greater Opportunity To Reach Adults 50+ Across Screens

Device Adoption Among Adults 50+ % Who Own A Device



75%

+7% vs. 2017

Smartphone



65%

+5% vs. 2017

Laptop



61%

+0% vs. 2017

Desktop



49%

N/A vs. 2017

Smart TV



42%

-2% vs. 2017

Tablet



22%

+5% vs. 2017

E-Reader



14%

+8% vs. 2017

Wearables



13%

+86% vs. 2017

Home Assistant



6%

+600% vs. 2017

Smart Home Technology

In Fact, Almost 80% Of Adults 50+ Visit Ad-Supported TV-Branded Digital Platforms, Which Consists Of Some Of The Most Popular Content Across Major Genres Online

Ad-Supported TV Brands That Rank In The Top 5 Digital Platforms For A50+ By Major Content Genre

Sports



News



Business & Financial News



Kids



Weather



Food



Home

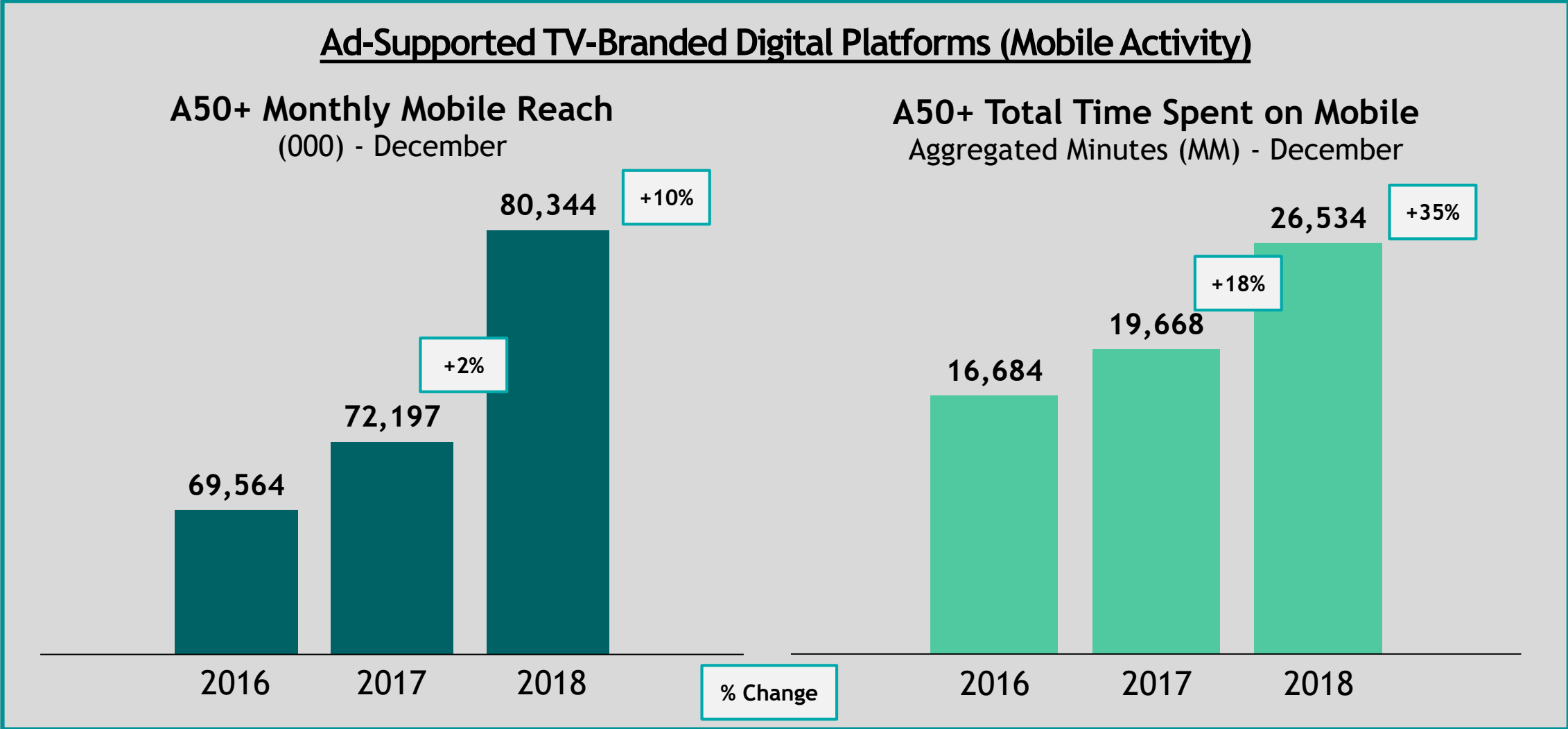


Comedy



Source: VAB analysis of comScore MediaMetrix multiplatform (desktop + mobile) data, Audience Duplication, December 2018. Unduplicated unique visitors based on a “TV-branded digital platforms” custom group list which includes ad-supported broadcast TV & cable TV brands and MVPDs. % are based on U.S. population per U.S. Census Bureau data 2017 Population Estimates, not digital universe. ; VAB analysis of comScore Media Metrix Key Measures multi-platform (desktop + mobile) data, December 2018, based on categories (top 5 rankings based on “Total Minutes Viewed”). Total Audience = (Desktop P2+, Mobile 18+).

Their Love Of Ad-Supported TV Extends Specifically To Mobile Platforms As Well Where Total Time Spent Has Increased 35% In The Last Year Alone



Source: VAB analysis of comScore MediaMetrix mobile data, Audience Duplication, December 2016, 2017 & 2018. Unduplicated unique visitors based on a “Ad-Supported TV-branded digital platforms” custom group list which includes ad-supported broadcast TV & cable TV brands and MVPDs.

Beyond The Smaller Screens, Older Americans Are Also Cinema-Goers Who Rely On Advertising To Learn About New Movies



71%

Go To The Movies

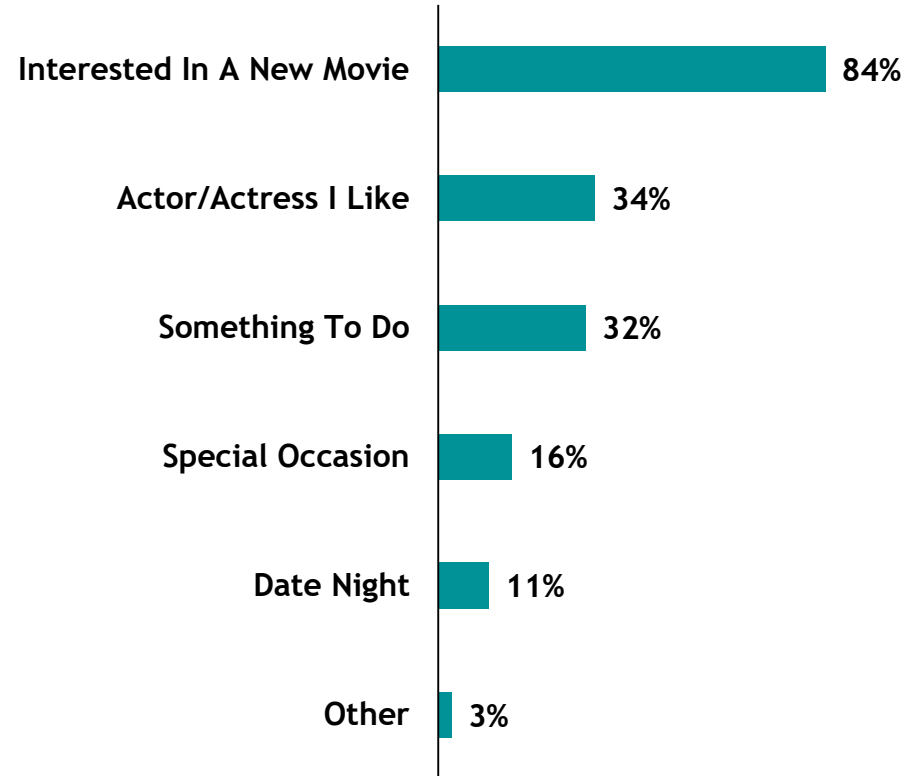
22%

Go Once A Month Or More

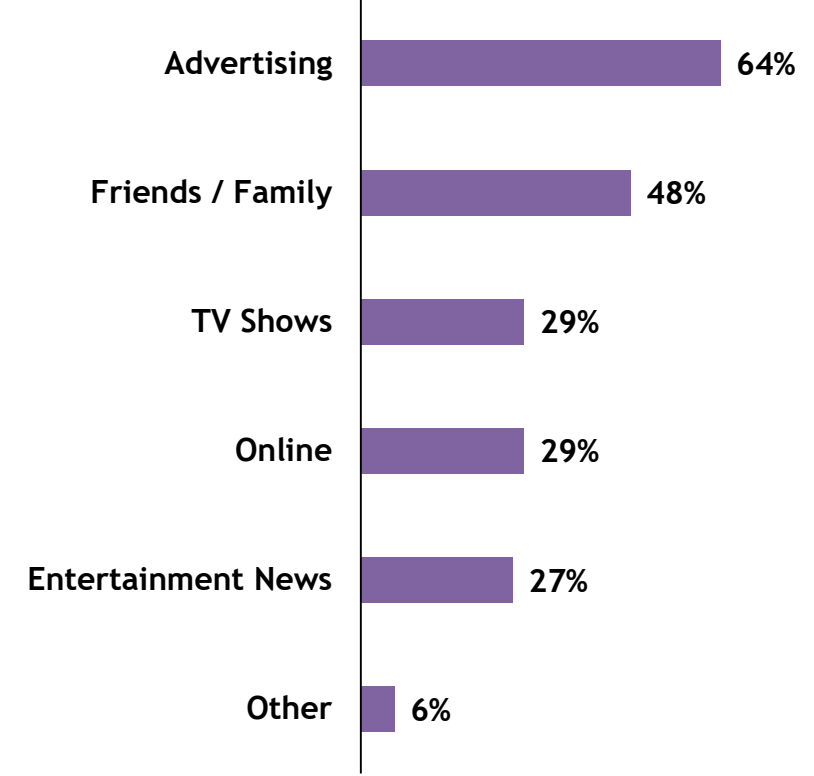
~50%

Of Movie Goers Can Be Motivated To Go To Movies More Often In The Future

Motivation For Going To The Movies



How Do You Typically Hear About New Movies?



So, How Can Advertisers Effectively Engage Older Consumers?

Employ A Diverse Workforce

88%

Said Employing More Older People Can Help Advertisers To Understand The Audience Better

Ask Them What They Want

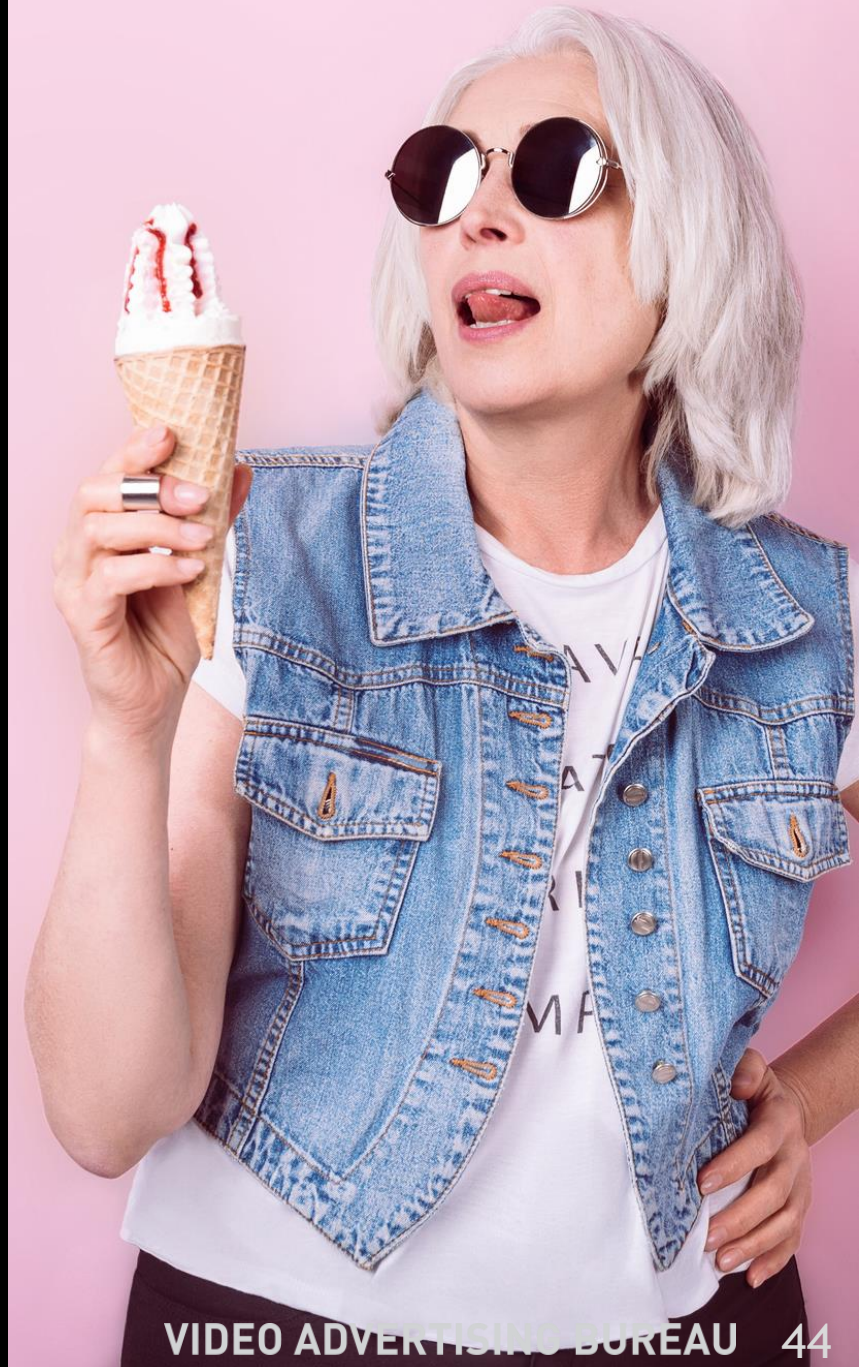
93%

Said Advertisers Should Ask Them What They Want And Not Make Assumptions

Acknowledge Their Spending Power

92%

Said Advertisers Should Acknowledge That They Have Spending Power And Focus Their Efforts Accordingly





Parting Wisdom

Adults 50+ Comprise A Significant Consumer Group, Representing Nearly Half Of All Adults In The U.S., However They Are Often Overlooked By Marketers

They Are Working Longer, Which Provides Them With More Disposable Income To Indulge (And Fund) Their Interests

They Have Significant Spending Power, Much Greater Than That Of Any Other Major Demographic Segment Including Millennials

They Are Huge Consumers of Video Content, Offering Marketers A Strong Opportunity To Engage With Them Across Screens

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