

# The Media Audit

## NEWS RELEASE

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### **Age 50+ Demographic Not a Homogenous Group; Income Figures Drop Dramatically After Age 55**

Houston -- (4/15/03) -- In the 85 metro markets surveyed regularly by The Media Audit the age 50 plus group has grown in the past five years from 41 to 47 million and now represents 36.4 percent of the aggregate population of 128 million adults.

"The significant growth in this age group has attracted a great deal of interest from advertisers, but there are factors to be considered within this group that do not exist in any other demographic group," says Bob Jordan, co-chairman of International Demographics, Inc., which produces The Media Audit.

Forty-five percent of this group is retired, and 37.7 percent of retirees have household incomes of \$25,000 or less. "In spite of the large number of retirees and the seemingly low incomes of some retirees," says Jordan, "this group (50 plus) has a great deal more buying power than one might expect."

#### **Buying Power in Retirement**

"Retirement," says Jordan, "more often than not, reduces household income, but that may not diminish buying power. If their home is paid for and their kids are gone, they will have significant buying power even though their incomes are less than those of younger adults" (See chart attached).

Of the 21.7 million retirees in the 85 markets surveyed, only 21 percent have annual household incomes of \$50,000 or more compared to 44 percent of all adults surveyed. In spite of this income difference, 18.9 percent of retirees own a Lexus and 17.9 percent own a Mercedes. When indexed to the national average, retirees owning a Lexus have an index of 111, which exceeds the national average by 11 percentage points. Those owning a Mercedes exceed the national average by 5 percentage points with an index of 105.

Retirees also exceed an index of 100 in shopping at drugstores (117), eating the evening meal in a sit-down restaurant (106), wine consumption (131) visiting gambling casinos (101) and purchasing lottery tickets (103).

One of the ways retirees seem to maximize their buying power, says Jordan, "is by not having car payments. Only 11.9 percent have car loans compared to 31.3 percent of all adults surveyed."

#### **Liquid Assets of 50 Plus**

When liquid assets are counted, the 50 plus crowd leads all other groups. More than 27 percent (Index 136) have liquid assets of more than \$100,000 and more than 12 percent (Index 170) have liquid assets of \$250,000 or more.

"Incomes are a different story," says Jordan. "While 44 percent of all households surveyed have incomes of \$50,000 plus, just 34.5 percent of those age 50 plus have comparable incomes. A comparison between the

incomes of the 45-54 age group and the 55-64 age group seems to indicate a decline in income for the group starting about age 55. Fifty-five percent of those 45-54 has annual incomes of \$50,000 plus, but that percent drops to 41 percent for the 55-64 age group. In the age 65 plus group there are only 17.8 percent that have household incomes of \$50,000+. Similar differences appear when comparisons are made based on annual incomes of \$75,000+ and \$100,000+. "Their incomes put them below the 85-market average, but their liquid assets put them significantly above the same average," says Jordan (See chart attached).

### **Significant Lifestyle Changes**

While their numbers were increasing during the past five years they were also undergoing lifestyle changes that have significant bearing on their buying habits. In 1998 approximately 75 percent of the 50 plussers had no children at home. Today, 80 percent have no children at home. Since 1998, one- person households increased from 20 percent to 27.1 percent and, two person households increased from 45.9 percent to 49.1 percent.

"The absence (or presence) of children in the home has a dramatic impact on the buying habits of the household," says Jordan. "A household without children simply has more discretionary income. They can spend more on cars, clothes, dining, travel, entertainment or investing," he adds.

Just 14.7 percent of adults that are 50 plus eat fast food 3+ times a week vs. 23.3 percent for the rest of the adults surveyed. Conversely, 18.3 percent said they had 4+ meals at sit-down restaurants during the past two weeks while 16.7 percent of the general population said yes to the same question.

There are more college graduates among the 50 plus group than there has ever been. In 1998, 31.6 percent had one or more college degrees. In our last survey it was 33.9 percent.

"The baby boomers started entering this group in 1996," says Jordan "and, they may be having an impact on the changing tastes of the group."

The latest data shows that during the past five years the 50 plus group became more inclined to purchase foreign cars. "The change isn't dramatic but it is persistent," says Jordan "and it extends throughout almost all domestic and foreign automobiles." The percent of those 50 plus who said they "now owned" a domestic automobile declined in 12 of 15 domestic car categories. Only Dodge, Jeep and Saturn showed increases and they were minimal. The percent, which said, they "now owned" a foreign car increased in 13 of 19 foreign car brand classifications.

Some old myths about the 50 plus group have been dispelled by the research. Only 6 percent own motorcycles compared to 9 percent among the general adult population. Even the image of the old couple surrounded by their dogs and cats took a shot in the research. Turns out, the 50 plus crowd is less inclined to own cats (17 percent vs. 25 percent) and dogs (20 percent vs. 33 percent) than the rest of the population.

### **Inclined Toward Wine**

They drink beer, but not as much as the rest of the adult population. When asked if they drank beer on 6+ days during the past two-weeks, 5.0 percent said yes while 7.0 percent of the total adult population said yes to the same question. With wine, the 50 plus group is much more inclined. Fifteen percent said they drank wine on 3+ days during the past week while only 11 percent of all adults said yes to the same question.

The chances of getting your age 50 plus friends to go to a rock or pop music concert are pretty slim. Only 8.8 percent went to one in the past year, compared to 21.4 percent of the adult population at large. Just a little over 7 percent of both groups, 50 plus and 18 plus, went to a country music concert during the past year.

More than 35 percent of the 50 plus group attended opera, symphony or theater during the past 12 months, whereas only 32 percent of all adults did the same.

"This age 50 plus group must be evaluated without any preconceived opinions," says Jordan, "it's a distinctive group that seems to be growing more distinctive each year, and a group that offers discerning advertisers an opportunity for increased sales."

### **Source of Data**

The Media Audit, a syndicated media ratings service covering 85 metro markets, provides both quantitative and qualitative data for media web sites as well as for traditional media.

Traditional media " print, broadcast and outdoor " have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998, the surveys started providing data on local media websites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences. The Media Audit is a product of International Demographics, Inc., a 32-year-old Houston firm that is engaged exclusively in syndicated, multimedia surveys conducted at the local market level.

	Income \$50,000+ %	Income \$75,000+ %	Income \$100,000+ %	Liquid Assets \$100,000+ %	Liquid Assets \$250,000+ %
Age 18-24	36.2	18.7	9.4	11.3	2.9
Age 25-34	50.1	25.4	11.8	10.7	2.7
Age 35-44	54.5	31.3	16.7	19.0	6.3
Age 45-54	55.0	32.5	18.2	25.6	10.3
Age 55-64	41.2	23.3	12.9	30.3	14.4
Age 65-74	21.4	9.8	4.8	27.7	12.9
Age 75 Plus	12.4	5.4	2.5	23.0	10.5
Age 18-34	44.7	22.8	10.9	11.0	2.8
Age 18-49	49.8	27.3	14.0	15.7	5.0
Age 25-49	53.0	29.3	15.1	16.8	5.4
Age 25-54	53.3	29.8	15.6	18.4	6.4
Age 25-64	51.3	28.8	15.2	20.4	7.7
Age 35-64	51.7	30.0	16.4	23.9	9.5
Age 21 Plus	44.6	24.5	12.8	20.5	8.0
Age 35 Plus	44.0	25.0	13.5	24.3	10.1
Age 50 Plus	34.5	19.1	10.5	27.8	12.7
Age 65 Plus	17.8	8.1	3.8	25.8	12.0

This chart reads from left to right. As an example, in the age group 18-24, 36.2 percent have annual household incomes of \$50,000 plus, 18.7 percent have households incomes of \$75,000 plus, and 9.4 percent have households incomes of \$100,000 plus, 11.3 percent have liquid assets valued at \$100,000 plus and 2.9 percent have liquid assets value at \$250,000 plus. This analysis is based on 14,699 respondents out of a total sample of 122,180 adults, age 18 plus, in 85 metro markets. The Media Audit / International Demographics, Inc.

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