

Boomers transform the business world

By Cathie Gandel, AARP Bulletin

From age-defying beauty serums to tummy tucks and a penchant for sushi, boomers have made billion-dollar industries out of countless products and services that barely existed when the first of the 78 million-strong generation was born in 1946.

Just as they transformed society in the 1960s, creative boomer entrepreneurs and big-spending boomer consumers have dramatically overhauled the marketplace. In 2009 alone, Americans ages 50 to 65 laid out an average \$42,600 per person on products and services, half of all consumer spending, according to the financial services website Bundle.

That spending cut into savings, and now the generation turning 65 is wondering if all those dollars should have been salted away for retirement, especially since many boomers can expect to live into their 90s. Their fallback nest eggs – home equity, 401(k)s, investments, personal savings – were hammered by the long recession.

In fact, there is a \$6.6 trillion shortfall between what Americans need to retire and what they will have, according to a 2010 study by the Center for Retirement Research at Boston College for Retirement USA, a coalition of labor and pension rights advocates.

“Many boomers have not saved enough,” says Olivia S. Mitchell, director of the Boettner Center for Pensions and Retirement Research at the University of Pennsylvania’s Wharton School, “particularly if they intend to retire before 70.”

But maybe boomers will do what they’re good at and reinvent retirement – just as they reinvented much of the marketplace.

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