
INTRODUCTION

I remember a brilliant August day in 1995.

Microsoft was launching Windows 95 at a wildly exuberant expo held at their Redmond, Washington campus. I was there for SeniorNet, a non-profit organization I had founded in 1986 to help adults in their 50s and older get online. We had a 10-square-foot booth and a table of leaflets in the middle of the biggest product launch in modern history.

All around us were red and white market umbrellas, Cub Scouts carrying Microsoft briefcases, and tents filled with gourmet food. Bill Gates was running around in a golf cart with Jay Leno. There were hundreds of journalists snapping pictures, rolling film, and getting it all down. There was a Ferris wheel in the center of the expo and I took a ride. The wheel stopped at the top of the arc and I looked down on the carnival below. You could actually *see* a transition, a major shift in the way our world was going to be. It would be connected in ways we could not imagine. I knew then that it was time to build a new company, one that could leverage the power of this dramatic information revolution. I also knew that at age 47, it made sense for me to focus

the brand and name of the company on my generation—the baby boomers—for I could sense at the top of that arc that boomers would seize the power of the Internet and technology in unprecedented new ways. It was my hope that this new company would grow large enough to endow the nonprofit SeniorNet. I am delighted to share that this dream was realized.

Demographers often describe the baby boom generation as a pig inside a python: a demographic bulge of 77 million people moving as a single unit down the length of time. The bump in fertility that started in 1946 and ended in 1964 is why the boomers' classrooms were always crowded, why it was so hard for me to get into college, and why we have rubbed shoulders with so many boomers at every stage of our careers. Now, with my bird's eye view from the Ferris wheel in 1995, I saw that boomers were moving *en masse* into the information age. And I saw what it would mean to the way we lived in this world.

I wasn't the only one to see it. Investors saw it too, and they began asking questions about this new market and what it could mean to them. They saw that one of the big applications of the Internet was going to involve baby boomers. They saw hordes of people who were moving into largely uncharted territory.

I was one of them.

With a stellar group of cofounders, I formed a new business, an Internet company called ThirdAge Media that was for and about the boomer generation. We listened to the stories of thousands of my peers from all walks of life and in all circumstances. We traded information with marketing giants like Procter and Gamble, IBM, Johnson & Johnson, Kraft, Ford, American Express, and many others. We discussed the changes that were taking place as the boomer generation moved toward what had once been thought of as retirement years. And we saw how these years would be different for boomers than they had been for their parents.

The oldest boomers faced a new reality in the mid-1990s, as the number 50 rolled up on the odometer of their lives. Now they have arrived at 60. It is a rude awakening for millions of people, a life-changing event that rattles the comfort zone. With a sharp intake of breath, boomers are gaining a new and clearer perspective on mortality. Searching for role models, boomers started with a look at how their parents dealt with the same time in their lives. They saw retirement parties followed by a life of leisure that looked like inactivity—and for the lucky ones, a handful of “golden years” in a two-bedroom condo in Delray Beach. The children of the '60s looked at that version of retirement and said, “Hell no, we won’t go.” They began to imagine a different kind of middle age, an extended and much more active time in which they could take the passion that ignited their youth and use it to ignite their 50s, 60s, and beyond.

The good news is, because of the advances of modern medicine, better nutrition, and decades of peace, the average life expectancy for a U.S. resident at age 65 has increased four years since the mid-1960s, and Americans reaching age 65 today can expect to live an additional 17.9 years (19.2 for females and 16.3 for males).¹ Even better, the share of people who reach age 65 with a chronic disability has dropped rapidly, from 26.2% in 1982 to 19.7% in 1999.² Affluence, medical technology, and better self-care have created an entirely new stage of life for millions of people. If you’re 50 and have taken good care of yourself, you might get to enjoy an active lifetime a decade longer than the one you would have gotten in the 1960s. I call this new lifestage “the bonus round.”

In the 1970s, 1980s, and 1990s, millions of boomers put their dreams on hold to do a full-court press for work and family. Now they are taking the reins of their own future and redefining their lives. People in their 50s are going back to school to obtain graduate and professional degrees. They are trekking in Nepal with their five best friends from the class of 1968. They are building their own sailboats,

retiring the word “retired,” and kicking down the fences previous generations put up around aging. Boomers are once again daring themselves to take risks, to touch and taste and listen in new, more informed ways. They want to learn to play again.

Boomers are also entering their regenerative, non-retirement years with plenty of spending power. Boomers earn more than \$2 trillion in annual income and own more than 77% of all financial assets in the United States.³ And they are going through more transitions now than at any other time in their lives. Each of those transitions is a tipping point for product and service decisions.

As boomers reach age 60 and prepare to leave the organized work force, they ask, “What should I do with my time?” Some still need income or crave the adrenaline kick of commerce. So they turn their spare bedroom into a home office, start a new business, open a frame shop or a Curves franchise, or sell real estate.

Children graduate from college or get jobs, and this transition frees up discretionary income that can be devoted to home improvement and self-improvement. Could this be why online sales of books and home accessories are going through the roof? Kitchen stores are springing up in multiples on Main Street. Empty-nest boomers are driving the market for plasma screen televisions, wireless Internet routers, and hybrid cars. One in four boomers is also buying a second home, partly so they can have an adventure when they have family reunions.

Some midlife transitions aren’t as much fun. Older bodies must cope with menopause, arthritis, and the “trombone arm” response to vision loss. Boomers are keenly interested in medical breakthroughs that can lower blood pressure and cholesterol and are willing to spend vast amounts of money to stay healthy. Spending on prescription drugs rose from \$40 billion in 1990 to almost \$250 billion in 2005, and continues to increase faster than inflation.⁴ Boomers know that the “bonus round” will come only to those who nurture their bodies now. So they buy Bowflex machines, free weights, and vitamin supplements. The weight-loss business represents a huge and growing

market opportunity. Its annual revenues jumped from \$100 million in the 1950s to \$50 billion in the 1990s.⁵ And since the launch of Viagra in 1998, sales of erectile dysfunction drugs have grown to more than \$2 billion per year in the United States.

Boomers spent an estimated \$42.7 billion on apparel in 2004, \$14 billion of which they spent on clothing for others.⁶ But they don't wear the same sizes they wore at age 18. In fact, the average adult American woman is 5 feet 4 inches tall, weighs 155 pounds, and wears a size 14.⁷ Boomers will not ever have a teenager's body again, but they're dealing with it. Clothing stores are opening all across the country that specialize in great-looking apparel for women over 35, clothing that has verve as well as elastic waistbands.

The quest to maintain beauty and a youthful appearance occupies an increasing amount of time for many boomers. Millions of boomers, whether divorced or widowed, are dating again and will spend good cash to look and feel good. They want facials and spa days and an infinity pool in the sunroom. Not every boomer can afford these luxury items, but many boomers want them or a close approximation that they *can* afford.

I often ask conference audiences, "How many people have made time in their lives for play?" And in a hall filled with 1,000 people, maybe three will raise their hands. The rest of them say, "We got caught up in work. We forgot to play."

Well, the recess bell has rung again. Boomers' passionate interests are leading to a redefinition of identity. No longer just a suit or a soccer mom, they are now gardeners, writers, and digital photographers who, by the way, used to have an advertising career.

Travel is becoming one of our favorite ways to play. Millions of boomers who play tennis also have the time and the money to watch Wimbledon from courtside. Boomer golfers can realize their dream of playing a round at St. Andrews. The luckiest baby boomers can take the summer off to sail around the islands off the coast of Maine with their life partner of 30 years, or they can take the grandchildren skiing

in Chamonix. Those who don't have quite as much money might go to a bed and breakfast for the weekend or take their grandkids to Six Flags. But they all want the same things: adventure, connection, and caring.

Boomers are the first generation in U.S. history of which more than 50% have obtained some form of higher education. Today, that education is translating into a hunger for travel that teaches. The readers of *Smithsonian* dream of traveling to India and China. They take Earthwatch vacations in order to do archeology in the Cotswolds or to protect the eggs of leatherback turtles in the Galapagos. Further down the income ladder, men who once spent their weekends at football games or stock-car races are now taking their grandchildren to Civil War battlefields.

Whether they are attached or single, rich or poor, boomers want to have “catered peak experiences”—that is, they want to create stellar, lifetime memories. They want to slowly troll across a lake in a pontoon boat or charter a yacht in Greece with the whole family. They want to enjoy champagne and chocolate fondue in a tree house or soak outside in a hot tub on a crisp December day. And they want to do this with like-minded souls.

Boomers spend approximately \$157 billion on leisure travel each year, which is 80% of all U.S. expenditures on leisure travel.⁸ And there's no end in sight. When they imagine another good, healthy 20 years, they vow not to squander this time. They look deeply into how they want to spend those years, asking, “What's worthy of me now?” In the third act of their lives, many boomers say, “I might have had a successful life, but what did I do that was significant?”

When they were young, millions of boomers embraced the Whole Earth philosophy. They believed in peace, civil rights, and protecting the quality of the environment. Their standard of life experience has deep emotional attachments. And that hasn't changed.

When it comes to giving, boomers are not just going to write a check to the United Way. They're going to contribute to causes that reflect their interests and matter to them—like my friend Larry, an

ex-GI who returned to Vietnam to remove land mines. Call up the local chapter of Habitat for Humanity and you'll see that they have a long list of volunteers, many of whom are between the ages of 45 and 60. Boomers are looking for ways to give back. They want to leave a legacy they can be proud of. *The Economist* calls this "Billanthropy."

The enormous size of the boomer market—those between the ages of 42 and 60 in 2006 make up 25% of the U.S. population—translates into enormous business opportunities. But this market is misunderstood by many businesses that assume all boomers share the same tastes and passions, and that 60 "then" is the same as 60 "now." In fact, the boomer generation represents hundreds of market segments. The key to reaching this market lies in developing relevant services and products through understanding the demographic data, the trends, boomer psychology, and how to effectively communicate with the target audience. This book reveals where those opportunities are and how you can capitalize on them.

Turning Silver into Gold maps out the areas in which consumer demand is going to explode in the coming years. But it especially links these areas to critical social themes that are accompanying the boomer midlife transitions—issues that will guide you to create the best products and services for this market. Some of these areas include health and vitality; money and investing; play, passion, and travel; family, including grandparenting and elder care; entrepreneurship and technology; fashion and beauty; sexuality, romance, and intimacy; religion and spirituality; and philanthropy, along with other forms of community building. Each chapter reports the experiences and forecasts of venture capitalists and corporate executives in these key industries and provides case studies, statistical data, and insights on trends and market potential. We preview product innovations that will soon enrich boomers' lives and we examine ways in which smart companies are using the Internet and other new media to reach their markets.

Writer and film maker Norman Lear once told me you can make more of a difference in the for-profit world, and once you do, you can contribute to the not-for-profit one. This is one of the core principles

that has guided me over the last 14 years. In this book, I hope to show you how to do good for society while doing well for yourself.

Experts estimate that more than 90% of net assets in the U.S. are in the hands of people age 40 and older.⁹ This book aims to become the definitive guide for companies and entrepreneurs of any age who want to serve the boomer market. The opportunities are huge for those who both understand the boomer market and have the tools, resources, and data to build a business around it. If we can help develop the talent bank of entrepreneurs, brand managers, venture capitalists, and corporate leaders, we can envision a whole new world for boomers as they enter their third act. I believe that the entrepreneurs who find silver and spin it into gold through their companies will succeed mainly by doing good works.

Endnotes

1. U.S. Department of Health and Human Services, *Health, United States, 2005 with Chartbook on Trends in the Health of Americans* (Hyattsville, Maryland: 2005), 167, <http://www.cdc.gov/nchs/data/hus/hus05.pdf>.
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4. Alex Berenson, "Lipitor or Generic? Billion-Dollar Battle Looms," *New York Times*, October 15, 2005, A1.
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7. *Ibid.*
8. Bob Moos, "Boomer Market is Young at Heart," *The Dallas Morning News*, March 20, 2006, 1D.
9. Carolyn Said, "Entrepreneurs Getting Hip to the Graying of America/Marketing Machine Out to Mine Gold in Boomers' Wallets," *San Francisco Chronicle*, May 11, 2005.