

Insights into the recession's effect on older consumers

What's it all about?

20plus30 has been working with Mature Marketing to understand the impact of the recession on older consumers. We surveyed the views of 1600 older people, using Mature Time's national paper and website, to provide these insights.

The bottom line

- **Over 25%** say the recession has had **little or no effect** with a third reporting that they have not changed their spending patterns.
- **Over 60%** say the recession has resulted in them only making a **few cutbacks** in their expenditure.
- Despite older people holding **80% of savings** and investment assets in the UK, the fall in interest rates has **seriously affected only 20%** of respondents.
- Not all of the news is so positive - **12% have cut back drastically** on spending.
- The banks and the **Labour Government** are blamed for the economic problems resulting in a significant swing to the Conservatives and minority parties.

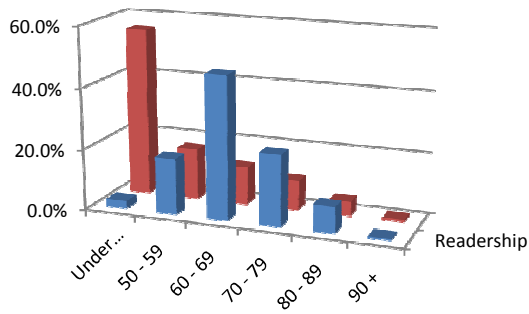
As a group the 50-plus are remarkably resilient to problems of the recession and provide marketers with significant sales opportunities – BUT – the need for rigorous targeting has never been more important.

The technical stuff

- The statistics were obtained by Mature Times newspaper during April 2009 (except where indicated).
- “The Recession and You” survey was conducted off-the-page for the off-line readership and by electronic survey to the database of Mature Times On-line subscribers.
- The newspaper and electronic surveys were identical in content to ensure validity in reading across each population and when combining data.
- The maximum total respondent sample size is 1,184 for on-line and 458 for off-line (paper entries) creating a combined total of 1,642.
- Both the questionnaires were self-completion, with most of the electronic survey requiring optional, rather than compulsory answers.
- All sample sizes are robust, except where specifically identified.

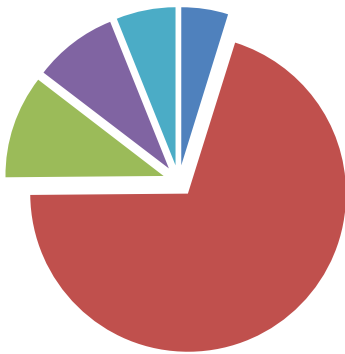
Demographics

1. Age



Under 50 (adults)	2.6%
50-59	18.4%
60-69	46.7%
70-79	23.2%
80-89	8.5%
90+	0.6%

2. Employment Status



Housewife/husband	4.8%
Retired	70.1%
Part Time	10.5%
Full Time	8.5%
Other	6.1%

The Impact of the Recession





Impact on lifestyle and relationship with family

How has the economic downturn affected your lifestyle?

- ...Drastically cut back my spending
- ...Cut back on most of my spending
- ...Made a few cutbacks
- ...Little change
- ...No change at all



Drastically	11.3%
Most	24.0%
Few	41.6%
Little	16.4%
No	6.8%



Impact on lifestyle and relationship with family

Has the recession meant you have had to provide your family/friends with financial support - if so who?

Children **25.0%**

Has the recession meant you have had to seek financial support :

No/Not applicable **88.0%**

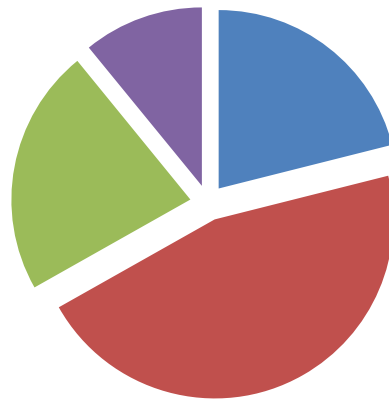
The 50-plus are giving far more financial support than they are receiving. For nearly two thirds the recession is making **little difference** to their lifestyle and their **spending**.



The result on personal finances

How reliant are you on savings and investments for your income?

- ...Essential for day to day living
- ...Helps but can still manage
- ...Not reliant
- ...Not applicable



Essential	21.1%
Helps	45.8%
Not	22.3%
n/a	10.9%



The result on personal finances

Have you changed where you keep your savings and investments in response to economic conditions?

- ...Made many changes
- ...Made a few changes
- ...Made no changes at all
- ...Not applicable



Many	11.1%
Few	43.6%
No	35.3%
n/a	10.0%



The result on personal finances

If you regularly donate to charity, how has this been affected?

No change	51.9%
Changed donation habits	48.1%

People who changed their donation habits increased donations by **1.2%**
Decreased donations **98.8%**

If you have decreased your donations, how much by % ?

Mean =	49.1%
Mode =	50.0%

Charitable donations have been badly hit by the recession.

The majority of the 50-plus are not dependant on their savings and investment income but over 50% have changed the supplier of at least one financial product.



Changes to day-to-day shopping habits

Have you changed your spending patterns over the last few months?

Yes	69.9%
No	30.1%

What are the top three things you are no longer buying?

Clothes	27.6%
Eating Out	13.3%
Holidays	14.6%

What are the top three things where you now buy less expensive alternatives?

Food (inc Fruit & Veg)	50.5%
Clothes	24.6%

What are the top three things where you have reduced the quantity purchased?

Food	42.3%
Fuel for home	10.4%



Changes to day-to-day shopping habits

What foods are you now eating more of than a year ago?

Nothing =	9.1%
Vegetables =	39.5%
Fruit =	18.4%
"Cheaper food/cuts" =	7.7%

What foods are you now eating less of than a year ago?

Meat =	47.4%
Veg =	13.8%
Fruit =	18.2%
Fish =	19.1%
Nothing =	5.4%

Are you now more or less likely to choose supermarket own brands over manufacturer brands

More likely	79.8%
No change	18.8%
Less likely	1.5%



Changes to day-to-day shopping habits

Has the recession resulted in you switching to a different supermarket?

Yes	33.4%
No	66.6%

If yes, I now buy less from:

Tesco	42.1%
-------	--------------

If yes, I now buy more from:

Aldi	24.7%
Lidl	24.2%

The recession has caused significant changes in the way the 50-plus spend their money. Supermarket own brands are doing well as are low-price retailers. Older consumers are looking to make savings when buying clothes, food and when eating-out.



The influence of price reductions on “big ticket” purchases

Have you made any major purchases recently to take advantage of bargain prices?

Home Improvements	25.4%
Car	13.5%
TV	13.1%
Computer	3.8%

Home improvements is the favourite way of taking advantage of the reduction in shop prices. Surprisingly few people have used the opportunity to purchase computers and other electronic products.



How it has affected spending on relaxation and holidays

Compared to a year ago, are you now going out socially

More?	1.8%
Less?	58.5%
The same?	39.7%

Will you take more or fewer holidays this year?

Number of days outside the UK this year	16.3
Compared to previous years	24.1
% Change	-32.4%
Number of days within the UK this year	21.3
Compared to previous years	23.7
% Change	-9.9%



How it has affected spending on relaxation and holidays

Will you change the type/destination of your holiday as a result of the recession?

	Net Change
At home/nowhere/no holiday	290%
Long Haul/outside Europe	-25%
UK & Ireland	44%
Europe	-53%

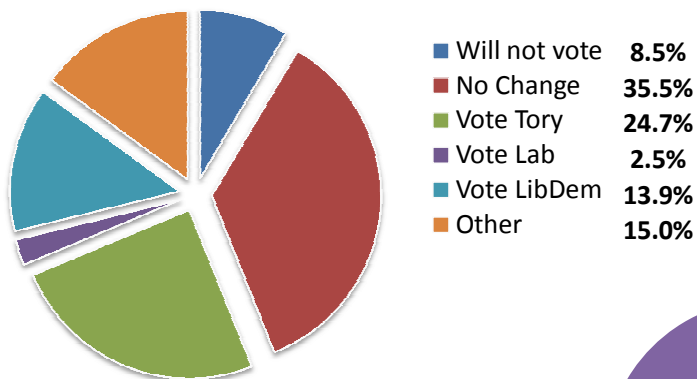
Spending on relaxation and leisure is down. The big loser is the overseas holidays market.



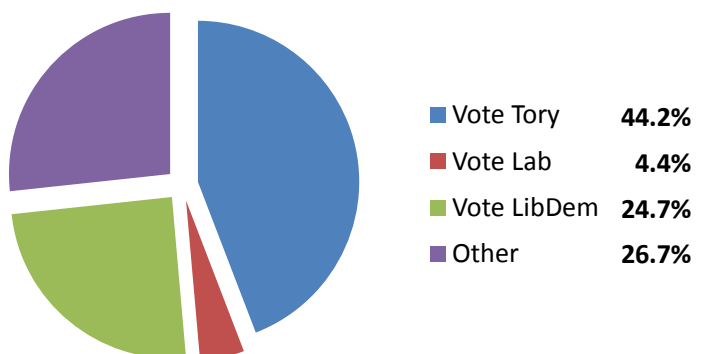
Who to blame for the recession

Is the current crisis likely to change the way you vote in the next election - and if so, how?

All responses



Of those who will change their vote





Who to blame for the recession

What percentage of the blame should anyone take for the current crisis?	% of sample
The Banks	25.8%
Current Government	25.0%
Global factors outside of UK control	12.9%
Previous Conservative Government	12.3%
The Media	11.3%
The Public	11.3%

The local and European elections confirm these results. The Government is seen as culprit, along with the banks, for the problems of the recession. This is reflected in the intention to switch voting to the Conservatives and minority parties.

Older people are extremely disaffected with the Labour Party

For more information



Dick Stroud

www.20plus30.com

www.the50plusmarket.com

dick@20plus30.com

Tel: +44 (0) 207 193 0915