AGE OLD STEREOTYPES
Foreword

Whether you are 35, 45 or 55, your idea of what your future life will be like is different to the generations that went before you. We look forward to being healthy and active for longer with more opportunities to realise our goals in our later life than ever before. As Standard Life recognised in this year’s active money campaign, people simply do not grow old like they used to. It leaves the long held stereotypes of what it means to be old at almost complete odds with how people live.

This report, the latest in the ‘Death of Retirement’ series, adds to the body of evidence that the baby boomers will abolish the current understanding of the concept of retirement. Those born between 1946 and 1964 are more ambitious for the future than any other generation before at this age.

As one of the largest UK pension providers we know that the baby boomers are defined by their individualism. They prize freedom and choice, understanding the potential of their future as a time when they can achieve their goals whether these be to travel more, stay at work (but on their own terms), invest in hobbies and relationships, or even set up their own business venture. These changing attitudes to ageing will only become more pronounced in the generations that follow.

This transformation provides a clarion call to the financial services industry. We have to change how we discuss ageing and long term planning, using language that harnesses consumers’ excitement, rather than dwelling on their fears. If we can help consumers make the connection between their aspirations and long term savings solutions, then we will enable people to have the future they hope for. It really is that simple.

“Those born between 1946 and 1964 are more ambitious and optimistic about the future than any other generation before us at this age.”

Sir Sandy Crombie, CEO, Standard Life
In their words

John Lawson, Head of Pensions Policy, Standard Life

“Baby boomers have lifestyle aspirations of those far younger. They want a flexible thirdage when they can travel, work, even launch new business ventures, as well as care for financial dependents, whether it be children at university or parents’ care. These are complex financial needs that can only be met by pension products that allow flexibility in terms of drawdown and investment. Self invested personal pensions in the UK are one step towards providing for the flexible future that baby boomers aspire to. But, we need to do more to encourage people to engage earlier with saving into lifelong products and provide innovative products that will harness consumers’ excitement for their future.”

Rod Dungate, writer and education specialist (63)

“Society tells you that you are old which said often enough, starts to feel like it is true. It is a constant struggle to overcome this feeling of being ‘old’. The truth is, I have never been busier than I am now. While it can be scary being a complete freelancer as you never know where money will come from, it does mean I get to choose exactly what I work on and am able to devote time to my writing.”

Adam Young, Financial Life Planner, Dragonfly Financial Planning

“By truly understanding and placing consumer’s lifestyle aspirations at the heart of financial planning you can create a relationship built upon trust, authenticity and integrity that helps baby boomers focus on what is really important to them. A considerable number of baby boomers cannot face the retirement question, preventing them in engaging with effective long term saving. If we can help them understand their goals, dreams and aspirations, when building a financial plan, we can help them achieve the freedom they want in later life. In this way, we will better engage customers and ultimately support them to a healthier (financial) future.”
In their words

Roger Davies, MD Fish4Flies and adventurer (61)

“In March this year, I led Team Standard Life in a race to the North Pole. I am one of the oldest competitors to have ever completed the Polar Race, known as the ‘world’s toughest physical challenge’. Age has never been a barrier to fulfilling my ambitions and I am now planning my next adventure.”

Camille Ortega Maclean, Founder the Pickled Village (50s)

“Two years ago I left Glasgow to make a new start in Bulwick having been bought out of a preserve factory that I ran. At the time, I wasn’t planning to start another business, but I quickly felt restless and saw an opportunity to take over what was the old Post Office/Village Shop. I turned it into a wee fine food shop, and on a small scale, restarted producing preserves. I didn’t expect the Pickled Village to be a success but the business boomed, with a great deal of press interest and now online sales have taken off. Retirement is simply not in my thoughts and while I’m busy, I love being able to work exactly as I want to, in a business run as I want it. Fortunately I have a lot of energy and enthusiasm.”

Chris Ball, Chief Executive, The Age and Employment Network

“There is mounting evidence that older workers have shelf lives well beyond state pension age. Many are truly at their best as the years roll by. Bizarrely, many organisations are locked in the mind set of pushing people out of the door when they reached a fixed age – mandatory retirement. Forcing people out when they are confident, enjoying work, and at their best, makes no sense. Employers need to wake up to the potential of older workers and need to offer a range of working patterns, with flexibility at the core.”
It’s not your real age that matters

61 year olds reaching the North Pole, 65 year old women giving birth, 75 year olds starting new businesses, 80 year olds on Twitter. Only ten or twenty years ago being over 55 meant you were past it talked about in the context of retirement and therefore moving away from life, perhaps stopping altogether. In the noughties, nothing could be further from the truth. We are living for longer and are healthier and wealthier, trends that have brought a dramatic change in our expectations (and ambition) for our life post 55. This will be our ‘thirdage’, so called because it will account for a third of life and be a life stage as important as youth or middle age.

“As put forward in the ‘Death of Retirement’ report earlier this year, thirdagers are more ambitious for their life post 55 than any generation before them. But, we as a society continue to fail them. We continue to describe baby boomers as being ‘old,’ expecting them to behave as people who are retiring and withdrawing from active life. We define over 55s by what they don’t do: we believe they don’t socialise; they don’t have fun; and they are not involved with friends or society. In short, they are lonely. Or so we think.

Real age vs. Lifestyle age

These stereotypes are fundamentally flawed. When we consider the lifestyle of the over 55s in terms of typical activities, feelings and aspirations, it is clear that in reality they live closer to our perception of what someone 25 years old or younger does. Youth is supposed to be the ‘time of our life’, a life stage we associate with freedom, fun, friends, being happy and socialising. Yet, in reality, it is only when we get to being over 55 that we actually will live these aspirations.

Partly, this reflects the intensity of stress around growing up as an 18 to 25 year old in today’s society. Money worries combined with the emotional pressure of finding your place in the world as a young adult and working out your direction can be debilitating. This personal turbulence for most people will not end until they reach their late 30s. It is not until so called ‘middle age,’ when people tend to become secure with their lives in relation to work or starting their own family, that they will be likely to feel happier and more content.
It’s not your real age that matters

The point is not that being aged under 55 is a negative. More that being over 55 actually presents a significant positive opportunity. This is the life stage when you will be happiest, likely to be in an established relationship, financially secure and most importantly, sure of your direction in life. It is the very first time you are able to live according to your own principles and values, being exactly who you want to be. Ironically, the lifestyle age of an over 55 is closer to one that those under 25 are perceived to lead.

Looking ahead to the future

One of the fundamental principles of psychology is that belief shapes behaviour. Baby boomers are the first to believe they can fulfil their ambitions into thirdage, with their behaviour and lifestyles reflecting the realisation of their goals. It marks nothing less than a revolution in attitudes to ageing that can no longer be ignored.

“This is the life stage when you will be happiest, likely to be in an established relationship, financially secure and most importantly, clear in the direction of your life.”

By continuing to discuss ageing only in the negative, we fail to help people connect their ambition and excitement for thirdage with the necessary preparation. This results in a failure to engage with financial planning and lifelong savings products. If this continues into future generations then the pensions gap will only increase further.

The challenge of our ageing population is really the challenge of overcoming ageism. If we can meet it, then we will create an immense opportunity. If we fail to do so, the country will suffer from a social and economic perspective, and perhaps most importantly to the man on the street, from a personal point of view.

The choice is as clear as the opportunity that lies ahead.
Age Old Stereotypes - The Research

Backdrop

The UK population is ageing and fast. By 2050, people will live on average another 30 years on reaching 65. In 1950, just over one in ten of the population was over 65. Now, it is one in six. In another 30 years, over a quarter of the population will be 65 and over, an increase of 70 per cent on current levels, with people healthier and wealthier in this life stage than ever before.

Earlier this year, Standard Life launched the active money campaign with the ‘Death of Retirement’ report. This looked at how those closest to being of retirement age, the baby boomer generation, considered the stage post retirement (over 65 years of age). It found that this age group is more ambitious for the future than any other generation has ever been at this stage. They want to travel more, stay at work (but on their terms), start new businesses and learn new skills or hobbies in a life stage that previously would have been defined by their ‘retirement’.

However, baby boomers have to overcome a complex set of challenges to achieve their ambitions in the future. They need a new approach to long term financial planning that enables them to meet financial commitments and fulfil their aspirations for an active, flexible future. Most importantly of all, they have to overcome society’s perceptions of being over 65, ‘old’ and the cultural barriers to having the lifestyle they aspire to.

The Methodology

The second study in the ‘Death of Retirement’ series, ‘Age Old Stereotypes’ looks at the stereotypes and behaviours associated with age. It is based on a YouGov survey of a UK representative sample of 2,100 adults conducted during May 2009 and analysed by psychologist Honey Langcaster-James. The survey asked questions on activities and feelings associated with each age group. The survey was then repeated a week later to ask what activities and feelings people actually held to ensure any preconceptions did not influence responses of those surveyed. Findings were grouped according to which was the most likely and least likely behaviour or feeling at each age range.
Age Old Stereotypes

Perception of lifestyle

The survey asked people to identify what behaviour and feelings they thought most likely to occur at different ages.

Reality of how people live

Repeated a week later to avoid bias, the survey then asked which activities or feelings actually apply.

Age old Stereotypes - Research Findings

**The UK population believe that the over 55s are most likely to be lonely, least likely to take part in sport or hobbies, and least likely to do anything adventurous.**

When asked what activities and feelings currently apply, of all the respondents, over 55s were actually most likely to be happy and content, travelling abroad and most likely to be active in their community.

**The UK population’s perception of those aged 18 to 25 years old, is that they will be most likely to have fun, with time for socialising, sports/hobbies and for doing something adventurous.**

In reality, 18-25 year olds were found most likely to be lonely and least likely to be in a satisfying relationship. They were also the age group most likely to have financial worries.

**The UK population believe that the age at which you settle down to care for children and family or start a business is when you are a younger adult aged 26 to 35.**

Actually, younger adults were found to be in a period of transition as likely to be travelling abroad as caring for a family, to be doing something adventurous as to be starting a business.

**Middle aged adults (36-55) were in reality the most settled group, most likely to be caring for children or family and most likely to start a business.**

As a result, this group was found to have the least time for fun, socialising or travelling and the least likely to be happy and content.

The report is the latest in the Standard Life ‘Death of Retirement’ series, part of the active money campaign launched earlier this year. The campaign was launched in recognition that baby boomers are not growing old as they used to and need their money to be as active as they will be. For more information, visit www.activemoneysipp.com.