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1. Introduction

This paper aims to draw together what is currently known about the transition of the baby boomer generation into retirement and to stimulate discussion about the implications for consumer policy. Other papers will follow as we explore further the characteristics of the cohort and identify consequential consumer policy implications.

In Australia, the baby boom period describes the increase in the total birth rate following World War II, specifically between 1946 and 1965. Baby boomers are aged between 46 and 65 years in 2011.

Victoria’s population is undergoing fundamental change. Data published in by the Brumby Government predicts that in the 30 years between 2006 and 2036 Victoria’s population will increase by 2.27 million. The greatest increase (910,000) will be those aged 65 years and over. For the most part, this increase represents the ageing of the ‘baby boomer’ generation. Australia’s population is ageing; this process is part of a global phenomenon. This ageing process is set to accelerate as the baby boomers move through the age structure adding to the numbers of older people in the population.

This paper begins by placing Australia’s baby boomers within the context of the global phenomenon known as the demographic transition. In particular, section 2 provides a background to the demographic concepts around numerical and structural ageing of the population and the influence of Australian baby boomers on this process.

As well as constituting the majority of the aging population over the next 30 years, baby boomers are a significant element of the consuming public. Their consumption patterns and preferences will have important implications for the Victorian and Australian economies. Numerically, older people will represent a consumer group with a sizable aggregate purchasing power capable of driving market innovation and development.

Consumer policy, which aims to protect all consumers regardless of age, must adapt to the rapidly ageing population. As always, fair trading agencies will need to respond to contemporary marketplace practices to ensure that the regulatory framework adequately empowers and protects consumers. However, the assumption that a rapidly ageing population, predominantly comprising baby boomers, will present a series of unique consumer policy challenges for government needs to be tested. In particular we need to ask ourselves:

- Are there any consumer policy needs of this older population which are unique?
- Do they have particular vulnerabilities?

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2. Who Are “Baby Boomers”

The Life Course approach suggests that baby boomers are not a homogenous group

By 1971, Australia’s total fertility rate had fallen to 2.9 births per woman. Interestingly, in 1971 more babies were actually born than in 1961 when the fertility rate was 3.6 births per woman. This is because many baby boomers had reached reproductive age, so there were more women having babies. Australia’s total fertility rate fell further in the years following 1971, reaching a low of 1.72 births in 2003, and peaking again in 2007 to 1.97 births per woman, the highest since 1971.

In Australia, baby boomers are people born between 1946 and 1965. Australia is one of four countries that experienced a true baby boom – a sustained period where the total fertility rate was above replacement levels; the others are New Zealand, Canada, and the USA. In other countries, the baby boom was brief, lasting only 4 to 6 years, while Australia’s lasted 19 years, peaking at 3.6 births per woman in 1961.

Throughout their formative years and adulthood, baby boomers have encountered wide-ranging social, political, and economic change. These include a more diverse diet, a growing sense of global citizenship, affordable and accessible travel opportunities, a broader public role for women, access to numerous financial products, expanded educational opportunities, diverse housing options, the predominance of plastic products, availability of relatively cheap energy, rapid technological development, and so much more. Economically, baby boomers lived through the oil crisis of the 1970s, the high interest rates of the 1980s, the housing boom of the 1990s, and the Global Financial Crisis of the early 21st century.

Baby boomers have also experienced significant change in consumer markets. For example, rapid and sustained technological development has led to the digitalisation of markets (not just the internet but many forms of digital commerce), globalisation, growth in consumer services and the associated government responses to these developments in the form of regulatory reform.

The lengthy 19-year Australian baby boom yielded distinct generations within the baby boomers cohort; baby boomers are a very diverse population. A “life course” approach helps to visualise the potential retirement experiences this diverse population will have.

**Life Course Approach**

The life course approach assumes that earlier life experiences can determine later ones. Each baby boomer generation has lived through life course events that dictated their life experiences in a range of areas including education, labour force participation, childbearing, and retirement. Differences in life experiences are likely to result in each sub-population group requiring or demanding different retirement experiences.

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For example, baby boomers who encountered prosperous economic times when they entered the labour force are more likely to have experienced higher lifetime employment resulting in higher accumulated wealth. Baby boomers who encountered an economic downturn when they entered the labour force may have had a more fragmented working life, have a lower fertility rate, and be less financially secure in their older age.

Baby boomers who completed secondary school after the Whitlam Government abolished tertiary tuition fees are more likely to be educated, technologically literate, comparatively wealthy and able to confidently communicate and assert their needs. These characteristics are likely to affect how this subset of baby boomers behave as consumers and what they are likely to demand from consumer markets and consumer protection agencies.

Many businesses and marketers focus on these fortunate baby boomers, or the group born overseas; however, it is important to recognise that they do not reflect the circumstances of all baby-boomers. One clear distinction that the life course approach highlights is between the retirement wealth of baby boomers born earlier and later; older baby-boomers tend to be financially less prepared for retirement.

These differences are caused in part by the introduction of the Superannuation Guarantee in 1992. Older baby-boomers were already in their 40s when the Government introduced the scheme, resulting in them having very limited superannuation savings compared to baby boomers born later. Thus, early born baby-boomers are more likely to require the full support of the age-pension in retirement. They may also be more likely to require more intensive consumer protection interventions.

Research into the differences between the retirement plans of low and high-income baby boomers reveals that both groups expect to phase into retirement by working less hours, but for vastly different reasons. High-income boomers want to remain connected to a career that gave them status and prestige, while financial necessity drives low-income boomers to remain in the workforce. Not surprisingly, high-income boomers are more likely to be educated, own their own homes, and live in neighbourhoods that are more prosperous.

A life course approach also highlights differences in gender within the baby boom cohort. Warren found that women are more likely to: move to part time work later in life than men; have a transition job that is in the same field as their career; and, reduce their working hours in order to meet family-care responsibilities; consequently women baby-boomers tend to have less superannuation than men. In fact, there is generally a 14-year employment gap between men and women, resulting in a 35 per cent superannuation gap. This is one reason why more women baby boomers occupy the

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low-income bracket.  

The Demographic Transition

It is important to place Australia’s baby boomers within the context of a broader global phenomenon known as the demographic transition, which describes the transition in the global population from a younger to an older age structure. For the developed world, the transition began around two centuries ago, prompted by improvements in the food supply, hygiene, and sewage treatment in the 18th century. For the rest of the world the phenomenon was compressed into the second half of the 20th century.

Before the demographic transition, both birth and death rates were equally high, resulting in a constant population level. At the start of the transition, infant mortality declined, more babies survived into adulthood, and those adults had children that also survived, resulting in massive population growth. This led to the population becoming structurally younger – that is, a population in which the proportion of younger people is higher than the proportion of older people.

The world’s population has doubled over the past 30 years because of the growth in population that occurred when the population was in transition. In countries such as Australia, the baby boom that followed the end of World War II intensified the effects of the population growth that occurred during the demographic transition.

Numerical Ageing

The consequence of increased life expectancy through the life course – at birth, adulthood, and old age – is numerical ageing, that is more people reach old age. The impact of numerical ageing is illustrated by statistics showing that over the past two decades, the number of Australians aged 100 years increased by 206 per cent compared with a total population growth of around 30.1 per cent over the same period.

As the general population ages, so too the baby-boomer generation moves upwards through the age structure and, in doing so, significantly contributes to the numerical ageing of Australia’s overall population. As baby-boomers age, the median age of the population will increase. A population is ‘young’ when the median age is less than 20 years and is ‘old’ when the median age is more than 30 years. In the past 2 decades, the median age of the population has increased by 5.1 years from 31.8 years in 1989 to 36.9 years in 2009.

Structural Ageing

The initial stage of the demographic transition outlined above has been followed by a secondary stage characterised by a decline in the birth rate resulting in what is known as structural ageing. Structural ageing of a population occurs as more infants survive, women have fewer children, and birth rates fall. Eventually this leads to the proportion of younger people in the population falling. The high birth rate during the baby boom period caused a structural juvenescence, while the

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7 Ibid.

declining fertility since caused structural ageing in the population.9 As the baby-boomers age, the forces of numerical and structural ageing will coalesce.

In this context, it is worth noting that numerical ageing drives the demand for, and increases the costs of services like the age pension and health care. Structural ageing causes a reduction in the proportion of working-age people compared to the proportion of older people, meaning there are fewer taxpayers able to fund the costs of services in demand.

The population pyramid at Figure 1 illustrates the age distribution of the Victorian population by gender for 2006 and the projection for 2036. The largest projected increase between 2006 and 2036 in Victoria is in persons aged more than 65 years, followed by persons aged more than 75 years.

Figure 1: Age by Gender, Victoria 2006 and 2036


In summary, improvements in life expectancy have resulted in high numbers of older Australians, while low birth rates since the end of the baby boom in 1965 are reducing the proportion of younger people in the population.

The Dependency Ratio
The dependency ratio is the ratio between those in the labour force and those not in the labour force, or the ratio between the segment of the population that is dependent and the segment that is productive. 10

9 Jackson N. op cit.
10 Jackson N, op cit. page 12.
Australia’s dependency ratio is currently very similar to the ratio for the 1970s; however, in the 1970s the ratio was driven by youth-dependency, while in 2010 it was driven by aged-dependency. Aged dependency is more costly than youth-dependency, with some commentators suggesting that aged-dependency costs governments two and four times that of youth-dependency.\(^{11}\)

Another reason why the cost to governments of an ageing population has increased is that people are living longer but are spending a smaller part of their life in the workforce.

The Intergenerational Reports were published by Commonwealth Department of Treasury in 2002, 2007 and 2010. The first report (2002)\(^{12}\) looked at policies to encourage people to remain longer in the workforce and increase private superannuation savings. The second (2007)\(^{13}\) looked at market-based mechanisms; and, the third (2010)\(^{14}\) outlined policies to increase productivity and noted the need to take account of exogenous shocks, pressures on natural resources, and climate change.

The reports examined policy options for responding to the rise in the dependency ratio. For example, by encouraging self-provision in post-compulsory education, health care and superannuation. However, few people over the age of 65 are actually dependent in every facet of their lives. Many continue to work in the paid workforce, or would if the opportunity existed. Many others contribute to the economy by volunteering and intergenerational exchanges like looking after grandchildren so that parents can return to work sooner. An ageing population can provide advantages: firms will be able to draw upon a more experienced workforce and grow as they serve the needs of older consumers.

**Retirement-Consumption Puzzle**

There is also a growing body of economic literature on the *retirement-consumption puzzle*, which examines the expenditure and consumption patterns of people in retirement.

The standard life cycle model of income and saving assumes that when we anticipate and plan for retirement our actual level of consumption does not fall even when household expenditure does. This means that overall quality of life and actual consumption levels remain similar to pre-retirement levels – because we can explain the fall in expenditure by noting a corresponding rise in other areas, for example, in time-intensive activities like growing vegetables and cooking meals at home.

Barrett and Brzozowski found that for a significant minority of retirees a reduction in expenditure corresponds with a reduction in consumption.\(^{15}\)

Finally, population change does not occur consistently across geographic areas. As the economy and society change, some areas are favoured more than others. Government and businesses

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\(^{14}\) Hon W. Swann MP, Treasurer, *Australia to 2050: Future Challenges*, Commonwealth of Australia, January 2010

need an acute awareness of this geography of change because the demographic prospects and needs of one region may be very different from those of a neighbouring region.

**How Do We Know About Victorian Baby Boomers?**

This discussion paper groups the literature about the boomer generation; into three themes: *generational studies* which examines life-shaping events of the time; *government publications* which concern the impact of an aging population on public policy and the national budget; and *market research* that distils demographic research on consumer behaviour and links it to discrete markets or retail channels.

**Generational Studies**

The literature within the generational studies theme explores the life shaping events experienced by groups who share the same birth period and milestones, for example, when they reached adulthood, took their first job, or began planning for their retirement.

We are particularly interested in research on factors that influence retirement planning and the economic impacts of an ageing population. Notable examples include research into the differences between the retirement plans of low and high-income boomers, the differences between the retirement plans of men and women, and research into the retirement consumption puzzle.

**Government Publications**

Successive Australian Governments have assessed the fiscal and economic challenges of an ageing population and implemented important public policy initiatives like the Superannuation Guarantee in 1992.

There is now broad acceptance that Australia’s retirement income system consists of a combination of the age-pension, compulsory savings through superannuation, and voluntary superannuation savings. The system aims to achieve a balance that shares responsibility between the public and private sectors in a way that is fiscally responsible. The generational studies literature reviewed above show that this shared approach is now the accepted cultural norm; most retirees expect to rely on a combination of income sources to fund their retirement.

To mark the United Nations’ Year of Older Persons, in 1999 the Australian Government released a series of discussion papers that culminated in the *National Strategy for an Ageing Australia*. The strategy assessed the challenges of an ageing population and anticipated escalating pressures on a range of government services, in particular the health sector.

Public consultations for the strategy highlighted a number of areas of concern for older Australians like financial security and social isolation. The strategy outlines a range of measures to better utilise the skills of older people in the workforce.

The *Intergenerational Report* series published by the Commonwealth Treasury examines policy

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16 Hamilton M and Hamilton C., *“Baby Boomers And Retirement – Dreams, Fears, Anxieties*”, The Australia Institute, 2006
17 Warren op cit.
options for managing the expected economic pressures of an ageing population.\(^{20}\)

In 2004, the Commonwealth Government released *Australia’s Demographic Challenges*, which described Australia’s retirement income system as a balanced way to achieve economic growth through increased labour force participation and productivity. \(^{21}\)

Australian Government publications are concerned about the economic implications of an ageing population; they vary slightly in emphasis, but are consistent in defining the nature and extent of the problem and presenting options for addressing them.

An ageing population will have economic and fiscal implications that will pose significant challenges to the Australian economy, such as a declining tax base and increases in Government expenditure, especially in health care. Addressing these challenges will require a mix of policy instruments to increase labour force participation and productivity \(^{22}\), and include a mix of the following approaches, raising the retirement age, encouraging people to work beyond 65 years of age, and increasing compulsory superannuation contributions. In other countries, other policy options like raising the labour force through skilled migration, targeted tax increases, reducing benefits, or tightening the rules around means testing are also part of the mix. \(^{23}\)

State and local Government publications often present a framework for strategic planning around local demographics, building organisational capacity to recognise ageing issues, and making decisions on allocating resources. This is understandable since state and particularly local Governments are in the forefront of service delivery. For example, the publication *Ageing in Victoria: a Plan for an Age-Friendly Society 2010-2020* \(^{24}\) aims to put in place age-friendly practices in policy development and implementation. Similarly, in 2005, the Australian Local Government Association released a *Population Ageing Action Plan 2004-2008* \(^{25}\) to assist councils. In Victoria, a joint project between the Municipal Association of Victoria and the Council on the Ageing (Victoria) examined ways to build capacity for positive ageing initiatives within the contexts of council budgets, capacity of staff to recognise ageing issues, relationships with community organisations, businesses, and residents.

To understand its demographic profile and the potential implications on service delivery, in 2009 the City of Monash commissioned KPMG demographer Bernard Salt to examine the service delivery needs of its ageing residents. This study is unique because it complements the strategic planning documents with compressive social research.

The study found five areas of concern for retiring boomers in the city of Monash; continued wellbeing, finances, engagement, housing, and family connection. As they age, Monash boomers are concerned about their ability to afford adequate health care, which is consistent with Australian government research that shows rising health care costs as an anticipated result of an ageing population.

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\(^{20}\) Commonwealth of Australia, Intergenerational Reports, op cit.

\(^{21}\) The Treasury, *Australia’s Demographic Challenges*, Commonwealth of Australia, February 2004

\(^{22}\) Productivity Commission, *Economic Implications of an Ageing Australia*, Australian Government, March 2005


population. Other results also mirror academic research, for example, that financial security is the main consideration when planning whether to retire, with up to 65 per cent of Monash respondents saying they intend to remain in the workforce for financial reasons. They also plan to combine part-time work with volunteering to remain ‘connected’ and ‘engaged’. Not surprisingly, Monash boomers also value family and social connections, and often face competing demands from frail elderly parents requiring care and their own children requiring assistance with childcare. Housing is also important, with respondents who owned their own home electing to remain in their family home in order to leave a significant asset to their children. For renters, being able to afford appropriate housing long into their retirement was an overarching concern.

### Market Research

Market research is a term used to describe the gathering of information about particular markets or consumer segments. The International Chamber of Commerce released its first International Code on Market and Social Research in 1948. The code defines market research to include social and opinion research, it is “the systematic gathering and interpretation of information about individuals or organisations using the statistical and analytical methods and techniques of the applied social sciences to gain insight or support decision making”.

Market segmentation is “the process of dividing mass markets into groups of consumers that exhibit common… buying behaviours”. This allows marketers to offer individuals occupying a particular segment goods and services that match their wants. Market segmentation is limited in the same way other kinds of social research is, not everyone within a defined group will always behave in the same manner.

There is also a significant body of academic research around industry trends such as those conducted by the Australian Centre for Retail Studies (ACRS) at Monash University. According to the ACRS, industry acknowledges the importance of customer intelligence gained through demographic, psychographic, and behavioural research and analysis. Demographic data collected in market research encompasses characteristics about individual customers and typically include age, household income, and marital status, number of children, home ownership, and net worth. Psychographic data concerns a customer’s lifestyle, attitudes, beliefs, values, personality, buying motives, and extent of product usage.

Those interested in public policy should consider market research on retiring boomers with both interest and caution because they are likely to vary in quality. Some draw simplistic conclusions around consumer behaviour that ignore significant sections of the cohort. Not all retiring boomers are ‘cashed up’ and not all retiring boomers grew up worshipping the ideals encapsulated in ‘Woodstock’.

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3. Consumer Trends

Consumer policy aims to protect all consumers regardless of age. Consumers expect products to be safe for their intended use, they expect to have access to redress when things go wrong, and they expect protection from unfair trade practices, misleading and deceptive conduct, and unfair contract terms. These expectations are relevant to all consumers but may assume greater importance as consumers become older and potentially more vulnerable, whether due to poor health, limited finances, or limited mobility.

In addition, older people constitute a sizable consumer group with age-related needs and a significant aggregate purchasing power. Over-55 year olds already control around a third of the nation’s wealth and almost a quarter of all disposable income. This combination of assets and income make them a financially powerful group. This means that older consumers are capable of driving market innovation and development and the consequences of this, may be new areas of consumer detriment.

Firms are already grasping the consequences of an older world and are increasingly targeting older consumers. For example, an array of products and services marketed to retirees are framed around concepts like autonomy and independence. This is evident in the marketing of investment and retail banking products, residential parks, and retirement homes, health, multivitamins and anti-ageing pharmaceuticals, mobility products and many more. In addition, firms are developing the awareness that ageing baby boomers are accustomed to change and that they are adaptable and interested in new technologies, but that they also value ease of use over technical complexity.

Some Strengths

The prevalence of strategic plans for an ageing population demonstrates that successive Australian governments understand that an ageing population raises a number of fundamental public policy questions; in particular, whether large numbers of older people will place a strain on our health and social security systems. Much of the public policy discourse on ageing boomers is within this context. On the other hand, much of the academic research appears to be on how people intend to finance their retirement and on how they plan to live their retirement years – a more individual focus, and market researches examine the drivers and patterns for consumption.

Market research tell us that baby-boomers have had more access to higher education than any generation in Australia; that they have a higher than average annual income; and, they are likely to live longer than previous generations. In their retirement, baby-boomers are much more demanding than the previous generation and value complaining as an appropriate response to unmet expectations. Retiring boomers expect a different kind of retirement than their parents and want to be able to pursue a broader area of interest like travel, further study, and membership of reading groups. However, they also still want to fulfil those traditional commitments like looking after elderly parents and grandchildren, and volunteering in their community.

29 McCrindle op cit

consumer.vic.gov.au
These characteristics mean that governments will have to manage the needs of one the most articulate, educated and opinionated retirement generation that Australia has ever seen.\textsuperscript{30}

Given the above, it would be easy to assume that all retiring boomers are fortunate and prosperous and to tailor consumer policy around this central idea. However, as previously outlined, academic research reveals that boomers are not homogenous, that there are significant differences between earlier and later born boomers, between low and high-income boomers, and between men and women. Consequently, their circumstances and choices are coloured by these differences and recognising this is important to consumer policy if we are to ensure that the needs of vulnerable consumers are part of the overall discourse.

**Some Vulnerabilities**

**Health**

Unfortunately, the general wear and tear associated with ageing will have some influence on overall wellbeing, and this will affect the level of consumer detriment that an individual may experience. Some age related health issues are preventable, with clear life style and behavioural determinants (like lung cancer and diabetes); others emerge because we are living longer than ever before. Below are three health issues that are an expected outcome of an ageing population:

A rise in vision and hearing impairments – a particularly important issue facing current and future generations of older Australians because it can cause communication difficulties, which in turn can lead to frustration, low self-esteem, and social isolation. Age related hearing loss is one of the most common disabilities facing people aged 55 and over and affects up to 55 per cent of them. Blindness affects just under 10 per cent of those aged 55 and over.\textsuperscript{31, 32}

A rise in mild and severe cognitive and memory impairments. Mild impairments affect reaction and processing times and the ability to prioritise different types of information. Serious impairment caused by dementia and Alzheimer’s disease often leads to a total loss of autonomy and independence. Around 1 in 15 people over the age of 65 suffer from some form of dementia or Alzheimer’s disease and one in 9 people over the age of 80.\textsuperscript{33}

Ageing can also exacerbate pre-existing socioeconomic inequalities. Vulnerable consumers do not cease to be vulnerable just because they are older; in fact, they become more vulnerable.

Projections for consumer spending in the US indicate that people over the age of 55 will soon account for 99 per cent of the increase in medical spending.\textsuperscript{34} However, the rapid emergence of new medications can pose significant risks to older consumers because full comprehension of their effects is critical to safe usage. As noted above, mild cognitive and memory impairments can affect reaction and processing times and the ability to prioritise different types of information. This will affect the way medical product information is communicated and marketed to older consumers.
Consumer policy will need to be aware of unscrupulous marketing practices, especially ones that make unsubstantiated claims, for example, in the marketing of multivitamins, where the interaction with other medications is unknown, or in the marketing of anti-ageing creams, where unsubstantiated or questionable claims are often made.

Financial And Housing Security

Moreover, wealth and ownership of assets, access to work and control of resources are factors in socioeconomic status throughout the life course and are an important predictor of continued autonomy and independence in old age.35

In Australia, this is particularly evident in the area of housing. Up to 5 per cent of Australians aged 55 years and over experience housing stress, especially those living alone with little or limited assets. As Australia’s baby boomers get older, the absolute number of Australians in this situation will increase.36

New housing innovations are emerging to meet the needs and circumstances of some over 55s. For example, the emergence of caravan or residential parks that target over-55s. Other housing product innovations are likely to target the same market segment with various rental offerings which are akin to retirement villages but without the additional service provision and cost.

While homeownership rates remain very high for baby-boomers, it is possible that older people will rent later in their lives, either because they are lifelong tenants, or because changed circumstances lead them to become tenants toward the end of their working lives or in retirement. As a consequence we may find a larger proportion of tenants who are both elderly and vulnerable require new policy to provide them with adequate consumer protection.

The Digital World

New forms of electronic commerce within the pervasive digital environment is shaping how people live and relate to others in a personal sense and as consumers. The digital world will affect every facet of society, how health care is delivered and received, how children learn, how older people remain connected, and how government engages civil society and delivers services.37

Market research tells us that boomers are technologically literate. In fact, when it comes to technology and the Internet, baby boomers are actually driving the continued increase in online activity. More than two in every three baby boomers are now online and they are just as likely to have broadband access at home as any other age group, and almost as likely to access the Internet regularly. Ownership of personal computers is higher among baby boomers compared to those aged under 45 years.38

For older consumers seeking value for money, Internet sites that pool information to provide product comparisons can potentially improve transparency around price and quality.

35 World Health Organisation (WHO) op cit.
36 Wood G et al, ‘Housing Needs Of Asset-Poor Older Australians: Other Countries’ Policy Initiatives And Their Implications For Australia’, for the Australian Housing and Urban Research Institute, AHURI Positioning Paper No. 133, 2010
37 Ayers S, The Cultural Impact of Computer Technology, Contents of Curriculum Unit, Yale-New Haven Teachers Institute, 2007
However, the risk for older consumers relates to their ability to discern the quality and trustworthiness of the information.

In the US, consumers are beginning to assess value for money through websites that publish real time price comparisons and product reviews. US consumers have access to ShopSavvy, which allows them to use their phone’s camera to scan barcodes, after which the application will find the best prices for on-line and local retailers, allowing the consumer to make a decision about where to purchase.

The Australian government website www.seniors.gov.au includes a ‘meeting place’ for users to discuss various issues affecting them including consumer issues, thus allowing all participants to learn from each other’s experiences. For example, on 10 October 2010, a poster wrote, “I have been caught by the sales pitch on digital TV. Just plug it in and away you go. It didn’t happen that way, I had to go to fair trading to have it corrected, sales lies, beware”.

The pervasive nature of the digital environment has arguably created a division between ‘users’ and ‘non-users’ at a time when more information is being presented through this medium. Older and rural consumers are least likely to be proficient in digital technologies, although this will not be the case into the future.

Older people can process information better if they can control the speed of information flow. This means that the way information is disclosed and presented is particularly important in areas where comprehension is critical, such as concerning pharmaceutical and financial products.

As more people in the population experience reduced vision and hearing, the need for clarity and legibility will have a broader meaning beyond plain English, but also in the way information is presented and formatted (for example, with a combination of audio).

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4. Concluding Comments & Questions

The Australian Consumer Law

In 2008, the Productivity Commission reviewed Australia’s existing consumer policy framework.40 Following their review, the Council for Australian Governments began developing a generic overarching consumer protection law, the Australian Consumer Law (ACL). 41

Underpinning the ACL is a set of assumptions about what constitutes good consumer policy. One such assumption is that good consumer policy is adaptable, for example, in the face of a rapidly ageing population: it can respond to complex and diverse drivers in the consumer market place; it improves productivity and growth; it ensures people have access to redress when things go wrong; and does not encumber businesses with unnecessary regulatory burdens. The ACL commenced in all Australasian jurisdictions on 1 January 2011.

Australia’s population is ageing. The demographic transition and post World War II baby boom combined to stimulate population growth which has now not only levelled out but is moving toward a rapid numerical and structural ageing of the population.

A rapidly ageing population presents significant consumer policy challenges. The first relates to vulnerability, underpinned by a conviction that consumer policy must protect all consumers regardless of age. The second relates to the significant aggregate purchasing power that older consumers have in the market place. Identifying where markets have emerged to target older consumers may provide signposts for those areas where consumer problems and consumer detriment may arise in future.

In relation to vulnerability, this paper acknowledges that people age differently; some are fortunate and live long and healthy lives. However, there are vulnerabilities associated with ageing such as a decline in health and loss of mobility, thereby increasing the likelihood of consumer detriment. These vulnerabilities, when combined with the constantly emerging array of new goods and services targeting older consumers and the increasing digitalisation of markets present unique challenges, which can affect consumer confidence. For older consumers this means confidence in one’s skills and abilities, confidence in the quality and safety of products, and confidence that the law will protect them from unfair practices.

Overlaying these challenges is the fact that Australia’s 19-year baby-boom has resulted in a heterogeneous baby boomer population. For example, some baby boomers may be more financially vulnerable and less educated than their more fortunate counterparts, which will influence the regulatory and non-regulatory options used to address specific aged consumer issues.

This paper has made a start at identifying the consumer policy implications of an ageing population and now invites further discussion. For example, are there other emerging markets targeting older consumers that consumer policy agencies should be aware of as future areas of potential consumer detriment? More broadly, are there any unique challenges for consumer policy in this context?

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41 www.consumerlaw.gov.au
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