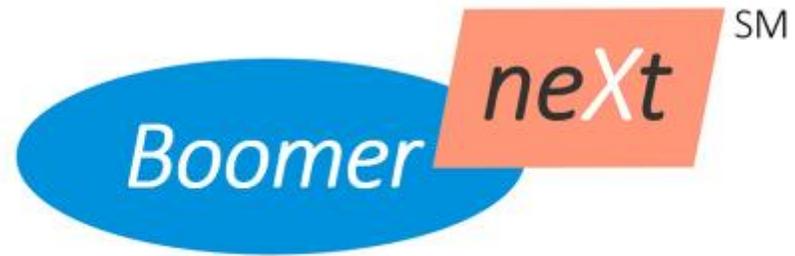


Boomer / Next Report: Retirement Abroad – The Backstory



Brand Re-generation In The 50+ Space

Boomer/NeXt Report: Retirement Abroad – The Backstory

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Boomer/NeXt Report: Retirement Abroad and Travel Behavior



About the Survey

The Boomer/neXt Survey of respondents between the ages of 50 and 71 was conducted online from March 29-31. Five hundred and ten respondents were interviewed via a nationally representative survey, which corresponds to a margin of error of plus or minus four percent at the 95% level of confidence. Confidence levels among certain subgroups from the sample may have a higher margin of error.

Information Source: Retirement Abroad and Travel Behavior

This report deals with respondents' interest in retirement abroad and gives the Boomer World backstory of travel behavior in the 50+ space. Data sources include Boomer/neXt survey results, AARP, The U.S. Travel Association, U.S. government data and respected travel publications.

About Boomer/neXt

Boomer/neXt, with offices in Boulder and New York City, is a leading consultancy which focuses on the 111 million Americans who are currently 50 years of age and older. Boomer/neXt provides strategic planning, research-based insights and consultative services to clients in industries that want to understand and unleash the power of this population, which includes the totality of the Baby Boom generation. For more information on Boomer/neXt and its services, please visit www.Boomer-next.com

Backing A Bucket List

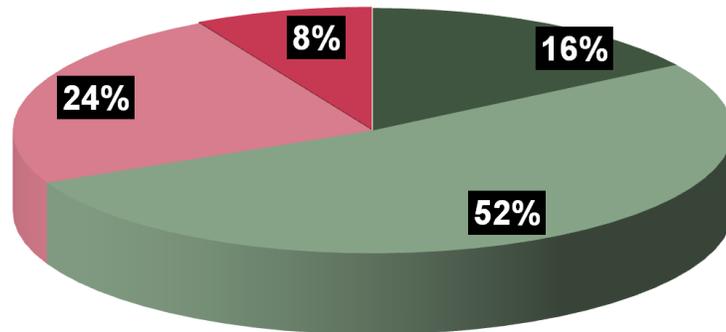
Bucket Lists in the 50+ space – an excellent thing according to two-thirds of Boomers and older Gen Xers

Boomer-speak is always changing and evolving in response to cultural trends: music, television, movies and advertising are constantly adding new phrases, imagery and memes. Far from being locked into the '60s with *“Beam me up, Scotty,”* the '70s with *“That’s a big 10-4, good buddy,”* or even the '80s with *“Where’s the beef?”* Boomers are still adding new expressions in the 21st century.

Screenwriter Justin Zackham hit a home run among Boomers with the term *“bucket list”* in the same-named 2007 movie starring Jack Nicholson and Morgan Freeman. Meaning *to compile and maintain a list of things that one wants to do and places one wants to see before life comes to a close*, the concept of a bucket list quickly caught on among older Americans.

The Boomer/neXt survey shows just how quickly - two-thirds (68%) agreed *“the concept of a ‘bucket list’ is an excellent thing.”*

I Think the Concept of a “Bucket List” Is An Excellent Thing



Strongly Agree
 Agree Somewhat
 Disagree Somewhat
 Strongly Disagree

And this is not some isolated wish-list finding, but syncs with travel trends that Baby Boomers and older Gen Xers have been pioneering for decades, not only domestically – think Grand Canyon, Washington D.C. and The Empire State Building – but, especially, in terms of travel abroad ...

In its 2017 survey of travel trends AARP found – as in 2016 - *The Bucket List* remains the most common reason for an international trip among Boomers:

- ✓ 34% Bucket List
- ✓ 20% Summer Vacation
- ✓ 18% Multi-Generation Trip
- ✓ 13% Romantic Getaway

How Boomers Caught The Bucket List Bug

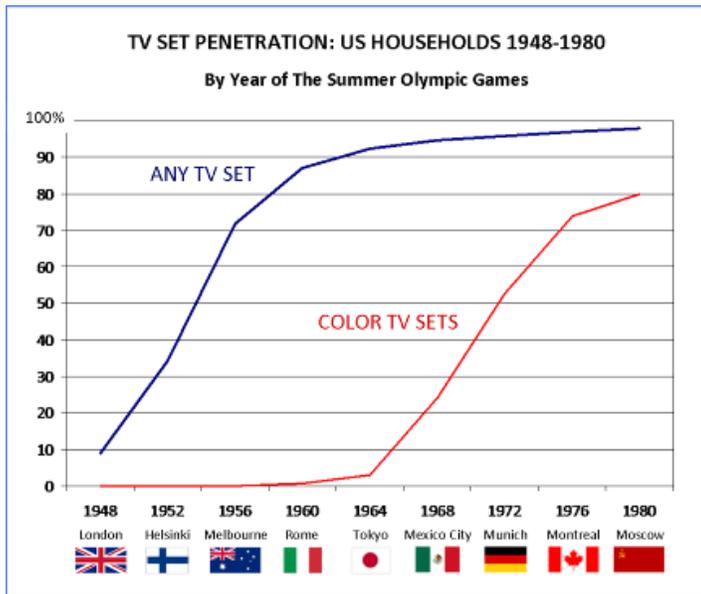
Boomer World is very different than Millennial World in terms of exposure to travel

Unlike the Millennials and Generation Z, Boomers and older Gen Xers did not grow up with travel to far away places with strange sounding names. Mostly, vacations involved domestic driving trips in the voluminous back seats of trusty Detroit brand family station wagons and 4-door sedans. Commissioned in 1956 by the Eisenhower Administration, the new Interstate Highway System opened the country up to exploration by America’s families – and they took full advantage. The “*are we there yet?*” era was born.

Americans not only explored new parts of the country, millions of them up and moved – mostly, westward. California, in particular, came into focus as a place to reinvent life and embrace mid-century modernity. Ranked #5 in state population in 1940, by 1970 it was #1.

Also by 1970, Boomers – then still only aged 6 to 24 – began to widen their travel horizons:

- ✓ Television brought the world into U.S. living rooms in real time, beginning with live satellite broadcasts from the 1964 Olympic Games in Tokyo – live, but mostly viewed in black & white
- ✓ As the penetration of color TV soared from 3% in 1964 to 80% in 1980, sunny locales now seemed even more glamorous and inviting to adventurous young Boomers and Gen Xers
- ✓ The Peace Corps (created in 1961) inspired thousands of young people to serve abroad
- ✓ The Cold War spawned dozens of *foreign intrigue* movies and TV shows set in exotic locations – most famously those of the James Bond franchise and Mission Impossible
- ✓ The “British Invasion” – music, fashion/style, movies – revolutionized hip culture
- ✓ Thanks to the Boomers, sales of affordable Japanese brand cars exploded through the ’70s; almost half of those early buyers were in their twenties



SOURCE: Boomer / neXt © 2017, From TV Facts (Cobbett Steinberg) and US Statistical Abstract data

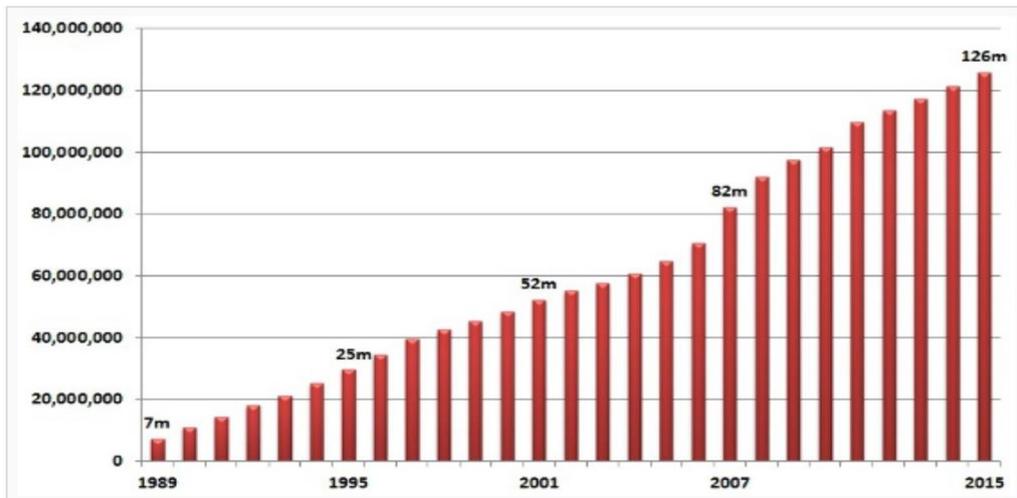
Come Fly With Me: The Passport Revolution

Jet Set beginnings, airline deregulation and the Berlin Wall

In the sixties, air travel was moving beyond the realm of rich and famous Jet Setters: Frank Sinatra's invitation to *Come Fly With Me* (1957) was being rapidly accepted by business people. But flying was still out of reach for most everyday folk. In 1967 – when the oldest and most venturesome Boomers were just beginning to grab their backpacks and head for the friendly skies – only 20% of Americans had ever ridden in a commercial airplane (Gallup). Today, that figure is over 90%.

The air travel game changer came in 1979 when airline fares were deregulated and prices tumbled. Domestic tourism boomed but international travel lagged; in 1989 there were only 7 million U.S. passports in circulation – representing barely 3% of the population.

Number of American Passports in Circulation



©2017: Boomer / neXt, LLC

In 1989 the Berlin Wall fell and the Soviet bloc began to crumble, effectively ending the Cold War. Many of those venturesome young Boomers were now ambitious yuppies armed with business degrees and a passion for taking American corporations global. Just a year later, the first McDonald's opened in Moscow, followed in 1992 by Golden Arches in Beijing.

International tourism soared in the new, more settled world. Spearheaded by Boomers and Gen Xers, Americans began big time explorations of global destinations, introducing their Millennial kids to travel as well.

By 2001, U.S. passports in circulation had jumped to 52 million; at the end of 2015 there were 126 million – corresponding to 40% of the population.

- ✓ However, Boomers still rule with passport ownership (60%) far above the national average (AARP).

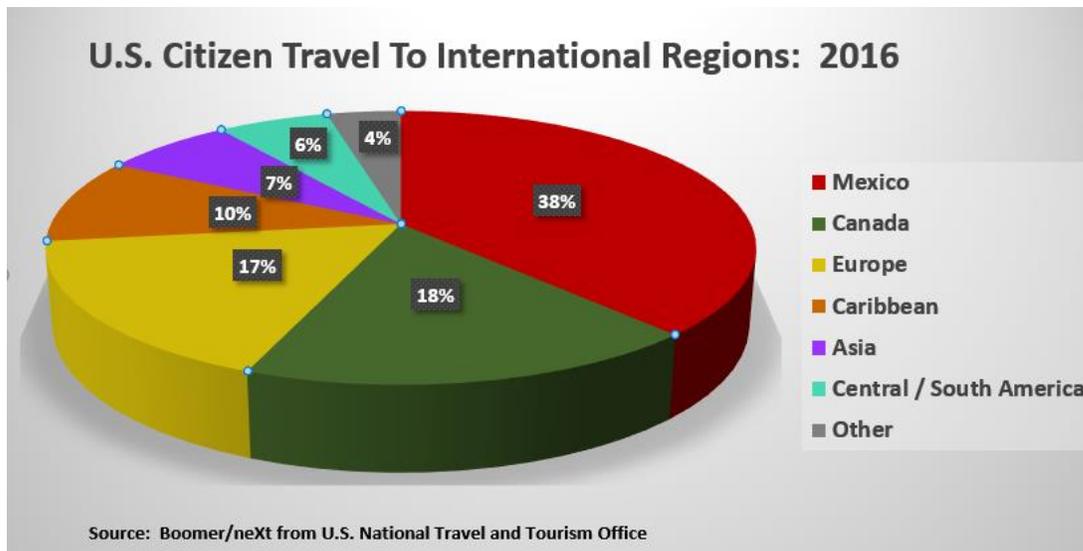
International Travel By Americans In 2016

For international travel, most Americans stay fairly close to home and favor Spanish-speaking Western Hemisphere destinations

In 2016 U.S. citizens made 79 million international trips, up by around 8% versus 2015 (U.S. National Travel and Tourism Office/NTTO).

Of these, over half (56%) involved border crossings, flights and cruises to our neighbors Mexico (38%) and Canada (18%) – in government speak, *international* rather than *overseas* destinations. Adding the Caribbean (10%) and Central/South America (6%), over three-quarters (78%) of international travel was in the Western Hemisphere. Europe (17%) led all other destinations (11%).

The latest detailed NTTO data (2015) reports most *overseas* travel was for vacations/visiting family (85%) rather than for business.



NTTO also gathers demographics: with a median overseas household income of \$100,000 and a median age of 45, Boomers and older Gen Xers in their prime earning years are clearly vital to international destinations.

The AARP 2017 trends survey confirms this – only 40% of Boomers are working with a set travel budget this year versus 62% for Millennials.

- ✓ In line with the NTTO data for 2016, AARP also found Boomer travelers' 2017 international destinations skew to the Western Hemisphere: 51% plan trips to Mexico, the Caribbean and/or Central/South America while 17% will visit Canada
- ✓ Bottom line: higher income Boomers and older Gen Xers have a strong affinity for the Spanish-speaking Americas.

Globetrotting Boomers Open To Retiring Abroad – Bad News For Brands?

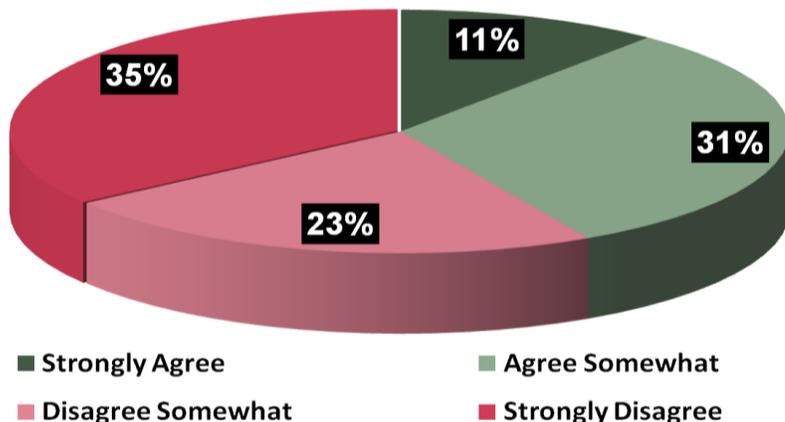


Four-in-ten Boomers and older Gen Xers would consider retiring abroad – will Adland finally take notice of their importance?

The Boomer/neXt survey of 510 Americans aged 50-71 found 42% agreed with the statement “I sometimes think I could leave the United States and live elsewhere in retirement.” That projects to some 40 million U.S. residents with at least a partial yen to escape abroad.

Based on their pioneering travel history, these are not only credible but sobering findings: Americans aged 50+ control 75%-80% of the nation’s household net worth – interest in moving out of the U.S. economy puts millions of affluent consumers in play. Mainstream brands – from CPGs to automobiles – that currently under-target them when they exit the 18-49 demo should be planning now for cross-border marketing programs that finally take Boomers and older Xers seriously.

I Sometimes Think I Could Leave the United States and Live Elsewhere In Retirement



Looking more deeply, the survey also found important demographic variations:

- ✓ Men (48%) are significantly more likely than women to consider leaving (36%), especially younger Boomer men (54%).
- ✓ At 37% the number of older (leading edge) Boomers aged 62-71 who could consider overseas retirement is already impressive, but among younger (trailing edge) Boomers aged 53-61 and Gen Xers aged 50-52 interest is even higher – 44% and 52% respectively.
- ✓ Boomers with household incomes above \$100,000 are much more likely to be open to an expat retirement (54%)
- ✓ Educational level also plays a role: 47% of those who graduated college would consider a move versus 39% among those who did not.

International Living Magazine: Best Places To Retire In 2017



Country	Buying & Renting	Benefits & Discounts	Visas & Residence	Cost of Living	Fitting in	Entertainment & Amenities	Healthcare	Healthy Lifestyle	Infrastructure	Climate	FINAL SCORES
Mexico	94	88	91	89	91	97	91	88	90	90	90.9
Panama	87	100	96	82	90	93	89	93	89	89	90.8
Ecuador	97	99	82	83	89	89	87	92	89	100	90.7
Costa Rica	89	78	85	80	90	93	96	97	87	84	87.9
Colombia	89	66	79	93	85	94	94	95	91	91	87.7
Malaysia	89	70	85	87	93	95	97	92	89	73	87.0
Spain	85	71	70	78	88	90	89	90	98	89	84.8
Nicaragua	97	69	72	97	84	85	80	97	73	82	83.6
Portugal	84	72	76	82	85	80	84	90	95	83	83.1
Malta	79	71	76	77	92	85	85	79	90	83	81.7
Honduras (Roatán)	78	73	87	73	96	76	84	74	88	81	81.0
Thailand	84	67	61	85	88	90	89	80	83	83	81.0
Italy	67	74	74	79	78	90	81	85	93	84	80.5
Peru	86	60	80	94	86	74	83	72	80	87	80.2
Belize	77	81	84	72	95	74	86	85	70	78	80.2
France	65	79	74	57	87	96	88	79	93	82	80.0
Cambodia	76	57	77	99	89	91	80	83	69	74	79.5
Bolivia	93	62	64	87	80	76	72	83	84	88	78.9
Philippines	60	72	64	85	95	90	89	73	84	70	78.2
Dominican Rep.	91	70	60	81	85	85	82	77	82	68	78.1
Ireland	78	75	73	64	98	84	73	72	95	67	77.9
Guatemala	83	63	73	90	81	78	76	68	77	86	77.5
Uruguay	68	62	62	59	83	98	89	73	91	81	76.6
Vietnam	75	61	67	91	72	68	78	75	67	79	73.3

For over a quarter of a century, International Living Magazine has ranked, rated and named the best retirement destinations in the world.

Its 2017 #1 pick is Mexico. A five-time winner since 2004, Mexico narrowly edged out runners-up Panama and Ecuador.

Congruent with Boomer travel patterns, six of the top ten are Spanish-speaking countries in the Americas, close to home/easy to get to.

Among the reasons to recommend Mexico and other places on the top ten list are:

- ✓ Ease of fitting into a new culture
- ✓ Low cost of living, including buying/renting
- ✓ Affordable quality healthcare
- ✓ Sunny climate and a healthy lifestyle

Clearly, seasoned Boomer travelers who have learned to go with the flow overseas do not lack for choice in retirement destinations.