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Boomer 'Pivot Spenders' Help Out Parents, Adult Kids

By Kathy Gurchiek

A sizeable segment of the baby boomer population is reaching into its wallet to provide continuing financial support to elderly or retired parents or to adult children who are not in college, according to a national study of more than 21,000 boomers.

Dubbed "pivot spenders," these boomers provide regular financial support, such as helping with groceries, housing, medical care, clothing and other expenses, according to The Nielsen Homescan PanelViews study fielded in March 2007.

Findings are based on responses from 21,830 boomers—those born between 1946 and 1964. There are roughly 77 million boomers.

"The Pivot Spender study underscores that 'the buck starts here' with baby boomers," said Laurel Kennedy, president of think tank/consulting firm **Age Lessons**. Based in Chicago, it claims to focus exclusively on "leading-edge boomers."

"Boomers, who account for at least 55 percent of consumer spending, now prove to be an even more influential factor at retail than ever before," and they might account for the popularity of club stores such as Costco and multi-pack products, she added in the press release.

Almost 40 percent of so-called pivot spenders contributed more than \$1,000 per year to help their parents, and 56 percent contributed at least that amount to help an adult child establish a life outside the family home.

Groceries and housing were the two biggest areas where pivot spenders financially assisted both groups. Among the findings:

- 58 percent helped parents with groceries, and 47 percent helped parents with housing.
- 47 percent helped adult children with groceries, and 37 percent helped them with housing.
- 22 percent helped their parents with medical care, 21 percent helped pay for their clothing, and 18 percent helped with car expenses
- 37 percent helped adult children with medical care, 41 percent helped pay for clothing, and 46 percent helped with their adult children's car expenses.

"In addition to buying for their live-in family, many boomers are shopping for multiple households, including their aging parents and empty-nest children," Nielsen Homescan Senior Vice President Todd Hale said in a press release.

"Boomers are proving to be both the social and financial epicenter of the family unit," he added.

In general, families with five or more members were the most likely to contribute financially to other households, although households with three to four members accounted for the largest dollar contribution—providing 36 percent of financial aid to senior parents and 42 percent of financial aid to adult children, the study found.

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