



THE SILVERS SERIES V: LEISURE SERVICES FOR SENIORS

This is the fifth in our *Silvers Series* of reports on consumers aged 65 and older, and their impact on economies, industries and companies worldwide.

5 KEY POINTS

- 1) Key factors driving seniors' spending in the leisure industry are increased mobility and money.
- 2) Seniors in the US, the UK and Japan allocate a higher-than-average portion of their consumption expenditure toward leisure.
- 3) There has been a rise in senior tourism, and younger silvers (those ages 65–74) seem to be driving this trend.
- 4) As awareness of lifestyle-related health issues grows, more silvers are partaking in exercise/fitness programs and wellness activities.
- 5) Reflecting the demand for experiences seen across demographic groups, seniors are increasingly participating in leisure activities that have a social component, such as going to the movies, attending events and dining out.

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EXECUTIVE SUMMARY

This is the fifth report in our *Silvers Series*, and here, we turn our focus to the leisure industry to examine how seniors are spending their free time. We concentrate particularly on two growth segments: travel and fitness.

The two key factors driving seniors' participation in the leisure industry are increased mobility and money. Since 2000, the global average healthy life expectancy rate has improved, with developing regions seeing a higher change in rates than developed regions. Also, senior households in countries such as the US and the UK are outpacing younger generations in the income and wealth stakes.

We looked at the consumer spending patterns of seniors in three major economies—the US, the UK and Japan—and found that seniors across all three countries allocate a higher portion of their consumption expenditure to leisure than the average person does. We also found that younger seniors (those ages 65–74) spend relatively more than older seniors (those 75 and older) on discretionary categories.

One of the key takeaways from our research is that seniors are increasingly willing to spend on experiences. In terms of leisure spending, this is turning out to be one of the defining characteristics of the present generation of silvers. Travel and fitness are two industries that are gaining from this trend.

THE SILVERS SERIES

The era of the silver generation has arrived. Silvers, or people aged 65 and above, are driving a hugely disproportionate share of consumer-spending growth in many key regions globally. In some markets, they are driving nearly all such growth. This trend will continue for the next 20 years, and it is being fueled by two related forces. The first is demographics, as the silver population is growing considerably faster than other age groups are. The second is economics, as silvers hold a disproportionate share of wealth globally.

DEMOGRAPHICS

The population of silvers aged 65 and over will grow from 8% of the world's population in 2015 to 13% in 2035, and will account for over one-third of total population growth through 2035, according to the United Nations' (UN's) Population Division. The size and growth rate of silver populations—and of the subgroups within them—vary considerably across key regions. By 2035, Japan, South Korea, Western Europe, North America and China will see silvers account for the highest share of their total populations, with seniors comprising more than 20% of the total. India, Southeast Asia and South America still have young populations, and the growth of the silver demographic relative to the rest of the population in these areas will be lower.

AFFLUENCE

Older households tend to be wealthier, when measured by total assets—which is understandable and inevitable, given that most people accumulate assets over their lifetime. What is more interesting is the disproportionate growth in the wealth of senior households seen in some countries. This tipping of the wealth balance from young to old has been fueled by changes such as the degradation of job security and opportunities, and the erosion of compensation and benefits for younger workers. The impact of the economic downturn, whether through government austerity or private-sector cutbacks, appears only to have amplified this disparity.

INTRODUCTION

“What is this life if, full of care, we have no time to stand and stare?” wrote Welsh poet W. H. Davies in his poem *Leisure*. It was written in 1911, but is arguably as relevant today—and especially for the burgeoning senior segment. Retirement is the reward for a lifetime of work, giving seniors free time to spend on recreational activities such as travel, volunteering, exercise and social activities. It is this leisure element of retirement that we turn our attention to in this report.

This is the fifth report in our Silvers Series, in which we will look at the leisure industry to examine how seniors are spending their free time.



This is the fifth report in our *Silvers Series*, which has already looked at healthcare technology, homecare and assisted living, technology for mobility-constrained seniors, and the how retail is being reconfigured in order to meet the needs of seniors. In this report, we look at the leisure industry to examine how seniors are spending their free time. We focus in particular on two growth segments, travel and fitness.

Mobility and Money Drive Silvers’ Leisure Participation

Many leisure activities—and notably the growth segments of travel and fitness—demand two prerequisites: mobility and money (health and wealth). Thankfully for the leisure industry, seniors are becoming both healthier and wealthier, giving them greater freedom to pursue their favored activities.

Health

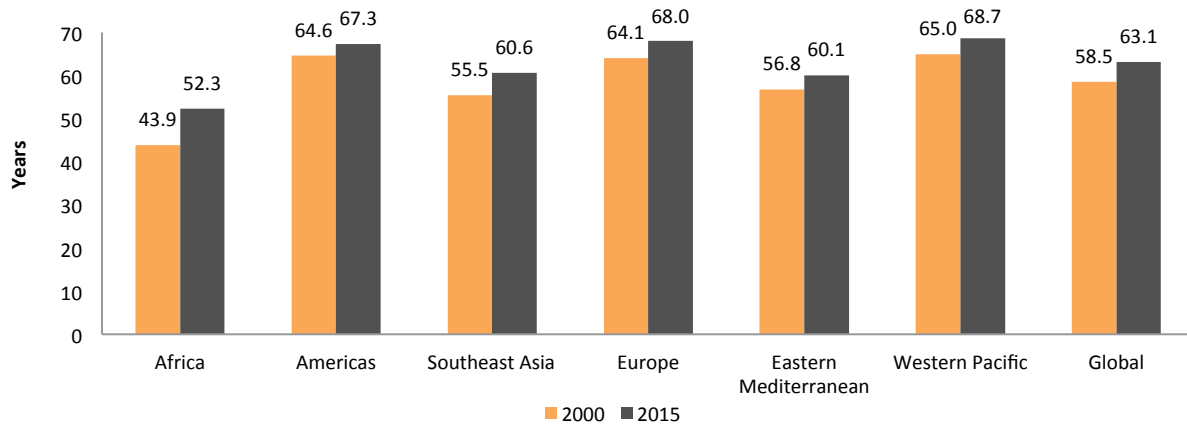
Between 2000 and 2015, nearly all regions of the world witnessed an increase in healthy life expectancy measures, some more so than others.

Between 2000 and 2015, nearly all regions of the world witnessed an increase in healthy life expectancy measures, some more so than others. The more developed regions of the Americas and Europe witnessed a smaller rise in healthy life expectancy than the global average increase of 4.6 years. Among the developing regions, Africa saw the greatest improvement, of 8.4 years. The change in Southeast Asia exceeded the global average, while the Eastern Mediterranean and Western Pacific regions saw increases that were slightly lower than the global average increase.

The incipient mobility that accompanies better health will likely enable a greater proportion of seniors to lead more socially active lives than their predecessors in previous generations did.



Figure 1. Healthy Life Expectancy at Birth (in Years), by World Health Organization Region, 2000 and 2015



Source: World Health Organization

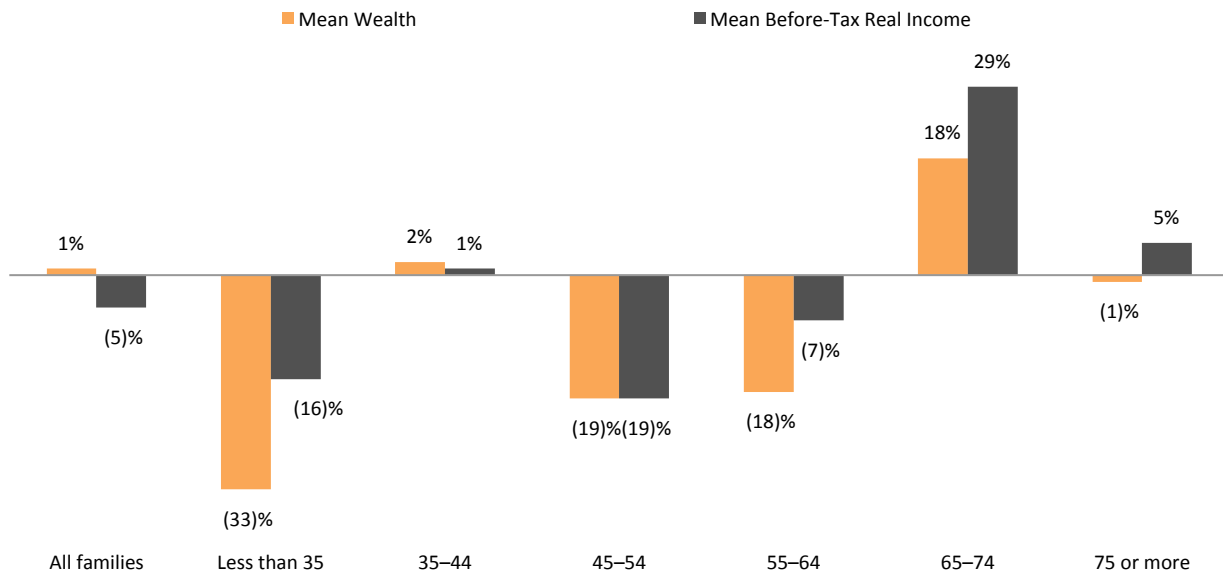
Wealth

Our research confirms that senior households in the US and the UK are outpacing younger households in the income and wealth stakes.

Our research confirms that senior households in the US and the UK are outpacing younger households in the income and wealth stakes. In the US, we found that the mean family wealth and before-tax real income of households headed by most age groups under 64 contracted considerably between 2001 and 2013. Meanwhile, households headed by those aged 65–74 saw a significant increase in their average wealth and income.

Younger silvers (those ages 65–74) saw their family net worth and income rise steeply, by 18% and 29%, respectively. Families headed by older silvers (those aged 75 and over) saw their mean net worth fall marginally, but their mean income grow by 5% over the period. The only other age group that saw a positive change in their mean wealth and income was the 35–44 age group.

Figure 2. US: Mean Wealth and Mean Before-Tax Real Income, by Age of Household Head: % Change, 2001–2013



The percentage changes for wealth and income were calculated in 2013 dollars.

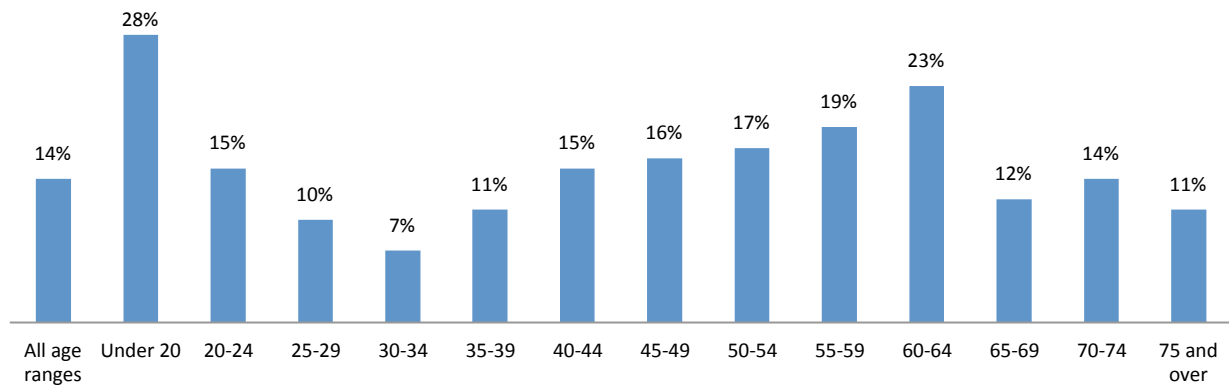
Source: US Federal Reserve/Fung Global Retail & Technology



In the UK, between 2011 and 2014, baby boomers—those ages 55–64—saw the highest rise in their income, with the exception of those younger than 20.

As similar data, for the same time period, were unavailable for the UK, we compared the mean nominal before-tax incomes of taxpaying earners, by age group. We found that the mean income across all age groups rose between 2011 and 2014, and that people in senior age groups in the UK saw their incomes rise at the average rate or slightly below it. It is, however, interesting to note that the baby boomers—those ages 55–64—saw the highest rise in their income, with the exception of those younger than 20 (whose data may not be comparable, as the number of taxpayers in this group are very few compared to the other age groups).

Figure 3. UK: Change in Mean Nominal Before-Tax Income of Taxpayers, by Age, 2011–2014



Source: Office for National Statistics (ONS)/Fung Global Retail & Technology

SILVERS’ CONSUMER EXPENDITURE SNAPSHOT

Across the world, silvers are spending more on consumer staples such as food, and on essentials such as housing, utilities and healthcare, than they are on recreation and leisure. We looked at the consumer spending patterns of seniors in three major economies—the US, the UK and Japan—and found the following:

Across the world, silvers are spending more on consumer staples such as food, and on essentials such as housing, utilities and healthcare, than they are on recreation and leisure.

- Seniors across all three countries allocate a higher portion of their consumption expenditure toward leisure than the average person does.
- Younger silvers spend relatively more than older silvers do on discretionary categories such as recreation, entertainment, travel and eating out—which we refer to collectively as “leisure.”
- In the US and the UK, total consumer spending on leisure by those 65 and older is close to or slightly less than that of the other age groups. In Japan, however, households headed by seniors spend more on leisure than younger households do.

Figure 4. Leisure Spending as a Percentage of Total Spending, 2014

	Average Across All Age Groups	Seniors	Percentage-Point Difference
US	12.2%	12.5%	28
UK	21.0%	23.2%	226
Japan	24.1%	24.8%	78

Source: US Bureau of Labor Statistics (BLS)/ONS/Statistics Japan/Fung Global Retail & Technology

In the graphs below, we depict spending on leisure in absolute numbers and as a share of total consumer expenditure, by age.

US consumers spent approximately \$830.8 billion on leisure services in 2014, according to the Consumer Expenditure Survey conducted by BLS.

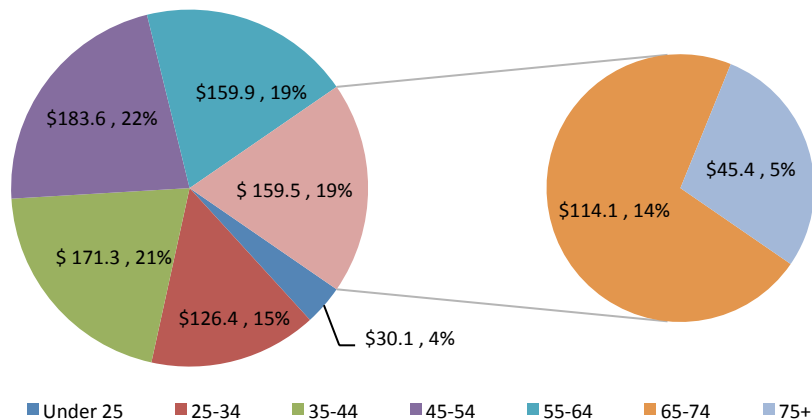


In the US, spending on leisure includes eating out; travel; fees and admissions to events, movies, clubs and organizations; TV, radio and sound equipment; pets, toys, hobbies and playground equipment; and other products and services.

US consumers spent approximately \$830.8 billion on leisure services in 2014, according to the *Consumer Expenditure Survey* conducted by BLS. Consumers aged 65 and over spent \$159.5 billion on leisure in 2014, equating to about 19% of the total. This is roughly the same share of spending as accounted for by those in the next-youngest age group—i.e., those between 55 and 64 years old.

Among silvers, the younger segment, those aged 65–74, spent more (\$114.1 billion) than those 75 and over (\$45.4 billion).

Figure 5. US: Total Spending on Leisure and as Share of Total Consumer Spending, by Age Group,* 2014 (USD Bil. and %)



**By age of "reference person," i.e., the head of the household.
Source: BLS/Fung Global Retail & Technology*

Consumers aged 65 and over spent \$159.5 billion on leisure in 2014, equating to about 19% of the total.

In terms of US per-household spending on leisure, in 2014, seniors ages 65–74 spent less (\$6,852 on average) than consumers ages 35–44 (\$7,866) and 45–54 (\$7,795) did, but spent more than households headed by those in the other age groups did. Households headed by seniors aged 75 and over typically spent much less (\$3,613) than households in the other age groups.

Figure 6. US: Average Spend on Leisure per Household, by Age Group,* 2014

	Average Spend (USD)
Under 25	\$3,585
25–34	\$6,137
35–44	\$7,866
45–54	\$7,795
55–64	\$6,813
65–74	\$6,852
75 and over	\$3,613

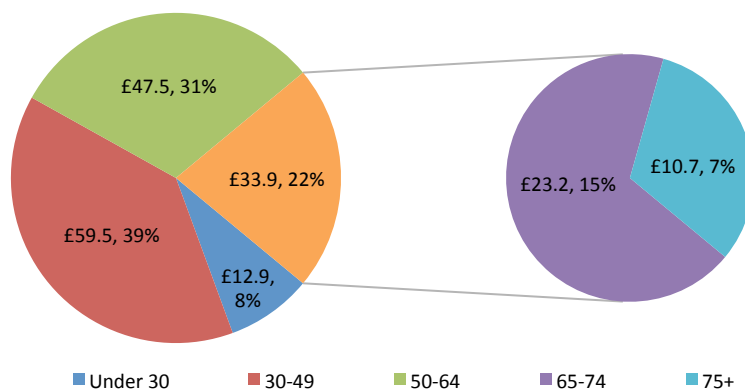
*By age of “reference person,” i.e., the head of the household.
Source: BLS/Fung Global Retail & Technology

British consumers spent approximately £154.0 billion on leisure in 2014, according to the ONS, with households headed by seniors aged 65 and over contributing about 22% of this amount.

We conducted a similar analysis of spending data from the UK. British consumers spent approximately £154.0 billion on leisure in 2014, according to the ONS, with households headed by seniors aged 65 and over contributing about 22% of this amount.

In the UK market, spending on leisure activities includes purchases of TVs, audiovisual, photographic and information-processing equipment; purchases of sporting equipment, garden equipment and pets; fees and admissions to events, movies, clubs and organizations; purchases of newspapers, books and stationery; and dining out and travel.

Figure 7. UK: Total Spending on Leisure and as Share of Total Consumer Spending, by Age Group,* 2014 (£ Bil. and %)



*By age of “household reference person,” i.e., the head of the household.
Source: ONS/Fung Global Retail & Technology

In 2014, the average leisure spend per household headed by younger seniors (ages 65–74) was much higher (£6,115) than the average spend per household headed by those 75 and over (£2,980).

In 2014, in the UK, the average leisure spend per household headed by seniors was lower than households in other age groups.

Figure 8. UK: Average Spend on Leisure per Household, by Age Group,* 2014

	Average Spend (GBP)
Under 30	£5,086
30–49	£6,266
50–64	£6,630
65–74	£6,115
75 and over	£2,980

**By age of "household reference person," i.e., the head of the household.
Source: ONS/Fung Global Retail & Technology*

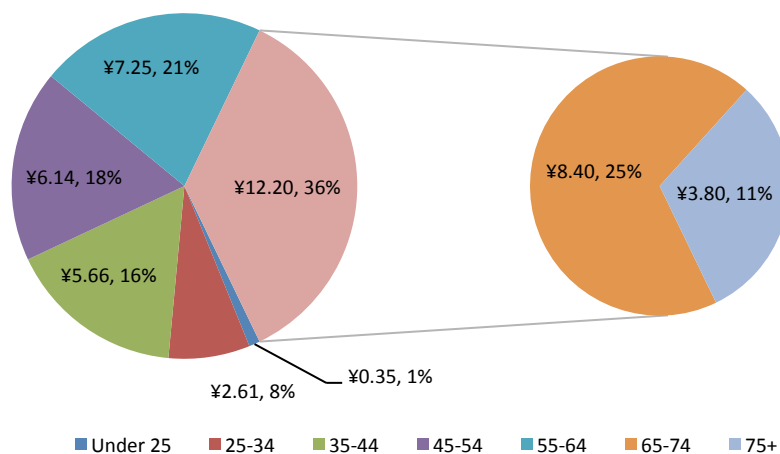
The third country we looked at is Japan, where the proportion of households headed by consumers ages 65 and over is large, at about 40%, especially when compared to senior-headed households in the US (23%) and the UK (28%). This boosts seniors' contribution to total consumer spending in Japan.

In 2014, total consumer spending on leisure in Japan was ¥34.21 trillion; households headed by people 65 and over accounted for 36% of that total. Younger senior households accounted for 25% of seniors' total spending, while households headed by those 75 and older accounted for the remaining 11%.

In 2014, total consumer spending on leisure in Japan was ¥34.21 trillion; households headed by people 65 and over accounted for 36% of that total.

Leisure spending in Japan includes purchases of books and reading materials; recreational durable, semi-durable and non-durable goods; recreational services; eating out and travel-related spending.

Figure 9. Japan: Total Spending on Leisure and as Share of Total Consumer Spending, by Age Group,* 2014 (¥ Tril. and %)



**By "age group of household head."
Source: Statistics Japan/Fung Global Retail & Technology*

In terms of leisure spending per household, younger Japanese households spent more than older households did in 2014. Seniors ages 75 and older spent much less (¥482,292) than seniors ages 65–69 (¥695,016) and seniors ages 70–74 (¥625,752) did.

In terms of leisure spending per household, younger Japanese households spent more than older households did in 2014.

Japanese seniors spent less on leisure activities than younger consumers did, and younger seniors (65–74) spent substantially more on leisure, per household, than seniors aged 75 and over did in 2014.

Figure 9. Japan: Average Spend on Leisure per Household, by Age Group,* 2014

	Average Spend (JPY)
Under 25	¥487,572
25–29	¥606,600
30–34	¥593,964
35–39	¥735,948
40–44	¥785,472
45–49	¥742,776
50–54	¥722,844
55–59	¥715,632
60–64	¥687,948
65–69	¥695,016
70–74	¥625,752
75 and over	¥482,292

*By “age group of household head.”

Source: Statistics Japan/Fung Global Retail & Technology

Two key takeaways from these data are that seniors tend to spend less on leisure activities than younger consumers do, and that younger seniors (65–74) spent substantially more on leisure, per household, than seniors aged 75 and over did in 2014. The ability to participate in leisure activities is almost certainly a key factor behind this second trend: younger seniors are likely to be more mobile and in better health than older seniors are, bolstering their participation in, and spending on, leisure services.

LEISURE-TIME ACTIVITIES OF SENIORS

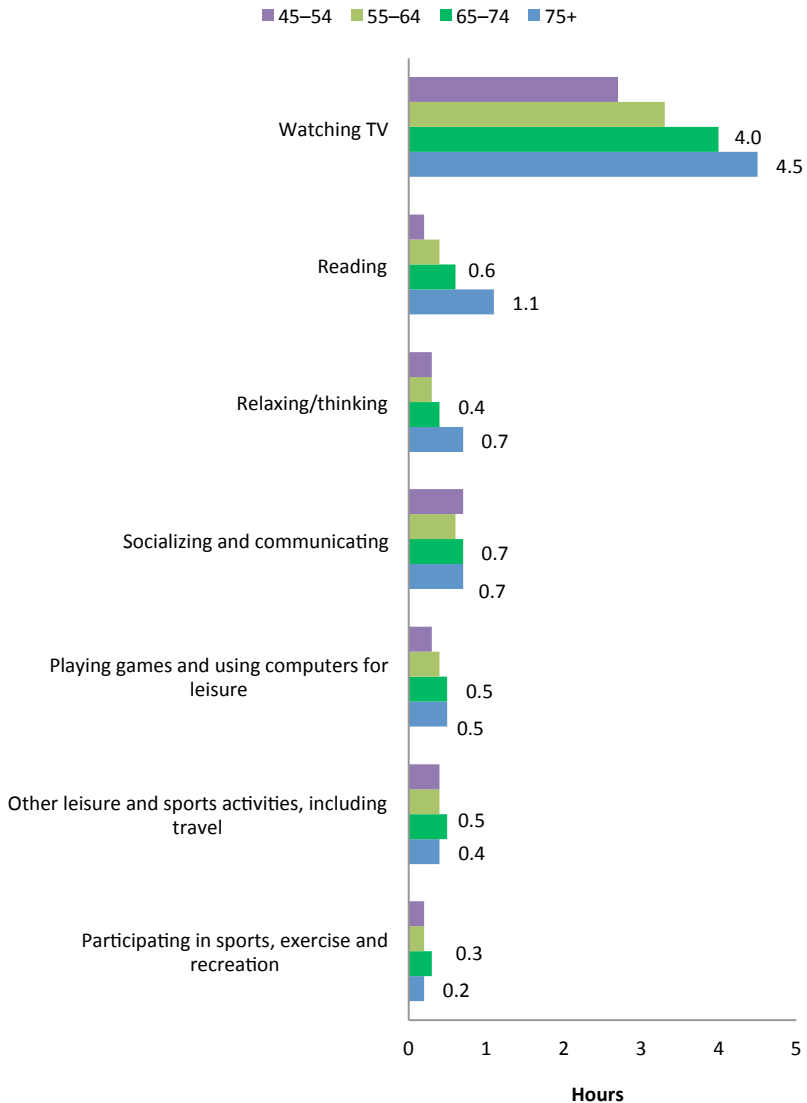
Retired people and seniors may have additional free time compared to those who are employed, but natural weakness and frailty due to age can limit their choices of leisure-time activities. Research by the BLS in 2014 found that American seniors’ most-preferred free-time activity is watching TV, and that they spend most of their free time participating in activities that require little physical effort and are relatively low cost compared to recreational activities such as dining out and traveling.



An interesting point to note is that seniors ages 65–74 outrank adjacent or proximity age groups in terms of participating in “other leisure and sports activities, including travel” and “sports, exercise and recreation,” according to the BLS.

Figure 11. US: Average Hours per Day Spent on Leisure and Sports Activities, by Age, 2014

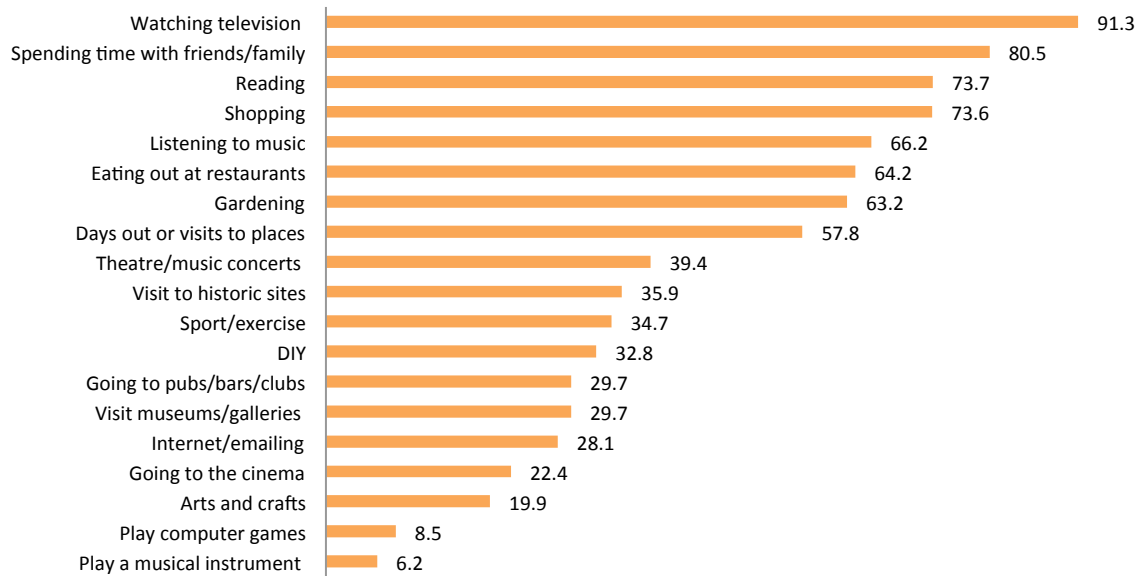
In 2014, US seniors ages 65–74 outranked adjacent or proximity age groups in terms of participating in “other leisure and sports activities, including travel” and “sports, exercise and recreation.”



Source: BLS/Fung Global Retail & Technology

Data from the UK present a similar picture. In England, too, the most common leisure activity among seniors is watching TV, according to a 2011 survey conducted by the ONS. This is followed by spending time with friends and family. As in the US, in England, reading ranks highly among seniors’ preferred activities. Activities that involve leaving the house and that require paying a fee to participate are much less popular among seniors, the ONS survey found.

Figure 12. England: Participation Rate in Leisure-Time Activities Performed by Those 65 and Over, 2011 (%)



Source: ONS/Fung Global Retail & Technology

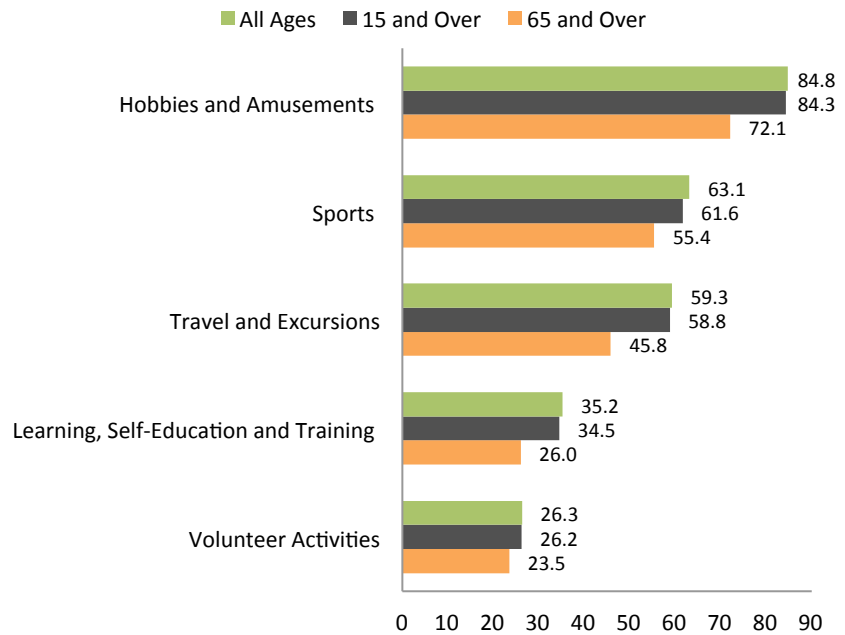
In Japan, in 2011, the more general category of “hobbies and amusements” was the most popular leisure activity among seniors. However, sports ranked relatively highly; Japanese seniors are only slightly less likely than people in all other age groups to take part in sports. This could suggest that seniors in Japan are likely to be more active. We discuss this in more detail later in this report.

A similar survey in Japan, conducted in 2011, found that the more general category of “hobbies and amusements” was the most popular leisure activity among Japanese seniors. However, sports ranked relatively highly; Japanese seniors are only slightly less likely than people in all other age groups to take part in sports. This could suggest that seniors in Japan are likely to be more active. We discuss this in more detail later in this report.



In Japan, the “age gap” between seniors and the general population is greater in categories such as travel than in sports, possibly because seniors have lower mobility levels or less ability to spend. Japan also has a higher proportion of older seniors, which probably results in a lower participation rate. But Japanese seniors seem to index very close to the other age groups for volunteer activities.

Figure 13. Japan: Participation Rate in Leisure-Time Activities, by Age, 2011 (%)



Source: Statistics Japan/Fung Global Retail & Technology

IN FOCUS: MORE SENIORS ARE TRAVELING

Travel is a leisure category where seniors have been increasing their spending. Based on the BLS’s *Consumer Expenditure Survey*, we estimate that US households headed by consumers aged 65 and over spent around \$40.6 billion on travel-related activities in 2014. This was up almost 35% from the group’s spending on travel in 2010, although the number of households headed by seniors rose by only about 19% in the period in between.

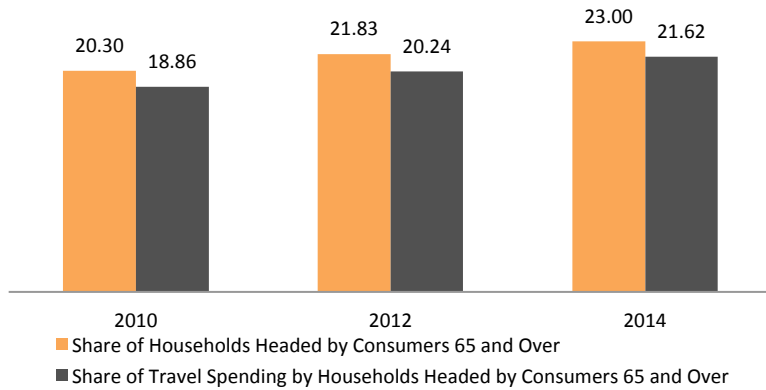
We estimate that US households headed by consumers aged 65 and over spent around \$40.6 billion on travel-related activities in 2014.



Silvers accounted for some 21.6% of US travel-related expenditure by households in 2014, up from 18.9% in 2010. This is lower than their share of

households: so, while travel is a growth area for seniors, households in this age group typically still spend less on the category than the average US household does.

Figure 14. US: Share of Households Headed by Those Aged 65 and Older and Those Households' Share of Travel Expenditure (%)



Source: BLS/Fung Global Retail & Technology

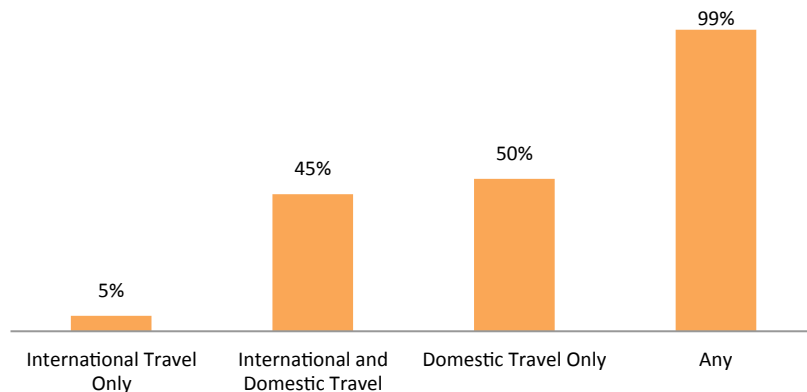
Silvers accounted for some 21.6% of US travel-related expenditure by households in 2014, up from 18.9% in 2010.

This growth in travel spending by American seniors was seen in the period after 2012. Between 2010 and 2012, the share of households headed by seniors increased by 153 basis points, but their share of spending on travel increased at a lesser clip, by 139 basis points. Between 2012 and 2014, however, the share of senior-headed households increased by 117 basis points, while their share of spending on travel increased by 137 basis points.

While seniors in the US still underindex on spending in this category, we expect growing travel spend by seniors in the coming years to be underpinned by the retirement of the baby boomer generation: we think this generation will take their interest in traveling into their retirement.

Data from consumer group AARP supports this view of baby boomers being enthusiastic travelers. The organization polled US consumers aged 50 and over and found that fully 99% of those surveyed expected to travel domestically or internationally in 2016.

Figure 15. US: 2016 Travel Plans of Consumers Aged 50 and Over



Base: 888 US respondents aged 50 and over
Source: AARP

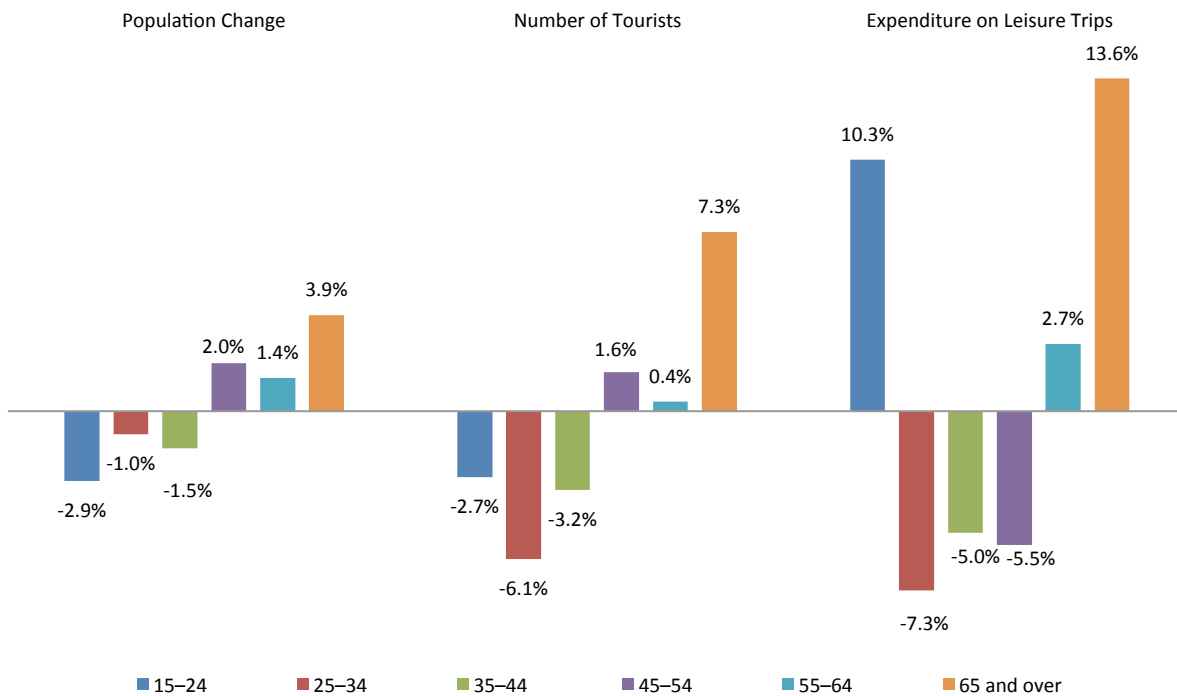
In the EU, senior travelers grew at a faster clip than the other age groups, and they also increased their expenditure more than travelers in any other age group did.

Travel in Other Countries

In the EU, senior travel has been growing in the last few years. We looked at the change in the population in general, and the change in tourist numbers and spending, of the various age groups between 2012 and 2014, and discovered:

- The 65-and-over population grew at a faster rate than any other age group.
- The 65-and-over group of travelers also grew at a faster clip than the other age group.
- Senior travelers increased their expenditure more than travelers in any other age group did.

Figure 16. EU 28: Change in Population and Tourism Indicators, by Age: % Change, 2012–2014



*“Number of tourists” refers to people belonging to the EU traveling within and outside the EU.
Source: Eurostat/Fung Global Retail & Technology*

Consulting firm Frost & Sullivan forecasts that the number of senior travelers from Asia-Pacific countries will almost double over the next 15 years.

Consulting firm Frost & Sullivan forecasts that the number of senior travelers from Asia-Pacific countries will almost double over the next 15 years, with the largest demand for outbound tourism coming from China and India, which currently have relatively young working populations compared to the US and Europe.

The company also found that older travelers are less likely than younger travelers to use smartphones and the Internet to make travel plans and bookings, which presents tour operators with a feasible opportunity to cater to seniors’ needs.



Travel firms catering to silvers need to address their particular needs and preferences, which include:

Accessibility

- With reduced strength and mobility, some seniors want travel to be a relaxing and enriching experience. Having accessibility and convenience built into tour packages can increase their attractiveness to senior travelers.

Like-Minded Tour Groups

- Packaged tours tend to draw a mix of people, and for those seeking a peaceful trip, traveling with a group of adventure-seeking teens or extremely animated children is unlikely to make for a happy experience.

Access to Medical Facilities

- Seniors may be on medication or need regular monitoring by a health professional. Cruise ships are required to have a doctor on board, and some cruises that are tailored to seniors emphasize the availability of such facilities.

Availability of Suitable Food

- Seniors may have dietary restrictions that hinder them from undertaking travel to more exotic destinations. Having a tour operator address such needs can give some senior travelers more confidence to travel.

Intensity and Choice of Activities

- Although some seniors may be extremely active despite their age, they may not have the same level of fitness and ability as younger travelers. And just as tastes vary with age, so, too, do one's choices of places of interest to visit and activities.

Source: Fung Global Retail & Technology

Travel Firms Cater to Growing Silver Demand

Several tour operators focusing on senior tour groups have sprung up to cater to this growing demand. We outline some of the more noteworthy senior-focused tour operators and resources below.

- **ElderTreks:** Canada-based ElderTreks is one of the few global travel companies that offer adventure tour packages for people over 50. It also claims to be one of the few companies that offer packages for small groups (the maximum group size is 16). ElderTreks offers activities at five levels of intensity, ranging from easy to challenging.
- **Travel with a Challenge:** This is a website with travel information and resources for mature travelers. It features articles and travel news on family vacations, cultures, destinations, nature and wildlife holidays, cruise and train travel, and volunteer vacations appropriate for senior travelers.
- **Saga:** This is a UK-based company that offers travel, insurance and personal finance services for customers aged 50 and over. Saga Holidays,



Cruises are a perennial favorite among more affluent and able senior travelers, and there are numerous companies that offer packages based on traveler profile and preference.

the company's travel arm, offers travel packages based on destinations or themes and even operates its own cruise ships.

- **Happy Age:** Happy Age is an Italian travel company focused on providing tour services to seniors. It organizes domestic and foreign trips that accommodate the special needs that seniors may have, and provides guided excursions, assistance at various points during the trip and insurance.

Cruises are a perennial favorite among more affluent and able senior travelers, and there are numerous companies that offer packages based on traveler profile and preference. As outlined by informational website Cruise Critic, some of the most popular types of cruise offerings are:

- **Cruises based on itinerary choice:** Travelers looking to have a relaxing vacation while they enjoy scenic views or explore exotic locales may opt for this type of cruise. Providers such as Princess Cruises and Hurtigruten offer voyages that take passengers through picturesque regions such as Alaska and the Norwegian fjords; passengers can enjoy the scenery from the ship decks or balconies, or even explore the area on foot, if they are up to it, when the ship docks at a spot.
- **Cruises that offer onboard enrichment programs:** Some cruise lines, such as Celebrity Cruises and Crystal Cruises, offer workshops, courses and programs for passengers to learn a new skill while they travel. Programs offered range from acting workshops to computer classes to niche experiences such as glassblowing and Yamaha music lessons.
- **Solo cruises:** Norwegian Cruise Line, Uniworld and Holland America Line are a few of the operators with cruise ships designed for those traveling alone. Since many cruise ships are designed for people traveling as a couple or in groups, it may be uneconomical for solo travelers to have to pay the same price. Cruise lines that focus on solo travelers offer studio rooms meant for a single occupant, and many offer team events and programs that do not require a partner for participation.
- **Multigenerational cruises:** Multigenerational travel refers to two or more generations traveling together; family groups might include grandparents, parents and children. An important factor to consider in multigenerational travel is that tastes and interests vary with age. Royal Caribbean Cruises serves this market niche by offering various activities that cater to children as well as adults.
- **Cruises with special accessibility features:** While most cruise lines are adapted to enable passengers with accessibility issues to travel comfortably, some have additional features. Certain travel classes on Royal Caribbean's fleet offer accessible cabins with more space for wheelchairs and hydraulic chairs by swimming pools to make them accessible.

The most popular types of cruise offerings are categorized by: itinerary choice, enrichment programs, solo-traveler facilities, activities for multigenerational groups and special accessibility features.

Travel is not the only pastime that silvers are spending more on. As we show in the following section, they are increasingly interested in health and wellness activities, too.

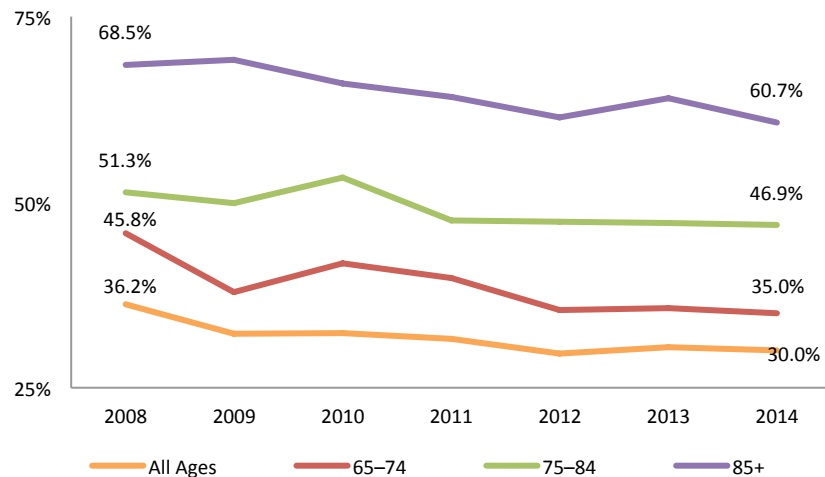
We estimate that the average leisure-time physical activity participation rate of US consumers aged 65 and over is about 52.5%.

IN FOCUS: GROWING AWARENESS ABOUT THE IMPORTANCE OF FITNESS AND PHYSICAL ACTIVITY

Growing participation in fitness is a second major theme in seniors’ leisure participation. Even as some commentators are pointing to the ever-more-sedentary lives that people in general are leading, US seniors are becoming more active. According to data from the US National Center for Health Statistics:

- Between 2008 and 2014, the percentage of younger seniors (ages 65–74) that engaged in no leisure-time physical activity fell from 45.8% to 35.0%, a decline of 10.8 percentage points. This was the largest percentage-point decline of any age group.
- During the same period, the nonparticipation figures for seniors ages 75–84 fell from 51.3% to 46.9% (a drop of 4.4 points).
- For seniors ages 85 and over, the proportion that engaged in no leisure-time physical activity fell from 68.5% to 60.7%, a drop of 8.8 points.

Figure 17. US: Percentage of Adults Engaging in No Leisure-Time Physical Activity, by Age



Source: National Center for Health Statistics/Fung Global Retail & Technology

Based on these statistics, we estimate that the average leisure-time physical activity participation rate of US consumers aged 65 and over is about 52.5%.

According to the most recent (2011) time-use survey by Japan’s statistics bureau, 55.2% of the country’s seniors aged 65 and over participate in sports or exercise.

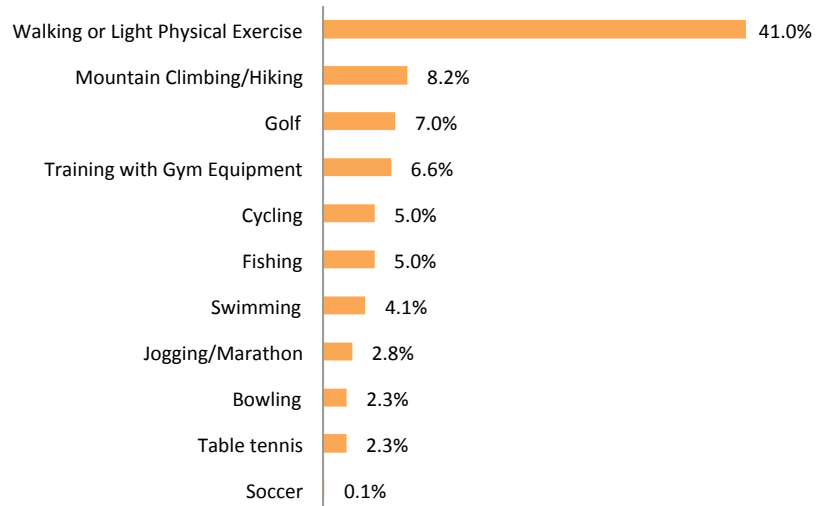
Taking a Cue from Japan

Japan has a more active senior population than the US does. According to the most recent (2011) time-use survey by Japan’s statistics bureau, 55.2% of the country’s seniors aged 65 and over participate in sports or exercise. The most popular form of exercise is walking or light physical exercise; as seniors of varying levels of health and fitness can perform such exercise, it outranks all other forms of exercise that Japanese seniors choose to participate in.

Japanese seniors also show a greater preference for sports/activities that can be performed independently than for team sports that require at least

one partner. Independent activities that are somewhat intense, such as cycling, swimming and jogging, ranked much lower than walking.

Figure 18. Japan: Top Sports/Exercise Activities for Those Aged 65 and Over, by Participation Rate, 2011



Training at the gym is gradually becoming a favorite activity among seniors in Japan.

Source: Statistics Japan/Fung Global Retail & Technology

Training at the gym is gradually becoming a favorite activity among seniors in Japan. At Curves—one of largest fitness chains in Japan by number of members and by number of outlets—the majority of members are seniors: in 2015, fully 83% of members were aged 50 or over. Curves’ target market is older women, but despite this apparently niche positioning, it has nearly twice the number of members and at least four times the number of outlets as the larger Japanese chains do. We think this reflects the demand for fitness among older Japanese consumers—and, given that Japan’s population has an exceptionally high proportion of seniors, we expect this trend to catch on elsewhere.

At Curves—one of largest fitness chains in Japan by number of members and by number of outlets—the majority of members are seniors: in 2015, fully 83% of members were aged 50 or over.



Source: Yongan Curve

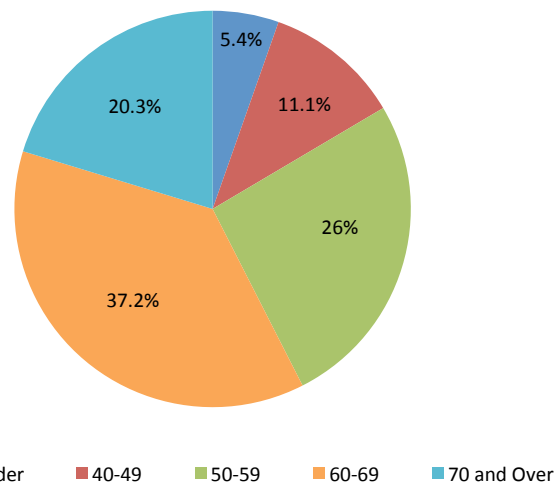
Figure 19. Japan: Largest Fitness Clubs, by Sales, 2015

	Number of Outlets	Number of Members	FY15 Sales (JPY Mil.)
Konami Sports Club	389	N/A	¥73,300*
Central Sports	208	415,000	¥50,938
Renaissance	129	395,406	¥42,031
Tipness	84	N/A	¥34,517
Curves	1,602	711,000	¥18,649*

*Company's fitness segment sales

Source: Deutsche Bank

Figure 20. Japan: Curves' Membership Breakdown, by Age, 2015 (%)



Konami Sports Club, one of the largest fitness club operators in Japan, runs a program specifically targeted to members aged 60 and over.

Source: Storm Research

Konami Sports Club, one of the largest fitness club operators in Japan, runs a program specifically targeted to members aged 60 and over. The program includes courses such as “Strengthening Legs and Hips” and “Brain Activation” to supplement government initiatives aimed at reducing the need for nursing care and promoting a healthy lifestyle. In a 2014 filing, the company noted it expects that “the demand for health-related services among middle-aged and senior consumers will increase” in the imminent future, given the growing awareness of healthy living and the government’s implementation of various schemes to address lifestyle-related diseases.

OTHER LEISURE TRENDS

Apart from travel and fitness, silvers have shown a growing interest in some other segments of the recreation industry. They are going to the movies more often, choosing to spend more on experiences than on goods and spending more on leisure activities that have a social element, such as dining out, taking classes and participating in clubs.

Adding More Silver to the Silver Screen

Going to the movies has been a popular leisure-time activity since movies were invented, and silvers are increasingly going to the cinema in their free time. The most recent report published by the Motion Picture Association of America found that the share of movie tickets sold to the 40–49 and 50–59 age groups were at all-time highs in 2015, and that the share of tickets sold to those aged 60 and over was at its highest level since 2011. The organization found that number of moviegoers in other age groups (except for the 40–49 group) grew by a smaller percentage or declined during the period studied.

Seniors are going to the movies more often, choosing to spend more on experiences than on goods and spending more on leisure activities that have a social element, such as dining out, taking classes and participating in clubs.



Baby Boomers Share the “Live More” Mentality with Millennials

A 2015 survey by Eventbrite, a global event management company, found that baby boomers tend to share the “live more” mentality with millennials, as both groups place more emphasis on spending on experiences rather than on things. The survey found that about 59% of baby boomers and 76% of millennials would rather spend money on attending events and partaking in experiences than on material possessions. Some 54% of baby boomers surveyed also noted that they now have more time to attend events, as their children are older.

Games, clubs and societies designed with silvers in mind provide a way for seniors to socialize through leisure-time activities.

Activities that Foster Social Participation

We noted in our previous report, *Retail Reconfiguration for Seniors*, that while seniors look at activities such as shopping in terms of the social experience they provide, they also like other activities that give them an opportunity to meet and mingle with people.

Research firm The NPD Group found that, in 2013, baby boomers’ and older seniors’ share of visits to restaurants increased, while millennials’ share decreased. Seniors are more likely than younger age groups to have more free time, and eating out has a social element to it, as it allows people to catch up over a meal or drink. For some, it is also a way of congregating people who live in the same neighborhood in a single place.



Games, clubs and societies designed with silvers in mind also provide a way for seniors to socialize through leisure-time activities. Many elder-focused support groups and residential institutes design and conduct classes and programs such as art workshops and music lessons to provide seniors with opportunities for learning, socializing and self-development.

KEY TAKEAWAYS

In terms of leisure spending, one of the defining characteristics of the present generation of silvers is their increased willingness to spend on experiences. There has been a rise in senior tourism, seemingly driven by younger silvers ages 65–74.

In terms of leisure spending, one of the defining characteristics of the present generation of silvers is their increased willingness to spend on experiences.

With a growing awareness of lifestyle-related health issues, more silvers are also partaking in exercise/fitness programs and wellness activities. Gyms and fitness clubs in Japan are seeing an increase in the proportion of senior members, who may soon outnumber younger members, if they do not already. We expect to see this trend emerge in other countries as they follow Japan's lead into an aging society.

Further reflecting the demand for experiences, other activities that include a social element, such as going to the movies, attending events and dining out, have also seen increased interest from seniors.

As seniors' contribution to the recreation and entertainment industry grows, retailers, service providers and other vendors must rethink the ways in which they promote their offerings, and maybe even widen their target audience. Silvers are willing and able to spend, and if providers of leisure services tailor their offerings to accommodate the needs of seniors, they stand to benefit from this growing consumer segment.



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