

# Don't act like a squirrel, get out there and shop!

The gloom will never lift if we listen to all the bad news.  
DICK LUMSDEN says the key to recovery is in our own pockets

**E**ARLIER this week I stood in my kitchen and watched a very industrious squirrel hang upside down from the branch of a tree in my front garden.

The squirrel was slowly but surely gnawing through the string holding up a bird feeder full of nuts. When he (or she – it is difficult to sex a squirrel from 10 yards) finally succeeded, the feeder fell, the nuts spilled out and said squirrel gathered up as many as he/she could and ran off. Replacing the feeder drew the same response – three times in a day. No small rodent can eat that many nuts in such a short space of time, so I can only assume that he/she was depositing them somewhere in store for much leaner times to come.

And as we all set out on our journey through another New Year, I can't help but feel many of us are doing exactly the same as the squirrel – not hanging upside down from a tree and stealing nuts, but preparing for worse times to come.

I've said it before and I'll say it again, those of us in the older generations hold the key to economic recovery in this country – and yet, because of a continuing barrage of negative publicity, and the misguided attitude of most of the country's big brand advertisers, that key is likely to stay firmly in our pockets for some time to come.

I've been doing some research, and, buried in the Government's own figures if you care to dig deep enough, there are some amazing statistics. For instance, since the current downturn started in 2008, the combined annual disposable income of everyone over the age of 50 has risen by almost 25% to just under £290 billion a year.

At the same time, the combined annual disposable income of everyone under the age of 50 has risen by just 2% to £319bn.

This simple fact alone shows that the under 50s have struggled to make any headway over the last four years, but the over 50s – as a group – have seen a significant improvement in their finances.

Of course, totals and averages don't mean much if you are one of those people who have lost your job and have no savings. But, across the board, the older age group is where the money is, but, like the squirrel in my garden, we're all keeping it firmly stashed away because we are terrified that



**NO SQUIRRELING:** The stagnant economy needs the better-off over 50s to spend not save, argues Dick Lumsden

Photograph: SIMON PARKER

went on a spending spree and withdrew £11bn in equity on their mortgages to buy new cars, new furniture or even big holidays. No one knew the mess that was just over the horizon, and many of us had seen the equity on our homes soar as prices increased on paper at least.

By the last quarter of 2012 however, after nearly five years of pain, we have swung completely the other way, repaying £8bn of mortgage debt as we found cash in our pockets and decided, rather than spend it and enjoy ourselves today, we'd cut our debt in case things get any worse.

And that complete change in consumer behaviour is almost entirely down to us over 50s as we enjoy this rise in our disposable income.

The average age of a first time house buyer now is 35, up from 28 just 10 years ago – and it is expected to reach 40 by the end of this decade as the younger age

Meanwhile, the hard pressed retail sector must be looking at these figures and scratching their heads. The over 50s are the largest consumers of long haul holidays, top of the range cars, and the major source of business for restaurants, supermarkets and furniture chains.

But as long as we continue to keep a tight grip on our wallets, sales are drying up and stores are closing down all over the country.

The banks have seen a 6% rise in deposits over the last year, and the mortgage brokers have considerably more cash to give out because we've repaid so much. But they can't give it out to the younger age groups because they don't have the disposable cash to find the deposit to buy a property. It's a Catch 22 situation.

The only answer is for us over 50s to begin spending again – and that will only happen when the media stops feeding us bad news and starts focusing on the good.

persuasion. Cold calling, high pressure sales techniques, misguided advertising, the wrong tone of voice... none of that will persuade us to spend rather than save.

We want good solid product information, a good reason to buy, and realistic pricing.

But I, for one, am determined to keep spending in 2013 – and I'm more than backed up on this by Mrs Lumsden, who has started the year as she means to go on.

It is our patriotic duty to help kick start the economy. Don't be a squirrel, be the person who buys the nuts.

Happy New Year!

■ Dick Lumsden is managing director of Owl Marketing Solutions, a specialist in marketing and advertising to older consumers. If you have any views on this article, or are over 50 and would like to take part occasionally in some gentle