



Boomers Spending Less on Leisure, More on Education, Mortgage Interest, Adult Kids

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September 13, 2012

These days, keeping up with the Joneses is [more likely to involve night classes than a new sofa](#). A study on **boomer spending** habits found middle-aged adults today spend less on leisure and frills than previous generations but more on **education, adult children** and **mortgage** debt.

Using government data on consumer spending, **National Center for Policy Analysis** fellow **Pamela Villarreal** [compared the purchasing habits](#) of 45- to 64-year-olds in 1990 and 2010. During this time, the portion of disposable income spent on **food, restaurants, clothing, furniture** and **new cars** all fell. Clothing expenses showed the steepest decline, down 42 percent for 45- to 54-year-olds *and 70 percent* for 55- to 64-year-olds.

Meanwhile, expenditures on **household utilities, insurance premiums** and **health care** were all up, as was spending on adult children. Education expenses increased the most of any spending category — up 80 percent for ages 45-54 and 22 percent for 55-64. There's no breakdown on how much of this was for children's educations and how much adults spent on going back to school themselves.

Spending on **housing** (including mortgage interest, taxes and insurance) is up by a quarter since 1990, and not necessarily because homes were getting bigger and better — for 55-64, half the increase was because of mortgage interest payments. In 1990, though the average 30-year fixed rate mortgage was more than 10 percent, mortgage interest payments made up only 4.3 percent of spending on housing. By 2010, the average interest rate fell to 4.69 percent but made up 6.3 percent of housing costs.

Credit card balances also command a growing share of spending. The average credit card balance for 45-54 has more than doubled, from \$3,400 in 1989 to \$8,300 in 2007 (not adjusting for inflation). The average balance for 55-64 went from \$2,900 in 1989 to \$6,900 in 2007.

But lets end on some good news: Boomers are also stashing away more for retirement these days. **Pension contributions** more than doubled, from 2.7 percent in 1990 to 6.3 percent in 2010 for the younger group and from 2.3 percent to 5.5 percent for older boomers.