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4 Major Expenditures That Are Costing Boomers A Fortune

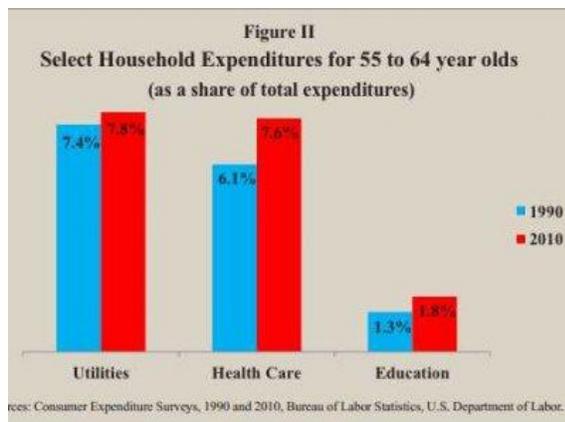
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It's becoming increasingly clear that today's older workers are facing a slippery slope toward retirement planning.

They're not only facing tighter purse strings, but some of the biggest consumer expenditures have only become more expensive for this age group over the years, according to [a new study by the National Center for Policy Analysis](#).

Here's where they're getting hit hardest:



Education. From 1990 to 2010, education expenditures increased 80 percent for 45 to 54-year-olds and 22 percent for 55 to 64-year-olds, the NCPA found. The proof is in the pudding: The New York Federal Reserve Bank estimates boomers carry one-third of all student loan debt.

Their kids. The recession dealt a crushing blow to job prospects for new graduates, leaving many boomers supporting their college-aged children long after they earn their diploma. "More than half

of parents are helping to support their adult children," the study says, including living expenses, health care, student loans, and transportation.

Mortgages. Boomers suffered dearly in the wake of the housing crisis. Per the report: "From 1990 to 2010 the share of expenditures on housing — including principal, mortgage interest, taxes, maintenance and insurance — for these age groups increased about 25 percent. For 55 to 64-year-olds, nearly half of this increase was due to an increase in the *interest* portion of housing expenditures — even though mortgage interest rates have *fallen* over time. The portion of income they spend on mortgage interest increased 47 percent, from 4.3 percent to 6.3 percent."

Healthcare. While 40 to 54-year-olds saw a 30 percent jump in health care costs, boomers were slightly better off, with a 21 percent surge, according to the NCPA: "This reflects the growth of health care spending, which has essentially wiped out the gains in median family income over the past decade."

Where they're saving:

Utility payments. The cost of common household utilities like gas, water, telephone and electricity has risen only marginally for boomers. You can chalk that up to more efficient heating and air conditioning appliances.

Entertainment. Boomers are cutting back when it comes to kicking back, the report shows. They spent 18 percent less on restaurant dining and 42 percent less on clothing.

The NCPA is a non-partisan public policy research organization.