AARP®

The power to make it better.™

THE MARKET

The 50+ population in the United States will more than double over the next 35 years, changing the fundamental age distribution in the nation's population. In 1900, only 13 percent of the population was age 50 or over. In 2000, 27 percent, and by 2020, it will be over 35 percent. Driving this population shift is the Baby Boom generation. Boomers — born between 1946 and 1964 — focus not so much on age as on lifestyle. To them, growing older is not simply a matter of just getting by; it's about being vital and enjoying the lifestyles they choose. Moreover, boomers want things their way, they want them now, and they want to be involved in the experience.

Not only are the baby boomers leading a demographic revolution that is changing the way we think about aging; they are also leading a consumer revolution that is changing the way America does business.

For close to 45 years, AARP has been the organization that adults 50+ have turned to, to help them make the most of their life after 50. The AARP vision is a society in which everyone ages with dignity and purpose, and in which AARP helps people fulfill their goals and dreams.

ACHIEVEMENTS

AARP is the largest membership organization in America — currently with over 35 million members.

People join AARP because:

- They want access to services and information that make life better.
- They want the power to be heard in Washington, DC, and their state capital.
- They need reliable information on topics like health, finance, and insurance.
- They want to do meaningful volunteer work.
- They're eager to take advantage of member values and discounts on the things they need.

HISTORY

In the beginning, there was an association of retired teachers. Dr. Ethel Percy Andrus, a high school principal from Los Angeles, started the National Retired Teachers Association (NRTA) in the 1940s. At the time, there was no Medicare; mandatory retirement still existed; pensions were rare, inadequate, and often unstable. NRTA worked hard to make sure retired teachers could get good pensions and affordable health insurance.

In 1958, Dr. Andrus established the American Association of Retired Persons (AARP), with membership open to anyone age 55 and over. She felt strongly that all retirees had the same concerns — and needed the same support — as the retired teachers who belonged to NRTA. Today, NRTA is a division of AARP.

Now AARP reaches out to even more people in the second half of life. People who are 50 years of age and over can now join the organization. They don't have to be retired. In fact, nearly half of all AARP members are working either full- or part-time. For that reason, the Association shortened its name in 1999 to just four letters: AARP.

THE PRODUCT

The AARP mission rests on two equally important pillars: (1) leading positive social change and enhancing quality of life for all, and (2) delivering value to AARP members.

The AARP vision and mission are broad, and the organization can only be successful if it works with others to change public and private policies and practices that impact aging, both domestically and around the world. Through advocacy and major information and member service initiatives, AARP works to have a meaningful impact on society by bringing about change that results in a better quality of life for everyone as they age.

AARP gives Americans 50 and over a voice in important decisions. The organization works in Washington and state capitals to keep Social Security and Medicare solvent and strong, make prescription drugs more affordable, change the way political campaigns are financed, fight discrimination that is based on age or disability, protect the interests of consumers, and improve access to quality health care coverage.

AARP provides members with a wealth of information and keeps in touch with:

- *AARP Bulletin.* This monthly newspaper gives members the scoop on timely topics and policy issues.
- *AARP The Magazine.* Each issue of this magazine has practical and provocative articles about health, finance, entertainment and leisure.
- www.aarp.org. The AARP Web site includes information about practically any topic of interest to people 50 and over, in addition to all of the AARP programs, services, and discounts.
- *AARP Segunda Juventud*. This bilingual publication serves the needs of Hispanic AARP members.

Thousands of members volunteer with AARP in their local communities to repair older homes so the residents can continue to live on their own; work for the passage of local, state and federal laws; tutor young students after school; help drivers over 50 improve their skills; comfort people who have lost a loved one; and prepare tax returns for middle- and low-income persons.

AARP takes its commitment to members seriously, recognizing their diversity of needs and interests. By exploring new ways to enhance the lives of people over 50, AARP promotes positive change in the marketplace — a marketplace that to a great degree overlooks the specific needs and wants of the 50+ consumer. Members look to AARP for the best health, finance, travel, and leisure products at competitive rates.

AARP works with some of the best companies in the world to meet member needs. More than a dozen AARP provider companies are in the Fortune 500. AARP has selected them as service providers not just because of their proven track record in the marketplace, but because of their commitment to providing best-in-class services and to improving the lives of people over 50.

RECENT DEVELOPMENTS

Perhaps the most significant change in the AARP outlook has been to focus more on the Baby Boomers. About a quarter of them are old enough to join AARP now, and they are joining — at about the same rate as their parents joined when they were the same age. The oldest of the boomers will reach 65 — the traditional retirement age — in 2011, and many will retire earlier, or at least start drawing Social Security in 2008. These dates are not in the far-off future, and they will be milestones in one of the most profound social changes in American history.

In 2003, AARP addressed an urgent need of today's older population by leading the fight to add a prescription drug benefit to Medicare. The new law will help millions of Medicare beneficiaries and their families now and in the future.

While Medicare was AARP's most visible accomplishment in 2003, it was by no means the only one. AARP also led the successful fight for a national "Do Not Call" registry, which is now being used by over 50 million people.

PROMOTION

For AARP's first 40 years, the organization did little to proactively influence how the organization was perceived. AARP built a powerful brand largely through the way it operated, what it accomplished, and the value it delivered to members.

As the baby-boom generation began reaching membership age, AARP determined that to remain personally relevant to this new generation of members, the Association needed to clarify and expand the organization's image — largely to make sure that perceptions of what the organization is and what it stands for match reality. Working with advertising agency partner GSD&M and public relations counsel Fleishman-Hillard, AARP clarified its brand position in 2002 with the introduction of a new slogan: *The power to make it better.*

The new brand positioning focuses on the organization's true purpose: creating positive social change — a purpose addressed both through delivering value to members and through positive social change, recognizing that the most meaningful "value" is positive social change.

The new positioning helps members and prospects understand that AARP, with the collective strength of over 35 million members, can give them the power to make things better — both for themselves personally, their families, and society at large. The positioning supports and is supported by leading AARP initiatives: advocacy, information, programs, and community service. It also supports marketing of member services by helping people understand how AARP combines the power of open-market competition with the influence of over 35 million members to create valuable products and services for people 50+.

BRAND VALUES

The strength of AARP lies in its demonstrated ability to help meet the needs and protect the interests of people as they age. Members and nonmembers alike recognize AARP as a trusted source of information, as a strong and effective advocate, and as a caring community with shared values that represents people like them. They recognize AARP as an organization that truly has the power to make life better.

THINGS YOU DIDN'T KNOW ABOUT AARP

- A Baby Boomer turns 50 every 8 seconds, and one joins AARP every 11 seconds.
- Over 42 percent of all adults over age 50 in the United States are AARP members.
- *AARP The Magazine* is the largest circulation magazine in the United States.