Future Trends And The 25-45 Age Group
The Generation Xers

From a future of splendid and lonely isolation to the new communities and groups of the future
Topics

1. Our Changing Society
2. Generations
3. Lifestyles
4. Incomes, Spending And Wealth
5. Future Communities
1. Our Changing Society
## Our Changing Society

- Living and working longer
- More generations co-existing
- Slowly rising divorce rate
- Changing household structures
- Smaller households
- Fast rising incomes & wealth
- Changing ethnic mix *(Eurasian)*
- Living elsewhere
- Living differently
- Home leasing on the rise
- New tribalism
- Spending differently
- Outsourcing tasks and chores

- Rise of virtual shopping
- Living with leisure
- New entertainment & sports
- Increasing knowledge
- Increasing financial literacy
- Living with IC&T
- Electronic “guardian angels”
- Working differently
- New industries/occupations
- Changing spirituality
- Outlawing discrimination
- Changing politics *(ideologies)*
- Ecological sensitivity
Living Longer And Working Longer
Life Expectancy And The Retirement Age of Male Australians

Who would want to be retired for 30+ years in 2100; and could the nation afford it?

Female life expectancy
Rising Retirement Age
Rising Formal Education

Source: ABS, Australian Historical Statistics, IBISWorld
Workforce, by Age Group

% of Total Basis

Source: ABS and IBISWorld
So what is old?

- At 65 years of age:
  - in 1800, you were dead 27 years ago.
  - in 1900, you were dead 12 years ago;
  - in 2000, you will have 12-15 years to go;
  - in 2100, you may be half-way through your life!

- We need to be very careful about what an “ageing society” or the “greying of Australia” really means:
  - we cannot assume all “the oldies” are in retirement villages or nursing homes (very few are);
  - we could assume many are still working (albeit part-time) and most are probably fit and healthy.

- We need to keep raising the age definition of “old”
Marriage & Divorce Rate

Marriage Rate
( Newly marrieds as a % of total population)

Divorce Rate
( Newly divorced as a % of married persons in the population)
Australian Housing Density

Number of occupied dwellings & household density

Occupied Dwellings ('000s)

Dwellings

Density

Average Density (number/household)

Years:
- 1901
- 1911
- 1921
- 1931
- 1941
- 1951
- 1961
- 1971
- 1981
- 1991
- 2001
- 2011
- 2016
- 2021
Composition of Households in Australia

By household size, census years 1921-1996 and forecast to 2041

Persons per household

[Diagram showing percentage distribution of household sizes over different years from 1921 to 2041]
Becoming more isolated?

Not necessarily, due to the Internet, mobiles, and out-of-home diversions.

Communities are becoming less neighbourhood oriented with many tribal relationships spread across vast distances, some being virtual communities.
My Own Tribes, For Example

- **Immediate Relatives**
  - Mother: NSW Central Coast
  - Siblings: NSW Central Coast (2), Sydney (2)
  - Sons & spouses: Melbourne (1), Los Angeles (2)
  - Grandchildren: Melbourne (1) USA (4)
  - Partner (12 years): Sydney

- **Close Mates**
  - Adelaide, Melbourne and Sydney

- **Neighbourhood**
  - My apartment block, favourite shops, restaurants, parks in E. Melb.

- **Clubs**
  - In Melbourne (1) and Sydney (1)

- **Work**
  - Australia, USA, Indonesia, China

- **Charities & NFPs**
  - Melbourne (3)
2. Generations And Their Differences
Four Types of Generations

Civics/Heroes
The wealth creators and nation building generation. The can-do generation, pragmatic and rationalist. Not a lot of social graces.

Adaptives/Artists
The generally silent, obedient but more socially aware generation. Adapt wealth-building to other social needs. Can develop scruples.

Idealists/Prophets
The social visionary and idealistic generation. Want to change the world now. Humanists and social re-engineers. Big spenders.

Reactives/Nomads

Source: “Generations” (Strauss & Howe) and IBISWorld
## Today’s Many Generations In 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>Generation (Type)</th>
<th>Birth</th>
<th>Age</th>
<th>Number (million)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federation</td>
<td>Civics/ Heroes</td>
<td>1901 – 192</td>
<td>82+</td>
<td>0.57</td>
<td>2.7%</td>
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<tr>
<td>“golden oldies”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silents</td>
<td>Adaptive/ Artists</td>
<td>1925 - 1942</td>
<td>81 - 64</td>
<td>2.38</td>
<td>11.5%</td>
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<tr>
<td>“conservatives”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baby-Boomers</td>
<td>Idealists/ Prophets</td>
<td>1943 - 1960</td>
<td>63 - 46</td>
<td>4.70</td>
<td>22.6%</td>
</tr>
<tr>
<td>“spoilt-rottens”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation X</td>
<td>Reactives/ Nomads</td>
<td>1961 - 1981</td>
<td>45 - 25</td>
<td>6.26</td>
<td>30.3%</td>
</tr>
<tr>
<td>“angoras”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Generation</td>
<td>Civics/ Heroes</td>
<td>1982 - 2001</td>
<td>24- 5</td>
<td>5.55</td>
<td>26.7%</td>
</tr>
<tr>
<td>“free-rangers”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Millennials</td>
<td>Adaptive/ Artists</td>
<td>2002- 2020</td>
<td>&lt; 5</td>
<td>1.29</td>
<td>6.2%</td>
</tr>
<tr>
<td>“conservatives”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>36.6</strong></td>
<td><strong>20.75</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** ¹ Unconstrained by time, space and distance due to the Internet, mobile phones etc.
Generations in 2006

- Baby Boomers (1946-1964) - “spoilt rottens”
  - 22.6%

-Idealists (1946-1964)
  - 22.6%

- Adaptives (1946-1964)
  - 11.5%

  - 26.7%

- Federation (>81)
  - 2.7%

- Millennials (<5 years)
  - 6.2%

- Most powerful generations

  - 30.3%

- Generation Xers (1965-1980)
  - “angorals”

- Net Generation (“free-rangers”)
  - 26.7%

20.8 million persons
Generations in 2016

- **Baby Boomers**
  - "spolit rottens"
  - 18.3%
  - 56-73 years

- **Idealists**
  - 28.8%
  - 56-73 years

- **Reactives**
  - 26.5%
  - 35-55 years

- **Generation Xers**
  - "angoras"
  - 18.4%
  - 74-91 years

- **Federation**
  - ( >91)
  - 0.7%

- **Net Generation**
  - "free-rangers"
  - 18.4%
  - 0-14 years

- **Millennials**
  - 23.6 million persons
  - 15-34 years

**Most powerful generation**

23.6 million persons
Changing Attitudes

- The **Generation Xers**, being **reactives**, are a quiet generation, reacting against the reform zeal of the **Baby Boomers** being **idealists**. They have a balanced attitude to family and work. They are not overly ambitious, and largely settle for the quiet life.

- The **Net Generation**, being **civics/heroes**, are a driving and goal-oriented generation and have a true “we” approach to life and business. They are the best educated and savvy generation in history. They are largely fearless.
Labourforce By Generations

F2006 (E)

10.6 million persons

“Idealists”
Baby Boomers
46-63 years
29.6%

Silents
64-81 yrs
3.2%

“Adaptives”

“Civics”
Net Generation
Up to 24 years
18.7%

48.5%
Generation X
25 to 45 years

“Reactives”

Source: ABS/IBISWorld 14/02/06
Changing Political Ideologies

Rationalism (the “head”)

Socialism (the “left”)  Industrial Age to 1964

New Age to 2040s

Capitalism (the “right”)

Humanism (the “heart”)
3.
Incomes, Spending & Wealth
Average Household Incomes

$’000 1990-2006

Year, ended December

Average Income ($’000)

$101,750 (F)
Australian Household Expenditure
2005

$794.3 billion
($96,860 per household)

Note: \(^1\) includes transfers

Source: ABS5206/IBISWorld
Australian Household Assets & Debt
June 2006 (F)

Assets $5520 billion, Net Assets $4530 billion, Per H’Hold $555,150

$5520 billion ($676,500 / household)

Housing (owner-occupied) 34.1%
Super. & Life 20.4%
Shares 7.5%
Deposits (& currency) 7.5%
Other Property 11.4%
Invest. Housing 10.6%
Other 8.6%
Commercial & Rural

Household Debt
$990 billion ($121,300 per household)

Debt servicing comes from wages (mainly), rental property returns, and interest & dividends from liquids & securities

Sources: Reserve Bank Statistical Tables B20; IBISWorld estimates 15/02/06
Household Income And Wealth Distribution
Share of Total By Quintile, F2006 (E)

Household Income And Wealth Distribution
Share of Total By Quintile, F2006 (E)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Household</th>
<th>Income</th>
<th>Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richest</td>
<td>20.0%</td>
<td>45.1%</td>
<td>59.0%</td>
</tr>
<tr>
<td>Well Off</td>
<td>20.0%</td>
<td>24.5%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Middle</td>
<td>20.0%</td>
<td>16.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Struggle</td>
<td>20.0%</td>
<td>9.6%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Poorest</td>
<td>20.0%</td>
<td>4.5%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Among 8.02 million H’holds:
- 920,000 millionaires
- 44,000 > $ 5 million
- 7,000 > $10 million

8,016 million
1547 H’Holds

$801 billion
$99,890

$4530 billion
$555,150

Source: IBISWorld 25/04/06
4. Lifestyles
Lifestyles in the Industrial Age
1865-1964

- home ownership and the quarter acre block dream;
- dad at work, mum at home (with 3-6 kids);
- long careers for men, and the gold watch;
- strict rules about sex, blaspheming and other stuff;
- high street shopping (grocer, butcher etc);
- do-it-yourself (DIY) everything, in and around home;
- the corner pub (weekdays), sport (Saturday arvo), and church and the midday roast (Sundays);
- cinema, radio, TV (B&W) and cards as entertainment;
- holidays (Christmas) by staying with relatives;
- electricity, the telephone, washing machines, household gadgets, mum’s sewing room, dad’s shed and the BBQ.
Lifestyles in the New Age
1965-2040s

★ home ownership still dominant, but leasing on the rise;
★ dad and mum at work, with 1-3 kids (thank God for mobiles);
★ more marriages (but same average length) due to longer lives;
★ the Internet (communications/e-mail, information, banking, shopping);
★ sport all the time (including TV) and new gambling options;
★ modern clubs, pubs, hotels, casinos and entertainment;
★ digital colour TV (including pay TV), Radio (FM);
★ frequent holidays (esp. short breaks) and lots of o/s travel;
★ mobile telephones (world fastest uptake), electronic gadgets;
★ electronic guardian angels;
★ outsourcing of household services and chores;
★ more leisure time
★ new tribalism/communities, but not necessarily neighbourhood
Do-It-Yourself and Paid Work
2006 (F)

Males
- DIY: 38%
- Paid Work: 62%
  - Average: $50,400

Females
- DIY: 62%
- Paid Work: 38%
  - Average: $33,500

Note: Total hours identical, male and female

Source: ABS plus IBIS estimates

The DIY share is falling as we outsource more
Household Outsourcing In The New Age

$110 billion

$13,700 per Household

Source: ABS, IBISWorld

Note: Spending on new services, since 1965
We are outsourcing more and more DIY household activities to create more leisure time – as shown later.
5. Future Communities
The Changing Environment for the Individual

The Individual, centre of his/her universe

The immediate community
How much do we need to think about . . . .

The **Immediate** Environment (1)
1. Our Household & Community, its changing make-up

The **Operating** Environments (6)
2. The labour market, what and where the jobs are
3. The marketplace for goods & services, physical & virtual shopping
4. The educational institutions, schools, TAFEs, universities
5. The leisure & recreational facilities, parks, sport facilities etc.
6. The investment opportunities, owned-businesses, passive investment
7. The local government, council, regional government bodies

The **Influential** Environments (4)
8. Our community at large, demography, lifestyles, ethics, attitudes
9. The economic environment, suburban, local, state & national
10. The resources environment, ecological and developed (infrastructure)
11. The world environment.