

**Communities
(Families and other
Folk) into the Future**

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Nifty Agenda

- **A:** What do we mean by “Communities”? and what drives them? - in control or not!
- **B:** How do/should we look ahead?
- **C:** Future trends for “Communities” in Australia and countries like us
- **D:** Questions????????? and **interaction**

A: Definitions and Terms

- Comm = grouping of humans for interaction
- Live, work, play, fight - together cf. hermits
- Co-operation and conflict. Ants & bees. LR
- Examples: Co-op prod: $Q=f(K,L,T,t)$; battles
villages, sport, welfare, worship, meets, Gov
- Demand: security, companionship, help, ent
- Supply: spontaneous, enforced
- Trends to date.....

Economy's great!!!!!!!!!!

- Growth in 2-4% bounds, recently judged 'best in the "West"'
- No recession for 14 years - none in prospect
- Inflation in target 2-3% range; interest rates remain spectacularly low
- Highest credit rating and top OECD rank
- Big budget surpluses - responsible fiscal management - totally 'in control'

(EVEN) More good news!

- Real GDP/head is today 28% higher than in 1965, so the quantity of goods and services available (per capita) has advanced rapidly
- The quality of products makes this welfare improvement even greater
- Technology/ internet search facilities has improved the information capacities of all communities; tech kills back-breaking work
- BUT... there's another slant on all this

Another *Slant* on all this..

- 1 in every 20 genuine worker-seekers, on the average, still can't get work.
- The Average Annual Work Earnings Sum in 1969 converted to exactly half a Mel-Syd median house price - in 2005 it converts to 1/9th of such a house. After tax..worse!
- Youth suicide. Living alone. Social stress indicators. Where from here?

Part B: Looking Ahead - how

- 0. Guess/instinct
- 1. Extrapolate - but this assumes the forces that worked on the projected things in the relevant past will operate in the same way in the relevant future
- 2. Model - but this assumes the model captures the relevance interaction of variables - and your audience understand and appreciates models!

Famous Forecasting Flops

- **Flicking Franklin (DR) - 1936**
- **Foreign Funding Fiasco- Freddie - 1978**
- **Funds Rate: USA, 1979**
- **FX Fiasco - 2000/2001**
- **Forecasting the Oz health safety net - ‘cast-iron guarantee’ - December 2004.**

Part C: Community Futures

‘Official’ Budget Forecasts..

- 3.5% real economic growth p.a. - for ever!
- Target 2-3% inflation zone - for ever!
- Unemployment rate around 5% -
- “Technical” assumptions about interest rates and exchange rates
- Comment: wobbles are more realistic, welfare measures are more worrying..

Wealth Distribution

- **Net assets** = owns *less* owes - different from income flows. Young professionals *versus* wealth widows.
- Huge (and growing) **disparities** within and between wealth and age divisions
- Need for cool heads first

Oldie Wealth is Booming

- Oldies are living longer (e.g. 61 b. 1920, 68 b. 1946, 78 b. 2000); there are more of them, and relatively fewer youngies
- The potential inheritance pool available to boomers is escalating fast, but...
- Watch out boomers for slipping, skipping, and squandering.....

Oldies' Shares of Pop & Wealth

<u>At time:</u>	<u>65+%</u>
	<u>Pop</u>
1951	8.2%
1981	9.7%
2001	12.7%
2020	15.6%
2030	17.9%

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Oldies' Shares of Pop & Wealth

<u>At time:</u>	<u>65+% Pop</u>	<u>% Wealth</u>
1951	8.2%	10%
1981	9.7%	14%
2001	12.7%	21%
2020	15.6%	39%
2030	17.9%	47%

ABS

ABS

Natsem

Oldies' Shares of Pop & Wealth

<u>At time:</u>	<u>65+% Pop</u>	<u>% Wealth</u>	<u>\$b. Inher.</u>
1951	8.2%	10%	n/a
1981	9.7%	14%	\$1.6b.
2001	12.7%	21%	\$9.2b.
2020	15.6%	39%	\$34b.
2030	17.9%	47%	\$70b.

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Slipping, Skipping, Squandering

- Average (arithmetic mean) wealth for 65+ (oldies) in quintiles: Q1: \$6k; Q2: \$135k; Q3: \$245k, Q4 = \$470k, so what is Q5?
- Q5 = \$2.28m.
- D10 = \$55m.
- Squandering (with age advancement and otherwise) and skipping (a whole generation) in wealth transfers.

Boomers (b. 1946-1966)

- Will enter the 65+ class (oldies) in 2011
- Most will have retired earlier than this..Half have already left the full-time workforce
- There are 3.8m of them - 70% are married without children at home. Av. W \$240k.
- The richest Qr have 60% of group wealth.
- Few have prepared properly for retirement

Younger Folk

- 30-50yo's (6.1m) are more educated - but..
- They are less likely to be married, parents, paying off their own homes or frugal financial managers cf. any cohort of 30-50yo's in Australian history.
- Unless they gain wealth transfers from oldies and boomers, the house price explosion is frustrating many of them.

Popular Prognoses...

census-abscat 2003	1950	1971	1991	2001	2021
Total Population-k	8179	13067	16850	18972	22267
Males - k	4107	6514	8363	9366	10840
Females -k	4072	6553	8488	9606	11427
Male %	50.22%	49.85%	49.63%	49.37%	48.68%
Aged 65 & over -k	662	1085	1907	2189	4410
aged %	8.1%	8.3%	11.32%	11.54%	19.81%
aged 20-24 - k	592	1102	1334	1241	1302.62
young adult %	7.24%	8.43%	7.92%	6.54%	5.85%
Median Age	27	29	32	35	38
% 30-34 married	89.60%	83.50%	66.98%	54.91%	41%
In DeFacto Marr-k			547	989	1368
defacto marr %			6.96%	12.36%	15.40%
% 30-4 nevr mar'd	7.20%	11.60%	22.43%	35.11%	47.20%

Demographic Inference

- Relatively more people living outside formal (or any) ongoing relationship, potentially
- With greater prospective loneliness and stress/depression, less incentive to interact, exercise and enjoy the fruits of companionship

Dwellings Trends

Cat 2003			Cat 3236	
Census	1991	2001	2026	
Dwellings owned -k	2361	2810	3445	nrn
Dwel purchasing - k	1561	1872	2284	nrn
Dwel Rented - k	1560	1858	3550	nrn
All Dwellings	5853	7072	10440	
% rented	26.65%	26.27%	34.00%	

Cat 2003				Cat 3236
Census	1986	1991	2001	2026
%hh 30-4 couple/ch	65.1%	59.3%	48.7%	46.3%
%hh 30-4 couple/0ch	12.3%	14.0%	19.1%	22.4%
% h 35-9 fem In parent	4.9%	5.5%	7.1%	11.3%
%h 30-4 lone male	3.7%	4.2%	5.5%	9.9%

Community Impact Inference

- We're destined for:
- Relatively more people living alone, with fewer children, who are less likely to have both parents with them (as children) in homes that increasing they don't own and with savings that are less likely than a generation before to afford them any chance of ever owning their own home
- Morbidity is replacing Mortgages...

Supply-side considerations

- We want accountability - but
- If organisations are crippled with conformity conditions
- The excess of demand over supply will accelerate , and ...
- There's no price mechanism to fix the discrepancy, so.....

Alternative Futures

- 1. Economic trends include a significant slump some time ahead - and revival
- 2. Technology eliminates the need for schools, shopping centres, workplaces..
- 3. The significant surplus of 'seniors' swings socially-sensitive - but how?
- 4. CIC means understanding before action, especially with Leadership....



Find OUT First, but

Fear not



TBS 1972-2042

