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Building Stronger Communities through Stronger Community Organisations

2006 Conference
Mooney Valley Race Club
June 19, 2006

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**

Phil Ruthven, Chairman

IBISWorld

WHERE KNOWLEDGE IS POWER

Topics

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

1.

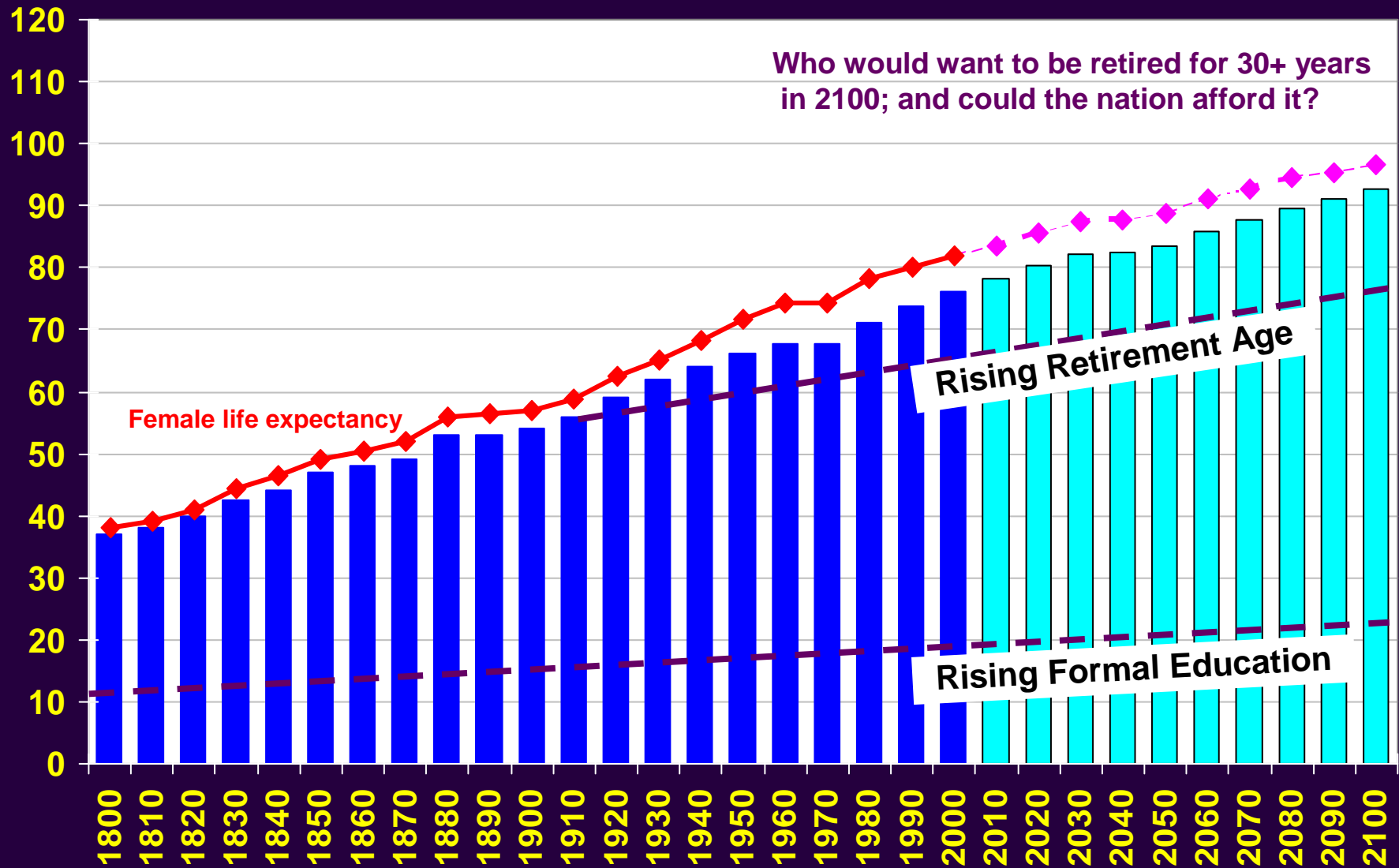
Our Changing Society

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

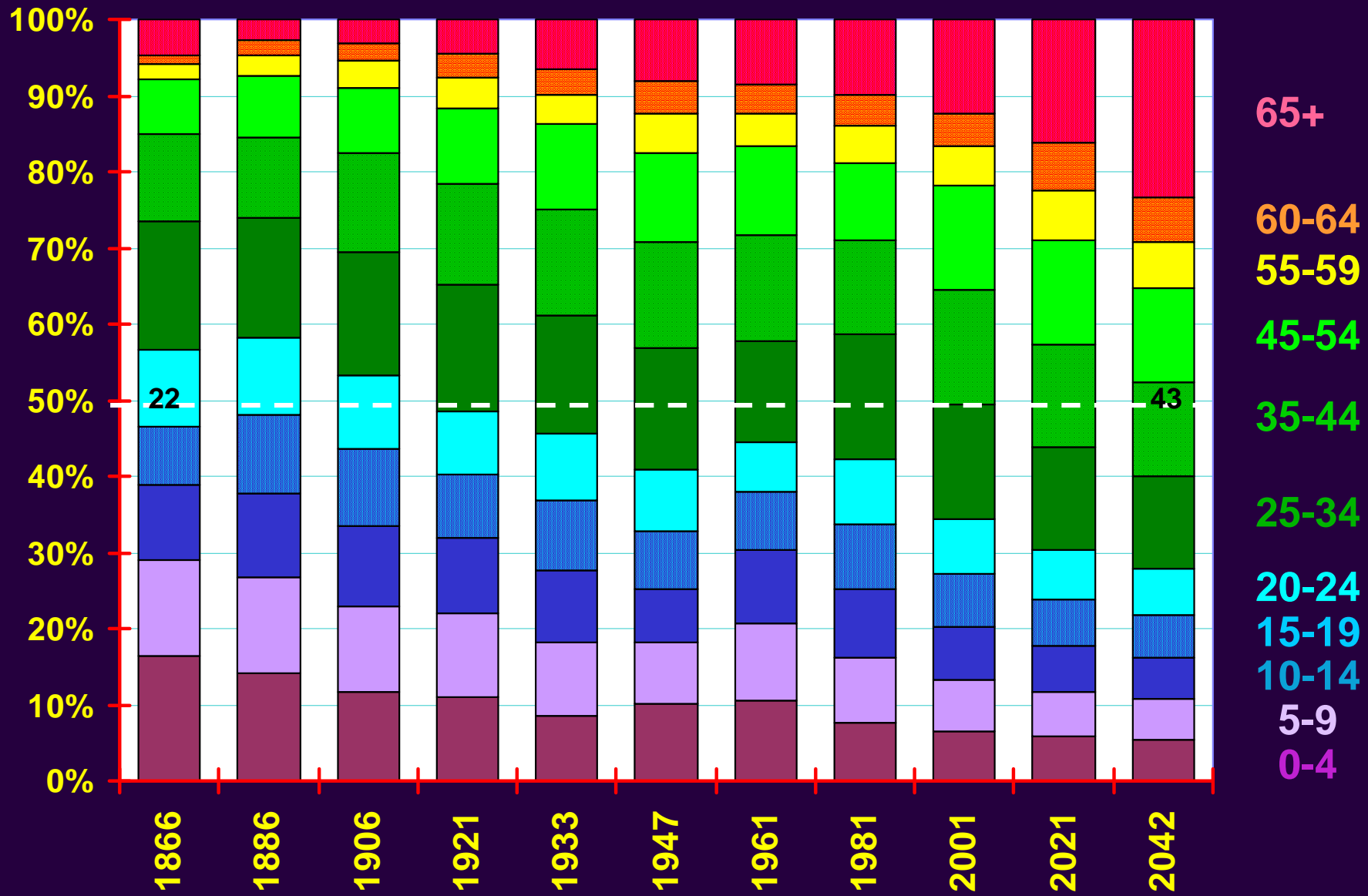
Living Longer And Working Longer

Life Expectancy And The Retirement Age of Male Australians



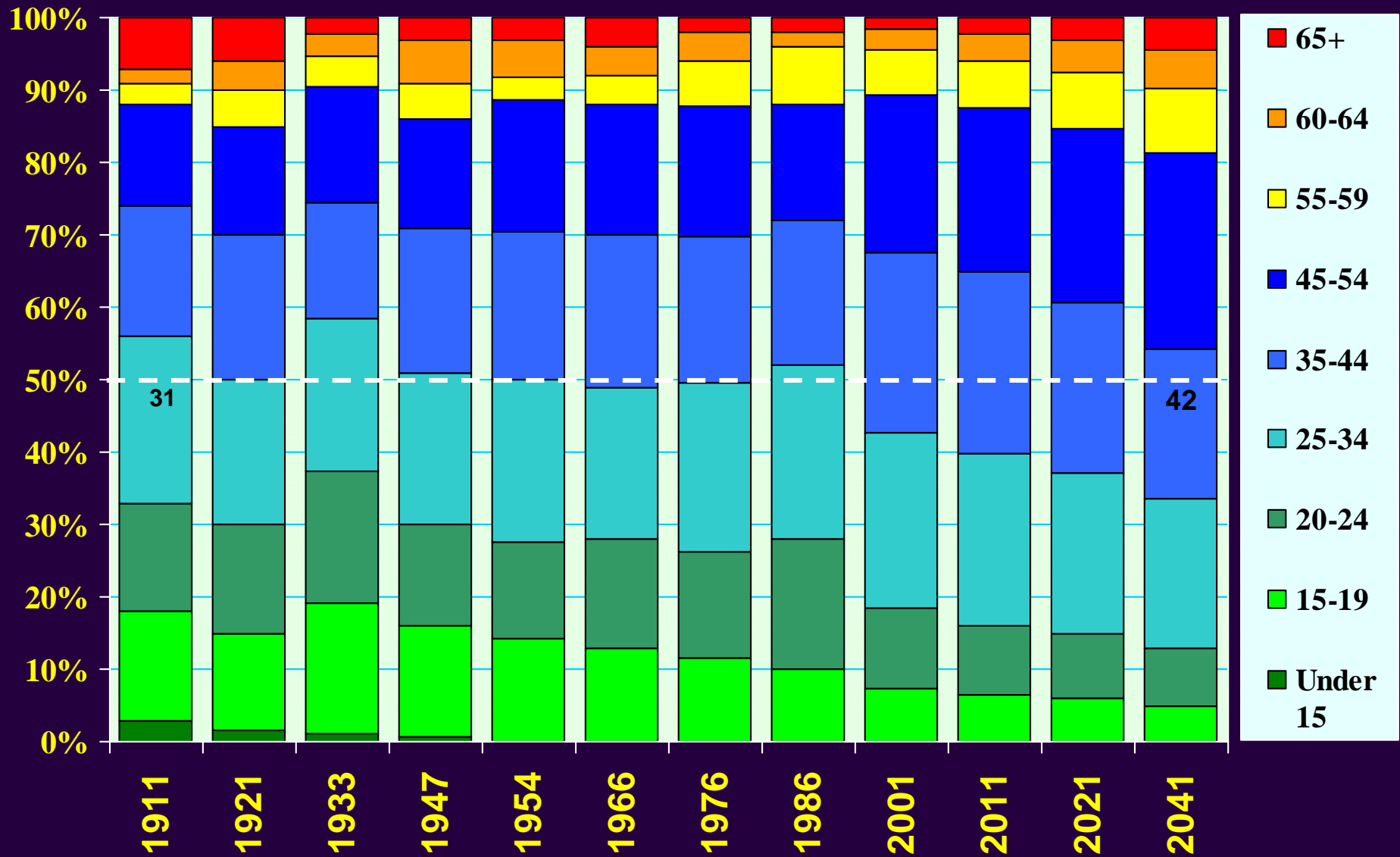
Source: ABS, Australian Historical Statistics, IBISWorld

Australia's Age Distribution, 1866-2042



Workforce, by Age Group

% of Total Basis

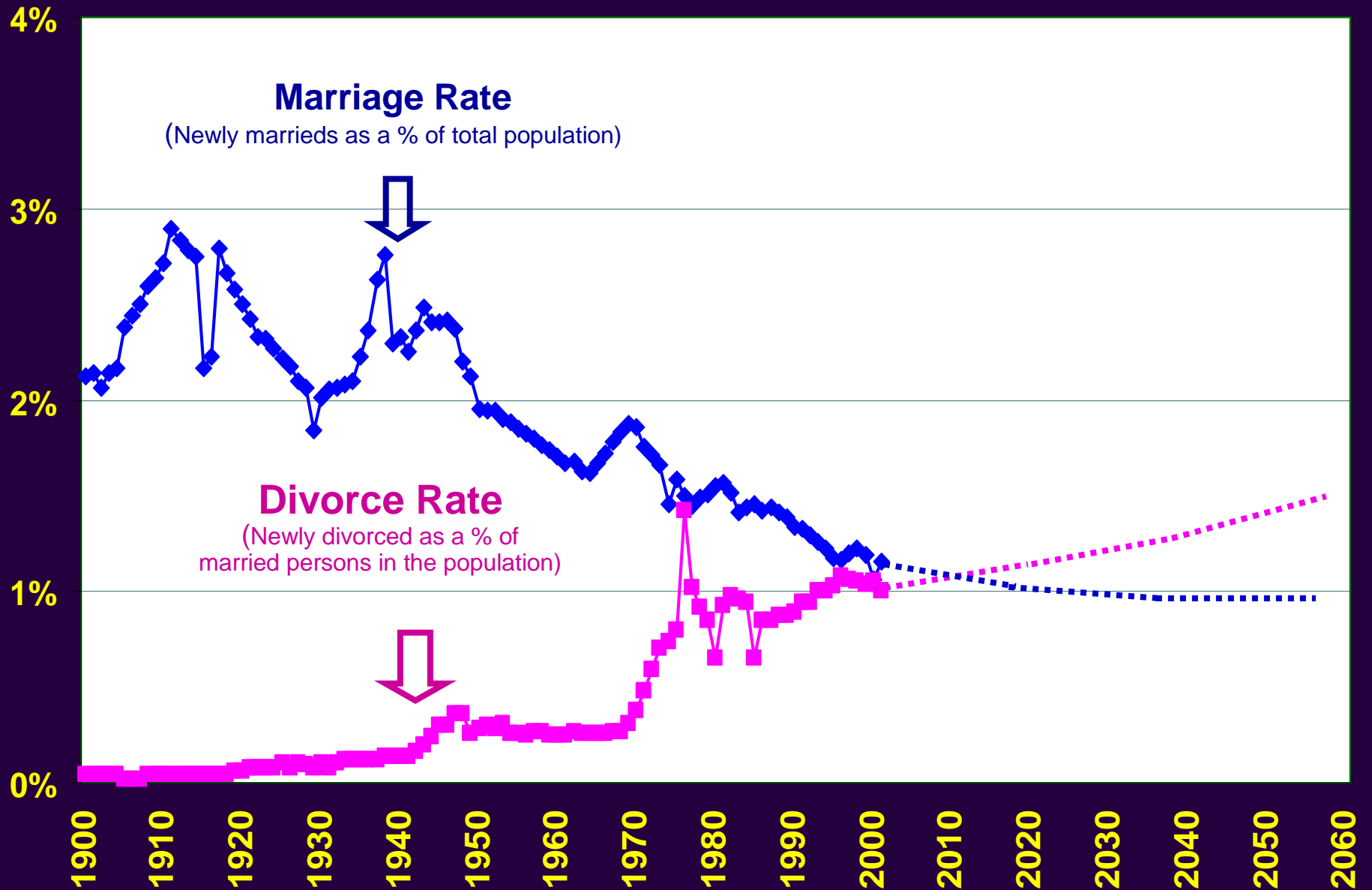


Source: ABS and IBISWorld

So what is old?

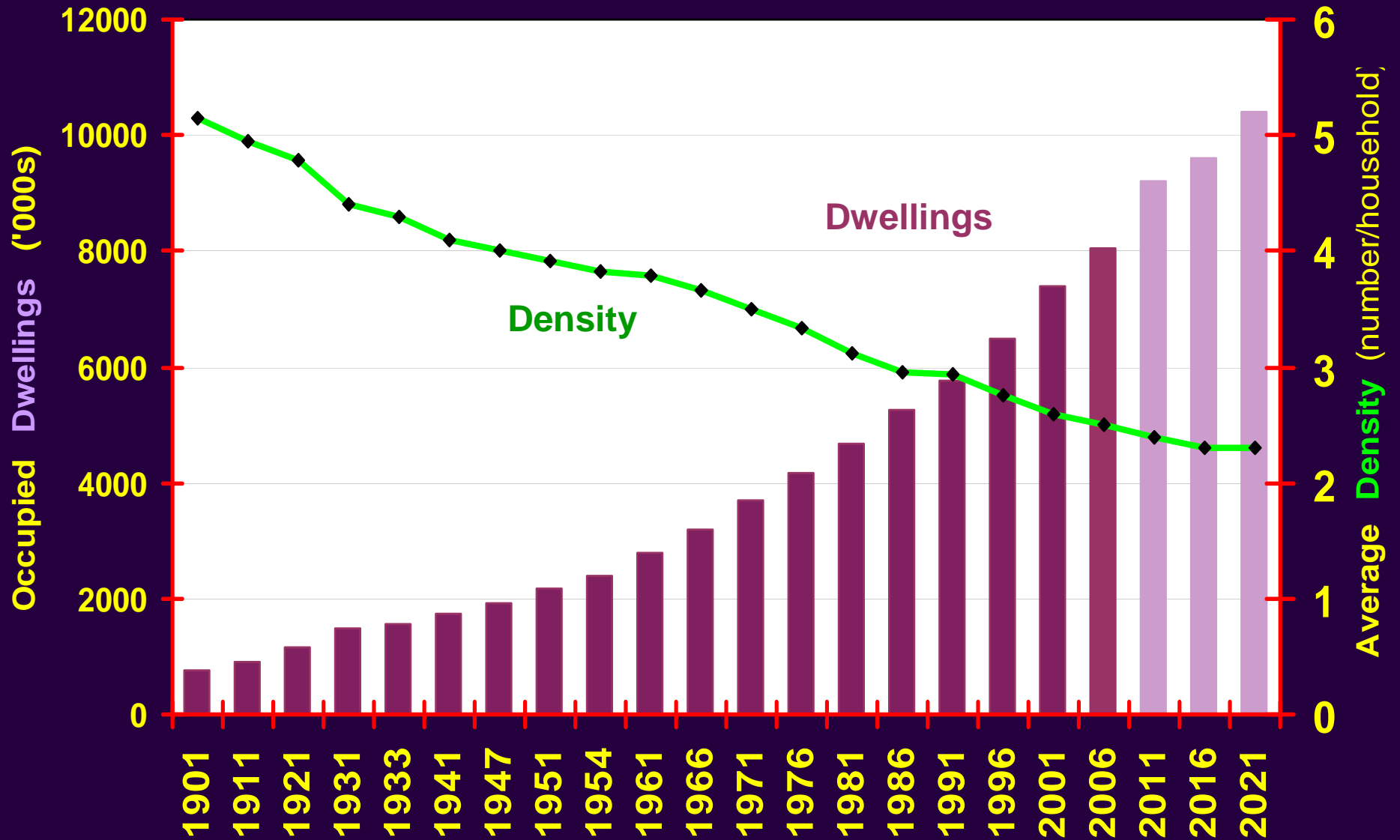
- ❖ **At 65 years of age:**
 - ★ in 1800, you were dead 27 years ago.
 - ★ in 1900, you were dead 12 years ago;
 - ★ in 2000, you will have 12-15 years to go;
 - ★ in 2100, you may be half-way through your life!
- ❖ **We need to be very careful about what an “ageing society” or the “greying of Australia” 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



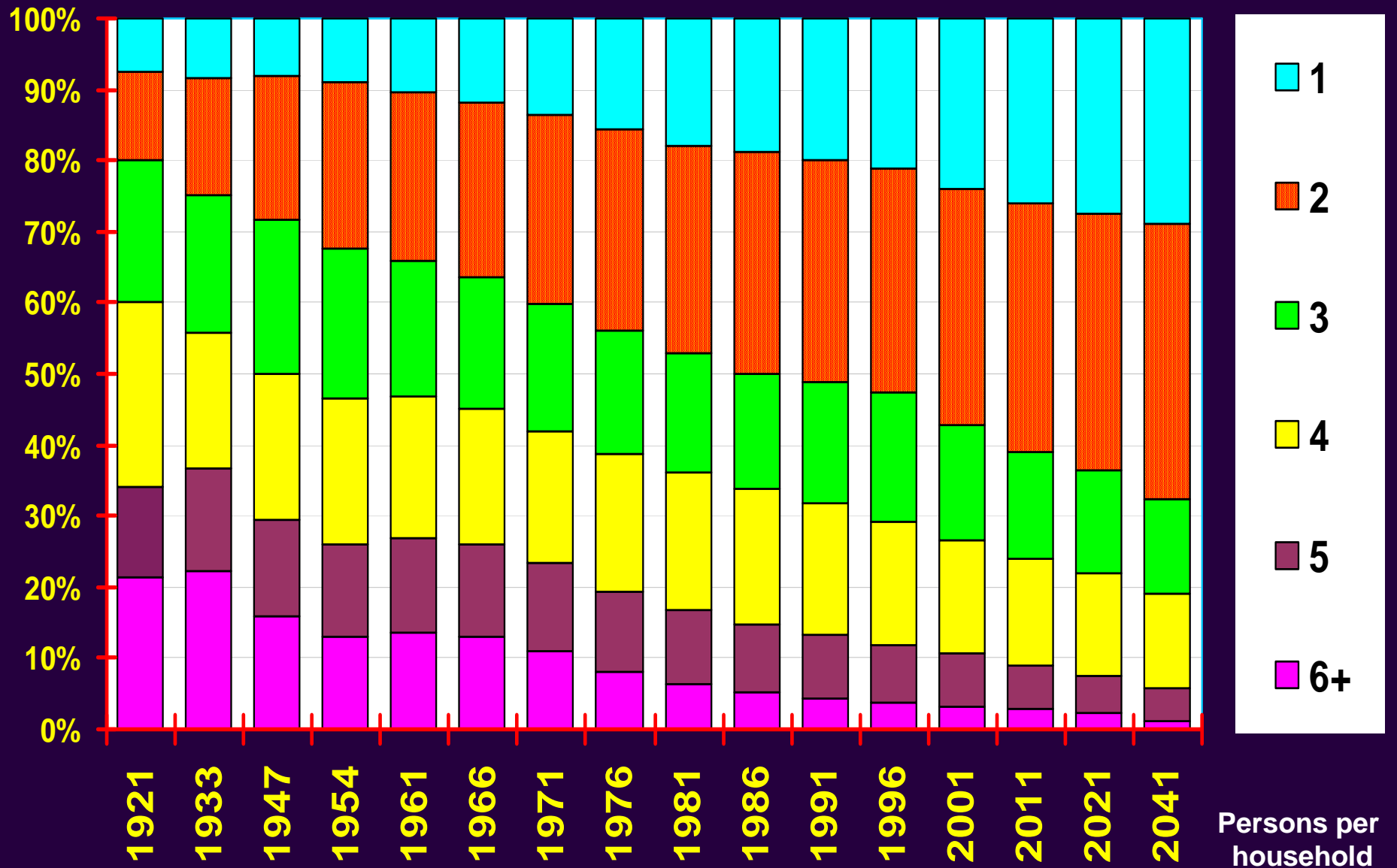
Australian Housing Density

Number of occupied dwellings & household density



Composition of Households in Australia

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



Persons per household

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

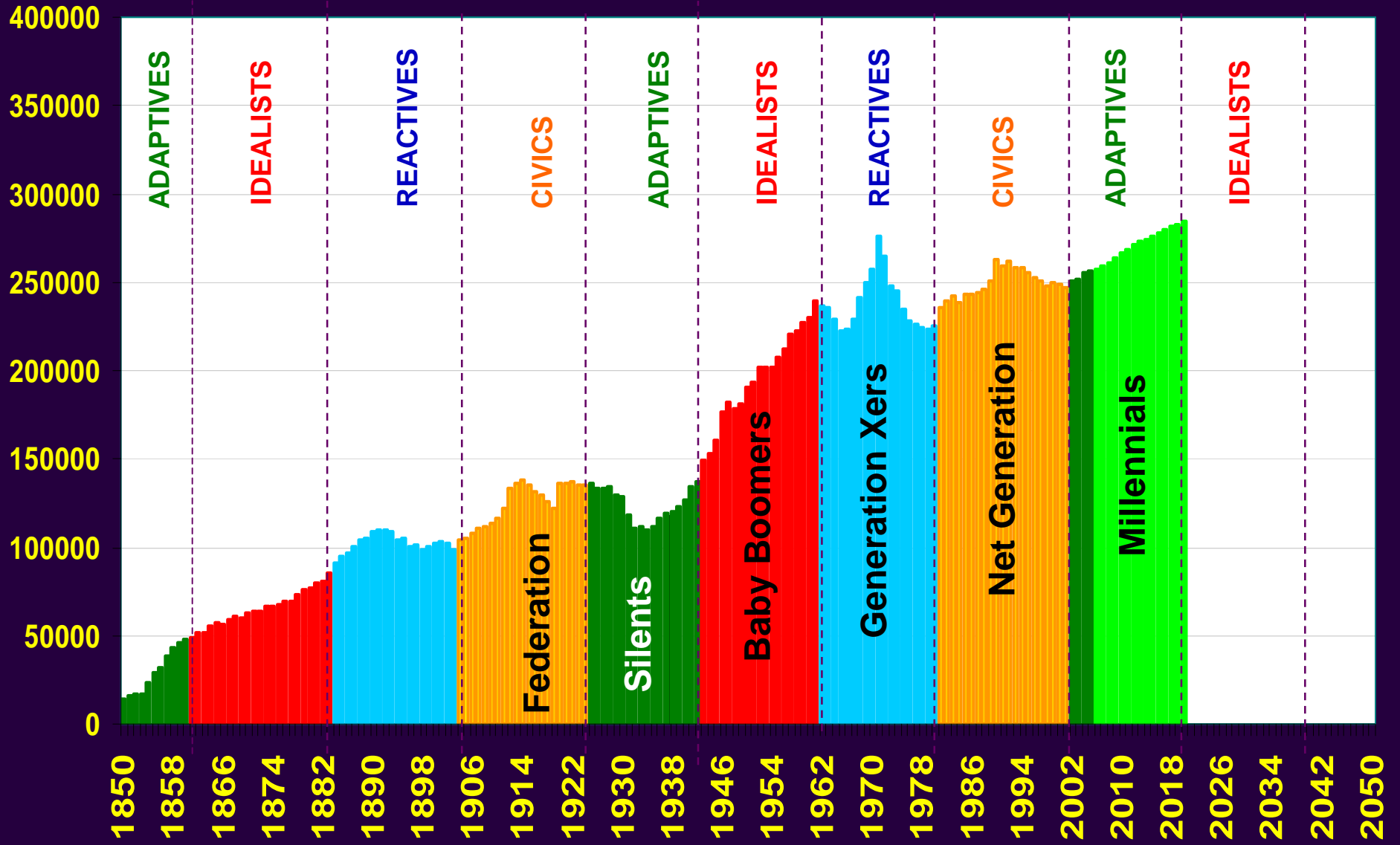
- ❑ Melbourne (3)

2.

Generations And Their Differences

Australian Births

By Generational Types 1850-2005



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

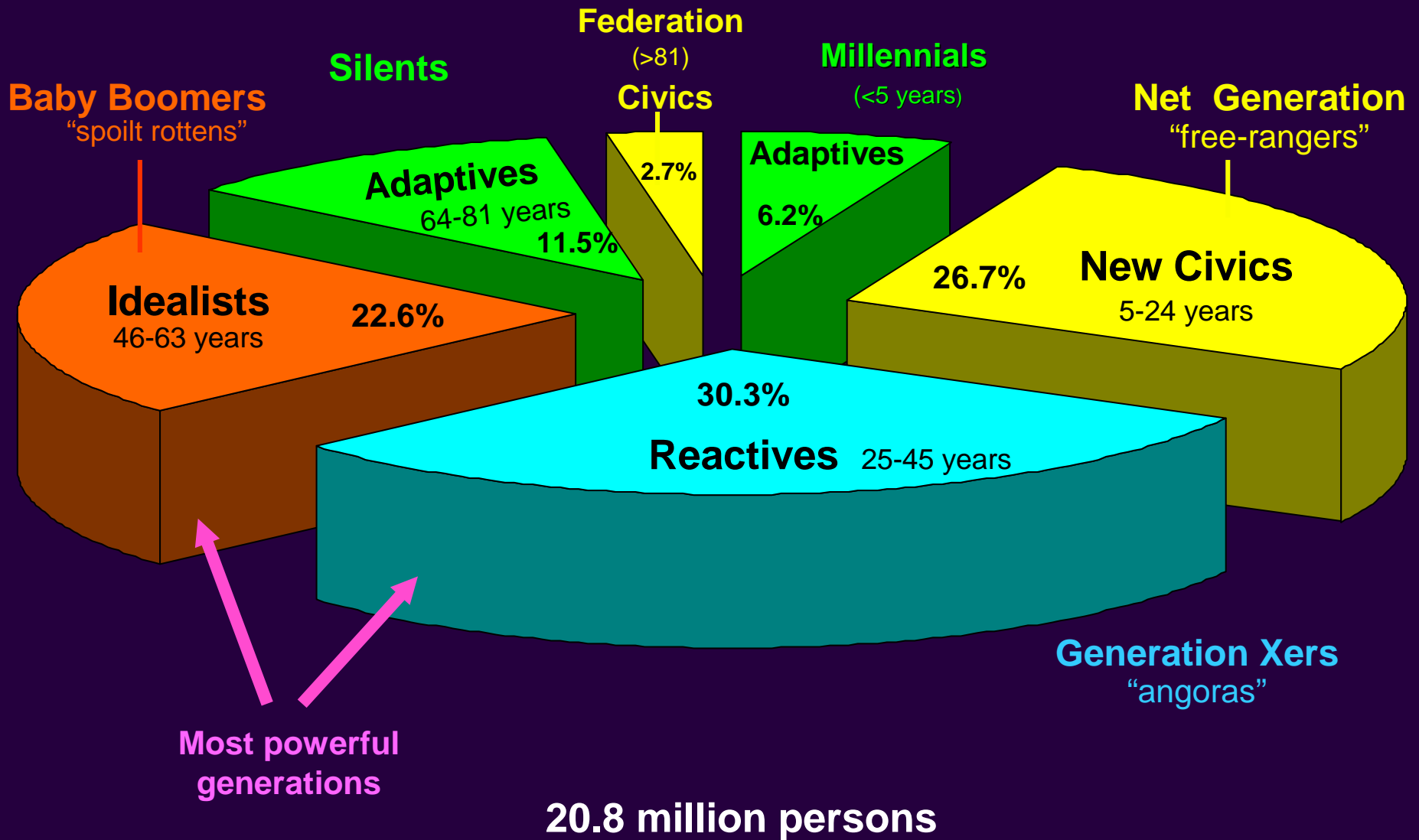
The reactive, conciliatory generation. Consolidators of change and peace-seekers. Repair damage of idealists. Pave way for new civics.

Today's Many Generations In 2006

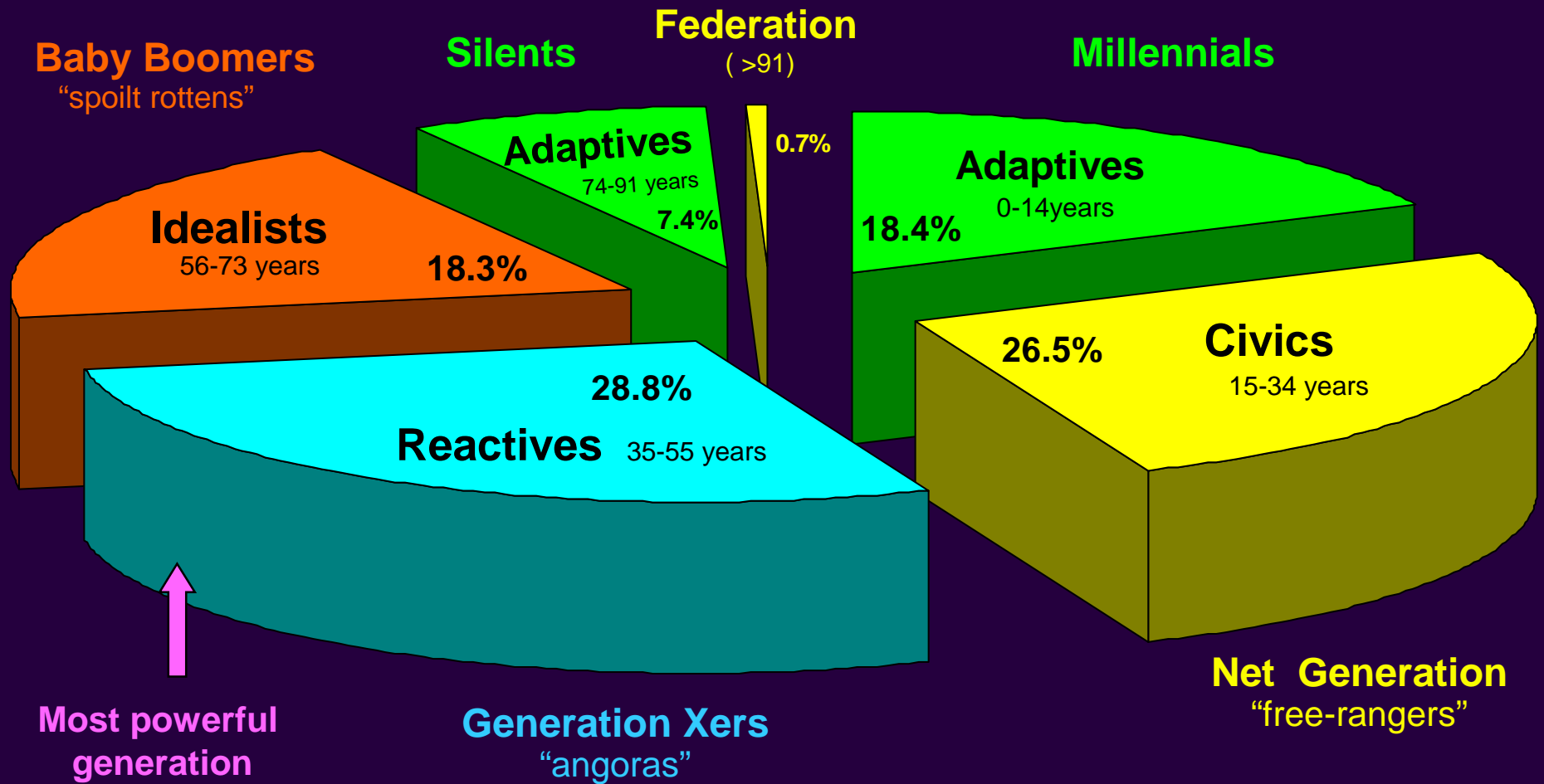
Description	Generation (Type)	Birth	Age (Year 2006)	Number (million)	Share (%)
Federation "golden oldies"	Civics/ Heroes	1901 – 192	82+	0.57	2.7%
Silents "conservatives"	Adaptive/ Artists	1925 - 1942	81 - 64	2.38	11.5%
Baby-Boomers "spoilt-rotten"	Idealists/ Prophets	1943 - 1960	63 - 46	4.70	22.6%
Generation X "angoras"	Reactives/ Nomads	1961 - 1981	45 - 25	6.26	30.3%
Net Generation "free-rangers" ^{1.}	Civics/ Heroes	1982 - 2001	24- 5	5.55	26.7%
Millennials "conservatives"	Adaptives/ Artists	2002- 2020	< 5	1.29	6.2%
Total			36.6	20.75	100%

Note: ^{1.} Unconstrained by time, space and distance due to the Internet, mobile phones etc.

Generations in 2006



Generations in 2016



Most powerful generation

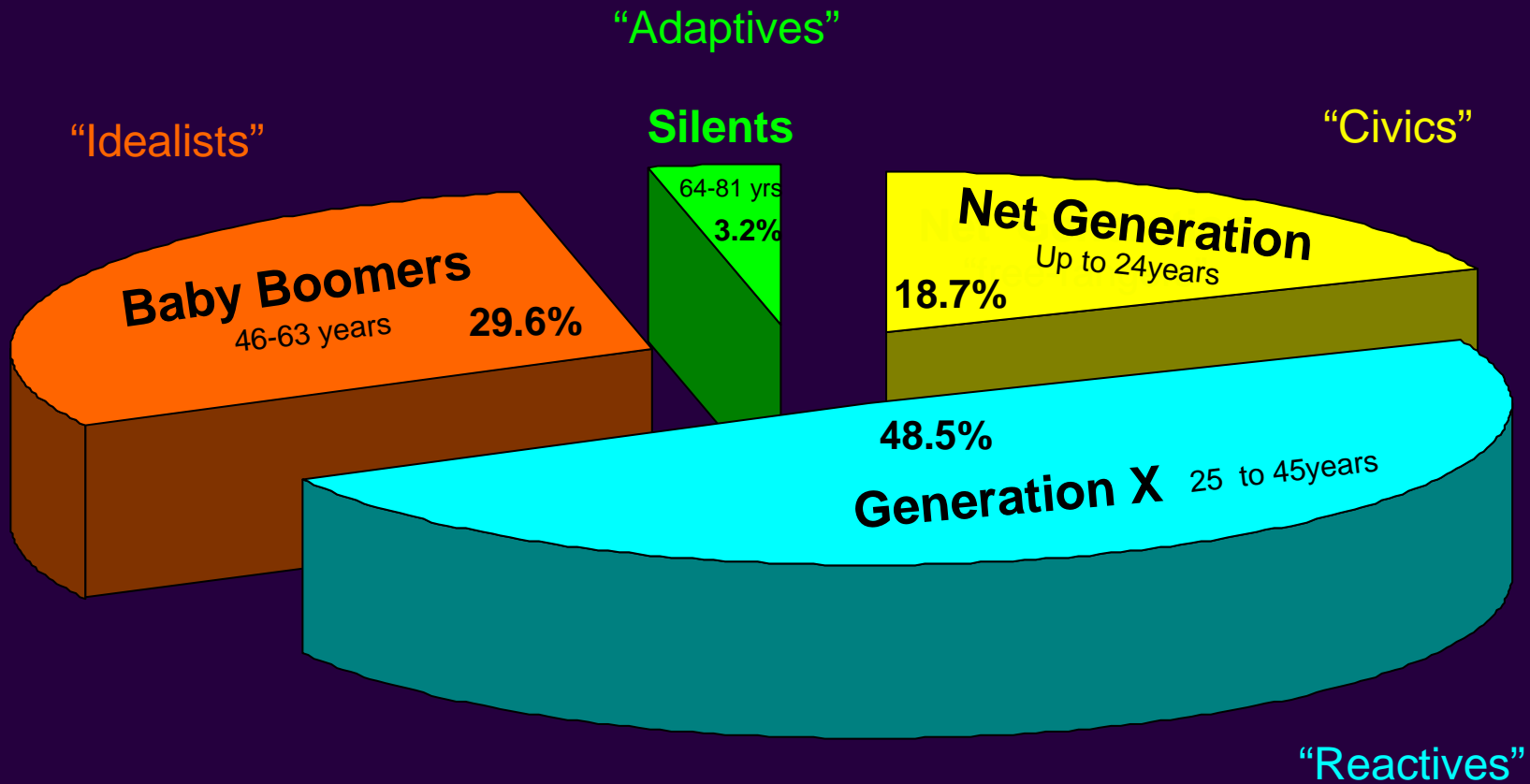
23.6 million persons

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.

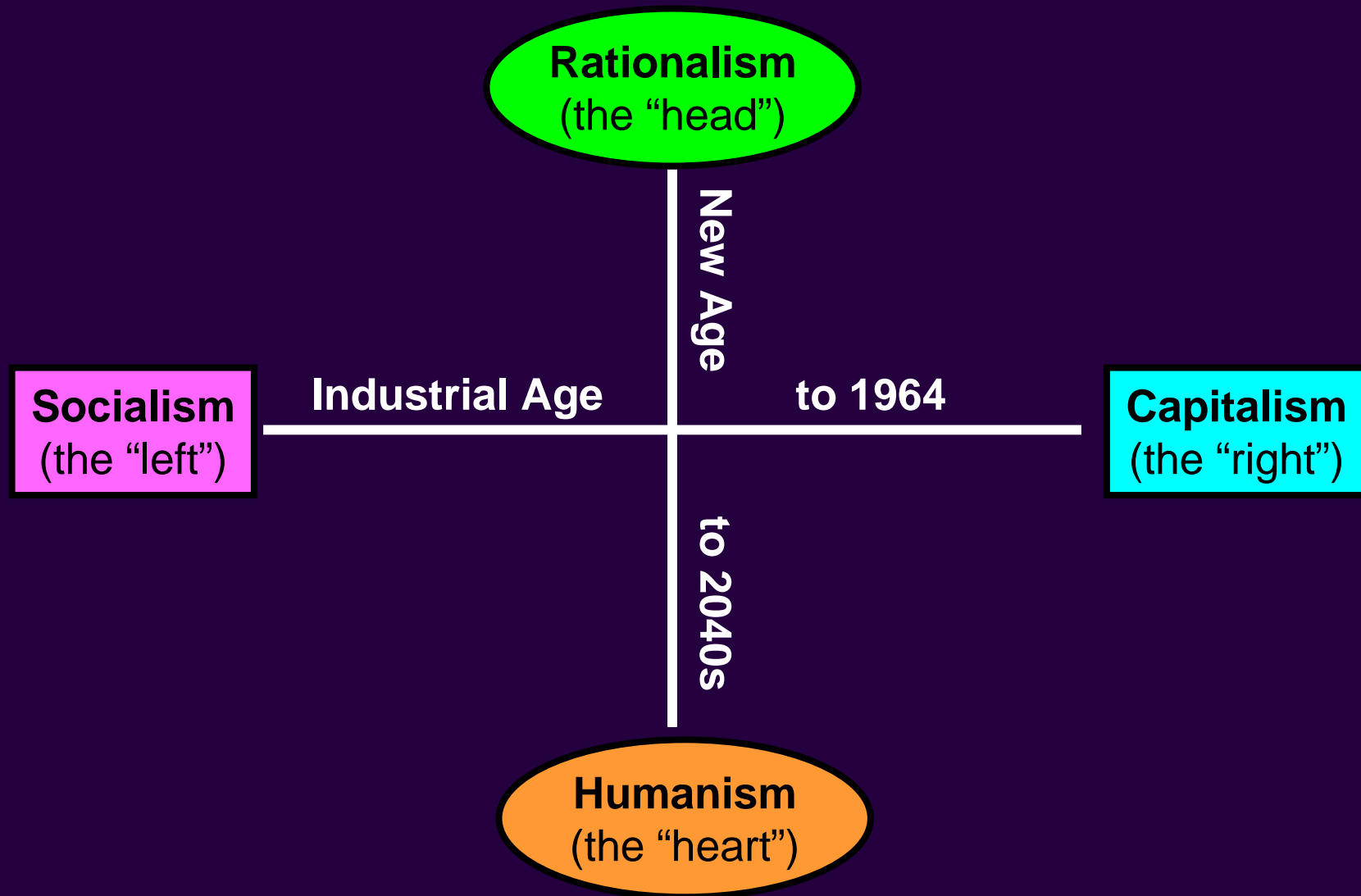
Labourforce By Generations

F2006 (E)



10.6 million persons

Changing Political Ideologies

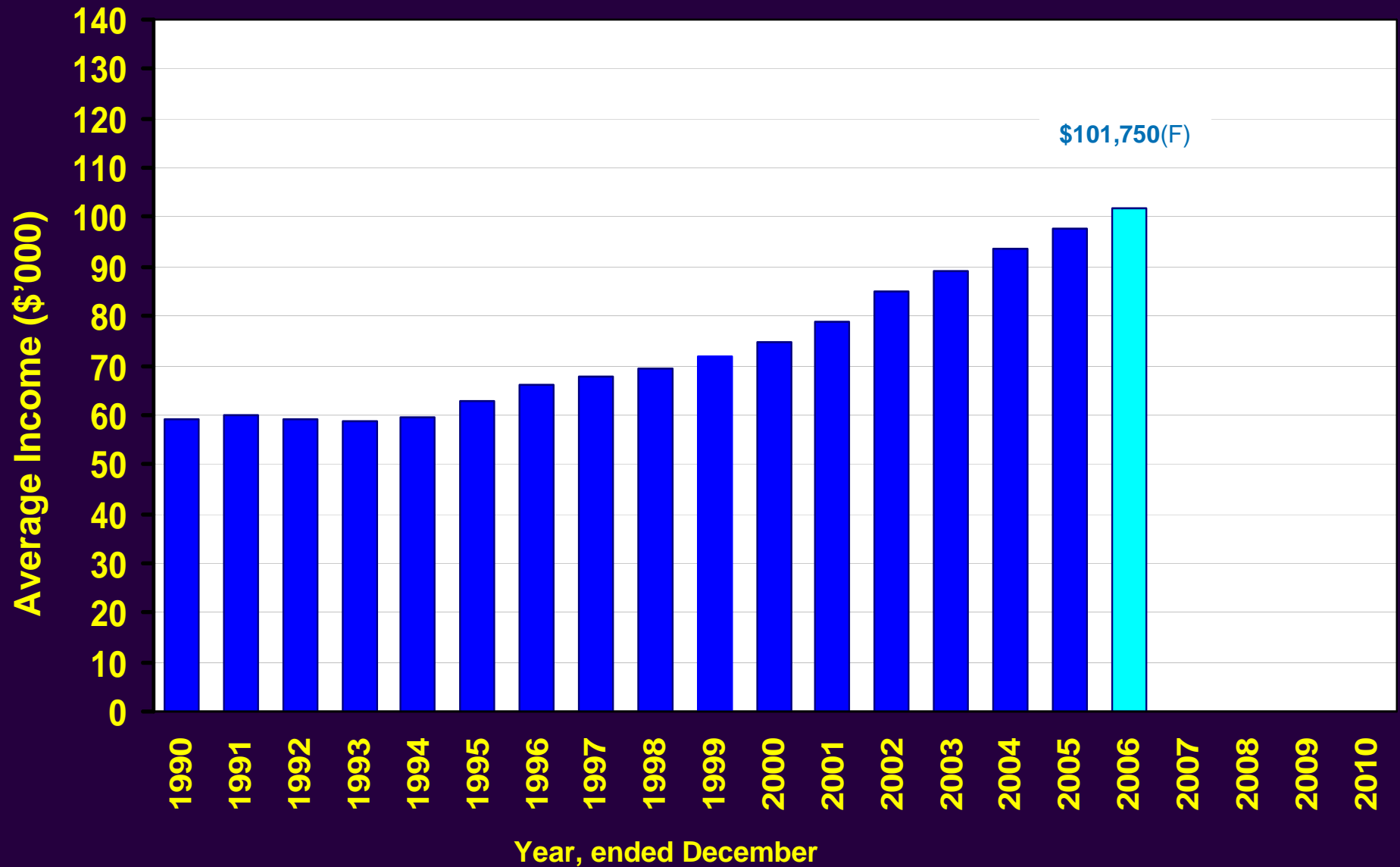


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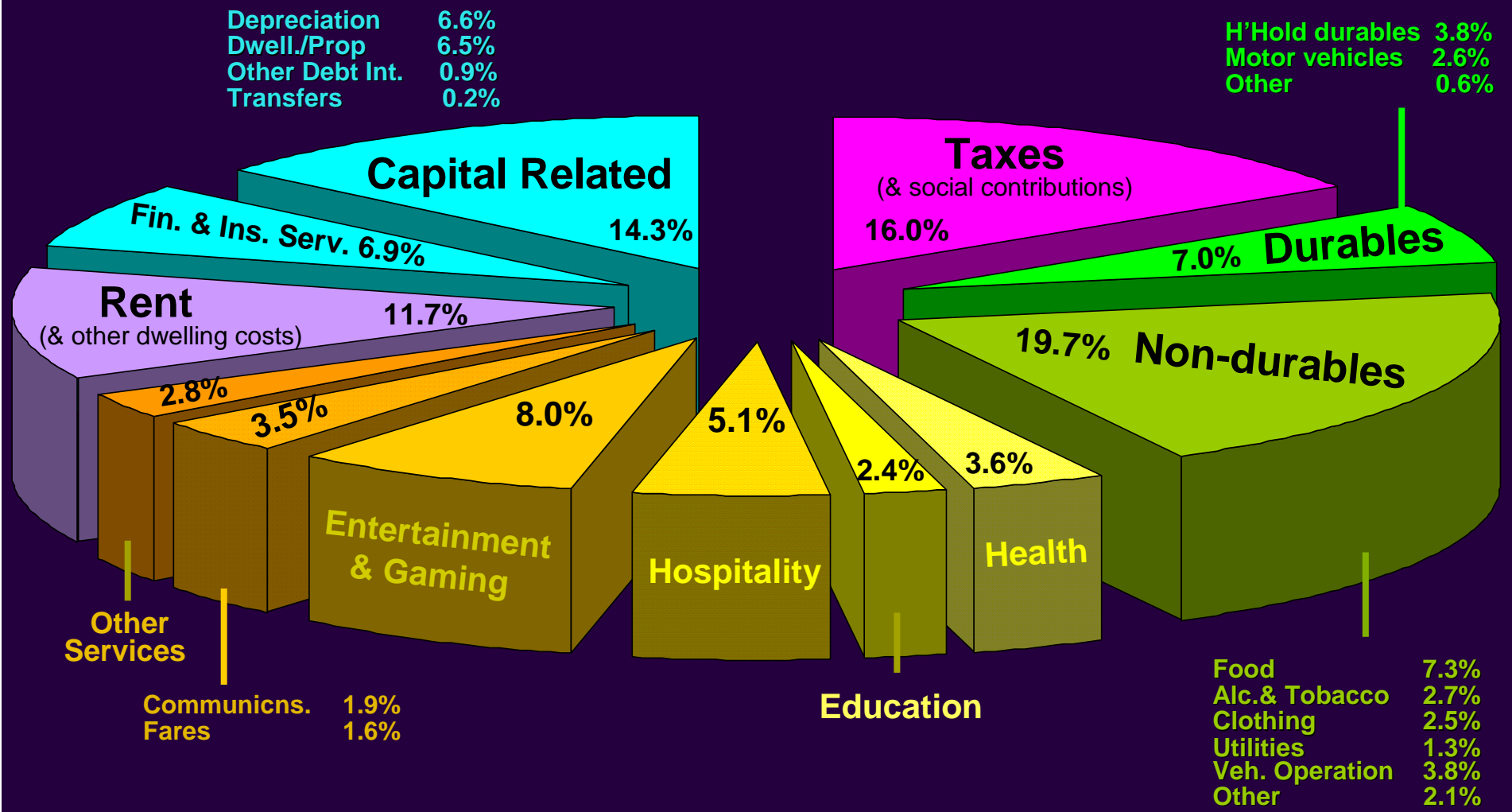
**Incomes, Spending
& Wealth**

Average Household Incomes

\$'000 1990-2006



Australian Household Expenditure 2005



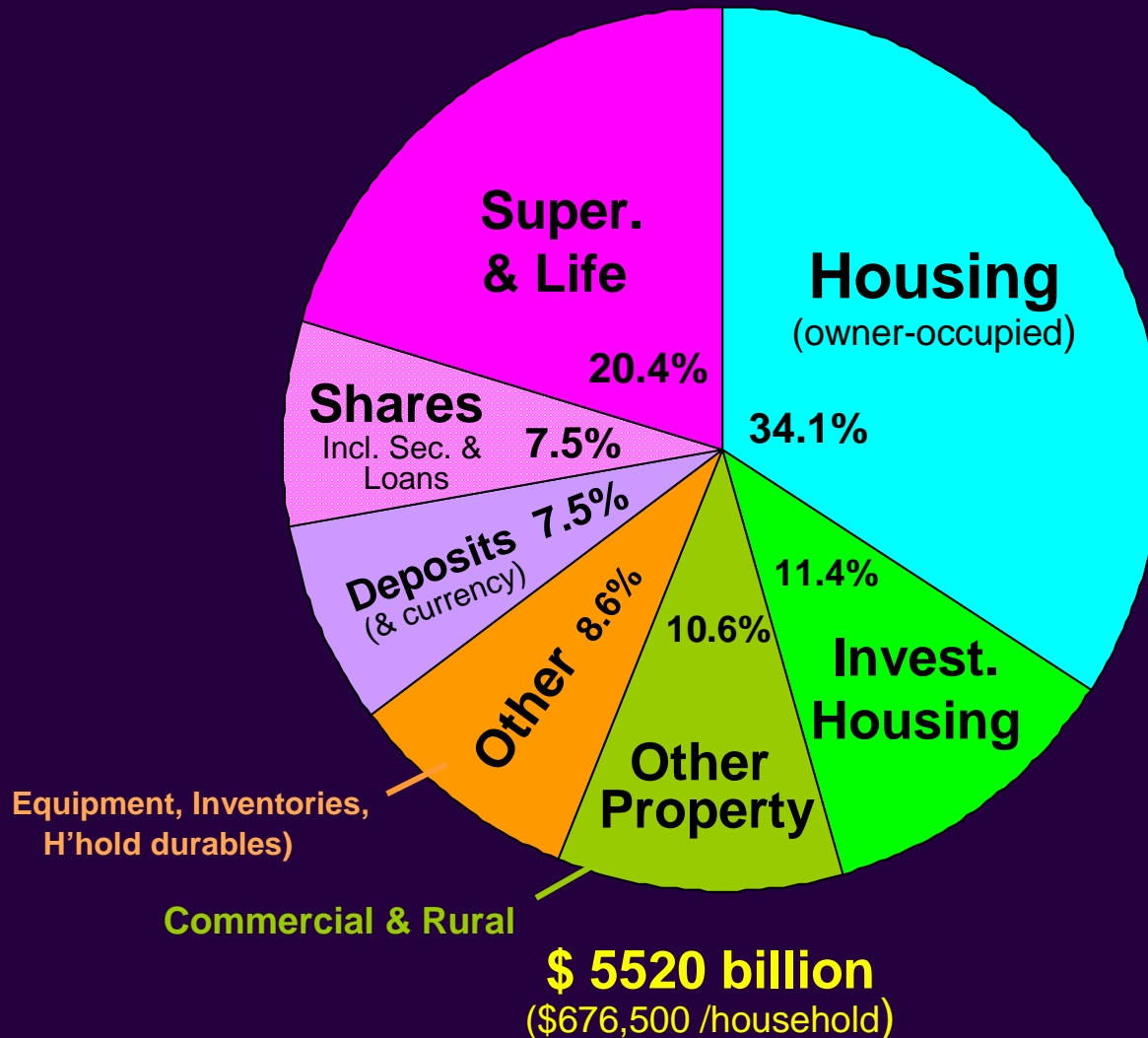
\$794.3 billion
(\$96,860 per household)

Note: ¹ includes transfers

Australian Household Assets & Debt

June 2006 (F)

Assets \$ 5520 billion,
Net Assets \$ 4530 billion ·
Per H'Hold \$ 555,150

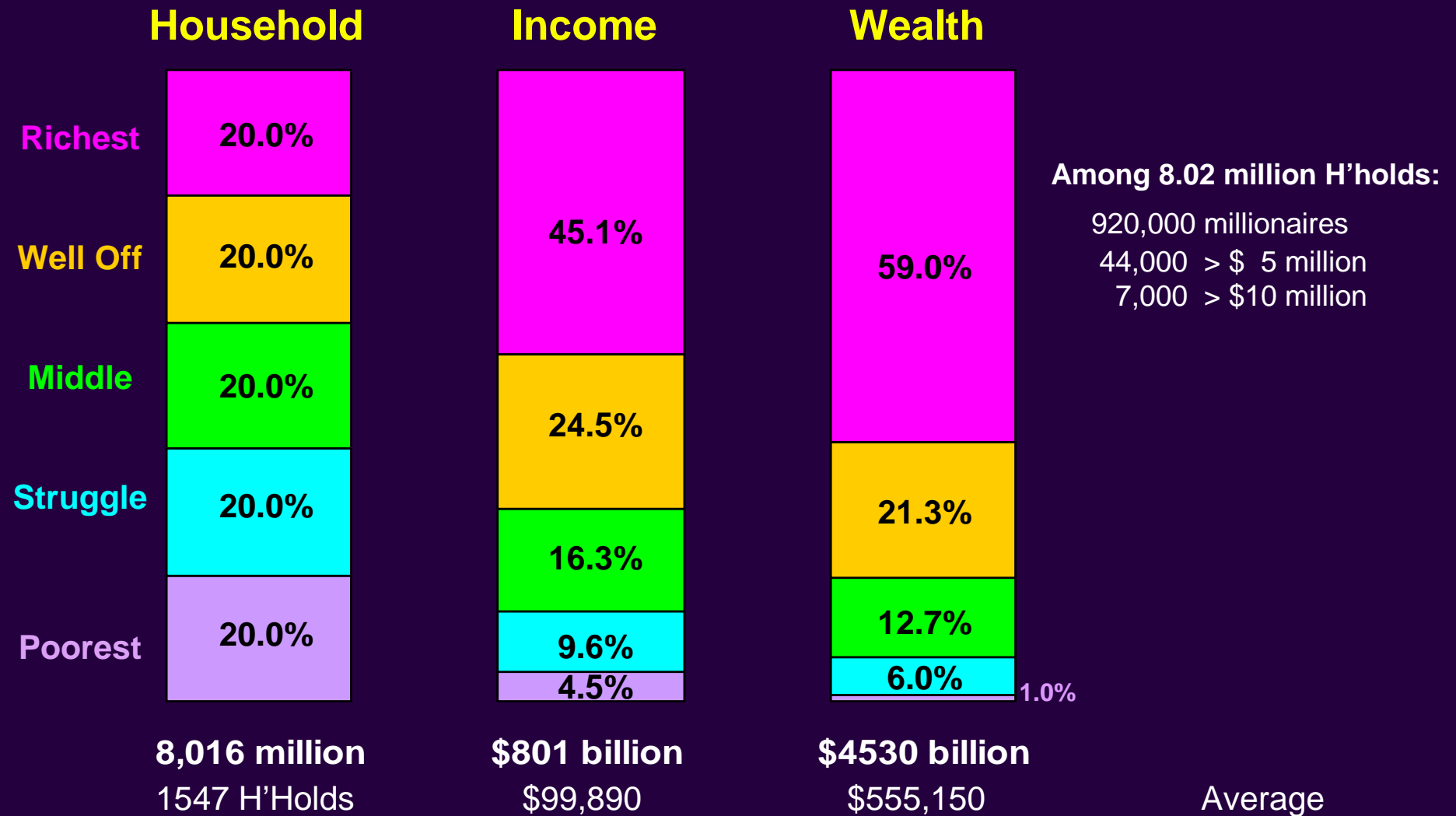


Debt servicing comes from wages (mainly), rental property returns, and interest & dividends from liquids & securities

Sources: Reserve Bank Statistical Tables B20; IBISWorld estimates 15/02/06

Household Income And Wealth Distribution

Share of Total By Quintile, F2006 (E)



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

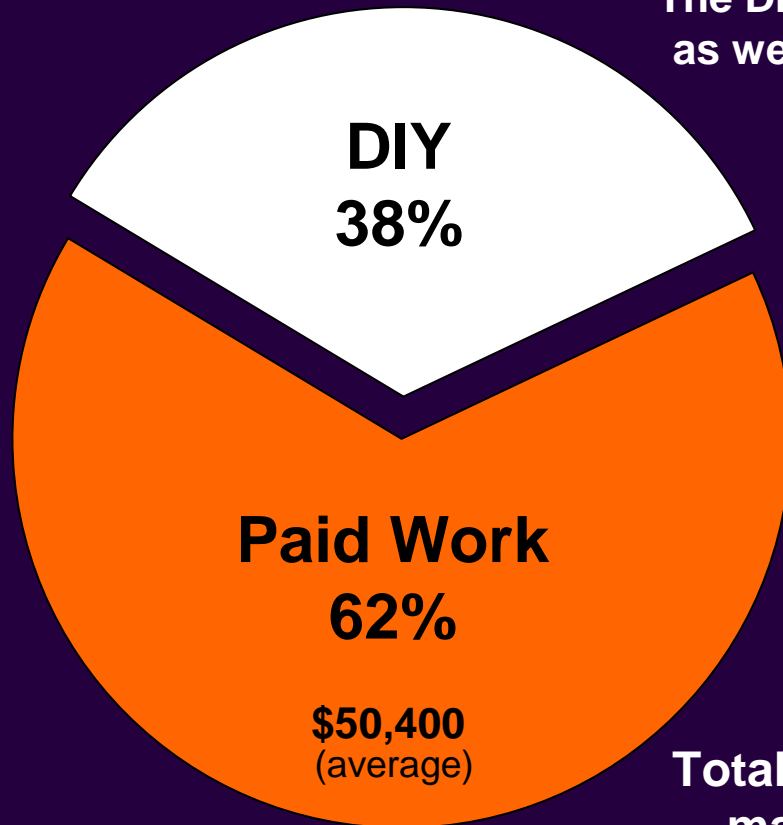
1965-2040s

- ★ 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

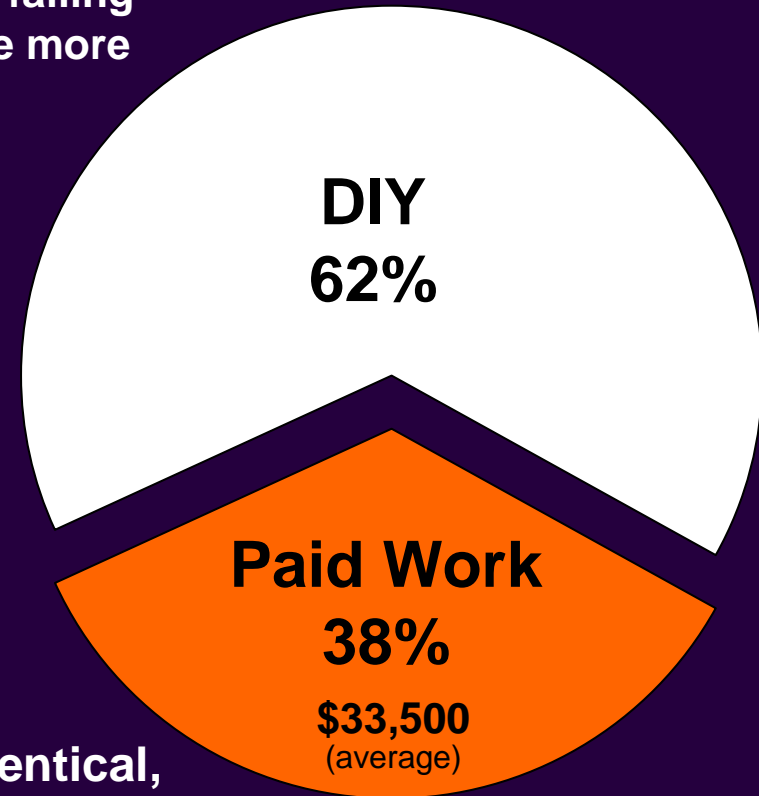
Do-It-Yourself and Paid Work

2006 (F)

Males



Females

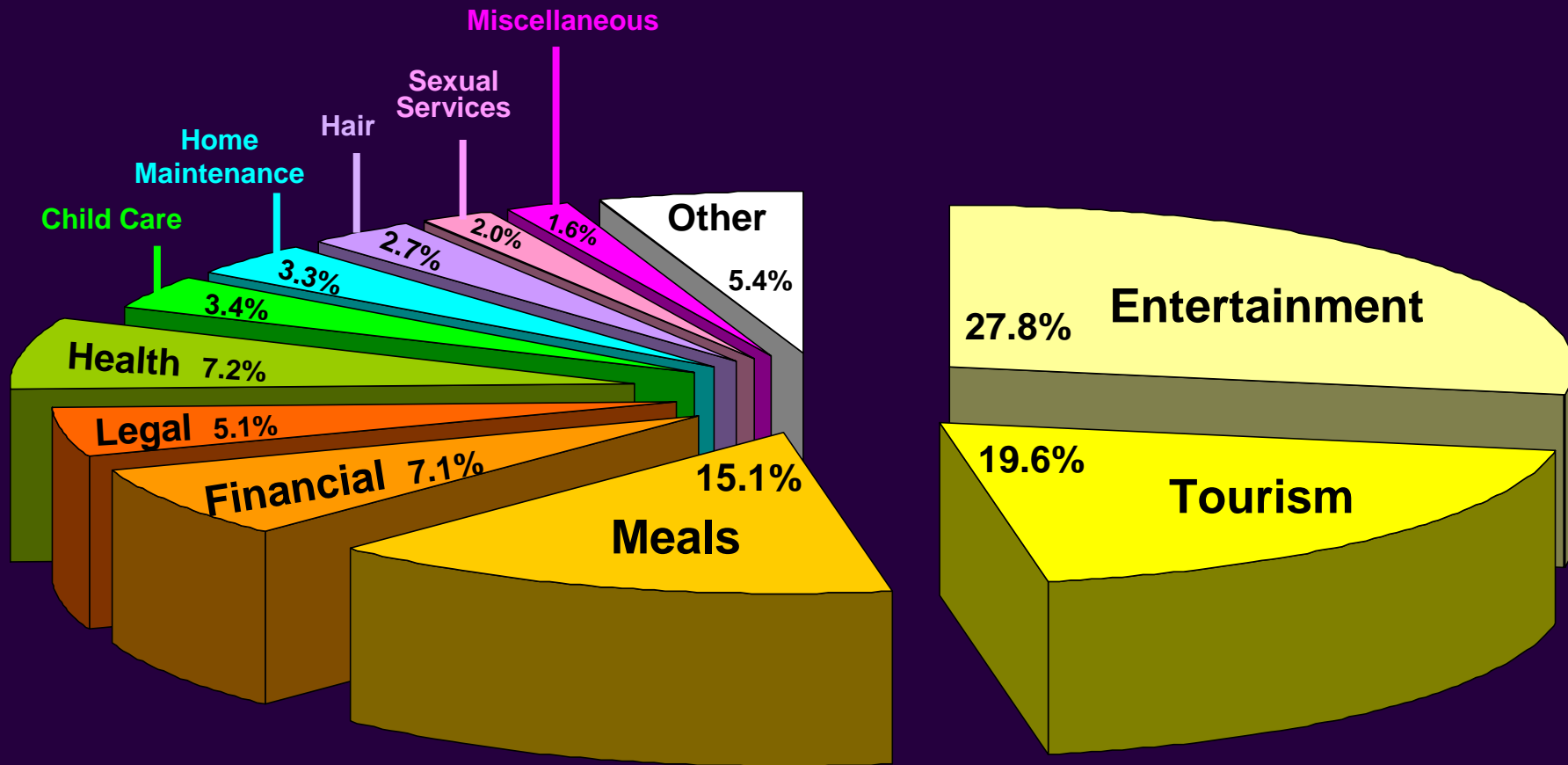


The DIY share is falling
as we outsource more

Note:
Total hours identical,
male and female

Household Outsourcing In The New Age¹

F2006 (E)



Note: ¹ Spending on new services, since 1965

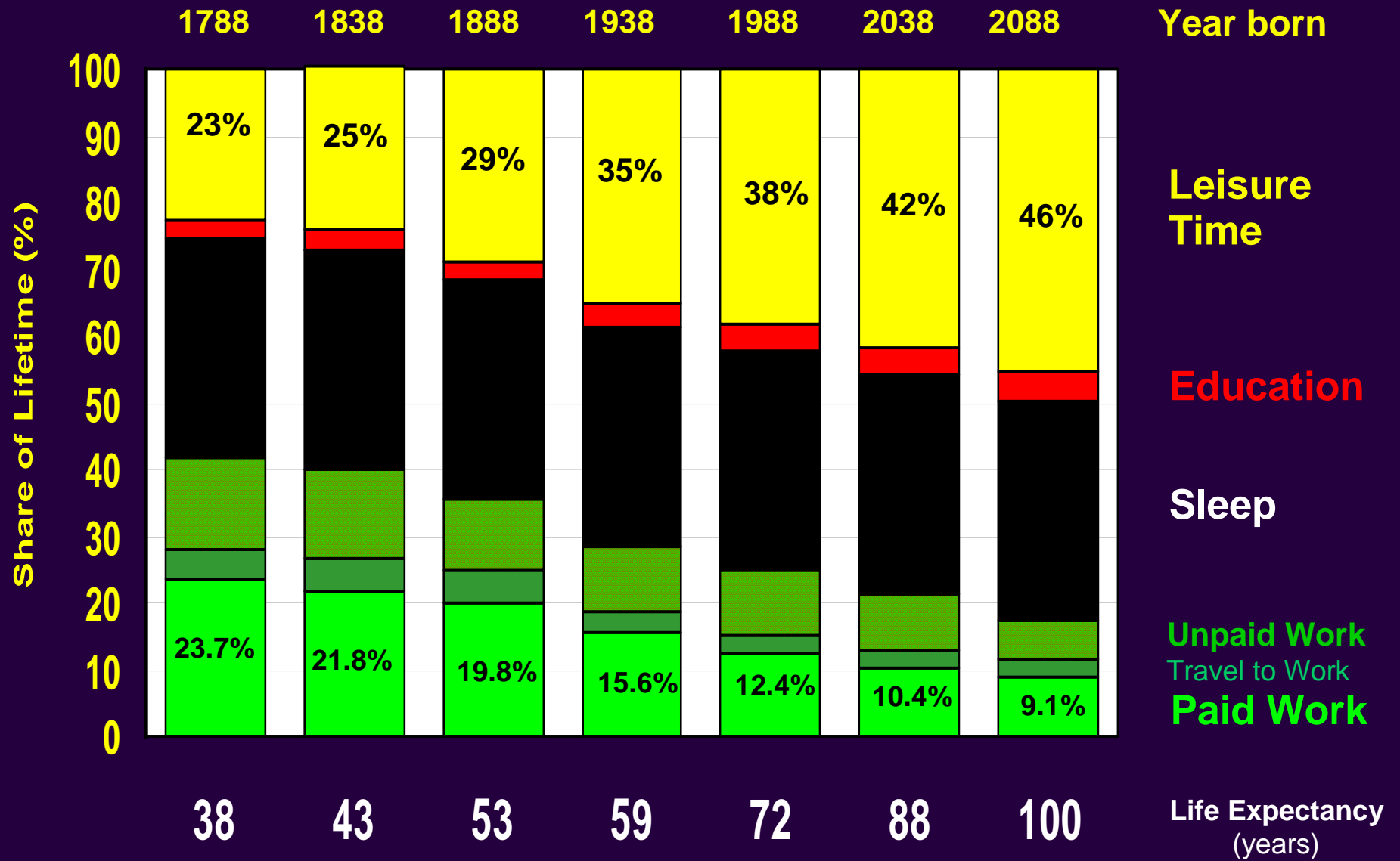
\$110 billion
\$13,700 per Household

Source: ABS, IBISWorld

**We are outsourcing more and more
DIY household activities to create
more leisure time – as shown later.**

Increasing Leisure Time

How various generations have spent, or will spend, their lifetimes



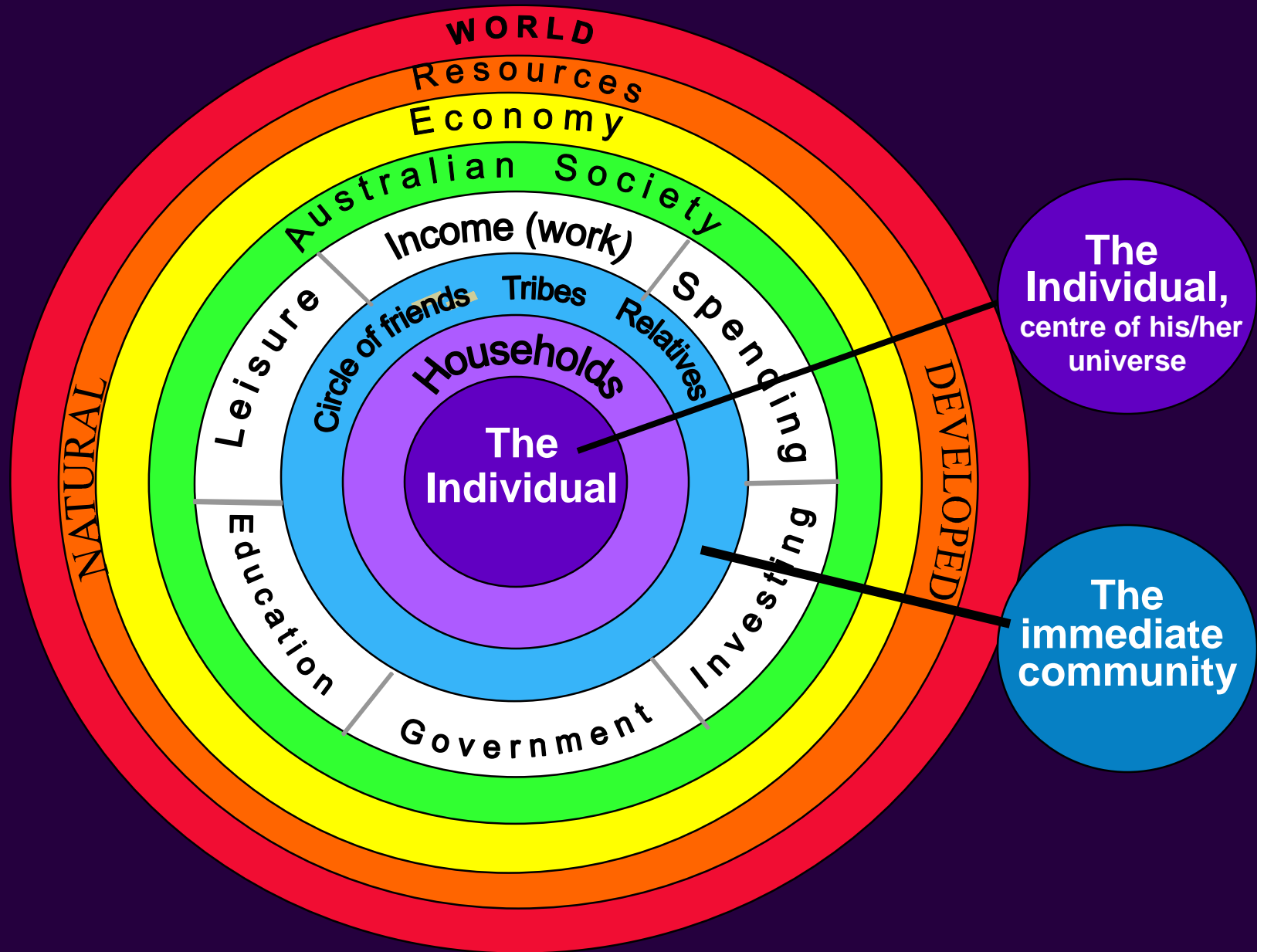
Source: IBISWorld

5.

Future

Communities

The Changing Environment for the Individual



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.

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