



Trend Analysis That Builds Business Decisions

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IN THIS ISSUE: OUR DEMOGRAPHIC FUTURE – SYNOPSIS OF A RECENT PRESENTATION BY DR. ROGER SELBERT

THE AMERICAN DEMOGRAPHIC FUTURE IS:

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|---------------|-------------------|--|
| 1 – LARGER | 5 – MORE ETHNIC | 9 – MORE SUBURBAN |
| 2 – OLDER | 6 – MORE DIVERSE | 10 – MORE DISPERSED,
DIFFUSED,
DECENTRALIZED |
| 3 – WISER | 7 – MORE HISPANIC | |
| 4 – WEALTHIER | 8 – MORE FEMALE | |

1 – LARGER

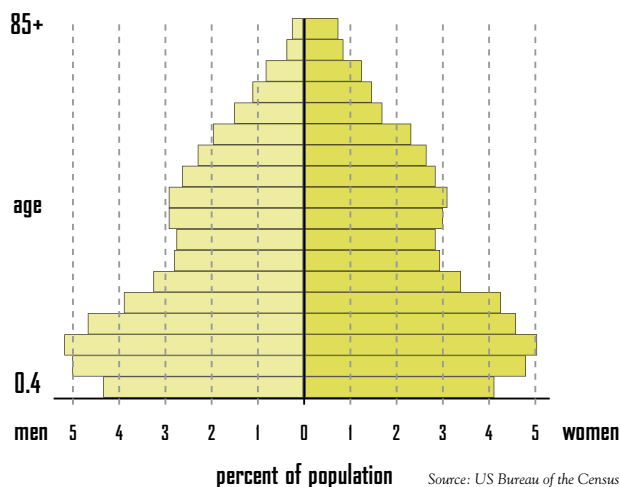
If current trends continue, the population of the United States will rise from about 300 million today to 438 million in 2050. Sorry, if you are a proponent of zero population growth, but population growth is a good thing. You see the depletion of resources, I see more people producing more wealth. You see more problems, I see more solutions.

For example, real estate! Where are all of these people going to live, go to school, shop, and go to work? Obviously there will be a huge demand for houses, apartments, offices, warehouses, shop-

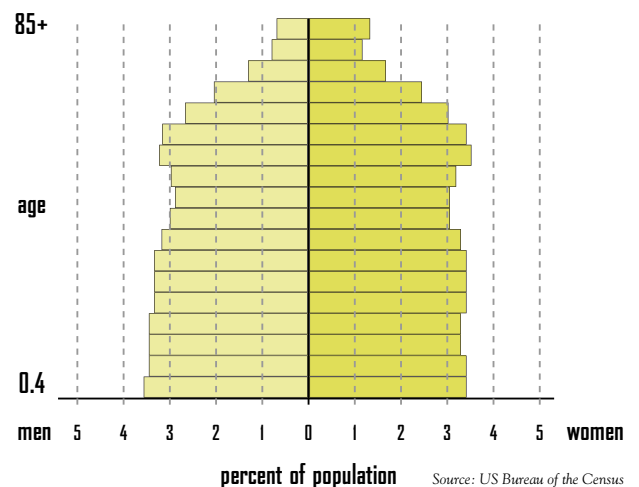
ping centers, production facilities and commercial properties. And they will be going to work. How do I know? They'll have to work to survive! Where will the jobs come from? From industries and businesses yet to be conceived and invented. That's how it has always been, and how it will be.

We are also, for the first time, becoming a truly age-diverse society. Our demographic pyramid, with a large base of youth and small tip of old, is becoming a demographic pillar: large and surprisingly equal numbers of all age groups.

US Demographic Profile 1970



US Demographic Profile 2020



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2 – OLDER

What is old? Well, in a recent poll of Baby Boomers, who are now 46 to 64, a majority say old age begins at 80, three years higher than US life expectancy. Yeah, so 70 is the new 50, and Death is the new Old!

And a good thing, too, because the nation's 50+ population will have grown 50% from 2000 to 2020 (80 million to 120 million). Those 65 and

older will be 20% of the population by 2030. Americans over 50 are already a third of the consumer market, and own or control 70% of net worth in the US. This year 80 million grandparents will spend \$40 billion.

Thankfully, with increased longevity has come increased health. Seniors are more active and less infirm than at any previous time.

3 – WISER

82% of Americans are high-school graduates, and 28% have a college degree. But virtually everyone is now more informed, aware, plugged-in, con-

nected. We are developing human capital in ways both formal and informal, acquiring deployable, applicable, useful, and productive skills.

4 – WEALTHIER

Yes, believe it or not, higher incomes will eventually return. They have to: we will have the skills, businesses will need the skills, and skills in the workplace will be rewarded. Will we always have the poor among us? Of course, but thankfully we will also always have the rich, and the rich want

to put their money to work. And that means investment in businesses, production, innovation, and growth.

More importantly, we will have a growing, not shrinking, middle class: a large, literate, skilled and hard-working population.

5 – MORE ETHNIC

It might be that as much as 20% of US residents are either foreign-born and/or speak a language other than English at home. Now, assimilation and acculturation are still the dominant trends, but as always in this process, we are changing what is mainstream. That's what the great machine that is American culture does: takes fringe elements and moves them to the mainstream (for fun and profit!). Jazz, rock and rap; tattoos and piercing; skateboarding and

snowboarding; Mexican food and everything else. I call this process *melding*, instead of *melting*.

- Immigrants now comprise 15% of the total US population.
- Racial and ethnic minorities are driving the nation's population growth and increasing diversity among its younger residents. Already, racial and ethnic minorities represent 44% of US residents under the age of 15.

- Market and industry analysis
- Strategic business direction
- Growth dynamics

- Trend identification and analysis
- Keynotes and presentations
- Proprietary research and reports

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6 – MORE DIVERSE

Minorities now comprise 35% of the total population. Hispanics, the largest minority, comprise 15.8%. Among American youth, 48.3% of children under age five belong to minority groups.

For the moment, non-Hispanic whites number 199.9 million, 65% of the US population.

But we are becoming more diverse not just ethnically and racially, and not just in age and income,

but diverse in background, habits, customs, beliefs, practices, lifestyles, appearances, values and attitudes. It's what I call a true diversity; no one group will be dominant. And by the way, that will increase cohesion because what we hold in common must come to the fore – our American culture and character: that unique combination of individualism and common purpose.

7 – MORE HISPANIC

The Hispanic population, already the nation's largest minority group, will triple in size and will account for most of the nation's population growth through 2050. Hispanics will make up 29% of the U.S. population in 2050. That obviously counts intermarriage, with the native-born offspring accounting for the majority of the growth.

(Intermarriage rate of US-born Hispanics under 30: nearly 60%)

The big underreported story: Hispanic middle class growth – young, family-oriented, suburban, working, career-oriented, entrepreneurial, conformist, acquisitive, aspirational, acculturated.

8 – MORE FEMALE

Women are more independent than ever. Increased labor force participation: Women are half the workforce, 50% of managers, 30% of professionals, and 12% of corporate officers. There are 10 million+ women-owned businesses in the US (accounting for 38% of all firms), employing more than 27 million people and generating \$3.6 trillion in sales.

Women control major assets in the US economy, and make the majority of spending decisions. In

other words women have power, clout, influence and means.

In 30% of 2-income households, the woman earns more than the man. Biggest women's issue: balancing work (career) with life (including childbearing). That's why 20-25% of women of childbearing age are childless (they're working!), and yet why 40% of college-educated women are not in the workforce (they're raising kids!). This is an issue!

9 – MORE SUBURBAN

The overall pattern of US population growth has shifted, for the first time in generations, toward smaller communities. During the past 10-15 years, for every 3 suburban households that moved to the city, five urban households departed for the suburbs. This trend will con-

tinue, due to baby boomers aging in place, and attitudinal shifts desirous of closer family and community connections.

Suburban communities will continue to become social, cultural, religious, entertainment, business

Growth STRATEGIES

Consulting in:

- Market and industry analysis
- Strategic business direction
- Growth dynamics

Providing:

- Trend identification and analysis
- Keynotes and presentations
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and employment centers. The future will belong to those communities that are able to blend work, culture and recreation with the type of housing preferred by most Americans: single-family

homes. Advances in telecommunications will support tens of millions of Americans who work at home full- or part-time.

10 – MORE DISPERSED, DIFFUSED, DECENTRALIZED

Small American cities, especially towns in warmer climates with nearby universities strong in science and engineering, will outperform larger cities, economically, over the coming decades. The attractions of smaller cities include affordable housing, short commutes, public schools that work, and amenities, amenities, amenities.

As a result, one of the least anticipated developments in the nation's 21st century geography will be the resurgence and renaissance of the American Heartland. As per Joel Kotkin in *The Next Hundred Million*, The US will remain a nation of great cities, but life everywhere will thrive. Small cities and towns, small businesses, regionalism and localism will be revived.

THE TEN STATE IMPERATIVE

Although we will be more dispersed, it is still true that 10 states will continue to contain the country's main engines of population growth, economic growth, demographic diversity, cultural dynamism, political power and market opportunity. They are the country's 6 mega-states (CA, TX, FL, NY, NJ, IL), plus the 4 southwestern states where the Hispanic population is growing rapidly (AZ, NM, NV, CO). These 10 states (in reality, their metro regions) now roughly contain half the American population, half the US economy, and 80% of

the 270 Electoral College votes needed to win the presidency. And oh yes, they also dominate American popular culture.

The 10 states are, and are increasingly, more diverse, younger and more dynamic than the other 40. They are richer, more urban, and dominate the cultural industries such as technology, design, entertainment and media. This is not to say the other 40 are in decline (well, some are), or that they don't have great places to live and great business opportunities (they do).

SELECTED SOURCES AND SUGGESTIONS FOR FURTHER READING/RESEARCH

[The Brookings Institution](#)
[Bureau of the Census](#)
[Economic and Social Research Institute](#)
[The Gallup Organization](#)
[Max Planck Institute for Demographic Research](#)
[National Bureau of Economic Research](#)
[National Center for Policy Analysis](#)
[The Nielsen Company](#)
[Pew Research Center](#)
[Population Reference Bureau](#)
[Rand Corporation](#)

The Growth Strategies Group can provide customized demographic trend research pertaining to your company, product, industry, market and strategy. Contact us to discuss the questions you need to answer.