The *New* Old

**Adapted from *Age Power: How the 21st Century will be ruled by the New Old* by Ken Dychtwald, Ph.D.\***

Why is wellness such a hot word today? Because the most impactful generation of Americans, the baby boomers, are nearing the age of retirement. They refuse to end life as old, feeble people - they want wellness for the rest of their lives! Ken Dychtwald, a leading authority on the baby boom phenomenon, has provided some insight into this aging generation, and how New Old will change the some business is done.

**When Did This All Begin?**In 1946, a quake that would last nearly two decades shook the demographic makeup of America. After dropping for centuries, from nearly 7 births per woman in the late 1700s to 2.1 in the 1930s, the birth rate rose to 3.8 in a postwar fertility boom that produced 76 million children - adding nearly one-third to the U.S. population - between 1946 and 1964. The force of this demographic quake has been reverberating through society's institutions ever since. Although it began as a baby boom, it is now rising up into an age wave, destined to crash upon society's shores, transforming everything in its path.

**Like a Pig Passing Through a Python** When the leading edge of the baby boom first arrived, America and its institutions were totally unprepared. Waiting lists and long lines developed at hospitals across the country; facilities and staff were inadequate, and in some hospitals, hallways were used as labor rooms. Similarly, apartments and homes didn't have enough bedrooms for boomer kids, there was a shortage of baby food and diapers, and department stores couldn't keep enough toys in stock to meet the multiplying demand.

When boomers took their first steps, the shoe, photo, and Band-Aid® industries skyrocketed. Similarly, sales of tricycles, Slinkies, and Hula Hoops exploded as the marketplace was flooded with products for kids. As teenagers, boomers fueled the surge in the economy. In 1963, American adolescents accounted for an estimated $22 billion in sales. They drank 55 percent of all soft drinks and consumed vast quantities of fast food, boosting franchise chains like McDonald's, Jack in the Box, and Kentucky Fried Chicken through year after year of 20 percent annual growth.

As part of their path toward fulfilling rising expectations, more boomers continued their education after high school than in any previous generation. In fact, the number of college students tripled between 1965 and 1975 and over 700 new colleges and universities were created to handle the demand.  By the 1980s and 90s, as is common in the fourth and fifth decades of life, boomers ratcheted up the economic ladder (albeit with some help from Visa, MasterCard and American Express), and began to pursue increasingly materialistic goals. Not surprisingly, the housing market - like hospitals and schools before - was also overwhelmed by boomer demands. This was good news for homeowners and homebuilders, as an unprecedented demand for a limited supply of homes raised the roof on housing prices.

The boomers create the lump that swells every trend - the pig that passes through the python. When they reach any stage of life, the issues that concern them - whether financial, interpersonal, or even hormonal - become the dominant social, political, and marketplace themes of the time. And boomers don't just populate existing lifestages or consumer trends, they transform them. Some examples:

1. Boomers didn't just eat food - they transformed the snack, restaurant, and supermarket industries.
2. Boomers didn't just wear clothes - they transformed the fashion industry.
3. Boomers didn't just buy cars - they transformed the auto industry.
4. They didn't just date - they transformed sex roles and practices.
5. They didn't just get married - they transformed relationships and the institution of the family.
6. They didn't just go to work - they transformed the workplace.
7. They didn't just borrow money - they transformed the debt market.
8. They didn't just go to the doctor - they transformed healthcare.
9. They didn't just use computers - they transformed technology.

On January 1, 1996, the first baby boomer turned 50. By the second decade of the 21st century, boomers will evolve into the largest elder generation in history. Once their oldest members start turning 65 in 2011, the numbers will skyrocket, from approximately 40 million to 70+ million by 2030. As they age, the look, meaning, experience, and purpose of maturity will be transformed.

**Demography is De$tiny: From Baby Boom to Age Power**  Until recently, corporations, marketers, and entrepreneurs paid little attention to 50+ men and women. There was, after all, little to spark their interest in a group whose members tended to be financially disadvantaged, frugal, and perceived as set in their ways and uninterested in new products and ideas. However, as the baby boom becomes an age wave, marketers are coming to realize that maturing men and women may turn out to be their fastest growing and most financially advantageous potential target audience.

Already, 50+ men and women currently earn more than $2 trillion in annual income, own more than 70 percent of the financial assets in America, and represent 50 percent of all discretionary spending power. In fact, their per capita discretionary spending is 2.5 times the average of younger households and is particularly strong in the financial services, healthcare, leisure, wellness and beauty products categories. The steady aging of the boomers will continue to produce many demographically driven revolutions in the consumer marketplace. As the boomers pass through their middle years and on to maturity, four key trends will reshape supply and demand:

**1) The rise of the "cyclic" life paradigm.** The speed of technological advance, combined with the growing public appetite for personal growth and new lifestyle challenges at all ages, will render obsolete the traditional "linear" life paradigm.

Previously, people have migrated in lockstep first through education, then work, then leisure/retirement. In linear mode, everything had its place and life was too short for second chances. In its place, a new "cyclic" life paradigm - in which education, work and leisure are interspersed repeatedly throughout the life span - is emerging. It will become normal for 50 year olds to go back to school, for 60 year olds to fall in love and for 70 and 80 year olds to re-invent themselves through new careers.

Rather than saving all of our leisure and retirement for the end of our lives, regular breaks throughout adulthood for re-creation and re-invention will become commonplace. Enabled by the growing field of lifelong learning, phased retirements, part-time and flex-time work and "rehirements" will also become viable options for mature adults who'll either need to or want to continue working.

**2) The desire to age youthfully and achieve lifetime wellness.**  There is a growing wellness revolution taking place. With every day that passes, more and more people are saying, "I don't want to be ill. I don't want to be sick. I don't want to have to live with pain. I want to be well. Throughout my life, I want to be able to do all the things I dream of doing in my maturity without being restrained by ill health." And, in fact there is impressive growth in almost every industry you can imagine that might allow people to have more wellness in their lives. Watch for the boom in wellness products such as appetizing drinks, meals, snacks, and supplements engineered with macro- and micronutrients to fight aging and safely promote energy, relaxation, mental alertness, endurance, recuperation, wellness, and other desirable physical and mental states.

**3) A desire to achieve a satisfying state of work-life balance.**  An amazing 85 percent of all baby boomers hold jobs - the highest percentage of any generation of Americans thus far. Perhaps the single biggest change compared with earlier generations is the percentage of women who work outside the home. While these new roles are in many ways liberating, they have also turned out to be confusing and often stress-producing. A typical complaint is the feeling of being continually pushed and pulled by a myriad of conflicting responsibilities. In response, a growing number of families are choosing to break free of this "rat race" and establish better work/life arrangements. Millions are deciding that they'd like to have more control over their time and their ability to enjoy their families. This can be a powerful engine that drives the success of companies that allow people to earn attractive compensation while they maintain their health and their lifestyle priorities.

**4) The need for sufficient financial resources to support the longer, more complex lives that tens of millions of men and women will be living.**  Unfortunately, many working Americans are not preparing themselves financially for these longer lives. In fact, 25 million boomers - that's one-third of the boomer generation - have less than $1,000 in their total net lifetime assets. To make matters worse, demographic forces don't bode well for government entitlements. Between now and the year 2030 the 65-plus population will grow by more than 70% while the working population will only grow by 4%. If anyone is expecting that the government is going to give them a secure retirement, I'd say, "Don't count on it." Instead, in the years to come we will need to be able to support ourselves, and that's going to mean earning more, paying down high interest debt and saving a lot more. Perhaps the recent economic stresses will change individual’s focus on need for savings, however it also makes it harder to be able to save.

It is becoming increasingly apparent that the boomers have no intention of growing old like their grandparents and parents before them. Instead, they will be the beneficiaries of remarkable new advances in the wellness and longevity-oriented sciences that will inspire them to postpone old age and reshuffle the deck regarding what society expects maturing men and women to do with their lives. Critical to this new lifestyle paradigm is having the financial independence to pursue one's dreams unfettered by fear of inadequate resources.

The boomers have dominated American culture for five decades. Every time they've taken a step, the spotlight of the media has swiveled to illuminate them. The massive numbers of their generation have amplified and intensified the importance of whatever experiences they've had at each new moment in their lives. Everyone watched as they learned to use a baby bottle, they learned to read, to play records, to buy cars, to vote, to rent condos, and to invest in the stock market. In the years ahead, as this baby boom continues to ‘go down the python’, marketers will succeed if they can understand and meet the wellness, lifestyle and financial needs and aspirations of this powerful generation.