TOP 7 TRENDS OF THE NEW DECADE: 2010-2020

As we move through the second decade of the 21st Century, Social Researcher Mark McCrindle outlines 7 key trends that will define Australia towards 2010.

1. THE RISE AND RISE OF AUSTRALIA’S POPULATION

In 2000 Australia had a population of 19 million and the population growth rate had slowed to 1.2%. However over the last decade it has defied the predictions and rather than slowing, the population increase has accelerated, finishing the decade breaking 22 million with a population growth rate twice what was expected, hitting 2% per annum. This decade will see Australia's population hit 27 million.

“The highest ever birth numbers, combined with the lowest ever death rate, and record net migration have combined to provide the perfect storm of population growth over the last few years” states Mark McCrindle. “A decade ago it was predicted that Australia’s population by mid-century would hit 27 million however at our current record breaking growth, with our population growing by an extra million people every two years, it is likely that it will hit this mark in 2020.”

2. AUSTRALIA’S MINI BABY BOOM

Australia began the last decade with the lowest birth rate on record with a total fertility rate (babies per woman) of 1.7 (2001). It was thought that the birth rate would drop to 1.5 by the end of the decade but the reverse occurred. Australia finished 2009 with the highest total fertility rate for 32 years (now at 1.97 it is close to 2.01 of 1977) and the highest number of births ever (296,261). Also the women having the most babies today are those in their 30’s rather than those in their 20’s of a decade ago. The highest fertility continues to belong to females aged 30-34 years (127.8 babies per 1,000 women) – the highest for this cohort since 1961. Similarly, women aged 35-39 years reached the highest rate for this cohort since 1948! This baby boom will continue with annual births exceeding 300,000 throughout the decade ahead. The number of women having no children in their lifetime is rising- currently it is 1 in 4 yet the Total Fertility Rate is also rising – caused by the women who are having children having slightly larger families than those of a decade ago. Indeed the average number of children per household (of those who are having children) is now back up to 3.

3. FROM XERS & Y’S TO ZEDS & GENERATION ALPHA

The last decade began with us analysing Generation X and welcoming Generation Y. Born since 1980, Gen Y in 2000 were children and teenagers while in 2010 the oldest of them turn 30 and become parents (30 is the average age of an Australian woman having a child). While the last decade saw the birth of Generation Z - born from 1995 to 2009, it will be in the decade ahead that most in this generation move through their teenage years and move towards independence. A generation today spans 15 years which means that 2010 marks the start of the next generation:
Generation Alpha. They will be the most formally-educated generation in history – starting education younger than ever and projected to stay in education for longer than ever. As the children of older, wealthier parents, in two-income households and with more entertainment and technological options, it is likely that they will be the most materially-supplied generation of children ever.

4. THE AGEING POPULATION

The last decade began with the Baby Boomers ranging in age from the mid 30’s to early 50’s and it concludes with some of the Boomers entering retirement and becoming pensioners. This is the start of the age wave hitting Australia. By the end of this decade (2020) there will be more 65 year olds than 1 year olds. In 2020 life expectancy at birth will exceed 81 for a male and 86 for a female, and almost 1 in 5 Australians will be aged over 60. Over the next 4 decades while the total population will increase by just over half, the 65 and over population will more than double and the 85 and over population will triple. This ageing population will affect everything from the national accounts, to demands on health and housing, to the workforce. In 2020 the never-grow-old Baby Boomers will be in their 60’s and 70’s, and the oldest Gen Xers will be in their 50’s- and themselves beginning to exit from the labour force.

5. RETURN OF THE MULTI-GENERATIONAL HOUSEHOLD

The last decade brought us the stay-at-home twenty-somethings who were labelled the KIPPERS (Kids In Parents Pockets Eroding Retirement Savings) Nearly 1 in 4 (23%) people aged 20-34 continue to live in the parental home. And it’s not just those in their 20’s. In Australia there are 117,547 people in their early 30’s still living at home with their parents (8% of Australians aged 30-34).

Generation Y have also been labelled the Boomerang Kids because it is increasingly likely that once they have moved out of home they will move back there again. Of Australians aged 25-29 who live in their parental home, more than half of these (54%) have moved out, and returned again. Most (52%) last less than 2 years before moving back to the parental home with 20% lasting less than 1 year. 16% last more than 4 years before returning home. Indeed many Gen Xers and Yers are returning to the parental home with their own young children in tow.

All of this has given rise to the Sandwich Generation. This describes those Baby Boomers sandwiched between the need to care for their dependent children and the responsibility of caring for their older parents. This sandwich generation arises from the combined trends of delayed childbirth, the delayed financial independence of children, and the increasing life expectancy of the older generation. Consequently we have seen this decade the emergence of the multi-generational household with the parents housing their adult children (sometimes with their own young children in tow) along with their own ageing parents. This multi-generational household, while new in our era, is simply a return to what was the norm a century ago.
“Generation Y are the world’s first digital generation, the world’s first global generation, and the most entertained and materially endowed generation Australia has ever seen.” stated Mark McCrindle. “This was the generation that expected to start their economic life in the manner in which they saw their parents finish their economic life, and when hit with the financial reality of independent living, many are reflecting on the good deal they had living with their parents and so they are boomeranging back home”.

6. WORK CHANGES- FROM INCREASING DEMANDS TO CAREER DEVELOPMENT

While the last decade saw the growth of portfolio careers, work-life balance, and “sea-change” lifestyle jobs, this new decade is bringing back some new stability. With the ageing population will come an ageing workforce, mass retirements, a skills shortage, and a succession planning challenge. Over the next decade 40% of today’s senior leaders will reach retirement age. Already the average age of an employed person in the education sector is 44, and in the health sector it is 45. Therefore there will be a premium paid to employees who can gain experience in a career, climb the ranks within an organisation, and move into leadership positions. While flexibility, job variety, collaborative leadership models, and work-life balance will remain part of employment, there will be a return to training, skills development, longer job tenure and stability.

7. AUSTRALIA REDEFINED

Australia today is loved for more than the outback, the iconic beaches, sporting success and “no worries” attitude. Certainly the old affections run deep however the 21st Century has brought a new sophistication and a view of our nation as an innovative, technologically savvy, world-leading cultural hub and lifestyle destination. The last decade has showed an Australia with a self-assuredness of our place globally and a move from the old “cultural cringe” to an acceptance of our traditions, history and interests beyond clichés. Much of this has come through our diverse and growing cultural mix. Currently 1 in 4 Australians weren’t born here and the cultural diversity of the Under 30’s is even greater than that of the Over 30’s. Of the population growth in the decade ahead, only one-third will be through natural increase and two-thirds through net migration. The decade ahead will continue to redefine the Australian identity as a sophisticated, urban, hard working, cosmopolitan, culturally diverse and globally connected nation.

Source: McCrindle Research.

Research method: Based on scoping research, statistical analysis, national surveys and focus groups conducted by McCrindle Research.

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