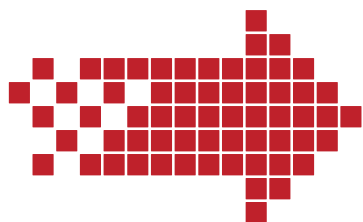


# BIG SHIFTS AHEAD

DEMOGRAPHIC CLARITY  
FOR BUSINESSES



JOHN BURNS  
CHRIS PORTER

*Advantage*®

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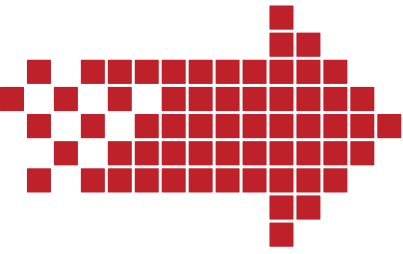
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## **FROM JOHN**

I dedicate this book to my parents, John and Mary Burns. My 1930s Savers parents raised four 1960s Equalers and one 1970s Balancer. They take so much pride in their six 1990s Connector and four 2000s Global grandchildren. Sadly, Mary Burns passed away during the editing stage of the book.

## **FROM CHRIS**

I dedicate this book to my parents, Bob and Kathy Porter. My 1940s Achiever parents raised two 1970s Balancers and four 1980s Sharers. They love being with their twelve 2000s Global and 2010s post-Global grandchildren.



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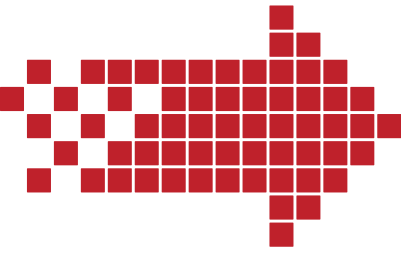
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# INTRODUCTION

The biggest demographic shifts since the Baby Boom continue to create opportunities and present challenges. America has more people in their early 20s and early 60s than ever before.

Opportunities abound. Women receive far more college degrees than men and increasingly earn more than their spouse. Immigration has shifted from impoverished refugees walking across the border or landing via boat, to affluent middle- and upper-class families fleeing the BRIC countries (Brazil, Russia, India, and China) after decades of amazing economic growth. An unprecedented surge in retirees drives a remodeling boom. Young adults—a term we use to refer to all or a portion of the population aged 18 to 34—should finally receive good raises, thanks in part to so many people retiring. Incredible new technologies create a sharing economy, helping Americans reduce expenses and stay more connected to each other than ever before.

Despite the advancements and increasing opportunities, daunting challenges need resolution. Retailers file bankruptcy. New technologies render knowledge-worker jobs obsolete. New home construction remains far below norm. Immigration from Mexico turns negative. Pension plans struggle with unprecedented withdrawals. More people than ever have college degrees, saddled with 500%

more student debt than in 2004, causing young adults to live longer at home than ever before. What shifts will occur next?

We wrote *Big Shifts Ahead* primarily for ourselves. As consultants to the construction and investment industries, we need to understand the demographic shifts transforming the country. We also need to communicate the trends to our clients in a way that makes the information digestible and usable for decision making. In this book, we pulled an overwhelming amount of information together for those who need to make decisions.

We redefined the generations by decade born, giving us much more clarity on the generational shifts occurring in America. The terms Baby Boomers, Gen X, and Millennials make sense when describing decades-long shifts in birth rates. However, a 31-year-old Millennial father and a 16-year-old Millennial high school student share little in common. Retired 70-year-old Baby Boomer grandparents collecting Social Security and 53-year-old Baby Boomers struggling to save enough money to put their high schoolers through college also have little in common. We all identify much more with people our own age and in the same stage of life.

A good friend, who also happens to be a best-selling author, kept encouraging us to *tell a story*—a story that would communicate the shifts we are facing in a personable, relatable way. For example, documenting exactly how many older Americans increasingly work past age 65 quantifies an important trend. But hearing 63-year-old executive Steve Burch describe his passion for work and his plans to keep putting in the hours as long as he can drives the point home. Charts demonstrating exactly how much those born in the 1980s and 1990s delay forming households offer helpful intelligence. But hearing 29-year-old Kyle Zierer relate his experiences living at home makes the trend more understandable. Huge shifts in college

education have transformed society, and 49-year-old single mom Lisa Jackson's story brings it all together.

We presented our preliminary findings more than two dozen times to more than 1,000 people and learned a lot from their feedback. We could see the light bulbs go off as people now understood why their friends and family behaved so differently from them and why their businesses needed to change to keep up with the shifts. The three new frameworks we developed to pull the information together proved so educational that we decided to include several forecasts. We forecasted the number of households that will be created by 2025, where they will be located, and the percentage who will live urban versus suburban. We chose to forecast to 2025, which was ten years out from the most recent data we had available, and ten years seemed like a reasonable amount of time to make for meaningful estimates. We will keep these forecasts up to date on [www.bigshiftsahead.com](http://www.bigshiftsahead.com) and [www.realestateconsulting.com](http://www.realestateconsulting.com) as we get new information that leads us to change our views of the future.

In part 1, we identified 4 Big Influencers that shape generational shifts. These influencers—government, economy, technology and societal shifts—will change the future, just like they changed the past. The influencers provide a great framework to summarize and analyze the shifts occurring today, with an eye to what will happen in the future.

Seven shifts are impacting society so dramatically that we devoted a chapter to each. In part 2, we discuss the four biggest shifts impacting society. Shifts led by college-educated women, new sources of immigration, workaholic retirees, and young adults born after 1980 will dominate the next decade. In part 3, we discuss the three shifts impacting where and how Americans will live. Americans will migrate south, increasingly living in a more afford-



able urban-like environment we call surban™ and increasingly choose renting over owning.

Making the information usable required us to translate “demographer-speak” into plain English. We sweated over arcane data definitions, long formulas, and standard deviations. We stressed over multiple data sources that occasionally disagreed. While maintaining data integrity, we simplified the language. For example, we use the term “working-age population” to define those aged 20–64. We know that many 20-year-olds attend college rather than work and many 67-year-olds have not yet retired. We labeled those born in the 1970s “Balancers,” fully aware that some of them have had little balance in life. Decision makers require simplification backed by supportable facts. *Big Shifts Ahead* offers both.

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**NOTE:**

MANY OF THE FIGURES IN THE TEXT ARE BASED ON JOHN BURNS REAL ESTATE CONSULTING CALCULATIONS OF DATA FROM THE US CENSUS BUREAU AND PUBLIC-DOMAIN GOVERNMENT RECORDS. MANY CALCULATIONS AND MORE DETAIL CAN BE FOUND ON THE BOOK'S WEBSITE, [BIGSHIFTS Ahead.COM](http://BIGSHIFTS Ahead.COM)

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