

From Builders & Boomers to Xers and Y's:

A Social Report on Generations X & Y



introduction

Generational studies are a relatively new phenomenon. A generation ago our society was based on a hierarchical structure and so older people were managers and leaders who made most decisions while the younger generations were likely to be at lower ranks in a more authoritarian structure. This stratification meant that different age groups rarely mingled in the workplace and there was little need of social research. Further, the younger demographic had little spending power and even less influence so market research was not conducted with them. Not so today. Baby Boomers were the first teenagers to be marketed to, they redefined consumerism, and they operated quite differently to the preceding generations.

Our research shows the biggest market segmentation is not a gender divide, cultural divide, income or technology divide but it is the generational divide. For those of us involved in marketing cross-generationally it must be remembered that the gap between us and for example the 20-somethings is constantly growing, so we must work harder to understand them and so remain relevant.

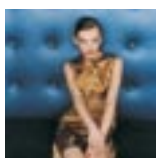
There is a lack of general Australian social research concerning the emerging generations. Most research is marketing research that attempts to uncover which advertisement, brand, or flavour will sell best. Some important attributes of the emerging generations: their life aspirations, interests, and attitudes are rarely researched due to the limited commercial application of such findings. Due to the scarcity of such research, many organisations are making decisions based on anecdotal evidence, or past experience.

To ensure the cohort discussed is not too broad, this paper will focus on the emerging adults aged under 30 which comprises the younger Generation Xers and the older edge of Generation Y.

Australia's Generations - The Definitive Classification

description	born	Age	Pop'n (mill)	(% of Pop'n)
Builders	Before 1946	61+	3.5m	17%
Boomers	1946–1964	42 – 60	5.3m	26%
Generation X	1965–1979	27 – 41	4.4m	21.5%
Generation Y	1980–1994	12 - 26	4.2m	20.5%
Generation Z	1995 – 2009	Under 12	3.1m	15%

ABS Population Pyramid 2006 & McCrindle Research Study 2006



generations X & Y- common misconceptions exposed

When assessing any different cohort or group, it is important that the differences are not overstated, but nor must we brush over real differences. In dealing with the intergenerational workforce there are a number of fallacies that are raised and that must be addressed:

“Generations X & Y are irrelevant: it’s about engaging with an ageing population”

As discussed it is an ageing population as shown by many measures from the increasing median age to the pending retirement of many Baby Boomers and this is precisely why Xers & Generation Y are so relevant.

Enormous:

While there are increasing numbers of older people as a percentage of population, it must be remembered that Generations X & Y are still enormous generations comprising more than 2 in 5 Australians. Yes the population pyramid is beginning to look more rectangular but for now there are a massive 8.6 million Xers & Y’s in Australia.

Employment

This is the very age group either entering employment or in the education system from which they will emerge into employment. From an employment perspective the older Y’s- the 20 – 26 year olds have a labour force participation rate of around 90% which is second only to the Xers in their 30’s and 40’s.¹

Extrapolation:

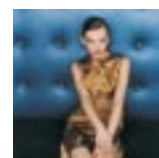
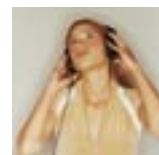
From a trend analysis this is the emerging generation of workers and they will continue to be the main generation of workers for at least two decades. In 20 years even the youngest Baby Boomers will be hitting retirement age, closely followed by the oldest of the Gen Xers but the Gen Y’s & most Xers will then be in the prime of their careers.

Education:

Greater sophistication is needed when engaging with the new generations. We are dealing with the most formally educated generation ever. High school retention rates are hovering near an all-time high with 77.1% of year 10 students going on to complete Year 12.² After completing Year 12 almost half of all students go on to University and another quarter study at TAFE.³ So hype and superficiality won’t cut it with this educated generation.

Expenditure:

From an economic perspective this generation is growing in importance as they move into employment and their wealth accumulation years. As customers, even now they punch above their economic weight because beyond spending their own money they influence government spending, corporate spending, and even many of their parents’ purchasing decisions.



“Generation X & Y are just labels: they’re the same as the young people of my day”

“I’m not trying to cause a big sensation. I’m just talkin’ ‘bout my generation.” The Who, 1965.

It is interesting that the Pete Townsend authored hit “My Generation” that became an anthem for the Baby Boomers in their teenage years has over the last few years been re-recorded by the Gen X bands Oasis and Green Day, and even the Generation Y singer Hillary Duff. Its lyrics highlight the age-old generation gaps that are felt by every cohort of young people. So how do Generations X & Y differ from the other generations, and from the twenty-something’s of the 1980’s or the 1960’s?

Age:

Children nowadays are tyrants- they gobble their food, contradict their parents, and tyrannise their teachers! Socrates, 425BC⁴.

Obviously the age or life-stage of this generation separates them from the older generations. The challenge of managing the young and bridging the generation gaps has been with us for millennia as illustrated by this Socrates quote.

Being young they have different priorities to older generations. For example the Australian Bureau of Statistics shows that Generation Y is the most likely to rent and the least likely to have children compared to any older generation. The point is that people operate in different ways because of their age. However age is not the sole reason for generational behaviours otherwise teenagers today would be indistinguishable from teenagers of a generation ago. Yet this is clearly not the case, and it is because life stage is just one of three broad factors that differentiate the generations.

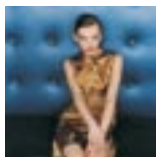
Conditions:

The current economic, social, and political conditions which we all live under actually further divide the generations. The same conditions act upon people of different ages in different ways. This is the whole point of Marc Prensky’s oft referenced paper Digital natives, Digital Immigrants⁵: while anyone can send a text message or access a pod cast, Generation Y have been exposed to these new options during their formative years and so the digital language and technology is almost their first language. They are technological “natives” compared to say the Baby Boomer “digital immigrants” who migrate to the latest technology.

Experiences:

Experiences that occur during the formative childhood and teenage years also create and define differences between the generations. These social markers create the paradigms through which the world is viewed and decisions are made. Baby Boomers were influenced by the advent of the TV, Rock and Roll, the Cold War, Vietnam War, the threat of nuclear war, and the decimal currency. Xers saw in the Personal Computer, AIDS, single parent families, the growth in multiculturalism, and the downsizing of companies. Generation Y’s have lived through the age of the internet, cable television, September 11, globalisation, and environmentalism. Such shared experiences during one’s youth unite and shape a generation.

There is an ancient saying that bears much truth: “People resemble their times more than they resemble their parents”.



“Generation X & Y is just a passing fad- they’ll grow out of it!”

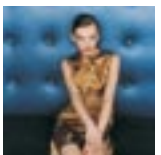
“Give me a child until he is seven, and I will show you the man”
Traditional Jesuit saying

Another mistake is to view generational characteristics as merely a life stage, or fad that they will outgrow as they age. This was said of the older Xers- that the high percentage of their income considered disposable (70%), the constant changing of jobs, and residence, their high priority on work-life balance etc were behaviours that they would eventually outgrow. However with the leading-edge Xers now in their early 40’s there is little change in these areas. What has been proved is that values, attitudes, and priorities are established and identifiable early in life.

Generations do not change over time to look identical to how their parents looked at the same age but rather a generation is a product of their current age, their times, and importantly the formative technologies and social markers that uniquely shaped them.

Keep in mind that this employees market of today where it is competitive to attract and retain good staff is a creation of both a solid economy and changing demography. Therefore these new employment realities won’t disappear as soon as the economy slows- because the demography shows that demand for staff will outstrip supply for decades to come. For example while our population hit 20.5 million in February 2006, the population growth rate is now relatively low. In fact the growth of Australia’s population is projected to slow down even further during the next 50 years, from 1% per year over the next ten years to 0.2% per year between 2041 and 2051.⁶

From Builders & Boomers to Xers and Y’s



how can generations X & Y be best defined?

Empowered yet uncertain

Challenges of life today

- “Life is far harder than I thought, it’s a real challenge”
- “You just spend each day trying to make ends meet”
- “I’m definitely looking for something more, an escape”
- “You have freedom in that you have a car but that’s it”
- “When you were younger you did what you wanted, and you had no responsibilities”
- “There’s a lot of pressure (to succeed/be responsible)”
- “Life just gets away from you, it passes you by”

The comments above from various participants in the discussion groups represent some common themes. While life today for the Under 30’s offers great choices and opportunities, it also offers greater responsibilities and demands. The Xers interviewed expressed that while they are empowered in society, they are not yet ready to make the big decisions and commitments of generations past.

The empowerment of this generation is outlined by one of the few Australian social researchers of Generation X: “Instead of waiting for government leadership there is a move towards personal leadership. Around the world Gen Xers have decided to get on with it. They have decided to make their own rules and take advantage of the monumental changes that come with the deluge of information and technology in our society today”⁷.

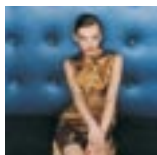
However the views I heard expressed in the groups were more in tune with that of Emma-Kate Symons in her review of a study of today’s young adults: “The young Australians approaching their 30’s are extending adolescence and deferring adulthood, usually signified by milestones such as marriage, children, and mortgage. About half of them still live at home with their parents until well into their 20’s.”⁸

There was actually a fair bit of insecurity expressed by the Gen Xers in the focus groups. Fear of their financial future, terrorism, whether they will be married and have children, and most often mentioned: whether they will make the most of their life. The opportunities of being young today come with the downside of greater expectations as shared by 28 year-old Joanna Jepson “We celebrate limitless choices so we think we ought to have achieved so much, and when we don’t it is depressing and we feel like failures”⁹

Life balance not bank balance:

Priorities in life

- “We are bombarded with advertising messages today and it’s all hype”
- “I’ll definitely work less and do more”
- “I don’t think I’ll ever be able to buy a house anyway so yeah”
- “Financially it’s a stress for sure but there’s so much more to life”
- “There are so many choices today compared to my parents...we have more options”
- “And unreal expectations of what can be done in a day”



Beyond these comments, a look at their employment patterns shows that they value life balance and are searching for something beyond the earnings. In Generations at Work, Raines writes “Xers are very clear about the meaning of work balance in their lives. Work is work. And they work to live, not live to work”¹⁰ The Australian research mirrors this. Writing in the Sydney Morning Herald, Professor Wyn of the Australian Youth Research Centre writes “This is the new adulthood...In an uncertain environment the post ‘70’s generation have learnt to be self reliant, to see careers as a personal journey, to seek balance in their lives, and to be flexible. They are also very focussed on themselves”

The latest Hudson report states that for Generations X & Y, when deciding whether to accept a job, “more interesting work”, “ongoing training”, and “work flexibility” rank above “better remuneration and benefits”. The point being that for the generation closer to the start of their working life than the end, life balance outweighed bank balance (The Hudson Report).

The people of this generation are sometimes referred to as Slackers, Busters, or Post Boomers- yet these labels misunderstand their work ethic. The perception of an unreliable and lazy generation is debunked by many researchers- they just approach life differently. “70% of the people we spoke to talk about a way of working that is smarter rather than harder. They speak about things like working from home, marketing their ideas rather than their time, and moving away from the daily 9- 5 grind...Generation X are restructuring the way they earn money and because of this- the way they live”

There was no discernable difference in the work aspirations and financial expectations of men and women in the groups. The demographic data shows the shift: today there are 2.5 times more women employed than there was in 1970 (ABS Labour Force Cat. 6202.0).

Social yet disconnected:

Friendships and family

“You think there’s going to be more freedom as an adult but there’s less- the school days were great”

“Yeah, the friendships at school, those were the days”

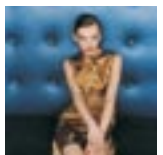
“At school it was automatic with friends, but now you have to make an effort”

“My parents were married with kids at my age, I can’t imagine that” (aged 24)

“Life gets busy and you actually lose contact with friends”

This generation is technologically connected like no other cohort, from their SMS’ing on their mobile phones, to their online instant messaging. As Youth Researchers’ Lopiano and De Luca write “Unlike their counterparts in the 60’s who challenged everybody to drop out, the generation today will go down in history as challenging everybody to link up. The concept of community is thriving and being extended through technological advances”¹¹

However as the discussion group comments show, there is real sense that such connections haven’t met their social needs and they are looking for authentic community. In their book Inside the Soul of a New Generation, Celek and Zander sum up the angst felt by this disconnected generation with 3 points “They feel alone, they feel abandoned, they feel alienated”.¹² They then contrast them with the Baby Boomers by stating that today’s young adults “on the other hand don’t want to conquer. They want to connect with other people. They want community....They choose relationships over raises, and maintaining community over climbing the corporate ladder. They clearly value community over conquest” (p 32).



But we must keep in mind their reluctance to commit to community. The latest Australian Census results show that the average age of first marriage for women has shifted from age 20 (Boomers), to age 30 in one generation. Divorces have increased from 8% as Boomers were growing up, to 42% today (ABS Australian Social Trends and abs.gov.au). Not surprisingly, marriage rates are in decline for Gen Xers. In 1971 those aged 30-34 who had never married comprised 11.6% of Australia's population, while today they comprised more than 3 times this rate at over 36%. The ABS Social Trends study goes on to state "Overall the average waking time spent alone among people aged 15 years and over increased from 2 hrs 38 mins in 1992 to 3 hrs 1 min in 1997, an increase of 23 minutes...Taken together these trends could imply increased loneliness and social isolation".

Jennifer Verrall, in her article entitled Single Minded comments on the declining household structures. "Through the 1990's the size of the average Australian house expanded by 20%, concurrent, oddly enough with a declining birth-rate. By 2034 the projection is that 90% of Australian households will contain only one or two people...BIS Shrapnel's research looked at four age groups and found that the biggest increase in home-aloners were among those aged 20 to 50" 13

Social connections must be offered in a way that suits this risk-averse generation. In her book about today's young adults, Wendy Zoba clarifies the issue: "We Gen Xers, Millennials, and so forth do long for the deep, accountable relationships that the word community implies. But we also fear them. The truth is that we want the semblance of community without the risk or the cost. We want to be surrounded by friendly acquaintances, but we don't want to be entangled, whether in a job, or a marriage."

Searching for more:

Searching

"I'm 25 and I still don't know what I want in life"
 I'm not sure what I want to do- I've got short term goals of what I'll do for a year but nothing beyond that"
 Heaps of my uni friends are studying but don't know if they'll even work in that field"
 "We've been given so much (materially) from the youngest age (but) it doesn't make you happy"
 "My friend had it all...today he is a real mess"



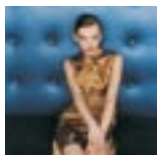
Mary Winter, author of an annual quantitative study of Australians writes "Australians are embracing their spiritual sides. The annual "Eye on Australia" study shows more than two thirds of Australians think it's important to have some kind of spiritual belief. Although most Australians agree that we're living in prosperous times, they're not necessarily happy with just money".¹⁴



Spiritual not religious:

Spirituality

"I hope there is something more than this" Participant Y4
 "I'm a spiritual person for sure...not religion though"
 "These days we take a bit (of spirituality) from many sources"
 "I don't like the formal structures (of spirituality)"
 "My parents went to church but I'm probably more spiritual"

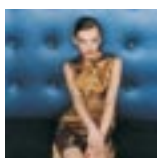
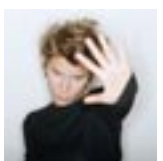


This trend from traditional church to do-it-yourself spirituality is not unique to Australian young adults. In *Next: Trends for the future*, Salzman states “In response to an increased sense of isolation, and disconnectedness from the natural world, Westerners are turning for solace and insights to the mysticism and spirituality of Eastern and New Age religions”. She then goes on to discuss the “mix of ancient religion with modern-day icons”, interfaith celebrations, the mixing of business and spirituality, health and religion, and motivation with ritual.¹⁵

Erickson (1998) gives some good definitions of Post modernity which relates to the table below: ‘Knowledge is uncertain...All-inclusive systems of explanation should be abandoned, the model of the isolated individual knower has been replaced by community-based knowledge, scientific method has been replaced by other channels such as intuition’¹⁶

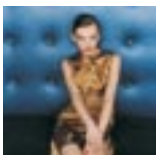
a final word

The message from the research is clear: educators and churches need to understand these changed times. Every society, industry, and organisation is just one generation away from extinction. By observing each generation, we can communicate through new techniques and structures to better engage with them. This is the surest way to remain relevant now, and into the future.



endnotes

- ¹ ABS Australian Labour Market Statistics Cat 6105.0 able 1.1 January 2006
- ² ABS Schools Australia Cat 4221.0 2004
- ³ ABS Education and Training Cat. 4224.0 p37
- ⁴ Attributed to Socrates 425BC see www.allgreatquotes.com
- ⁵ Marc Prensky, Digital Natives, Digital Immigrants from On the Horizon, NCB University Press 2001
- ⁶ ABS Population Projections Cat. 3222.0, Australian Labour Market Statistics Cat. 6105.0
- ⁷ Herceg, R., 1998. Seven Myths and Realities of Generation X. Pophouse , Sydney.
- ⁸ The Australian 21 April 2004 p11 Generation Ecstasy.
- ⁹ The Sydney Morning Herald, 22 June 2003 p8 Only 30 but Life's Gone Bad Already.
- ¹⁰ Raines, C., Zemke, R., Filipczak,. B., 2000. Generations at Work. Amacom, New York.
- ¹¹ Lopiano-Misdorn, J., De Luca, J., 1997. Street Trends. Harper Collins, New York.
- ¹² Celek, T., Zander, D., 1996. Inside the Soul of a New Generation. Zondervan, Michigan.
- ¹³ The Age, 18 February 2004 Domain p5 Single Minded
- ¹⁴ Herald Sun, 23 April 2004 p13 New Age Becomes the Norm.
- ¹⁵ Salzman, M, & Matathia, I, 1998, Next: Trends for the Future. Macmillan, Sydney.
- ¹⁶ Erickson, M., 1998. Postmodernizing the Faith. Grand Rapids.



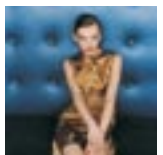
about the author

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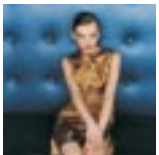
Mark McCrindle was trained as a Psychologist and his research into the different generations is recognised internationally. Mark is a Qualified Practising Market Researcher (QPMR), and so has his finger on the pulse of today's generations. Organisations commission Mark to conduct research and then speak or consult with them to help them better understand and engage with the ever-changing market and employment segments.

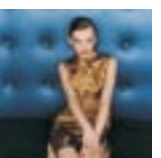
Mark graduated from the University of NSW with a BSc (Psychology), and he has completed a Masters degree majoring in Social Trends. He is the Director of the social research agency McCrindle Research Pty Ltd, which specialises in social and generational research across the Asia Pacific.

Some of his recent clients include: Toshiba, Westpac, AMP, Commonwealth Bank, David Jones, Alcan, Cadbury Schweppes, Mercedes Benz, Toyota, Red Rooster, American Express, State Street, Flight Centre, Scania, AXA, Mirvac, Wesfarmers, LG, St George Bank, Fairfax, ANZ, Accor, MLC, Esanda, Komatsu, Woodside, ExxonMobil, Tyco, BlueScope Steel, Hudson, Telstra, Optus, & NAB.



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