WE NEED TO TALK ABOUT GENERATIONS

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IPSOS VIEWS

Ipsos

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Understanding generations

FOREWORD

Marketing is overrun with stereotypes, hot takes and clichés. Some of the most enduring in the first two decades of this century centred on the post-1980 millennials, who were proclaimed as a new generation that would completely disrupt business.

No longer. Millennials are firmly out of fashion these days. The buzz now centres on Generation Z, born post-1995 and now entering the workforce in significant numbers.

Yet the rhythm of the chatter about generations remains the same. Just like the millennials before them, articles about Gen Z being “a majority”, demanding “fundamentally different things” at work from older generations, or that their views on the environment are “completely different to everyone else” are in abundance.

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But decades of research show that much of what passes as startling new insights about generational change can be misleading or wrong.

Let’s take as an example the line about Generation Z already being a “new majority”. A quick look at the actual data reveals that, even if we included ALL people in the world today aged 0-15 in our categorisation, we only get to 40% of the population!

And to continue with today’s prevailing Gen Z narrative, this is a group who are often made out to be obsessed about ‘brand purpose’ and climate change – but it’s actually older people that are more likely to boycott brands. Meanwhile, our Ipsos Global Trends research tells us that all age groups are equally worried about climate change. What young people are more worried about are those very immediate issues like low incomes and housing.

Often pundits and commentators make two mistakes. First they get confused between genuine cohort effects which

Fig.1 – **Generations in the news**

distinguish a generation uniquely, and “life stage effects” and “period effects” which all generations pass through - e.g. young people of all generations tend to be more likely to go out, exercise etc than older people. Second the whole idea that everyone born across a 15-year period will be identical, or very similar, itself does not work beyond some basic generalisations. This is what we unpick here.

Better analysis can help us all separate the myths from realities.

In this spirit, we hope this report provides ideas, information and even some provocation. We’re looking forward to discussing our research – and its implications – with you.

Happy reading!

AT A GLANCE

By the end of the century:

53%

South Korea's population is expected to **fall by 53%**

37%

Italy's population is expected to **fall by 37%**

36

countries are already seeing their population decline

63%

of **US Baby Boomers** feel they had a 'better' life than their parents

47%

of **Turkish Gen Xers** feel they had a 'better' life than their parents vs **27% of Baby Boomers**

52%

believe **employers** value under 50s more than over 50s vs 10% who believe over 50s are more valued

>2/5

Over two-fifths think **brands and advertisers** (43% & 41%, respectively) value under 50s more

KEY LEARNINGS

A lot of what is written about generations is misleading or wrong

Yet using a generational lens is a really effective way of understanding how and why societies and consumers change. The real task being to separate three effects that explain changes among consumers: *lifecycle effects, period effects* and *cohort effects*. If we do that, we can understand the present and predict the future in a more meaningful way.

Where and *when* you were born matters

People born the same year but in different places will often have had very different experiences and trajectories. Consider two people respectively born in China and the United States in 1973. The formative experiences of today's 50-year-olds, growing up in the 1980s, were rather different. Any assertions and generalisations we make about "generations" do need to be considered carefully.

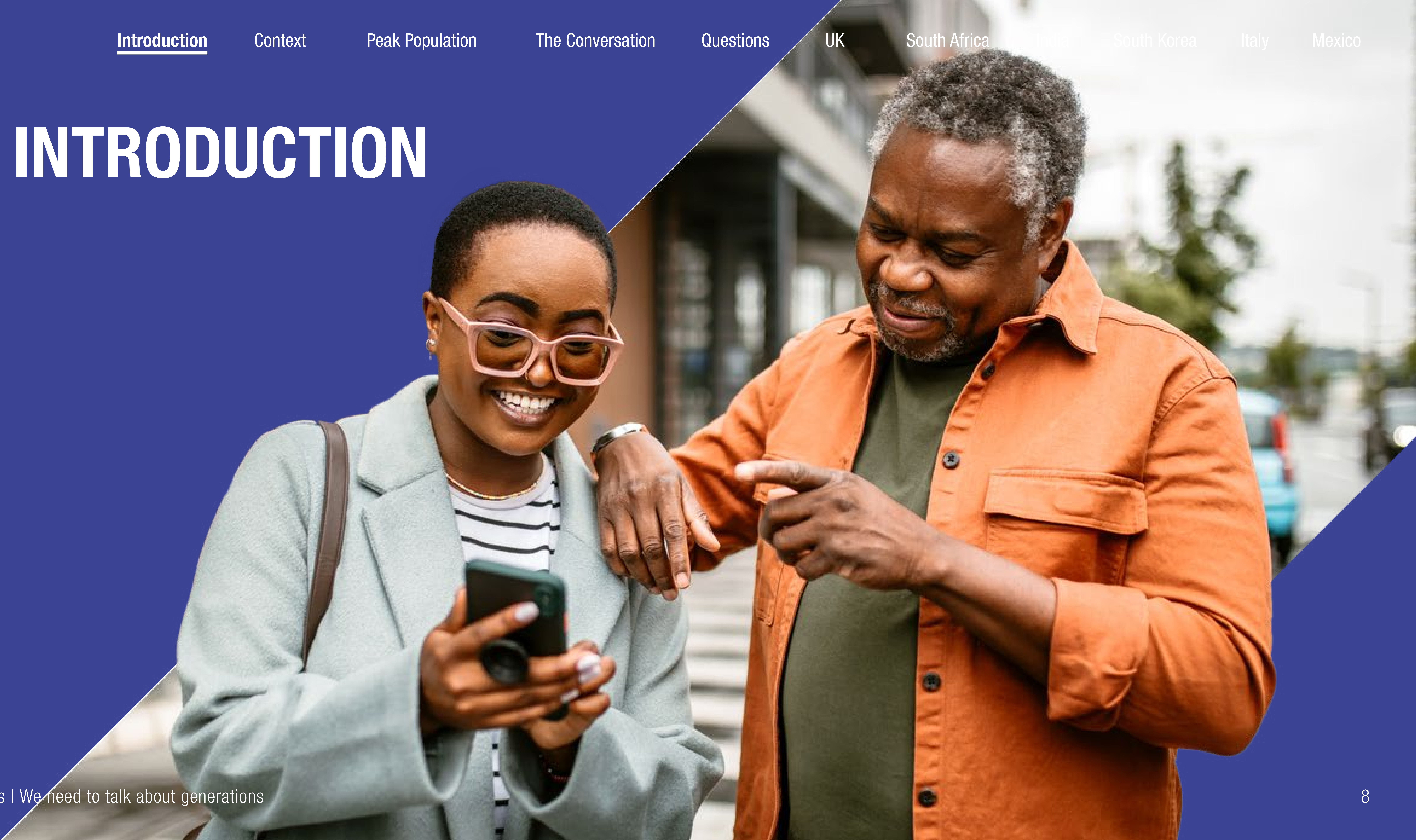
We need to get ready for population decline

Thirty-six countries are losing population already, and more are set to follow them. Birth rates are now below replacement ratio pretty much everywhere. Urgent questions need to be asked around the economic consequences of ageing: the impact of fewer workers on the tax receipts that support public services, the impact of fewer consumers on spending power and the impact of fewer creative minds on our innovation pipelines.

It's time to ask ourselves some hard questions

- Do we know enough about how to market to the over 50s?
- What order of importance should we really be giving to Gen Z?
- Just what's happening with Millennials these days?
- Are Gen X about to take over the world?
- What are the specific dynamics of the different generations in my country?
- Do the terms that have become so widely used actually work here?

INTRODUCTION



GENERATION MYTHS AND DEMOGRAPHIC REALITIES

“Better analysis can shine a light on the big population trends that now need to shape our thinking about generations, changes which are not yet getting attention.”

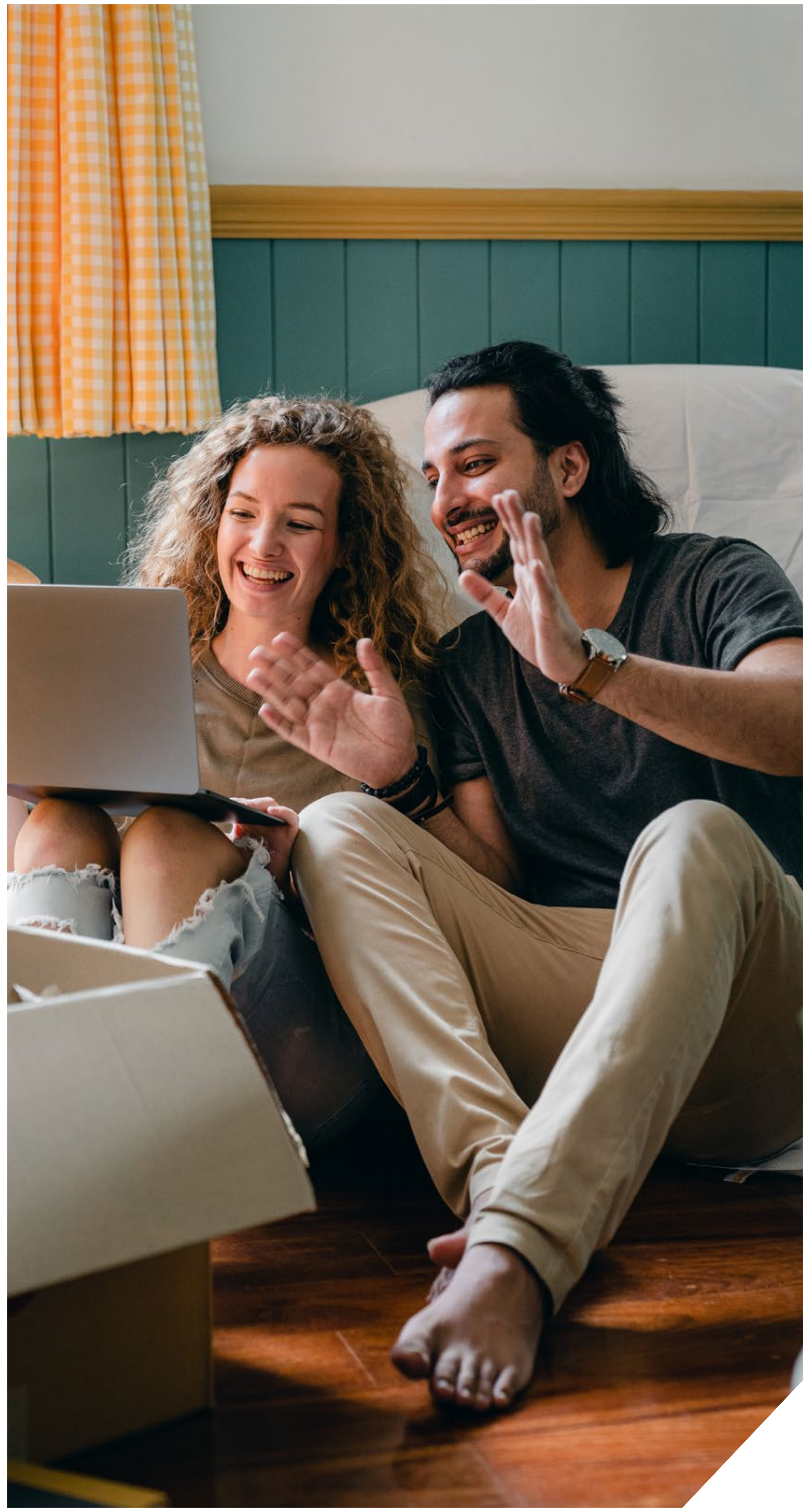
Some academics think we should stop all reference to generations: a couple of years ago an open letter was sent to the Pew Research Center,[1] signed by 180 professors and lecturers, calling on business to cease using generational terms as it gives them a legitimacy they don’t deserve.

We think that’s the wrong response. **We absolutely do need to talk about generations.**

Using a generational lens is an effective way of understanding how and why societies and consumers change. The real task being to separate the three effects that explain changes among consumers.

First, which patterns are simple **lifecycle effects** – for example people tend to be more physically active or date more when they are young, and all generations go through this life stage. Second, which are **period effects** – affecting all generations (such as the Covid pandemic). And finally, and most importantly, which are **cohort effects**, where we can see that a particular generation is different from others at the same age and is staying different. If we do that, we can predict the future in a much more meaningful way.

Better analysis can shine a light on the big population trends that now need to shape our thinking about



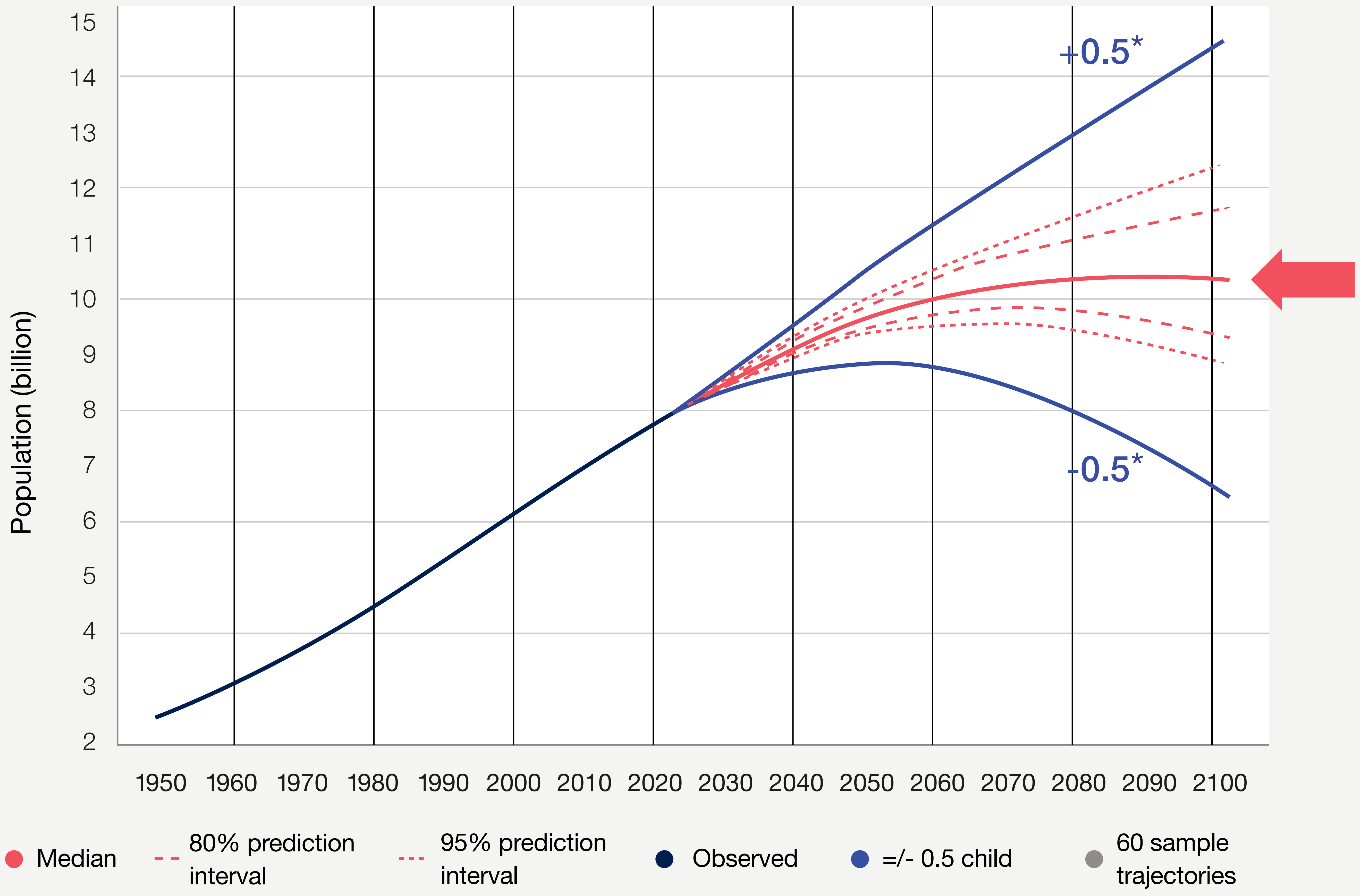
generations, changes which are not yet getting attention. **Because we also need to talk about demographic realities.**

An increasing number of countries around the world now have a median population age well over 40. Indeed, if we were producing a "Generational Power Index", it is Generation X and the Baby Boomers who would come out on top on many measures, not least those relating to financial resources or economic and political power. Are marketers missing a trick by concentrating too much on the needs and aspirations of Generation Z?

This is before we turn our attention to what is now very much on the immediate horizon.

Fertility rates are now below replacement rates (2.1 children) in most parts of the world. We now need to prepare ourselves for a world which is characterised by population decline rather than population growth. China, South Korea, and Italy are just three of the 41 countries

Fig. 2 – **World population: Preparing for a fall**



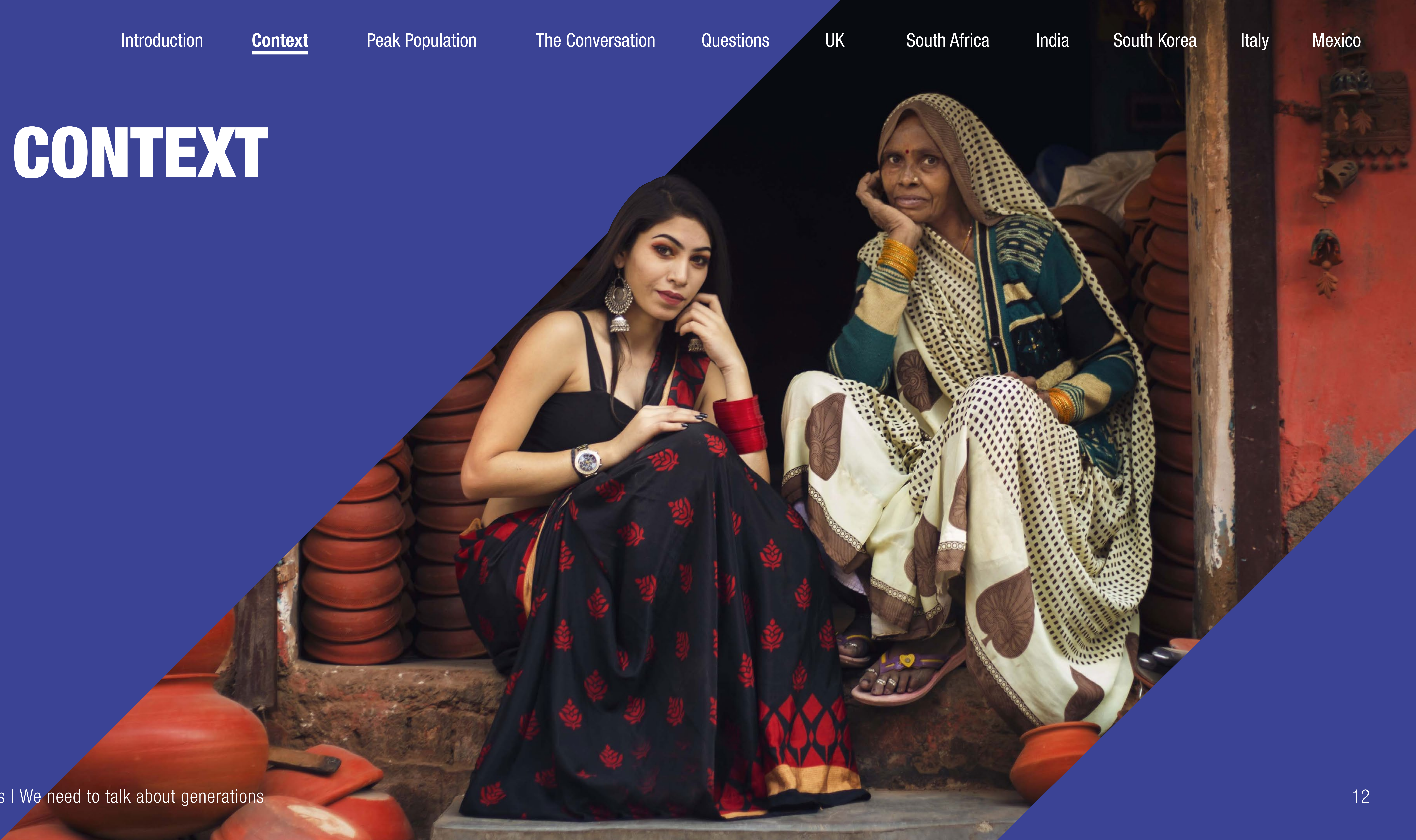
Source: 2022 United Nations, DESA, Population division. World Population Prospects 2022. http://population.un.org/wpp/
* 0.5 over or under current replacement fertility rate of 2.1 children. +0.5 references if the rate is 2.6 children, while -0.5 if the rate is 1.6 children.

covering a majority of the world's population (5.4 billion out of 8 billion) where it's happening already. So, we need to talk about what the prospect of an Empty Planet means for businesses, for governments, for all of us – including the generations to come.[2]

This report forms part of a new Ipsos research programme to help us better understand the dynamics of generational analysis and demographic change. We have tried to challenge the natural temptation to make generalisations, and ground ourselves in evidence, with a particular emphasis on understanding what is happening on the ground, as seen through the lens of a series of "case study" countries.

"Fertility rates are now below replacement rates (2.1 children) in most parts of the world. We now need to prepare ourselves for a world which is characterised by population decline rather than population growth."

CONTEXT



WHY GENERATIONAL ANALYSIS MATTERS

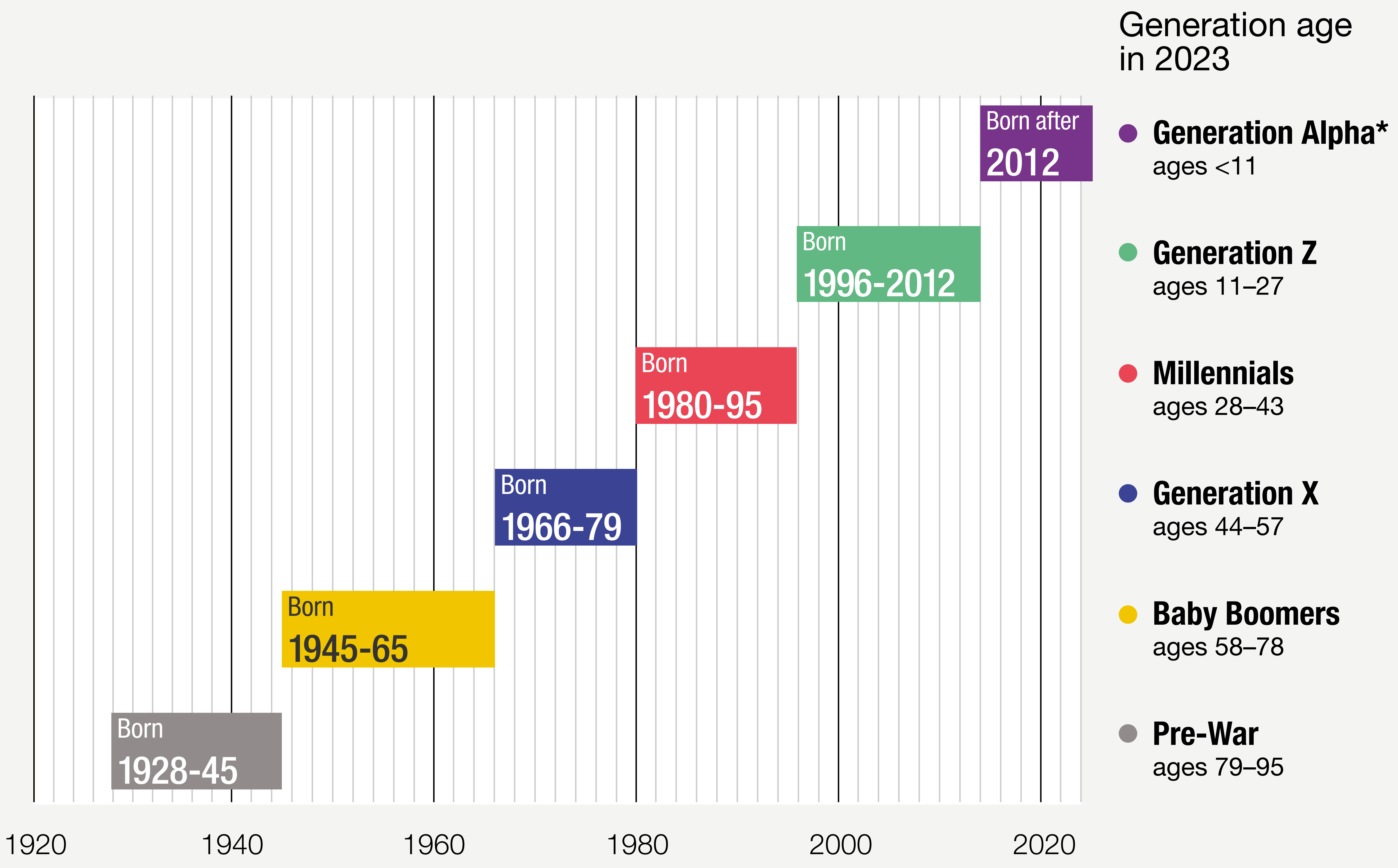
It's easy to get swept up in the terminology of generations, as we enthusiastically describe the worlds of Generation Z, Millennials, Generation X, Boomers, the Silent Generation and – coming soon – Generation Alpha.

These cohort names are widely used these days by researchers as a more exciting version of the age brackets we were all trained on.

But any assertion about generations does need to be considered carefully. We must be mindful that terms like "Millennial" carry a lot more implicit baggage than "27-42-year-olds".

When we use cohort names rather than age groups, we are making a subliminal statement that we believe what we are describing is a characteristic *which is an enduring feature of the generation under question.*

Fig. 3 – **Defining the generations**



*No chronological endpoint has been set for this group
Source: Ipsos

When used widely, they also suggest a level of uniformity of thought or behaviour among the group which is rarely accurate.

In search of data

Generational analysis is not easy. Not least because rigorous research on this topic relies on the availability of long-term data. Take the example of Generation Z. The evidence required to prove many of the statements that are made about them is often just not available – sometimes because the issues that matter to young people today were not considered important 10 or 20 years ago.

But generational analysis is most certainly worth the effort. Where we can see generational differences (and indeed similarities), they help us to understand what is going on now – and they also shine a light on how change happens in a society, unlocking our ability to plan for the future.

When and where you were born matters

Much of the narrative on generations has its roots in analysis from the United States, as witnessed by the labels we are using, perhaps most notably Baby Boomers.

The more we've looked at this topic, the clearer we've become about the need to be very cautious about making too many generalisations about generations. We should not assume that our analysis, grounded in our own country's experiences, is portable and can be uniformly explored across the world. *When* you were born and *where* you were born matter.

People born the same year but in different places will often have had very different experiences and trajectories. Consider two people respectively born in China and the United States in 1973. The formative experiences of today's 50-year-olds, growing up in the 1980s, were rather different.

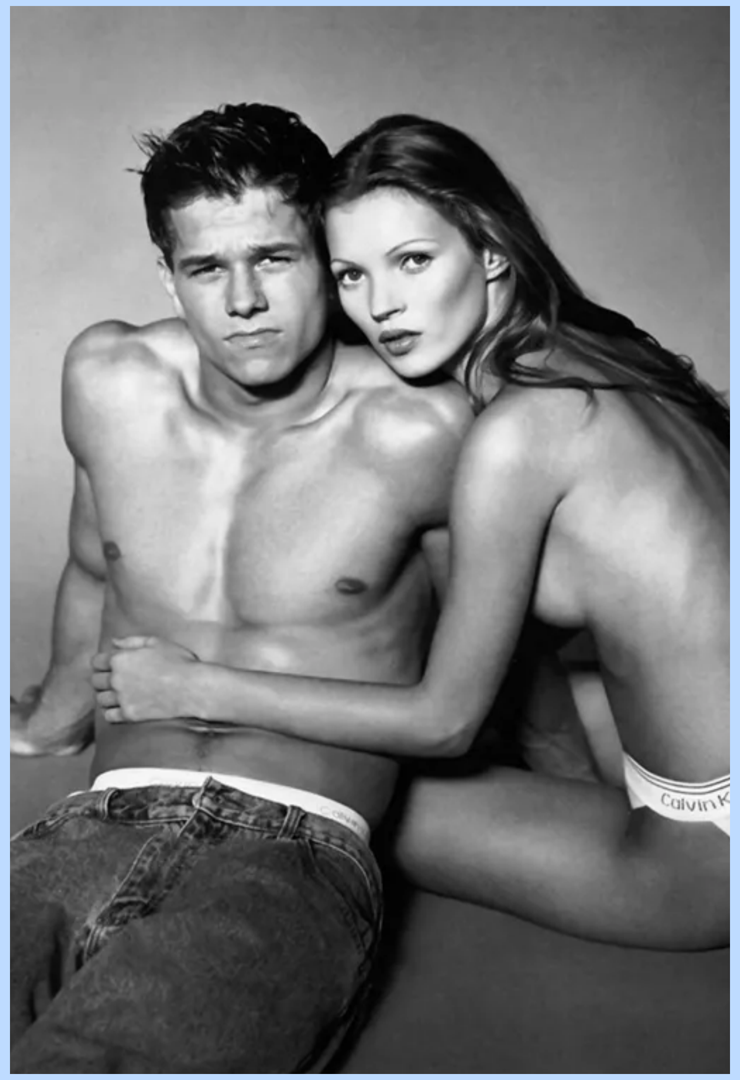
"Generation X is my parents' generation. Their growth environment, education background, and the changes brought to them in the wave of the whole era are quite different from mine. However, although young people in the city have gained better education and growth resources, we are still undergoing tremendous personal pressure in modernisation. The pressure is not the same as before. We squeeze in the subway, and bend over our phones wearing face masks, as we're faced with the challenge of a new social environment. This is totally different from that in the 60s, 70s, 80s and 90s."

– **Gen Z,** China

Source: Ipsos Ethnography Centre of Excellence

Courtesy of Apple, Left 1980s, Right 1990s

Courtesy of Gatorade, 1992



Courtesy of Calvin Klein, 1992

Generation X in the United States

Generation X, those aged 44-57, currently number 65 million people in the US alone. They are the first to live in families in which **both Mom and Dad worked outside the home.** By 1981, when the first millennial babies were being born, 53% of under 18s had mothers who were employed or looking for work.[3] Generation X were the children who witnessed this change as they grew up.

65 million

Generation X, those aged 44-57, currently number 65 million people in the US alone.

This makes them the first **baby bust generation** with smaller families (which defines them demographically). They are also more likely to have grown up in an **urban environment** than Baby Boomers were. They came of age as the **Cold War was ending** and against a 1990s economic backdrop which was not always completely favourable.

They also found themselves in **direct competition for everything**, including jobs and housing, with the biggest generation in human history so far, Baby Boomers. But this is one age group, growing up in a very particular context. Does this picture, described as Generation X, work for the people born between 1966 and 1979 in your country?

Building blocks for analysis

When faced with an apparent difference between generational cohorts, we tend to consider why this is the case through three lenses.

01

Lifecycle effects: People's orientations change as they age, driven by life stages or events. For example, they may travel (domestically or internationally) to find work, before getting married and having children. People's incomes rise as they get older, and (in some countries at least), they will tend to accumulate savings.

02

Period effects: Attitudes and behaviours of all cohorts change in a similar way over the same period. Our response to the pandemic could fall into this category and presents a rich seam for analysis. Not only did Covid affect people around the world, but it also generated a large amount of attitudinal and behavioural data to explore. At a more local level, different countries will have their own dynamics. As we show in our South Korea analysis, its "Generation X" are billed as the country's first post-democratisation generation and display a unique set of characteristics.

03

Cohort effects: A cohort has different views, and these stay different over time. These are perhaps the hardest for researchers to identify, but also potentially the most impactful, helping us do a better job at predicting future change.

“Many of the misperceptions we see arise are from people mistaking a period or lifecycle effect for a true cohort effect.”

When we can carry out this kind of analysis effectively, we see that real shifts like decline in religious belief or loyalty to political parties, alongside acceptance of LGBT rights in many countries, are here to stay - but that other apparent trends like declining home ownership may (or may not) be shorter-lived.

Many of the misperceptions we see arise are from people mistaking a period or lifecycle effect for a true cohort effect. Identifying what is a true cohort effect is therefore key to understanding how a generation may be different and will remain different as they age.

And, talking of ageing, we need to be clear, whenever we are making assertions about the implications of different generations' attitudes or behaviours, about the broader demographic context. Because the younger generations may not be powering our societies and economies as much as perceived wisdom would like us to believe.

Take Italy as an example. When it comes to how old they are, the “average Italian” is not Generation Z, or even a Millennial. The median person in the world's eighth-largest economy is 48 years old, which puts them firmly in the little-written-about Generation X category. This is a group that has a lot of spending power and considerable influence across many aspects of people's lives, including family, business, and politics.

In the next sections, we pick up on these themes and set out some of the questions arising from our review, framed against the backdrop of the big demographic changes under way which will shape what happens next.

PEAK POPULATION

PREPARING FOR THE FALL

November 15th, 2022 was the “official day” when the world’s population topped eight billion. It took just 47 years for the number of people on earth to double from the four billion recorded in 1975.

But, contrary to what you might think, world population growth is slowing down. In the words of the UN, “while it took the global population 12 years to grow from seven to eight billion, it will take approximately 15 years — until 2037 — for it to reach nine billion, a sign that the overall growth rate of the global population is slowing.”

Fig. 4 – **Population in the news**

Population superpowers: preparing for a fall

Although the trajectory is clear, we have been witnessing something of a debate about whether India has already overtaken China or whether this is something about to happen. According to the UN's April 2023 release, this milestone is set for mid-2023 as India's population exceeds the 1.42 billion mark and China's starts to fall.

Together, these two population superpowers currently comprise 36% of the world's population. They may have very different histories and cultures, but when it comes to their population journey, the two countries are now on the same track, albeit at different stages.

China's falling fertility rates are now well documented and stand at 1.18, far below the replacement rate of 2.1. Earlier this year, we saw a flurry of media coverage as journalists described the news that the population of China is now falling, for the first time in 60 years.

China's population is now ageing very fast. The median age of its population rose from 23.7 years in 1990 to 38.5 in 2022, and 35% of the Chinese population are now 50 years old or older.

↗

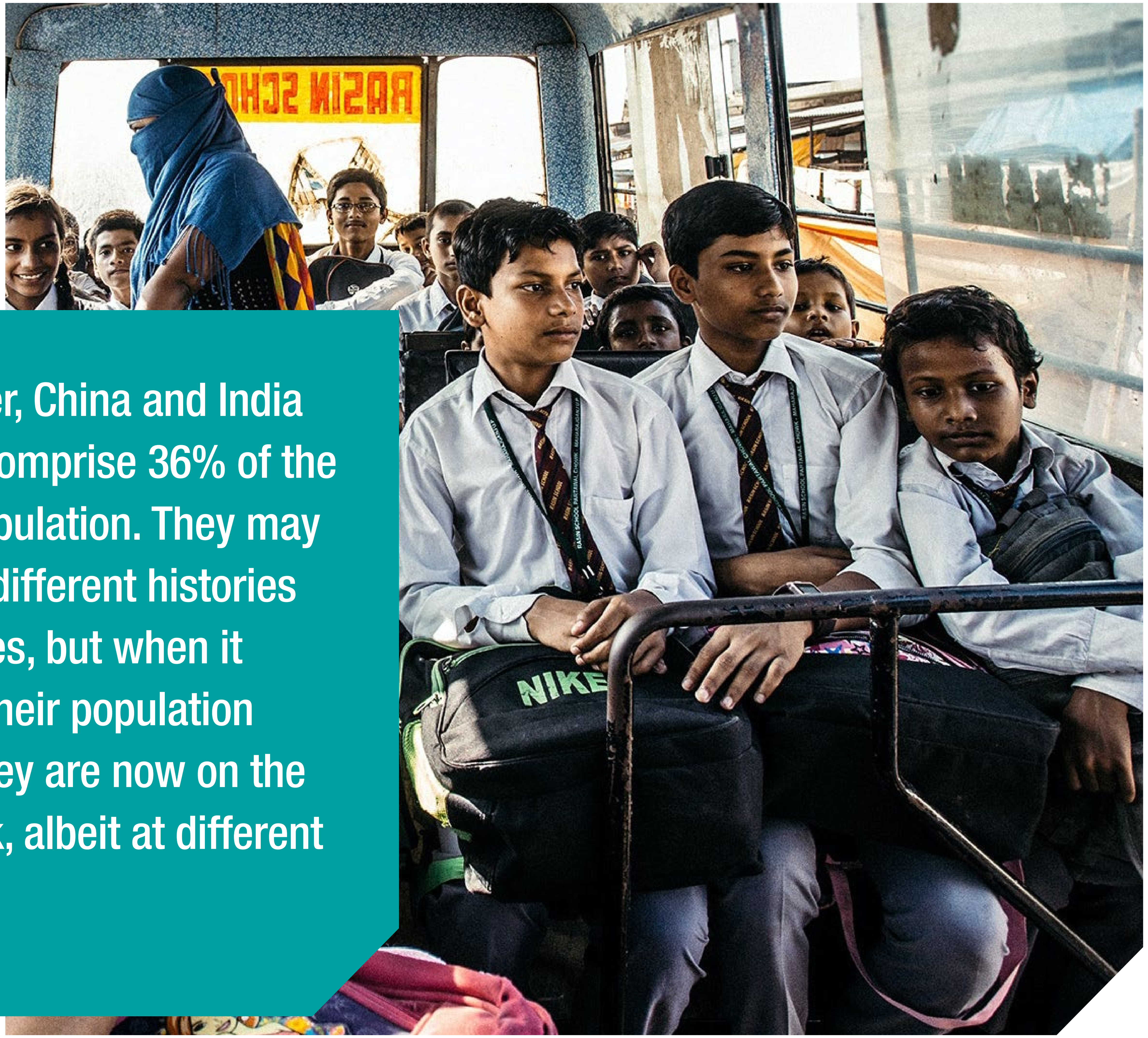
38.5

The median age of China's population rose from 23.7 years in 1990 to 38.5 years in 2022.

↗

35%

of the Chinese population are now 50 years old or older.



> “Together, China and India currently comprise 36% of the world’s population. They may have very different histories and cultures, but when it comes to their population journey, they are now on the same track, albeit at different stages.”

Meanwhile, the rise in India’s population in absolute terms has drawn attention away from its own falling fertility rates. Indeed, India’s figures have declined more dramatically than China’s during the past 20 years, from 3.22 to 2.01, which means that its population could start decreasing before the end of this century.

Those countries which have had a low fertility rate for a longer period, like Japan, Italy or South Korea, are ageing even faster.

Italy’s shrinking population is only now starting to become a real issue, with some questions about the prospects for the long-term “survival” of a distinct Italian nation. The very shape of its population pyramid is striking, with its increasingly top-heavy features, set against a narrow base (see page 35). Prime Minister Georgia Meloni says Italy is “destined to disappear” unless it changes.

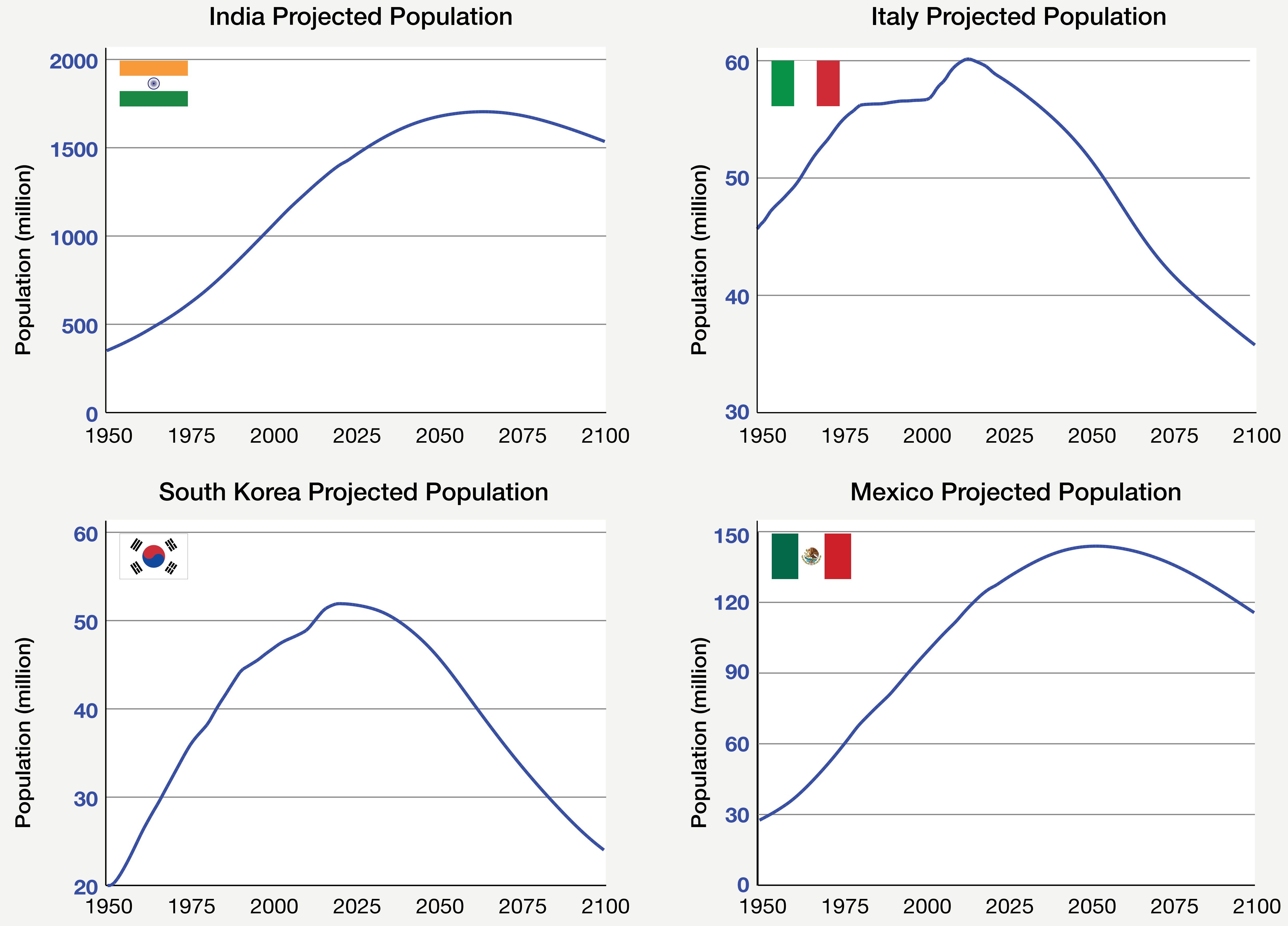
Super-Ageing Societies

These changes all have very real implications in terms of how society and the economy operate. Around 36% of Italians under 30 are living in a single-person household, while just 50% have a driving licence. And, when they are employed (the youngest working age groups being three times more likely to be unemployed), they have on average had between four and five different jobs since they entered the labour market. This points to an insecure, unsettled lifestyle.

Meanwhile, South Korea is experiencing similar issues, with an extremely low fertility rate (now at only 0.87) and ageing very fast – just 22% are under 25, and they are outnumbered by the over 60s (26%).

Fig. 5 – **Falling off the population cliff**

Many countries are predicted to see their population peak in coming decades. For some this has already started.



Source: United Nations: World Population Prospects 2022

Lower fertility rates and ageing are increasing the relative size of the older generations in nearly all the big economies, and they are becoming close to a majority in some of the key Asian and European markets. This raises questions around how modern societies treat the older generations – do companies, brands, employers, and politicians need to rethink how they focus their efforts? We pick up on these themes in the next chapter.

Population Decline: What can be done?

The reality of falling populations is not limited to a few “outlier countries”. New analysis by Darrell Bricker and John Ibbitson identifies 36 countries which are losing population already, with more set to follow them.

The Bricker and Ibbitson review looks at the responses put in place by individual countries (such as Canada’s policy of encouraging immigration), or initiatives designed to maintain or boost fertility rates (as per the contrasting

Fig. 6 – **The country context**

	South Africa	India	Mexico	USA	China	UK	South Korea	Italy
Median Age	28	29	30	38	39	40	45	48
Life Expectancy	64	70	75	77	77	82	83	82
Percentage 65+	6%	7%	8%	17%	12%	19%	17%	24%
Percentage 15-24 y.o.	16%	18%	17%	13%	11%	12%	10%	10%
Diff 65+/14-24	-10%	-11%	-9%	4%	1%	7%	7%	14%
Fertility Rate	2.3	2.0	1.8	1.7	1.2	1.6	0.9	1.3
Peak Fertility	1958	1965	1957	1959	1963	1964	1957	1964
Time to below replacement (number of years)	N/A	55	59	13	28	9	27	12
Below Replacement	N/A	2020	2016	1972	1991	1973	1984	1976

Source: Ipsos

plans being adopted by Hungary and Sweden) and shows they may not achieve their goals.

They also raise what is now an urgent question, which centres on the economic consequences of ageing – the impact of fewer workers on the tax receipts that support public services, the impact of fewer consumers on spending power, and the impact of fewer creative minds on our innovation pipelines.

> “In Empty Planet we wrote: Population decline is not a good thing or a bad thing. But it is a big thing. Four years on, we’ve changed our minds. We believe that population decline is a very bad thing, one that could define our future. If, that is, we have much of a future left.”
>
> **Darrell Bricker and John Ibbitson**

Fig. 7 – **Population superpowers**

Population projections to 2100: The 10 most populous countries

2021	2100 Medium Fertility Variant	2100 Low Fertility Variant
1. CHINA 1.43bn	**1. INDIA** 1.53bn I ▲12m	**1. INDIA** 995m I ▼412m
2. INDIA 1.41bn	**2. CHINA** 767m I ▼659m	**2. NIGERIA** 546m I ▲173m
3. U.S. 337m	**3. NIGERIA** 546m I ▲333m	**3. CHINA** 488m I ▼938m
4. INDONESIA 274m	**4. PAKISTAN** 487m I ▲256m	**4. PAKISTAN** 327m I ▲96m
5. PAKISTAN 231m	**5. DR CONGO** 432m I ▲336m	**5. DR CONGO** 322m I ▲226m
6. BRAZIL 214m	**6. U.S.** 394m I ▲57m	**6. U.S.** 281m I ▼56m
7. NIGERIA 213m	**7. ETHIOPIA** 324m I ▲203m	**7. ETHIOPIA** 227m I ▲107m
8. BANGLADESH 169m	**8. INDONESIA** 297m I ▲23m	**8. INDONESIA** 191m I ▼83m
9. RUSSIA 145m	**9. TANZANIA** 245m I ▲181m	**9. TANZANIA** 174m I ▲111m
10. MEXICO 127m	**10. EGYPT** 205 I ▲96mm	**10. EGYPT** 139m I ▲29m

Source: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022, Online Edition, 2022 - 2100

A TOPIC OF CONVERSATION

HOW DO PEOPLE TALK ABOUT GENERATIONS?

What's the prevailing mood around the world when it comes to how people feel about the different generations that comprise our societies, or indeed on their attitudes to population change?

Here we take soundings from 30 countries around the world, drawing on new survey data, and putting the spotlight on three topics that go to the heart of our exploration.

1. Freed from desire? The "ideal" family size

Twice (in 2016 and 2022), we've asked people around the world what is the ideal number of children for a family to have – and across the countries we surveyed, on both occasions the overall answer was between 2.2 and 2.3: only slightly above replacement rate. This could indicate that there is hope for stabilising our population in the future. But, as always, there is devil in the detail.

While the decline in fertility globally over recent decades has been attributed to women becoming more educated and striving for lives providing more than just motherhood and domestic labour, it is notable that we found no significant gender difference in attitudes.[4] There is no sense, in any country in our study, that men think families should be larger than women do. Nor do people who identify as "feminists" have a different opinion.

When we look at individual countries in the study, we can see the importance of culture, and also note some lasting effects of governments' attempts to influence it. The three predominantly Muslim cultures in the survey express a stronger appetite for larger families. Typically, only a quarter of the people we asked said that having three or more children was ideal, but that number rose to 67% in Saudi Arabia, 61% in Malaysia, and 35% in Turkey. At the

> **“It seems there is a compounding effect to demographic decline – that smaller families beget a desire for yet smaller families.”**

other end of the spectrum is China, with just 9% saying that having a larger family was ideal, a legacy of decades of limits on family size and of urbanisation. Clearly, there is an extraordinary amount of work to do if that country is to reverse its demographic collapse.

Looking at generational trends can also be illuminating. For example, we can see how in Japan and Korea, both countries with entrenched baby busts, the “ideal” number declines through successive generations – younger people in both countries express a much lower ideal than older people. Japan’s baby bust has been going on for longer, but Korea’s has been much steeper, and we see this mirrored in Koreans’ aspirations too. For every age group, the ideal also fell between 2016 and 2022. So, there is evidence in each case that ideals track reality down – i.e. that having smaller families becomes normalised because we see those who came before us having smaller families. It seems there is a compounding effect to demographic decline – that smaller families beget a desire for yet smaller families, and that there is a kind of momentum behind demographic decline that establishes itself in younger people’s minds. Expectations shape ideals.

What’s more, in every one of the countries that featured in our most recent study, the current fertility rate is already lower than the ideal number of children people tell us they want.

2. We’ve never had it so good? How I feel about my generation

Just how are things now, compared to what went before? We asked people to tell us whether they feel they will have had a better or worse life than their parents’ generation.

The results serve as a reminder that it is critical to ground our analysis in the context of *where* and *when* people were born.

In the US, we have a clear pattern. More than six in 10 US Baby Boomers acknowledge that they had a better life than their parents, while less than half (47%) of Millennials feel the same.

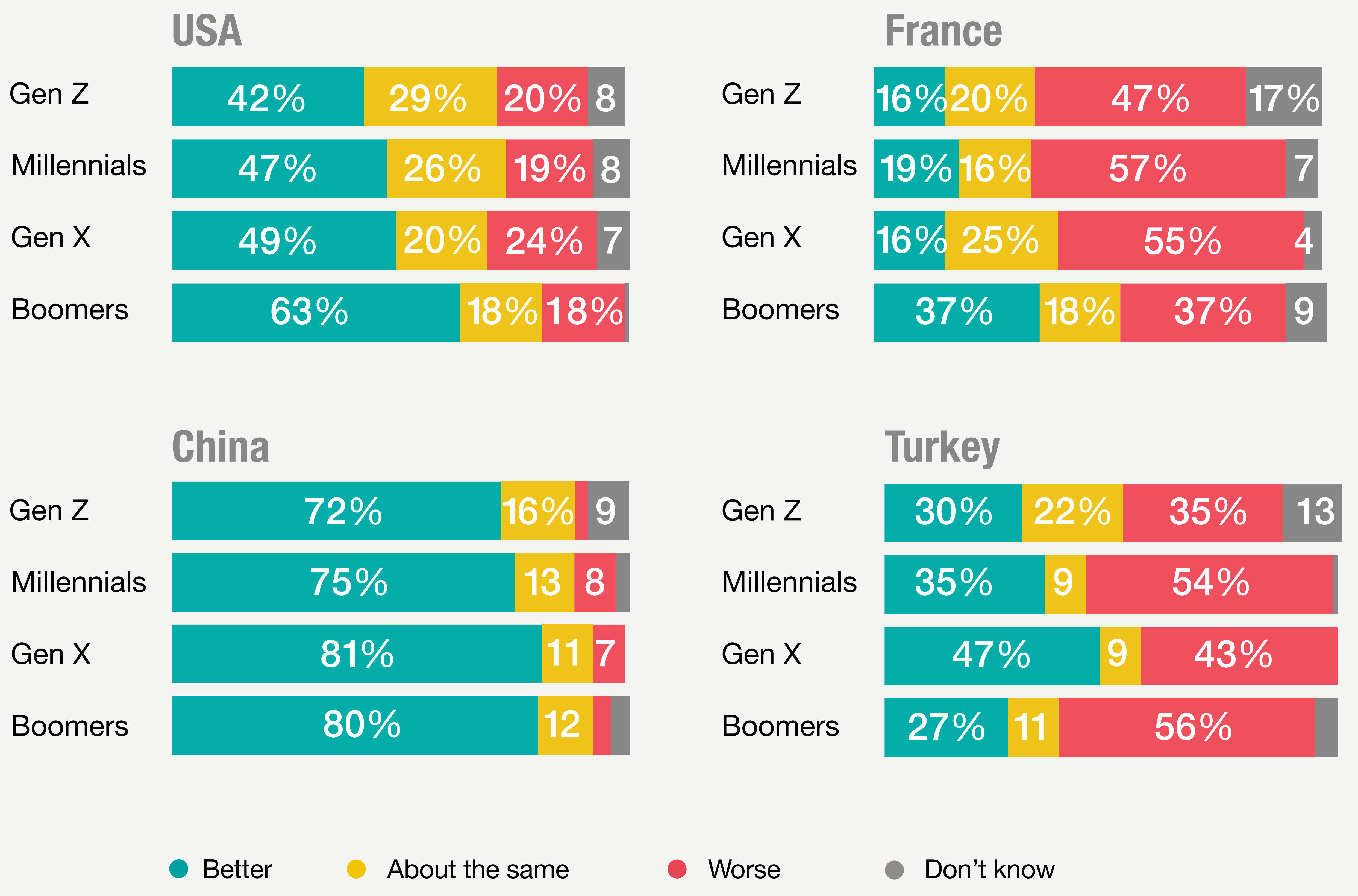
In France, the sentiment among Millennials is actively gloomy, with a majority believing they've had a worse life than their parents' generation.

But this story is not replicated in all countries. When we look at Turkey, we find Baby Boomers to be the ones most inclined to say they had a *worse life* than their parents' generation, while Generation X are significantly more satisfied, perhaps as a result of having benefited from the economic take-off of the 2000s.

The pattern in China is different again – with all groups saying their generation's experience is better than the one that came before them. But it's worth noticing that, again, Generation X are the ones who are particularly positive.

Fig. 8 – **Thinking about my generation**

To what extent if at all, do you feel that you will have had a better or worse life than your parents' generation, or will it be about the same?



Source: Ipsos Global Trends

3. A new deal for older people? Assessing the mood

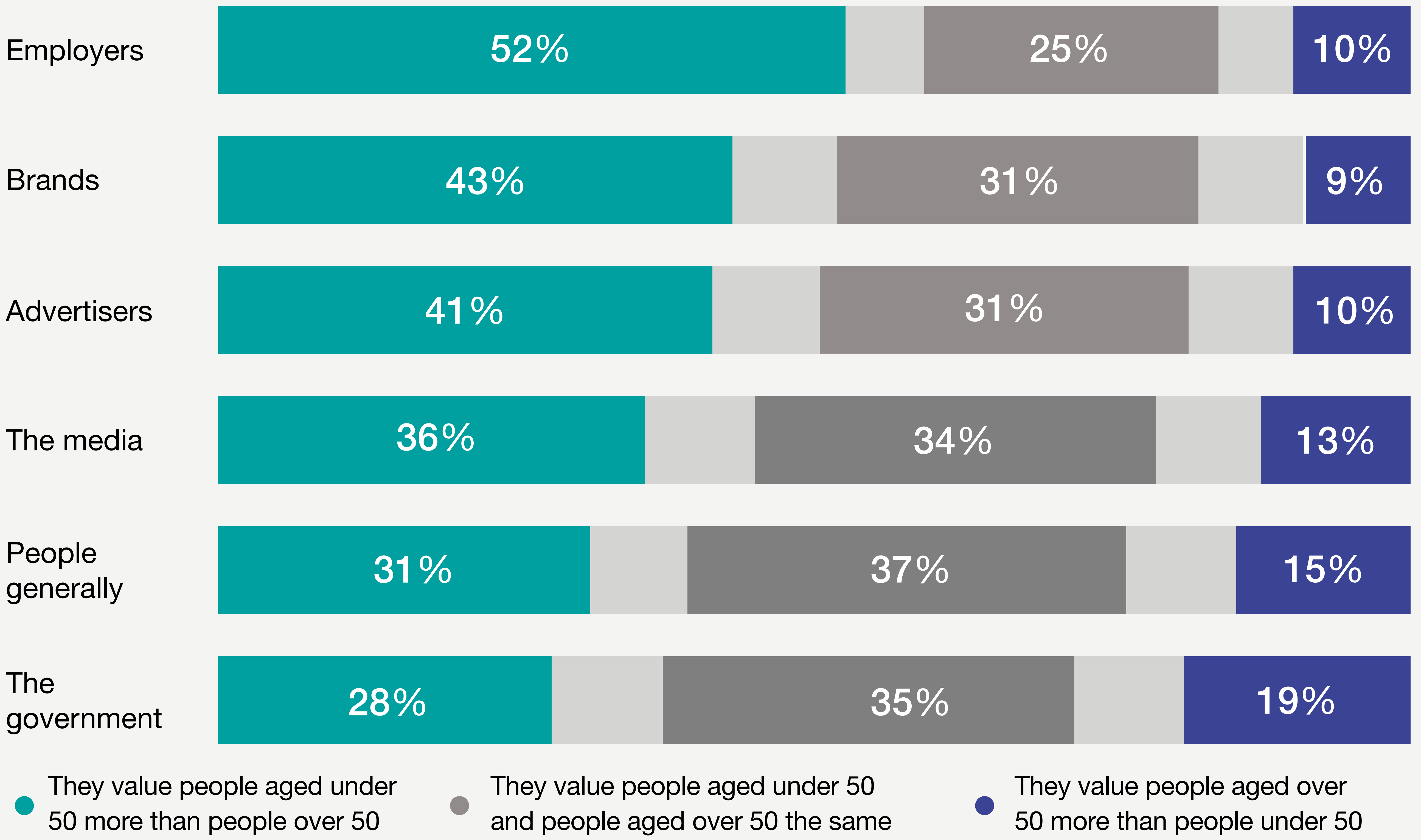
With the average age of populations on the rise in practically all countries, what do people around the world make of how people of different ages are treated these days?

Here we find a real sense that societies tend to value people under 50 rather more than they do older people.

Particularly stark is people's assessments of what's happening at work. A majority in North America, Europe, and Latin America (although not Asia or Africa) point to a bias among employers, who tend to value people under 50 more than older people.

Fig. 9 – **Age matters. Perceived value of under and over 50s to different groups**

Q. Please think about how different groups in .... value people under the age of 50 and over the age of 50. Which of the follow statements, if any, is closest to how you think each of the following views people aged under 50 and people over 50?

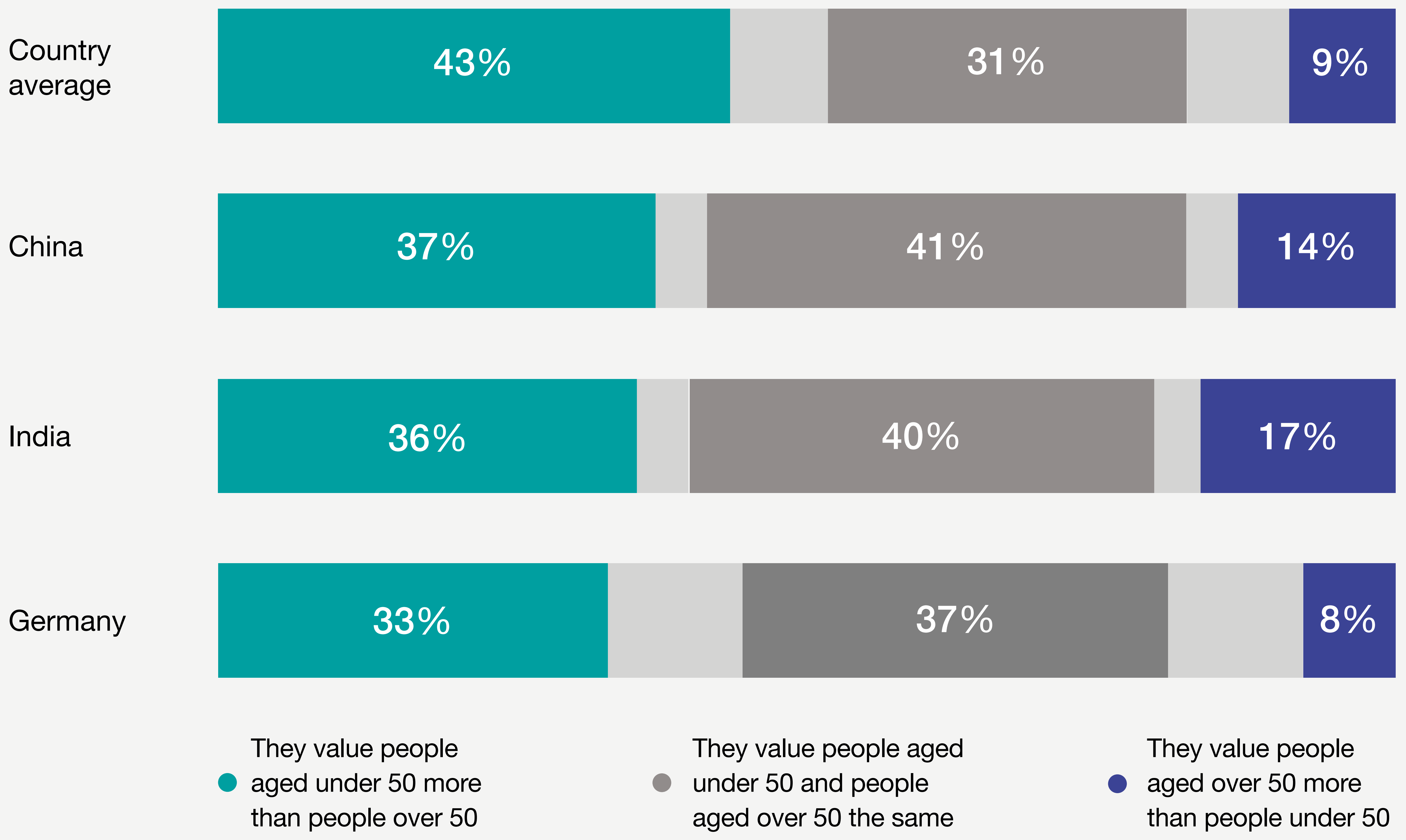


Source: Ipsos Global Views on Menopause. Base: 23,008 participants across 33 countries, interviewed online 22 July 5 August 2022

When we look at brands, we get a clear but nuanced picture. In almost all countries, there is a sense that younger people are valued more than older folk. In some countries we see clear majorities holding this view, but in other places the pattern is a little more textured. China, India, and Germany are three countries where there are a range of opinions on how brands view people. Read the full 33-country report for more on the details for your country.

Fig. 10 – **Value of under and over 50s to brands**

Q. Please think about how different groups in .... value people under the age of 50 and over the age of 50. Which of the following statements, if any, is closest to how you think brands view people aged under 50 and people aged over 50?



Source: Ipsos Global Views on Menopause. Base: 23,008 participants across 33 countries, interviewed online 22 July 5 August 2022

GENERATION QUESTIONS

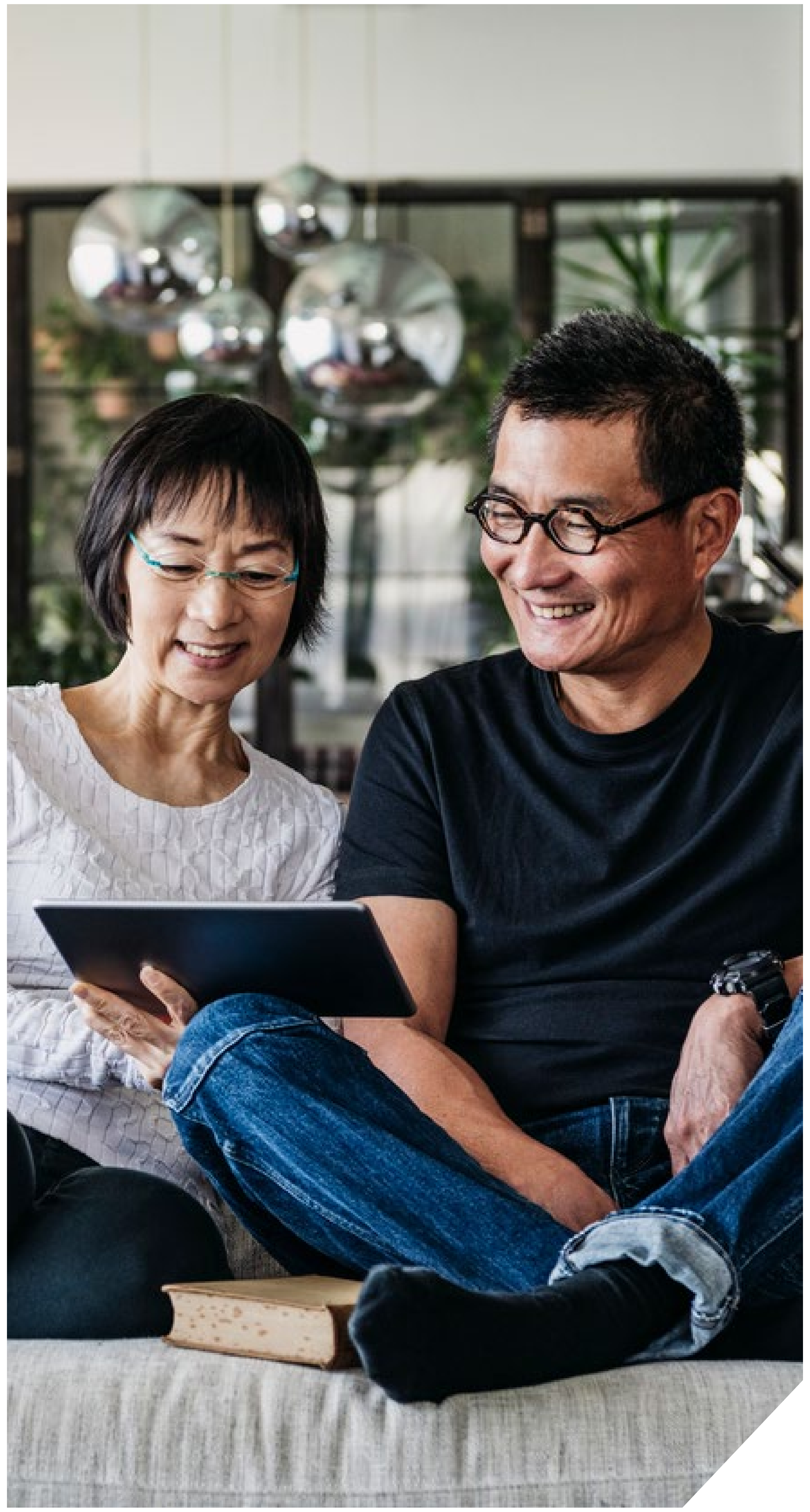
GENERATION QUESTIONS

As we compiled this report, we set about identifying some of the questions we need to ask ourselves when we are talking about generations.

This is by no means an exhaustive list but sets out some of the lines of enquiry we believe can help us all develop a more rounded understanding of generational and demographic analysis – whether we are thinking about brands, about categories/sectors or about public services.

Do we know enough about how to market to the over 50s?

They are a consumer, customer and citizen group that cannot be ignored, both in terms of size and resources. As we show in our Korea analysis, personal income among seniors doubled between 2008 and 2020. In Italy, 24% of the population is now aged over 65. But what will work for my organisation, in our specific context? For my category or brand, do we need to target or communicate them in a particular way, or not?



Advertising and marketing to the over 50s

"For many years, marketing has been generally preoccupied with youth – either recruiting young people or encouraging older people to aspire to turn the clock back to their own youth. With older generations firmly in control of financial assets and the likelihood they will live longer lives, we are beginning to explore what this means for the future of consumerism. How do we persuade those who have been accumulating assets to participate in categories they might have abandoned? And, in a related, but arguably equally-important point: why do we tend to ignore the fastest growing segment of the population in our research activity?"

– **Chris Murphy** Global Service Line Leader, Market Strategy & Understanding, Ipsos

Courtesy of AirBnB, Bonnie & Clyde

Courtesy of Magnum, Get Old, Get Classic

Courtesy of Belvedere Vodka, Belvedere Presents Daniel Craig

41%

globally think advertisers value people aged under 50 more than people over 50.

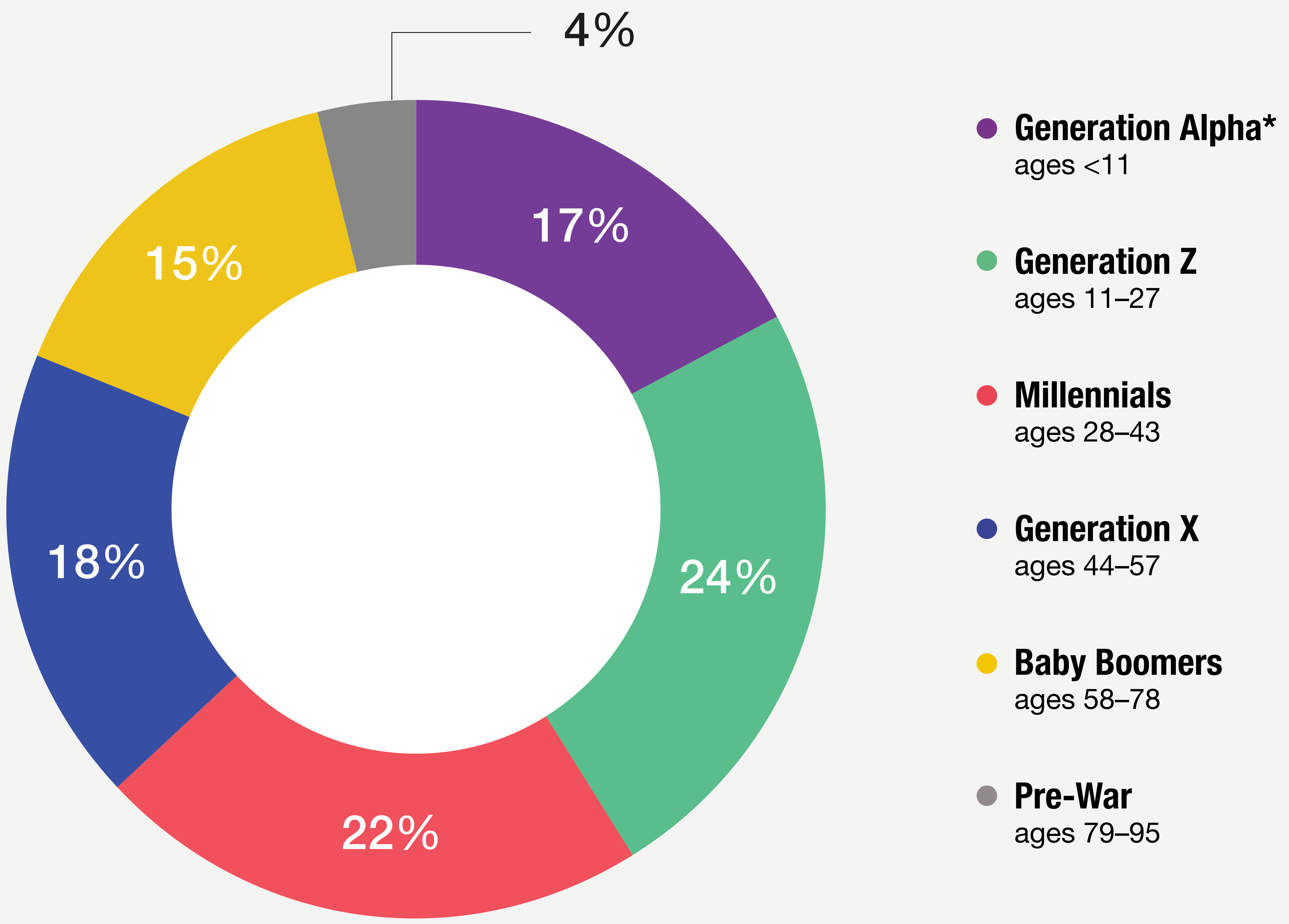
What order of importance should we give to Generation Z?

The answer is likely to differ from country to country (as the examples overleaf from Italy and India show), and from category to category. But even in India, with its still relatively young population profile, Generation Z are only part of the story. If Gen Z or even Gen Alpha is code for talking about young, emerging, pliable consumers/ customers, we need to remind ourselves that, in many countries, there will be fewer of them coming on stream during the coming decades (see Figure 12 over page).

What are the specific dynamics of the different Generations in my country?

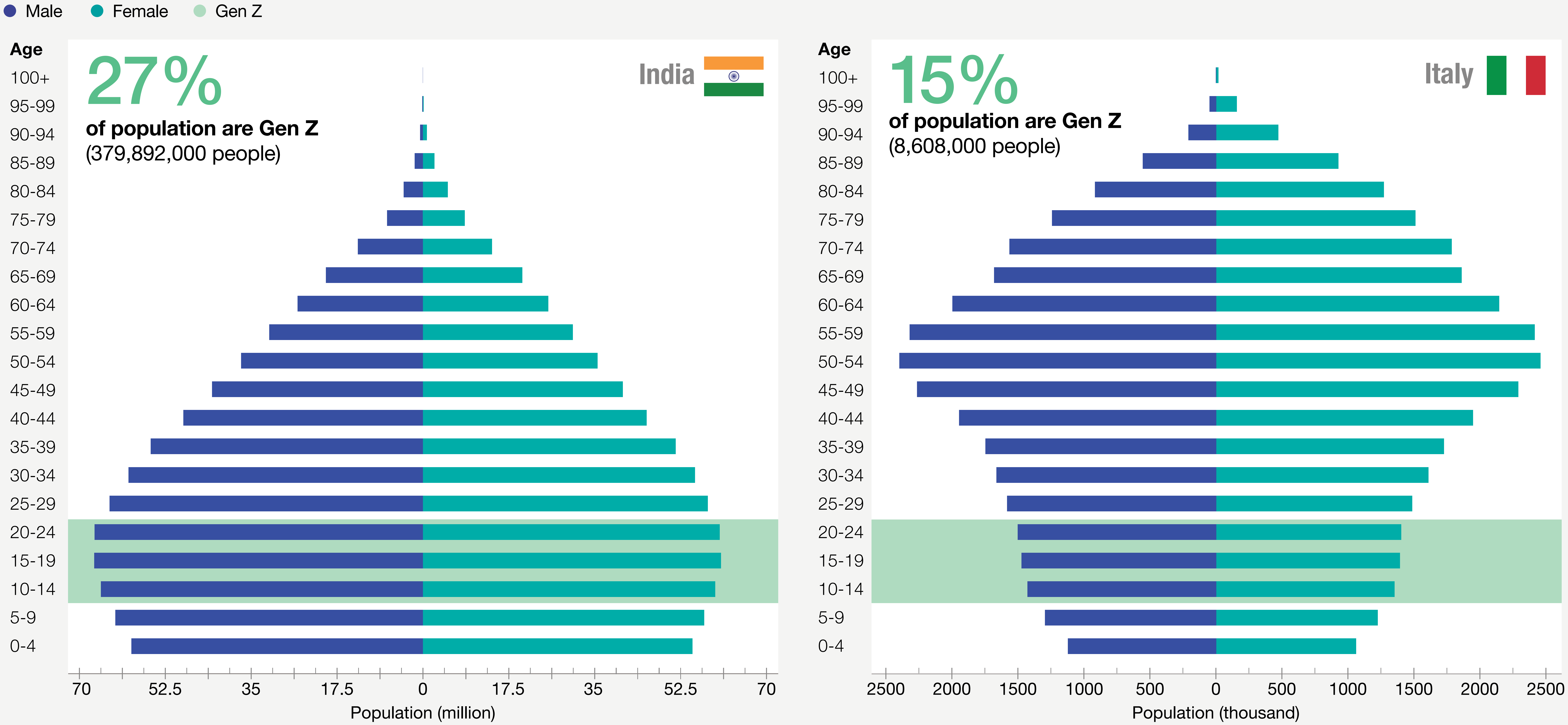
In India, our analysis of Generation Z takes us beyond the big urban sectors, as we explore how tech companies are now focusing more of their campaigns on Bharat (small-town India). Meanwhile, in South Korea, we looked at how Generation X were the first "post-democratisation" grouping.

Fig. 11 – **Counting the generations**



Source: UN's World Population Projection 2022

Fig. 12 – Generation Z: One part of the bigger picture



Source: UN's World Population Projection 2022

> "It may be that younger millennials (in their late 20s) have very different attitudes or behaviours than older millennials (in their late 30s) do. By grouping them together in a big block, our analysis may be losing some precision."

? Just what's happening with the Millennials?

Are they the "screwed generation", hard-done-by and struggling financially, as they find it harder and harder to buy houses, raise children and rise to the top of organisations. As the spotlight turned towards Generation Z, we need to ask ourselves whether we have the evidence we need to really understand Millennials now they are maturing - including where and when it makes sense to make generalisations about them. For example, it may be that younger millennials (in their late 20s) have very different attitudes or behaviours than older millennials (in their late 30s) do. By grouping them together in a big block, our analysis may be losing some precision.

? Are Generation X about to take over the world?

Millennials at least had the place in the sun for a while. But people aged 44-57 years old lag behind the others when it comes to people paying attention to them as a distinct grouping or interesting cohort. Google Search finds five times as many enquiries for Millennials than about Gen X. But is this "forgotten generation" (accounting for just 10%

of Google Search traffic when people are researching this topic) about to come to the fore? Certainly, they have power, whether we are talking about business, cultural and, increasingly, political life. And they have resources: for example, in the US, they are the only group to regain the financial assets lost after the 2007 crash.

? Do the terms work for you?

As we noted in our introduction, the terms being used were born in the USA, and – by using them uniformly across countries – it may actually hamper our analysis. The term Baby Boomer comes from a particular western perspective, describing the increase in the birth rate in the years immediately following the Second World War among the key combatants – most notably the US, the UK, Canada, Australia, New Zealand, France, Germany and Japan.

> “Are Millennials the “screwed generation”, hard-done-by and struggling financially, as they find it harder and harder to buy houses, raise children and rise to the top of organisations?”

In this vein, the second part of our report is devoted to understanding more about how these themes play out on the ground. Through the lens of our six case study countries, our teams delve into the realities of the experiences of different generations, grounded in the context of the particular countries where they have lived their lives.

HOW TO TELL A MYTH FROM A REALITY IN UK GENERATIONS

HOW TO TELL A MYTH FROM A REALITY IN UK GENERATIONS

Q&A with Michael Clemence

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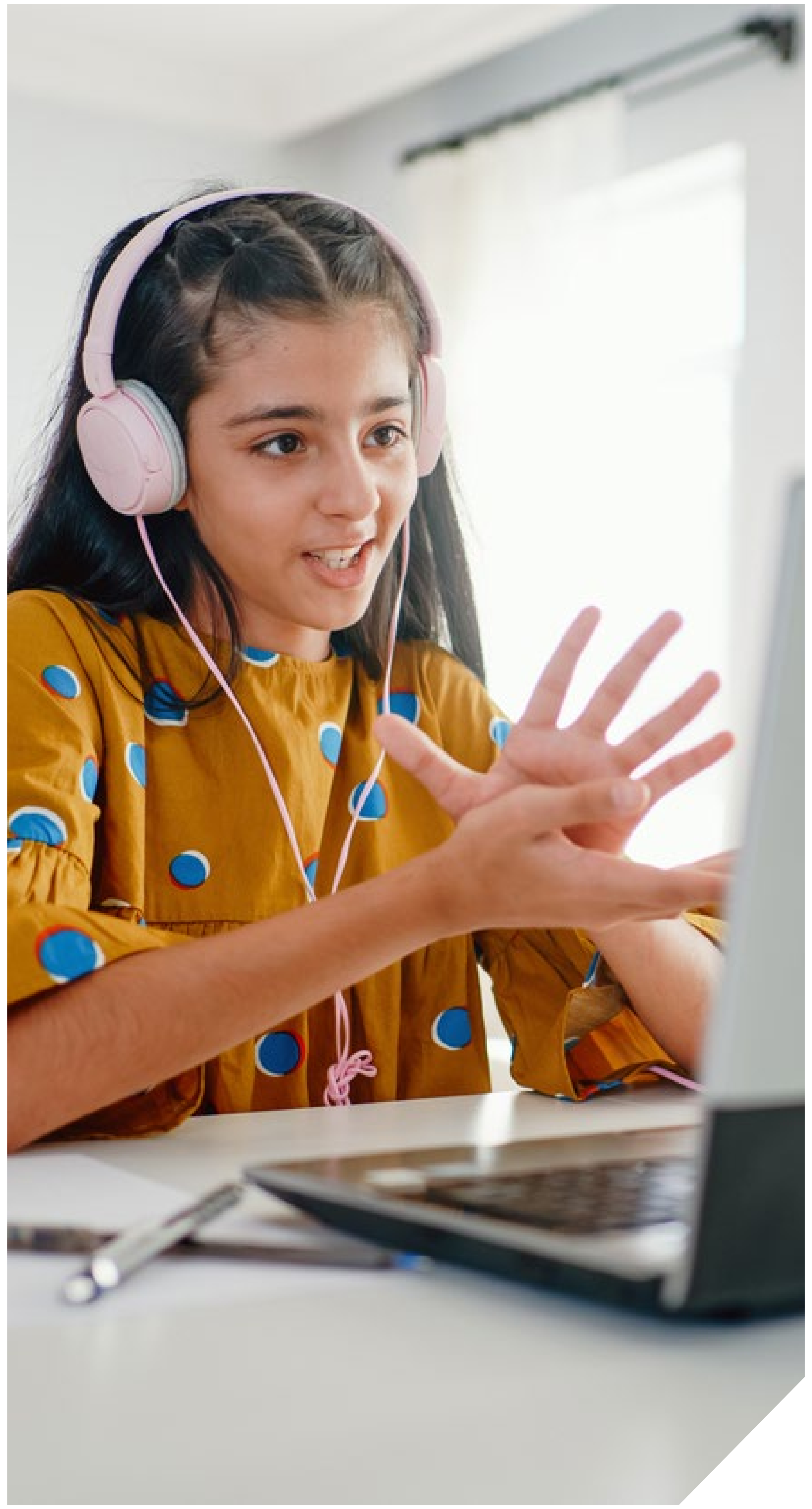
Why is it important to understand generations now?

In the UK, age is emerging as the biggest single divide in society – more significant than education, class, and gender in determining our choices. For instance, the one piece of information that gives you the biggest insight into how someone might vote is their age: roughly, anyone under 45 is likely to say they will vote for the more left-wing Labour Party, while anyone over that age will likely say they would choose the more right-wing Conservative Party.

In this context, understanding generations is the key to a lot of strategy. Will younger generations change to become more like older ones as they pass through different life stages, or will they remain fixed in their outlook?

Understanding generations also helps us to defuse the potential for intergenerational conflict. While there are differences between cohorts in politics and behaviour, generational thinking also reminds us that we are more

> “Will younger generations change to become more like older ones as they pass through different life stages, or will they remain fixed in their outlook?”



similar than we think in our underlying values. The UK's generations are more aligned on the type of society they want to live in than we might imagine, despite our differences on the method and means by which we get there.

Q: How has the pandemic affected different generations?

The Covid pandemic is a classic case study of what is called a "period effect" in generational analysis. This single event has had universal impacts across all walks of life, with the effects varying by the age and life stage of each person in the UK.

We polled the UK public on this question for our Generation Z report and found that the public were most likely to identify the Pre-War generation (those born in 1944 and earlier) as being most negatively affected by the pandemic, which makes sense when we think about those who were most likely to be killed by the virus.

They rated Generation Alpha (currently aged 10 and under) as being the least negatively affected, followed by Generation Z, who were in their teens and early 20s at the time. Again, this appears to be led by the much lower fatality rates among these age groups.

But there's a big question mark over the long-term and second-order impacts that interrupted schooling and early careers might have had on these generations. If we look back on the question in five or 10 years' time perhaps the answers would be different.

What was the most surprising finding of your research into generations?

Some of the most surprising findings came when we examined cohort self-awareness. Generational terms are reasonably well known in the UK, so we were able to ask people of different ages about which cohort they thought they fitted into, and how strongly they identified with the label.

We found that the generation with the strongest self-awareness was in fact the Baby Boomer generation, those born between 1945 and 1965. While almost two-thirds of this cohort were able to place themselves within their generation, this figure was under half for all other generations. Generation Z were the least able to place themselves in their generational box with just over a third managing to do so.

Yet when we looked at strength of identity, the picture was reversed. This suggests that the Baby Boomer identity in the UK is widespread but lightly held, while for Millennials and Gen Z a smaller number of people identify more strongly with their cohort.

? How do Gen Z compare to Millennials?

There are a lot of areas where Generation Z and Millennials are very similar! As I mentioned earlier, politically their choices are very similar, although the older Millennials are more likely to vote. Gen Z political values are also similar, although we do see signs of a more liberal outlook on benefits and redistribution. But we also need to remember that the whole of UK society is becoming more liberal too, so Gen Z are the crest of the wave rather than going against the current.

We see more differences in their financial outlook. Despite facing similar economic obstacles, Gen Z are more optimistic about their finances than Millennials were at a similar age and our data also suggests they are more likely to have savings. Due to policy changes they are also much more likely to be saving for pensions, which is a positive for the future.

One important area where we see relatively little difference is on climate change. It is suggested that Gen Z are an activist generation who are motivated by saving the planet more than previous cohorts, but this assertion is

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hard to sustain with data. In the UK we've found that all generations are more concerned now than in the past, and if anything, Gen Z are more polarised between an activist core and a disengaged group. Our hypothesis is that Gen Z might be more in favour of making significant lifestyle changes to help, but as yet we don't have data to back this up.

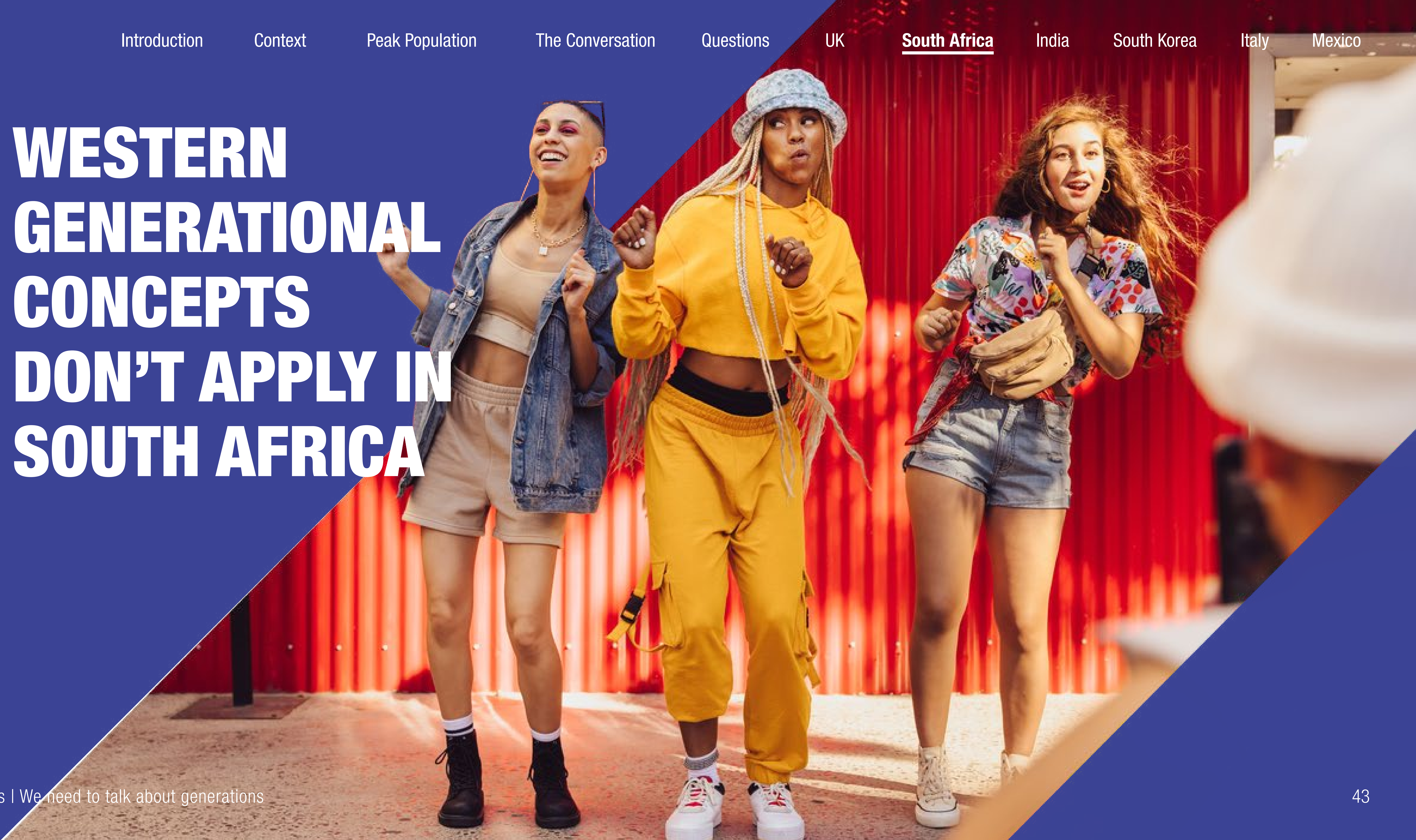
> "There is a whole industry built around provoking generational outrage which tends to be premised on misreading data about young people, especially when it comes to attitudes to work and politics."

What is your one piece of advice to learn more about people across generations?

Almost anything you are considering is probably an age- or life stage-based driver, rather than a true generational difference. There is a whole industry built around provoking generational outrage which tends to be premised on misreading data about young people, especially when it comes to attitudes to work and politics.

Over the past decade the amount of data available has exploded. That makes generational analysis much more possible, in a wider range of areas. But the paucity of data on older generations when they were a similar age means we lack additional points to make a like-for-like comparison.

Whenever you are confronted by these sort of headlines ("Gen Z are entitled", "Millennials are killing the napkin industry") it is probably safe to assume it is wrong. Remember to ask yourself, "Is this unique about this new generation, or simply a reflection of the fact that they are young?"



WESTERN GENERATIONAL CONCEPTS DON'T APPLY IN SOUTH AFRICA

WESTERN GENERATIONAL CONCEPTS DON'T APPLY IN SOUTH AFRICA

Q&A with Mari Harris and Busisiwe Mahlaba

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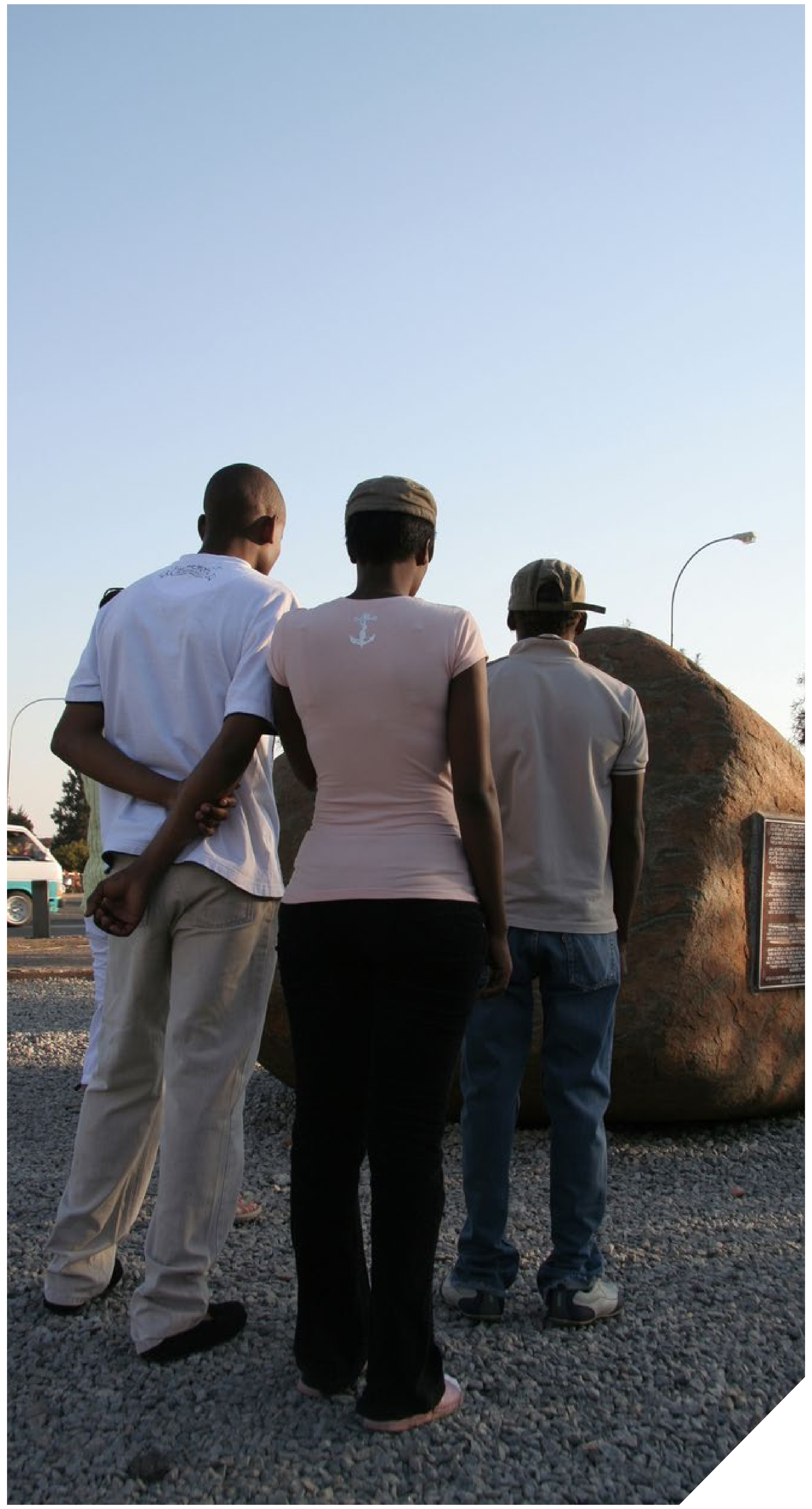
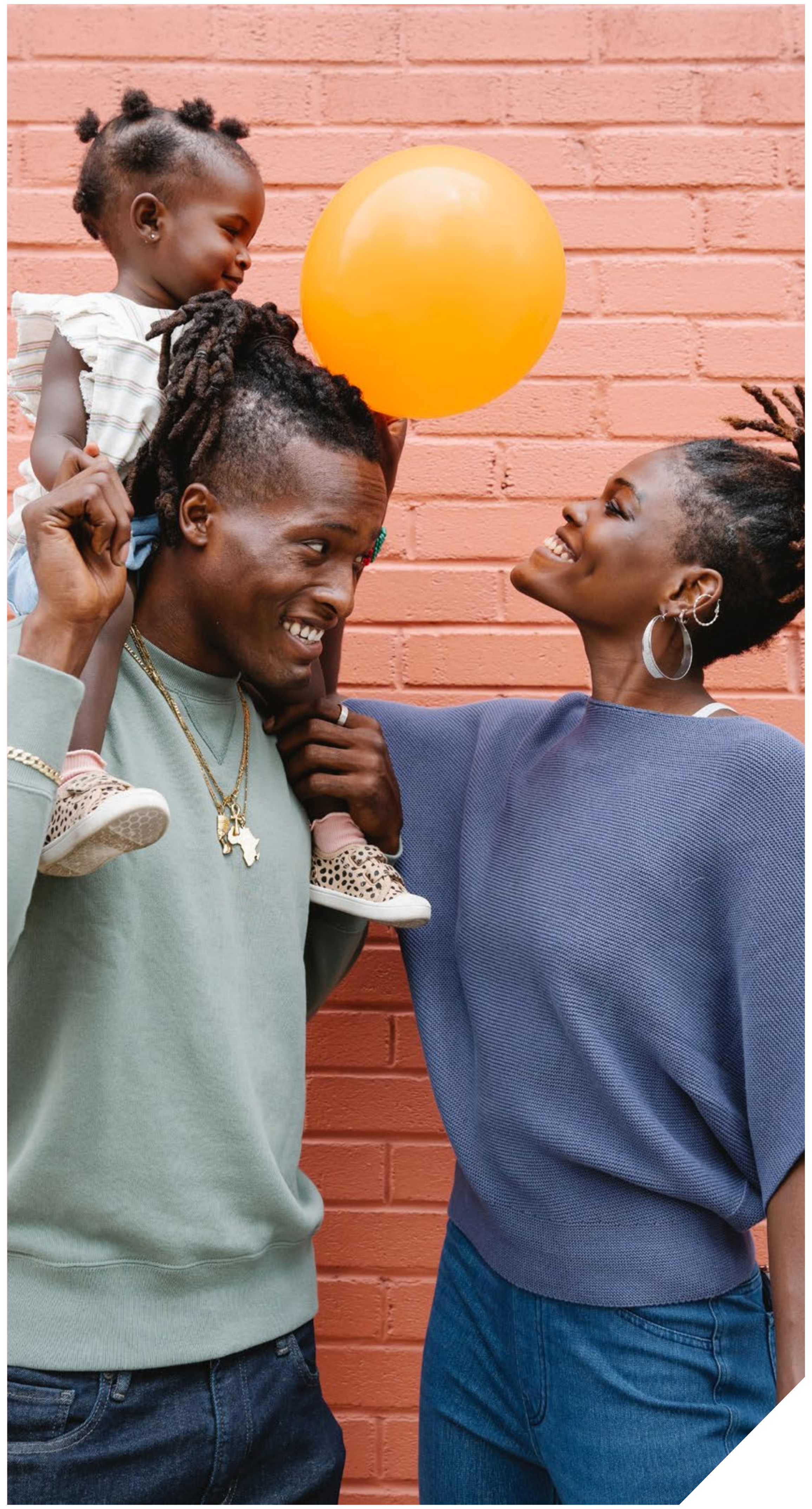
? Does the classification of Gen Z, Millennials, Gen X and Boomers work in South Africa? Are other terms or categorisations used in SA?

It's very difficult to use these terms without adding in "ifs" and "buts", as our landscape is very much split into two – pre- and post-apartheid. We do not have the luxury to speak of the global classifications as not enough time has passed. Many of the issues of race, lineage, culture, and inequality still stand.

However, the generation born from 1994 onwards (roughly overlapping with Gen Z) are known as the "Born Frees" and they grow up in a very different country.

The concepts of "Millennials" and "Boomers" are Western constructs that might not necessarily apply to a country like South Africa. Our South African "Boomers", for instance, lived a very contrasting life compared to their American counterparts. The post-WWII US Boomers experienced freedoms and growth, while SA Boomers witnessed the introduction of apartheid and a boom in racialised inequality, but also economic growth and more industrialisation.





To what extent and where can we see more similarities within generations than between generations?

Everyone is aspiring to great things and the strive for instant gratification is real, no matter what your race or ethnicity or age. More than ever, young folk are becoming global thinkers and global citizens, and are looking to global thought leadership, whilst supporting local brands, food and customs. There is a great sense of pride in local – particularly young, black and thriving.

However, there will always be similarities between generations too – the concept of the “black tax” is real. No black boy/girl/man/woman who is out of school and working is exempt from it, making it feel like baggage from the past that one just cannot escape.

To what extent and where can we see more differences within generations than between generations?

Again history plays a role here. Within the Born Free generation, access to opportunities might be more equal now, but very few black people can speak of generational wealth, or the hope of inheriting it – apartheid did not allow for that. Within the generation, they might be aspiring for the same things, but more often than not, a young black person will have a few more hurdles to clear than a white person before they get there.

There are also educational differences. As of 2020, 15% of 25–34 year-olds had a tertiary qualification whereas 46% had left school without an upper secondary qualification. As a result, the employment rate for those with a tertiary education was 29pp higher than among those with below upper secondary attainment.

This opens a whole other can of worms:

- Our government education system does not produce people who are fit for employment after 12 years of education (this is the very short answer.)
- Currently you can pass matric (grade 12) with an average of 30% - this is not inspiring academic

prowess and everyone who can afford it, black and white, puts their children into private schools – which offer a high international standard of education.

- It is logical that those with lower academic qualifications (the example above) will find it more difficult to find work. This is then feeding a vicious downward spiral, i.e., people do not find work, so they stop looking for work or trying to improve their qualifications.

- Many South Africans believe that education is more important for a boy than a girl. For many years now, girls have outperformed boys (on average) in matric. However, first year university students are more likely to be male than female, but if you look at the figures after three years, more females graduate with a Baccalaureus degree than males. They might take two or so years longer, or they leave university altogether. Largely driven by the cultural bias that male children are the ones who will grow up to change and rule the world, thus deserving of all the financial investment towards their education.

? Does the cohort effect play a role between those who grew up during apartheid vs those who grew up after apartheid?

It is important to understand the effect of 1994 (the first election in which all South Africans, 18 years and older, could vote took place on 27 April 1994) – children born thereafter (the Born Free) have a different outlook to those that were born and lived through apartheid. Though cultural expectations are things that change extremely slowly, they are having to be managed very differently. An example is parenting Born Frees without bringing in the effects of the PTSD caused by apartheid.

> “First year university students are more likley to be male than female, but if you look at the figures after three years, more females graduate with a Baccalaureus degree than males.”

I think it is important to remember that the change from apartheid to democracy in South Africa was revolutionary – but that it was a process and did not take place on one auspicious day. Some (small) changes to the constitution happened during the 1980s, there were organisations like the UDF, who negotiated regularly with government, there were several discussions with the ANC in exile.

Change was inevitable.

In 1990 Nelson Mandela and other struggle leaders were freed from prison and all political parties were unbanned. The years 1990-1994 were tumultuous, and rapid progress were made – there were also knife-edge moments, like when Chris Hani (the leader of the SA Communist Party) was murdered and the ANC and the IFP had an internecine war raging for four years.

So yes, I think there is a difference between the kids who grew up during the 1980s and 1990s. Post-apartheid kids are more sure of themselves, they know what they want, they care more for the environment and they see all people as the same. All of them are not necessarily colourblind, but some of them definitely are, they know there are opportunities for them in the wider world. They also have a stronger sense of community and that things should be achieved together.

Kids born during the 1980s are less sure of themselves, but they are tough – they grew up during a difficult decade for both blacks and whites in the country. I think they are more individual-minded, they had to work hard for things they got.

What is/was the impact of Covid?

Many social issues were brought to the surface by Covid. The escalation of gender-based violence (GBV), isolation and deep poverty, amongst people of all population groups. At the same time, Covid was a leveller, no matter your skin colour or social standing – lives and livelihoods were lost across the spectrum – grief was universal, and the isolation was felt nationwide. Covid showed that

issues such as depression have no colour or class. The chasm was highlighted in terms of access to medical care, so too was the fact that some of our best medical professionals are to be found in the under-served public health system of our country.

South African doctors, whether they work in the private or in the state sector are generally excellent and very well-qualified. Like doctors all over the world, they work horrendous hours, as there are simply not enough of them. The doctors in the state sector generally work even longer hours. The private sector hospitals are only available to people who have a medical aid – generally people who are working.

During Covid, the doctors and nurses in the state sector carried an uneven burden – there were many more patients needing their help than Covid patients in the private sector. In the private sector the equipment is newer, better maintained and generally more available – in the state sector, it is not the case. You use what you've got and make a plan.

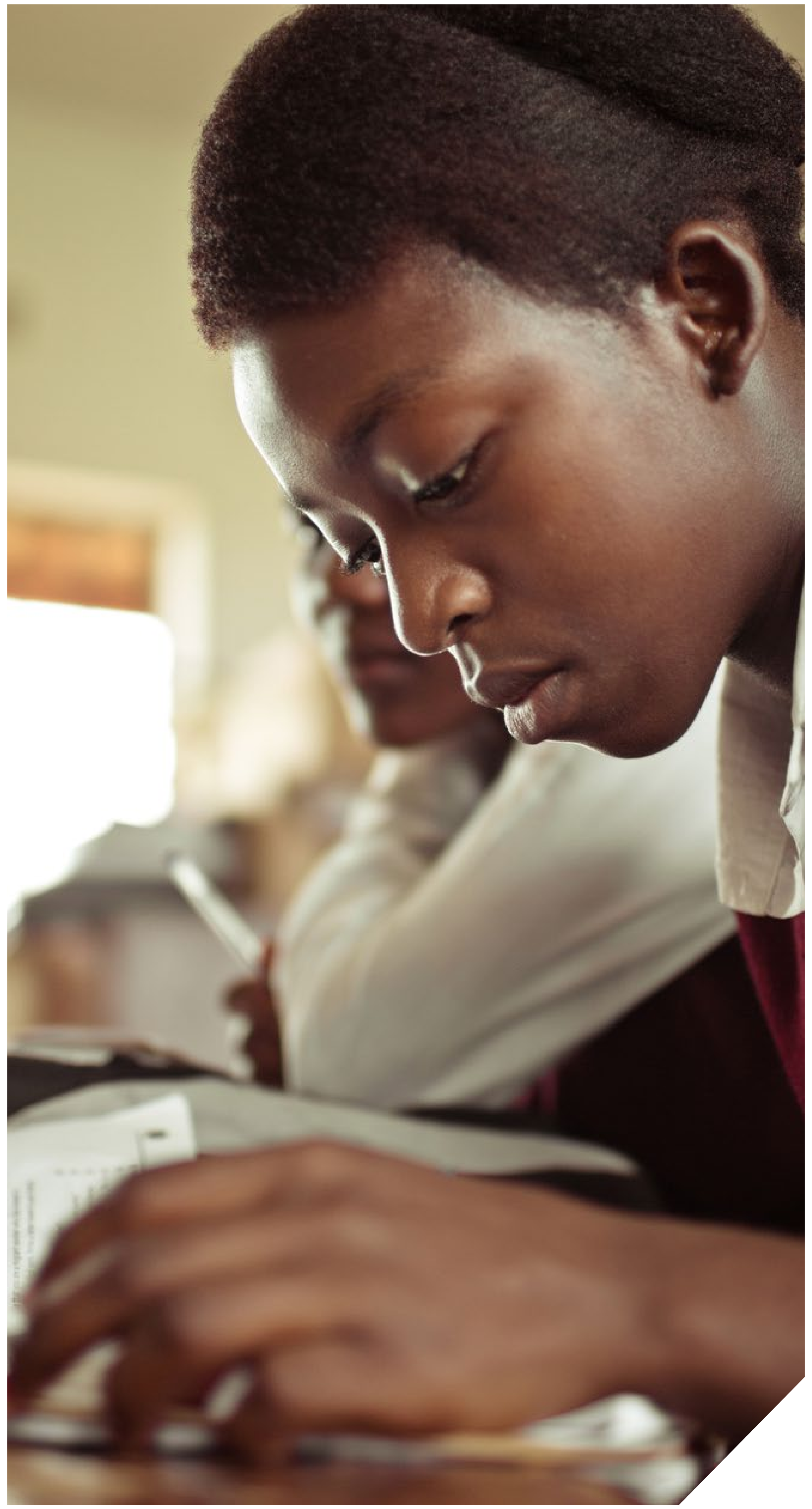
Covid also had a significant effect on life expectancy. From 2020 to 2021, life expectancy at birth for males declined from 62.3 years to 59.2 (3.1-year drop), and 68.4 to 64.2 years (4.2-year drop) for females. After the 2021-22 vaccine rollout, life expectancy at birth improved by 0.8 years for males (60.0 years) and 1.4 years for females (65.6 years).

Covid brought about the same uncertainties for everyone, particularly the mistrust of politicians or political parties grew, which led to people across the spectrum coming closer together.

? The fertility rate is now close to replacement ratio – is the country preparing for a population that is no longer growing?

Unfortunately, as with many things in South Africa, there is very little planning for the future. As an example, the Department of Education in Gauteng (the smallest, but most populous province where both Johannesburg and Pretoria are situated) had to double the number of

> "Like doctors all over the world, they work horrendous hours, as there are simply not enough of them. The doctors in the state sector generally work even longer hours."



classrooms in some areas in a space of about two weeks at the beginning of this year, because they did not plan for the number of children who were starting school (either primary school or high school). As a quick fix, they put up temporary classrooms – but there are no plans to make these permanent or to actively recruit young people to be teachers.

There also is no planning to make provisions for an older population in the future. Economists express their worry about the low level of savings and contributions to a pension fund.

Additionally, it is important to note that in the post-apartheid era since 2008, the population growth rate has exceeded the economic growth rate, which is mounting pressure on a country struggling with economic woes.

What is there to say about urban vs rural demographics? And what is there to look out for next?

Firstly, it's important to understand that SA is the fifth most populous African country, yet its demographic features resemble that of a developing country. The population growth rate in rural areas is higher than in urban areas and women tend to have a first baby earlier in life in rural areas than in urban areas. People in rural areas also tend to be on average older than those in urban areas (on the macro-level) - and the population sex split in rural areas is more female than male. This is probably a remnant of the labour system practices during apartheid, when men could not take their families with them when they found a job at a mine or other big corporations in a city.

Although there are many, many, poor South Africans living in the eight metropolitan areas and cities in the country, we also see a lot of poverty in rural areas. Limpopo Province is 79% rural with no major metro areas, and probably one of the poorest provinces in South Africa.

> **“Urbanisation leads to more opportunities, less children per household, and the raising of the education standard (especially of girls) - but there are many other challenges. – in terms of infrastructure and service delivery in urban areas.”**

The Eastern Cape is 49% rural, and while it contains two Metro areas for job seekers, work opportunities are probably much better in the Western Cape which is a much richer province – therefore, there's a steady stream of internal migration of hopeful jobseekers from the Eastern to the Western Cape.

Despite these large rural communities, investment in infrastructure, education, health, work opportunities and income-earning opportunities are not equally distributed between metropolitan and rural areas, potentially leading to resentment and division in communities.

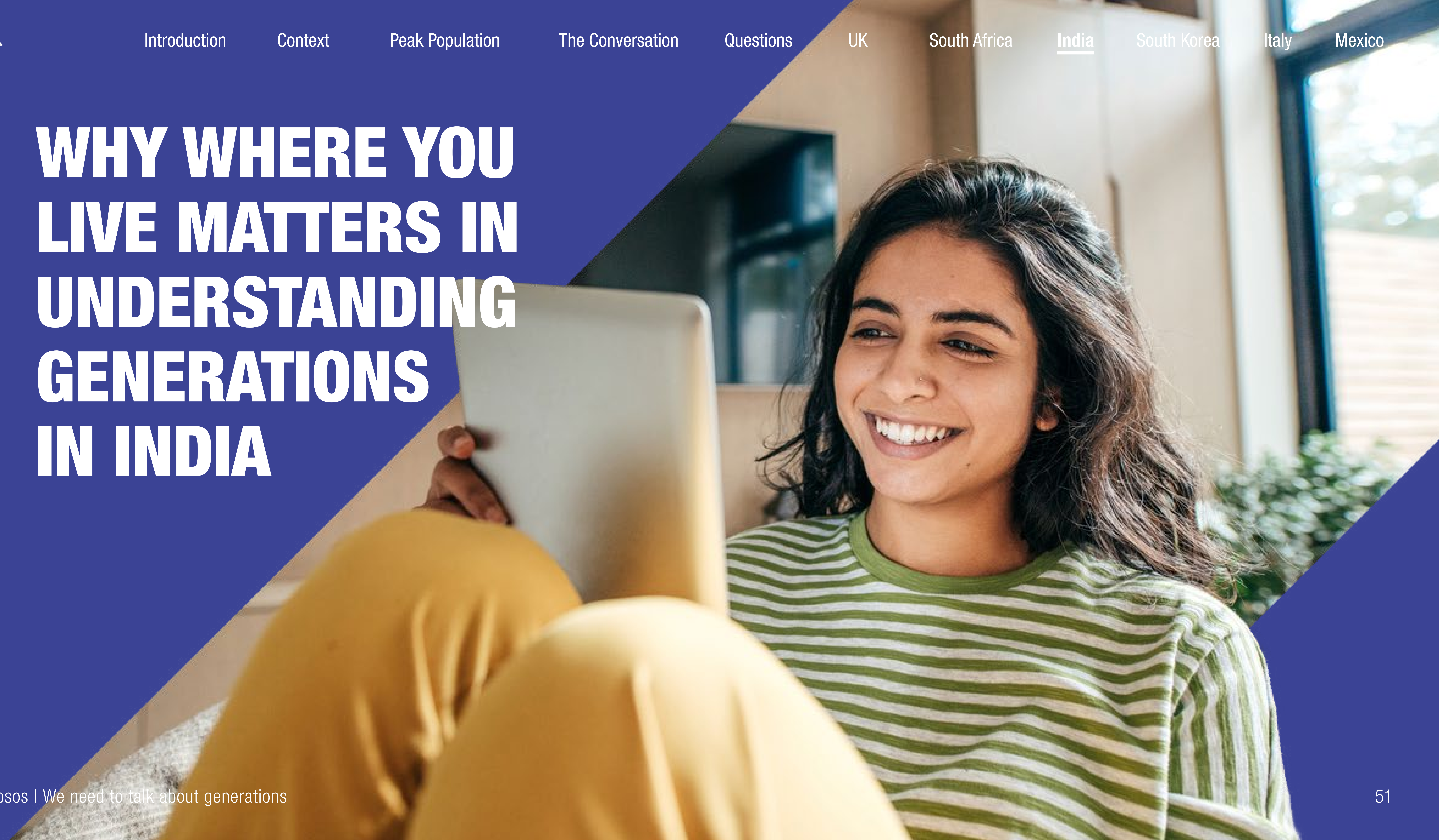
? What are the myths vs reality that you would focus on for someone outside South Africa?

Reality: many children of all races grow up with a single mother and without a father present in the household.

Urbanisation leads to more opportunities, less children per household, and the raising of the education standard (especially of girls) - but there are many other challenges. – in terms of infrastructure and service delivery in urban areas.

There is a myth that all white people are rich, and all black people are poor – this is not the case and both population groups are spread across all income groups in the country. Having said that, the spread is not equal though – so feeding into the myth perhaps. As much as things have opened up, previously disadvantaged means having a lot of catching up to do before we can get to a semblance of equality.

WHY WHERE YOU LIVE MATTERS IN UNDERSTANDING GENERATIONS IN INDIA



WHY WHERE YOU LIVE MATTERS IN UNDERSTANDING GENERATIONS IN INDIA

Q&A with Ashwini Sirsikar

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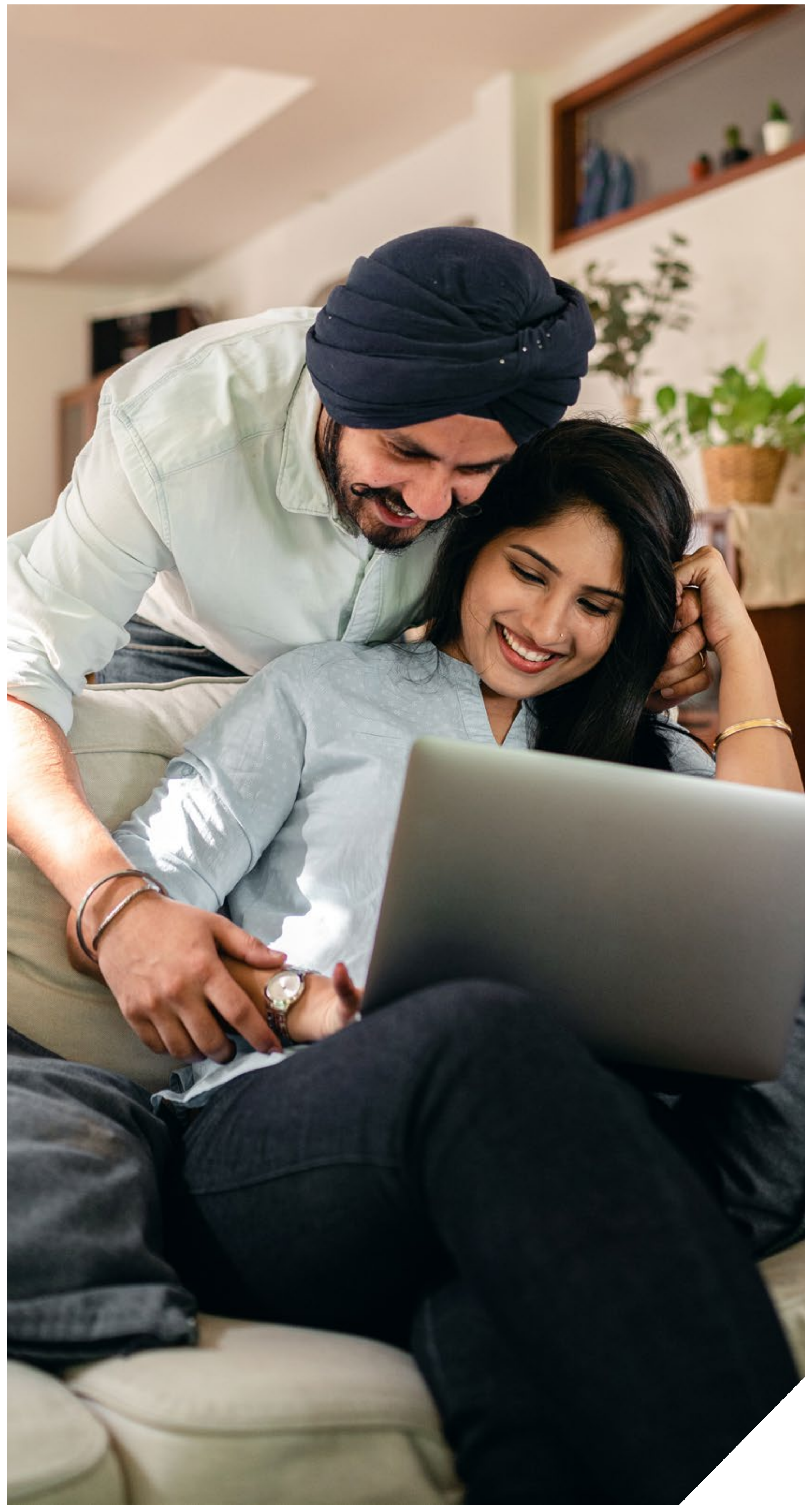
Do Gen Z differ in India compared to other nations?

While there are many points of similarities between the Gen Z in India and other nations there are some interesting differences too. Indian Gen Z are not necessarily activists, far from the stereotypes prevailing in the US and Europe. Indeed, some only pay lip service to concerns about climate change or sustainability.

In contrast to Italian or American youth, for example, they abstained massively from voting at the last general election and are generally not very interested in politics.

To what extent do we see similarities between generations?

We do see several similarities across generations primarily due to the cultural fabric which ties Indians. India continues to be a collectivist society with family being of utmost importance. While on one hand Gen Z wants to do something different, follow their passions and seek newer challenges we also see a certain degree of conformism amongst them especially in smaller towns. Government jobs are still aspirational, primarily because of the status



"As a result of increased tech use, young people in India are actually demanding – they're demanding more opportunities, they're demanding change and they're demanding guidance from marketers who can enter and speak to them."

and respectability that they offer. And hence, conformity is not something that people look down upon. Many Gen Z continue to stay with their parents even once they start working. Some continue to stay together even post marriage and move out only if there is a space constraint or they need to move cities for work. Arranged marriages are still common in India and parental approval is critical. Many end up marrying a partner of their parents' choice or settling for quasi love-arranged marriages where the girl and boy are allowed to meet each other a few times before they marry.

To what extent do we see differences between generations?

The India that Gen Z live in is very different from the ones that our parents lived in. Tech literacy is something which binds and defines young people and impacts different parts of their life. India is a mobile-first market. Many local apps have been developed to address this market: Flipkart, Meesho, Zomato and Moji (TikTok being banned from India). Young people in small-town India (Bharat in Hindi) assert their identity and self-pride through social media. Large tech players, seeing that growth has plateaued in the bigger towns, are now focusing a lot more on tier two and the rural population. Ostentatious consumption (luxury cars for example) reflects the new self-confidence of tier two cities now described as "billionaire mills".

As a result of increased tech use, young people in India are actually demanding – they're demanding more growth opportunities, they're demanding change and help and support in achieving their dreams.

Gen X in many cases are parents to Gen Z. From an India perspective this was a generation which was in a bit of transition. They were brought up with typical middle-class values of frugality, high focus on education, family-centricity. However, liberalisation and globalisation in India which happened since the 1990s opened up a width of possibilities in terms of more choices when it came to career, education, access to brands etc. This generation is also to a certain extent the most adaptable as they have seen both worlds – the world of their parents and the new world that liberalisation brought in. In many cases they are the parents to Gen Z and have had to adapt to the new way of thinking that the Gen Z bring in. We see this generation straddling so called diverse values and attitudes of frugality vs free spending, tradition vs modernity, attitude to change, gender role definitions etc.

Has there been a change for women in Indian society?

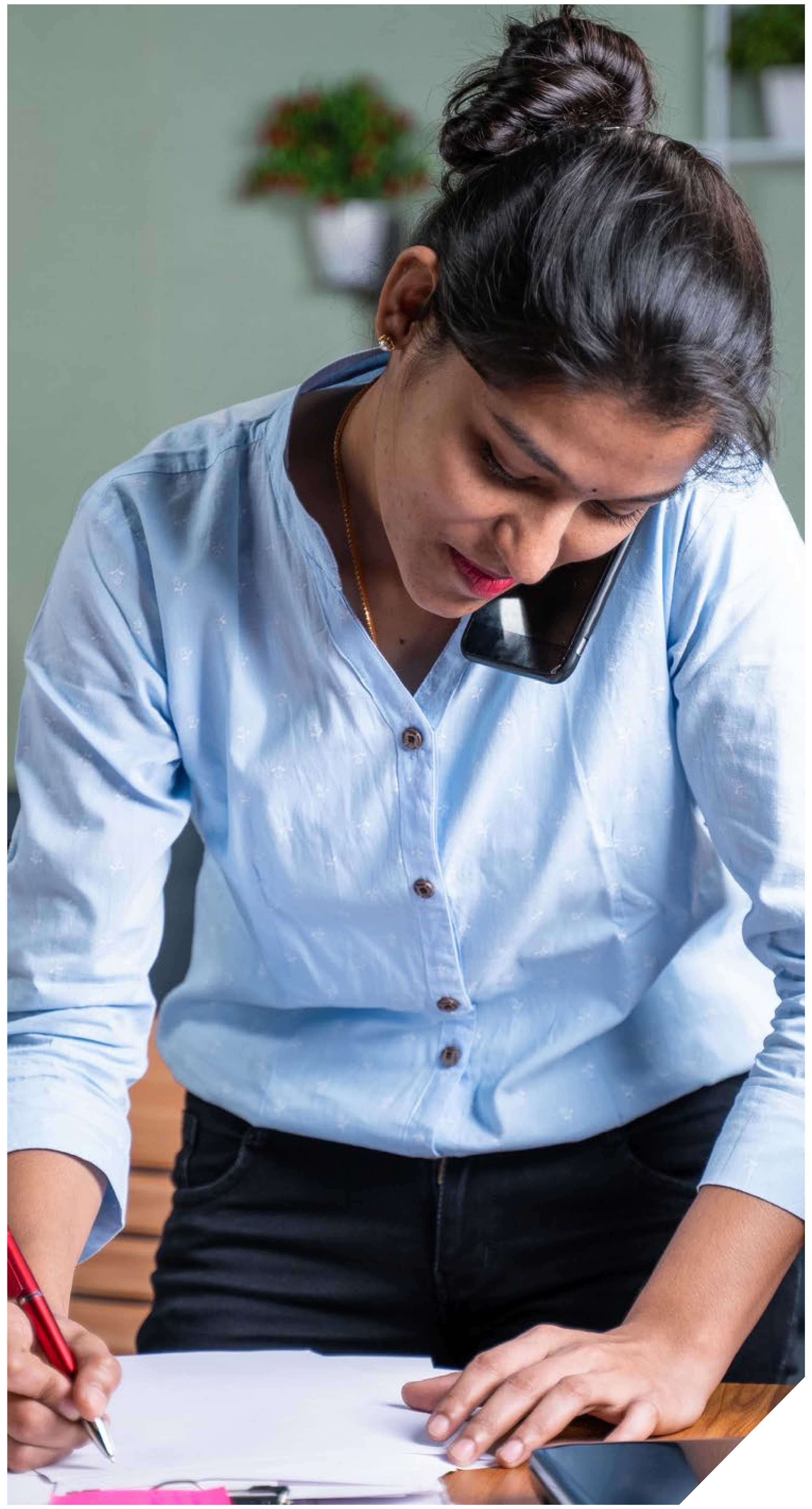
The condition of young Indian women is still heavily determined by early marriage and childbirth: the median age at first marriage is 18.8 years for women and 24.9 years for men. But in any case, dramatic changes are underway as reflected by the National Family Health Survey (NFHS) data: early marriage has been declining over time.

Women having 12 or more years of schooling marry much later than other women. The median age at first marriage for women increases from 17.1 years for women with no schooling to 22.8 years for women with 12 or more years of schooling. Women in the highest wealth quintile marry much later (21.1 years) than women in other wealth quintiles (17.5-19.3 years). This has a direct impact on the Labour Force Participation rates which are 60.1% for men aged 15-29 vs. only 21.1% for women in the same age bracket.

Yet, for the first time, girls' Gross Enrolment Ratio (GER) in Higher Secondary level of School Education is now higher than boys' (54.6% vs. 53%) and women's Gross Enrolment Ratio (GER) in Higher Education (18-23 years) is also higher than men's (27.3% vs. 26.9%).

The higher rates of education for women means they are asserting themselves more.

Whether we look at large towns or women in small town India, both are looking to be free and there is a strong need for self identity. However, the definition of self-identity is not the same when it comes to small town or large town India. In small towns, it could be something as simple as having



the freedom to stay out late at night or freedom to decide what kind of clothes they are going to wear. In large cities, it could be freedom when it comes to career choices, it could be freedom in terms of being able to decide when they want to marry and who they want to marry.

? How has the pandemic affected different generations?

The share of upper secondary 15-19-year-old students enrolled in vocational programmes is one of the lowest among OECD and partner countries with available data (1.5%, rank 40/41, 2020). This means that the Indian labour market will continue being extremely polarised. The pandemic exacerbated this polarisation and produced a deterioration of the average quality of jobs, most lost jobs being salaried positions. This resulted in a surge in youth unemployment and in December 2021, fewer Millennials and Gen Z were employed than in December 2019.
Gen Z was also emotionally impacted by the pandemic, being stuck at home, with career choices and as a result aspirations curtailed. Social media and the internet in those times provided avenues for entertainment, learning, growth and also income.

> “The pandemic exacerbated this polarisation [of the labor market] and produced a deterioration of the average quality of jobs, most lost jobs being salaried positions. This resulted in a surge in youth unemployment and in December 2021, fewer Millennials and Gen Z were employed than in December 2019.”

SUPER-AGEING IN POST-PANDEMIC SOUTH KOREA

SUPER-AGEING IN POST-PANDEMIC SOUTH KOREA

Q&A with Jinna Yoon

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Why is it important to understand generations now in South Korea?

In around two generations, Korea has become a "super-ageing" society. Its birth rate is the lowest in the world – having gone from a fertility rate of 5.9 births per women in 1960 to 0.8 in 2020. Therefore, there is now a growing concern about the demographic "cliff" facing the country: fewer working people having to support more and more elderly people, and what this means for the economic implications of the country.

On the other hand, it is important to understand the growing generation tension between old and young people in Korea which stems from a combination of socioeconomic and cultural factors e.g. shift from traditional Confucian values to individualistic society, rapid economic growth and industrialisation, polarised view to social justice and

0.8

In 1960 the fertility rate in South Korea was 5.9 births per woman, by 2020 it had dropped to 0.8.

no.01

South Korea now has the lowest birth rate in the world.

democracy. Understanding generational differences will be the key, therefore, to address future societal issues and encourage social cohesion.

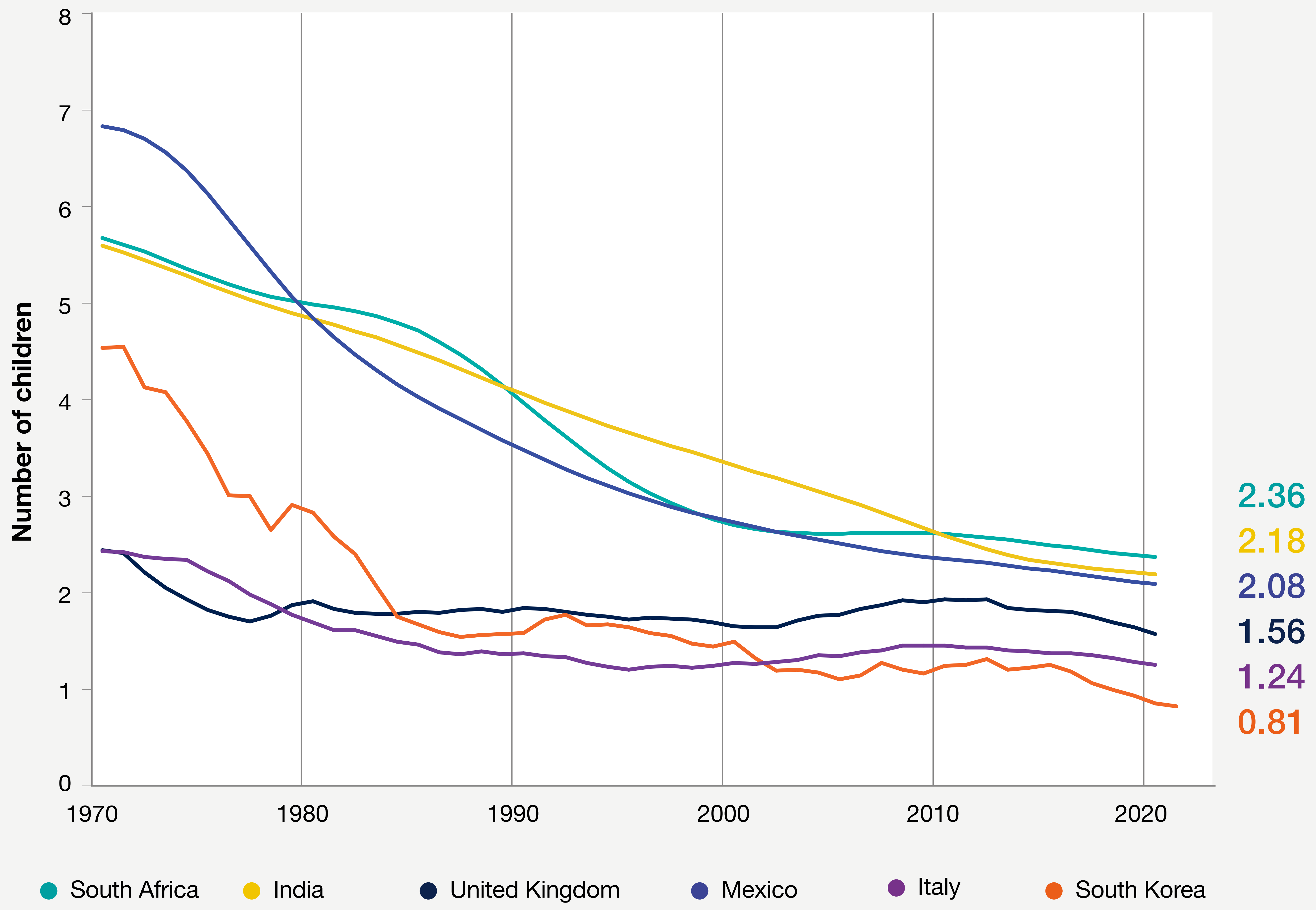
What is the main reason for declining birth rate in Korea?

First, it is economic factors that have put off young from having families – high real estate prices, the cost of education for children and greater economic anxiety.

On the other hand, there is also a trend to delay or avoid marriage. Marriage, childbirth, and childcare require too much sacrifice for women in a patriarchal society especially over the past decade. So, they are beginning to explore the possibility of being able to live well without getting married. Among those who were not dating, 51% of men and 64% of women said they chose not to date so they can enjoy their hobbies or focus on education. Many say they just don't have the time, money, or emotional capacity to go on dates.

Fig. 13 – **Fertility rates 1970-2021**

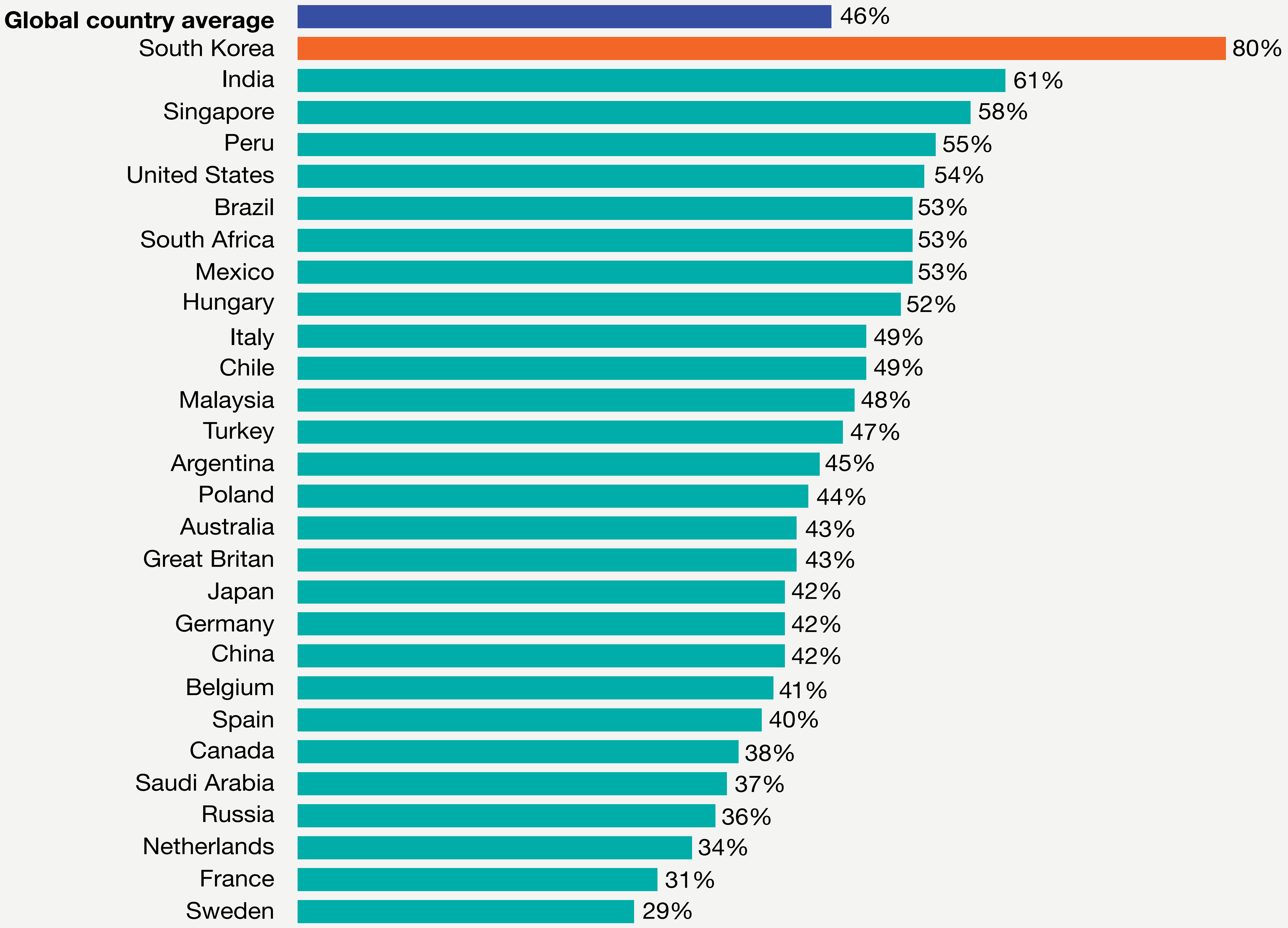
Decline in fertility rates over time



Source: OECD, https://data.oecd.org/pop/fertility-rates.htm

Fig. 14 – **Tension between old and young**

Q: How much tension, if any, would you say there is between old and young in [country] today? % who say a great deal or fair amount



Source: Culture wars in the UK | June 2021, 23,004 adults interviewed online between 23 Dec 2020 and 8 Jan 2021

Lastly, there is constant failure of government policy to solve the low birth rate problems. Many experts believe the current throw-money-at-it approach is too one-dimensional and that what is needed instead is continuing support throughout the child's life.

How do Gen Z compare to Millennials?

The socioeconomic, technological environment may make a difference between Millennials and Gen Z. Both generations were digital-savvy kids, but Gen Z is truly mobile savvy since they have grown up with smart phones since primary school and social media is part of their day-to-day.

On the other hand, both generations are highly educated and technologically adaptable, but Gen Z represent the country's most vulnerable generation so far due to increasing job insecurity, unaffordable housing, and rapid automation in workplaces while Millennials – in their 30s – are relatively more established.

To what extent do we see differences between Generation X and other generations?

South Koreans in their late 40s and early 50s, as members of Generation X, are regarded as the first generation to turn away from the traditional mainstays of collectivistic nationalism or hierarchical organisational culture in favor of individualism. This generation serves as a bridge between the two older generations and the younger new generation. They can be described as the country's first post-democratisation generation. Growing up in a democratic society, they were less active in championing the collective goal of democratisation than the generation before them.

How has the pandemic affected different generations?

Post-pandemic, inflation has been the sudden scourge of the time and the wealth inequality in Korean society has reached its highest level ever due to rising house prices, interest rates as well as diminishing subsidies,with those under 30 most impacted. Debt held by heads of households in their 20s has soared by more than 40% in the last year, triggering warning alarms about household financial soundness in a period of high-interest.

It seems that relatively more established Gen X or older generations – who have their own housing and secure jobs – are relatively less affected even though they also have to tackle with rising school fees for their children as well as parenting young adults and children having a hard time to find a stable job and housing.

Lastly, the over 60s may become a vulnerable and isolated generation due to the technology divide in today's fast moving digital and mobile-focused society, which is even more pronounced after the pandemic.

> "Korean marketeers are increasingly interested in also targeting older people who are more established, still socially active with sophisticated tastes and willing to buy premium products, especially in luxury goods, leisure, beauty, health and wellness."

Do we see differences in how brands target generations?

The young generations represent the core consumer group that lead cultural trends in fashion, beauty, entertainment and pop culture with a strong social influence on wider age groups. So, brands often target and actively engage with them to create trendy and youthful images and generate social buzz.

However, Korean marketeers are increasingly interested in also targeting older people who are more established, still socially active with sophisticated tastes and willing to buy premium products, especially in luxury goods, leisure, beauty, health and wellness.

POPULATION BUST: HOW ITALY IS FINALLY FACING ITS GREY RHINO

POPULATION BUST: HOW ITALY IS FINALLY FACING ITS GREY RHINO

Q&A with Chiara Ferrari

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What is going on with Italy's population?

Since the mid-seventies, Italy started to fall behind in its replacement rate and now the population (like Japan, South Korea and now China) is decreasing in absolute numbers. Last December, ISTAT announced that Italy had dropped below 59 million in 2022.[5] This issue has been kept in the background of public discourse, with more pressing issues on the political agenda (e.g., internal terrorist threats, oil crisis, and political disruption in the early 90s). The Italian population has been shrinking steadily since 2014, with a cumulative loss since then of more than 1.36 million residents.

1.36m

The Italian population has been shrinking steadily since 2014, with a cumulative loss since then of more than 1.36 million residents.

<59m

The population in 2022 sat at just under 59 million.

How are institutions handling this change in demographics?

This has been happening for decades now and under the radar of institutions. However, ISTAT is annually commenting on the population data, and only recently they raised the alarm on how a shrinking population will impact public resources and expenditures. In particular, the main welfare provisions (healthcare, pensions, size of the workforce, jobs availability, education etc).

The media are beginning to take note. For example, they are counting the shrinking number of new classes in pre-school and primary level education and the subsequent loss of jobs among teachers. The Government has created the new role of Minister for Family, Natality, and Equal Opportunities. Eugenia Roccella, selected for the role, is known for having strong views on feminism, abortion, and end of life care.

Where public institutions lack ideas and initiatives/policies, a space opens for the private sector: companies big and small design their own welfare for workers, offering support, flexibility, extended parental leave. Recently, an Italian baby food manufacturer has gone further, by developing a manifesto, a platform and a video (ADAMO 2050 - Platform manifesto & video - PLASMON) which has attracted the attention of other companies and, hopefully, of institutions.

Has there been a change in Italian society?

We see the traditional post-war Italian family and way of life quietly disappearing. The archetypal Italian household with lots of members under one roof is dwindling, with households only having one member now accounting for 33.2% of the total. This is more than the share of couples with children (31.2%). In the 1950s, the average number of household members was 4.0. Whereas in 2011, it was 2.4.

> “We see the traditional Post-War Italian family and way of life are quietly disappearing. In the 1950s, the average number of household members was 4.0. Whereas in 2011, it was 2.4.”

The concentration of wealth has also been altered. The richest 5% own 41.7% of the total wealth (or, the richest 20% owns 68.9%) and the poorest 20% owns 1.3%. The salaries in Italy are 12% lower than in 2008 in real terms and employment among women is 49%, the worst figure since 2013, with higher losses among those aged 25-49.

Women in Italy seem to be confronted with a choice: have children and face barriers to employment or have a career and potentially not have kids? Of the women aged 25-49, 81% of those living alone are employed, and 71% of those living with a partner with no kids are also employed. This is compared to 56% to those with children.

? To what extent do we see differences between generations?

The latest general election in 2022 showed that the gap between Gen Z and other generations is widening. They turned out in greater numbers and with more salient motivations compared to older generations – almost the opposite to those of the mainstream, older voters. The values they were more likely to stand up for were the ones which they thought the winning coalition would attack: environment, pacifism, social justice and diversity. This belied the assumption that they were more disengaged, subdued, or cynical than previous generations at the same age.

? How has the pandemic affected the demographics and/or generations in Italy?

The pandemic has impacted the views on the future and the capacity of people to plan ahead both because of the social and economic impact of the lockdown period and of the uncertainty which has been permeating our existence since then.

In fact, together with a surge in deaths (740,000), in 2020 we saw a reduction in the migratory balance and a further contraction of births (which dropped to 405,000; they were 420,000 in 2019 and 562,000 in 2010). The natural balance was -335,000, the worst in the history of our country since the Spanish Flu in 1918.

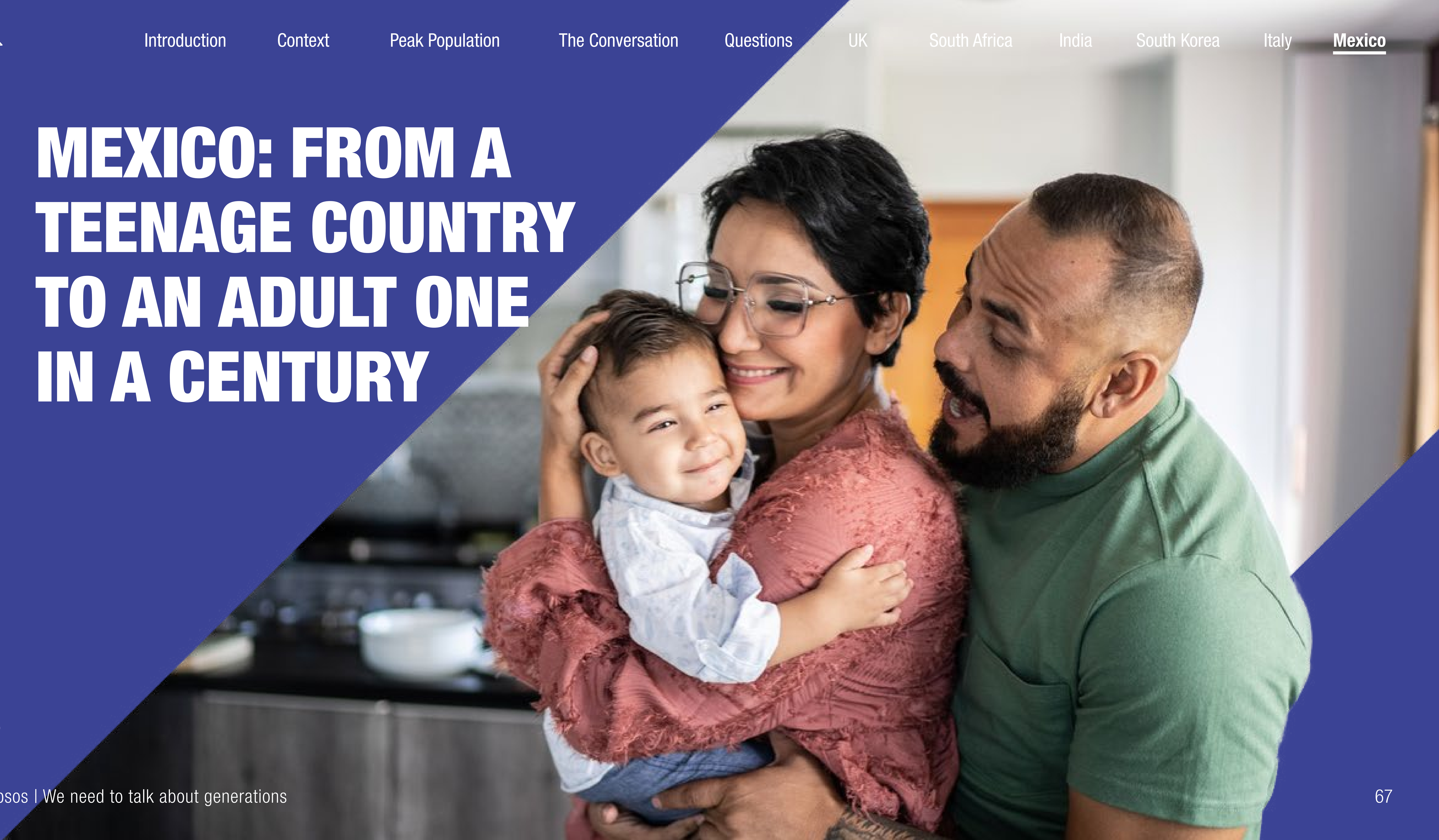
The data also shows how the negative effects are differentiated. The first pandemic wave mainly affected reproductive behaviours in the North and the second in the South. The contribution to the births of married couples decreased as a consequence of the collapse of marriages (it actually halved in 2020 compared to the previous year), while the incidence of extra-marital births increased (a phenomenon which also includes young couples who have postponed their marriage but decide to have a child anyway).

Also, the birth project was slowed down within younger cohorts, whereas the pandemic put a spin on decisions for women over 35 who decided to stop postponing further despite the period of crisis.

The comparatively higher impact of the pandemic on Italian demographics can be explained by various elements, the most relevant being a fragile labour market which negatively reflects mainly on young people and women, together with a suffering economy.

> “Of the women aged 25-49, 81% of those living alone are employed, and 71% of those living with a partner with no kids are also employed. This is compared to 56% to those with children.”

MEXICO: FROM A TEENAGE COUNTRY TO AN ADULT ONE IN A CENTURY



FROM A TEENAGE COUNTRY TO AN ADULT ONE IN A CENTURY

Q&A with Eugenia Marbec and Sarai Escobar Avila

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? What is there to say about urban vs rural demographics? And what is there to look out for next?

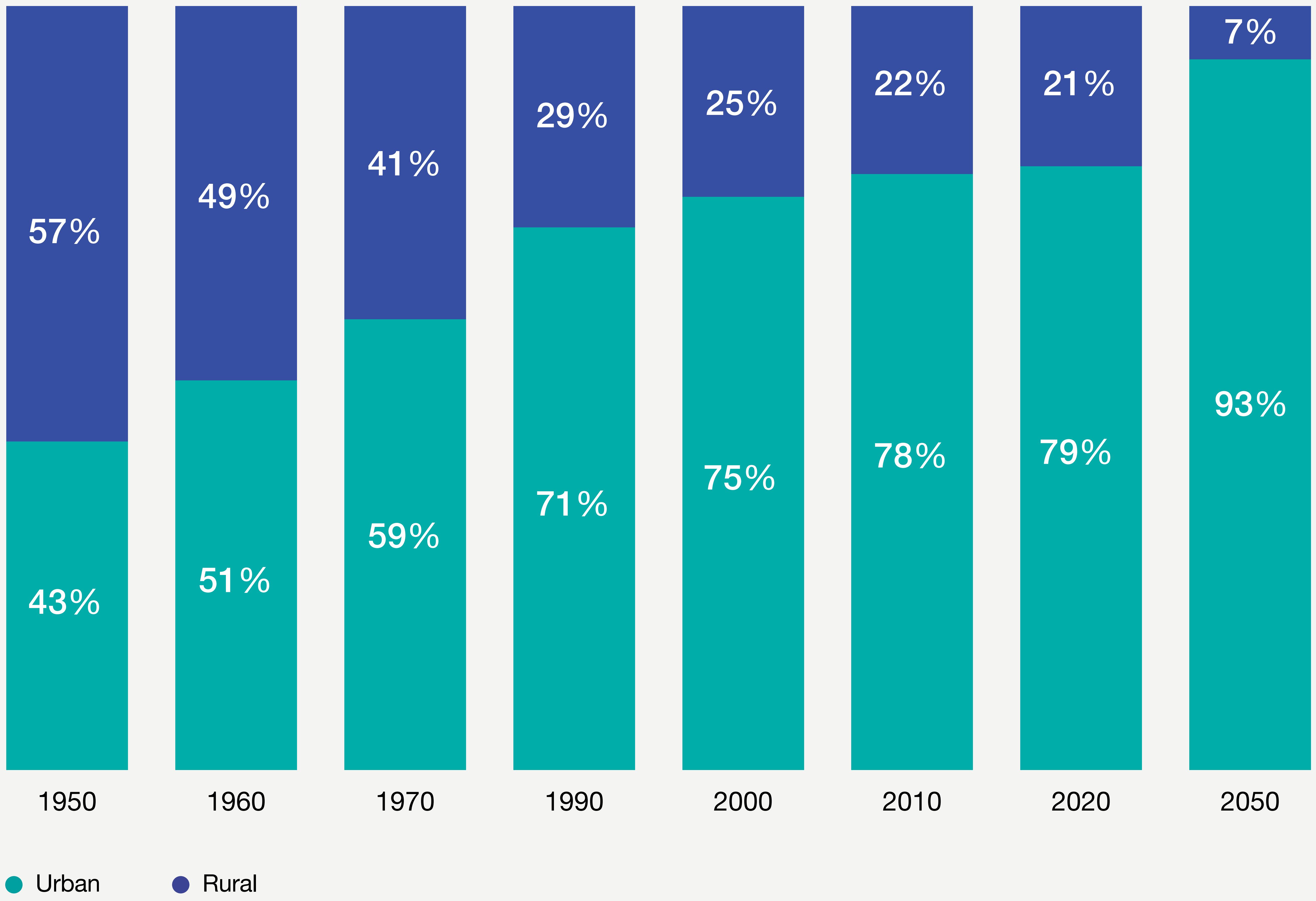
There has been a great shift in Mexico moving to cities from rural areas in recent decades. Today the percentage of Mexicans living outside of urban areas is half of what it was 50 years ago. Back in 1970 43% lived in rural areas, but this has fallen to 21% in 2020. This trend is predicted to continue with the rural population expected to be only 7% in 2050.

Rural areas in Mexico are not like rural areas in the most advanced Western countries. The natural landscape dominates and obviously there is a lower population density compared to cities, but there is also poor hospital infrastructure, roads, internet access.

↘ 7%

In 1970 the rural population of Mexico was 43%, by 2050 this is expected to be only 7%.

Fig. 15 – **Population urban/rural**



Source: Datos 1950 – 2020: http://cuentame.inegi.org.mx/poblacion/rur_urb.aspx?tema=P#:~:text=Rural%20y%20urbana&text=El%20n%C3%BAmero%20de%20habitantes%20que,m%C3%A1s%20de%202%20500%20personas.
Estimación 2050: https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html

Q: In many countries we have seen that as people move to the city they have less children. Is this the same in Mexico?

Over the last 50 years there has been migration to urban areas, and this has been coupled with a decline in the number of children families have. Mexico is now at the threshold of replacement rate. It is thus starting its transition from a “teenage country” to an older one. Back in 1970, children (those aged under 14 years old) made up 41% of the Mexican population, today that is down to 22% and is expected to fall further by 2050 (see figure 16 over page).

However, there are regional differences. Birth rates are twice as high in rural Chiapas than in Mexico City.

Many of these differences are down to education. While Mexico City ranks first in average schooling, Chiapas ranks last. There are other factors such as access to information on sexual education, beliefs and customs, discrimination, and abuse against indigenous communities in rural areas.

Q: The number of 65+ year-olds will double in a generation. How are institutions reacting to this, if at all?

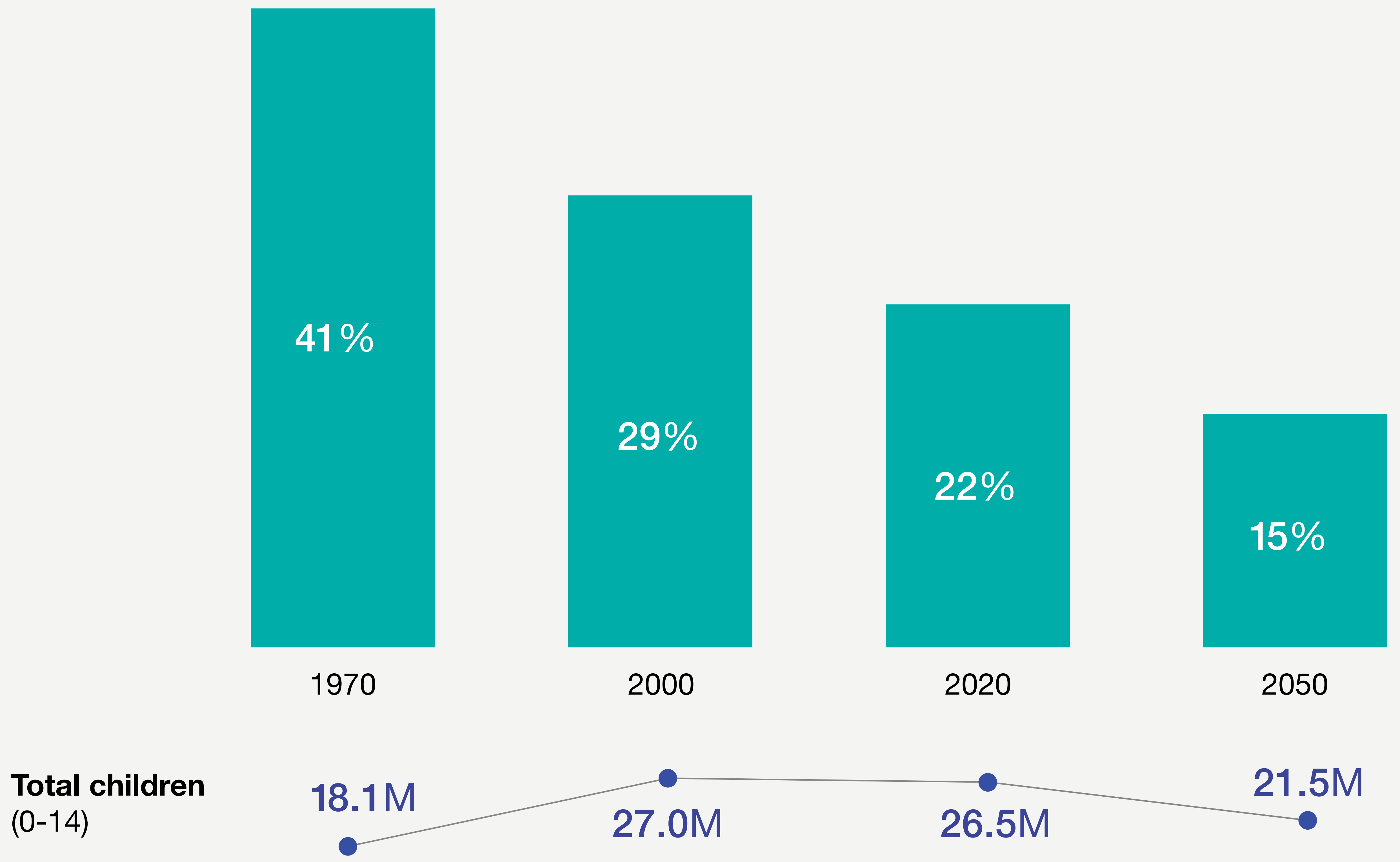
Older people are concerned by the lack of savings and thus of potential support from the moment when they start being dependent on others. More than four in 10 (44%) of adults save through mechanisms other than those offered by financial institutions.

Among these, the most common are keeping money in cash (65%) and participating in batches (32%). Therefore, it is important to disseminate the benefits and ways of saving, for example through investment instruments.

In times of higher inflation, remittances have played a very important role in the Mexican economy. It increased by 12.5% in January 2023 and for February 4.4 billion dollars of remittances entered Mexico, according to the Bank of Mexico.

Fig. 16 – **From a country of adolescents to one of adults in a century**

% children (0-14 years old) in Mexico



Source: CONAPO – Proyecciones de la Población de México y de las entidades federativas 2016-2050

> **"A significant share of younger adults (45% of 24 year-olds) in Mexico live like "full adults": working (or seeking employment) and running their own households. They are not the Gen Z seen in many adverts."**

More than a third of people aged 15-19 have dropped out of school and only a quarter of those aged 20-24 are still studying. A quarter of those aged 16 are either working or looking for a job.

The entities that receive these resources are also the states that see the most people moving away year after year. Jalisco, Michoacán and Guanajuato were the main recipients of remittances registered in 2022, each exceeding 5 billion dollars in 2022. By municipalities, Tijuana, Guadalajara and Morelia were the ones that raised the most money, according to data from the central bank.

Q: Nearly half (45%) of 24 year-olds are married, how do marketers and/or communicators react to this?

At 20, a quarter are already married or living with a partner. This all means that a significant share of younger adults in Mexico live like "full adults": working (or seeking employment) and running their own households. They are not the Gen Z seen in many adverts.

Marketers and communicators direct their marketing strategies to different segments of the population, one of them is the LGBT community, since it is known that 40% have more premium tastes than the rest of the population, between 5% and 10% of Mexicans belong to this market; and many of them live as a couple, without children and both work.

Another segment to which they direct their attention is single-person households, since it has had growth in recent decades, while in 1990 this segment was 4.9%, it is expected that by 2030, it will represent 12.2%.

Q: To what extent is the MX picture similar/different to other LATAM countries?

The indigenous speaking population in Mexico is 6% of the total. The states with the highest concentration of populations that speak indigenous languages are Chiapas, Oaxaca and Yucatán. There is a great diversity of indigenous languages, currently there are 68 languages with 364 variants throughout the country.

> "The literacy of the indigenous population is a clear sign of its backwardness. Data from 2020 shows that 8% of girls and 8% of boys between the ages of six and 12 do not attend school. The percentage of school non-attendance of the age group 13-15 years increases to 29% of girls and 28% of boys."

Six in 10 (61%) in Mexico aged 12 and over who speak an indigenous language declared to be economically active (worked or looked for work during the week). The percentages by sex are 43% for women and 79% for men.

According to ENIGH 2018, seven out of 10 people who speak an indigenous language are in a situation of poverty.

The literacy of the indigenous population is a clear sign of its challenges. Data from 2020 shows that 8% of girls and 8% of boys between the ages of six and 12 do not attend school. The percentage of school non-attendance of the age group 13-15 years increases to 29% of girls and 28% of boys.

WHAT NEXT?

This report forms part of a new research programme by Ipsos to help us better understand different generations and be clearer about the implication for all of us involved in marketing or policymaking. We hope the content provides ideas and food for thought to support the work you are doing in your own organisation.

This initiative involves revisiting and exploring existing data sources, as we explore a series of themes to help us do a better job when it comes to generational analysis, grounding ourselves in the cultural, contextual and demographic realities of the day.

Our lines of enquiry include taking forward the country and contextual analysis presented in this report, exploring the dynamics of “Generation X” in more detail and continuing our journey to build more rounded and nuanced understandings of Generation Z. It could be, for example that today’s Gen Z are, wherever they work, live or study, the first global generation, showing more in common than they do differences.

We would be delighted to discuss how we can incorporate the big questions you are asking as we develop the programme. Please get in touch with any member of the team with your ideas, thoughts and comments.

Endnotes

1 Cohen, P. "Open letter to the Pew Research Center on generation labels. https://familyinequality.wordpress.com/2021/05/26/open-letter-to-the-pew-research-center-on-generation-labels/

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