

# THE FUTURE FOR OUR KIDS...AND US

MOST OF OUR CHILDREN WILL LIVE LONGER, BE HEALTHIER, BETTER EDUCATED, WISER AND WEALTHIER... BUT NOT ALL, OR NOT ALWAYS, writes Phil Ruthven, *Chairman of IBISWorld.*

Baby Maya will live in a very different world to her great grandfather, Vic who, at 94, has seen an extraordinary change in the way we live.



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## THE GOOD OLD DAYS – WEREN'T

Just 50 years ago:

- We didn't live as long as today's generations
- Few could retire with dignity or relatively pain-free lives
- Superannuation was for the few (mostly public servants)
- Domestic violence, incest and paedophilia were hidden
- Divorce was a shameful, difficult and sleazy process
- Married women were 'banned' from the workforce
- Most houses weren't seweraged
- There were no cures for cancer and a host of other ills
- There was little access to television and FM radio, and no VCRs or mobile phones
- There was no air conditioning in homes, work or in cars
- We had one week's annual leave
- Air travel (especially overseas) was out of the question
- Hardly any of our children went to university
- Half didn't even finish high school

**M**OST OF us worry about our children and their future, usually until we leave our own life behind. But some don't: they desert their children; or drive them away to become street kids; or abuse them or other people's children. Some just don't know what good parenting is, having not had suitable role models. The drug scene in this New Age, that began in the mid-1960s and is likely to last until the mid-2040s, has added other difficulties.

In the Industrial Age, alcohol and tobacco were the main drugs that caused misery or death when used to excess. But today's heroin, ice and other designer drugs have taken substance abuse to a frightening new level of danger. Wars are now less frequent and more contained, yet terrorism is escalating and worldwide. So too are diseases, be they HIV or other evolving strains of viruses that are more difficult to counter.

These and many other fears could tempt us into a permanent state of pessimism: a longing for the good old days. But were they?

What often scares us is change. However, when we look back on changes we either feared or thought would be bad for us and society at the time, we usually concede that they were for the better.

A list of changes taking place in this New

Age – with another four decades to run before another new age is upon us – is a salutary reminder of our ability to adapt, and a reminder that most things are getting better for us and our kids.

Some of these changes warrant further elaboration. Longer lives is one of them. In 1800, life expectancy was just 38 years of age; climbing to 53 years of age in the early 1900s. Today it is 78 for men and over 84 for women. And actuaries suggest one in four children born after 2001 could expect to live to a 100. Fast-improving medical research (especially DNA related) and medicine suggests these longer lives will be more pain-free as well.

There are more generations now co-existing as a result of longer lives: so much

so that we now give them names and recognise some recurring attributes every fourth generation.

The current younger generations are the Net Generation (5-24 years of age) termed 'civics' or 'heroes' and the Millennials (0-4 years of age) termed 'adaptives'. They will prove to be a hard-driving, can-do, pragmatic and wealth-creating set of generations. No flies on them. Co-existing with them these days are the Generation Xers, the Baby Boomers, the Silents and even some Federationists (born up to 1924). So we are rich in the variation of generations.

The emergence of 'electronic guardian angels' is a real boon. These take the form of life-enhancing devices or life-protecting devices such as: heart pacemakers; bionic

## OUR CHANGING SOCIETY

In Australia today:

- We are living longer
- There is more living in coastal cities
- More generations are co-existing
- Household structures are changing
- Households are smaller
- Ethnic mix is changing (Eurasian)
- There is new tribalism (less neighbourhood)
- The divorce rate is rising very slowly
- Incomes and wealth are rising quickly
- Apartment living is increasing
- Home leasing is on the rise
- There is increased spending on services
- We are outsourcing tasks and chores
- Virtual shopping is rising
- We are living with leisure
- We are living with IC&T and Internet
- Knowledge is increasing
- Financial literacy is increasing
- There are new forms of entertainment and sports
- Electronic 'guardian angels' exist
- We are working differently
- There are new industries and occupations
- New spirituality is emerging
- Discrimination is outlawed
- Politics (ideologies) are changing
- We have more ecological sensitivity

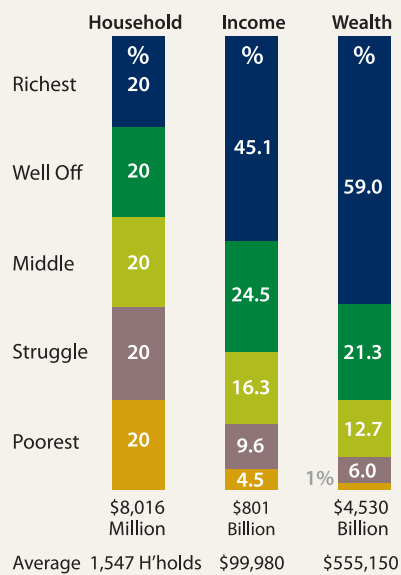
## OUR CHANGING LABOURFORCE

Australian workers have experienced:

- Higher participation rates
- More part-time/casual work
- Options to work from home
- Same lifetime working hours
- More working years but fewer work hours per year
- Rising wages and salaries
- More working seasons in a life
- New industries & occupations
- Lifetime education & training opportunities
- New locations of employment
- A rise in contractualism
- Payment for outputs not inputs
- A rise in business ownership
- A rise in franchising
- Increased importance of married women in the workforce
- More women entrepreneurs
- More women directors
- The knowledge worker concept
- Work in a borderless world
- More international jobs
- The demise of career-ladders
- The demise of overt discrimination
- The demise of fixed retirement age
- The demise of 'employee' concept
- The demise of trade unionism
- The demise of employer chambers
- The demise of Arbitration Commission

### Household Income & Wealth Distribution

Share of total Quintile, FY2006 (E)



#### Among 8.02 million Households:

920,000 millionaires  
44,000 > \$5 million    7,000 > \$10 million

hearing aids; ABS brakes and anti-skid devices on cars; emergency buttons for the aged; security systems; and more.

Our politics are changing radically. The old competing ideologies of capitalism and socialism have give way to rationalism versus humanism; with almost as much passion on both sides.

Better education suggests that rationalism will fare better than humanism in this New Age, just as capitalism did better than socialism by the end of the Industrial Age. But just as socialism softened capitalism and created a fairer society, so too will humanism in this age.

Our workplace is changing very fast. And some of these changes scare us even now, such as the demise of the concept of an employee in favour of treating each individual as a business in his or her own right, and being paid on outputs not inputs (hours of work) on a contractual basis. But the younger generations are already taking these and other changes in their stride.

Among a lot of good news is that we have

social welfare system we have; and which barely existed in the time of our forebears prior to the 1950s.

If there is light at the end of the tunnel, it is the finding by the Melbourne Institute's HILDA Report that many of the poor don't stay that way indefinitely, moving up the ladder over time. And the advent of superannuation will go a long way to seeing retirees live in dignity and with independence as this Century progresses.

So, generally, things are getting a lot better for us and a lot, lot better for our children. It is of course hard to evaluate quality of life and spirituality: aspects being discussed more and more these days. What is happiness, and are we getting happier overall? The Consumer Sentiment Index would suggest yes, but doesn't cover all the elements of lifestyle and spirituality.

Whether it is material deprivation (especially for children) or spiritual and role-model deprivation, action is needed. Governments have come a long way in a century. Of all the charity in the late 1890s,

## 'WHETHER IT IS MATERIAL DEPRIVATION ... OR SPIRITUAL AND ROLE-MODEL DEPRIVATION, ACTION IS NEEDED.'

restored full employment after the longest period (30 years) in our history; the previous record being 16 years from 1892-1908. Other good tidings include the fact that we have the highest proportion of the population in a job (50%) than at any time in 150 years; and that married women are now significant in the workforce, having been discriminated against in the Industrial Age.

As a sign of an advanced economy and society, these days we spend most of our incomes on services rather than goods (which are now so much cheaper in real terms).

It is extraordinary that we began the last century in 1901 spending well over 60% of our incomes on the bare necessities from shops, and now allocate around 26% of our incomes on goods, yet get far more of them than ever before.

Of continuing concern, and rightly so, is the polarization of incomes and wealth in Australia. Yes, the rich and poor divide continues as the bible suggested it would always be.

It is worrying that one-fifth of our households, numbering 1.6 million, share in just 4.5% of the total household income of Australia and 1% of the wealth. The position would be even more horrendous without the

over 92% of it has now been institutionalized in the government's welfare system via unemployment relief, health services, education, single parent support, aged support and hundreds of other forms of assistance.

But this still leaves room for the private sector, including charities. By way of comparison, governments in Australia spent \$102 billion on social security, welfare and transfer payments in 2005-06. There are two sectors in the private charity arena. One is Residential Care Services (including crisis accommodation) with over 2,390 enterprises, revenues of \$2.1 billion in 2005-06 and growing at 4.5% pa to 2011. The other is Non-Residential Care Services with over 7,880 charities, revenues of \$6.4 billion and growing at 6.0% pa to 2011. The growth of both these sectors is well ahead of the economy at large (3.4% pa).

So, charities may spend less than 8% of the money on welfare (and a third of this involves government grants), but it is a critical contribution covering hundreds of areas of deprivation in the community.

Social Ventures Australia is a proud part of this vitally important effort to have a fairer society where we care for each and every soul. ○