

Baby Boomers: The Pig in the Python



Cam Marston

Zero in on Alabama's changing demographics.

By Cam Marston / Photo by Catherine Dorough

The pig in the python—that's the metaphor for Baby Boomers that resonates with most people. It refers to their population bulge as it moves through life's stages. From the beginning of the Baby Boom in 1946 right through the beginning of Boomers' retirement this year, they have changed every phase of life that they have passed through. They were a huge population explosion to a nation unprepared and soon gave birth to the "youth market." Ever since, media, manufacturers and marketers have vied to supply Boomers' new demands as this momentous generation reaches each new milestone.

Previous generations were happy to blend in with the crowd, to "fit in," to be a "regular Joe." The Boomers wanted to stand out. They began the movement towards individuality and uniqueness, and they instilled these values in their children and grandchildren, and those values are here to stay. Today, if you tell anyone under 40 years old that they're a "regular Joe" they'll flat-out deny it. They might even contact their HR department and report you for harassment!

They've altered our country forever, and, now, as this massive generation enters their retirement years, they'll change

the landscape yet again. Over the next few years, in arenas such as leadership, finance and health care, among others, Alabama's businesses will feel the impact of Boomers reaching their next generational milestone. The challenge is to be more prepared now than we were when the Boomers first shocked the nation with their size and power some 50 years ago.

Boomers Mean Big Business

Alabama has nearly 5 million Baby Boomers. Boomers make up about 25 percent of our population and the nation's. Baby Boomer households in Alabama have around \$40 billion in annual spending power. And, with the oldest Boomers now turning 65, the next stage for this generational pig in the python is retirement—a big opportunity for the financial planning industry.

"Transition from work to retirement is an overwhelming adjustment for many Boomers," says John Ferguson, a wealth management advisor for Merrill Lynch in Mobile. "Many of them need help, and with so many of them out there, they're a target rich audience for people like me."

Boomers and Customer Service

But financial planners aren't the only ones eagerly waiting the Boomers' next phase. As Boomers age, their demand for medical services will increase. According to the University of Alabama at Birmingham Center on Aging, the health care industry will need three times as many geriatric specialists as it has now.

To connect with this massive generation, health care providers also must

adapt to Boomer attitudes.

"Health care providers need to develop relationships sooner than later, yet the greatest challenge may be capturing the Boomers' attention," says Joanne Till, a healthcare strategist with Alabama-based Lewis Communications. "For the most part, Baby Boomers are still caregivers for their parents and have not begun to think about their own aging and may be neglecting their own health issues."

Other generational issues loom. How does a doctor in his 30s convince a 55-year-old patient that he knows what he's doing? What are the needs and preferences of Boomer patients?

Dr. Chris Park, an Alabamian of the younger Generation X, works with all the generations in his cosmetic and reconstructive plastic surgery practice, where he has observed some of their traits. "If my patients are older than about 65, they are very trusting of physicians and will do what the doctor tells them in most cases," Parks says. "If they're younger than 45, they usually want to make the decision after being educated, almost viewing the physician as a consultant. But between 45 and 65 years old, the meeting is more of a partnership. They want me to explain the options and recommend a certain path, but want to visit about it and have a conversation with them as they move through their decision-making processes, which typically ends up on my recommendation."

Boomers: More Likely to Vote.

As they enter retirement, the Boomers still hold sway. Alabama's Boomers are

more likely to vote than any other generation, which means they'll decide most elections for a long time to come. As a retired generation, their political priorities will shift, as they become more dependent on the working population. Alabama already ranks near the bottom in dependency ratio, the ratio of the non-working (retirees, children) to the working. As Boomers retire, the complications stemming from that ratio will only grow.

For example, the recent economic slump hit the Boomers especially hard in their retirement portfolios. Many Boomers have had to delay retirement or accept the fact that they'll need to work part time through retirement. The Boomers' misfortune is both a challenge for them and an economic threat for those that come after. As they retire, they may look to the generations that are still working to sustain them with increased payroll taxes, and they will have the political clout to get it done.

Boomer Business Leaders in Transition

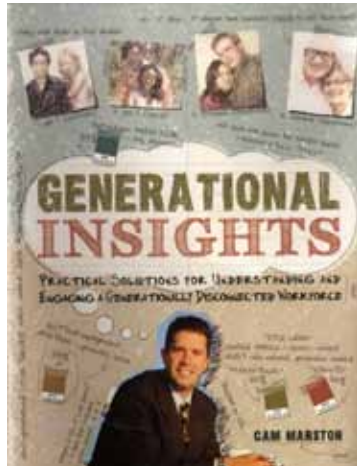
The Boomers still hold sway in the workplace, too. The vast majority of Alabama companies have a Baby Boomer at the helm. Now, many of these Boomers are beginning to ask succession-planning questions: How do I select the person to lead my company in the future? How do I teach them what I know?

Boomers typically learned their jobs through the tried and true method of apprenticeships. They paid their dues, spent their time and burned the midnight oil to become the masters of their trade. Through this process, they've developed the wisdom needed to do their work over the years. Boomers have accumulated working wisdom, and this wisdom needs to be passed on to the next generation.

The other day, I spoke with Captain Ted Ewing by cell phone as he was pass-

ing mile 175 on the Mississippi River near Darrow, La. aboard the M/V FR Bigelow. Captain Ted, a Baby Boomer from Theodore, Ala., works for Ingram Barge Co. of Nashville, Tenn. As we spoke, he was in the middle of training a new river boat pilot. He summed up the difference between skills learned in training and wisdom accumulated on the job.

"These young pilots arrive with signed pieces of paper saying they're ready to run a vessel," Ewing said. "That paper says they can read maps, understand charts and have learned what they need to know from the important books. But once they're actually responsible for a 30-barge tow weighing 45,000 tons, no amount of classroom learning can prepare them for navigating through New Orleans harbor. I stand next to them and teach them what they need to know and how to stay attentive to what really matters out there. Attentiveness and situational awareness, the keys to success on the river, cannot be taught from a book."



The Silver Tsunami

According to the UAB Center for Aging, the over-65 population will double over the next few decades. The Baby Boomers are leading a "silver tsunami," and their transition into the next phase represents business and leadership opportunities for many in Alabama. According to Dr. Andrew Duxbury of UAB, "The last boomer will not die until sometime around 2080. They will be with us a long time."

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