

Audio-Tech Business Book Summaries



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Volume 12, No. 8 (2 sections). Section 1, August 2003
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Cycles

How We Will Live, Work, and Buy

by Maddy Dychtwald

A summary of the original text.

We are at the dawn of a LifeCycle revolution. Spurred by the convergence of a number of powerful cultural, technological, and demographic forces, the way we live, work, and buy is beginning to change radically. At its essence, this revolution is a release from the invisible age-related constraints that have enslaved us throughout time.

Prescribed by society for centuries, these boundaries have defined our lives and what we've done at each stage of life. Among other things, they dictated that youth was just for the young, that education comes just once before real life begins, that marriage should last a lifetime, and that retirement starts at age 65. They've also determined what products and services that businesses have offered to people at each of these stages of life.

But now, things have changed. We no longer live life in a series of predictable

life passages. We're breaking free of age-related lifestyle expectations that defined us. We're no longer buying products and services based on this neat, age-oriented marketing model. And we're no longer as set in our ways.

Suddenly, we are transforming the way we think about some long-held social conventions such as education, marriage, parenting, and retirement, and their timing in our lives. What is happening is that we are moving from a rigid, *linear* approach to life to a more flexible, *cyclic* life.

Today, the roles and activities we choose are much less likely to be determined by how old we are. People now return to school at age 35, have children at 45, start new careers at 50, and remarry at 70. We are being liberated from a life of one-way passages to a cyclic life with a nearly unlimited set of possibilities available at any age, to anyone with the vision to seize the day.

Powerful demographic forces drive this revolution, and we need to understand them. Many business, economic, and political leaders believe that if you can grasp demographic trends, you can anticipate future trends in terms of consumers, economics, and public policy.

So consider these three demographic trends that will transform our lives.

- The first trend is ***the longevity revolution***. The average life expectancy has been on the rise and, with the help of new medical breakthroughs, it will increase substantially in the years ahead. This longevity revolution will require new ways to think about many of the things that we take for granted in our daily lives. It will also require many new products and services to meet the needs that arise out of this new reality.
- The second trend is ***the steady decline of the "youth society," based on both the declining birth and mortality rates***. Adults 50 and over are now the fastest-growing segment of our population, growing twice as fast as the overall population. At the same time, the number of young adults — defined as those between the ages of 18 to 34 — is shrinking. Businesses continue to think that the youth market is where the action is. Catch them in youth, the

thinking goes, and you'll have them forever. But that is simply no longer the case.

- The third trend is ***the impact of Boomers***, which cannot be overstated. As the cultural epicenter moves from youth to mid-life, the character of consumers will change, influenced strongly by the Boomer generation. For such a large population, Boomers share a surprising number of the same values. For instance, Boomers ignore the commandment to "act your age." They will live, work, and buy in a more cyclic approach to life, and their values and attitudes will spread to the overall population. They already have. Businesses will need to adjust their attitude toward maturity if they are to woo this hugely influential group of consumers effectively.

In the rest of this summary, we'll explore the impact of the LifeCycle revolution on each of the following areas:

1. Education and life-long learning.
2. The end of the traditional career path.
3. New family structures and their impact on spending.
4. The shift from retirement to "re-creation."
5. The new roles of health care professionals.

6. The enormous new opportunities for businesses.



LIFE-LONG LEARNERS

In the old linear model of life, education was a gift granted only once, and only to the young. In the LifeCycle revolution, education becomes an essential component to living a long life well, and a tool for continual reinvention and better living, no matter how old someone is.

Three forces are coming together simultaneously to create a society that places a high premium on life-long learning. Let's look at each of these three forces in turn.

- The first force is ***increased longevity***. A few minutes ago, we discussed the impact of longevity in a broader context, but it's worth taking a moment to consider its impact on life-long learning as well. As people live longer lives, the need for updated knowledge and changing skill sets will grow dramatically, especially given the rapidly increasing speed of change in today's world. Continued learning throughout life will become an essential tool rather than an occasional endeavor.
- The second force is ***a knowledge-powered economy***. Today, more information, ideas, and concepts are being produced than manufactured goods. Unless we

continually upgrade our capabilities and go back to the well of knowledge regularly, people will become as obsolete as the manufacturing techniques or products of a century ago. Knowledge power will rule the coming decades.

- The third force is ***a love of learning***. In order to have a society where life-long learning becomes the status quo, we need to value and enjoy learning. Life-long learning is increasingly becoming a key tool to enable us to be whom we choose to be, no matter how old we are. We'll begin to feel less like the second half of life is a downward slide and more open to the attitude that anything is possible, no matter how old we are.

Among other things, this means that we no longer have to feel our learning has to lead to just one career choice. We may specialize in one thing and then move on to a far different career. The fear component of making a life-long mistake is tempered when we know that we need not be bound by the educational choices we make at 18.

Now that the door to education can be unlocked more easily throughout our lives, the pressure to get it all in when we're young will begin to recede. Instead, we'll cycle in and out of education at every stage of life. This will lead to a new model of education. It is likely to become more of a for-profit industry, catering to various adult populations

whenever and wherever they want to learn.

The Internet and other innovations have led to the formation of virtual universities that provide life-long learning on demand, interactively, freed from the physical confines of the traditional classroom. The number of students taking advantage of virtual universities is growing by 33 percent every year. Enrollment is expected to hit 2.2 million by 2004, according to International Data Corporation.

With the quickly changing demands of the workplace and the need to reeducate the workforce every three to five years, corporate training and career updating needs will grow even more rapidly than they have over the last decade. According to the *Economist*, the \$50 billion spent annually on education and training by companies accounts for about half of America's total spending on higher education.

One outcome of this increasing demand for high-quality training and job skill updates is that there will be an even larger demand for self-paced, interactive learning tools, especially those that combine entertainment with education in an easy-to-use format. We've all gotten so used to television, as well as computer and video games, that combining entertainment with learning is an obvious method to draw in learners and hold their ever-shortening attention spans.

Career training not only

keeps employees better equipped and more confident in their responsibilities, but also improves job retention. As employees become more interested in their own training, corporate universities have become an essential part of many innovative companies throughout the country, including McDonald's, GE, and FedEx. In 1988, there were fewer than 400 company-sponsored universities in the U.S. Today, there are more than *four times* that number.

A variety of industry sectors, ranging from financial services to health care to retail stores, are beginning to capitalize on our avid desire to learn continually. Innovative companies are beginning to build client and customer relationships as well as to increase sales by providing us with fabulous learning experiences. It's becoming an effective method of both retaining customers and acquiring new ones. It is, in fact, a viable way to create brand loyalty in a marketplace that is fickle and quick to change.

Let's take a brief look at a few examples of how this works.

In the retail sector, Home Depot has realized that informed do-it-yourselfers spend more money than those intimidated by the task. As a result, the stores now offer in-store classes on a variety of common projects, such as how to build a wood deck. Expect to see this tactic for increasing sales and expansion of the customer base applied to other retail sectors, such as

book stores, wine stores, sporting goods stores, and even clothing stores giving shoppers advice and personal styling tips on the latest fashion trends.

In the financial services sector, companies now realize that one of the key benefits they can offer clients and prospects is sound financial education. Fifty percent of the working population reports that the complexity of investing makes them so unsure of what to do that they often don't invest at all. This suggests a strong need for financial literacy and education programs.

In addition, the rising number of single and professional women has generated a whole new investor class seeking to take charge of their finances. A study done for Oppenheimer Funds by Yankelovich Partners found that women were in even more dire need of financial education than men.

In the LifeCycle revolution, life-long learning will explode as a tool to build sales and market products and services to customers. Companies in a wide variety of industries will take note and provide that knowledge, creating one of the few types of meaningful brand loyalty that will exist in the future.



CYCLIC CAREERS

In the past, a single focused career path was considered normal, sensible, and the key to a successful career and a stable life. Those who didn't follow this straight and narrow

path were often considered frivolous, or just plain failures. This made sense when life was shorter, more predictable, and the pace of change was slow.

Not anymore.

Today, the average worker will have 12 to 15 jobs over the course of a career and stay at each job an average of 3.6 years, according to research by Walker Information Global Network, a workplace consulting firm, and the Hudson Institute, a renowned think tank. Career change and transitions, the exception in a linear-life arrangement, are fast becoming the status quo.

Most of us will need to learn to adapt more quickly and feel more comfortable making the shift from one set of skills, one job, or one career path to another. It will become essential to upgrade and expand our skill sets and make switches in career direction, giving us the opportunity to reinvent our careers continually.

Certain universal skill sets will be easily transferable from job to job, no matter how diverse those jobs might be. For instance, skills in negotiating, time management, networking, written and verbal communication, financial planning, and relationship building will be needed by all careerists — whether their careers be in high technology or fashion, finance or travel. Other, more focused skill sets might apply only to one particular job or industry.

Both sets of skills will need to

be accumulated for a life filled with job change. In this new mode of cyclic careers, some of us will stay on one broad career path and continuously ascend to greater heights, sometimes in one company, but more often hopping from opportunity to opportunity.

As the median age of the population continues to rise, so does the median age of the workforce. It is projected that by the year 2008, the median age of the workforce will rise to 41. When the first of the Boomers begin to hit the traditional retirement age of 65 in 2011, half of all workers will be over age 45. Based on population figures, there will be fewer younger adults than older ones, creating a shortage of available young workers and a potentially large number of older workers.

As these demographic forces collide, workplace ageism will need to dissolve. Labor force participation by people over 55 will need to increase by 25 percent for the U.S. and other westernized countries to maintain their current levels of productivity. Both business and government will need to give older adults incentives to continue to be active in the workforce, and they'll need to modify recruitment, compensation, and benefit plans to recruit and retain older workers.

Boomers will continue to work far longer than their parents or grandparents did, partially because they want to, but also because they'll need to. The impact of this paradigm shift will be felt in

every aspect of our work lives, but the most potent changes will manifest themselves in the following four emerging trends:

- The first trend is ***the emergence of an inter-generational workforce***. The result of some of us starting work earlier and many of us working well past age 65 is that the workforce is becoming far more age-diverse. Performance, and not age, will be the measure of worth and compensation. Just as we developed new attitudes, values, and skills to accommodate women and racial diversity in the workplace, we will increasingly need to develop these to thrive in an age-diverse workplace.
- The second trend is ***career reinvention***. Frequent job change, a sign of instability in the past, can now mean finding the right path and getting ahead. Career change was rarely even heard of in the past. Now it's become an opportunity to reinvent our lives. In fact, *some of the fastest-growing jobs today didn't even exist 15 years ago*.
- The third trend is ***the shift to what has been called a free-agency system***. As free agents, we will each be in charge of navigating the more complex work environment and managing our own career path throughout our lives without much help or direction from employers.

We will be in charge. And as the free-agency system evolves, new products and services will arise to meet the complex demands of free agents who will be responsible for continuously building their skill base, planning their career paths, and designing their own benefits packages and long-term saving and investing programs.

- The fourth trend is ***new benefits for cyclic workers***. Employers will have to work hard to retain the services of talented workers, offering them more of what they really want. As more of us embark on cyclic career paths, portable health benefits and cash-balance pensions could become the norm.

Coalitions and clubs of like-minded individuals may form to take advantage of group rates and discounts.

Industry-specific associations or networks will offer these benefits, and maybe even use them as a profit center.

Cyclic workers also want the option to design their work life to better fit into their overall life while still maintaining a sense of job security. In 1985, only 12 percent of American companies offered any form of flextime. Today, that figure has more than quadrupled to 58 percent.

As the job market becomes more fluid, employers will have to become even more flexible and innovative to attract the best employees, keep morale up, raise

productivity, and lower absenteeism. Employees will be looking far beyond mere cash for incentives that keep them motivated, productive, and committed to an employer.



THE VIRTUAL FAMILY

In the linear life arrangement, the traditional nuclear family prevailed, creating the now familiar images of a young mom and dad, two or more kids, a dog, and a station wagon. As a result of this homogeneity, young families became the much-coveted bull's-eye for American business.

No longer. Due to increased longevity, rising median age, low worldwide fertility rates, and changing attitudes and values pioneered by Boomers, we're seeing the very concept of family morph in response to the LifeCycle revolution. Variety is now the norm.

Let's look more closely at seven emerging market trends that arise out of the evolving nature of families.

- The first trend is ***emerging opportunities in the area of fertility and child rearing***. With so many women over 35 eager to have children, a lucrative fertility industry with an entire treatment spectrum that includes everything from drugs and surgery to in vitro fertilization has risen in response. The adoption business has also proliferated, as couples face the realities of the female biological clock. On

another note, think about what mid-life parenting means for maternity fashions and other avenues of the baby business. Older parents generally have more financial resources to buy top-of-the-line strollers, cribs, and baby monitors. For highly educated older parents with more financial resources, there are private schools and, for some, advisors to guide them through the admissions process, which is often highly competitive.

- The second trend emerges out of the fact that ***more women have high-powered careers than ever before***. Working women have created demand for both convenience and luxury products and services unlike anything that has come before. Controlling close to 80 percent of the household spending, working women buy upscale jewelry, makeup, and clothes for themselves and their children, utilize household help, dine out often, and have fueled the growth of the day care industry. At the same time, many men are taking on some of the responsibilities of household management. Even those who work often share some household duties, such as shopping, carpooling, and cooking. Product manufacturers can no longer ignore the fact that many men are buying laundry detergents, vacuum cleaners, and baby foods while many women are buying briefcases, office supplies,

and high-technology products.

- The third trend emerges from ***blended families***. With the divorce rate hovering at about 50 percent, remarriage involving the blending of families is a growing reality in the cyclic life. One third of all Americans belong to stepfamilies. Blended families are a new consumer target, ripe with duplicate buying implications. Consider a blended family in which a teenage daughter comes to live with her dad and stepmom. She'll need her own phone, a computer with modem hookup, bedspread, pillows, furniture, makeup and hair accessories, clothes, and luggage. She'll need a similar setup at the home of her mother. Due to her situation, it's unlikely that this teenager will have the opportunity to spend every holiday with all of her family members. Thus, expect to see more products emerge in the future like multimedia holiday cards sent for a price via the Internet. When families blend, the need for financial advice and planning increases significantly, requiring the cooperation of sometimes hostile parties. A good financial planner, who doubles as a psychologist at times, can help blended families better prepare for the financial burden of private schools, summer camps, and college tuition.
- The fourth trend is ***the increasing acceptance***

of friends as family.

Virtual family members are often not bonded by blood, but by love. They need to be recognized as an important part of the family. In response to this, greeting card companies, for example, will have the opportunity to create cards aimed at virtual family members. Come the holidays, retailers ought to capture the opportunity of friends buying gifts for each other that are beyond mere tokens but an expression of close ties once reserved for the gene pool. Even more importantly, when someone is going through any phase of illness, recovery, or death, friends are frequently taking on a role once exclusively delegated to family members. The health care and legal establishment need to acknowledge this and help make this role easier to fulfill. Similarly, we will increasingly turn to attorneys to create documents that empower our friends to take on roles once exclusively limited to family.

- The fifth trend is that ***today's grandparents and stepgrandparents are wealthier, healthier, and more numerous than ever before***. The grandparent industry is estimated to spend some \$30 billion a year on the kids they're connected with. Stores report that purchases by grandparents account for one third of total purchases for kid gear, a 20 percent increase

in the past five years. The older generation, however, can be unsure about what exactly to get their grandchildren. A few upscale toy stores have taken note and created services to help grandparents purchase age-appropriate toys and games. And a few travel companies have created inter-generational trips catering to the young and old, with adult and child counselors to ensure that all participants have a good time.

- The sixth trend consists of what Dychtwald calls **boomerang kids**. More and more, boomerang kids are moving back into their parents' homes after college, or another LifeCycle transition. Although some might view this phenomenon as a sign of financial weakness, it's often quite the opposite. Young adults often return to the nest to take responsibility for their finances. Many are paying off student loans while saving to invest in real estate and their own financial future. At the same time, the discretionary income of boomerang adult children is rising dramatically. Often they pay little or nothing for rent and food, which gives them the freedom to save and spend.
- The seventh trend is **the more vertical family structure**. As life expectancy continues to rise, families can now consist of four or five

generations alive at once. This means that each of us will have more years to cycle in and out of different life-stage events that define our needs, and significantly, so will other family members. Some of us will even cycle in and out of different families. As a result, the complexity of family relationships will increase exponentially. So could family obligations. An estimated 22 million Americans are already caring for aging parents. Within the next two decades, the number is expected to double.

One third of all working adults have some kind of elder care issue to deal with. It's become such a prevalent issue that sociologists have coined a phrase to describe people caught between the job of parenting young people and parenting elder family members: *the sandwich generation*.

Sandwich caregivers will not only seek help in balancing work responsibilities, but also in stretching their dollars and handling the stress of caring for parents or grandparents. Companies will offer exciting new products and services to meet the needs of the sandwich generation. Everything from an Internet-based nationwide elder care referral network to brick-and-mortar services such as adult day care, home health services, and assisted-living facilities will thrive from this boom.



RE-CREATION

In the old model of linear living, play was given the most attention at the beginning and end of life. Primarily a phase designated for kids and the retired, we needed it when we were young and offered it as a gift to the elderly before they died. However, with almost 30 extra years added to our life expectancy in the past century, this model no longer fits.

Not surprisingly, Boomers are leading the charge toward reinventing recreation for the cyclic life. Boomers want the freedom to enjoy life now. Unlike older generations, they seek immediate gratification. They don't want to put off the fun until their later years. Leisure has always represented freedom, and Boomers want more of that now.

Instead of retiring at 65, Boomers will weave recreation and leisure throughout their lives. Since many will continue to work in their late 60s and into their 70s, they will avoid living on a fixed income. As a result, they will indulge themselves with vacations. The travel and leisure industry will reap the rewards from this.

The Boomers will also change the perception for all generations of what recreation means. As recreation time becomes more flexible, the new cyclic life frees us to "re-create" differently. Not only are we looking for more than the annual vacation, we're beginning to recreate alone, with a close friend, just one family member, or even complete strangers.

This is good news for the travel and leisure industry, a growth sector in our economy until the September 11, 2001 terrorism. After that tragic event, the travel and leisure industry has suffered more than any other sector. Although there will be a gradual recovery there, Boomers will help speed it up as they search for moments of relaxation and fun.

Of course, in the future, the traditional modes of travel may not be the most popular. For example, some adults yearn to take on a role that has always been a life dream, but will never manifest into reality. The travel industry is at the early stages of providing a venue in which to explore fantasy environments and roles that we could only dream of exploring in our real lives. People can pretend to be a major league ballplayer, a rock star, a gourmet chef, or an actor.

Getaways and resorts designed to help us experience another time or place have increasingly become popular with those seeking a release from everyday life. Disney and Las Vegas Resorts are the obvious mass-market examples of this.

The next generation of fantasy resorts consumers will, in all likelihood, move beyond the Disney and Las Vegas concept of fantasy. Rather than being just a unique environment to observe, they will offer the chance to jump on a time machine moving to another era. In other words, the resorts of the future might combine fantasy locales with exciting moments in history or

once-in-a-lifetime experiences.

At the same time, more and more adults are escaping reality without even leaving their homes. Seventy percent of all computer and video game players are now over the age of 18, according to the Interactive Digital Software Association. The U.S. electronic games industry, consisting of software and hardware, is growing so quickly that it already has eclipsed the movie business. In 1999, revenue for the game industry was \$8.9 billion, compared to \$7.3 billion in box-office receipts.

Even a routine activity like shopping will be more and more about fun. Companies need to mold consumers into "destination shoppers," who are keen on coming back to their stores for fun and to purchase products. For example, the Galyan's chain of sporting-goods stores includes a free indoor climbing wall that brings customers into the store again and again.

Retailers must think of themselves as being in the experience industry, with varied options available for adults and children alike. In the near future, many forms of leisure and recreation will be integrated into the shopping experience to create a new form of entertainment: *"shopper-tainment."*

On what could be thought of as the other extreme, spiritual retreats as vacations have been slowly gaining popularity with adults of all ages. Spiritual renewal will be a growing mode of recreation.

Since money doesn't always bring happiness, many people will spend their hard-earned cash in pursuit of inner happiness and peace that can stay with them throughout their LifeCycles.



RECOVERIES AND REJUVENATORS

One of the most predictable aspects of life in the traditional linear arrangement was that the older we became, the more likely we'd be to get sick and die. But the cyclic life makes chronological age just a number, not a definition of who we are, or how we live.

The age of 50 once signaled that the best years were behind us, but that's no longer the case. People now feel free to run a marathon at 60, start a new career at 70, or fall in love at 80.

More research and resources have been deployed to battle aging in the past 10 years than in the previous 10 centuries. This has given us insight into questions like "What is disease?" "What is aging?" and where do the two intersect?

Today, many of the diseases and disabilities once assumed to be symptoms of aging, including physical decline, decreased mobility, and memory loss, can actually be slowed or stopped. In fact, researchers at the Scripps Research Institute in California and at the University of Illinois-Chicago theorize that the physical ravage of aging are *not* inevitable, and that aging

itself might be curable.

With illness and recovery becoming recognizable life-stage events, rather than signals that the end is here, the health care system is becoming a valuable resource to navigate and access as we choose. Cycles of illness and recovery might happen at 20 or 80. They could happen just once or several times. Chances are good, though, that we will conquer the threat and bounce back to full recovery.

More years and better health will afford us the opportunity to repeatedly assess our bodies, minds, and spirits, and devote our energy to obtaining goals related to them. These "rejuvenators" among us will experiment with emerging techniques and products that promise to halt or even reverse the aging process. Rejuvenators will try to push the envelope and transform the concept of aging by either slowing or eliminating many of the effects of aging, adding years to our lives and allowing us to cycle in and out of the lifestyle experiences we value most.

Some therapies for rejuvenation may require putting aside days, weeks, or months in hopes of increasing our health span. Longevity centers are already beginning to appear throughout the world. Some spas will merge with health centers, with physicians an essential part of their staffs. In the near future, other rejuvenation options that offer a time-out from real life will appear on the horizon.

Self-responsibility and personal empowerment will become watchwords of health care. Physicians and the health care system will be our allies and advisors rather than our health care decision-makers. As we recognize that prevention and self-care will have to be strong components of the health care system of the future, the annual 15-minute checkup will morph into a high-tech, preventative health care exam that includes a strong educational component.

Health plans will offer practical health promotion education classes on-line, empowering members to take responsibility for their own health care. Easily available at-home diagnostics and screening tests will more and more replace expensive physician-ordered lab tests. At-home gadgets that track health will soon be as common as kitchen appliances.

The first line of defense in health care will shift from primarily managing disease after it has occurred to preventing its occurrence. When there is a need for intervention beyond self-care, we will insist on accessing a broader range of mainstream and alternative health care options to promote a complete recovery.

Health care professionals need to increase their understanding of how the body and mind change with aging, and know how to extend health and vitality as long as possible. And in the coming years, patient demand, coupled with greater mainstream acceptance, will bring the

development of more health centers that combine the best of the traditional with the best of alternative therapies in an environment that promotes education, health, and emotional support.



RETIRING RETIREMENT

Retirement as we know it today is about to vanish. In the cyclic life, most people won't seek it out, and, like it or not, most won't be able to afford it. In its place, the LifeCycle revolution will free us up to move in and out of periods of work and productivity, as well as leisure or reflection based on our own needs, rather than on an arbitrary marker that signals disability and encourages removal from mainstream society.

After age 65, 80 percent of Boomers plan to do some form of work, according to a recent AARP/Roper Starch Worldwide Survey. And among those employed, more than half like the idea of starting a new career or job when they reach retirement age, according to research by Yankelovich Monitor.

Retirement will evolve into a fluid period of metamorphosis, a chance for each of us to shed our old skin and transform. We'll see LifeCyclers take time for metamorphosis in their 20s, 30s, and 40s, all the way up to their 70s and 80s.

The periods of metamorphosis might last longer as one gets older, but they will represent moments of transition and

opportunities for reinvention, not a complete withdrawal from society. Stages of metamorphosis could last for two months or two years, and be reflective or active, stationary or far-ranging, depending on individual needs and desires. Each of us might go through metamorphoses several times in our lives.

However, we will pay a price for this freedom: Each of us will be responsible for planning and paying for it. It will require far more sophisticated planning, decision-making, and financial wherewithal. It will offer the financial services industry vast opportunities for new relationships with clients. And it will also challenge that industry to create new products and services that might better meet our needs for a long life in the cyclic life arrangement.



THE CYCLIC SELF

In exploring the cyclic life path, we've taken a look at the variety of ways the circle of life is replacing the linear life path, transforming many dimensions of our lives, including education, work, play, family, health, and the notion of retirement. There are seven strategic guideposts that can help us prepare for living in the cyclic society. Let's look at each of those guideposts in turn:

- ***First, we are at the dawn of a longevity revolution.*** Most of us will live longer than we might expect, with more vitality. Given this extra time, many of us may

want to try more than one lifestyle on for size. There is no doubt that this path will challenge us at every turn. To succeed, we'll need to take advantage of the increased opportunities to develop wisdom. With longer lives, we hold the potential of gaining more wisdom than any generation before us, becoming a culture of experienced LifeCyclers who fluidly move in and out of phases of growth, learning, and personal reinvention.

- ***Second, the cyclic life is dynamic, not static.*** We will need to be open to ongoing change and growth. The life stages we pass through will also become more diverse. Careers, education, marriage and remarriage, mid-life parenting, grandparenting, and even retirement can open doors for us to cycle in and out of at our own discretion. Flexibility and agility, both emotional and mental, will be essential skills to cultivate to cope effectively with our dynamic lives.
- ***Third, be a beginner at any age.*** Most of us will have the experience of being a beginner again and again. Increasingly, age won't matter. The cyclic life demands that we try new things, and dare to be a beginner, no matter how young or old we might be. Developing the skills of risk-taking and humility, no matter how experienced we might be at other things,

will be an important tool on the cyclic life path.

- ***Fourth, the rhythm of life will change.*** Our new, longer lives provide room for variety and innovation over speed and single-mindedness. There is no penalty for slowing down or starting over. We can each have our own goals and aim to reach them according to our own time clock.
- ***Fifth, setbacks and detours are inevitable.*** Because of its range of options, the cyclic life is less predictable than the linear path. There will be moments when we feel like we've lost our way. But there will be ample time to assess the damage and move ahead to the next opportunity.
- ***Sixth, late bloomers may bloom best.*** Ray Kroc, founder of McDonald's, was a failed salesman before he dreamed up the franchise at age 52. Dr. Ruth Westheimer didn't show any interest in sex education until she was 39, and didn't appear in the media until she was well into her 40s. These late bloomers were considered enigmas who had beaten the odds and made something of themselves very late in the game. The cyclic life, however, delivers this potential opportunity to each of us.
- ***Seventh, the pressure's off.*** One of the advantages of stepping away from a prescribed linear

path is that the urgency to get from point A to point B by a certain age begins to fade away. This last guidepost tells us that we can relax a little on the cyclic path and achieve our goals at our own speed.



THE CYCLIC SOCIETY

Let's conclude this summary by exploring seven key principles that can help companies thrive in our increasingly cyclic society.

- **First, embrace the new ageless consumer.** By now, it should be clear that businesses must look beyond their narrow, age-defined targets to attract new consumers of all ages. Throughout this summary, we've repeatedly seen that age is losing its significance in defining who we are. The number of years someone's been alive has become one of the *least* defining characteristics of individual consumers. It is no longer the main axis for targeting the consumer, either. And with the demographic and economic balance of power moving away from youth and toward the middle and later years of life, when people wield greater spending power, this more ageless consumer is very good news for business.
- **Second, target people by lifestyle and lifecycle, not age.** If age no longer defines who we are, what does? Identity now has

much more to do with an individual's current interests, affiliations, and LifeCycle. People aged 22, 42, or 62 might covet sports cars. College catalogues should be targeted not just to high school seniors, but to senior citizens.

- **Third, reinvention is a constant in the cyclic life.** Responding to the cyclic consumer's needs requires vigilance in knowing and continually reassessing the customers we serve. It means ongoing, interactive communications to better understand consumers, and it also requires a willingness to repeatedly adapt the business to match that consumer's evolving needs.
- **Fourth, empower consumers.** People of all ages and economic levels will be better-educated, more self-reliant, and less dependent on external authority to make decisions. Consumers can no longer be herded like sheep to buy what manufacturers predetermine they need. Instead, they send clear signals about their preferences to the manufacturers and retailers. And if consumers don't like products, they don't buy them. Period. In the coming decades, consumers will become more and more empowered and, in doing so, will seek products and services that can further increase their level of control and power.

- **Fifth, people will need help in navigating their lifecycles.** Sometimes we'll face the challenge of too many choices rather than no choices at all. These choices might involve complex considerations for which we'll have insufficient knowledge or experience. In addition, we may not know anyone else who has experienced the exact same set of challenges. As a result, continuous education and expert advice from a new class of professional counselors will become an important strategic resource. This will create tremendous opportunities for companies, individuals, or software programs that can offer help and advice.
- **Sixth, focus on providing freedom and security.** As empowered consumers become more the norm, they will thrive on the freedom offered through the cyclic-life path. At the same time, they will instinctively seek large doses of security to make their journey more comfortable. Successful businesses will recognize this paradox and respond to it. For example, individual investors now have the freedom to manage their own saving and investing, and at the same time they want the security of trustworthy advisers.
- **Seventh, optimize a cyclic workforce.** As the birth rate declines in the developed world, the

competition for talented workers will be just as important as the battle for customers. We will need to find ways to attract and retain a multi-generational workforce to implement our business plans effectively. Among the most highly sought benefits will be flextime, the freedom to work from home, continual

education and training, and company-provided childcare and elder care.

The transformation from the linear life — of education, then work, then retirement — to a LifeCycle approach is revolutionizing how people live, work, and buy. It's impossible to predict precisely what will happen in the future, but as Peter Drucker

reminds us, "The best way to predict the future is to create it." In the business world, the future will belong to those who focus their attention right now on understanding the members of our cyclic society, and then do everything possible to serve them.



ABOUT THE AUTHOR

Maddy Dychtwald is one of the nation's leading authorities on generational marketing and has been actively involved in analyzing and forecasting lifestyle and consumer trends for nearly twenty years.

In 1986, she co-founded Age Wave, the nation's premier think tank and strategic consulting group focused on Boomers and the mature market. Her work there helped grow the company from the ground up to a multi-million-dollar enterprise with a reputation as the best in its field.

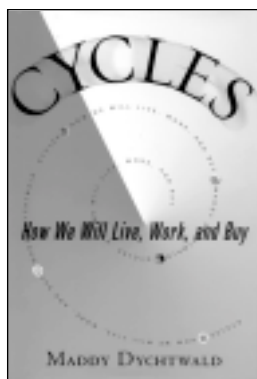


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