

GENERATION GAPS: Population growth affects history's course

AMERICANS WHO WERE born between 1977 and 1994 will form a generation almost as big as the original Baby Boom. Their huge numbers will profoundly influence markets, attitudes and society for most of the 21st century.

The U.S. Census Bureau says that 72 million people belong to this Echo Boom. Their proportion of the total U.S. population — 28% — rivals that of the Baby Boom, which accounts for 30%.

The sheer size of today's generation illustrates how the composition of our population can exert a powerful effect over everyday life.

Today's teenagers already are influencing music, sports, computers, video games and dozens of other markets. Yet the consumer

power of these young adults is just the first ripple of a big wave.

The Baby Boom, born between 1946 and 1964, had a similar impact. Today, there are 76 million Baby Boomers, many of whom are parents of today's teenagers. Combined, the Baby Boom and the Echo Boom account for 58% of the U.S. population.

Other generations currently in the U.S. population are the World War II generation (the 38 million people who were born before 1933), the Swing generation (the 31 million people who were born between 1933 and 1945) and Generation X (the 45 million people born between 1965 and 1976).

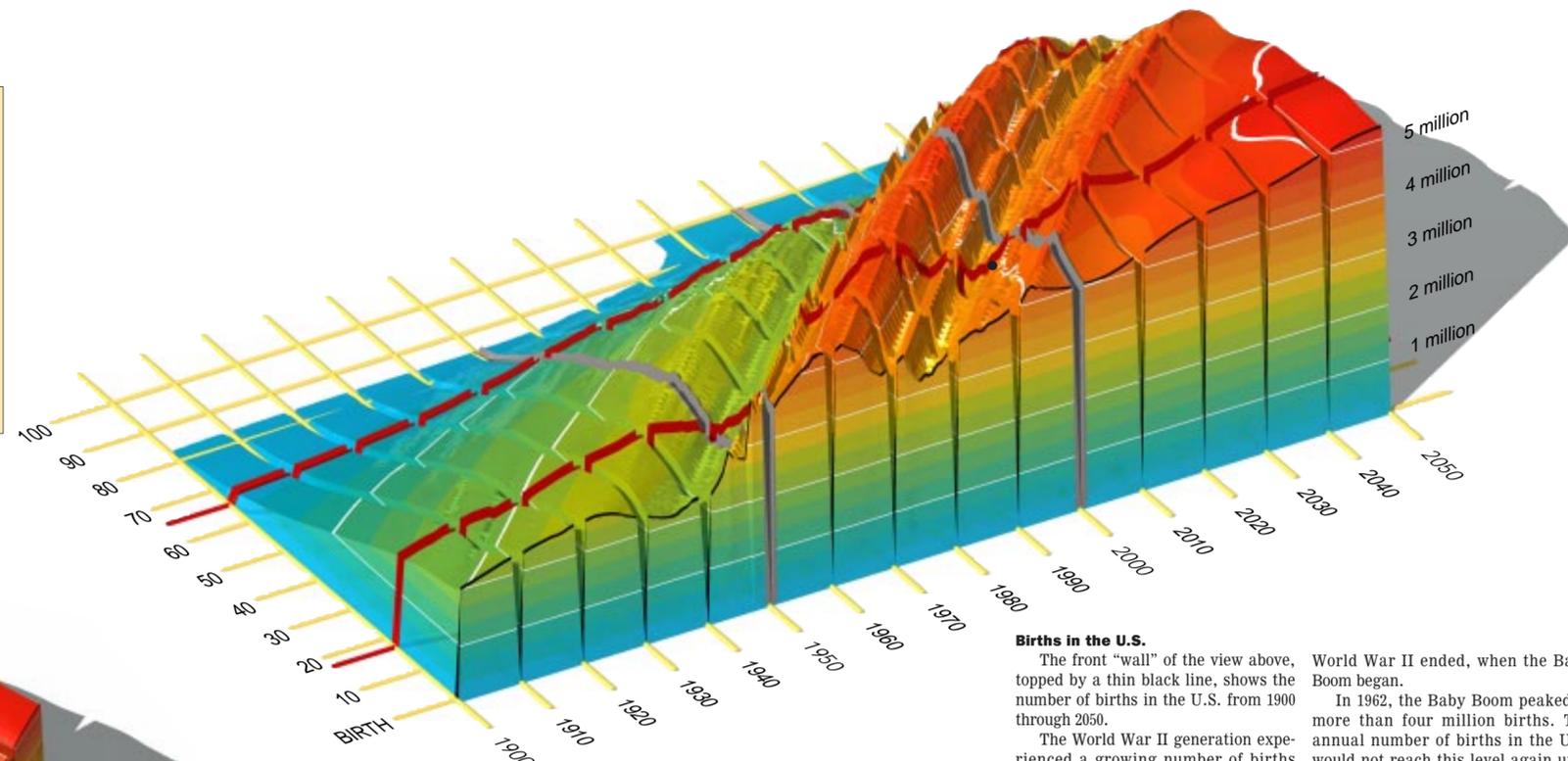
(All population figures for 1995 and beyond are estimates made by the Census Bureau.)

How to Read the Charts

These charts provide several views of a three-dimensional demographic model created with data from the U.S. Census Bureau. The model shows the number of people in the U.S. population at different years of age in each year from 1900 through 2050.

One axis shows ages. Note the red "gaps" that separate age 17 from 18 and age 65 from 66. Another axis shows the years from 1900 to 2050. The third axis shows the number of people, ranging from fewer than one million (blue) to more than five million (red). Each white line on this axis represents one million people.

The black dot on all the views of the model locates teenagers in high school in 1995.



Births in the U.S.

The front "wall" of the view above, shows the number of births in the U.S. from 1900 through 2050.

The World War II generation experienced a growing number of births during the prosperous 1920s. But births declined during the Great Depression, because of the poor economic climate and a dramatic slowdown in immigration. Births rose sharply again after World War II ended, when the Baby Boom began. In 1962, the Baby Boom peaked at more than four million births. The annual number of births in the U.S. would not reach this level again until the early 1990s, when both Baby Boomers and Generation Xers were having babies. (The valley between the Baby Boom and the Echo Boom is Generation X.)

The 1990s

Consider the decade of the 1990s separately from the rest of the demographic model.

Find the black dot that marks teens in high school in 1995. Look to the left of the dot; the big bulge is the Baby Boom.

Between the Baby Boom and today's teens is Generation X. To the left of the Baby Boom are people in the Swing and World War II generations, many of whom are approaching or in retirement.

Now find the decade of the 1990s in the view of the model on the right to see how it relates to the past and the future.

The Baby Boom that began in 1946 was caused by a combination of postwar economic prosperity, steady immigration, and medical and nutritional innovations that extended life expectancy and lowered infant mortality.

This boom ended in the mid-1960s when the influx of women into the work force, higher education levels for women, and the increasing use of birth-control devices slowed birth rates.

Life Cycles

The red "gaps" in each view of the model define the three main phases of life:

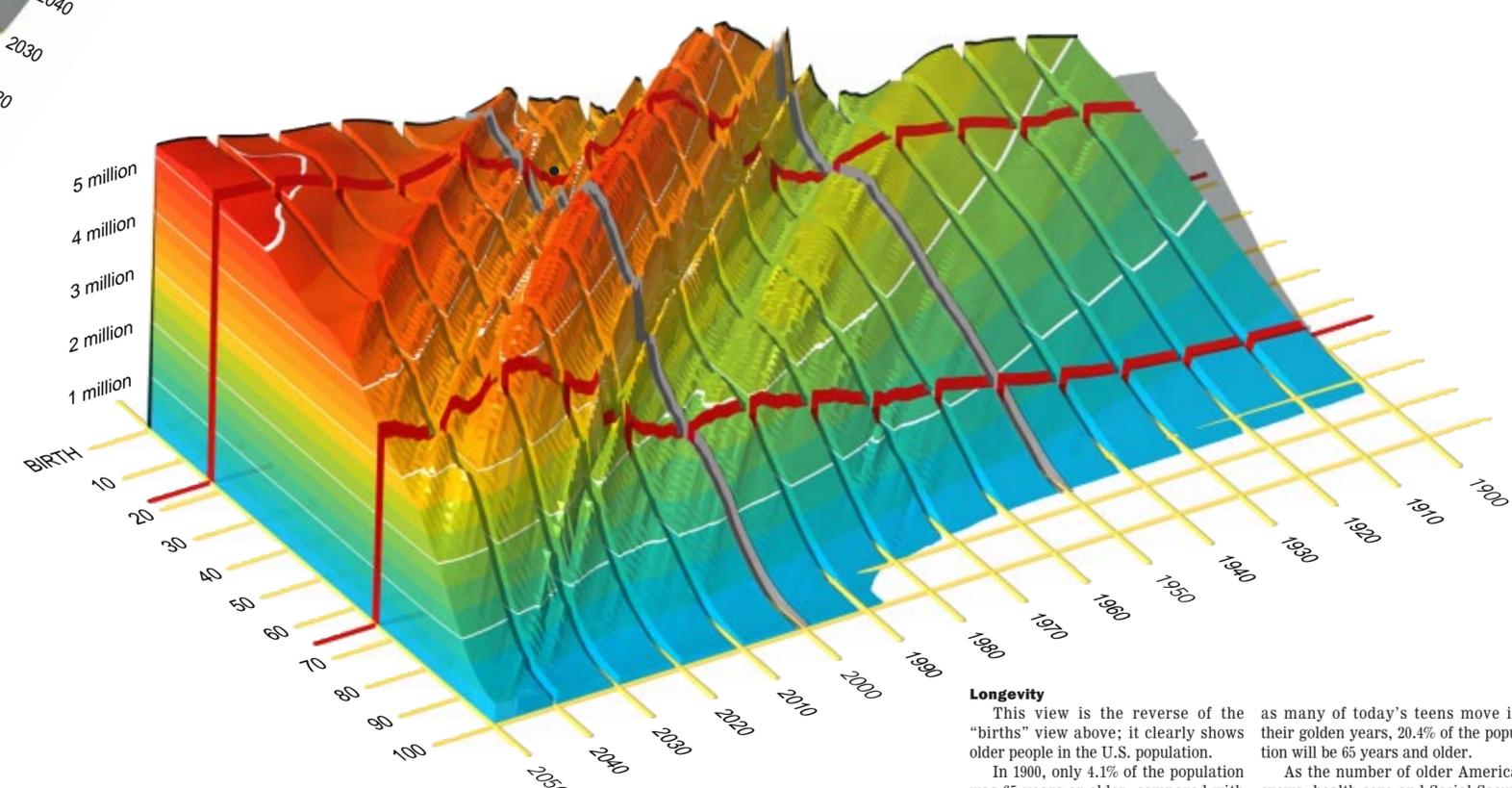
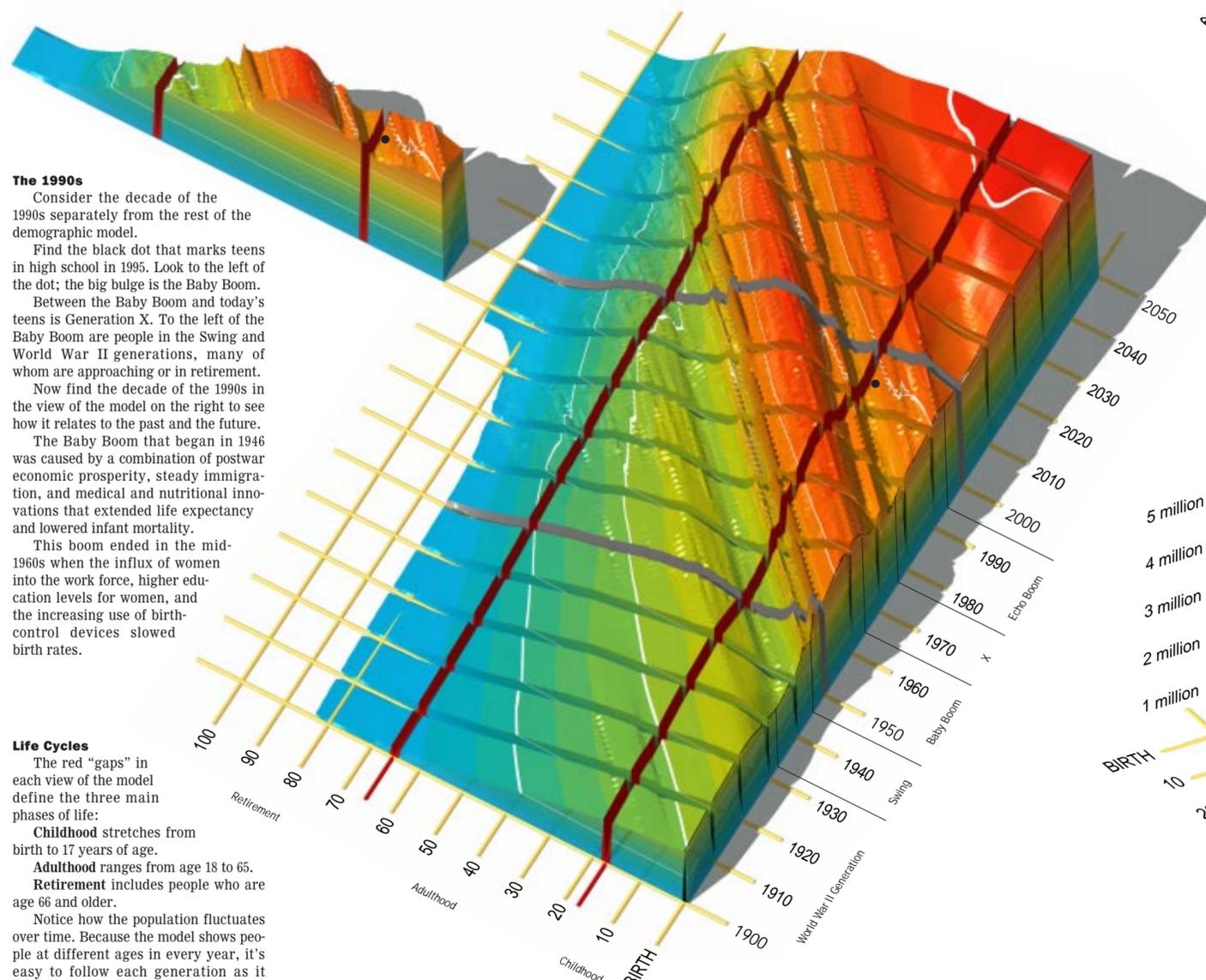
Childhood stretches from birth to 17 years of age.

Adulthood ranges from age 18 to 65.

Retirement includes people who are age 66 and older.

Notice how the population fluctuates over time. Because the model shows people at different ages in every year, it's easy to follow each generation as it moves through the three phases of life.

The U.S. wasn't always on a demographic roller coaster. In the first half of the 20th century, the annual number of births in the U.S. remained fairly steady. Then about nine months after the end of World War II, the number of births began a quick, steep climb.



Longevity

This view is the reverse of the "births" view above; it clearly shows older people in the U.S. population.

In 1900, only 4.1% of the population was 65 years or older, compared with 12.5% in 1990. In 2025, when a record number of retirees is expected, 18.4% of the population will be over 65. In 2050, as many of today's teens move into their golden years, 20.4% of the population will be 65 years and older. As the number of older Americans grows, health-care and Social Security systems will be severely challenged. More people will depend on their children and savings for financial support.