Changing Demographics: shifting the tapestry of society

This brave new world of constant change we live in is giving way to a reimagining of our socio-economic landscape as well.

On one hand, we have a new generation that is beginning to enter the workforce, a generation known as Generation Z (Gen Z). This is the generation born between 1995 and 2010, and numbers 2.6bn globally. Gen Z comprises about a quarter of the US population and will account for 40% of all consumers by 2020. According to the Department of Labor, by 2020 Gen Z will make up 36% of the global workforce.

This is the first generation that has never known a world without the Internet and who were practically born with a smart phone in their hands. Having never spent a day of their lives offline, they are acutely aware of the issues and global challenges happening in the world around them. Thus, they are 54% more likely to say they want to have an impact on the world as compared to millennials.

Gen Z's attitudes toward work and employers are very different than previous generations, as almost half of them consider working for a company that helps make the world a better place as important of a consideration as salary. Their nomadic lifestyles have them craving more flexibility in where, how and when they work. As active participants in the "Gig Economy" –an environment where short-term, freelance positions are preferred over full-time jobs—Gen Z is a driving force behind new collaborative learning, technology, and workforce trends.

Yet at the same time, more countries are becoming super-aged, which means more than 20 percent of their population is over the age of 65. By 2030, we'll have twice as many people over age 65—nearly one billion.

In fact, thanks to people living older and having few babies, per the World Bank Databank, by 2060 we'll have 3B more people over the age of 30 than we do today. China is a perfect example of this phenomenon. Today 26% of their population is over the age of 55. And according to UN Population data, that number will grow to 43% by 2030. To deal with this shift, China recently rescinded their one child policy after 35 years.

People are living longer and having fewer babies

Increase in Life Expectancy

Between 2010 and 2015 — 70 Years
Between 2045 and 2050 — 77 Years
Between 2095 and 2100 — 83 Years

Decrease in Fertility Rate

2.5 — From 2010 until 2015
2.25 — From 2045 until 2050
2.0 — From 2095 until 2100

□ = 100 million people

Changing Population

■ Under 25   ■ 25-59   ■ 60+

2015   2030   2045

In 2014, ~60% of the world population lived in countries where fertility rate was less than replacement rate

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An older population leads to a shrinking and aging workforce, putting increased pressure on healthcare and retirement. The aging workforce will also put a strain on economies and government spending, simply because as the world ages, there will be fewer people working to support the number of people retiring.

On the bright side, an aging working population also means a significant market opportunity. Often referred to as the "silver generation", this population has a greater purchasing power than their younger counterparts and represents a significant untapped opportunity for companies in the future. The European Commission estimates that by 2020, the spending power of people over 50 will reach $15T. This will create a significant shift for brands who today devote most their marketing spends to people under the age of 30, even though in places like North America half of the money spent is by people over the age of 50.

Those under 50 might see different spending patterns however based on where they live in the world and their financial status. It's expected that most of the world will be middle class by 2018. But this global middle class will not be uniform across the world, neither will it be homogenous.

Along with aging comes the possibility of chronic diseases such as diabetes, chronic obstructive pulmonary disease, and Alzheimer's all of which are on the rise. These long-term degenerative diseases place a high-cost burden on our healthcare systems. The sooner doctors can detect, treat, and/or prevent these conditions in patients, the more they can reduce this burden.

Unfortunately, at the same time, we are facing a shortage of 90,000 fewer physicians in the U.S. alone by 2025, including those who specialize in chronic diseases. Thanks to exponential technology growth--faster computing, artificial intelligence, big data, mobility, microfluidics, and the Internet of Things (IoT)—might allow us to meet these growing health challenges.

Today's new and evolving platforms comprise well-defined architecture, governance, and services and are underpinned by the latest digital tools. In healthcare, platforms for care delivery will evolve, improving the ability to provide relevant information, access, and control to consumers and caregivers. Care will be ubiquitous, drug development times will be reduced, and new treatments will arise. With increase technology power the next wave of digital health solutions could move us from prevention to elimination.

HP is working on advancements in microfluidics, IoT, and Hypermobility to move from the world where systems are centralized—where doing tests are very expensive and slow — into a world of global diagnostics, where things happen very cheaply and the power is put into the hands of the individual

Catering to this diverse customer base that spans generations, will require companies to rethink how they design products, structure their global labor force and what benefits and services they proved. We're not yet sure what that will look like. Is it commercial wearables for increased productivity at work? New collaboration tools for nomadic workers? Disruptive healthcare solutions? Personal robotic solutions to augment our lives and automate tasks?

The possibilities are endless.