

# TR▲JECTORY

**The Consumer and Employee of the Future:  
How the business, work and consumer climate is  
changing?**

July 2017



## Purpose of this workshop

- ① To present some of the key trends that will shape the sector's external operating environment in the next 5 to 19 years
- ① To give you the opportunity to consider the challenges and opportunities presented by these trends
- ① To consider what the industry should 'start, continue or stop' doing as a result of these trends

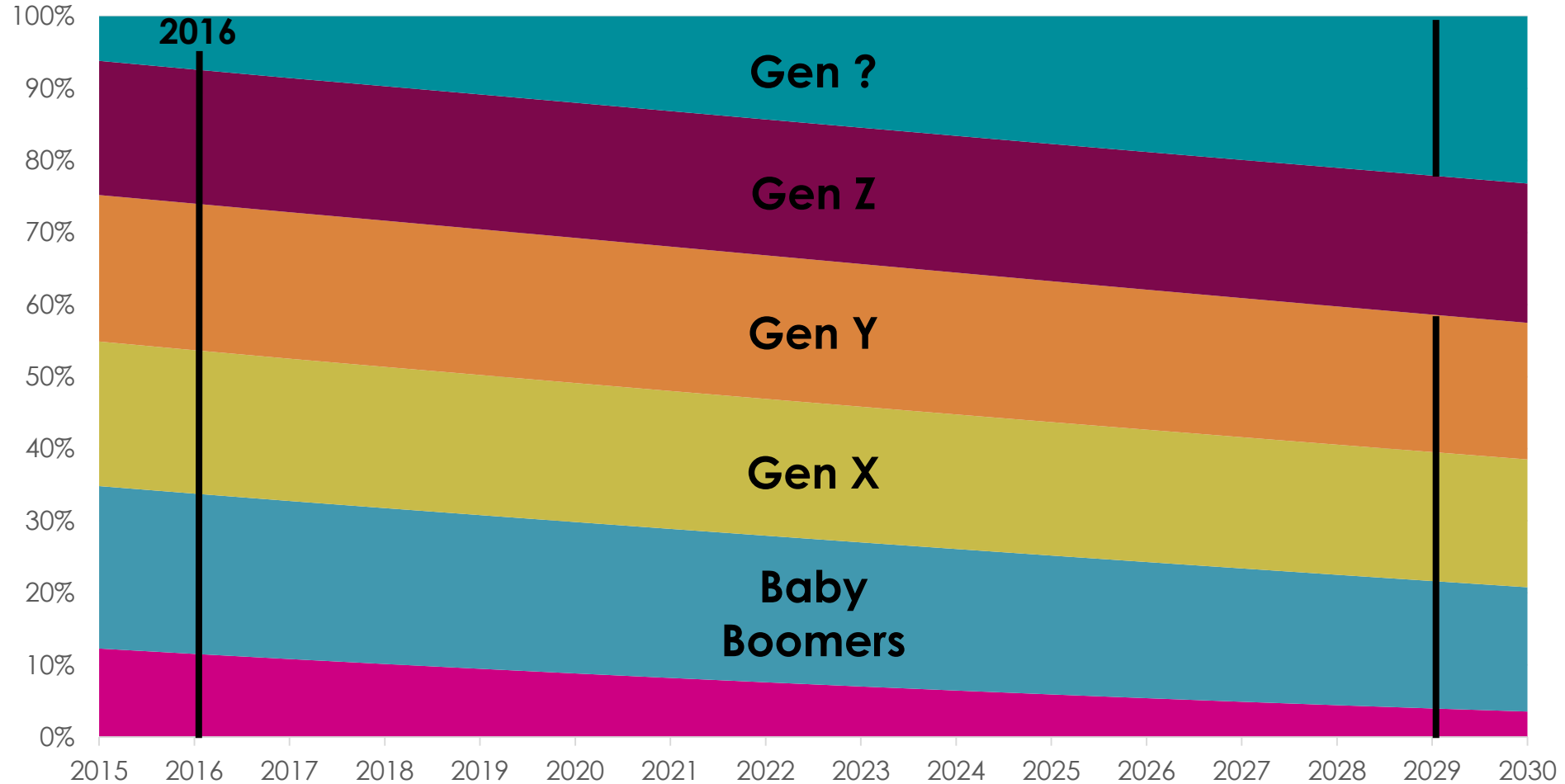


# Consumer of the Future



## Future generational equipoise

% of UK population in each generational grouping; 2015 - 2030



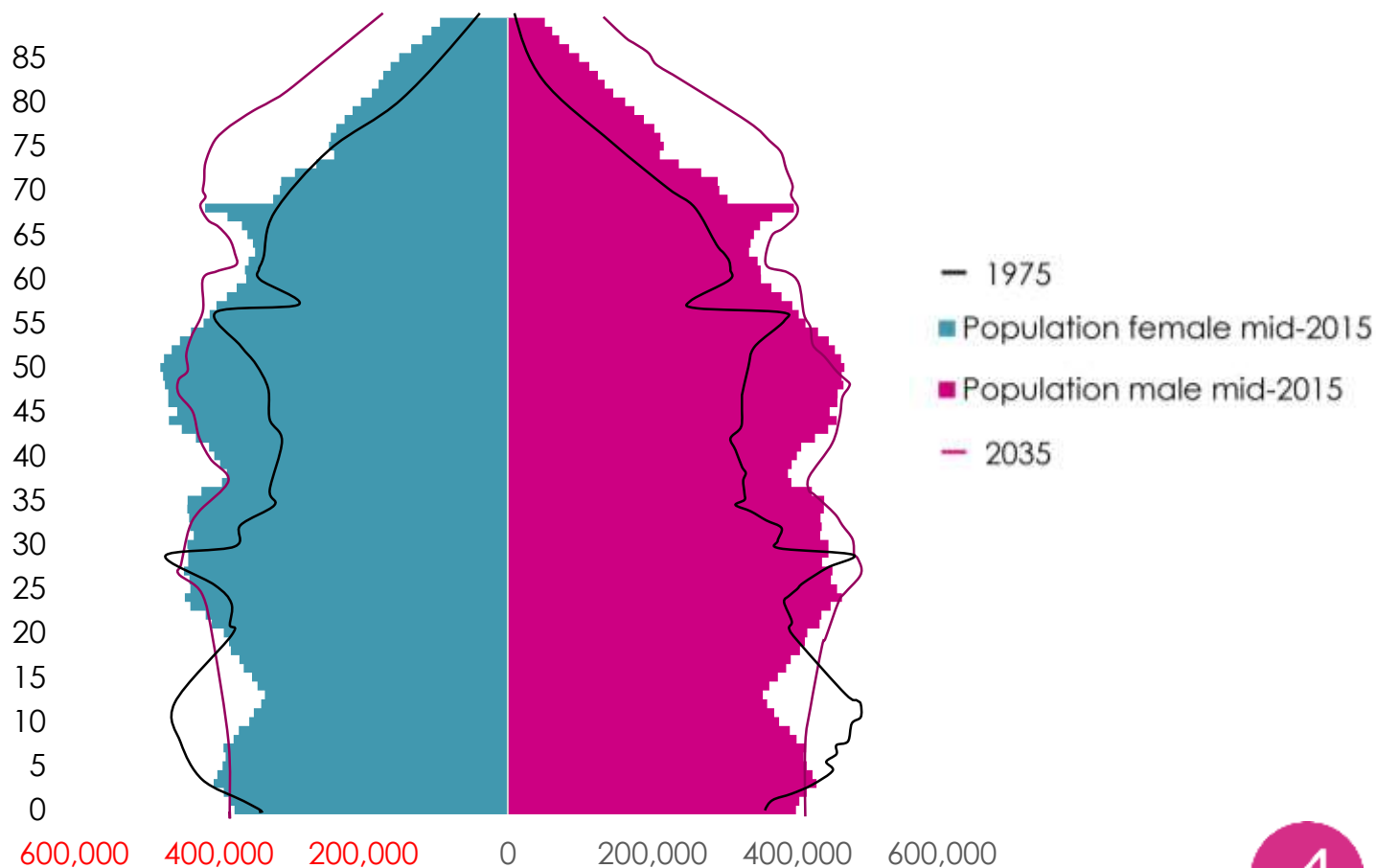
Source: Office of National Statistics, 2014 based National Population Projections



# The Changing Demographic Context

- 1 1975: Younger cohorts are much larger than those in 2015, and much smaller among older cohorts.
- 1 2015: An ageing population with 'booms'. Younger cohorts are much smaller than older cohorts.
- 1 2035: Most noticeable is the extent of the growth in the population aged over 70, as the largest group in 2015 reach old age.

## UK Population Pyramid



Source: Office of National Statistics



## Magic Numbers

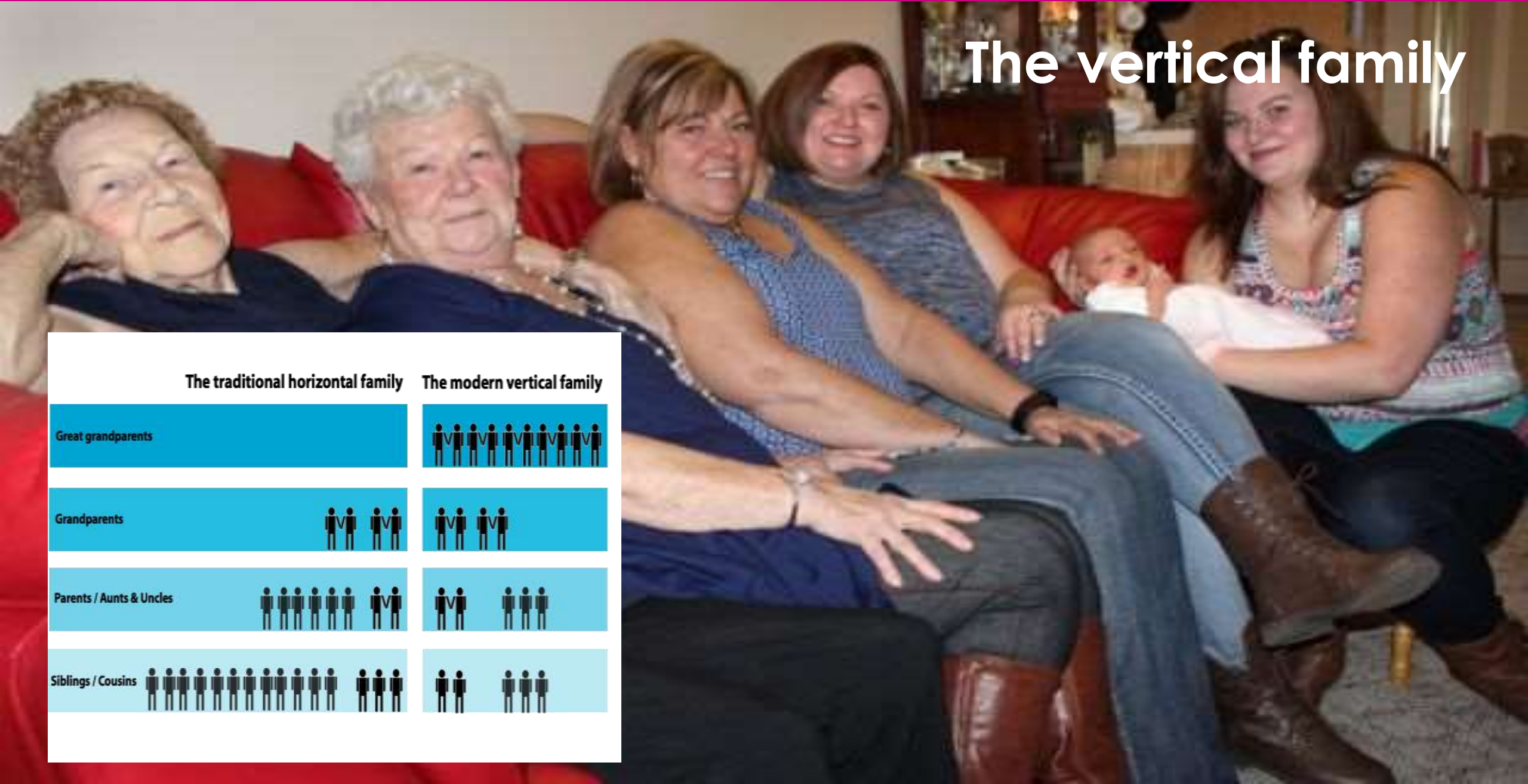


***"Life expectancy has been increasing...by 2.5 years per decade, three months per year, which is really quite remarkable - six hours per day"***

Professor James Vaupel, Director, Max Planck Institute for Demographic Research.



## The vertical family



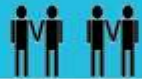
The traditional horizontal family

The modern vertical family

Great grandparents



Grandparents



Parents / Aunts & Uncles



Siblings / Cousins



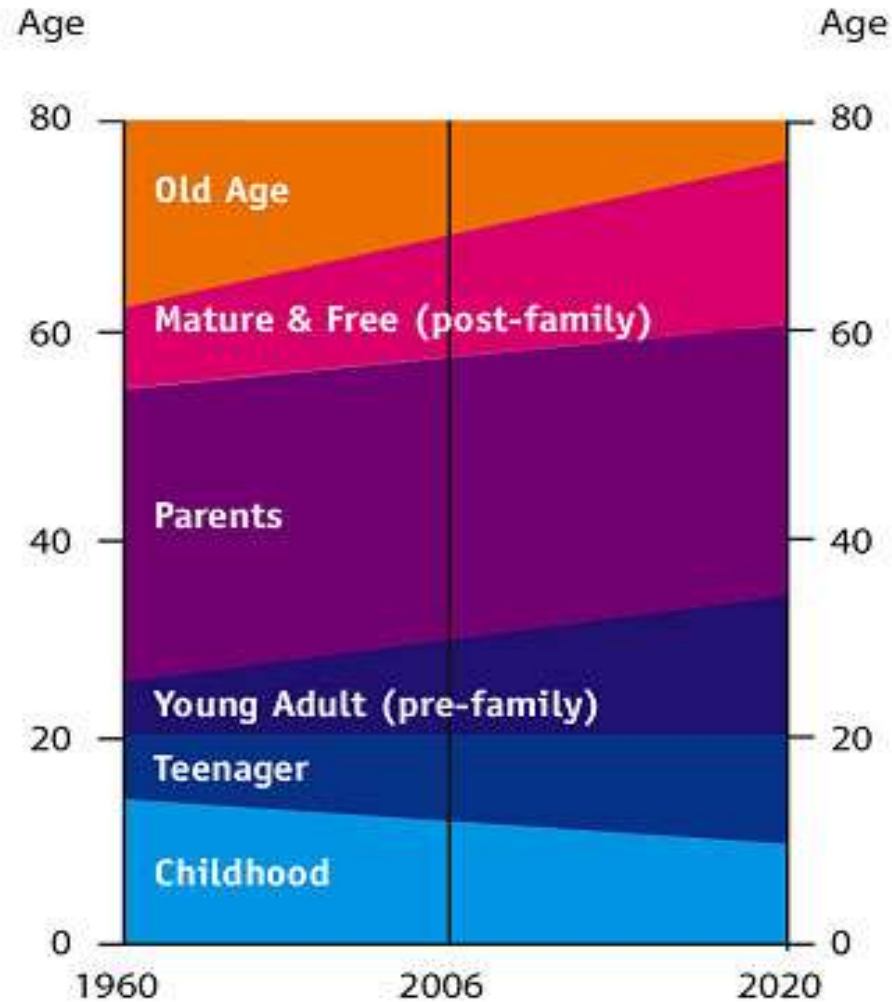
## Complex Families



**Separation. Divorce. Marriage.  
Remarriage. Step-Children.  
No children. My Children. Grand  
Children. Mixed Ethnicity.  
Same Sex. Education. Housing. Child-  
Care. Income. Leisure.  
Privacy. Freedom. Great-Grand  
Children. Vertical Families.  
Emigrants. Immigrants. Mixed-Faith.  
Single Parents.**



## The meaning of age is changing



**Longer retirement and shorter 'old age'  
= longer independence**

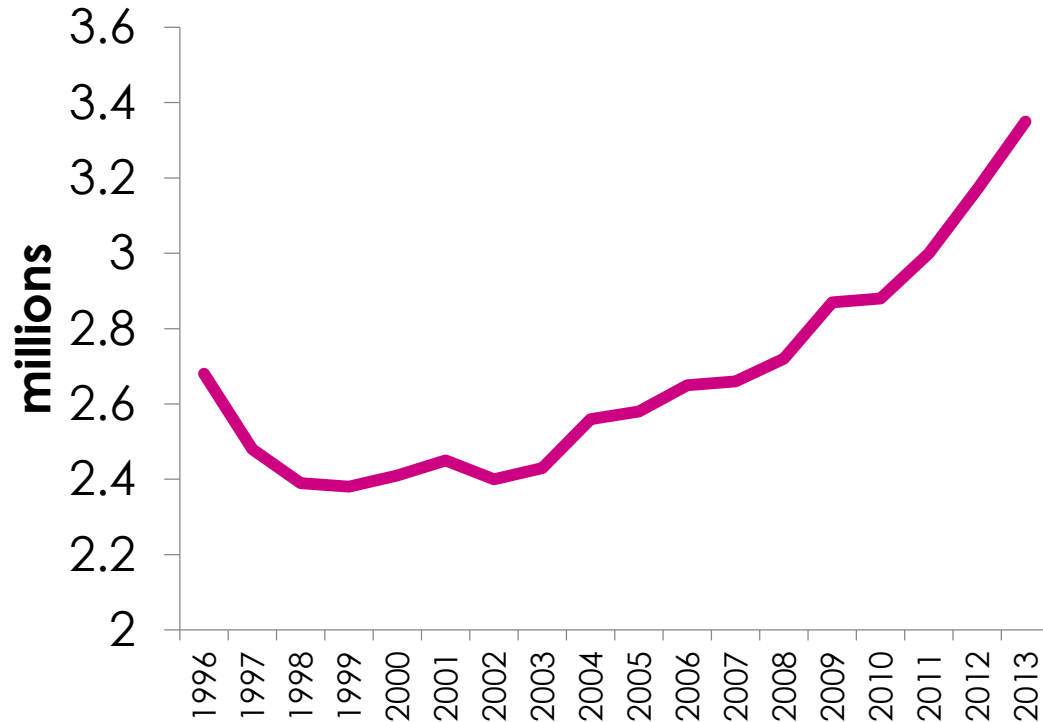
**Fewer children = less time as 'parent' and  
less financial constraint**

**More time before family = more time spent in  
education/training**



## The Journey to Adulthood is Changing

Young adults aged 20-34 living with parents in the UK, 1996-2013



### Classic Journey

1. Finish education
2. Financial independence
3. Move out of parent's house
4. Get married
5. Have children

### More Realistic Journey

1. Move out (to University)
2. Finish Education
3. Move back home
4. Start working
5. Move out again
6. Move back to save money for deposit
7. Move out again
8. Have children
9. Get married
10. Buy home?



## Generation Rent?

**2001**

**2.3 million households renting privately**

**2014**

**5.4 million households renting privately**

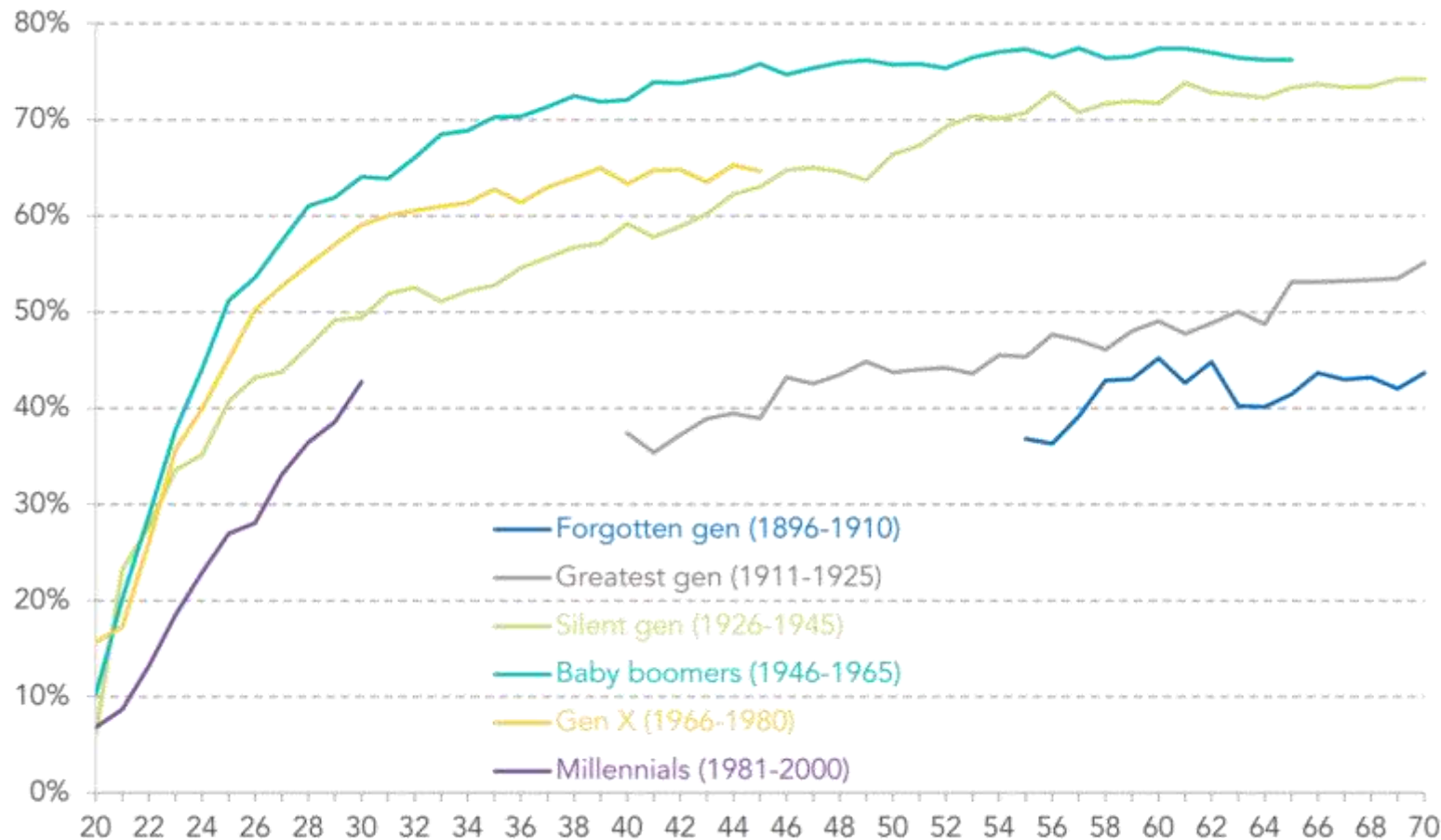
**2025**

**7.2 million (25% of the UK population) will be renting privately**



## Housing and the generations

Home ownership rates by age for each generation: UK, 1961-2016



1 Just under two-thirds of Baby Boomers owned their own home by the time they reached 30

1 Figure has fallen to 42% in Millennials

1 Millennials will spend an average of £53,000 on rent by the age of 30, compared to £9,000 for Boomers



## A Conflict of Interest

“I am an optimist, and believe in cooperation between the generations: **the baby boomers have done so well for themselves more out of a failure to understand the implications of their actions for future generations than out of fundamental hostility.**”

- David Willets

	Number of landlords	Share of landlords	Share of rental income
Pre-War	220,000	23%	20%
Baby Boomers	670,000	39%	50%
Gen X	440,000	31%	26%
Millennials	100,000	7%	4%



## Emerging Technology Trends



**Quantified Self**



**Robo-Advisors**



**Drones**



**Virtual Reality**



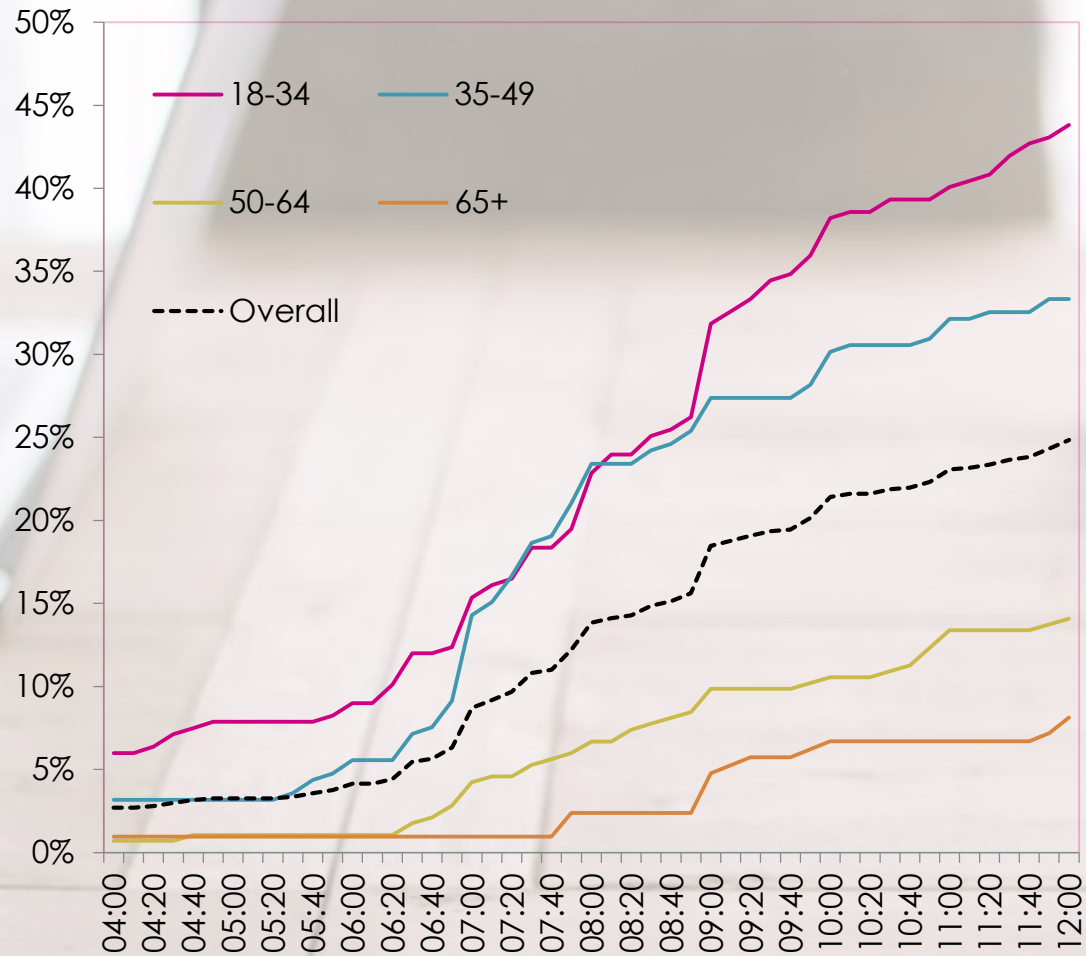
**Internet of Things**



**Digital Family Values**



Tempogram: smartphone use, all days (UK)



## Millennials online before getting out of bed



## Discussion Time

- ① Any questions?
- ① What challenges and opportunities are presented by these trends
- ① What should the industry 'Start, Continue, Stop' doing as a result of these trends?



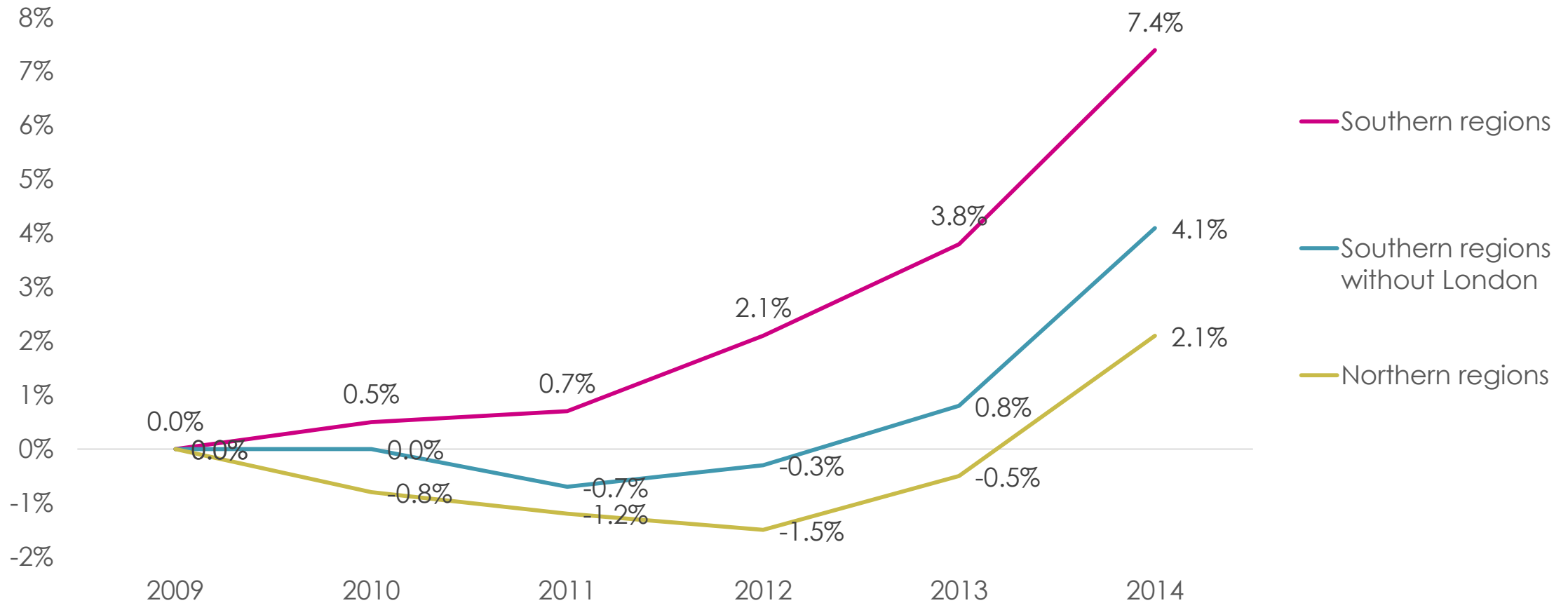


# Employee of the Future

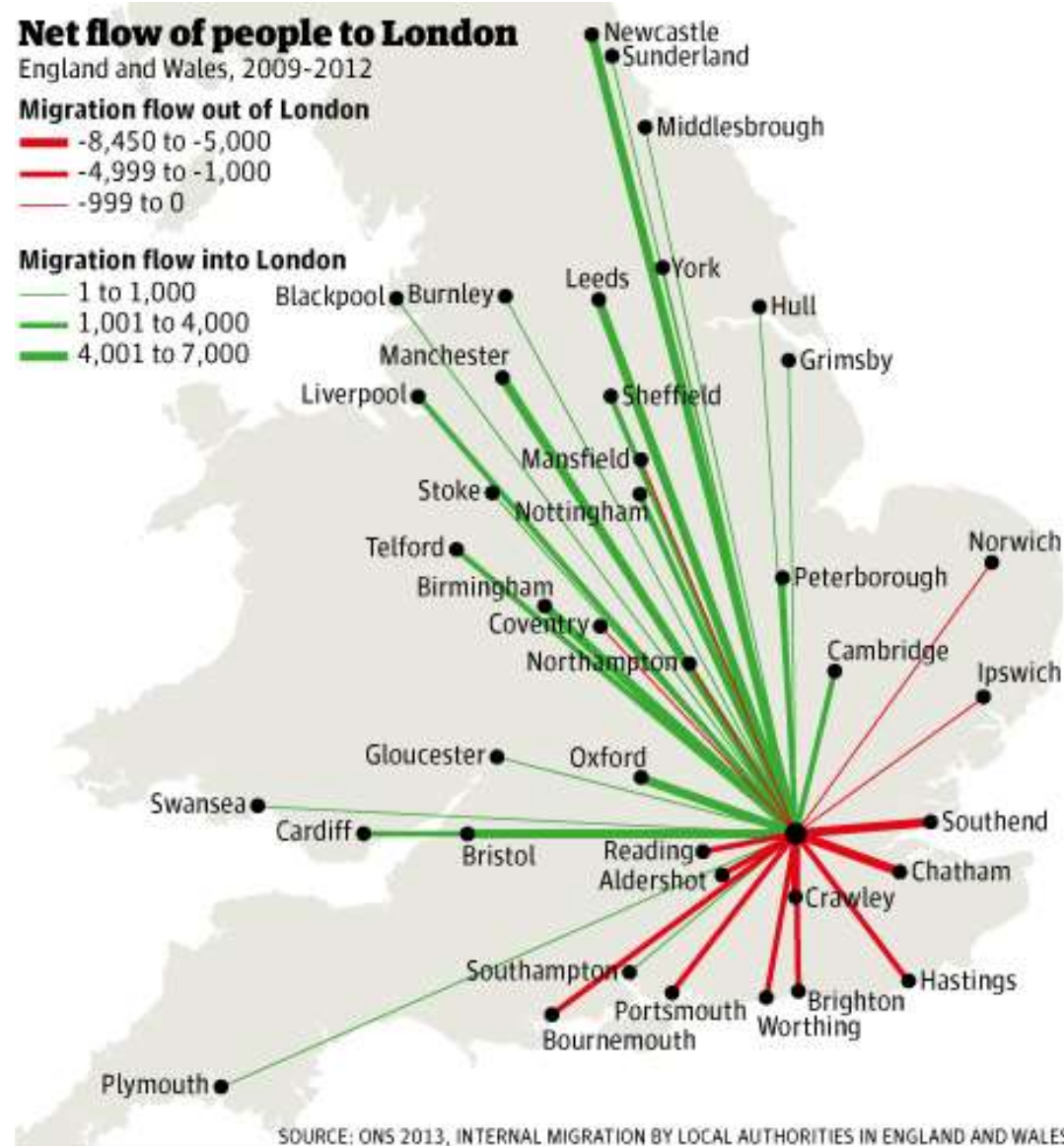


## London and the South Dominate Job Growth

Change in employee levels for northern and southern England regions; 2009-2014

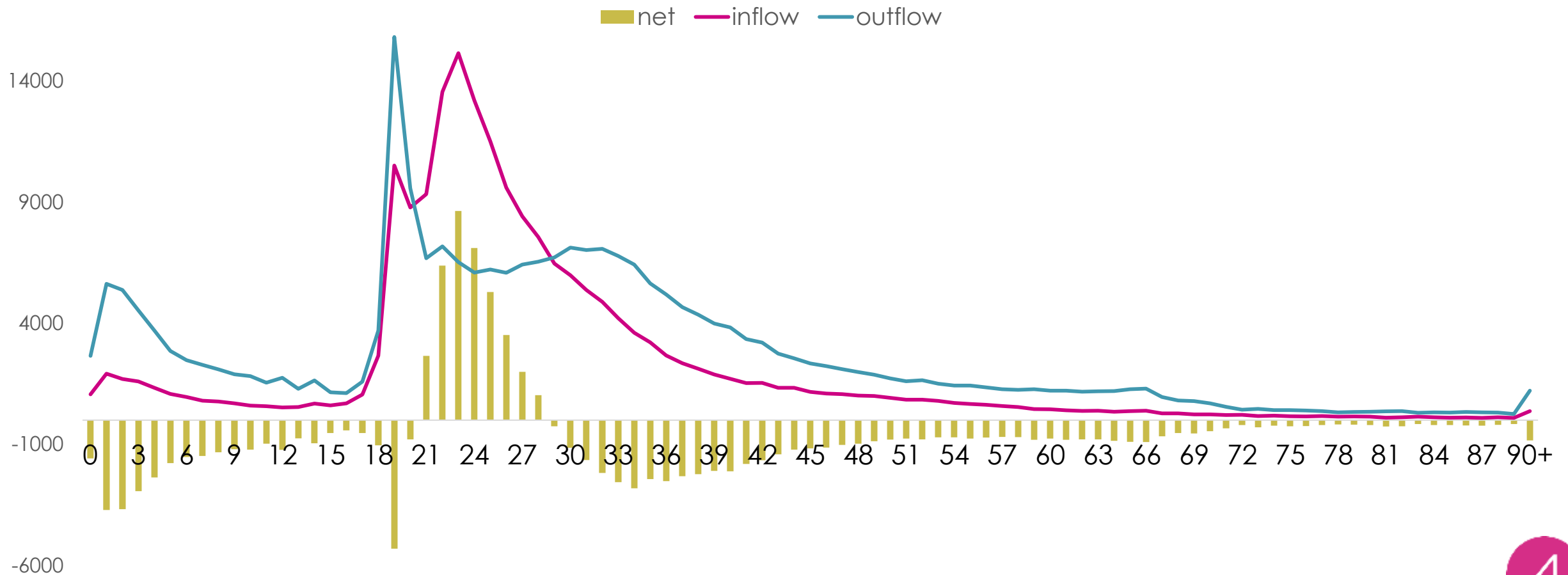


## Generation where?



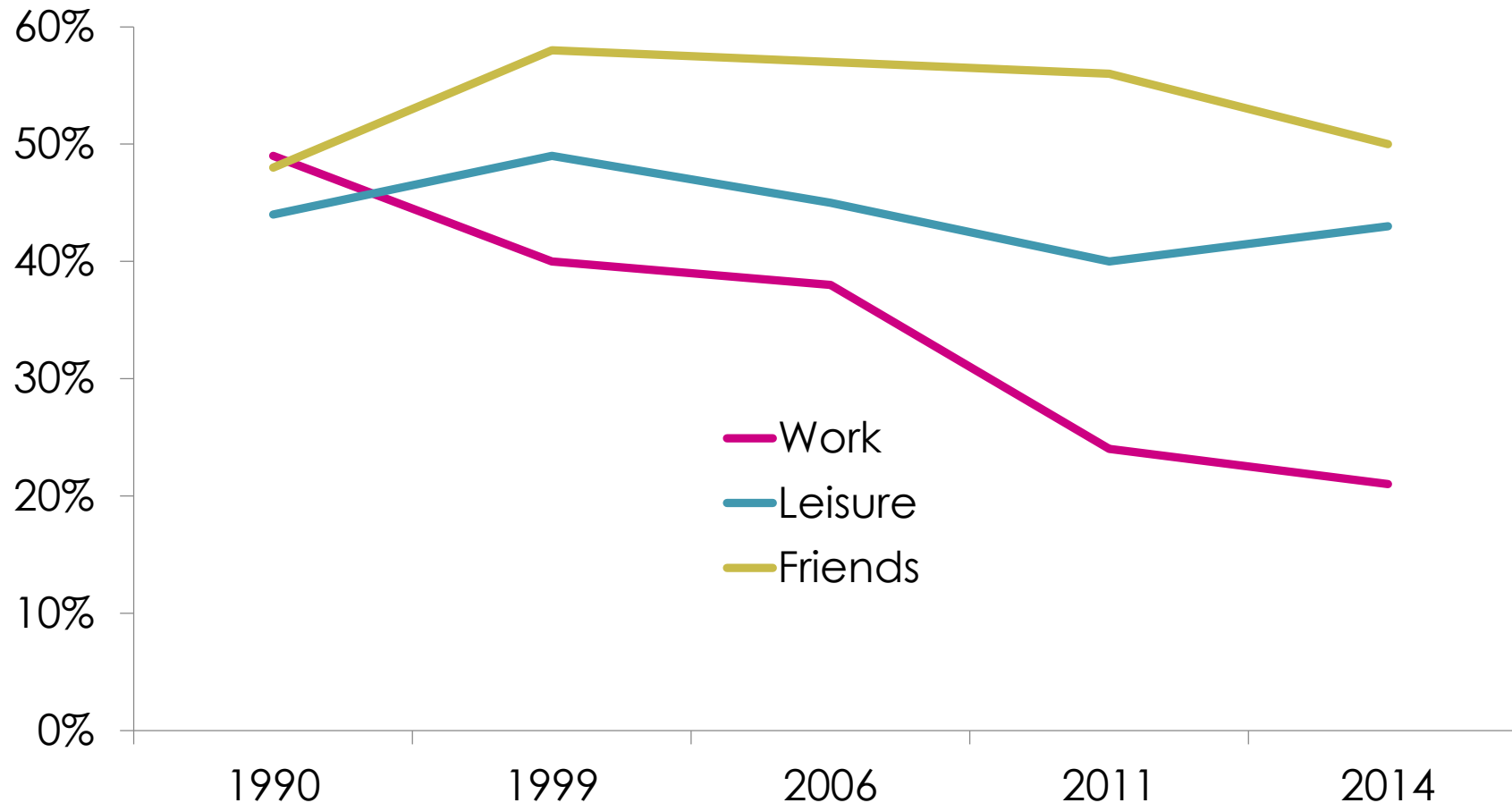
# Age Driven Migration

Internal Migration moves into and out of London by age;  
year ending June 2013



## A fundamental shift in priorities

How important is the following in your life?  
(% responding 'very', UK)

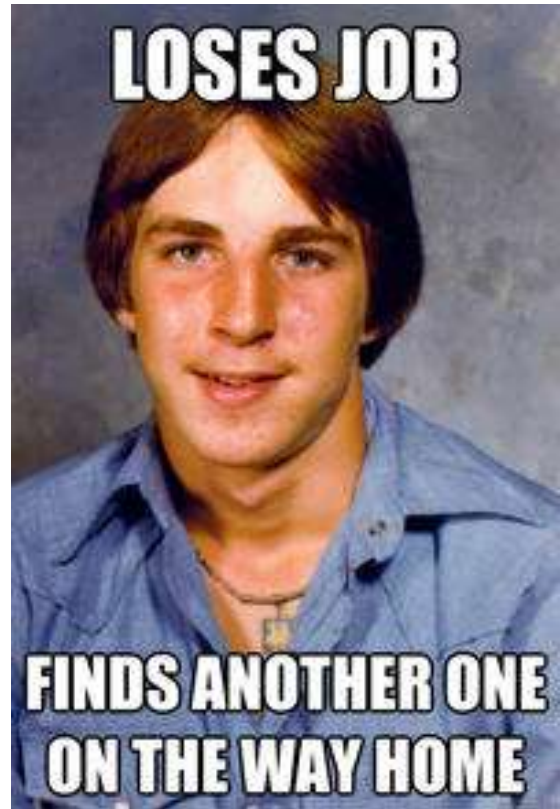


# The best educated generation in history is looking for (fulfilling) work

Millennial Experience?



Boomer Experience?



## SCHOOL-LEAVERS 'THINK THE WORLD OWES THEM A LIVING'

**GROWING** numbers of school-leavers have 'attitude problems' and believe the world 'owes them a living', a Tesco boss warned yesterday.

Young workers too often turn up late for work and interviews and fail to see the importance of dressing smartly and working with others, said Lucy Neville-Rolfe.

The director of corporate and legal affairs, one of the most powerful and well-paid women in British business, added that many struggle with basic maths and English.

In a speech to the Institute of Grocery Distribution, Mrs Neville-Rolfe, 56, said there was a 'fair amount of evidence' exams were 'getting

easier and failing to stretch people'.

She added: 'If children aren't learning the importance of discipline at school - or, dare I say it, in the family - how can we expect them magically to have learned it by the time they turn up looking for work?'

Mrs Neville-Rolfe, who has also worked in the Downing Street policy unit and Cabinet Office, added: 'Forgive me for sounding like an old fogey, but I find that attitudes towards basic things to do with going to work have changed.

'Some seem to think that the world owes them a living.

'But the truth is that a certain humility and an ability to work hard are important for success in our business.'

## Don't fall for the myths

### Are millennials as bad as we think?

Compared with other generations, millennials' attitude to work and leisure might make them more complex to understand, but sweeping generalisations will only widen the divide

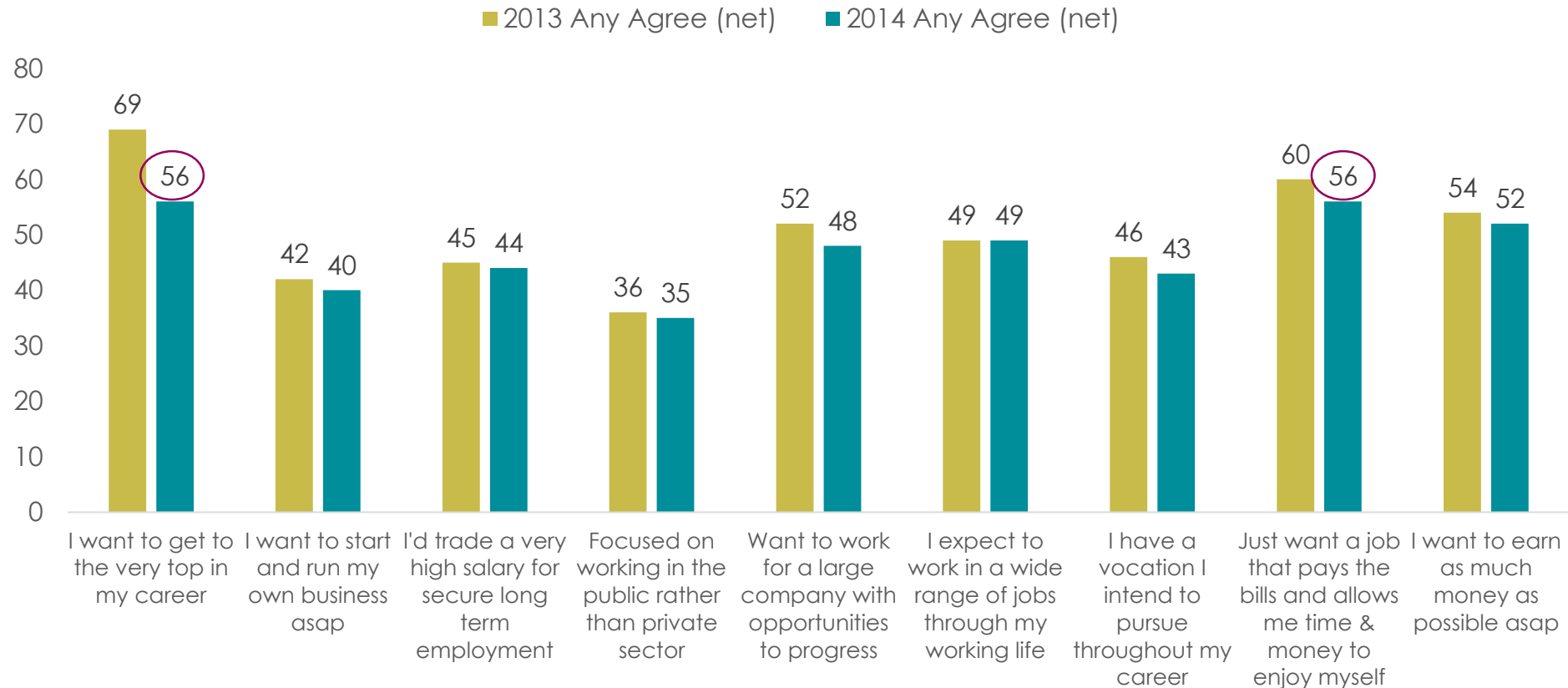


Lazy, self-obsessed, materialistic? Tomas Chamorro-Premuzic explains the paradoxical nature of millennials' character and how best to understand their outlook on work and leisure. Photograph: Getty Images/Vetta

# Millennial Career Attitudes

More than half of N-Gens agree that their work 'defines them' a great deal

## N-Gen Career/Employment Ambitions



Source: CCUK N-Gen 2013/2014. Base: 1000 N-Gen respondents (UK)





# Accessing Education

STUDENT LOANS  COMPANY LIMITED

Date	Description	Debit
	Balance Brought Forward	31981.24
04/02/2015	Tuition Fee Loan Payment	2250.00
28/02/2015	Interest	139.59
31/03/2015	Interest	156.64
27/04/2015	Maintenance Loan Payment	1141.38
30/04/2015	Interest	152.78
06/05/2015	Tuition Fee Loan Payment	4500.00
31/05/2015	Interest	179.80
30/06/2015	Interest	178.61
31/07/2015	Interest	185.40
31/08/2015	Interest	186.24
30/09/2015	Interest	128.94
31/10/2015	Interest	133.67
30/11/2015	Interest	129.77
31/12/2015	Interest	134.52
31/01/2016	Interest	134.96
29/02/2016	Interest	126.67
31/03/2016	Interest	135.80
	<b>BALANCE CARRIED FORWARD</b>	<b>41976.01</b>



**coursera**

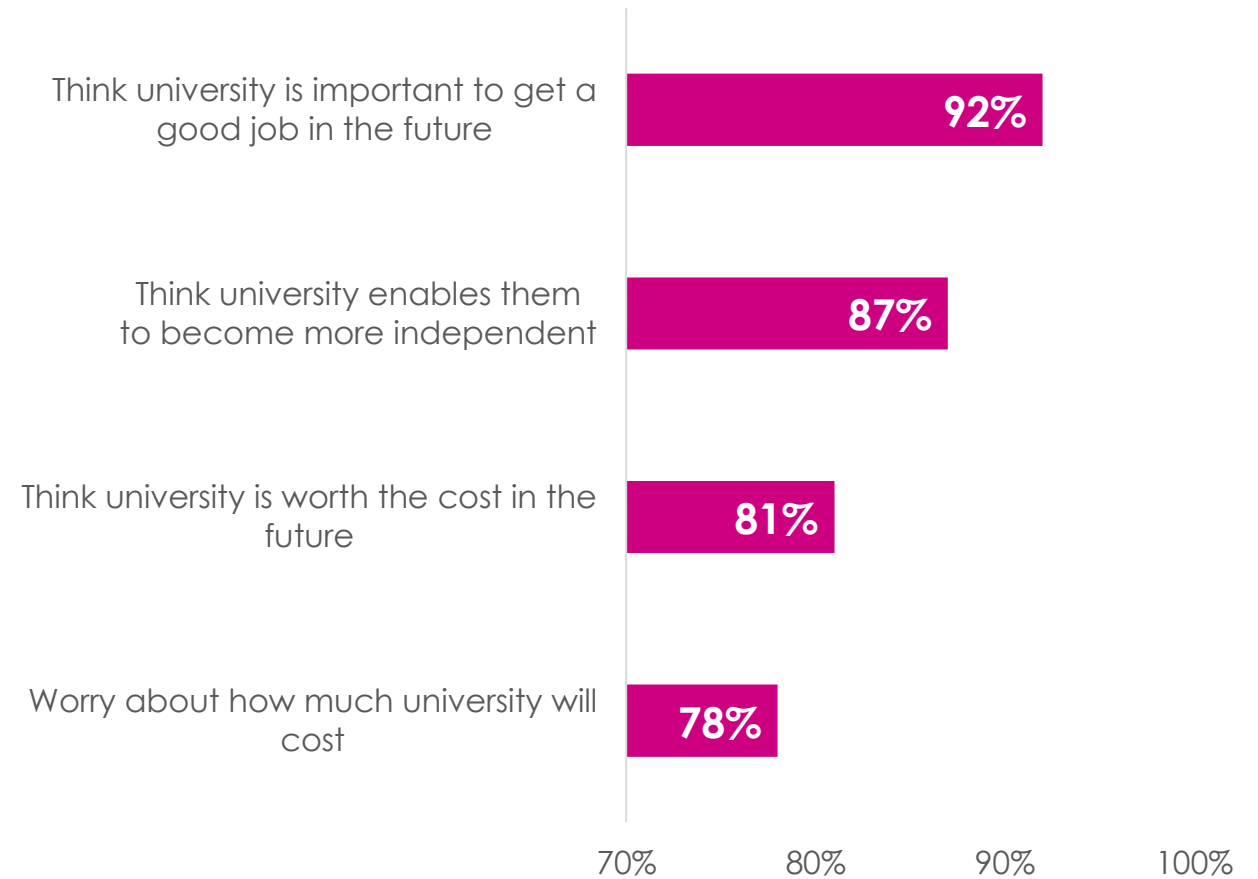
 **degreed.**

**SWEETRUSH** 

**Knack.**

## The End of the Degree as Proxy?

University Sentiments;  
800 15-18 Year Olds



Source: Student Com/Campus Life, 2016





## A New Vision for Older Workers: Retain, Retrain, Recruit

Report to Government by Dr Ros Altmann CBE  
Business Champion for Older Workers



## Work and the Unretired

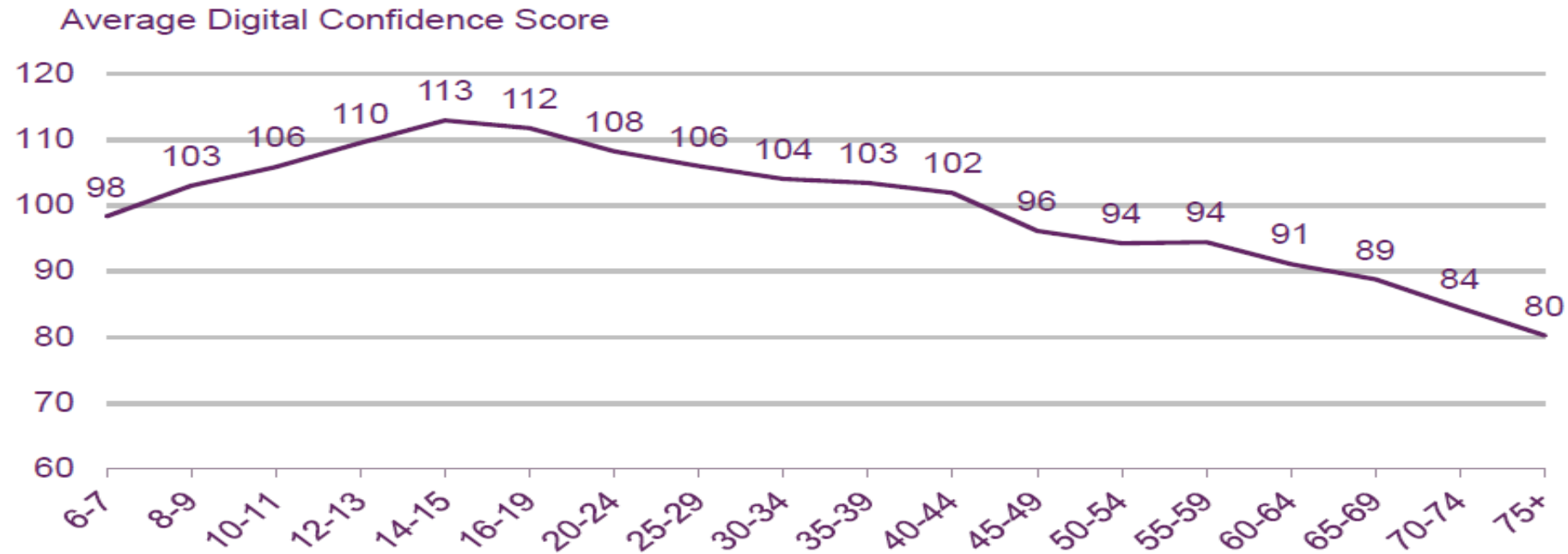
- Focus on the projected growth in people aged 50-pension age relative to the younger workforce
- Value of better engagement put at £26bn
- Mature Apprenticeships
- Age Friendly business practice
- Retain, Retrain, Recruit



## Digital Divide



**Figure 1.13**  
Digital confidence score, by age group



Source: Ofcom research  
Base: All GB (2,753)



## The labour market in 2017: Fragility



New services



New ways of working



## On demand economy

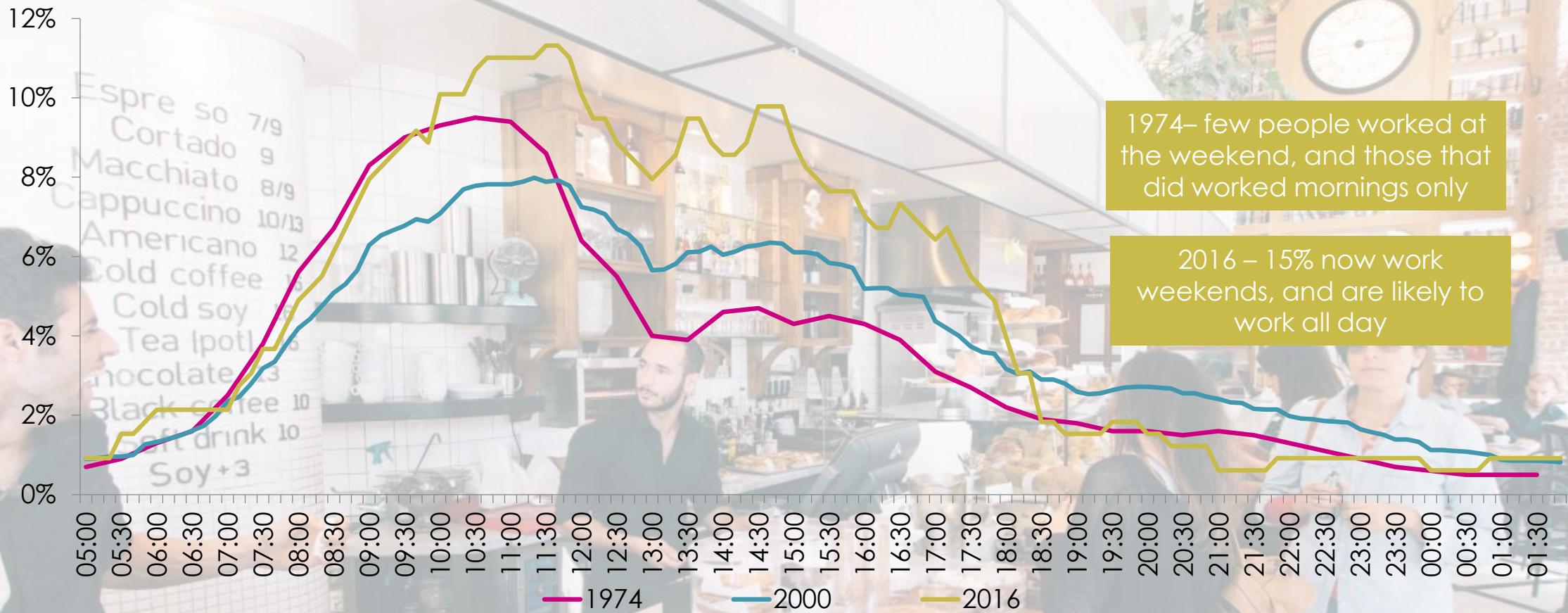


## The other side of on-demand



## The end of 9-5

### % working, weekends (UK)



1974– few people worked at the weekend, and those that did worked mornings only

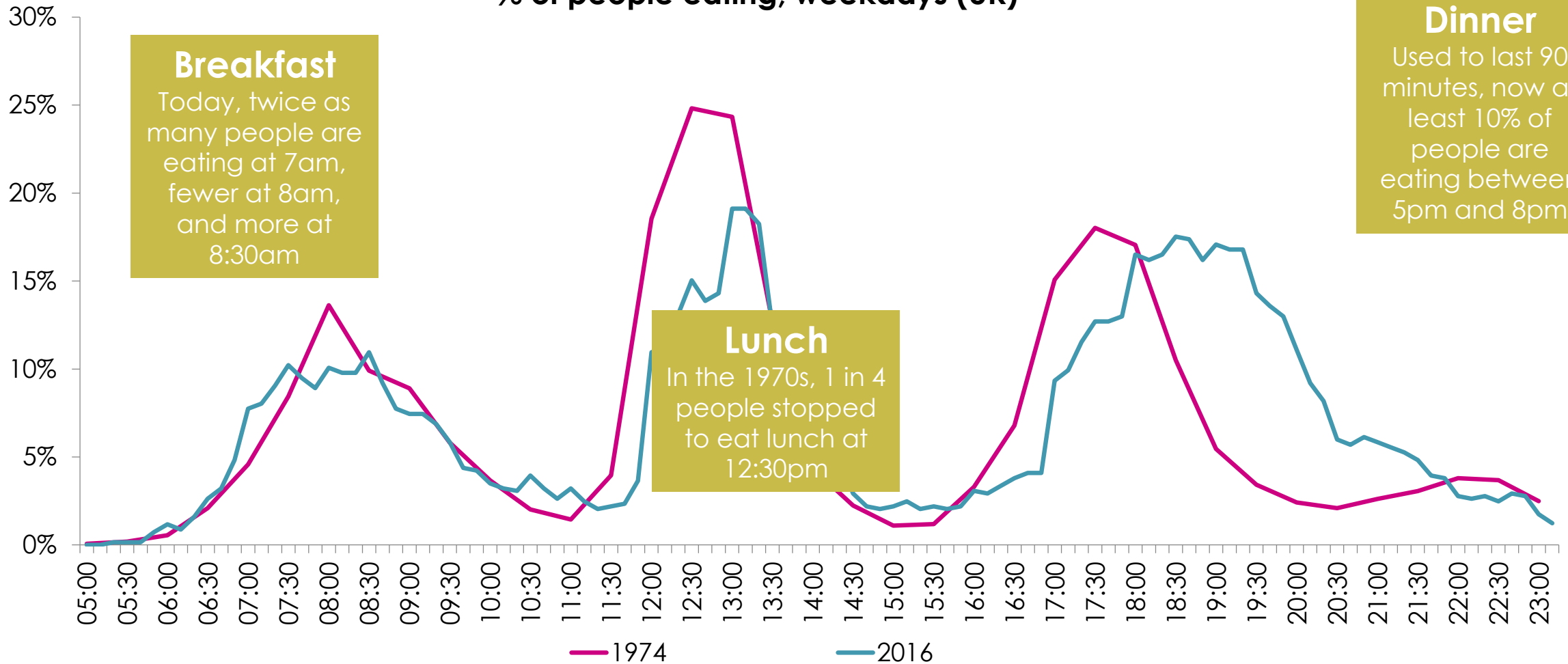
2016 – 15% now work weekends, and are likely to work all day





## Mealtimes – a thing of the past

% of people eating, weekdays (UK)





Mass industrial



Mass administrative



Niche service (isolation)



Mass service (collaboration)

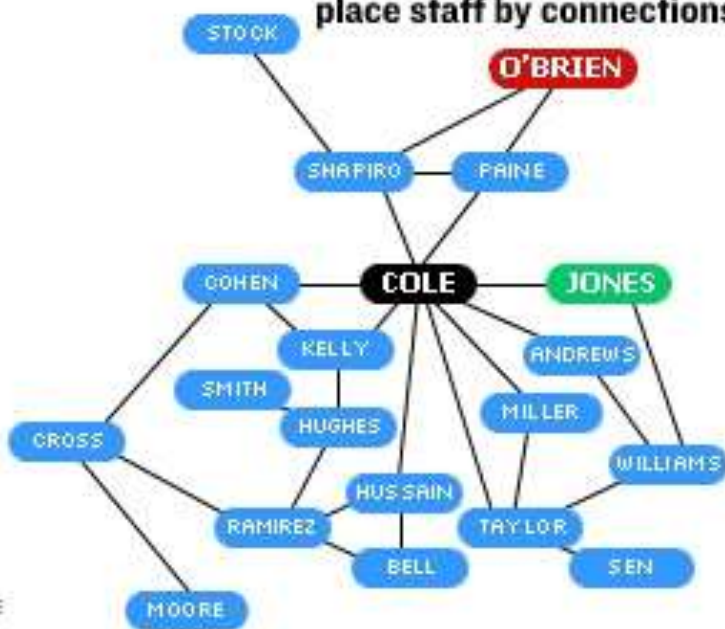
## Deregulated workplaces



## TRADITIONAL HIERARCHIES place staff by title

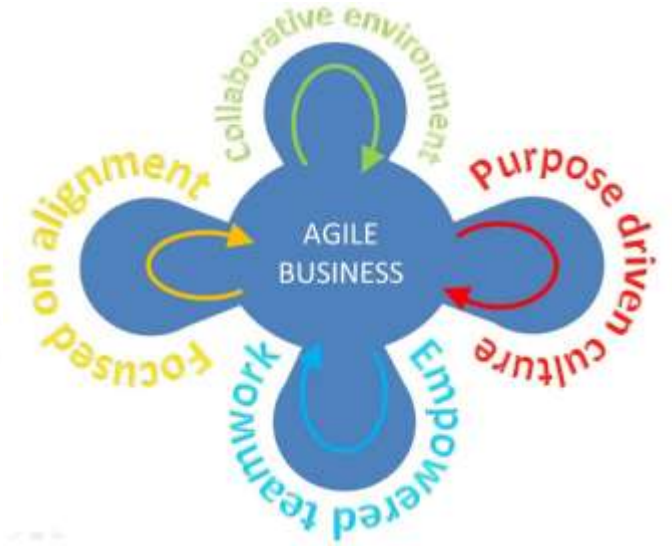
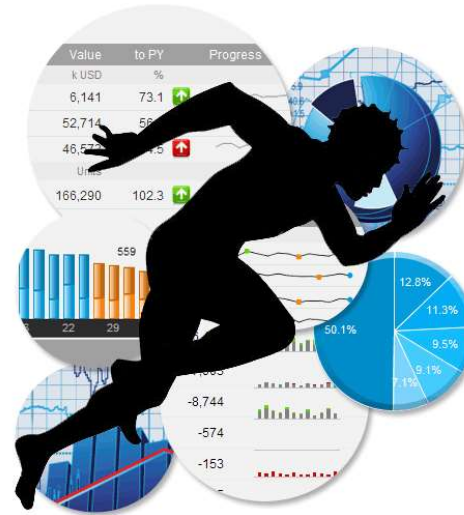


## ORGANIZATIONAL NETWORKS place staff by connections



FORTUNE CHART/  
SOURCE: ROB CROSS,  
MCINTIRE SCHOOL OF COMMERCE

# The Agile Corporation



## AI and Robotics



## Future jobs – winners and losers

### Growth jobs of the future

- Nurses (& wider personal care)
- Higher Education teachers
- Translators
- Biomedical engineers
- Software developers
- Concierge services
- Marriage counsellors

### Obsolete jobs of today

- Agricultural workers
- Machine operators
- Postal workers
- Fast food cooks
- Data entry



# Motivations, Rewards and Capitalism



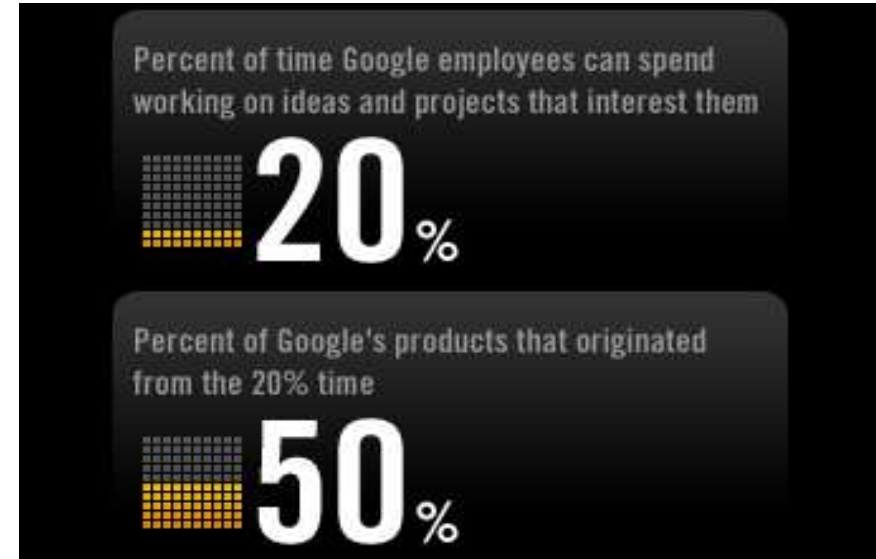
Filmed July 2009 at TEDGlobal 2009  
Dan Pink: The puzzle of motivation

Subtitles

Transcript



## The end of management?



**ROWE**™  
**RESULTS-ONLY WORK ENVIRONMENT**  
**ROWE**



## Discussion Time

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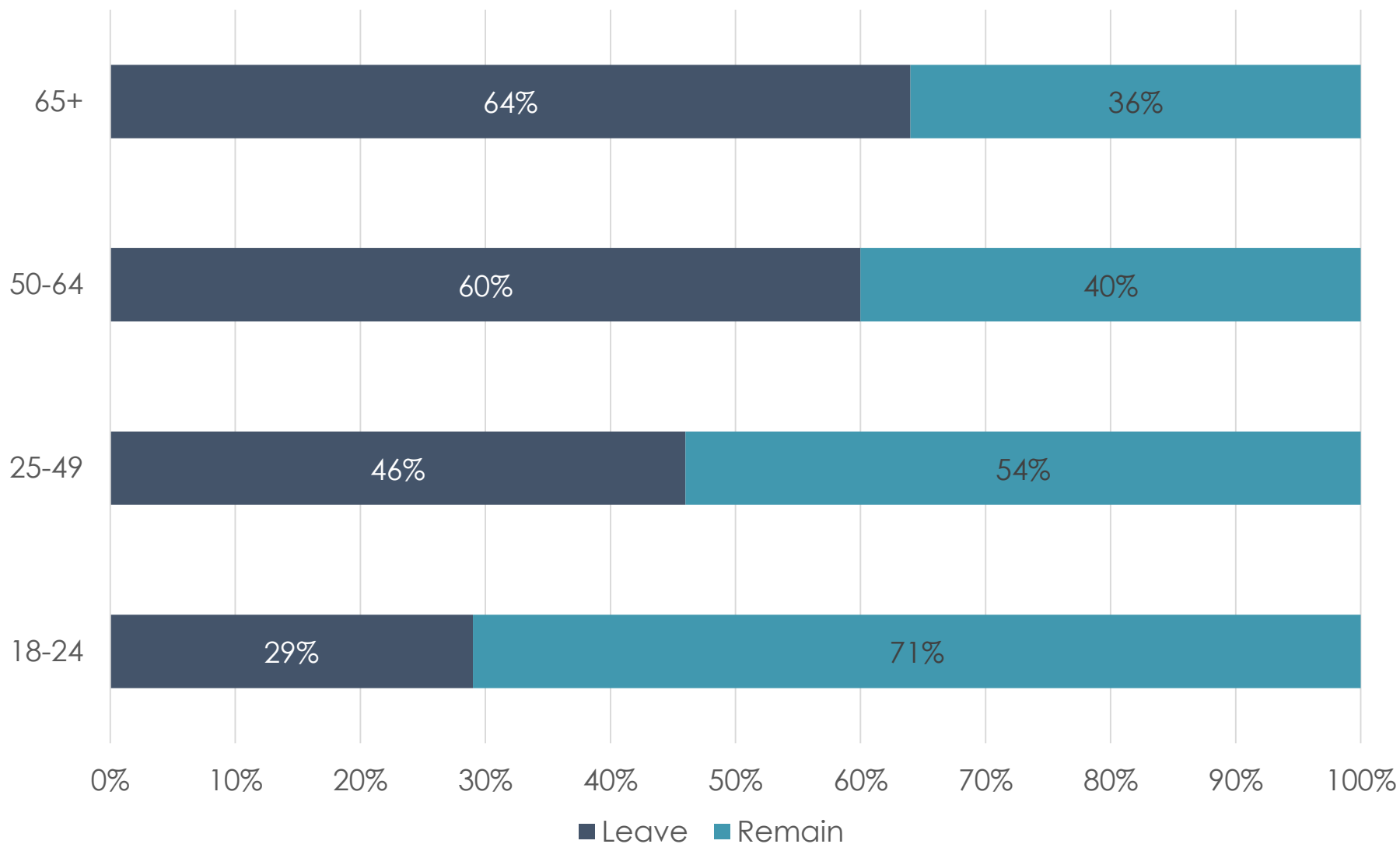
# TRAJECTORY



**Paul Flatters**  
**Chief Executive**

Trajectory  
22 Upper Ground, London, SE1 9PD  
+ 44 (0)20 8004 4869  
trajectorypartnership.com  
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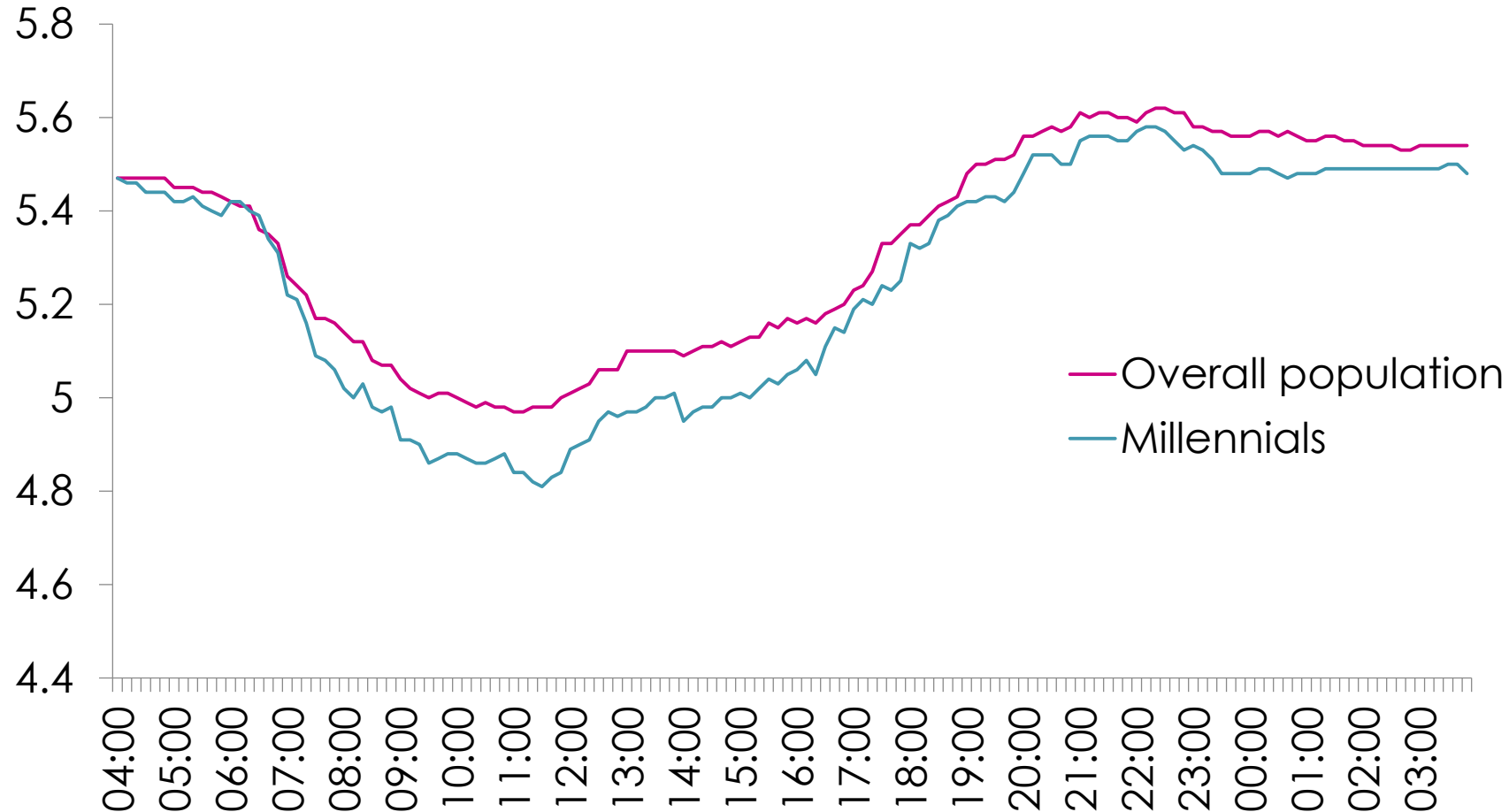
# The Future of Intergenerational Conflict



Source: YouGov



And finally, enjoy yourselves...

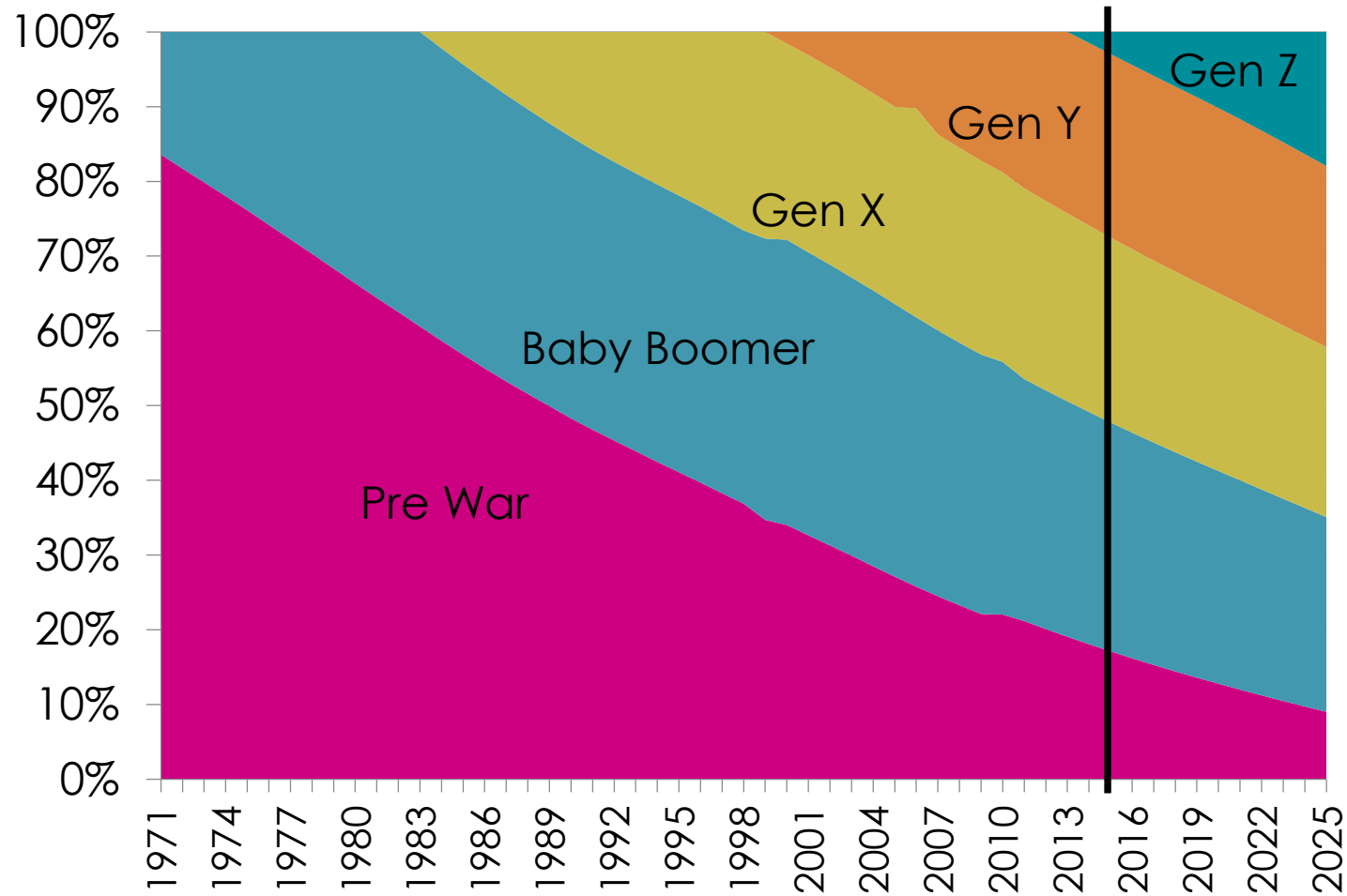


Trajectory's Time Use Study 2016, Base: 1,012 days



# UK population by generational group

% of UK adult (18+) population in each generational grouping, 1971–2020

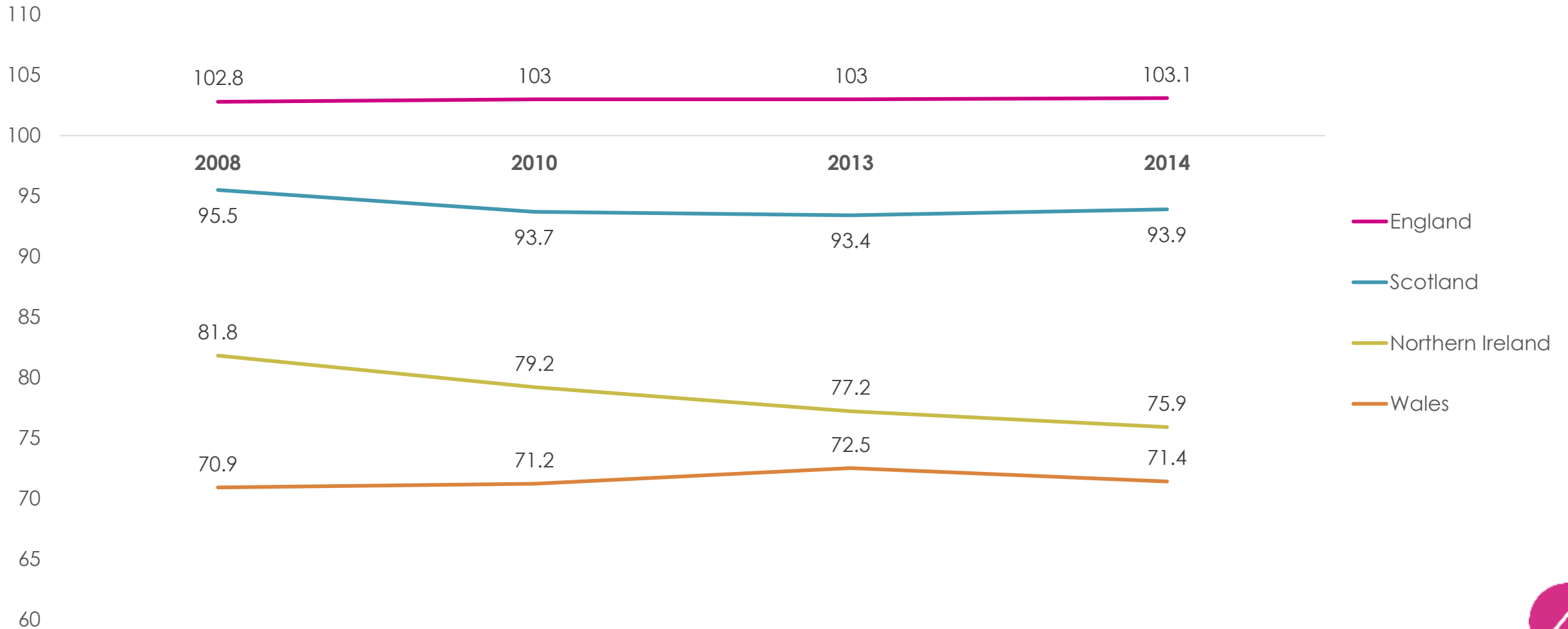


Source: ONS/Trajectory



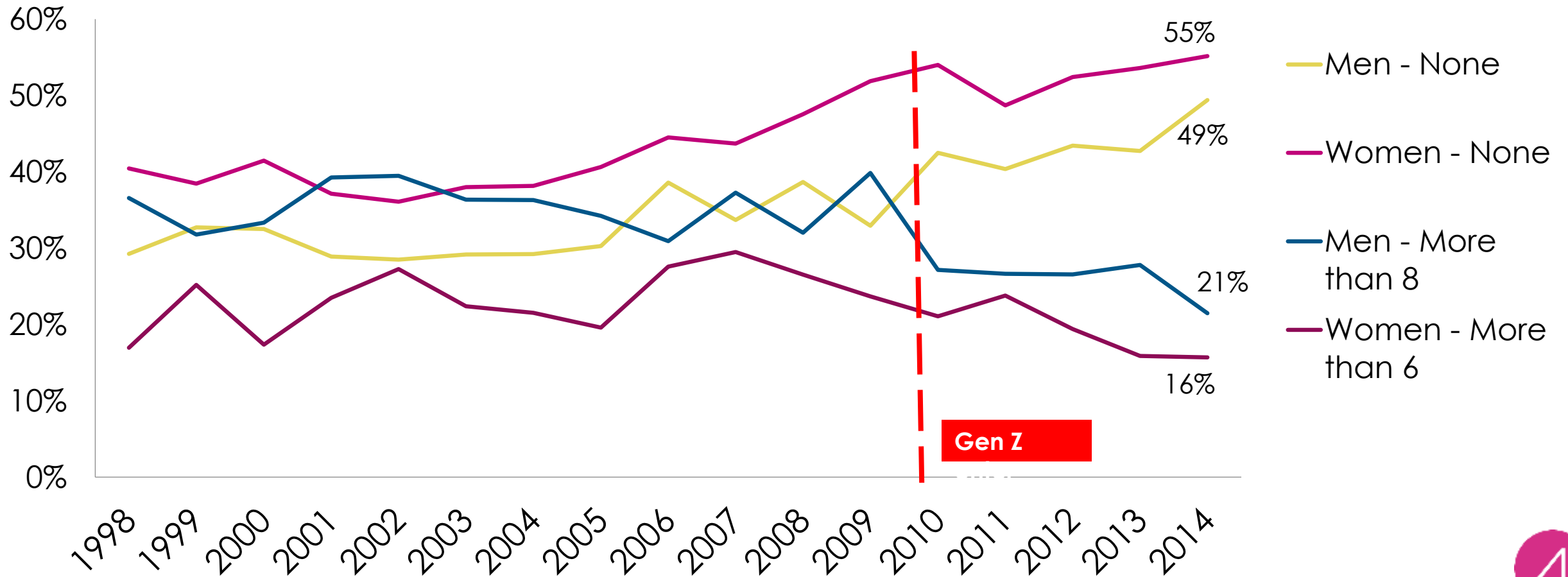
# Across the UK, the economic story is different

Gross Value Added per head: Indices where UK = 100



## Drinking also in decline

Units consumed on heaviest night in previous week;  
Men and Women, 16-24

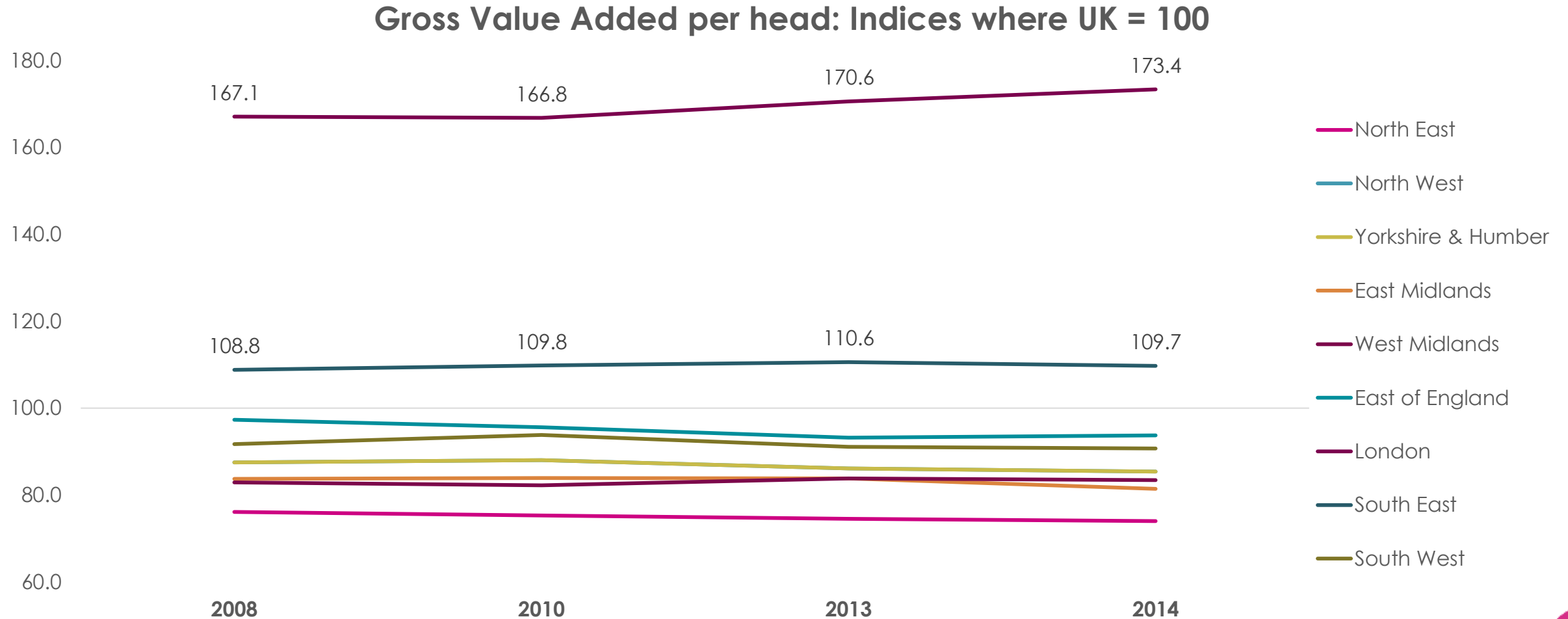


# Mental Health Less and Less Stigmatised

Fear and exclusion of people with mental illness, 1994-2013  
(% of respondents who agree)



## London: A Nation Apart?





## Happy workers

### Unhappy in work

Part Time workers  
Younger (18-34)  
Semi retired



### Happy in work

Older workers (55+)  
Self employed  
High earners (generally)

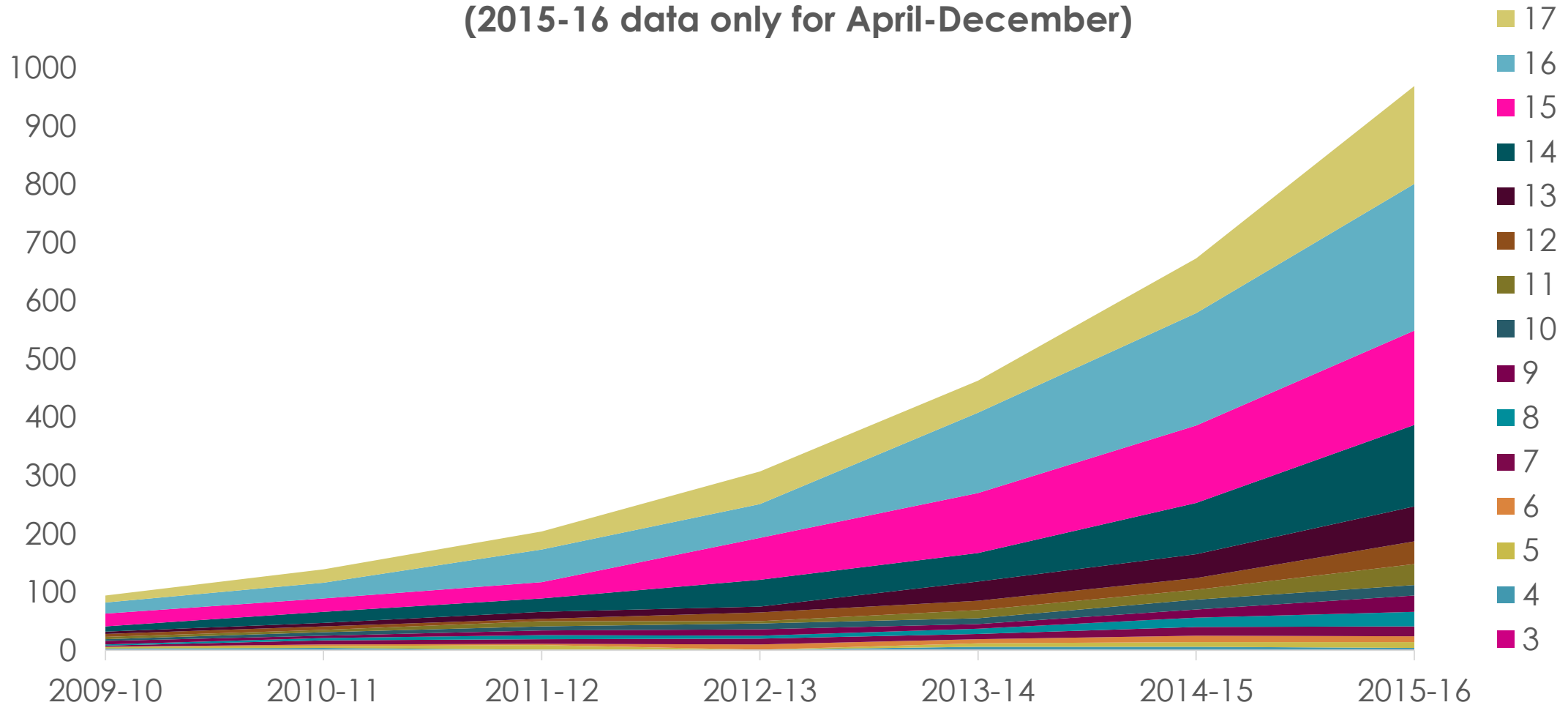


## The Changing Meaning of Gender



# The Changing Meaning of Gender

UK Under 18s referred to Gender Identity Development Service; 2009-2016  
(2015-16 data only for April-December)



Source: The Tavistock and Portman NHS Foundation Trust; 2016