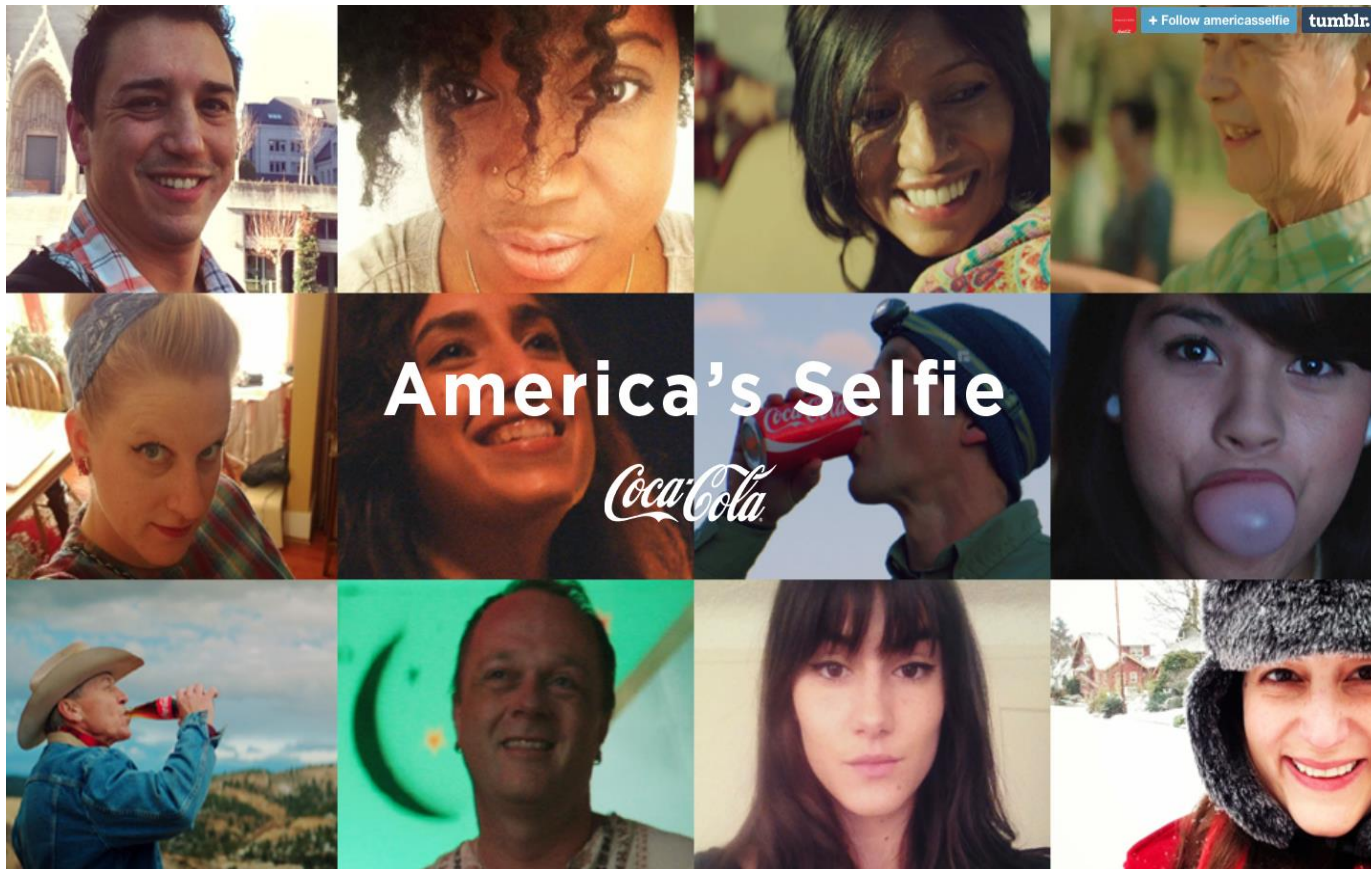


Next America: Social, Cultural and Economic Trends



*Information Briefing
Federal Foresight Community of Interest
May 19, 2016*

Outline

- Demographics & the National Guard
- Fertility and the Changing Face of America
- U.S. Immigration - Past and Future
- Minority Populations / Dispersion
- Generation Gaps and Interdependence
- America's Demographic Overhaul
- Income Inequality
- Generational Views on Foreign Affairs/Military
- Takeaways and Questions

Demographics & “The Guard”

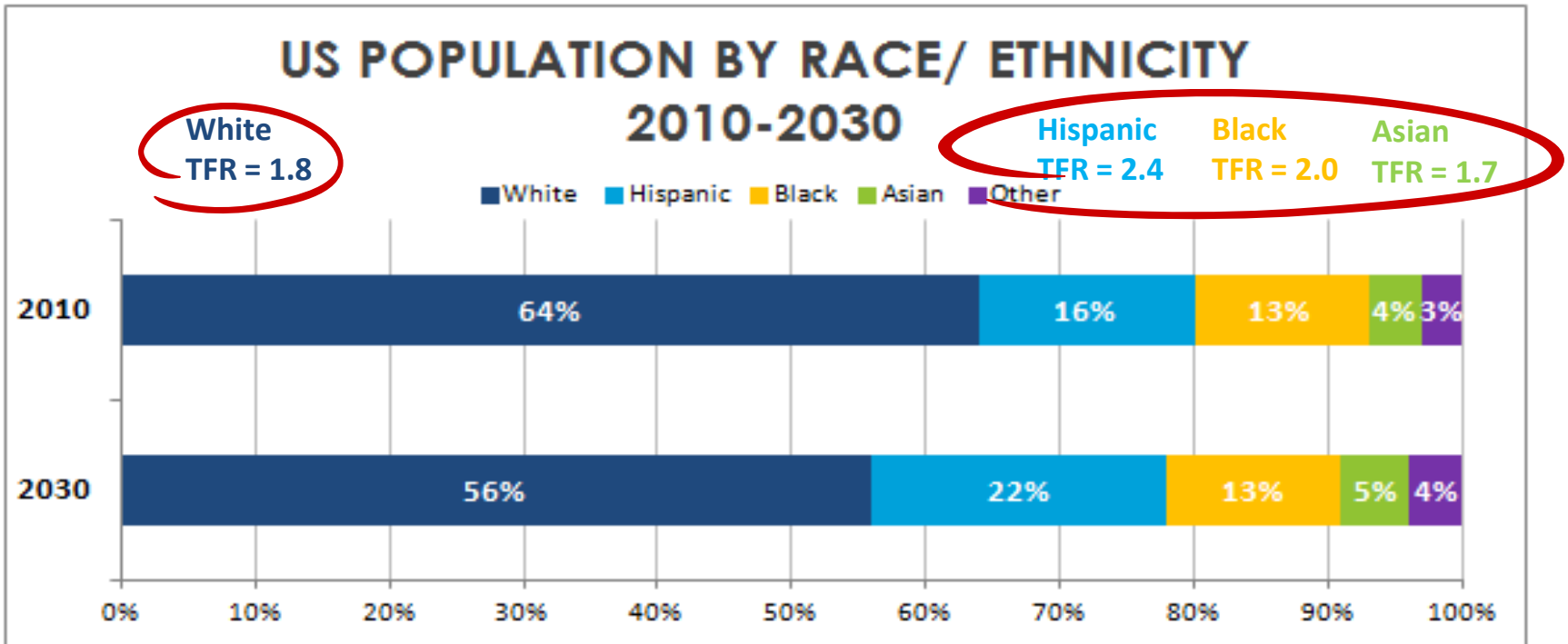


The National Guard:

- **An Institution (U.S. Government, DOD, Army, Air Force)...**
...but there are changing attitudes amongst numerous social groups (Millennial & Hispanics) with regard to “trust” in institutions
- **Community Based...**
*...however, there are more cultural, educational & economic divisions
....and migrations to urban and suburban areas*
- **People Centric...**
...but with shifts in priorities (values) between different generations related to national defense, social norms, economic & social security
- **A Quality Force...**
...and the All Volunteer Force primarily depends on recruits from middle or lower middle classes...income inequality is shrinking the “middle class”

Fertility & the changing face of America

Total Fertility Rate (TFR): Average number of children a woman is likely to have, **USA = 1.8**
Population Replacement Rate (PRR): Developed world = **2.1 children**



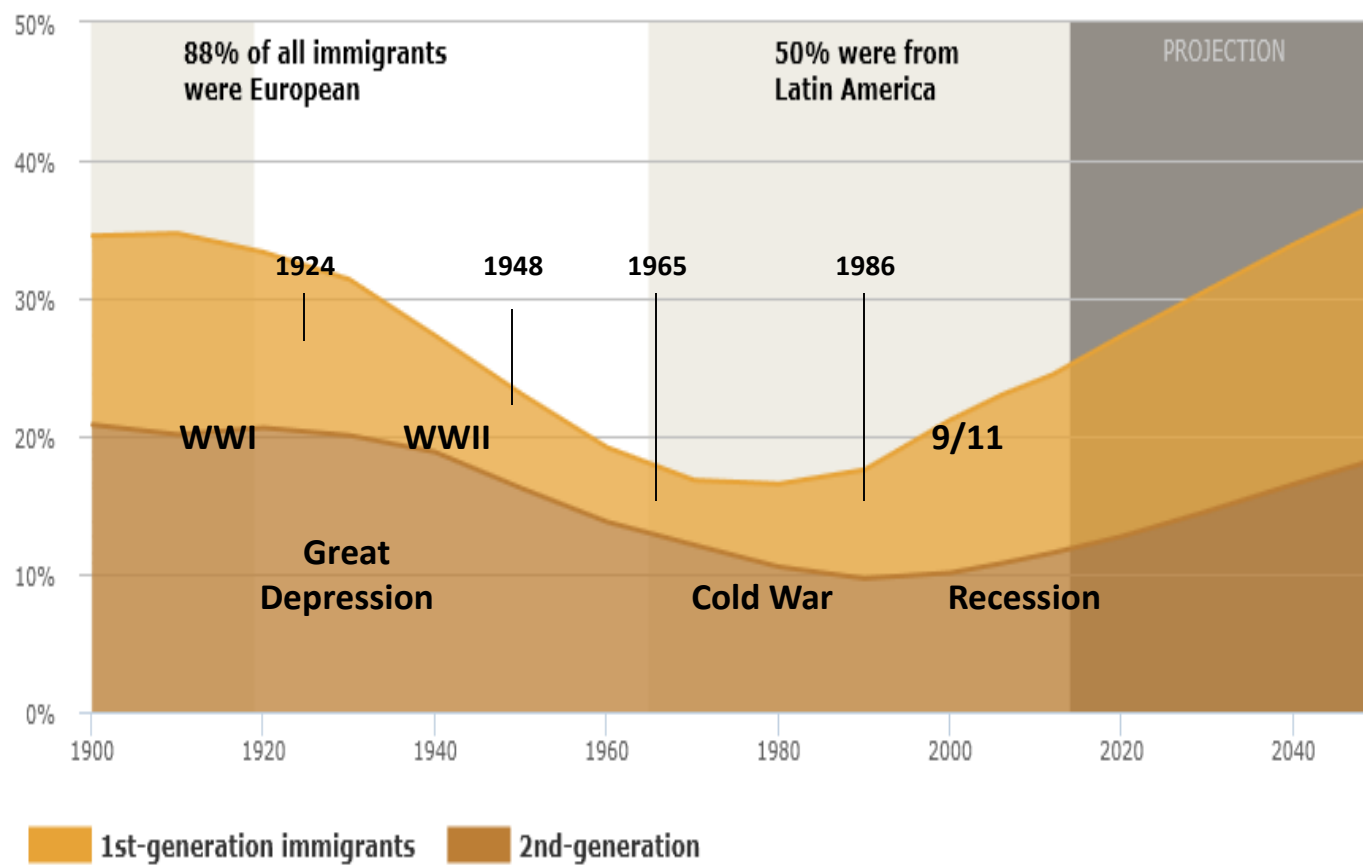


Immigration



Immigrant Share of Population

Percent of U.S. population who are first- or second-generation immigrants



Annual immigrant flow into the United States

By selected country of birth, '000



Sources: Eric Jensen;
Census Bureau

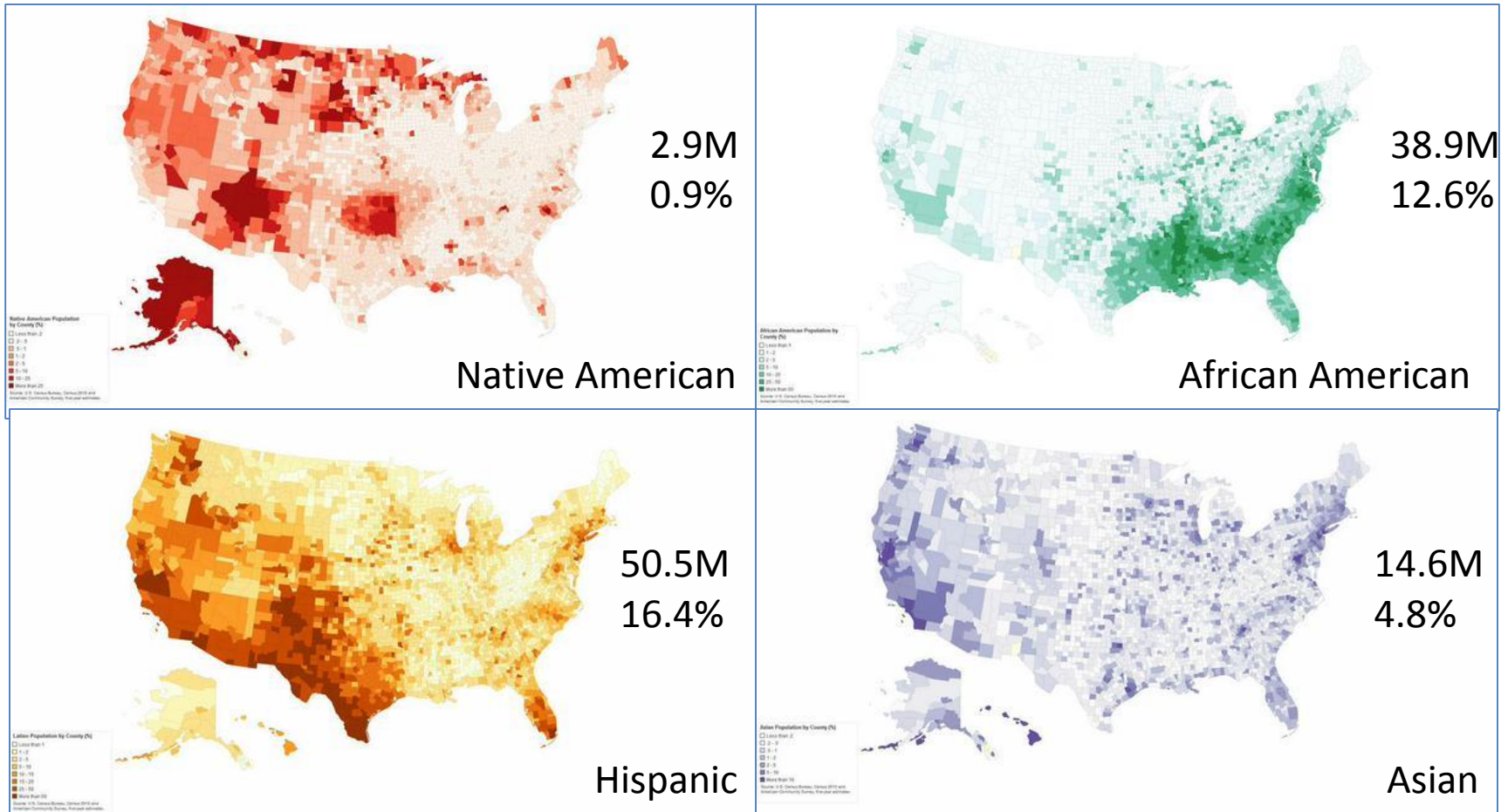
*Includes Hong Kong,
Taiwan and Macau

Immigration, "the gift that keeps on giving"

Paul Taylor, Pew Research Center

Minority Populations & Dispersion

% US Population (2014)



Income Inequality: $r > g$

“rate of return r on capital is greater than the growth g of an economy” (Piketty)

UNITED STATES ECONOMIC ACTIVITY, SPLIT IN HALF

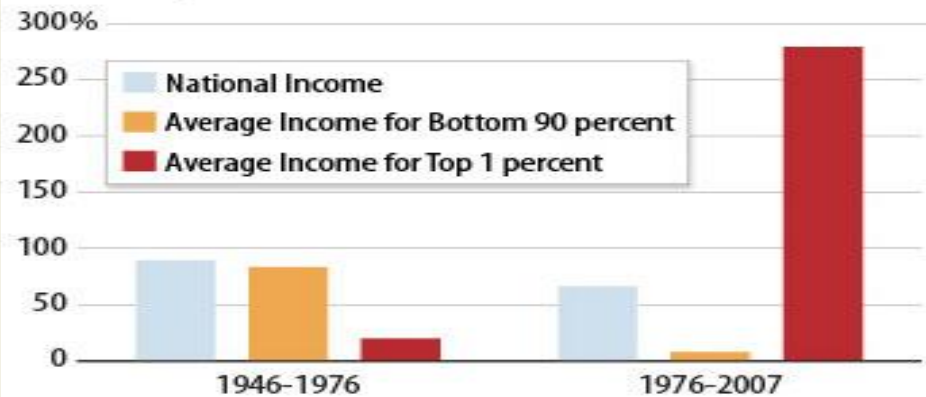
21 cities = half of US
Gross Domestic Product (GDP)



20% of people
50% of wealth

Rising Inequality Since 1970s a Sharp Break From Shared Prosperity of Earlier Era

Cumulative growth

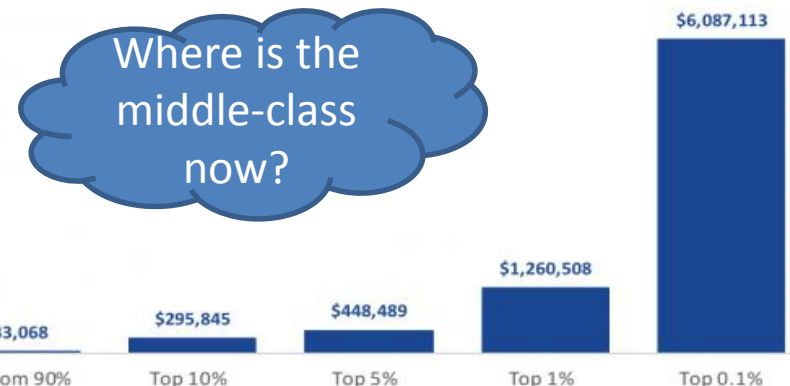


Source: CBPP calculations based on data from Piketty & Saez, BEA, and the Census Bureau.

Top 10 Wealthiest Counties, (US Census)

Falls Church City, Va.	Median Household Income	\$121,250
Loudoun County, Va.		\$118,934
Los Alamos County, N.M.		\$112,115
Howard County, Md.		\$108,234
Fairfax County, Va.,		\$106,690
Hunterdon County, N.J.		\$103,301
Arlington County, Va.		\$99,255
Douglas County, Colo.		\$98,426
Stafford County, Va.		\$95,927
Somerset County, N.J.		\$95,574

U.S. Average Income, 2014



81% of the US population now lives within ~300 metro areas

Generation Gaps

Millennial Born 1980 to ~1997

27% of adults (2014)*

57% White, ~20% Hispanic

Digital natives, coddled, respectful of elders, conflict averse, slow to adulthood, at ease with racial, ethnic & sexual diversity; confident in their economic future, educated but in debt, political affiliation - 50% (Ind), 27% (D), 17% (R)



* Youngest are in their teens..this generation is larger than Baby Boomer

Generation X

Born 1965-1980

27% of adults (2014)

61% White

The dividing line between young and old. Savvy, entrepreneurial, distrustful of institutions, especially government. Children of the Reagan revolution--and divorce revolution, more comfortable than their elders with diversity, political affiliation - 39% (Ind), 32% (D), 21% (R)

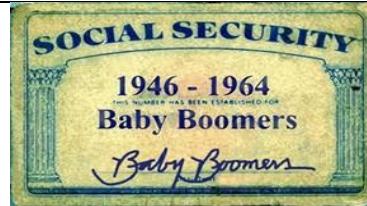


Boomer Born 1946-1964

32% of adults (2014)

72% White

As exuberant youths, led the countercultural upheavals of the 60s but the hippie image only applies to a small cohort, worried about retirement, entering old age (10K/day turn 65 until 2030), political affiliation -37% (Ind), 32% (D) 25% (R)



Silent

Born mid-1920s-1945

12% of adults (2014)

79% White

Conservative and conformists, uneasy with the pace of demographic, cultural and technological change –and with the growing size of government. But hands off Social Security and Medicare. Political affiliations -32% (Ind), 34% (D), 29% (R)



Next Generation

- **Generation Z “Signposts”**

- Parental involvement (Gen X parents)
- Financial meltdown
- Great Recession
- Barrack Obama

- **Trends**

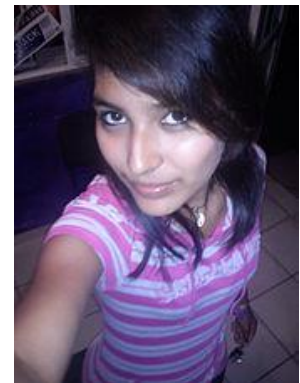
- Debt avoidance
- Close family ties / parental influence
- Care deeply about Environment / Climate Change

- **Random Facts**

- The first truly digital generation
- “Google” and “Internet” and “sharing” are essential
- “Phones are for everything but talking!” (Wash Post)

- **What to call Generation “Z”**

- “Linksters,” socially and digitally linked from an early age (~age 8)
- “Homelanders,” a desire to stay close to home and family
- “Bebe Boomers,” 34% of Hispanic-Americans in 2010 were under 18
- “Founders,” a sense of destiny, want a new social order (MTV survey)



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Generational Interdependence

Government (New Deal)

Ida May Fuller

000-00-0001

Legal Secretary, Ludlow, VT

Paid into Social Security \$24.75

Employer contributed \$24.75

Received \$ 22,888.92 (1940-1975)

"It wasn't that I expected anything, mind you, but I knew I'd been paying for something called Social Security and I wanted to ask the people in Rutland about it."



1940	1960	1980	2000	2020
159.4	5.1	3.2	3.4	2.6

Social Security Covered Workers to Beneficiaries

Family (Old Deal)

70% of parents age 51-64 have given some form of money, time, or residential support to grown children (NIA 2007)

41% of children today are born to single parents (5% in 1960)...10% of grandchildren live with grandparents

31% of young adults (18-31) were living with parents in 2012

Boomers are entering their peak inheritance years; receiving from the Silent Generation (wealthiest generation in U.S. history)

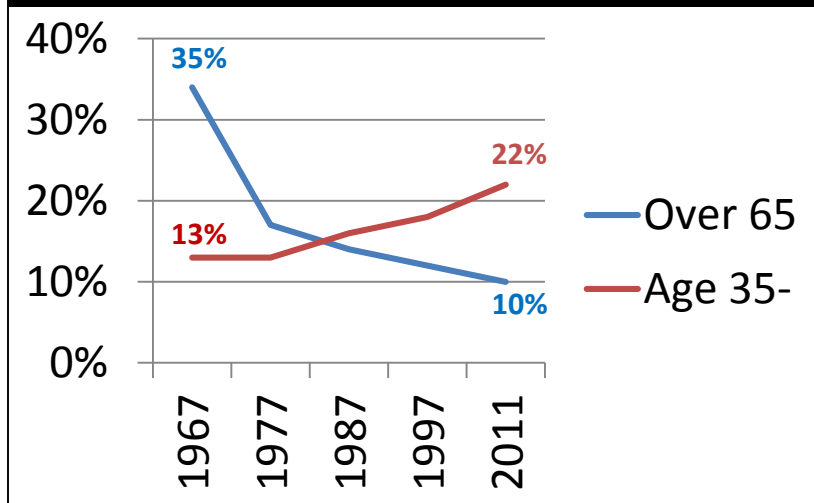
"The demographics have changed. The old math doesn't work anymore".
Paul Taylor, "Next America"

America's Demographic Overhaul

Majority-Minority "Tipping Points" by Age Groups and Year (US Census Bureau)

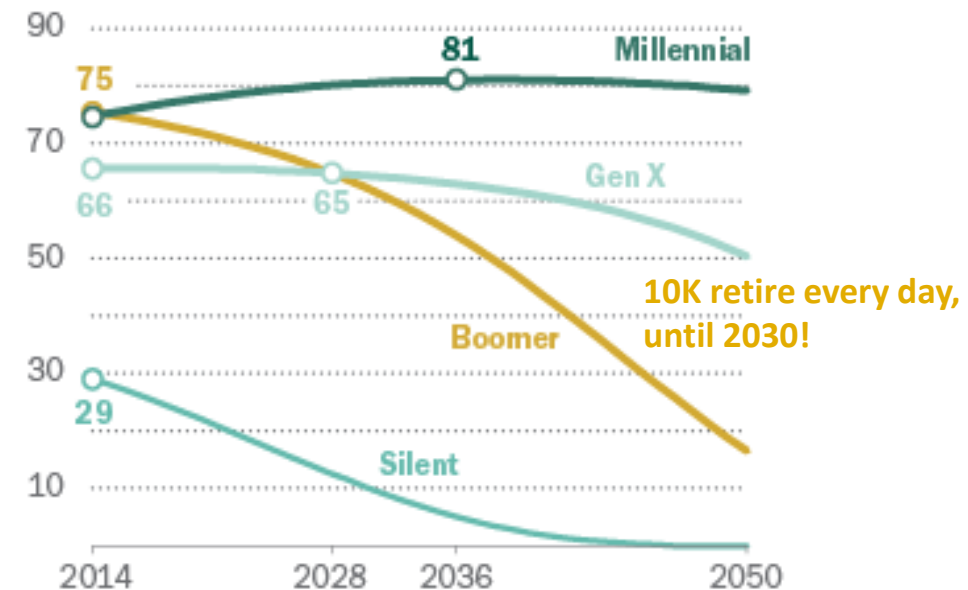
Age Group	Year
Under age 18	2018
Age 18-29	2027
Age 30-39	2033
Age 40-49	2041

Share of Households in Poverty, by Age of Householder, 1967-2011 (Pew Research)



Projected Population by Generation

In millions



Note: Millennials refers to the population ages 18 to 34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014

PEW RESEARCH CENTER

Generational Views on Foreign Affairs

Silent: *more supportive than other age groups of an assertive approach to national security but less supportive of immigration, fully 72% say the U.S is the greatest country in the world*

Boomers: Sometimes, *more hawkish* than next two younger generations

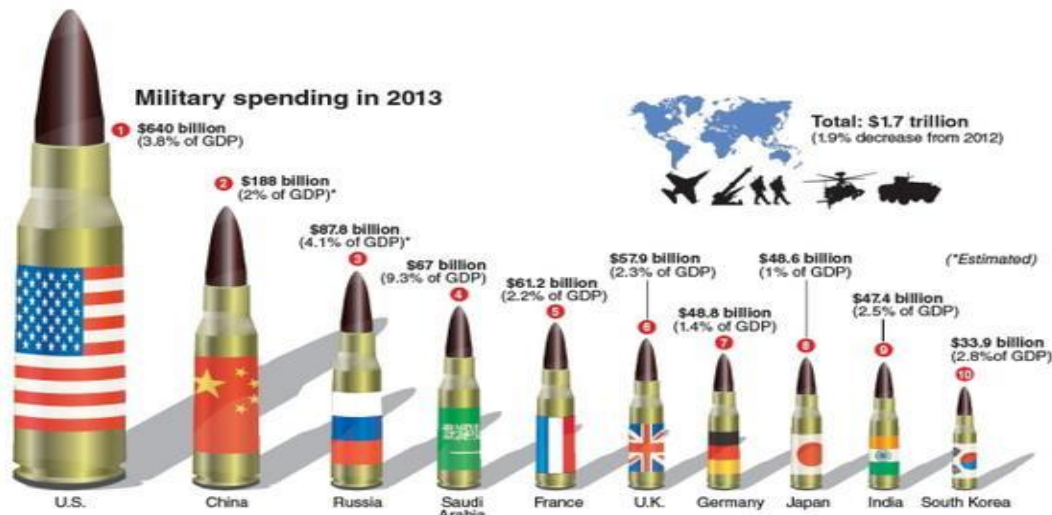
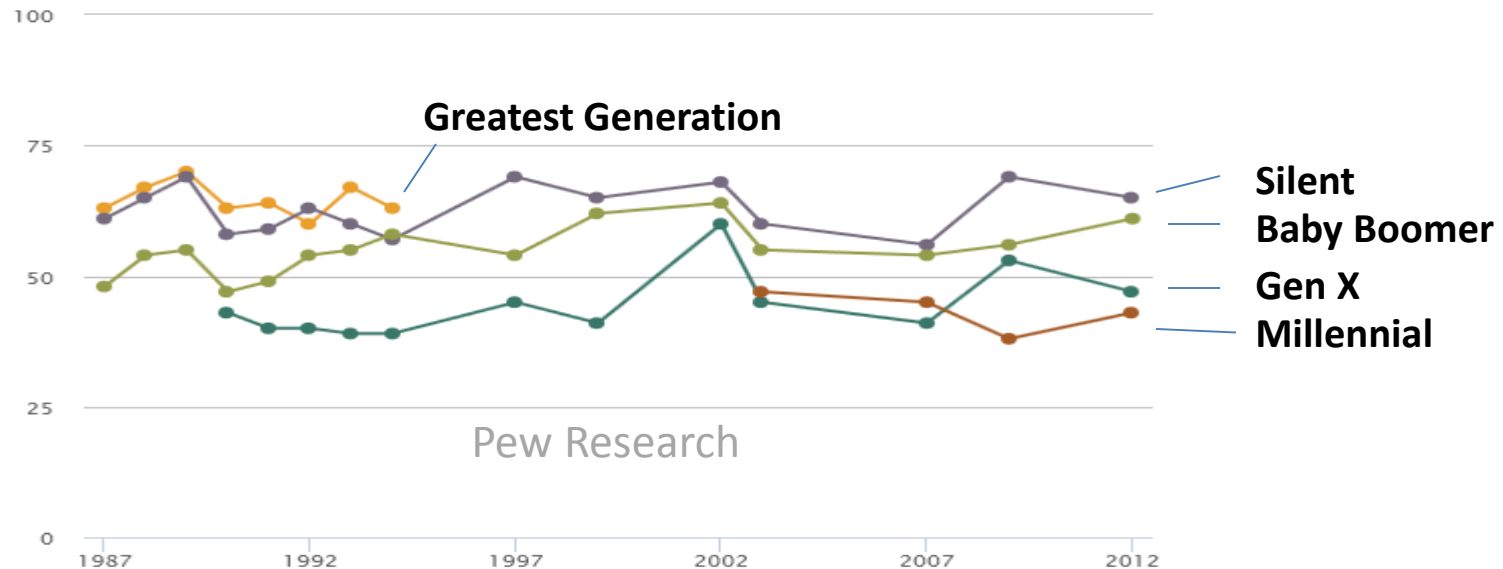
Gen X/Millennials: *less convinced of America's greatness and less patriotic than older generations; only 49% of Millennials self describe themselves as "patriotic"*



Generational Views on Military

"The Best Way to Ensure Peace is Through Military Strength?"

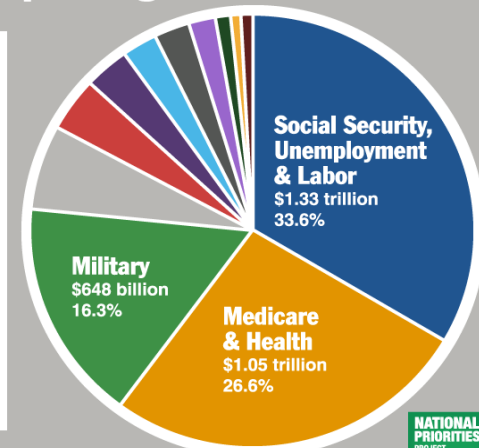
% who agree (Pew Research, 1987-2012)



Total Federal Spending 2015: \$3.9 trillion

Interest On Debt	\$251 billion / 6.3%
Veterans Benefits	\$161 billion / 4.1%
Food & Agriculture	\$130 billion / 3.3%
Transportation	\$103 billion / 2.6%
Housing & Community	\$102 billion / 2.6%
Education	\$80.9 billion / 2.0%
Energy & Environment	\$44.5 billion / 1.1%
Science	\$29.3 billion / 0.7%
International Affairs	\$27.2 billion / 0.7%
Government	\$2.7 billion / 0.1%

* not shown





Takeaways / Questions



- How will increased poverty in Millennial families affect generational interdependence, public policy (i.e. healthcare & welfare) and the broader economy (*Boomers vs. Millennials showdown*)?
- How will urbanization, income inequality, and the Hispanic youth bubble affect the All Volunteer Force and the National Guard?
- How will Gen X and Millennial views on foreign affairs and the military affect public policy regarding the future size and roles of the military?

For additional information

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Back Up

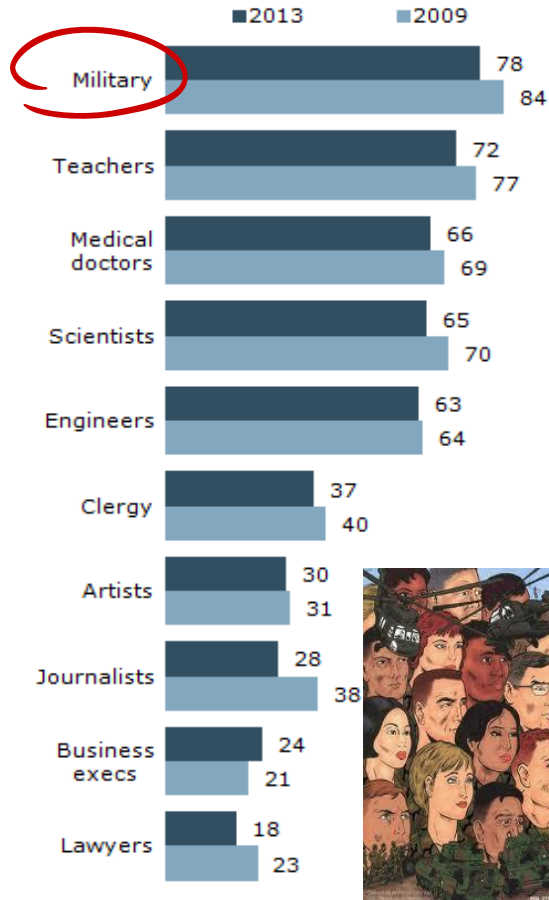


Military and Society



Trend in Perceived Contribution

% saying each group contributes "a lot" to society's well-being



Source: Pew Research Center surveys March 21-April 8, 2013 and April 28-May 12, 2009. Q6a-j. Responses of those who said some, not very much, nothing at all and those who did not give an answer are not shown.

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More Whites, Republicans Have Family Ties to Military

% saying they have an immediate family who served in military

Race/Ethnicity:



Party ID:

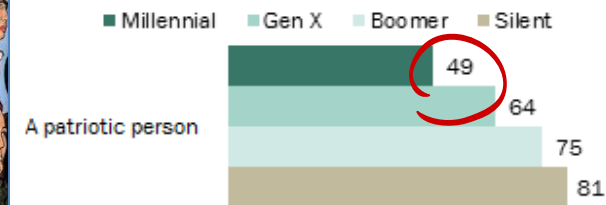


Source: Pew Research Center survey, Sept. 1-15, 2011, N=2,003 adults.

PEW RESEARCH CENTER

Young Adults Less Patriotic

% saying ... describes them very well



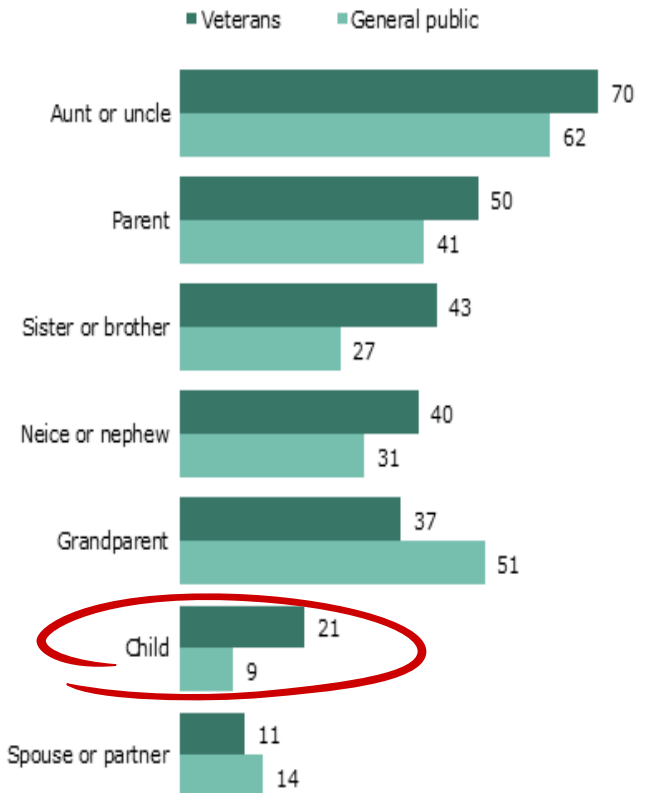
Note: Percentages reflect those who rated the description 8-10 on a scale of 1-10 where "10" is a perfect description and "1" is totally wrong.

Source: Pew Research survey, Feb. 14-23, 2014

PEW RESEARCH CENTER

Veterans More Likely than General Public to Have Relatives who Served

% saying their ... served in the military



Source: Data are based on two Pew Research Center surveys: (1) July 28-Sept. 4, 2011 survey of veterans, N=1,853; (2) Sept. 1-15, 2011 survey of adults, N=2,003.

PEW RESEARCH CENTER

Video – “Diversity Explosion”

<http://www.bing.com/videos/search?q=diversity+explosion+william+frey&&view=detail&mid=77C13DD1294694F7A1E477C13DD1294694F7A1E4&FORM=VRDGAR>

William Frey, Brookings