

TRENDS & CHANGE

Widen Your World

Monday, Jan. 4, 2010

Monday Is Money Day

The Baby Boomer Generation and its Financial Implications

During World War II, many of Canada's young men were serving overseas and the birth rate in Canada was relatively low. When the war ended, many of the soldiers returned to Canada and soon got married and began having children. In the decade immediately after the war, there was a huge surge in the birth rate in Canada. Children born in that decade are often referred to as the "baby boomers". Soon there was big demand for baby products and inventions. Disposable diapers and baby sleepers became common. As the children got older, toys such as Barbies, Twister, Frisbees, GI Joes and Superballs were invented and marketed. Savvy businessmen took advantage of the demographic bulge.

As those babies reached school age, schools were forced to add classrooms; many new schools were built in the 1960's to handle the huge influx of students. The surge in population later continued into Canadian colleges and universities where lots of money was spent providing new opportunities for post-secondary education.

The baby boomers moved into society and entered the workforce. Many have become quite successful and are earning lots of money these days as the senior employees and business owners. Some of them are also inheriting significant wealth as their parents' generation is now dying off. Those parents of the boomers, who had lived through the Great Depression, were often more characterized by saving rather than spending, and amassed significant wealth. The boomers are inheriting that wealth. Some baby boomers are retiring early because they have enough wealth from work and their inheritances.

The number of Canadians that are over the age of 65 is expected to hit 18% by 2021 AD. That has several other implications for younger people. Industries such as retirement homes, care facilities for the aged, and funeral homes will thrive. There will be many job opportunities there. It also means that in just a few years the baby boomers will start to get their pensions. As the number of people eligible for pensions increases, so will the demands on the pensions systems like Canada Pension Plan. Younger taxpayers will be forced to contribute more to the system by way of their regular contributions.

As people get older, they generally need more health care as well. The aging baby boomers will soon be placing huge demands on Canada's healthcare system. The cost of that increased need for healthcare will also have to be borne by younger taxpayers. As newer diseases are developing, healthcare costs escalating and life spans lengthening, some fear that our healthcare system will be in an even deeper crisis before the baby boomer generation passes away.

What should younger Canadian make of this situation?

1. They can look to the future and prepare for jobs and businesses in caring for aging baby-boomers who expect to enjoy retirement years.
2. They must realize that they have a responsibility to pay for the healthcare costs of aging boomers by way of higher taxes. Retired people generally pay less tax because income is reduced.
3. They must be prepared to pay for the pensions of aging boomers; as the number of pensioners grows, so too will the demand on the pensions system across Canada.
4. It may not sound fair to younger Canadians that they will be expected to pay for such costs, but they must recognize that it was the baby boomers that paid for their educational opportunities and provided them with such a high standard of living.

It's better to try and fail than to fail to try.

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Alternative Plans

What are the alternatives?

Explore alternative plans for post secondary options and the advantages and disadvantages of each.

	Advantages	Disadvantages
Working at a tedious high paying job <i>example:</i>		
Working at a lower paying job to get experience <i>example:</i>		
Travelling <i>example:</i>		
Working abroad <i>example:</i>		
Joining the army/navy <i>example:</i>		
Upgrading high school subjects <i>example:</i>		
Participating in an exchange <i>example:</i>		
Katimivik <i>example:</i>		
Mission work <i>example:</i>		
Others? <i>example:</i>		

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Change

History of an occupation

Choose an occupation. Find out how it has changed over the years. Include information such as:

- Education needed
- Hours of work
- Wage
- Skills needed
- Number of jobs available
- Workplace changes- ex. small-large business
- Occupation health and safety changes
- Age of those in the industry
- Ask what they think are the most positive and the most negative changes to the industry

Career paths of an occupation

Choose an occupation/job

- Find at least three people that are involved in the occupation/job
- Interview each person and draw a mind map using: Inspiration, bubbl.us or free hand
- Illustrate the career path that each person took to arrive at the same occupation/job.
- Ask how they expect their career path to evolve in the next few years.
- Summarize your findings in paragraph form.

Create a job of the future

Using the information you have learned and your creativity, imagine the workforce of the future.

- Choose an occupational sector/or a job
- Create a web, Photostory or Power Point to describe how you think it might evolve over the next 10-40 years.
- Be creative, objective and somewhat realistic.
- Use a few paragraphs to describe your predictions if you have not included the description in the mind map.

Instructions for Photostory can be found at:

<http://millie.furman.edu/mlt/tutorials/photostory3/index.htm>

<http://www.windowphotostory.com/Guides/Beginner/importing-and-arranging-pictures.aspx>

