

# Ageing gracefully? Forget it!

by **Helen Bakewell**

Population growth and changes in population are the key drivers behind changing retail. We are in a time when the demographic trends of the western world will have a compounding effect on how we live in the short, medium and longer term. In this article we will be looking at hatches, matches and dispatches — births, marriages and deaths. Individually and collectively, they have strong ramifications on any country.

In the 1960s the average number of children per woman was 3.5; today in Australia it is 1.7, and in New Zealand it is 2.

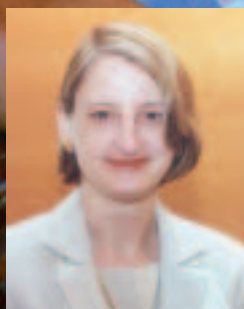
In order to replace the current population each woman needs to be having around 2.1 children. Australia fell below this in 1976 and stopped replacing its own population. Therefore, for Australia's population to grow, which it has been doing at around 1.1 per cent per annum, the population is supplemented in two ways. The first is through immigration. Australia has an immigration policy of allowing around 90,000 to 100,000 immigrants per annum. Secondly, the rate of birth has been slightly higher than the rate of death due to the increasing life expectancy of our population.

## Hatches:

- 1960s: 3.5 children per woman
- Today: 1.7 children per woman (Australia)
- Today: 2.0 children per woman (New Zealand)
- Replacement rate: 2.1 (went below this in 1976 in Australia)

Source: Australian Bureau of Statistics, Statistics New Zealand

When the birth rate is examined across the world it is interesting to note the trends of the western world compared to third world countries. The Ukraine has the lowest birth rate in the world followed by Japan and Italy, compared to Niger in Africa, which has a birth rate of 7.5 children to every woman.



*Shopping centres and retail generally are a reflection of our community, our society, our customs and how we live day to day. So how we live and how we will live in the future, and how we shop and how we will shop in the future are very important.*



HATCHES		
Country	Rank	Fertility rate (# of children per woman)
Niger	1	7.5
Afghanistan	21	6.0
Iraq	42	5.3
Zimbabwe	63	4.0
Israel	84	3.0
United States	114	2.1
New Zealand	116	2.0
France	121	1.9
Australia	130	1.7
Great Britain	130	1.7
Canada	148	1.4
Italy	152	1.3
Japan	152	1.3
Ukraine	169	1.1

Source: Countries of the World 2003

Politically, changes in fertility rates bring about some challenging issues. For example, in Italy, the political power of the grey generation is having long-term ramifications on the tax and superannuation system where the minority of the population who are currently working are being taxed heavily in order to provide for the more affluent retired population.

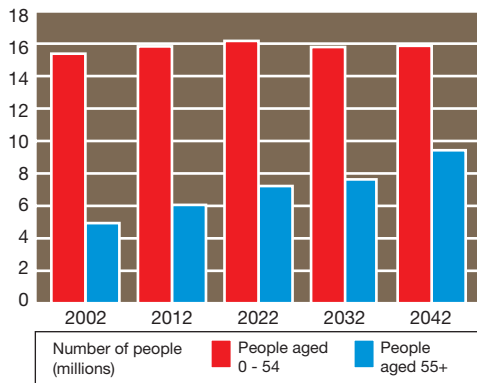
On the flipside, India's population increases by more in one week than does the European Union's in one year.

Marriage rates have been declining since the 1970s in both Australia and New Zealand. In 2001 in Australia there were 5.3 marriages per 1000 population, the lowest on record.

Factors contributing to the low marriage rates are:

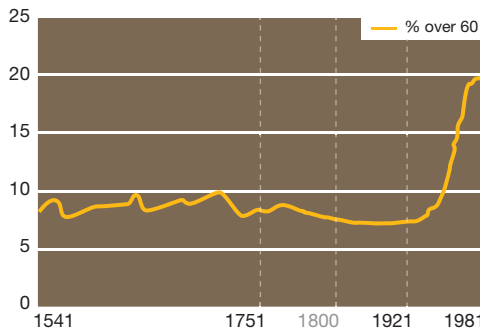
- Growth of informal cohabitation (de facto)
- Trend towards delayed marriage
- Increasing trend to remain single.

Chart 1  
Population Ageing – Australia 2002 - 2042



Source: (Treasury Projections) Intergenerational Report 2002.03

Chart 2  
Population Ageing – England 1541-1981



Laslett P. Ageing Society 1984; 4:379-89

Compounding this trend is the slow but steady increasing rate of divorce.

Australians and New Zealanders are marrying later. The median age of Australian brides and bridegrooms at first marriage increased from 21 and 23 years respectively in 1971 to 27 and 29 years in 2001. Similarly in New Zealand in 2002, the average age for brides was 28, and 29 for bridegrooms.

The western world is ageing very quickly and Australia and New Zealand are no exceptions. This is a product of 200 years of wealth, health and salubrity creating a majority of healthy older people. Mortality rates are projected to fall over the next four decades leading to significant gains in life expectancy. In 2042, life expectancy at birth for men is projected

to be 82.5 years, which is 5.3 years longer than their life expectancy at birth in 2002. In 2042, life expectancy at birth for women is projected to be 87.5 years, which is 4.9 years longer than their life expectancy at birth in 2002 in Australia. This trend is expected to be similar in New Zealand. In New Zealand in 2042 females are expected to live to 86 and males are expected to live to 82 (Source: The New Zealand Statistics.)

Ageing is a very rapid, very recent and very complex issue as shown by Chart 2. For the last four or so centuries the percentage of the English population aged over 60 has remained fairly stagnant at just under 10 per cent. Within the last 50 years this rate has more than doubled with the English population in 1981 having more than 20 per cent of its population aged over the age of 60.

In Australia it is a similar story. In 2002, 21 per cent of the population was aged over 55 years; by 2042 this is expected to be around 36 per cent.

The issue of ageing and the ageing of the aged (people aged over 80) is a very serious issue for several reasons:

1. It is very rapid
2. It is very recent so we have a lack of knowledge and acceptance
3. It is poorly understood
4. It is extremely complex
5. It is also multi-factoral on a diverse basis.

As people age there will be increasing demand for high-tech health and better medicines and better access to facilities. Shopping centres are likely to be one of the facilities where better access to and around the centre are required and demanded. It is also likely that improved facilities throughout retail spaces will be called for to accommodate the ageing shopper.

One of the other challenges of the ageing shopper in the next generation, such as an older Baby Boomer or Generation Xer, is their desire not to be seen as old but to “down

# Other potential requirements of shopping centres in 20 years' time may include:

- mandatory supply of scooters
- increased designated aged and/or disabled parking in shopping centre car parks that is policed and with penalties (fines) for non-compliance
- aged care in centres as well as day care
- shopping trolleys with hand brakes; motorised shopping trolleys
- retro return to parcel pick-up and home delivery
- increased demand for specialty retail
- choice of shallower trolleys but with the same overall height to reduce bending and lifting. (Reduced capacity is not likely to be a problem as quantities purchased are smaller)
- Change rooms probably need to be larger and include a mid-height chair or stool
- Inbuilt seat at cash register consoles (a little higher than normal and not intruding into cash register aisles, for arthritis, hip and knee replacement subjects)
- Shopping “locker rooms” within the centres where purchases could be left to be collected when all shopping is completed
- More café and restaurant venues to cater for elderly group catch-ups — new bridge club venues

age”. As is often said today: “60 is the new 40” — what will the new 80-year-old be?

Rather than writing this group off as a quiet, frail group of elderly people, be aware they are likely to be a very vocal, demanding group wanting changes made to assets to meet their changing needs and lifestyles.

They are also a savvy group who will not be afraid to use government intervention to get their way. This may include “grey power” demanding building regulations be changed to include an increased provision of lifts, or mandatory parcel pick-up at all supermarkets, to name but two. ■

*Helen Bakewell is Managing Director of Directional Insights and has more than 12 years' experience in shopping centre research and marketing, including seven years as National Research Manager for Lend Lease Retail. Helen now offers her extensive experience to the Australian and international shopping centre and retailing industry.*

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## The power of one

Liam Fitzgibbon reported in the North Shore Times recently on a David and Goliath battle between a 78-year-old grandfather, Dick Gailey, and Woolworths.

Mr Gailey is using the proceeds from the sale of his Lane Cove home to mount a legal challenge to the supermarket giant's new development plan, which he says fails to comply with the council's local environment plan, and which fails to address issues including disabled access, traffic impacts and the concerns of the nearby Lane Cove public school.

While Mr Gailey supports the development of a shopping centre at Lane Cove, he believes that it must be done properly.

The case was heard and judgement was reserved.

If Mr Gailey loses the battle, he expects his costs will amount to about \$400,000. While Woolworths is unlikely to lose its case, this is an outstanding example of one man's determination to resist giant pressure and an even more striking demonstration of greypower. Talk about putting your money where your mouth is!