

Demographics: Discovering our Destiny

by Sherry Ferronato

“Traditional statistical analysis simply confirms what we know today’s problems to be,” states Michael McKnight, National Executive Director of Big Brothers and Sisters of Canada. He adds, “Looking at demographic trends focuses us on what we need to do differently to ensure our success tomorrow.”

Big Brothers and Sisters organizations across the country battled an increasing challenge recruiting sufficient volunteers to meet the growing demand for their services throughout the past decade. Big Brothers and Sisters of Canada analyzed this situation from many angles. Was it because of heightened competition among charities for volunteers? Were society’s values shifting away from volunteering? Was it due to the organization’s more stringent screening requirements? Were children’s charities no longer the cause du jour? Had they done an inadequate marketing job?

David Foot says factors such as these may have some importance, but they explain only one-third of the equation. Foot, together with Daniel Stoffman, co-authored the bestseller, *Boom, Bust & Echo*, and the recently expanded and updated *Boom, Bust & Echo 2000*, which detail the far-reaching impact of the age distribution of Canada’s population. Foot repeatedly emphasizes, “demographics explain about two-thirds of everything.” He encourages Canadian charities to utilize demographics as a tool for “big picture thinking.”

Demographics can be used by charities not only to understand past occurrences and present circumstances, but also to predict future trends. Despite their usefulness, however, demographics have rarely been considered by nonprofits’ decision makers in their planning, perhaps because they seem too simple, too obvious. By using demographics as a tool for assessing and prioritizing need, estimating expenditures, justifying programs, identifying potential volunteers and donors, and planning ahead, charities can capitalize on the shifts in the population makeup.

Using Demographic Concepts

Demographics clearly explain Big Brothers and Sisters' dilemma. Traditionally, Big Brother and Sister volunteers have been predominantly in the 20 to 30 age range. Over the past ten years or so, the population in this age group has declined in numbers, having been occupied by the relatively small "Baby Bust" cohort. Members of the largest cohort, the "Baby Boom" have concurrently been busy raising their own families, advancing their careers and caring for aging parents. Thus, the pool of potential volunteers available for the traditional commitment has been small over the past decade.

Meanwhile, the pool of potential Little Brothers and Sisters has been growing steadily. Children served by the program are generally aged 6 to 16. Over the past decade this age group has largely been comprised of the plentiful "Baby Boom Echo" generation. The scenario which therefore emerged was one of an increased demand for Big Brothers and Sisters' programs and a decreased ability to service that demand in established ways.

While demography studies a number of relevant data such as immigration and emigration, ethnicity, birth and death rates, David Foot asserts that the most useful demographic data relate to the age composition of the population. This, he claims, is because age is a strong predictor of behavior. Over time, human behavior has shown itself to be very stable: people of similar age tend to have similar needs and wants at approximately the same time. By knowing the age composition of a population, and understanding Foot's basic tenet that "every year each person gets a year older", one can predict what the predominant needs and wants will be for that population in a given year.

Canada's Age Distribution

Canadian demographics are a powerful forecasting tool because of the large and distinct variations in age distribution over the past century. The timing of one's birth can even be a cogent determiner of one's fortune. David Foot and Daniel Stoffman define several discrete age groups or cohorts:

- **Pre-World War I** (born 1914 or earlier) - these “senior seniors” were born during an era when immigration and the birth rate were high, and are therefore a relatively large cohort. Today most are women, and many are poor due to lack of labour force participation and pensions.
- **World War I** (1915 - 1919) - with men off at war, few people were born during this generation. Members of this small cohort have done relatively well, as they have had little peer group competition.
- **The Roaring ‘20’s** (1920-1929) - men were home from war, the economy was strengthening, and so the time was right to start families. This era produced a large cohort, who are now young to mid-seniors. Many are the parents of the Baby Boomers.
- **Depression Babies** (1930-1939) - few children were born in the tough economic times of the Depression. While their childhood saw the hardships of the Depression and WWII, they have had good fortune ever since. These young seniors are now the most affluent generation in Canada, due largely to the timing of their birth.
- **World War II** (1940-1946) - although some men were away at war, WWII saw an increase in births partly as a result of a relatively strong Canadian economy. This generation, even though it is larger than the one preceding it, still had comparatively little peer group competition, and has done very well.
- **Baby Boom** (1947-1966) - a huge cohort was produced in the prosperous post-war era. The front-end Boomers have had the advantage of arriving before the crowd. Those born towards the late ‘50’s are less well-positioned in the middle of the throng. The **Generation X** subgroup (1960 - 1966), at the back of the line, had the least fortunate timing of birth, with the greatest peer group competition of any generation this century. The sheer size of the Baby Boom makes it the most influential cohort in Canadian society today.
- **Baby Bust** (1967-1979) - the birth control pill and growth in women’s labour force participation resulted in a decline in births. Members of this mostly twenty-something generation have so far enjoyed the privileges of being part of a small cohort.
- **Echo** (1980-1995) - a mini-boom was created as the Baby Boomers had their children. This large cohort will mirror the Boom in its sub-groupings, but with less intensity.

- **Millennium Busters** (1996-2010) - this generation, mainly the children of the Baby Busters, is likely to be a smaller, and therefore more advantaged group.

Not every demographic analyst agrees, however, that age or life stage is the most important predictor of human behavior. Some place at least equal weight on the cohort's formative experiences, and current social and economic conditions, as determiners of behavior, values and preferences. While David Foot agrees such factors must be considered, he states that these factors simply "explain the other third of everything." Foot remarks, "Age is the most key variable, and so it is important to give tremendous emphasis to life stage." For example, he forecasts that nonprofits will soon experience a surge in donations and volunteers, being that these activities generally tend to increase with age, and the huge Baby Boomer generation will soon be entering that period of their lives when their families are grown and they begin to reach out to the community.

Charities and Today's Demographics

How are age demographics helpful in understanding the charitable sector's current environment? First, the age distribution of Canada's population affects which human service issues are most pressing. Generally, those issues which impact the greatest number of people are most urgent or at least most visible. Presently, one of the largest cohorts is children aged 2 to 18 years, the Echo generation. Many of our country's most pressing social issues are therefore child-related. The Canadian Council of Social Development's 1998 "Progress of Canada's Children" report certainly confirmed the prevalence of poverty and health concerns among our nation's children.

This trend comes at the same time as a rapid increase in the number of seniors, particularly those over the age of 84. Difficulties currently encountered by this age group include poverty and a lack of suitable housing, health care and home support services. "This coming together of two incredible needs in the 1990's ... the explosion in the number of people 80 plus and the pressures from the Boomers' children, is putting tremendous pressure on both ends of the charitable spectrum," explains David Foot.

Canada's Population Pyramid, 1998

(copy of the Canada chart from "Boom, Bust & Echo 2000" page 16 – permission to reproduce granted by David Foot)

Unfortunately, funding has not been transferred in concert with the shifts in the demographic landscape. This has accentuated the pressures facing the charitable sector in addressing the important social issues of the 1990's. Foot often illustrates this point with the example of the Commission on Declining School Enrolments in Ontario in the 1970's. Rather than passing funding on from elementary grades where enrolment was declining, to junior and high schools where enrolment and the need for funding was predictably increasing, the Commission ignored simple demographics and chose instead to "enrich" the elementary levels. In effect, it impoverished the older grades.

David Foot is concerned that similar errors in decision-making are continuing to happen, such as with day care. He explains that the Echo generation peaked in 1990 and 1991, and births have declined since then. The peak of the Echo has now passed its day care years, and the demand for day care will be decreasing in coming years. In the era when day care funding was most urgently needed, it did not exist. "I can just see governments now pouring money into children under the age of 5, because that's where demand is going down, and it will cost them a lot less," predicts Foot.

Foot is equally pessimistic about other funding bodies, such as foundations and corporate donors, utilizing demographics to rationalize their decision making. "Most people are missing the medium and longer term trends that we're talking about. We're rife with shorter term thinking ... and you can't run social programs like that."

Demographics are useful not only to identify the charitable sector's current service needs and areas requiring funding, but also to determine where volunteer resources may exist. The 1997 National Survey of Giving, Volunteering and Participating conducted by Statistics Canada reveals that the volunteer rate among youth aged 15 to 24 has almost doubled over the past decade, with 33% of youth in that age group reporting they volunteer, versus 18% in 1987. Youth therefore represent a volunteer recruitment opportunity for nonprofits today.

However, before blowing the entire recruitment budget on promotions targeted at youth, it is important to realize that the current 15 to 24 age group, mainly Baby Busters and front end Echo Kids, is a group smaller in number than the 15 to 24 age group of 1987. The net impact is a relatively small number of additional youth volunteers now available Canada wide.

The Survey indicates that charitable groups today may do well to also target their recruitment efforts at the 35 to 44 and 45 to 54 age groups, as they reported the highest rates of volunteering among all age groups, at 37% and 35% respectively. This group encompasses the Baby Boomers, and given their life stage, many are likely volunteering with groups involving their children, such as sports teams and Scouts. Others may now be free of family responsibilities, and are looking for meaningful community commitments. Regardless of their motivation, 35% to 37% of approximately 10 million people represents a substantial pool of potential volunteers, and charities must therefore find ways to engage them.

Big Brothers and Sisters organizations, for example, recognized several years ago that their biggest potential pool of volunteers, the Baby Boomers, are at a stage of life in which they may be too stretched with career and family obligations to commit to a Little Brother or Sister for the traditional three hours a week for a one year minimum. A new program emerged which accommodates the needs of this demographic group. The “In School Mentoring Program” requires that the volunteer meets with the child for only one hour a week in the school setting for the duration of the school year. This program has been hugely successful across Canada, at least in part because it allows the busy Boomers to make significant voluntary contributions without sacrificing their family or work responsibilities.

The National Survey of Giving, Volunteering and Participating also provides valuable demographic information regarding charitable sector donors. The Survey reveals that the likelihood of giving is high among older Canadians, and the amount given increases with age. According to this data, charitable fundraisers are well advised to aim some campaigns at the 65 and over age group, as they are very likely to be donors (80%), and they donate the greatest amounts of any age group. David Foot agrees, stating that the Depression Era and Roaring ‘20’s generations are among today’s wealthiest Canadians, and are in a strong position to donate.

Charities and the Demographics of the New Millenium

Faith Popcorn, marketing trend analyst, has observed that, "the future doesn't arrive unexpectedly one day. It comes announced." Demographics herald both challenges and opportunities for the charitable sector in the new millenium.

As Canada enters the first decade of the next millenium, it will experience a decline in births, as the small Baby Bust generation will be in their prime childbearing years. The Echo, meanwhile, will advance into their youth and young adulthood. Boomers will move from their 30's and 40's into their 40's and 50's. World War II Kids will be young seniors, Depression Babies will be mid-seniors and the children of the Roaring '20's will become senior seniors in the decade ahead.

Based on these projections, nonprofits can prepare now to deal with what lies ahead. David Foot sees youth and young adult issues being a major concern for the charitable sector. The large Echo generation will enter post secondary institutions, seek jobs, and require rental housing. Due to this cohort's size and resulting peer group competition, it is predictable that its members will struggle with limited college and university entrance, youth unemployment, and shortages of affordable housing by 2005. Society will also experience an increase in young people's crimes, such as breaking and entering and violent crime.

The ranks of the senior seniors are also expected to grow as the relatively large Roaring '20's generation enters its 80's. Although they will be better off financially than the generations preceding them, these older seniors will nonetheless require suitable housing, home care and health services.

Meanwhile, the demand for children's services will ease significantly as the small group of Millenium Busters makes its debut. "This is the time to start talking about closing maternity wards and elementary schools, and passing those resources on where they're needed," advises David Foot.

Foot encourages charities that they must take part in rationalizing decision making as the demographic shifts occur. "You can cling on to the funding and go to a Cadillac program, but meanwhile you're starving someone else, and you're creating expectations that can't be delivered on later," he warns.

He has similar guidance for funders in the new millenium. "Don't continue to fund programs when the demographics have shifted and money is needed somewhere else. The demand has moved on, so funders need to move on with their programs. Don't abandon the old program, but don't put new resources

into it. If the numbers or demand is going down, then fund it proportionate to the numbers of people it serves," recommends Foot.

In terms of volunteer resources, charities can be optimistic about the coming decade. With the huge Baby Boom generation moving through its prime volunteering years, a large reserve of skilled personnel will exist.

"Are you ready for the vigilante volunteer?" inquires David Foot. He predicts that, although the coming pool of volunteers will be large, they must be treated with flexibility and professionalism. He characterizes vigilante volunteers as middle aged professionals who are finished parenting, have money, and are seeking fulfillment through community contribution. However, these people are still busy with work, and are very specific about their needs and objectives, and about the amount of time and scheduling of their volunteer commitment. "You've got to find a way to accommodate them, and don't waste their time or they'll move on to the next place," counsels Foot.

Similarly, Foot expects to witness the vigilante donor. Boomers will be moving from their spending years into their saving years, and should therefore have money available to donate. "But don't make it difficult to give. If they can't deal directly with the charity, the vigilante donor won't give. And think about loyalty, not just efficiency in your campaigns," Foot advises.

Baby Boomers will also be moving into the stage of life at which participation in gambling is most common. Assuming a portion of gaming proceeds continues to filter to nonprofits, this could become an increasingly lucrative source of revenue, with such a large group of Canadians tempting Lady Luck.

A final potentially fruitful source of revenue for charities in the new millenium is planned giving. Some members of the prosperous Roaring '20's and Depression Babies generations will be reaching the end of their lives. By acting now to engage these people in planned giving programs, charities may benefit from the transfer of their wealth in the next decade.

Meanwhile, back at Big Brothers and Sisters of Canada, preparation for the new millenium is underway. They are not particularly concerned about having a shortage of young children requiring Big Brothers and Sisters as the Millenium Busters arrive at program eligibility age. However, they do recognize that the greatest pressure for service will be from the youth of the Echo generation. Big Brothers

and Sisters organizations are beginning now to develop the innovative mentoring programs which this group will require.

One such program, in partnership with corporate sponsor CIBC, involves assisting youth with the school-to-work transition by offering Little Brothers and Sisters in grade ten four year scholarships if they graduate from high school, as well as summer jobs and mentors until their post-secondary graduation. Another pilot program involves training teens in conflict resolution skills. These youth then mentor their peers in the mediation skills. A new “cyber-matching” program involves preparing youth for their post-secondary futures, by setting up matches which have a career-related focus, and occur on a secured internet site.

Cyber-matching is a new way to engage the vigilante volunteer as well. It fits for many Boomers, because it is focused, time-limited and skill-based. Baby Boomers are also being attracted by the new flexibility being offered to Big Brother and Sister volunteers. “Flex-time” commitments are offered to volunteers whose busy lives make it difficult to dedicate themselves to a child three hours a week. Couples matches make it possible for partners to spend time with each other while contributing to the life of a child.

Despite all this innovation, Big Brothers and Sisters are not planning to abandon the traditional matching program. With this program’s tendency to attract volunteers who are in their 20’s, the organization is actually looking forward to an increasing ability to provide Big Brothers and Sisters to children in need as the large Echo generation reaches their young adulthood in the years ahead.

With demographics as a planning tool, Michael McKnight looks to the new millenium with optimism, “Being aware of the demographic trends is the beginning - *acting* on them is the key to making a difference in the people’s lives.”

This article is one in a series being written by Sherry Ferronato and Jim Campbell, Co-Directors of Big Sisters and Big Brothers of Calgary and Area, as part of the Muttart Foundation Fellowships. The articles explore current issues in the management of not-for-profit organizations.