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## CANADIAN DEMOGRAPHIC TRENDS / 4

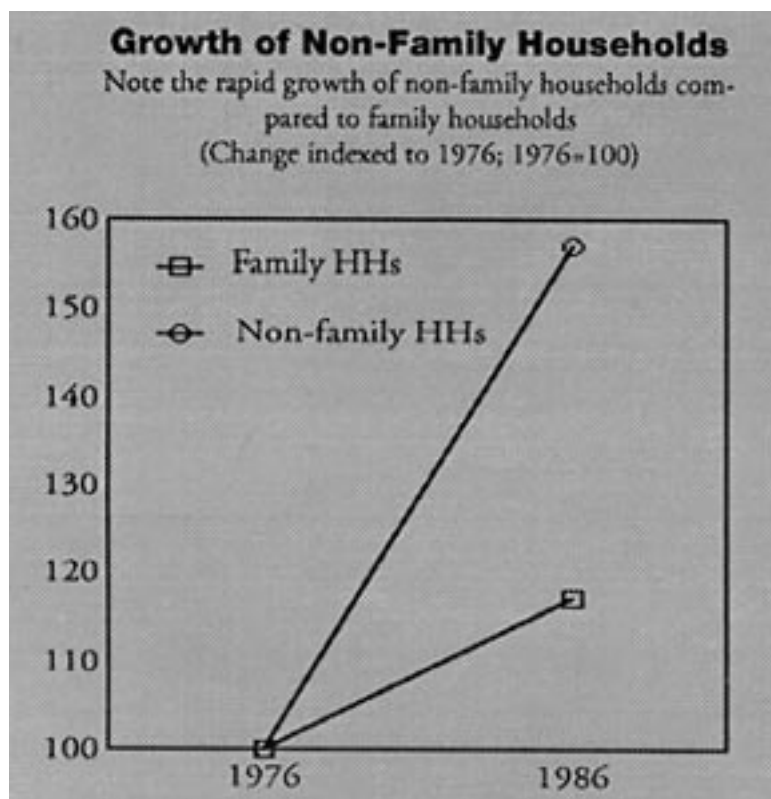
# Households of the Future

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### The Changing Nature of Households

As most of us already know the nature of Canadian households is changing. Recent years have been marked by accelerated change.

- In 1976, the number of private households stood at 7.2 million. In the next 10 years, it increased by 25% to 9 million. About one half of this increase came from non-family households. (Non-family households refer to persons living alone or with a group of unrelated individuals).
- In percentage terms, the growth in family households during this period was 17% while the corresponding increase for non-family households was a huge 57%.
- Households with divorced or widowed individuals registered the fastest growth,
- Households with single never married individuals have been on the rise. Between 1976 and 1986, this group registered an increase of 55%.
- Between 1971 and 1986, the number of people living alone doubled in the 25-44 age group.
- There has also been an increase in the number of elderly Canadians living in institutions (such as psychiatric hospitals, special treatment centres, facilities for handicapped or chronically ill). The percentage rose from 4.5% to 5.4 for men and from 6.8% to 9.1% for women between 1971 and 1986.
- Single parent families headed by men registered a faster growth (55%) compared to those headed by women (46% growth).
- The fastest growing households in terms of age were headed by those in the following age groups: 25-44 and 65+.
- In 1986, four out of every five Canadians lived in a family-as husband and wife (or common law partners), parent or child. While this is still a substantial number, the proportion of people not living in family increased by 10% since early 1950s.



### Households Are Getting Smaller

Although the number of households has increased, the size of the household has decreased. In 1961, the average family had 3.9 members. By 1986, the number dwindled to 3.1 per family. The major contributing factors to this trend are declining fertility, the growing tendency of young people leave their parental homes, increasing number of single parents.

### Marriage and Divorce

Marriages in Canada have been occurring relatively late in life and substantial number of Canadians do not marry at all.

- Since the early 1970s the marriage rate has declined and the age at marriage has risen.
- Common law unions, virtually unknown before WWII, is quite common now, especially among younger people and those who are divorced. Between 1984 and 1990, the proportion of Canadians living common law rose from 17% to 28%.

Growth of Divorces in Canada	
Year	No. of divorces
1868	3
1968	11,343
1969	26,079
1989	80,716

A 1990 survey showed the following: 37% of the 18-29 group, 28% of the 30-39 group and 12% of the 40-49 group had lived common law.

° About 15% of Canadians who married in 1960 were divorced by 1985. Of those who married in 1970, 27% can expect to be divorced by 1995.

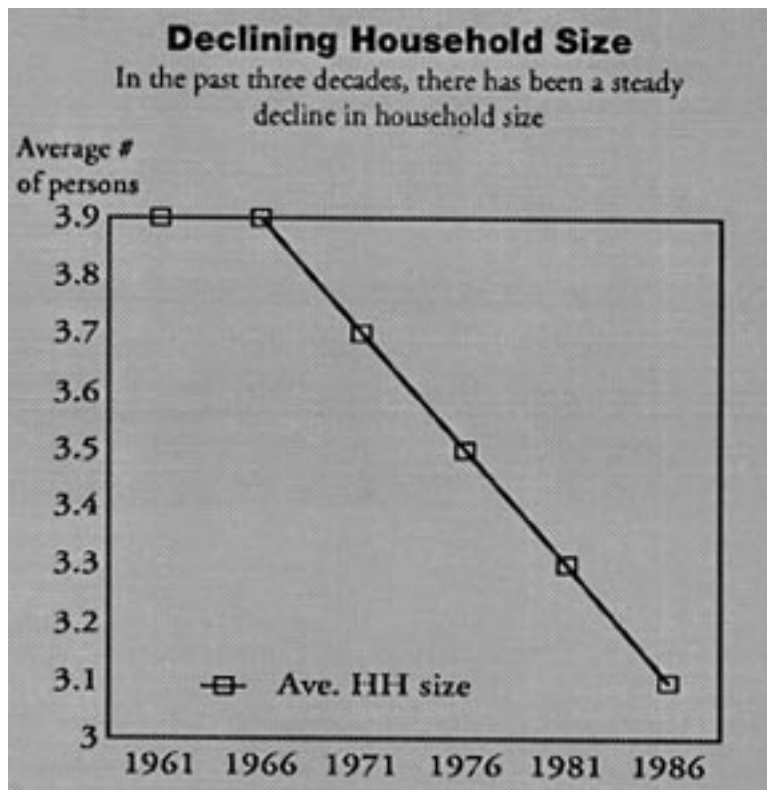
### Baby Boomers' Impact on Household Composition

The number of households with people between 15 to 24 has been declining since early 1980 as the last of baby boomers let home. The decline will continue for a few years to come, but a slower pace.

Baby boomers are now aging, thus contributing substantially to households headed by 25-44 year olds. Over the past two decades, this group has increased by two million. In the next 2 to 4 years this group will peak at about 5 million and then decline.

For the next twenty years, households headed by people in the 45-64 age group will evidence the fastest growth. In the next 10 years, this group will increase by 1 million and in the 10 years following that by another 1 million. It will peak at around 5.3 million in the year 2016.

Seven out of ten households will be headed by people over 45 years of age by 2046. Currently only less than five out of ten households are headed by this group.



### Seniors Will be the Singles of the Future

While, in the past, the word 'singles' evoked the image of young people yet to be married, the image has changed over the years. Now the image of 'singles' includes not only young unmarried people, but divorced people of all ages.

Even this revised image is about to undergo another change. By the year 2036, the number of non-family units headed by unattached individuals will increase by 2.8 million.

While 28% of the current households are headed by unattached individuals, this percentage will grow to over 36% by the year 2036. The number of household with unattached individuals will more than double (from about 18% now to about 36% in 2036). This growth for families will be far less during the same period: just 40%.

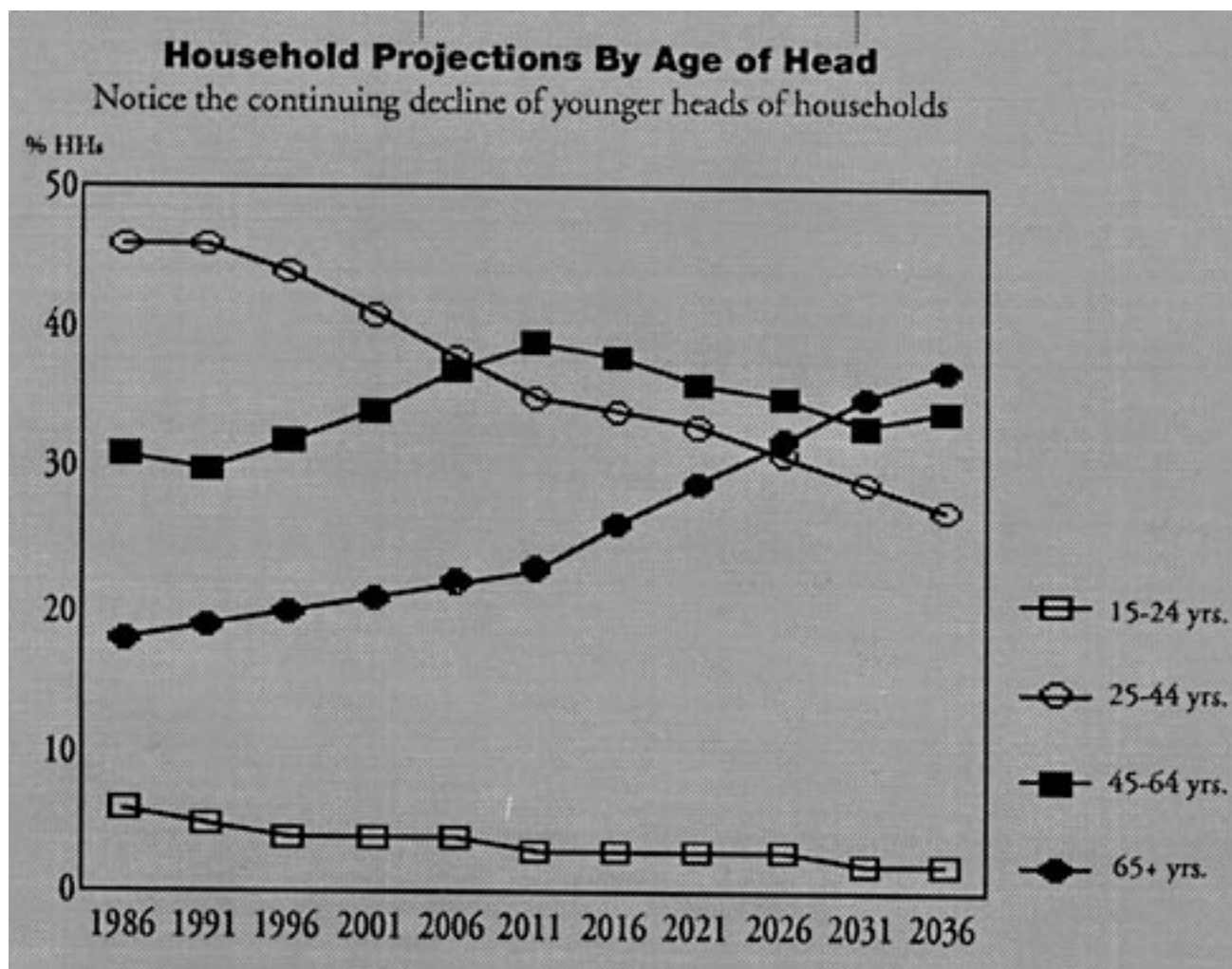
Households headed by widowed or divorced persons with no children at home will triple by the year 2036. By then, these households will constitute 25% of all households.

What is particularly interesting about the growth of the singles is that two out of three households will be headed

by people over 65 years of age. Two out of every three of these households (headed by persons over the age of 65) will be headed by a woman.

Then there are single never-married and single parent households. They will grow much more slowly. The main reason for this is, as we saw before, the actual number of young people who form the bulk of this group will continue to decline over the next few decades as the fertility rate declines.

How about the traditional husband and wife families, including couple living in common-law relationships? This group will grow but at a slow pace. In percentage terms their share of household will dwindle to 56% from the current 64%.



### 'Down-aging'

Not only are people living longer, they are also by and large healthier. There is an increasing awareness of healthy lifestyle.

As people live longer, as they feel healthier (and as they form a majority), the concept to what constitutes 'middle-age people' and 'old-age people' will become redefined. In the 1960s, anyone over 30 was old. Now anyone around 30 is 'young'. In the past, 60 or 65 years of age is old. Now 60 or 65 is unlikely to be considered 'old age'.

This phenomenon of adjusting our concept of aging as we grow older is identified as a major trend of the future trend by futurist Faith Popcorn. We have moved from the 1960s slogan 'Don't trust anyone over thirty' to 'Life begins at forty'.

### Older 'Never-Marrieds' Will Continue to Maintain Their Status

Another interesting phenomenon is that a single person's chance of marrying at any age is higher if he or she is divorced or widowed than if that person had never been married. It would appear that never marrying is a specific choice and the longer this choice is exercised, the less the chance of one's marrying in the future.

Since more and more people appear to be choosing a 'never-married' life, there is a decreased chance of their changing their status in the future. If this trend continues, it could become a significant factor in determining the household type of the future.

Although there appears to be no apparent reason for this trend, increased prosperity and choices, growing lack of stigma attached to unmarried people (especially women) and similar factors could have been the contributing factors.

Although the chances of marriage or remarriage dwindle as one gets older, the decline is much steeper for women, especially between the ages of 25 and 40. For example, the chances of a 45 year old single male has twice as much chance of getting married compared to a single female of the same age. It may just mean that men tend to marry women who are younger. This disparity probably widens as males get older-it is more likely for a 45-year old male marry a 35-year old female than it is for a 28-year old male marry a 18-year old female. Or it could mean that single women, as they get older choose to continue to be singles.

Irrespective of the reasons, singles households will continue to grow. Since, women tend to outlive men and tend to continue to be single as they get older, there will be more single person households in the future.

### **Marketing Implications**

The evolving of a growing number of single people households (or households of unrelated people) has considerable implications for marketing.

As the distinction between 'singles' and 'families' becomes less and less distinct, mass marketer cannot focus their attention to 'families' since their definition will include more and more households which will not fit the traditional concept of a family.

- The general tendency to penalize single people in many marketing aspects (eg. exorbitant 'singles supplement' for holidays, highly expensive single servings of food items) will become less popular. Marketers may have to find ways of servicing this market in a less expensive way.
- While day care issues will be clouded by health care and recreational marketing, day care issues will continue to be a major social concern.
- While family structures supported the traditional households, no such structure exists for singles. As the number of singles increase enormously in the next few years, marketing opportunities exist for companies that produce products and services to fill the human needs such as belonging, social interaction and the like.
- Medical and social services that deal with problems associated with being single-such as loneliness and lack of support at times of personal crises will be in greater demand.
- As single people households increase, so do the need for security. This need is particularly pronounced if the single person happens to be older.

Since we project that there will be substantial number in this group in the future there might be a greater tendency to 'cocoon' or insulate oneself against anything that can potentially cause harm. While this will lead a sheltered life, it can also be comfortable. Replacing going to movies with large screen TVs at home, having groceries or dinner delivered to the door as opposed to going out are examples of this tendency.

We are moving into a society which has a substantial number of single person households with considerable buying power. Marketing geared to 'families' may have to be redefined. Products and services may have to change to adjust to this new reality. Marketing opportunities can be found in providing products and services that will fill this need.