

# Generation B: Breeding, Busy and Burdened

A research report

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# Introduction

Busy, burdened, breeders are the trademarks of a new generation of Australians that are redefining their financial priorities, trying to spend more time with their family, while working more than any other generation in Australia.

The following research debunks commonly held social demographic trends to reveal that the 3.1 million Australians aged 30-39 years are experiencing the 'trifecta' of financial responsibility, increased family commitments and work pressure in ways not seen by any other generation.

Aptly named 'Generation B' this is the new army of Australians battling the seesawing demands of work, family and lifestyle.

Facts of Generation B:

- They are the busiest generation with 45% of their population busy "always" or "most of the time"
- Most are at breaking point with 71% believing having children will stretch and challenge the amount of time they have. This is more than any other generation
- Half have children (51%) and a quarter (24%) have one child which is more than any other generation
- Paying the rent or mortgage is the number one financial priority for Generation Bs, with more listing this as their number one priority than any other generation
- Along with Gen X they feel more burdened at home than they do at work

Unsurprisingly, Generation B, like other generations are disillusioned financially and regularly feel burdened by their financial commitments including, day-to-day living expenses, growing credit card debt and low superannuation balances.

The research reveals that many Generation Ys don't have children or a mortgage yet, while older Generation Xers are beginning to see the light at the end of the tunnel, with reduced mortgages and children that are beginning to fend for themselves.

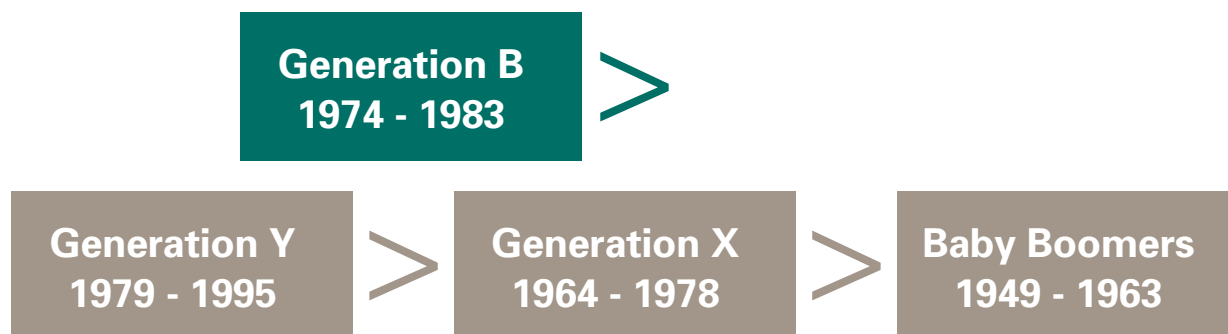
The report concludes that Generation B on the other hand is caught in the stressful vice of high debt, family commitments and job demands.

Quite simply, Gen Bs are busy, burdened breeders who are exhausted.

## Generation B - The Hybrid Generation

'Generation B' includes Australians aged between 30 – 39 years old (born 1974 - 1983). Generation B overlaps both the X and Y generations, however, is a unique sub-set of those generations as Generation B members are experiencing financial, family and work commitments in ways not being experienced by the other generations. Generation B is a unique collective relative to this point in time. They are an important sub-set to understand as they are the generation that are making the biggest financial and lifestyle commitments. Whether they are buying their first or second house or deciding to start a family or have another baby, this unique decade of Australians are experiencing the 'perfect storm' of being breeders, busy and burdened for different reasons.

For the purposes of this report, Generation Y are those born between 1979 and 1995. Generation X are those born between 1964 through to 1978. While Baby Boomers are born between 1949 to 1963.



# Breeding

According to the Australian Bureau of Statistics (ABS), Australia's total fertility rate has not changed significantly over the past 25 years, with 1.9 babies per woman in Australia in 2010.<sup>1</sup>

However, what has changed is the age at which mothers have their first child which has increased from 27 in the 1990's to 29 in 2010. The change in age has meant women are having babies later in their career, at a time when many have had in excess of 10 years experience in the workforce.

Generation B women have the highest fertility rate of all age groups and generations in Australia. In 1990, the fertility rate for this age group was 102 babies per 1,000 women, rising to 123 babies per 1,000 women in 2010. Furthermore, since 2005 the fertility rate for women aged 35-39 years has exceeded that of women aged 20-24 years<sup>2</sup>.

Unsurprisingly, as mothers re-enter the workforce after having babies they are among the age group that say they are experiencing the greatest levels of burden, both financially and for their time.

**Table 1: Births in Australia (Median ages)<sup>3</sup>**

	1991	2001	2011
Mother	28.5	30.0	30.6
Father	-	32.3	33.0

**Table 2: Number of children**

Q6. Do you have children?	Generation Y		Generation B		Generation X		Baby Boomers	
No	229	74%	96	49%	119	40%	66	28%
Yes – one	45	15%	47	24%	55	19%	35	15%
Yes – two	25	8%	33	17%	81	27%	70	29%
Yes – three	6	2%	12	6%	23	8%	45	19%
Yes – four	3	1%	4	2%	12	4%	15	6%
Yes – five or more	1	0%	3	2%	6	2%	8	3%
Total	309	100%	195	100%	296	100%	239	100%

Half (51%) of Generation B have children, and a quarter (24%) have one child, which is more than any other generation. Generation B are just starting or are thinking about starting a family, their children are young and many not yet at school. Put succinctly Generation B are Australia's breeders.

Interestingly, the survey revealed that having more than one child doesn't necessarily increase how burdened for time or busy people are. In fact, the only significant difference between Generation B and Generation X was the greater financial burden Generation X's have due to having more and older children.

**Table 3: Do or would children challenge you for your time**

Q7. Does having children or the thought of having children mean that you feel more stretched and challenged for your time?	Generation Y		Generation B		Generation X		Baby Boomers	
Yes	187	60%	138	71%	182	62%	98	41%
No	74	24%	36	18%	78	26%	117	49%
Don't know	48	16%	21	11%	36	12%	24	10%
Total	309	100%	195	100%	296	100%	239	100%

Having children comes with increased commitments, with financial commitments and time being the most significant. Stretched and challenged for time is a significant concern that is unique to Generation B. Whether it's work demands or the fact that younger children are more dependent on their parent's time, each factor is contributing to more than 70% of Generation B's being stretched and challenged for their time.

1. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features30March+Quarter+2012#CHILDBEARING>

2. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features30March+Quarter+2012#CHILDBEARING>

3. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3105.0.65.0012006> Table 37.

# Busy

Australians are working longer than ever before, this coupled with having babies later in life and growing debt levels has reached a point where Australians' debt to asset ratio has doubled over the past 20 years.

**Table 4: Percentage of debt to assets of Australian households<sup>4</sup>**

	1992	2002	2012
Household debt (%)	9%	14%	18%

A 2009 study by the Australia Institute found that Australian full-time employees spend more time working unpaid overtime than they take in holidays each year<sup>5</sup>. While the Australian Work and Life Index has shown that more Australians are complaining of work interfering with their lifestyles.

The fact is that more and more Australians are working longer, both in terms of hours and unpaid overtime. As a result we are going on holidays less and are accruing excess leave. Tourism Australia data suggests the nation's total leave accrued is now 128 million days - equivalent to a mind-boggling 350,000 years of holidays.

More time spent at the workplace can result in more strained relationships at home, therefore it is little surprise that there are more Generation B's in the Australian workforce compared to any other generation and that more of them work full-time.

**Table 5: Work status**

Q4. What is your work status?	Generation Y		Generation B		Generation X		Baby Boomers	
Working full-time	150	49%	120	62%	161	54%	85	36%
Working part-time	73	24%	31	16%	55	19%	63	26%
Not in paid workforce	77	25%	38	19%	72	24%	74	31%
Other (Please specify)	9	2%	6	3%	8	3%	17	7%
Total	309	100%	195	100%	296	100%	239	100%

Working longer has other impacts with over 20% of Generation B always too busy to do all the things they want to do, this is more than any other generation. However, there are a minority of Generation B's that are rarely or never busy (8%) but this contrasts sharply when comparing them with the other generations, 10% for Generation X, 13% for Generation Y, while the least busy generation are the Baby Boomers with a quarter (24%) rarely or never busy.

**Table 6: How busy are Australians**

Q12. Do you think you are too busy to do all the things you want in life?	Generation Y		Generation B		Generation X		Baby Boomers	
Always	44	14%	41	21%	54	19%	17	7%
Most of the time	95	31%	46	24%	72	24%	51	21%
Some of the time	131	42%	92	47%	139	47%	115	48%
Rarely	30	10%	13	6%	24	8%	39	17%
Never	9	3%	3	2%	7	2%	17	7%
Total	309	100%	195	100%	296	100%	239	100%

4. <http://www.rba.gov.au/statistics/by-subject.html>

5. <http://www.aifs.gov.au/institute/pubs/pubsyear2009.php>

# Burdened

Being burdened by family, work or financial commitments has a great impact on your outlook in life and can be a result of being busy and broke. The survey questions regarding feeling burdened not surprisingly reveal that both Generation X and B share similar levels, while Generation B have marginally more burden overall.

**Table 7: Are Australians financially burdened?**

Q9. How often do you feel financially burdened?	Generation Y		Generation B		Generation X		Baby Boomers	
Always	48	16%	42	22%	68	23%	33	14%
Most of the time	76	25%	48	25%	67	23%	50	21%
Some of the time	128	41%	72	37%	110	37%	88	37%
Rarely	48	16%	29	14%	44	15%	55	23%
Never	9	2%	4	2%	7	2%	13	5%
Total	309	100%	195	100%	296	100%	239	100%

Financial burden, or level of individual debt is dominated by mortgages and general household debt (including personal credit cards). Generation B and X dominate this category, having the highest levels of individual debt in the country. The average mortgage in Australia is \$1800 a month.

Adding to the financial burden for parents is the cost of raising children. A Suncorp Bank report estimated that the cost of bringing up a child in Australia to be more than \$10,000 per annum<sup>6</sup>, no doubt a contributing factor to the burden being felt by Generation B and X.

**Table 8: Are Australians financially burdened?**

Q13. Do you ever feel burdened by all the responsibilities in your life	Generation Y		Generation B		Generation X		Baby Boomers	
Always	35	11%	28	15%	41	14%	17	7%
Most of the time	64	21%	45	23%	70	24%	41	17%
Some of the time	156	50%	98	50%	138	47%	113	47%
Rarely	46	15%	18	9%	37	13%	58	24%
Never	8	3%	6	3%	10	2%	10	5%
Total	309	100%	195	100%	296	100%	239	100%

Again the spoils are shared between Generation B and X in this indicator which considers all aspects of a person's life.

Interestingly, there are fewer respondents rating their burden as 'always' compared to being just financially burdened. This suggests that the biggest concern for most Australians relates to their finances and in particular their level of debt.

**Table 9: Are Australians more burdened at work or at home?**

Q14. Do you feel like you are burdened more at work or at home?	Generation Y		Generation B		Generation X		Baby Boomers	
At work	123	40%	63	32%	84	28%	68	28%
At home	113	36%	82	42%	132	45%	85	36%
Neither	73	24%	50	26%	80	27%	86	36%
Total	309	100%	195	100%	296	100%	239	100%

Home pressures dominate both Generation B and X, while Generation Y is considerably more burdened at work. The pressure of spending more time with family and with more family commitments, is resulting in more Generation B and X's preferring to be at work than at home.

<sup>6</sup> [http://www.suncorpbank.com.au/sites/default/files/Suncorp\\_Bank\\_Cost\\_of\\_Kids\\_Report\\_290612.pdf](http://www.suncorpbank.com.au/sites/default/files/Suncorp_Bank_Cost_of_Kids_Report_290612.pdf)

**Table 10: Top financial priority by generation**

	Paying the rent or mortgage	Running the household (general living expenses)	Maintaining Lifestyle (holidays, entertainment costs)	Paying off credit cards	Investing in shares and/or property	Investing in superannuation
Generation Y	37%	27%	18%	8%	6%	3%
Generation B	46%	28%	9%	8%	6%	4%
Generation X	43%	36%	7%	8%	4%	2%
Baby Boomers	32%	35%	15%	8%	3%	7%

The fact that Generation B is a hybrid generation of X and Y, is evident in the way Generation B manage their finances. Like Generation X, Generation B are more concerned about paying off the mortgage and rent than any other generation. However, like Generation Y, Generation B prefers to go on holidays and have an entertainment budget at the expense of investing in shares, property, superannuation and even paying off the credit card.

