Microtrends
The Small Forces Behind Tomorrow's Big Changes
by Mark J. Penn with E. Kinney Zalesne

Twenty-five years ago, in his multi-million best seller Megatrends, author John Naisbitt, identified ten fundamental social and economic changes then taking place that would profoundly transform our lives. But a quarter of a century later, pollster and political guru Mark Penn argues that there are actually thousands of powerful forces that are shaping our tomorrow.

The whole idea that there are a few huge trends that determine how the world works is breaking down, he says. There are no longer a few mega forces sweeping us along. Instead, we are being pulled apart by an intricate maze of choices. These are his "microtrends" — "small, under-the-radar forces that can involve as little as 1% of the population, but which are powerfully shaping our society."

Penn's premise is based on a lifetime of empirical observation of what people think and do, via surveys and polls, and his experience as an adviser to senior political figures. He is worldwide CEO of global public affairs group Burson-Marsteller and (in 2008) chief adviser to Senator Hillary Clinton's presidential campaign.

The New York Times described him as "the guru of small things," while the Washington Post labeled him "the most powerful man in Washington you've never heard of." His collaborator, Kinney Zalesne, is a former White House Fellow and executive vice president and president of two US social change organizations.

Working for President Bill Clinton in 1996, it was Penn who identified the group that became known as "Soccer Moms" as key swing voters who helped determine election outcomes. To win them over, Clinton campaigned to give them a helping hand in raising their children — drug testing in schools, measures against teen smoking, limits on violence in the media, and so on.

A profound political change was spawned by this bit of trend-spotting, he suggests. Today, changing lifestyles, the Internet, the "balkanization" of communications and the global economy are coming together to create a new sense of individualism that is transforming society.

Small groups drawn together by shared needs, habits and preferences are on the rise. They are powerful but can be hard to find and Penn's declared quest is to pin some of them down. In Microtrends, he identifies more than 70 groups, divided into 15 areas of activity:

1. Love, Sex and Relationships
A key trend in interpersonal relationships, says Penn, is the numerical imbalance between "straight" men and women — his research has determined that there are 6% more of the latter, because more boys die in adolescence and because there are twice as many gay men as women.

The effects of this are already evident. In 2005, single women were the second largest group of homebuyers after married couples. One implication is that home maintenance, repair and security companies have an enormous new potential market.

Other trends the author has spotted include rises in the number of women dating younger men, office romances, people who marry after meeting on the Internet and couples who live apart and must commute to see each other.

Bill and Hillary Clinton are a prime example of a "commuter couple," with two careers and two houses. In the US alone, more than 3.5 million people live this way.

Around the world, foreign job placements and dual career couples are on the rise and more couples of every nationality are spending at least some portion of their married lives in separate cities, spinning new commercial opportunities for the likes of travel operators and communications services.

2. Work Life

Today, people are living longer and working way past traditional retirement ages. More and more of us are working from home, while those who commute are traveling greater distances. One European travel firm predicts that by 2016 the number of people who work in the UK but live as far away as Italy will reach 1.5 million, thanks to low-cost airlines.

And the role of women at work continues its radical transformation. For example, women are on the verge of taking over word-based professions like journalism, law, marketing and communications. In public relations, they now make up 70% of the workforce and now comprise over half of law school graduates and two thirds of law school deans. Politics could be the next frontier, says the author.

Another trend for women at work is the growth in the number choosing jobs that demand serious physical strength, from athletes to construction workers and soldiers. Nearly 15% of US military personnel are now women — up from a tiny 1% in 1960.

Among the implications — as more women take up careers requiring physical force, women's average strength is likely to increase, narrowing the physical differences between the sexes.

3. Race and Religion
Women feature strongly too in religious trends, notably the rise in the number of female clergy, with women accounting for more than half of divinity school students. Congregations benefit — both male and female clergy say churchwomen are more caring about the individual lives of congregants, more nurturing and more likely to draw on personal experiences when preaching, teaching and counseling.

Examining religious and cultural trends in the US, the author notes three little-recognized developments — the growing popularity of Jewish culture among non-Jews (leading to adoption of customs such as bar mitzvahs), the groundswell of moderate Muslims (significantly more in favor of gun controls than the average American) and the startling rise in the number of Protestant Hispanics (about 10 million).

The latter, says Penn, are a potent political force. In the 2004 Presidential election, for example, they accounted for the entire Hispanic swing in votes — from 44% to 56% — for George W. Bush.

Hispanics also represent the biggest group in another trend — the growth in interracial marriages, up from 300,000 couples in 1960 to three million today. 83% of Americans approve, so race, the author predicts, will be a less divisive issue in the future than it has been.

4. Health and Wellness

A clutch of statistics in the field of health show how changes in attitudes are impacting the way we live today:

- Skin cancer is poised to overtake lung cancer as the number one cancer killer; as a result, people who shun the sun number in the millions and the specialist protective clothing industry is already worth $180 million a year.

- Insomnia is rocketing and millions admit to making mistakes through sleeplessness, including dozing off at the wheel; non addictive Ambien sleeping pills grab a $2 billion global market share and experts say we need to take cat-naps, and that they should be encouraged by our employers!

- More tolerant parental attitudes permit twice as many natural "southpaws" to continue leading with their left hands; expect more adaptable appliances and gadgets.

- The vast wealth of medical information on the Internet leads to more self-diagnosis; 136 million "DIY doctors" push up over-the-counter medication sales 10-fold; e-mail doctor consultations are next.

- The number of hearing-loss sufferers has doubled in the past 30 years — some due to age but many just down to rising noise levels; expect more noise-control legislation and technological advances in hearing aids,
5. Family Life

The structure of family life is changing as the career-driven and remarrieds have children later, longer-lived parents put new care demands on offspring and parental attitudes on upbringing change.

Polls reveal an interesting perspective on child-rearing: 55% of parents consider they are strict, yet 91% think other parents are too easy on their kids. Whatever the case, there is a discernible downtrend in corporal punishment — spanking — to be replaced by a range of softer disciplines, from lectures to "grounding." Parents want to do better and a huge boom in parenting magazines and books is under way.

Meanwhile, the number of childless or late-parenting adults feeds into another major growth area of family life — pet ownership. Almost two thirds of us own pets and, in the US, the pet products market has shot up from $17 billion in the 1990s to almost $40 billion now. Future commercial growth prospects include pet insurance and luxury products.

Finally, one of the most dramatic family trends is the era of the "late-breaking gay," characterized by the 2004 declaration by New Jersey Governor James McGreevy. Millions of gays and lesbians were once married or still are but new, more liberal attitudes are prompting them to "come out." This has major impacts on spouses and children, the author notes, prompting an urgent need for more and better support groups.

6. Politics

Published at a time of intense political campaigning in the US, with the 2008 Presidential Primaries under way, the book puts voter trends under the microscope to reveal how imperfectly they are understood.

The problem, it says, is that the "elites" — people earning $100,000-plus — and the newspapers that reflect their interests have got it wrong in declaring that candidate character is more important than issues. This happens because the elites are so far removed from mainstream concerns like healthcare and employment, but this is where the mass of voters are actually focused.

Politicians and pollsters need to sidestep "all the din created by the chattering elites and out-of-touch journalists" and talk to ordinary people to understand what really matters to them.

Another key factor influencing election outcomes is the growth of non-party-affiliated voters, independents who are now one third of the electorate. With them, swing is still king — most don't make up their minds on voting direction until the last month and that invariably decides the result of an election.
These floating voters who switch between the two main parties are the “Third Way” and their numbers and influence are steadily growing not only in North America but also in many other democracies.

"The movement to watch," says Penn, "is really the global Third Way."

7. Teens

Profound and surprising changes are happening in the way our youth behave and how we treat them.

We know about high school moguls who are making a fortune on the Internet. But who would have guessed that teens and early 20s are also the fastest growing group of people taking up knitting — because it has a social value (the modern equivalent of knitting circles) while its outcome (one-of-a-kind creations) is individualistic?

Or, that black youths are the fastest growing group of college graduates? Proportionately more of them also attend church than their white peers and they are the biggest supporters of civics classes at school. The emergence of black super achievers is changing American culture, breaking the old stereotypes and tearing down race barriers.

Staying on education, the author notes how many more young people are now diagnosed with mild learning disabilities — up 82% in 30 years. This may only be due to greater scrutiny and labeling of learning issues than a real increase but it still results in a boon for after school tutoring, now a $4 billion industry and growing 15% a year.

8. Food, Drink and Diet

Another notable youth trend is the growth of vegetarianism — practically zero 50 years ago, now 1.5 million in the US, with similar take-up in many other countries. Long term, could this lead to a healthier population? And, given increased demand for ethanol, corn and cellulose, will soybean futures turn out to be a great future investment?

Even narrower eating habits belong to people who severely restrict calorie intake, based on evidence this can lengthen life 10 to 20 years. Greater publicity and awareness of this could reorient the way we think about food.

And that may be no bad thing for the opposite section of the population — the obese and overeaters, who have doubled in numbers in the past two decades and are 300 million worldwide. While some industries — food, plus-size clothing and diet plans — are having a field day, the cost burden of obesity is immense, $120 billion a year in the US alone.

Fizzy drinks are a culprit, accounting for one in 10 calories consumed, but the
most dramatic trend in beverage consumption is in bottled water (up 10-fold since 1980) and caffeinated drinks — not just coffee but also energy drinks, 200 new brands of which hit our shelves in 2006. One reason is the 24/7 wakefulness of contemporary life — but the jury is out on the long term health effects.

9. Lifestyle

Dads come under the spotlight in this section, specifically, the majority now spending considerably more time with their children, a trend that retailers have failed to spot.

With more women working and divorce rates climbing, fathers spend as much as 87% of the time mothers do attending to their children, double the figure of 10 years ago. This is serious father-child interactive time, which means meals, but, the author asks, where is the Mc Dad initiative to parallel what McDonalds did to encourage fast food Moms in the previous decade?

Men are spending more time with kids but neither Madison Avenue (home of many advertising agencies) nor the media has picked up on it, says Penn.

On the other hand, advertisers have not been slow to capitalize on another key lifestyle trend — the proliferation of native language speakers, notably Spanish-speakers.

There are 12 million people with limited English proficiency in US households, including a high proportion actually born in America. Some 300 languages are spoken in the US, a headache for healthcare services and a challenge to education providers.

But, at least with Latinos and their $700 billion purchasing power, many companies are leaving the assimilation debate to the sociologists and just advertising in Spanish.

10. Money and Class

Wealth trends offer some surprising perspectives that may challenge beliefs:

- The burgeoning second home market — 40% of all residential household sales — is dominated not by the wealthy but the middle classes who want them for recreation, security (outside of cities) and to be close to family.

- A growing brigade of home childcare workers come from college-educated, affluent backgrounds; upscale parents want them for the added intellectual benefits they offer and the nannies themselves are looking for career foundation in teaching, research or child development.

- The biggest proportion of millionaires are those who work hard, save their money and live frugally; next are those who unexpectedly came into
money; both groups are significant contributors to charity and potential customers of financial services.

- The stigma of bankruptcy is disappearing as filings skyrocket; it's now more like a personal finance tool; but the underlying reason: frequently overstretched mortgages, remains a cause for action for politicians and policymakers.

- Non-profits are the fastest growing employment sector; but they enter the mainstream facing key challenges: pay inequality (women in the same job may earn only 50% of what their male counterparts do) and employee retention (turnover is much higher than in the public and private sectors).

11. Looks and Fashion

Looking good — both physically and in our homes — manifests itself in a variety of new and enduring trends.

For "enduring" read "cosmetic surgery." But what used to be the genteel secret of aging white women is now spreading to everyone — including younger, middle income and non-Caucasian people. Men are in there too — representing about one in 12 patients. One result of the boom is the number of doctors switching to plastic surgery from other specialties — with unknown implications for healthcare and cosmetic skills.

Staying on the skin-surface, a highly visible development has been the growth in tattoos. No longer the preserve of bikers and hippies, tattoos have become uptown fashion adornments and even personal statements. One in four adults, across all socio-economic groupings, has them. What next? It's time, says the author, for more upscale, standardized tattoo services, with safety assurances and national advertising.

One hidden trend to note: The rise of slobs — people overwhelmed by untidiness in their homes to the point where they no longer clear up. One in ten of us can't cope, despite a multi-million-dollar home-organizing industry. The reason is not lack of time but over-abundance, says Penn. We just have too much stuff.

12. Technology

People are not doing what we expect them to do in the world of technology. Geeks, once considered introverts and loners, are now overloaded with friends on the social networks they invented.

And women and girls are the majority of consumer and electronics purchasers. They are also the majority of car buyers. But the author notes that few have noticed this in the retail world. How many manufacturers and retailers have recognized this crucial element of their market, with opportunities for fashion and design built in to their products?
Yet, while technology captivates most of us, a growing group of individuals are turning away from it. As distinct from those who cannot afford or obtain access, 17% of Internet users have actually dropped offline because they don't like it, up from 13% two years previously.

13. Leisure and Entertainment

We love sports — but maybe not the same ones we were crazy about 25 years ago. Popularity of three of the big four sports — baseball, basketball and ice hockey — has plummeted. What is on the rise are individual and nature-based participant activities like skateboarding (there are more skateboarders than baseball/softball players), kayaking, snowboarding, archery, backpacking and mountain biking.

And golf. No wonder, says the author, that Tiger Woods replaced Michael Jordan as America's most popular male athlete. Look for new heroes, niche sports programming and a whole new wave of services tailored to meet this changing demand.

Seeking another popular leisure pursuit? Well, Internet pornography has 40 million fans in the US alone. We may be turned off by the notion but it's a $57 billion industry worldwide, with over four million websites. What is more, it has been one of the pivotal industries propelling technology.

Or how about video games? Believe it or not, they are now the biggest pastime of adults. The average gamer is aged 33, up from 24, and there are even more adult women than boys 17-and-under who play. The implication of this surprising trend is that we need to see more games — adult, educational and strategy — aimed at this market, says the author. So far, no uptake.

14. Education

A strange thing is happening in the classroom: "redshirting." That is the term used for the practice of keeping college athletes out of regular season games for one year while they grow bigger but it has been borrowed by educationalists for children who are being held back from kindergarten and school so that they perform ahead of their year-younger classroom peers.

If it continues throughout school life, extrapolated out it could have weird consequences — like Middle School sex: teens lose their virginity on average at age 16, which used to mean tenth grade but now will mean ninth. Expect an outcry, the author warns.

The other key education trend is the growth in home schooling, from a few thousand in the 1970s to more than a million today in the US, with growth also in other countries that permit it, like Canada, Australia, New Zealand and the UK.

It’s a classic counterintuitive microtrend, says the author. While schools have
become more complex and parents are spending less time helping kids with homework, here is a group of committed citizens doing the opposite. This creates a growing industry for home-school retailers, but it may also spark a backlash, with fewer teachers and pressure for more legislative control.

15. International

Though much of the author's trend-spotting focuses on the US, he also shows how these trends are mirrored — or not — in other parts of the world, specifically:

- Fragmentation of religions, of which there are now more the 10,000; they are growing by two or three a day.

- Surging foreign ownership of real estate in the US, but no accurate measure exists of how much; meanwhile prices continue to surge.

- Living Apart Together (LAT): monogamous couples who, for domestic, career or sheer preference reasons live separately, two million in the UK alone.

- "Mammonis": Italy leads the way with men who don't leave home — 82% between 18 and 30 still live with their parents.

- Population decline in Europe leads to more single-child families, but will the closer attention parents then give lead to more creative and successful adults?

- Vietnam's success; a nation of entrepreneurs arises from a loosening of the totalitarian ties; the economy is booming and it's the place to do business.

- French teetotalers: though they still drink more than anyone else, wine consumption has more than halved; the industry is in a mess but the French may be healthier and now there's a chance to scoop up bargain wines.

- Chinese Picassos: The value of contemporary Chinese art is growing, while the powerhouse economy is also a key source of mass produced copies. Look out for fakes.

- Russian swingers: the young floating voters who swept away Communism now say a strong economy is more important than democratic freedom. They like having a powerful leader.

- Indian women: Their time has come, as they rise to the top of business, science, sports and the arts. Still a long way to go but, as the second largest population in the world, the global impact of their progress will be profound.
• Educated terrorists: Most suicide bombers and their mentors come from respectable, educated and sometimes affluent backgrounds. What is this telling us about the way we need to counter them?

Conclusion

Microtrends reflect the human drive towards individuality, says Mark Penn. We have seen the original Ford economy (any color as long as it's black) replaced by the Starbuck's economy (any flavor you want) — the multiplication of choice has become the driver of personal expression and satisfaction.

"Some trends are big and obvious and affect most of us," he adds. "But more and more what is shaping the world is a series of powerful desires and forces that are hidden, operating just under the surface. And in those forces are the seeds of unexpected changes."