

2030

How Today's Biggest Trends
Will Collide and Reshape the
Future of Everything

Mauro F. Guillén



Key Trends

1. More grandparents than grandchildren.
2. Middle class in Asia and Africa.
3. Brands driven by Asian consumer.
4. Women as wealth holders.
5. More robots than workers.
6. More computers than human brains.
7. More currencies than countries.

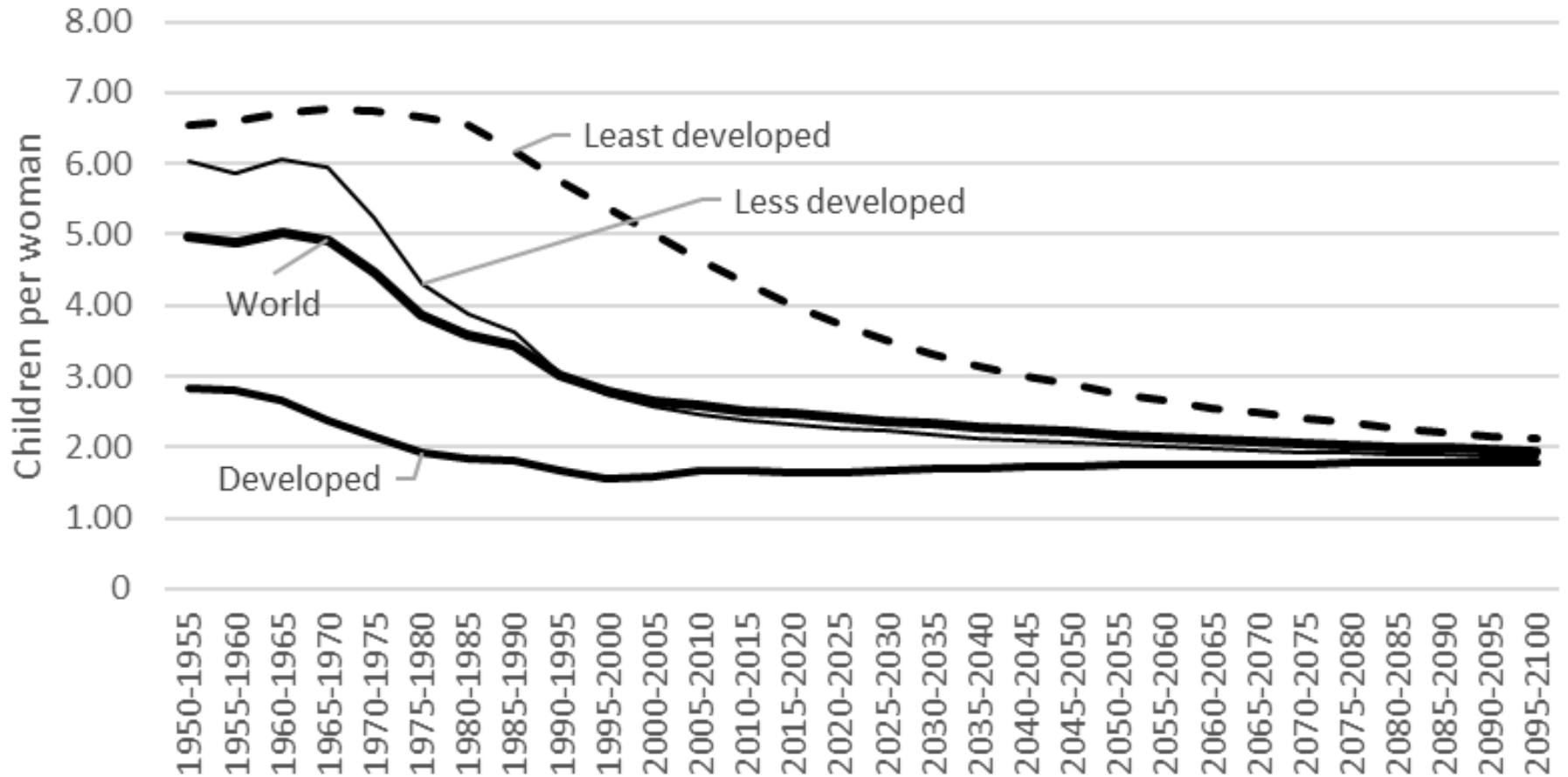
How to establish trends in the midst of Covid-19?

- This pandemic is an accelerator of trends:
 - Population ageing.
 - Rise of East Asian emerging markets.
 - Inequality.
 - Technology adoption.
 - Etc.

(a) Follow the Babies

Declining Fertility

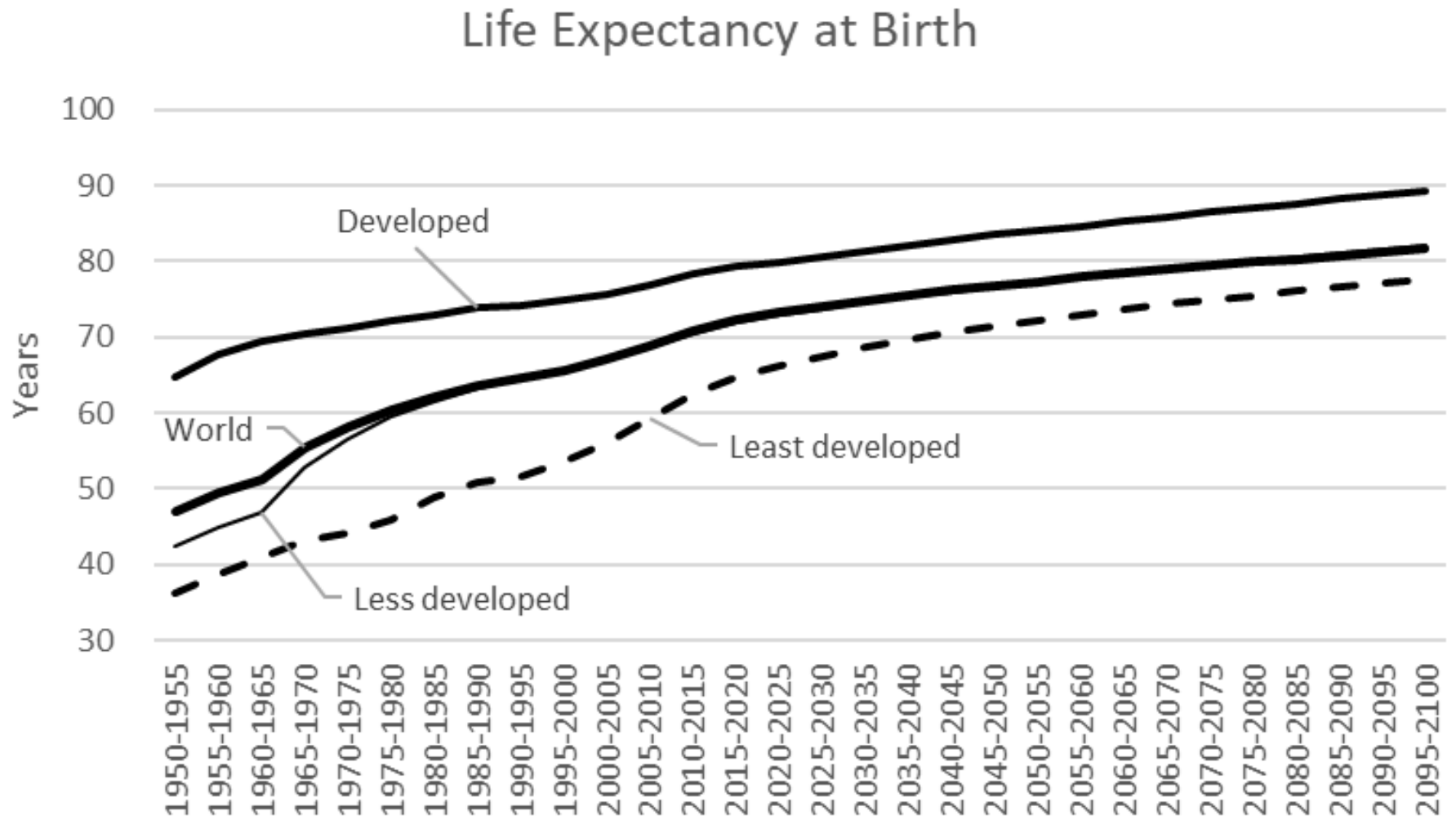
Total Fertility



Source of the data: United Nations, *World Population Prospects 2019 Revision*.

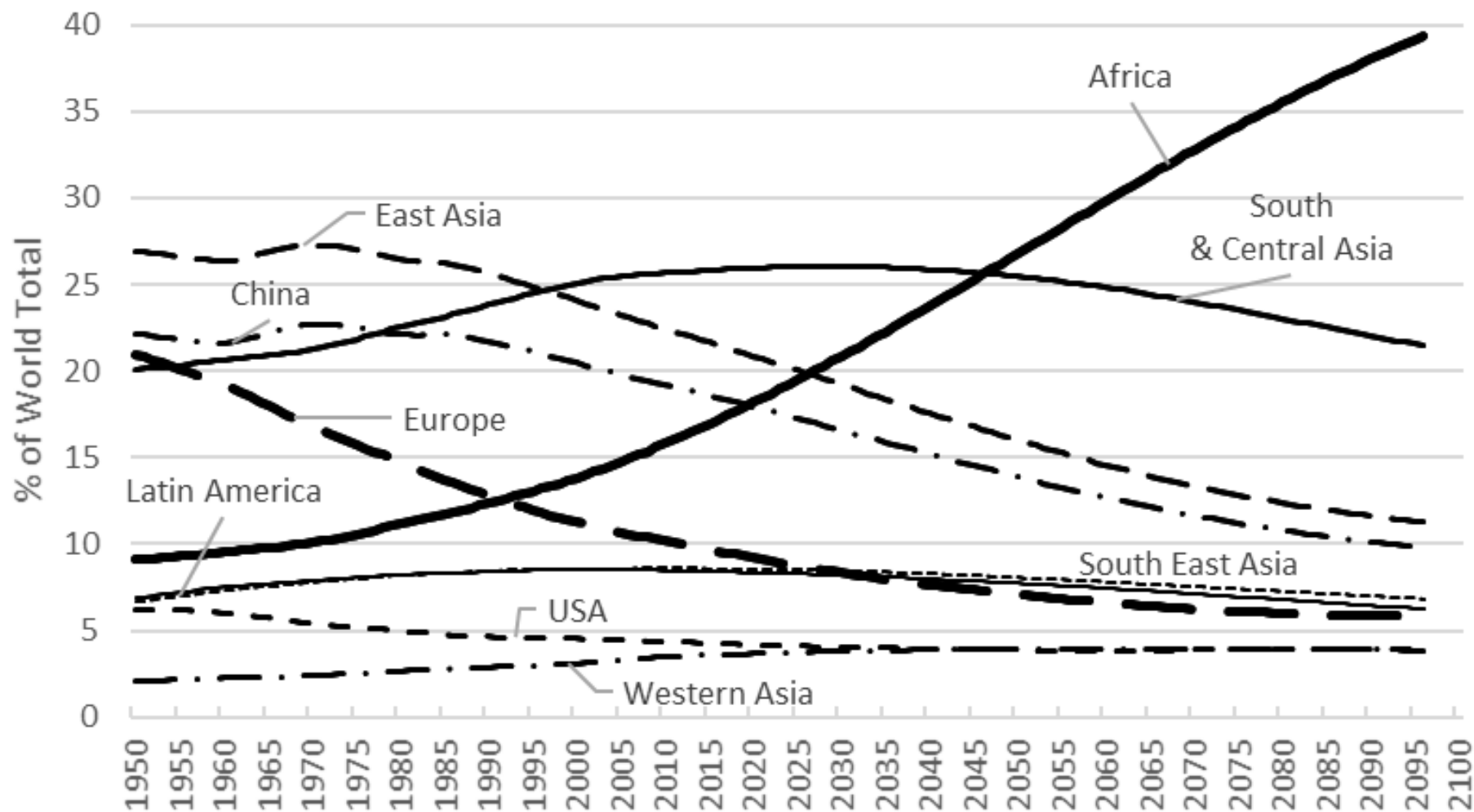
Note: A total fertility rate of 2.1 children per woman is generally considered to be necessary for population replacement.

Rising Life Expectancy



Source of the data: United Nations, *World Population Prospects 2019 Revision*.

Population by Region or Country



Source of the data: United Nations, *World Population Prospects 2019 Revision*.

Largest Populations Age 15-35

(millions)

Country	2020	2030
India	478.1	485.5
China	396.2	337.1
USA	90.4	89.5
Indonesia	86.9	91.9
Pakistan	78.7	89.8
Nigeria	68.1	91.0
Brazil	67.5	62.3
Bangladesh	59.1	58.6
Mexico	42.7	43.8
Ethiopia	41.9	52.9
Philippines	38.3	42.0
Russia	35.2	31.5
Egypt	33.3	38.7
Viet Nam	30.3	27.2
DR of Congo	29.0	41.2
Turkey	26.4	25.8
Iran	26.3	23.9
Japan	24.6	22.8
South Africa	20.4	21.3
Tanzania	20.2	27.4

Population 60+ Years of Age

(millions)

Country	2020	2030
China	249.8	363.5
India	139.6	189.7
USA	75.7	90.2
Japan	43.4	45.7
Russia	32.7	35.6
Brazil	29.9	42.2
Indonesia	27.5	41.8
Germany	24.0	28.2
Italy	18.0	21.2
France	17.5	20.3
UK	16.6	19.6
Pakistan	14.9	21.0
Mexico	14.5	20.7
Thailand	13.4	19.0
Bangladesh	13.1	20.7
Spain	12.3	15.1
Viet Nam	12.0	17.8
South Korea	11.9	16.8
Turkey	11.0	15.4
Ukraine	10.3	10.7

The Gray Consumer

- People 60+ of age will come to represent 35-40% of the population.
- In U.S., they own 80% of the net worth.
- Remember: A 60-yo today stays in much better physical and mental shape than a 60-yo two generations ago.

A New Life Cycle

- Drivers:
 - Longer life expectancy.
 - Technology accelerates knowledge obsolescence.
- Traditional life-cycle model:
 - Four stages: play > study > work > retire.
- New model:
 - People will have not only multiple jobs but multiple careers.
 - Lifelong learning.
 - Companies will need to change.

Remote Work

Pros

- Flexibility.
- Coffee is better at home.
- Ability to manage work/family balance.
- Good for the environment.
- Reduced costs for the company.

Cons

- Loneliness.
- Burnout.
- Stress from lack of work/family boundaries.
- Coordination
- Onboarding new employees.

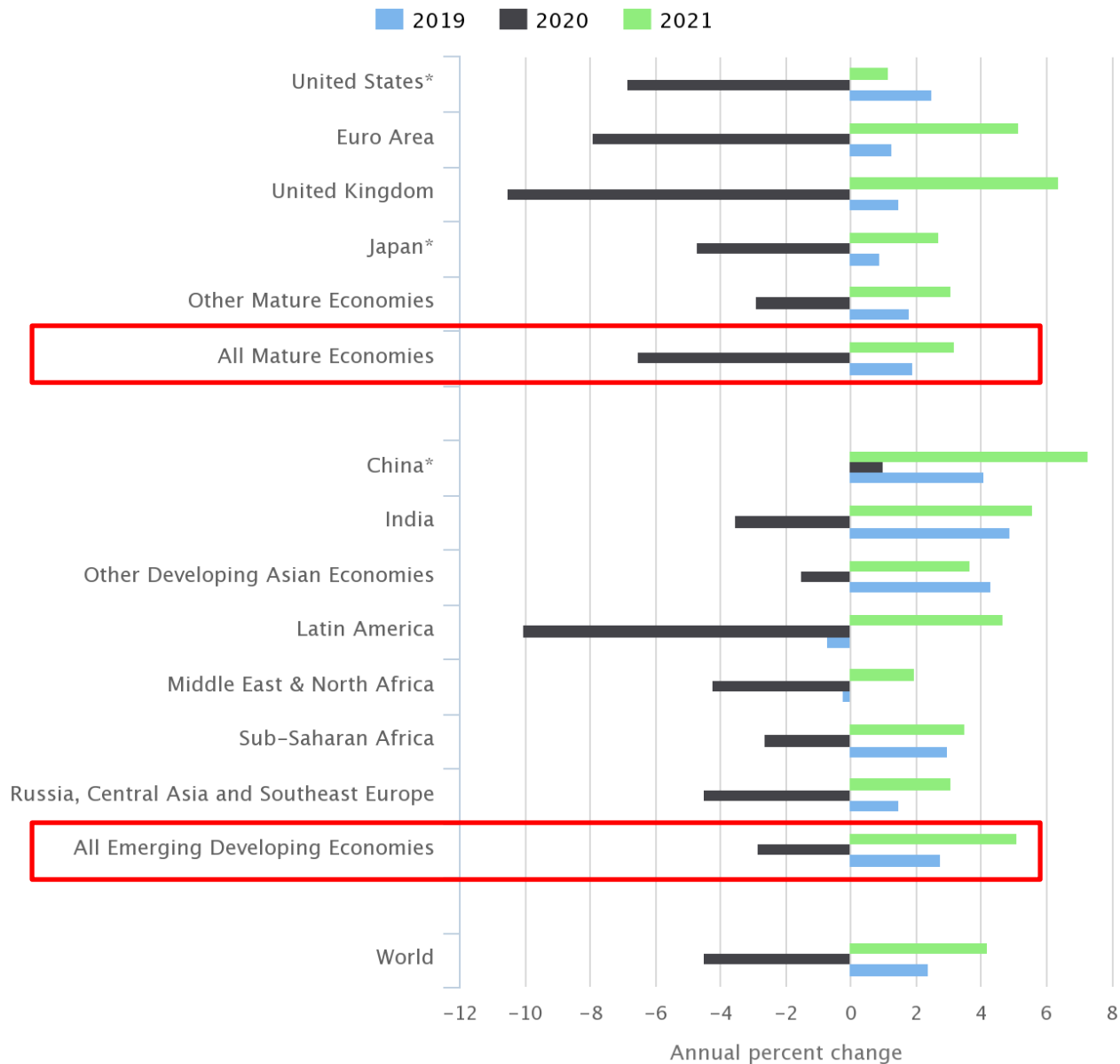


Trade in Tasks & Offshoring

- Trade in tasks occurs when workers perform their jobs from a location in another country:
 - A radiologist interprets an X-ray.
 - A computer programmer creates code.
 - A professor teaches a class.
- Emergence of a truly global market for talent.
- We will see more international trade in tasks → Offshoring of tasks.

(b) Follow the Money

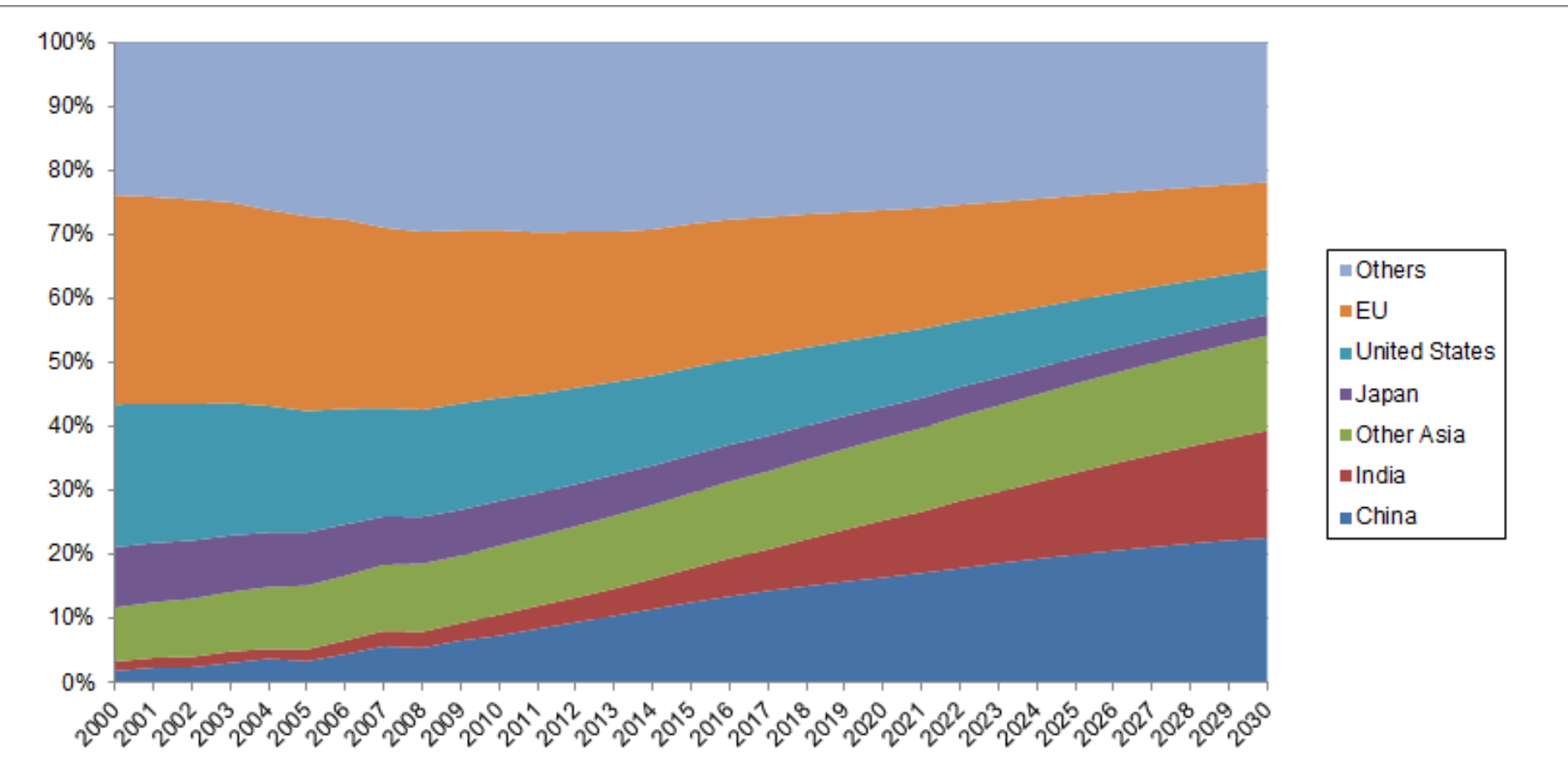
Growth of Real Gross Domestic Product, 2019–2021



Notes: *For more details regarding deviations from officially reported GDP growth rates, as well as a list of countries included in each region, please refer to the methodology tab.

Source: The Conference Board Global Economic Outlook 2020, July 2020 update.

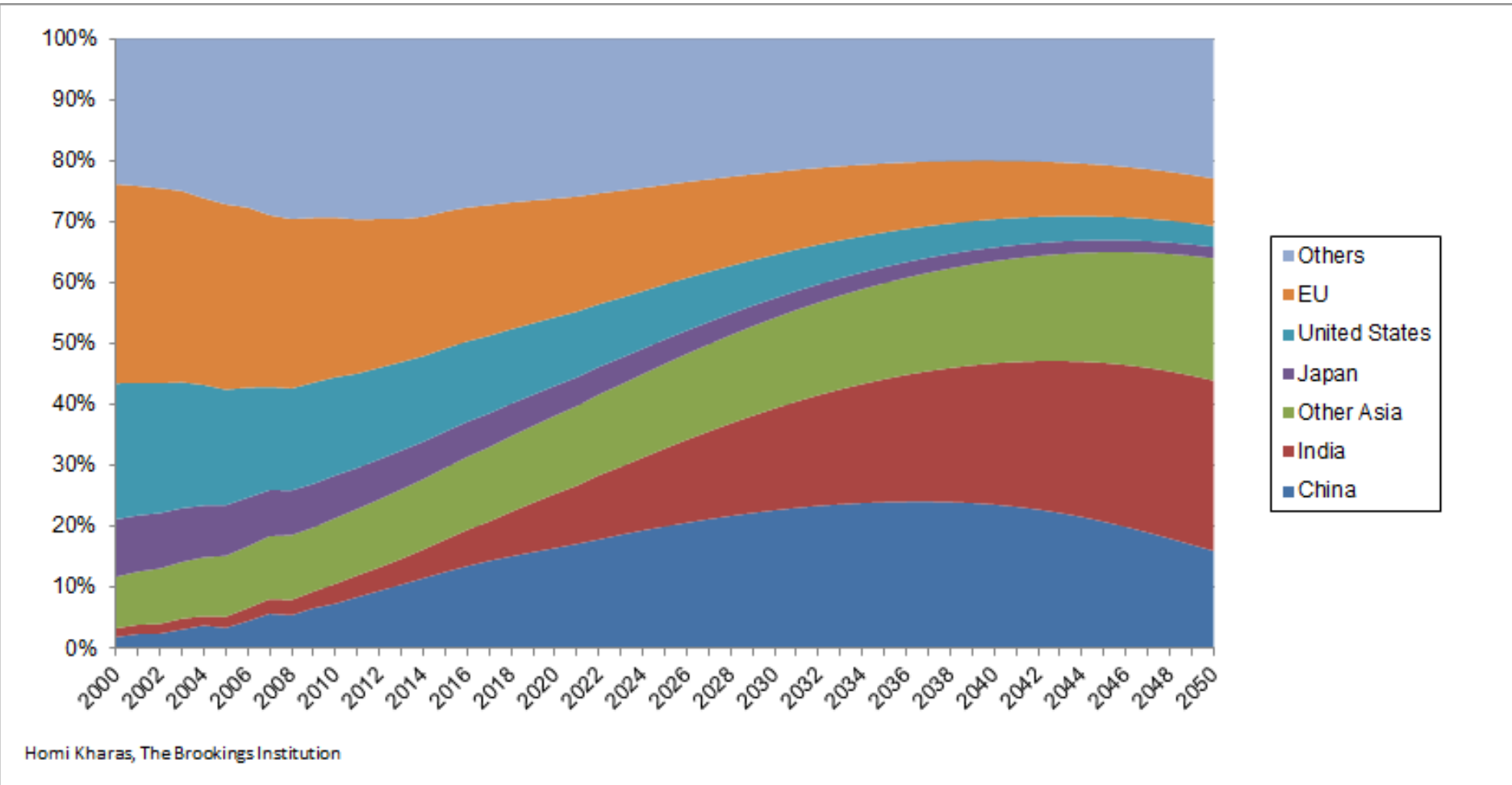
Shares of Middle-Class Purchasing Power, 2000-2030



Homi Kharas, The Brookings Institution

Source: Homi Kharas.

Shares of Middle-Class Purchasing Power, 2000-2050



Homi Kharas, The Brookings Institution

Source: Homi Kharas.

Growth of Middle-Class Purchasing Power

	2018	2030	CAGR
China	6,078	14,802	7.1%
India	2,933	10,745	10.5%
Japan	2,121	2,120	0.0%
Rest of Asia-Pacific	4,876	9,498	5.3%
United States	4,683	4,673	0.0%
European Union	8,155	8,232	0.1%
Latin America	3,969	4,945	1.7%
MENA	1,764	2,682	3.3%
Sub Saharan Africa	913	1,540	4.1%
Rest of the World	3,760	4,386	1.2%
World Total	39,253	63,623	3.8%

Billion USD. Source: Homi Kharas, *The Unprecedented Expansion of the Global Middle Class: An Update*.

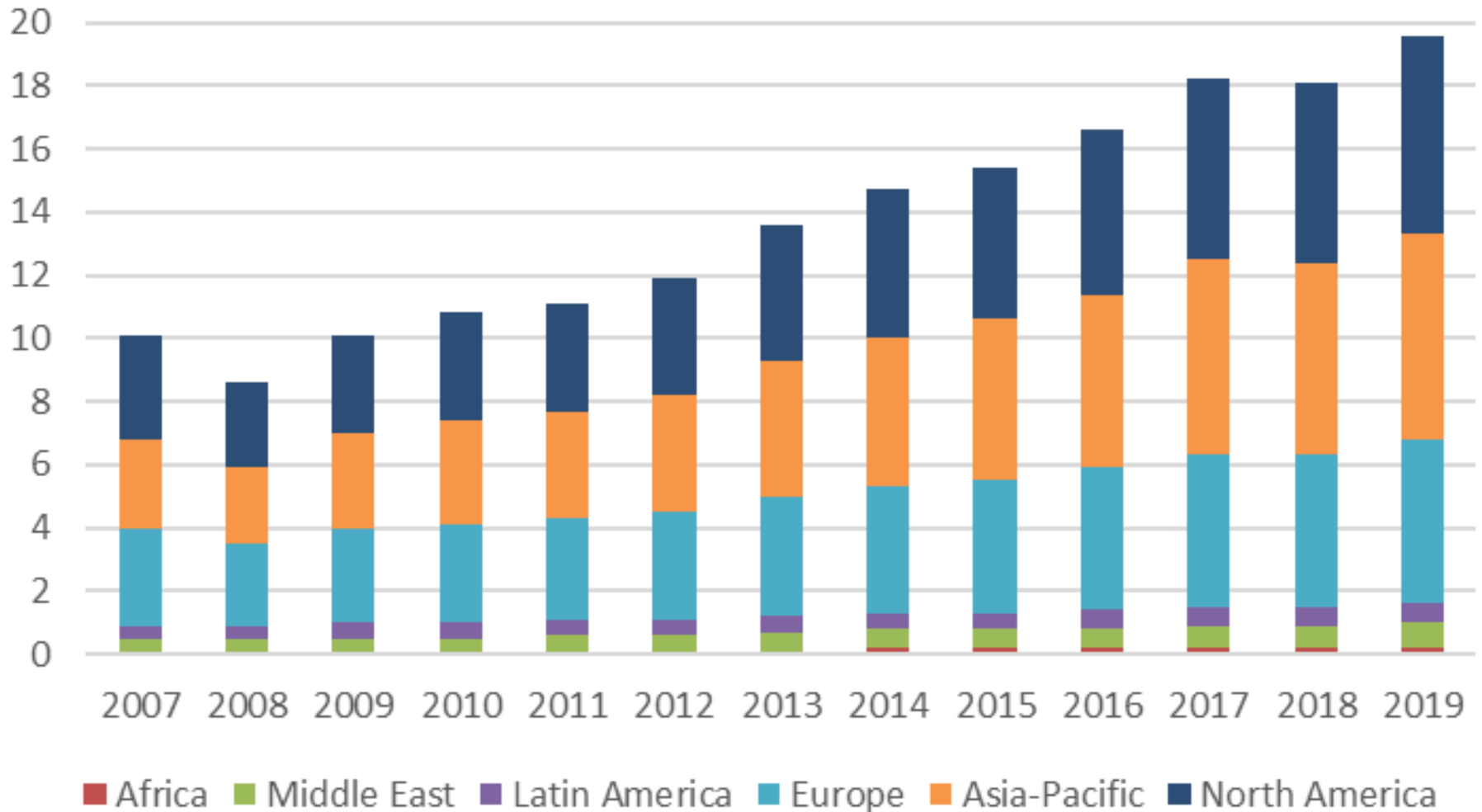
Implications

- Brands: From the American consumer to the Asian consumer.
- Regulation: The largest markets write the rules of the game.
- Geopolitics: Multi-polar world.

Gender

- Women earn more than men in nearly 40% of American households.
- Women's education, earnings, and wealth accumulation potential is growing by leaps and bounds.

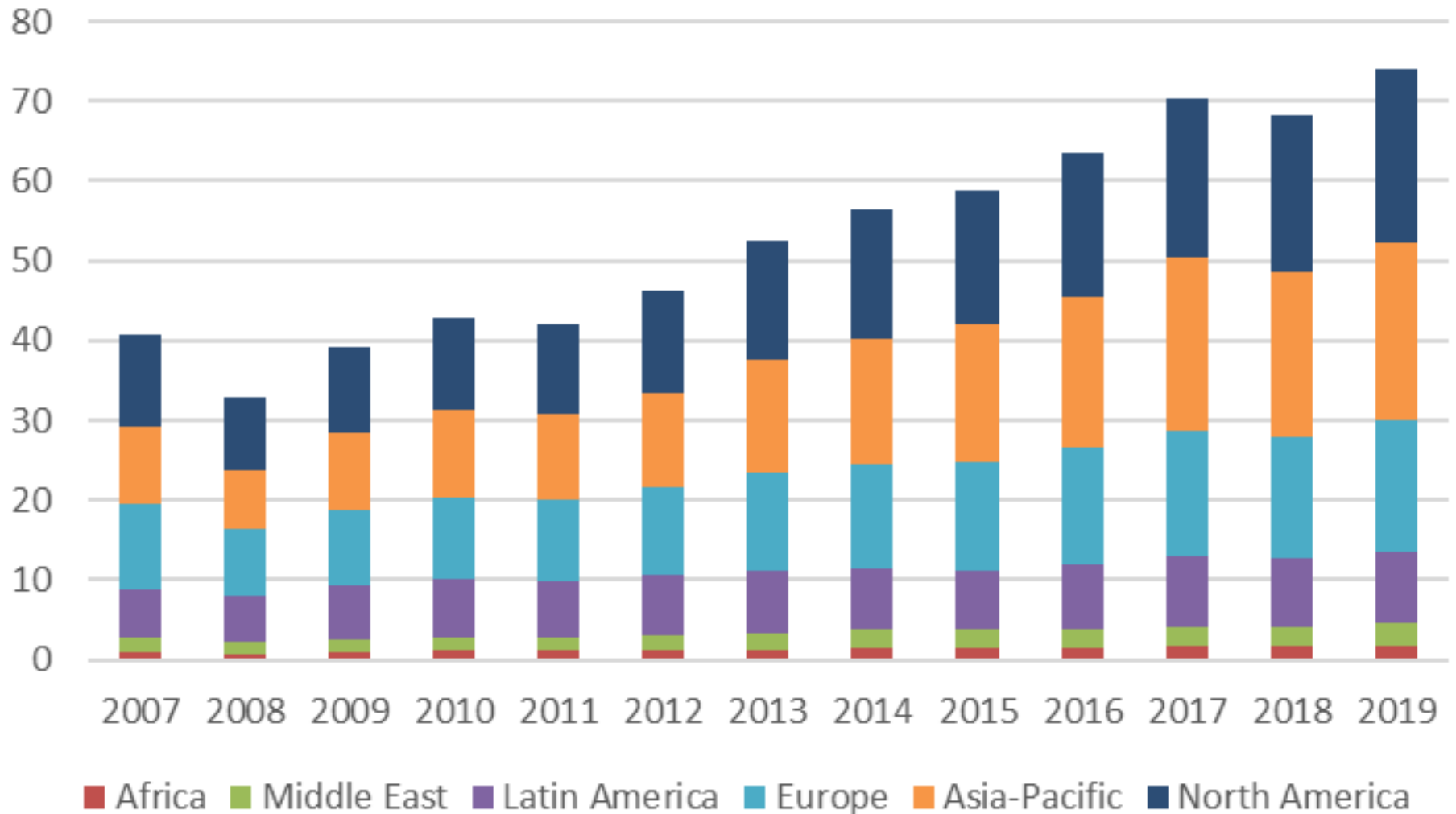
Number of HNWI's (millions)



Source of data: Capgemini and RBC Wealth Management, *World Wealth Report 2015* and *2020*.

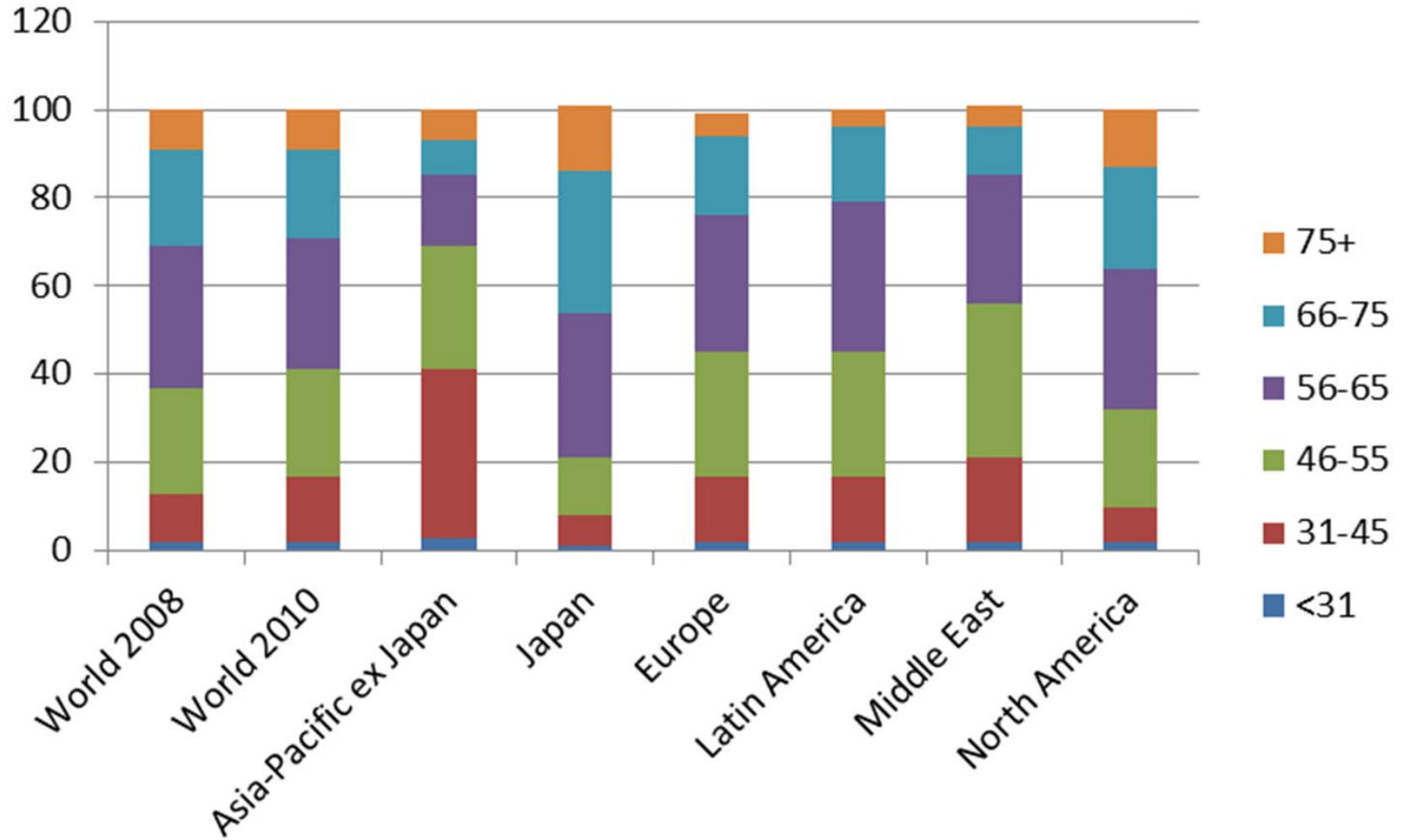
HNWIs (High-Net Worth Individuals): Those with \$1 million of investable assets excluding primary residence, collectibles, consumables, and consumer durables.

HNWI Wealth (in trillion USD)



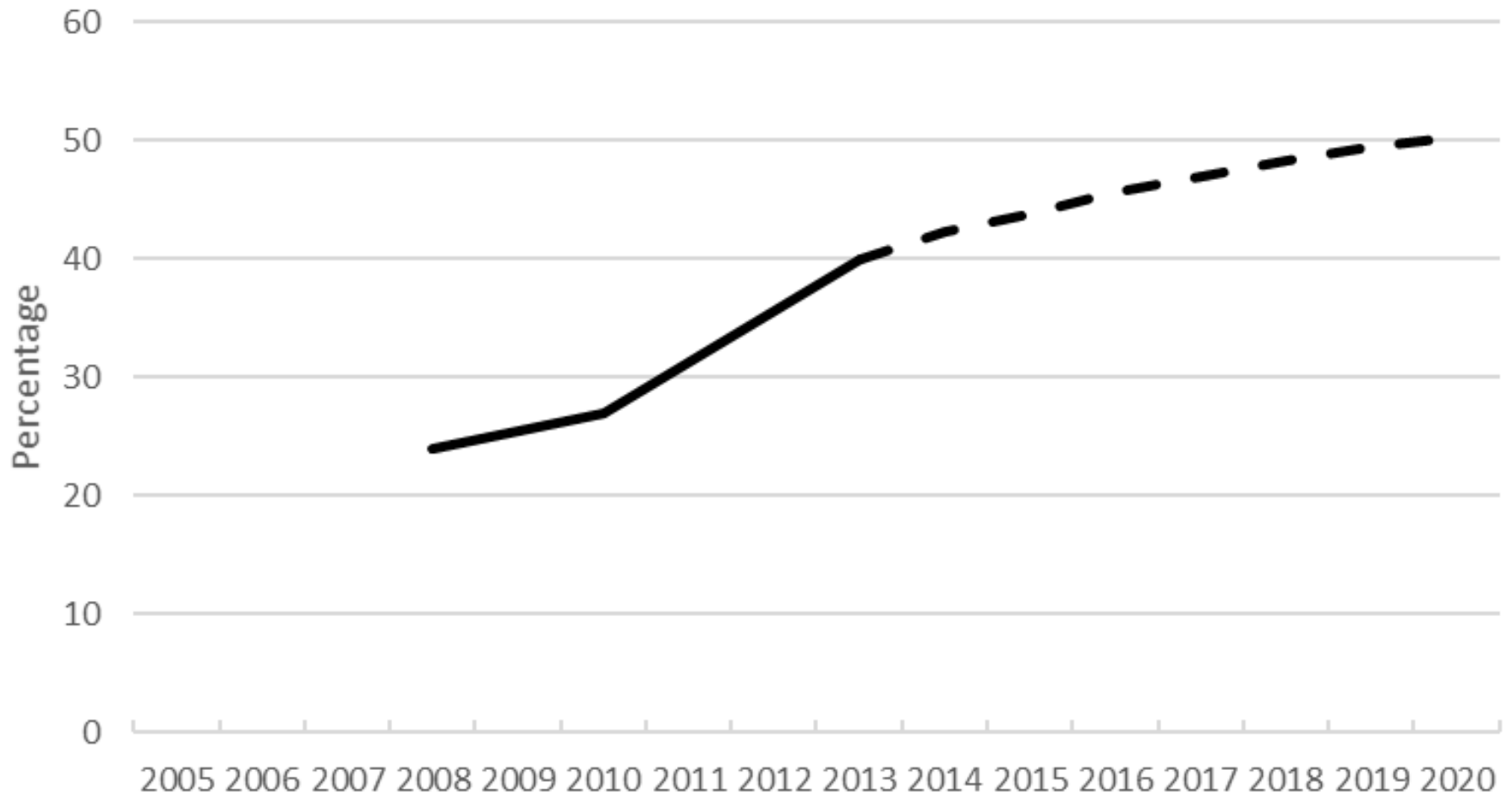
Source of data: Capgemini and RBC Wealth Management, *World Wealth Report 2015* and *2020*.

Millionaires by Age



Source of data: Capgemini/Merrill Lynch Global Wealth Management Advisor Surveys 2009, 2011.

High Net Worth Individuals Who are Women



Source of data: Capgemini/Merrill Lynch Global Wealth Management Advisor Surveys 2009, 2011.

*Capgemini and RBC Wealth Management, *World Wealth Report* (2013).

Gender

- Consumption: education, healthcare, and insurance.
- Savings over the life cycle.
- Investment behavior:
 - Asset classes.
 - Popularity of index funds.
 - The Wilde effect: “Women try their luck, men risk theirs.”

More Robots than Workers

- The service sector: retail, education, financial services, homecare, healthcare, etc.
- Consequences:
 - For jobs and careers.
 - Taxing the robots?
 - Universal basic income?

More Computers than Brains

- Smart infrastructure: transportation, energy, water, homes, etc.
- Internet of Things.
- Blockchain:
 - Government.
 - Inside companies: The end of middle management?
 - Among companies.

More Currencies than Countries

- Only if we embrace “digital tokens.”
- Examples to follow: Estonia, Ghana, Kenya.
- Digital tokens are bundles of:
 - Coupons.
 - Incentives.
 - Smart contracts.
 - Voting rights.
 - Currency.

A Brave New World

- Demographics + Emerging Markets + Tech.
- Call to action:
 - Come to terms with massive transformations.
 - Leadership and organizational preparedness.
 - Chase the opportunities.
 - Make decisions that create options for the future.

Resources

- Visit my website for free sources of information, presentations, and videos:

<https://whartonmgmt.wufoo.com/forms/covid19-resources/>

Online Courses

- Analyzing Global Trends for Business and Society.

<https://www.coursera.org/learn/wharton-global-trends-business>

- Managing the Global Firm.

<https://online.wharton.upenn.edu/leadership-and-management-certificate/>

- Managing in the Global Digital Economy.

<https://online.wharton.upenn.edu/courses-global-digital-management/>

- Globalization: Social, Economic, and Political Aspects

To be launched in the Spring of 2021.

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