

*How is the global financial crisis affecting our beliefs about work, money, the environment and each other? Broadcaster **Libbi Gorr** gathered Australia's top social researchers to get the lowdown on the meltdown.*



WHEN IT
COMES TO THE

CRUNCH

BERNARD SALT trained as a historian and is now a demographer and partner at KPMG, an international accountancy firm.

MARK McCRINDLE is the principal of McCrindle Research. He has a psychology degree and his areas of interest include organisational and social psychology. His main research methodology is focus groups.

DR REBECCA HUNTLEY has moved from ALP policy work and writing a book about young Australians, *The World According To Y: Inside The New Adult Generation*, to become director of Ipsos Mackay, a market research firm founded by social researcher Hugh Mackay.

LIBBI GORR Are hard times necessarily a bad thing for the emotional health of a society?

MARK McCRINDLE Economic seasons are healthy for a society. In a downturn, businesses collaborate, innovations come to the fore and companies work harder on customer service and delivering. It brings in morality and moderation. We can think, "Maybe

I'll just be happy with what I've got", and socially it's a time to reconnect rather than go shopping. A lot of local councils are putting on free community events.

DR REBECCA HUNTLEY There's a sense that there could be an upside to the downturn, as long as it's not too long and deep. We'll be at home, not doing kitchen renovations, but in the vegie patch. In the US, they have sold out of particular seeds – lettuce, tomato – because people are growing their own food. But we already have data that some relationships will come under pressure.

GORR Like the "toxic bride" – the woman who leaves when the guy has lost his money?

BERNARD SALT I hope that's an urban myth.

HUNTLEY Women may justify it according to other reasons. Like, he's lost his equity, but perhaps he's lost his chutzpah in the bedroom.

SALT The fact he's worth half as much is irrelevant?

McCRINDLE The money and the brands are stripped away and we are left as people. Values are revealed.

SALT Could this be divine retribution to correct errant behaviour? Divine provenance, if you like?

HUNTLEY Older generations want that to be the case with younger generations. This was the recession they had to have.

SALT "We warned you, now repent!"

GORR Who bears the brunt of this? Generations X and Y, the baby boomers or self-funded retirees?

McCRINDLE Generation Y. They've had a good run, been demanding in their jobs – "Give me a promotion" and all of that – now the rules have changed and power has shifted back to the employer. They are more exposed because they carry more debt than their parents did at the same age and they started their earning years later.

HUNTLEY Generation X. They left school in the last recession, entered the workforce at a dismal time for employment, and have crawled their way through, waiting for the baby boomers to leave. And just when they think, "OK, we're in our 40s, it's our turn" a recession hits again. The First Home Owner Grant was probably too late for generation X; many were already in the housing market. We still haven't solved things around maternity leave or child care and the

From far left: social researchers Bernard Salt, Dr Rebecca Huntley and Mark McCrindle, and (below) host Libbi Gorr.



Xers then shift that onto the boomers: "Can you look after my child twice a week while I go to work?" While I do agree with Mark on generation Y, I also feel for the boomers. Some aren't as cashed-up as the media would have us believe.

GORR What did the boomers do with their money?

SALT We spent it on housing and funding the lifestyle of generation Y. I don't agree with Mark. This global financial crisis is the first time anyone has looked in generation Y's young, twentysomething eyes and said, "No, you can't have what you want. If you toss in your job and go to London, there ain't no jobs there, either. You just have to work through this." Sometimes in life, generation Y, the appropriate response is not to dump and run because you don't like it. It's to work through a problem, learn and come out stronger the other side.

McCRINDLE This is the recession that generation Y had to have in terms of that character readjustment.

GORR Is generation Y that bad?

SALT, McCRINDLE, HUNTLEY Yes.

SALT The hard years are 33 through to 43. That's

when Australians move from two incomes to one. You want gently ascendant prosperity for that decade. If you are 33 to 38 right now, and on one income with a marriage, mortgage and kids, and your job is at risk, you will spend 2009 and a good part of 2010 lying awake at night stressing. For the boomers, their kids are off their hands, they've paid off their mortgage – OK, so their super is halved compared with 12 months ago, but they were never going to retire on their wealth. They didn't put away enough. They will remain working and continue to frustrate generation X. So it's the Xers I feel sorry for. They're just at the wrong place at the wrong time.

GORR What about the 65-plus contingent who have been so careful with their money and are looking forward to being independent?

SALT The "frugals". They value sacrifice and austerity, and live off their savings. The outlook for them is to re-enter the workforce. Workforce participation rates have increased for those aged from 55 through to 65-plus. But it's light work – not 40-hour weeks and not as CEOs.

McCRINDLE People are more humble now. Little bits of money matter. There has been massive growth in network marketing – the Avon or Amway lady is doing well. That's the community thing again.

GORR Can we still afford concepts such as work-life balance and being green?

McCRINDLE Some parts of work-life will remain, but much is dissipating. Like staff-engagement programs.

HUNTLEY Your pay packet is your staff engagement!

McCRINDLE And buying "green". Consumers see they have a choice between the one that's hyped and green all over and the one that's cheaper – they say "I'll go with the cost-effective option."

GORR Isn't that short-sighted if we're talking about the survival of our planet?

SALT The green issue is a major part of the atmospheric conditions that will prevail next decade. Just look at the language of Barack Obama – creating three million new jobs, and not in a bizarre new energy industry, but in making existing energy greener, cleaner, more efficient. What lies beyond the GFC [global financial crisis] is a restructuring of →

society around clean, green and ethical values – not in a deep green way, but in adjusting what we have. And that could create wealth beyond the GFC.

HUNTLEY Environmental concerns remain, but as secondary drivers: “What is effective, what is useful and will end up saving me money?” Like switching off lights and appliances, and recycling.

GORR Does this apply to green shopping bags?

SALT Those 99-cent green shopping bags are made in China out of polypropylene, which is an oil derivative, to God-knows-what environmental and labour standards. Where are the ethics on that? Where are you thinking globally but acting locally? People assuage their lifestyle guilt with a 99-cent bag and think, “I’ve done my bit.” Why didn’t we investigate biodegradable plastic bags made to Australian environmental standards five years ago? Because – and this is the tokenism in green thinking – even a biodegradable plastic bag is crinkly, whereas a polypropylene bag is woven and it has a smiley face on it.

GORR So how have we changed?

McCRINDLE Authenticity is back in. Anyone who is true to what they are on about will rise. Vacuousness and superficiality are not happening.

GORR What about our desire for luxury items?

SALT How do you now sell Manolo Blahnik shoes? That is a real business need-to-know. How do you sell the unsellable?

HUNTLEY You sell it as an investment. The return of the lay-by! If you are going to buy something, there must be other emotional drivers that justify spending the money. Even, “I’m happy to go on a holiday as long as it’s an Australian eco holiday.”

GORR So what replaces consumerism in our lives?

McCRINDLE The churches are full in the US. If you go back to religion you get security, substance and something that’s bigger than you – God.

HUNTLEY American churches provide a social



From left Dr Rebecca Huntley, Libbi Gorr, Mark McCrindle and Bernard Salt.

“Authenticity is back in. Vacuousness and superficiality are not happening.”

safety network that the government doesn’t provide, such as education programs and mothers’ groups. That’s the other reason for their resurgence.

SALT There’s a big difference between America’s belief in religion and ours. Australians are not great believers. Our comfort emerges in the tribalism of community. We tapped into that with the bushfires. So if you are not a believer, you will find comfort in the tribe – doing voluntary work, participating in sport. Following sport – that’s tribal, and with relatively cheap pricing points.

HUNTLEY The great Australian religion of sport. The whole family can do it; you don’t need a babysitter.

SALT But there is a new morality: if you’re paid at a certain level – whether in sport or as the head of a bank – there’s a certain behaviour we expect.

GORR Has this meltdown shown us to be man as master of his own destiny or merely manager?

McCRINDLE It’s a key reminder that as humans we’ve made some great developments, but we are anything but in control of our destiny.

HUNTLEY People may think man is master of his destiny, but they know it’s not an Australian man. We’re so linked to the world that we could all be doing the right things, but it’s not going to make a difference.

GORR So is it all about resilience?

SALT, McCRINDLE, HUNTLEY Brazilians?

GORR Resilience.

HUNTLEY Oh. But as a sidebar, according to my beautician, Brazilian waxes are out. Too expensive. Women are asking, “Which treatment makes me feel happy? My pedicure or facial?” and Brazilians are gone, because women often do it for the guy.

SALT “Resilience” has to be the trendiest word at the

moment. Listen to any politician and their sound bite. I don’t think they know what the term means, but it sounds intellectual. Of course we need resilience.

HUNTLEY Which translates in our research to, “If this is going to happen, we might as well be in Australia because we’ve got beautiful weather, and a basic safety net with, say, Medicare.” The old “She’ll be right, mate” is coming out.

GORR And will she?

SALT Ultimately, yes. We’re a young, dynamic and growing country with lots of resources, and the only nation on the planet to control an entire continent.

McCRINDLE But it may not be business as usual. It’s a time of transition to something new, rather than a blip and then back to the old.

HUNTLEY Something else could happen. For Australia it may be water and land. The country that we think is so abundant and giving, and the mining industry that we think will be the engine of prosperity, may not be. Life may not be the same.

SALT It’s time for the boomers to move on. In this new world we need to discover how generation X will evolve in order to inherit the earth. ●