

Energy, Energy Everywhere

April 29, 2003 – presented by Dr. Lowell Catlett

Are you letting a 69 million pound elephant slip past you? Dr. Lowell Catlett, futurist and professor of economics at New Mexico State University, says most of us are! In his dynamic and entertaining presentation entitled “Energy, Energy Everywhere,” broadcast live on CTN from the Southern Gas Association’s Management Conference in San Antonio, Texas, Catlett described the effects of the baby boomer population on our economy and business and marketing trends.

Catlett frankly says today’s economic “woes” are more a product of media hype than reality. He says that the economy of 2001, which was dubbed a recession and exacerbated by the events of September 11th, still delivered growth of three-tenths of one percent – Catlett admits it’s small, but growth nonetheless. He says we have a huge economy, and he used many creative metaphors to demonstrate the depth of our nation’s wealth and the small impact of many of today’s media-proclaimed crises.

Dr. Catlett then went on to explain that as a whole our nation has established a “culture of affluence,” where we have money to provide for things that are just beyond the basics, and that the baby boomer generation has created a “culture of retirement” – the expectation that we *get* to retire. In fact, Catlett goes on to say that many of today’s greatest business opportunities lie in catering to the demands of the large and aging baby boomer population. As baby boomers age they demand more quality in everything and demand higher levels of service, so businesses that learn to differentiate themselves from their competitor will offer both high quality and service.

Today’s population growth is no longer due to birth rates, but immigration, and census data bears this out as Hispanics now top African Americans as the largest minority group in the United States. Catlett points out that country music sales fell 14 % last decade equal to the decrease in the white male population (-14%). He says today Ricky Martin outsells country music due to the Latino population’s influence on the marketplace. As the labor pool growingly reflects the changing population, Catlett points out that the immigrant work ethic and goals will influence employment incentives and benefits programs. For example, he cites that immigrants typically own a home within 5 years, while “natives” take 7 years to own a home.

In 2003 more women than men attend college, and today, 44% of all businesses are run by women, meaning the educated labor force (women) are moving toward owning their own businesses and in the future will not be available in the labor pool. Catlett says successful businesses will be in tune to these changes and learn how to avoid the pitfalls of the changing labor force.

Catlett goes on to identify other trends in our society – trends he says have potential marketing implications:

- People are having fewer kids,
- People have more free time,
- People are substituting children with more hobbies and pets,
- 32% of households have children, and
- 62% of households have pets.

Catlett says companies that learn to cater to people’s growing affluence, diversity, demand for quality and service and who offer convenience and recognizable brand names, trademarks and reputations, will reap rich rewards in our growing economy.

So what are the implications of all this for the energy industry? Better catch that 69 million pound elephant and build him a heated, air-conditioned, well-lit, comfortable house in the backyard! In all seriousness, our culture continues to require more and more energy and we need to be aware of the trends, and we need to be intentional in our planning efforts to meet the growing demand.