THE LEISURE ECONOMY

How Changing Demographics, Economics, and Generational Attitudes Will Reshape Our Lives and Our Industries

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For Madeline

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INTRODUCTION: A EUROPEAN LIFE

"It's kind of embarrassing to talk about," says Kerry, sipping her latte and looking surreptitiously around the exclusive women's club where she and her guest are practically the only people in sight at 11:30 in the morning. "It's not something I think people will understand." A forty-something second-wave boomer with a husband and three kids, she gives the impression that she is about to confess to secret alcoholism or perhaps an affair with her son's soccer coach. As it happens, her secret is one that is discussed much less than is adultery in the soccer-mom set. "I have a lot of leisure," she whispers. "I started this wanting something I thought of as a 'European Life' even though I wasn't really clear on what that meant, and unbelievably, I got it. I have a great career and I have time too. I'm not time-crunched the way I used to be."

"This" refers to her decision to leave corporate life for self-employment: there's nothing embarrassing about that. Kerry can be forgiven, though, for thinking that people would be shocked by the rest of her story. In a world where being time-crunched is a status symbol, admitting that your obligations take up less than every working hour of your day is not something that you want to reveal without knowing your audience. The time crunch is what makes our lives, and our economy for that matter, go round. Opting out is going to be viewed as pretty suspect.

Kerry remembers the switch away from the time-crunch economy as being almost violent in its difference from her former life. Armed with an MBA and a couple of decades of working in corporate finance, she made the leap to management consulting when it seemed that her teenage children needed her to be around more than her executive position at a bank allowed her to be. The first thing that shocked her was that life went on outside of the office. “I’d sit and look out the window,” she says, remembering how different it felt to be in her own neighborhood rather than in a glass-and-steel tower. “It felt so weird to not be tied down to having to be in a certain place between 9:00 and 5:00, or more like 8:00 and 6:00.” Eventually, her consulting clientele grew enough that she brings in roughly as much money as she did in her prior career. But if she has matched her previous income, she has not gone back to her old working hours or her old time crunch. “I love this,” she says. “It’s hard to describe. I would never, ever go back to the kind of work I had before … well, okay maybe if my family was starving or something. But this is such a strong feeling, and it is something I absolutely cannot talk about with friends who are still in the corporate world.”

For years we have been living in a time-crunch economy. You can see evidence of it wherever you look. Commuters start their treks before sunrise, toting special coffee cups that fit right into the cupholders provided by auto manufacturers. Workers use their breaks to arrange rides for their kids to get to their soccer games, and arrange to pick up other kids on the days that they are in charge of the car pool. Dentists offer appointments at 7:00 in the morning, or 7:00 at night. Fast food, frozen food, restaurant food or simply skipping meals has replaced cooking. For every person who makes it to the gym on a regular basis, there is another who uses the elliptical machine they bought in January as a handy place to hang laundry. “I’m so busy you would not believe it,” is the sincere lament of millions. But it’s said with a mix of exasperation and pride.

Some of the hallmarks of the time-crunch economy are negative, but not all. In fact, many are positive. For decades now, we have had a huge majority of the population working—and working ever longer hours. In many ways, that has been great for the North American economy. The time-crunch economy moves a lot of merchandise too, from the cupholders to the three-hour spa passes that fit the consumers' need for de-stressing (from all the other activity) and the efficient use of time (forget getting away for a full day). As for whether it is better to eat at home or eat out, that's a value judgment, but plenty of people would agree that spending less time in the kitchen can only be a good thing.

But what if, no matter which is better or worse, more people chose to be like Kerry? What if a lot of people suddenly had a lot more time? What if a lot of people wanted a lot more time? What if they started making decisions not on the basis of speed—choosing things that can be consumed or done fast, or which let them do things faster—but on other values? The results would be radical. These consumers would give us a "leisure economy," and it would affect everyone from workers to investors to businesses to governments.

In fact, the leisure economy is already in progress, and over the next couple of decades it will only gain steam. If you want to be ahead of the curve, you have to understand why it is happening and what the possible fallout from it will be. Concentrate too much on the time-crunch economy and you may be missing the biggest economic shift to hit North America in decades.

The premise for this book came out of a series of presentations I did for clients, many of whom work in the leisure industries. Preparing a keynote address for a group of large golf course operators, I found that one of their main problems was that people were too time-crunched to play golf; consequently, many were choosing nine holes over 18. Accordingly, the golf course operators had shifted their resources to accommodate them. I looked at who was playing the most golf—the industry calls them "core" golfers—and realized that they were heavily skewed towards those in their 50s and older. Using some demographic projections and doing some straightforward calculations, I realized that their problem in a few years might be accommodating all those who want to not just play 18 holes, but maybe linger a while after their games. Continuing to serve the time-crunch economy would not serve the golf operators well.

But the leisure economy is not just about demographics, which we already know is effecting big changes in North America. People in general want more time, and not necessarily to play golf. In many instances, that means time away from the workplace. Workers want to telecommute to avoid the pile-ups on the highways. Working parents want flexible work arrangements so they can spend more time with their children. Workers of all ages want six months off, not two weeks, so they can trek through Asia rather than spend a couple of weeks at the cottage. Many are willing to sacrifice a chunk of income to get it.

As I realized that the leisure economy was already taking shape, I also saw that it had a strong generational dimension to it. Baby boomers are creating the leisure economy because they are being forced into it. Although many plan to work forever, many are also seeing the day when they will leave their nine-to-whatever existences and have to craft different kinds of lives. Even for those who have embraced life after work, many are going to experience the same trauma of not being time-crunched that Kerry described. As a generation, they are going to have more time.

What the post-boom generations want most seems to be "not to be like the baby boomers." That was especially true for the tail end of Generation X and for Generation Y—basically those from their teens to 30s—who are determined to have lives that incorporate a menu of interests, from work to family to volunteerism to hobbies. After all, they have been brought up being encouraged to try out soccer and ballet and art appreciation camp and dozens of other activities. Many do not want to be pigeonholed into the baby-boom model of what they see as workaholism at the expense of everything else. Now, it is certainly true that it could be the naiveté of youth that is coloring their views, and that the need to pay off student loans and get started on their mortgages may soon beat the desire out of them to keep snowboarding. But unlike other generations, theirs is going to have a unique opportunity to wield some economic power. Baby-boom retirements, after all, are going to give them some power in the labor market. What if they use some of that power to get time off, rather than just more money?

Based on what I learned from listening to people, I boiled my observations down into two questions that I posed to myself for every client I spoke to: first, what if people had more time? Second, what if people wanted more time? I asked these key questions when I spoke to operators of private clubs, who had been suffering much the way that golf course operators had during the time-crunch years. I looked at the demographics of the aging population, but also asked what would happen if Generation X and Y decided that they wanted to carve out more family time. Could the clubs find a way to lure them in? I asked these questions when I spoke to a group of accountants from a government agency that was planning its workforce strategies for the next decade. They knew well that their workforce was aging and that they needed a plan to deal with it. But what they had not thought of was the different ways that the younger generations view their leisure time. If Generation X was more family-oriented, would it work to offer them more money to take the positions the boomers were vacating? Gen X parents want time, not money, and are likely to go to the organizations that provide it. I asked it too when I spoke with retailers. To a group of drugstore operators I asked, "What if people had time to hang around for longer than it takes to fill a prescription? Are you offering services that would make people linger?"

The questions are simple, but radical, too. After all, we have spent decades accepting that we have less and less time, and our economy has grown around that. That the leisure economy is just around the corner is a hard concept to grasp, but it's an important one. You need to understand the leisure economy if you run a business. If you have been serving a market that wants instant everything and speed over quality, then you need to start thinking about what consumers who are *not* time-starved want. If you are an investor, you need to understand this. Your portfolio needs to be diversified to include more than stocks and bonds and money market instruments: it needs to include companies that understand the leisure economy as well as the time-crunch economy. You need to understand it if you are a manager. It may have never occurred to you to ask, “What if people want more time?” Or if you have, you might have answered, “Who cares, anyway?” If that’s the case, chances are you’re a baby boomer; you need to understand what the next generation of workers want now and are likely to want as they ascend in the labor force. If you are a worker and a consumer, you need to understand the leisure economy and your part in it. Some things will change for you in the coming decades—making the most of those changes will put you ahead of the curve.

There are some important caveats to keep in mind when we talk about the leisure economy. The first is that not everyone is going to be part of it. After all, not everyone has been part of the time-crunch economy. There have always been retired people who have time on their hands, as well as those who can afford not to work or can afford to buy so many services that they are leisure-rich even with demanding jobs. But the time-crunch economy is different. Since the 1970s so many baby boomers have become part of it that it has exerted a huge economic influence. It will be the same with the leisure economy that will emerge as the baby boomers retire. The leisure economy’s power may not even lie in the percentage of the population that is part of it, but rather in its growth through the number of people who shift towards it.

The second caveat is that the leisure economy may be inequitable, when it comes to income distribution, and that is going to create problems in itself. There are huge income disparities within North America at present, and they have been growing larger over the past decade. There are also huge wealth disparities within our population, and more specifically within the baby-boom population. Some boomers will be able to retire when they want—whether early or late. Their leisure economy will be a glittering place if they want it to be, complete with treks to Nepal or spending thousands of dollars to acquire the right piece for a newly acquired model train hobby. They’ll work a little if they want to, and not work at all if they do not. Other boomers will have to work far more and longer than they ever planned. Their leisure economies, when they finally get them, will be much more modest in scope.

The income and wealth disparities will also touch the post-boom generations. Generation Y may want very much to try self-employment, or to take chunks of time out of the labor force as they raise their families. Many are saddled with student debt, or simply find themselves with the wrong skills to make big economic strides in any kind of a hurry. The idea of getting a piece of the leisure economy may seem like a joke to them too. For others who have had parents foot some of their school bills, or who make fortunate career choices, the desire to "not be like the boomers" may well be fulfilled. All in all, it may make for some inter-generational envy, and some cross-generational envy too. Even as we move to the leisure economy, plenty of people are going to feel as time-crunched as ever. Of course, that will be true for those who are still in the throes of the time-crunch economy—families with two working parents and a gaggle of activities to taxi the kids to—but also for others who seem to have exited the time-crunch economy. Plenty of retirees will tell you they don't know how they ever fit in working, given that their post-work lives seem to fill up all of their available time. Picking up stamps takes longer if you make it into a separate errand, rather than one of 15 other things you have to do on your way home from work.

But perhaps most important is the fact that our time-crunched habits are going to die hard. The baby boomers, in particular, are used to having a dearth of time and may be tempted to schedule all available hours with consulting work or book clubs or fencing lessons or creating their new blogs. Many will say that they are as time-crunched as ever. But the point of the leisure economy is that these same boomers will indeed be branching out into all of those things, maybe even including waiting in line at the post office. We may even have the leisure economy concurrently with a version of the time-crunch economy—but it will be a very different version. Don't rule out, either, that once the baby boomers discover the joy of leisure, they will make it their next big thing, just as they have done with rock music, bell bottoms—and workaholism. Then too, many in the post-boom generations want to be done with the time-crunch economy, and in many ways, they will be the ones in the driver's seat. If they succeed even a little in shifting away from the time crunch, the results will be dramatic.

You'll recall Kerry, who was happily living "The European Life" but was embarrassed to reveal that she was less time-crunched than she used to be for fear of being judged as a slacker. In fact, Kerry is ahead of the curve. A decade from now, anyone who talks about how over-the-top-scheduled they are might be thought to be a behind-the-curve loser. That's a heady change about to take place, and as it takes shape, everything in its midst will change too.

1

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— *Amazon.com description of The Thinkbin Family Wall Calendar 2004/2005: The Perfect Organizer for Busy Families, Large Deluxe Edition*

"Three kids, three activities each, every week. That means soccer and T-Ball on Monday and swimming and music on Saturday—those are the double days. The other days are only single activity days. And we both work full time, of course. Theoretically we both get home in time for dinner at 6:30, but at least a couple of times a week one of us leaves the office late, and at least a couple of times a week one of us gets caught in traffic. I volunteer for a ton of activities at the kids' schools—I guess it's partly out of guilt, because I can't be the one to take them to school every day. And I help out at the Sunday School too—we decided we wanted to take them to church, but if we were going to do that, we had to be involved." Thirty-nine-year-old Allie,[1] a technical sales executive and the mother of three boys, barely pauses for breath as she rattles off her description of a typical week. "Leisure time? None. Absolutely none, not for us, or for me anyway. We are filled up, and over-scheduled and over-stressed every single waking minute of every day."

As she speaks, Allie gestures to the calendar stuck on her refrigerator amidst the hodgepodge of photos, kids' artwork, school permission forms and take-out menus. It's not the kind an earlier generation got free from the local savings bank, with a neat square for each day of the week and just enough space to note the day that the milkman needed to get paid. Allie's calendar is a serious study in organization, as indeed befits her advanced degree in computer science. The full-page photo that graced her mother's calendars is gone, freeing up two pages' worth of date blocks for each month. Each of those are divided into morning and afternoon sections, and within each of those segments are five separate rectangles—one for each member of the family. To further differentiate everyone's activities, Allie uses different colors of ink, too. Red is for doctor's appointments, blue is for school activities, green is for sports and black is for social events. Still, without looking carefully, it is hard to distinguish any particular hue. The calendar is a literal kaleidoscope, illustrative of the kaleidoscope of activities that is family life today.

Allie's refrigerator is not an anomaly. Calendars with names like "Mom's Family Organizer" or the "15-Month Super Family Organizational System" are everywhere, all with lots of squares (some even include stickers, with pictures of planes to denote trips, or soccer balls to mark "game days"). They are in kitchens across North America, with the appropriate scrawls across them. Stationery stores do a brisk business. Indeed, for households like Allie's, picking up a calendar around New Years is more important than stocking up on hats and

1. All names have been changed.

noisemakers. In a time-crunched society, navigating tools like fancy calendars are a necessity.

And a time-crunched society is what we are. The numbers actually tell a jumbled story, some actually suggesting that North Americans are awash in more leisure time than they have ever had. But the numbers lie: the proof is in the economy. From the growth in packages of pre-cut apple slices to the advent of online bill paying to the surge in home cleaning services, business initiatives that save people time have been the success story of the past two decades. If not everyone in North America is time-crunched, a big enough chunk of key consumers certainly are, and the economy has effectively been reconstructed to fit their needs. The lack of time is, in a sense, an important economic driver, one that has shaped the North American economy as much as population or income growth.

Despite the evidence, a debate still occasionally erupts as to whether we are actually time-crunched or if it's just fashionable to pretend we are. In fact, both are true. We are time-crunched, and, oddly, many of those who are time-crunched see it as a status symbol. The time crunch is mostly a problem for the affluent, which is why it has created so many business opportunities to serve the needs of a world where leisure time is the scarcest resource.

MEASURING LEISURE TIME

By definition, being time-crunched suggests that we have a lack of leisure time in our economy. Like Allie, we have so many things scheduled that we have no time left over to do things that are relaxing. But the issue is muddied by the fact that part of what is crowding the calendar is a plethora of leisure activities. So coming to terms with exactly how time-crunched we are should perhaps start with a definition of exactly what we mean by "leisure." Strangely enough, although there is a society-wide perception that we do not have much of it, there is no single accepted definition of what leisure actually is.

The strictest economist's definition of leisure pegs it as being the opposite of labor market work: basically all non-labor market activities in which one's labor services are not exchanged for money.

In economic analysis, the decision of whether to take a job is often described as making a decision between work and leisure. By this measure, an individual who chooses to stay out of the labor market is said to have chosen leisure, no matter whether he is spending his time watching television or studying medicine.

And indeed, much of the dearth of leisure that we feel comes from the fact that we devote such a large part of our lives to our jobs. In North America, as in most industrialized countries, the percentage of the population that works at paying jobs has been increasing since the end of the Second World War. As of 2006, about 66 percent of all Americans and 67 percent of all Canadians—up from 59 and 54 percent respectively in 1960—were in the labor market. Family households are also much more likely to have both parents working—by no means a bad thing, but stressful for many. Still, although there are more people working, there is some evidence that they are working fewer hours than they used to. By most conventional measures, the average workweek has not increased over the past several decades. According to the U.S. Bureau of Labor Statistics, in 1970, the average worker was putting in about 37 hours a week. In 2006, that had dropped to 33.9 hours.[2]

But the government statistics may not accurately gauge work and leisure hours. For example, a contrasting view of work versus leisure comes from economist Juliet B. Schor, whose thoughtful book, *The Overworked American,* was first published in 1992. In the midst of a devastating recession and with consumer and business confidence flagging, Schor put forth the thesis that Americans were more overworked than they had been since the 1960s. One of her assertions hit a national nerve: she suggested that Americans were putting in an extra month of work every year compared to how much they had worked a couple of decades earlier. According to her calculations, in 1969 workers worked an average of 39.8 hours a week. By 1987 (the last year of data she had available) she calculated that the average workweek had risen to 40.7 hours. Schor also asserted that workers were putting in whole weeks more of work per year, too. She detailed 47.1 workweeks

2. U.S. Bureau of Labor Statistics, average weekly hours of production workers derived from the Survey of Employment, Hours and Earnings.

in 1987 compared to 43.9 in 1969. Putting the two trends together, gives you the extra month of work.

Schor's work continues to be the subject of some debate. Rather than using conventional datasets available from government sources, she created her own model, using some government data as inputs and then making various statistical adjustments to the figures.[3] As she noted at the time, her figures were at odds with the data from the establishment survey of employment, which showed that over the period, weekly hours actually fell and paid time off rose. However, she suggested that the official figures did not take into account the fact that moonlighters were on the rise, nor the fact that the number of weeks worked per year was also increasing. Since her original publication, the Economic Policy Institute in Washington has continued to update her model. Their data show that by 2000, American workers were putting in about 1,878 hours a year, or about five weeks of work more than they did in 1973.[4]

Still another way to check for a leisure shortage is to look at holidays. It is indisputable that North American workers get scandalously little vacation time. According to a survey by Expedia.com, U.S. workers get an average of 14 days off a year, compared to 26 for German workers and a stunning 36 days for the French. Only Canada, where workers get an average of 18 days off, comes close to the meager U.S. vacation allowance. Perhaps the most shocking thing is the number of North American employees who do not get around to using the few days they are allowed off per year. About one-third of employed U.S. adults usually do not take off all of the vacation days they receive each year. As of 2007, 23 percent of Americans admit to checking email or voicemail when they are on vacation, up from just 16 percent in 2005.[5]

3. Schor used data from the National Income and Product Accounts of the United States to calculate total hours. She then divided the total population aged over 16 to come up with per capita figures. These estimates were then deflated by the total labor force less self-employment, to bring them to a labor force basis.

4. See Schor, Juliet. "The Ever More Overworked American" in *Take Back Your Time: Fighting Overwork and Time Poverty in America*. John de Graaf (Editor), San Francisco, Berrett-Koehler Publishers Inc., 2003, p. 7.

5. Expedia Vacation Deprivation Survey 2007, http://media.expedia.com/media/content/expus/graphics/promos/vacations/Expedia_International_Vacation_Deprivation_Survey_Resutls_2007.pdf