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A Look at the Future of the Family

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An extract of the report: The Future of the Family
Contents

1 Introduction

2 Key Findings
   Fewer people per home
   Rise of the single-parent and single-person household
   Fewer children does not mean fewer opportunities
   The state will face major challenges
   Changing families means changing habitats

4 Fewer Children
   Decline in children per household faster in developing economies
   Robotics at home: A solution to productivity and worker shortages?

7 Fractured Families
   Surge in divorces drives the single-parent family

9 Evolving Habitats
   Childlessness to drive smaller homes in hyper-urban areas
   Rapid ageing expands market for healthcare and retirement homes

11 Conclusion

12 How Can Euromonitor International Help?
Introduction

The traditional definition of a family, two adults and children, is transforming rapidly. Modern definitions of a family can include unmarried couples raising children; gay and lesbian couples raising children; single parents having children without a partner to help raise them; people living together without marrying; both parents of young children working outside the home and couples not ever having children.
Key Findings

Fewer people per home
Due to factors such as falling fertility rates, rising divorce rates, the decline of multi-generational families and expensive real estate, family sizes are shrinking. Rural households are set to contract slightly faster than urban households on average, while developing countries will see a faster decline in children per household and this will have wide-ranging impacts on numerous segments.

Rise of the single-parent and single-person household
The biggest impact from the decline of the nuclear family (couple-with-children households) will be reflected in the rise of single-person and single-parent households. These households require distinct and individual approaches, needing a shift in marketing methods and targeting strategies.
Fewer children does not mean fewer opportunities

While the average number of children per home is set to decline worldwide, the attractiveness of children-related segments will not necessarily decline. Parents typically invest more money into the fewer number of children they have, while segments such as kids’ clothes and toys are still in an early growth phase across lucrative emerging markets.

The state will face major challenges

The break-up of the traditional family unit will have major consequences for the state, particularly in areas such as social welfare, labour markets, productivity and housing. Governments must prepare sufficiently for a major cultural shift already in a bid to avoid economic aftershocks.

Changing families means changing habitats

The transformation of the family is leading to the transformation of the home. Demand for small, hyper-urban apartments is rising, due to the surge in childlessness, while a smaller family is creating more space for appliances and household goods in emerging markets.
Fewer Children

Decline in children per household faster in developing economies

Almost all countries will see a decline in children per household over 2000–2030. The decline will be stronger in developing countries (−33.8%) than in developed markets (−26.5%), as the number of kids is on average higher in developing households.

Number of Children per Household in Developed and Developing Countries 2000–2030

As fewer couples have children, the number of childless-couple households will surge worldwide, far outpacing growth in couple-with-children households. This will create opportunities in targeting the large and growing cohort of couples living without children.
The chief potential negative impact of fewer children per household is the decline in the overall population or number of households, and as a result a contraction of long-term consumption. Less kids means an ageing population, which means higher costs for governments, a shortage of pension and social security-type funds, a shortage of people to care for the very aged, slow economic growth and a shortage of young workers.
High inflowing migration (like in the UK) or already high fertility rates (like in Saudi Arabia) can offset this impact for some time, though not infinitely.

Japan is one example of a demographic time bomb, where falling spending shrinks the economy, which discourages families from having kids, which reduces the economy further. With Japan’s ageing society facing a predicted shortfall of 370,000 caregivers by 2025, the government wants to increase community acceptance of technology that could help fill the gap in the nursing workforce. According to Japan’s robot strategy, the government hopes that four in five care recipients accept having some support provided by robots by 2020.
Surge in divorces drives the single-parent family

Divorce rates are surging globally and populations with a divorced marital status will be by far the fastest growing over 2000–2030. Over the same period, the number of single-parent households will grow at three times the rate of couple-with-children households.

Some factors behind rising divorces include the following: marriage is seen more as a social contract than a sacrament; females are more economically empowered to leave an unhappy marriage; a divorced person who remarries after a divorce is much more likely to become divorced again and children of divorced parents are more likely to divorce.

Children in single-parent households are much more likely to live in poverty and face a higher risk of negative outcomes later in life, such as dropping out of school, becoming a teen parent, or going through a divorce in adulthood. The single-parent market is relatively untapped, although its needs are different to the two-adult family. Some segments, like hotels and travel, are gradually adapting to this more common family type.
Growth in Population by Marital Status 2018–2030

Source: Euromonitor International from national statistics

Growth in Global Households by Type 2000–2030

Source: Euromonitor International from national statistics
Evolving Habitats

Childlessness to drive smaller homes in hyper-urban areas

The evolution of families into smaller entities, with fewer children or none at all, is a driving force for smaller homes in areas where real estate prices have surged. In megacities like Tokyo, London and Beijing, a rising number of childless couples and singletons are seeking greater urban convenience and access to amenities and careers in spite of cramped conditions and high rents.

Growth in Apartments as Dwellings in Selected Countries in 2018–2030

Source: Euromonitor International from national statistics

The small family/household is thus creating a boom in apartments, which can be easier tailored to one or two inhabitants. Countries such as China, Brazil and the UK will see surging growth in apartments through to 2030. Other modular housing models, like silos, container homes and micro-apartments, are set to expand rapidly as demand rises.
The smaller-home phenomenon has expansive consequences for companies, including demand for small appliances, flatpack furniture, foldable goods and sport equipment, and other products that cater to small spaces.

**Rapid ageing expands market for healthcare and retirement homes**

The world is becoming older fast. Already today household heads aged 60+ are the largest demographic of all age groups globally. Demand for tailored housing and healthcare solutions is rising, made more pressing by the rising number of senior single-person households.

One rapidly growing segment is modified housing, where technology is used to care for a senior. This can come in the form of smart sensors, start lifts, emergency buttons and other e-health solutions.

Another growing trend is retirement homes and communities. Rather than the traditional elderly care-home, these are much more sophisticated independent houses and apartments located on a territory tailored for the elderly, with various social activities and healthcare options.

![Global Households by ge of Head of Household 2010–2030](image)

*Source: Euromonitor International from national statistics

*Note: Data for 2020–2030 is forecast

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Conclusion

Untraditional is the new traditional. Millennial parents are rejecting the airbrushed image of the “perfect family” with spotless houses and children effortlessly groomed. Each member of the modern family wants to be treated as an individual. Advertisers and marketers should ask themselves why they are still resorting to a rule of thumb when it comes to a family image that is no longer relevant or, perhaps, even true.

“Tag-team parenting” is at the heart of modern and future families. The term encompasses not only two-parent households but also lone parents juggling childcare and work. Millennial parents express discomfort with the expectation that women must be the primary caregivers. Too many brands are guilty of leaving fathers on the sidelines by focusing all their attention on an often mythical, or at least outdated, vision of motherhood.

Also, empathy must be prioritised to avoid “trendwashing” (using trends to put a gloss on negative shifts), which could sweep the pressures faced by modern families under the carpet. Millennial parents and the often derided Generation Rent are not avoiding home ownership because they are “embracing the sharing economy”. Neither are they thrilled with below-inflation wage increases because they “want to embrace a bigger purpose”.

Now more than ever, families have ever-increasing expectations of the brands they interact with. When both time and money are under pressure, more consumers are demanding that businesses flex to better accommodate their needs. Brands must be mindful that millennial parents are juggling complex plans, so they must be pragmatic about the utility and convenience they can offer. However, simple must not equate to boring.

To learn more about the future of the family and households and how brands should adapt, read the full report: Future of the Family.
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