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**...March 1-4, 2009, Four Seasons, Las Vegas, NV**

*A Global Gathering for Senior Life Insurance and Reinsurance Executives*

**ReFocus 2009**

**March 1-4, 2009**

**Las Vegas, NV**

**Keynote Presentation**

**Global Demographics and the Impact  
on Investment Opportunities**

[Richard Hokenson](#)



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A Global Gathering of Senior Life Insurance and Reinsurance Executives

# Global Demographics and the Impact on Investment Opportunities



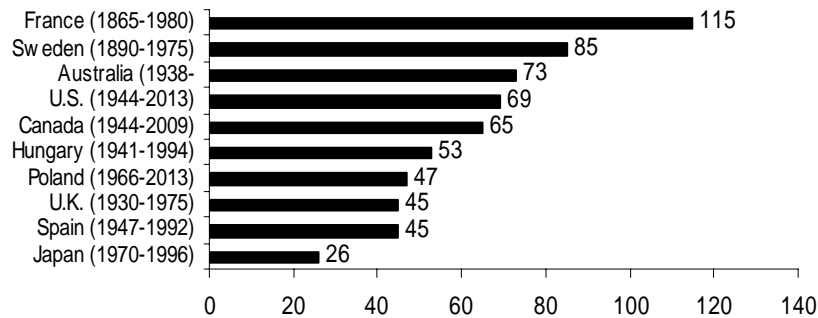
**Hokenson & Company is an independent consulting firm specializing in the application of demographics to economic, industry and financial market forecasting.**

**Prior to founding Hokenson & Company in May 2002, Richard Hokenson was the Chief Economist for Donaldson, Lufkin & Jenrette where he pioneered the application of demographics to economic and financial market forecasting. Following the merger with Credit Suisse First Boston in November 2000, he was made the Director of their Global Demographics Project where he continued his responsibility for analysis and forecasting of global demographic trends and their associated economic and investment implications.**



## The Speed of Aging: Developed Countries

Number of Years for Percent of Population 65+ to rise from 7 to 14 percent

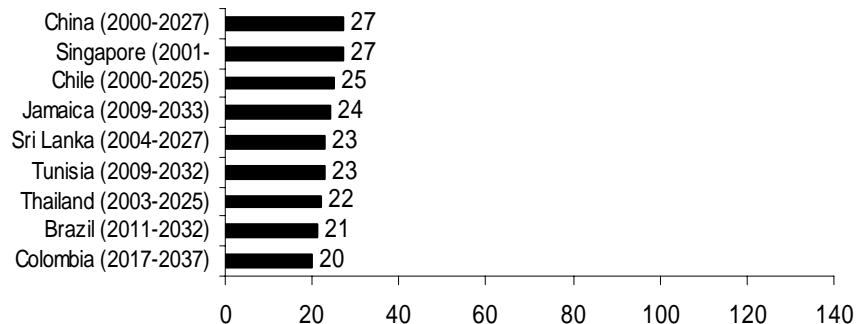


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## Speed of Aging: Developing Countries

Number of Years for Percent of Population 65+ to rise from 7 to 14 percent



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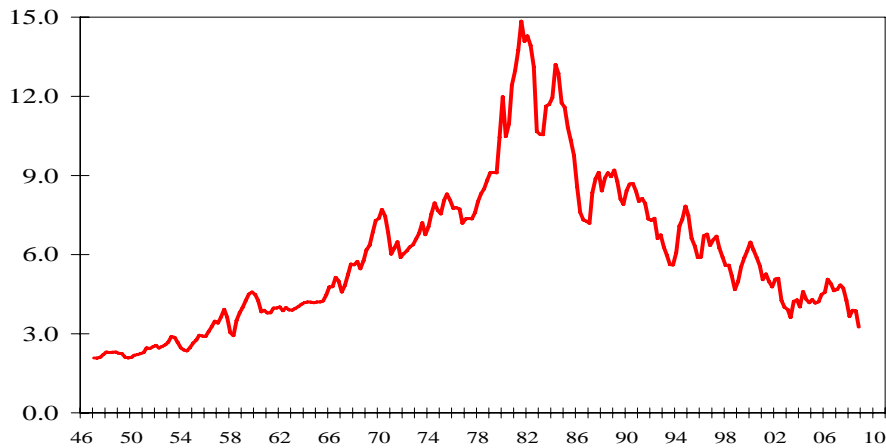


# ZERO Interest Rates

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## Yield on US Long-Term Treasuries

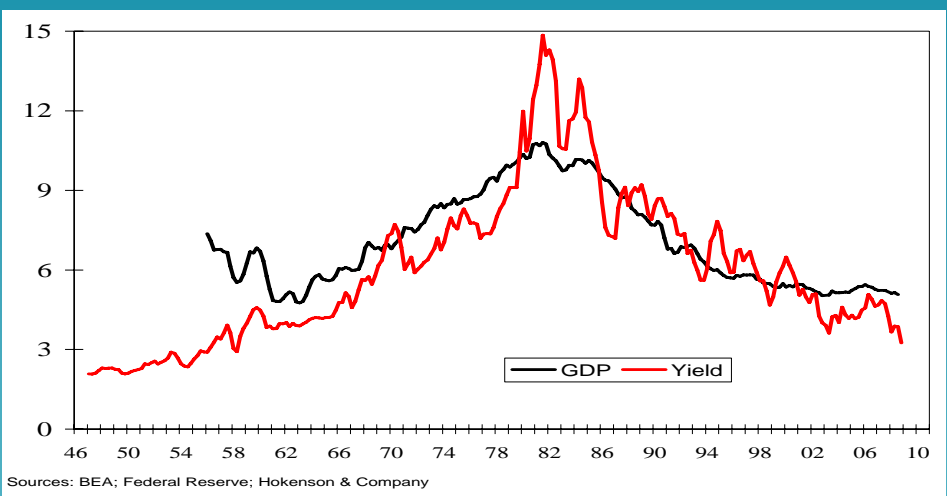


Sources: Federal Reserve; Hokenson & Company

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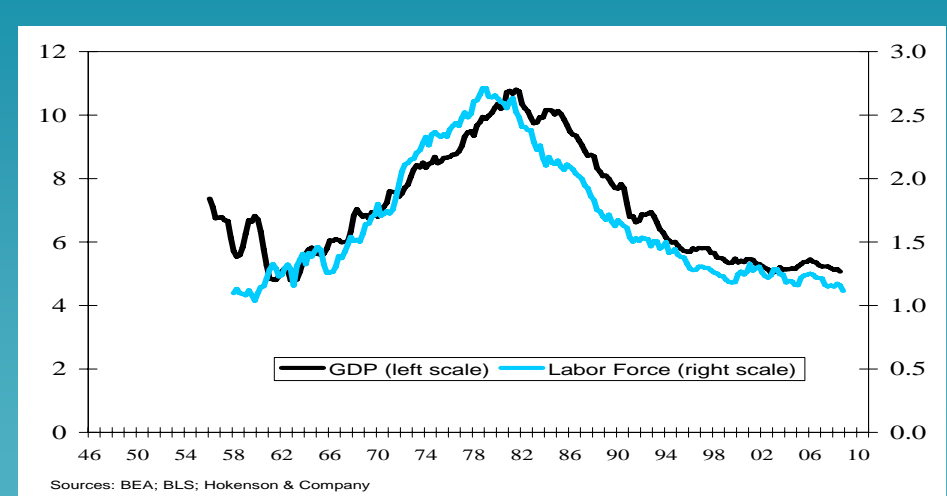
### Yield on Long-Term Treasuries versus Smoothed Growth in Current Dollar GDP



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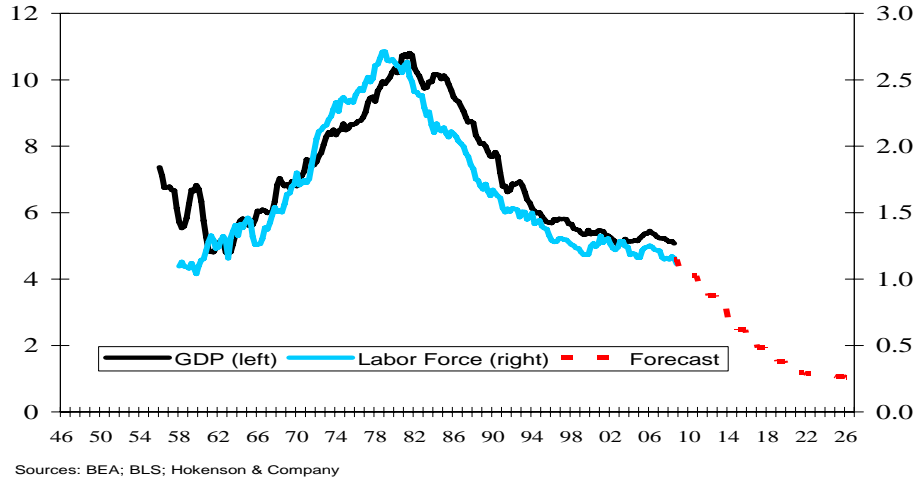
### U.S.: Smoothed Growth in Current Dollar GDP and Labor Force



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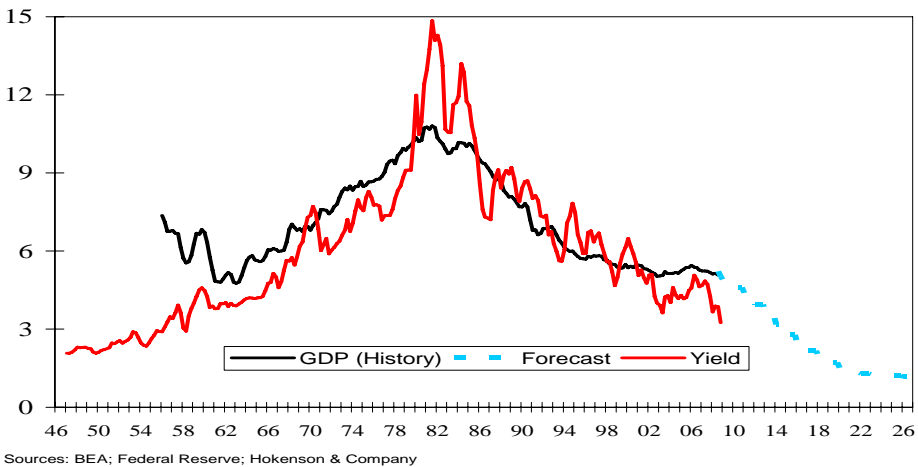
### U.S.: Smoothed Growth in Current Dollar GDP and Forecasted Labor Force



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### Yield on Long-Term Treasuries versus Historical and Forecasted Growth in Current Dollar GDP



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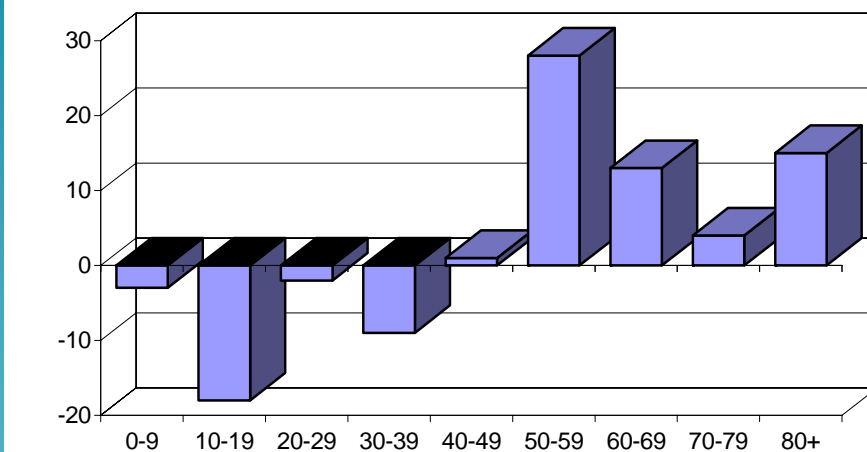


# Population Trends in The Developed World

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**The Developed World**  
Population Change by Age Groups in Millions: 2005-2015



Sources: United Nations; Hokenson & Company.

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## Japan and Europe

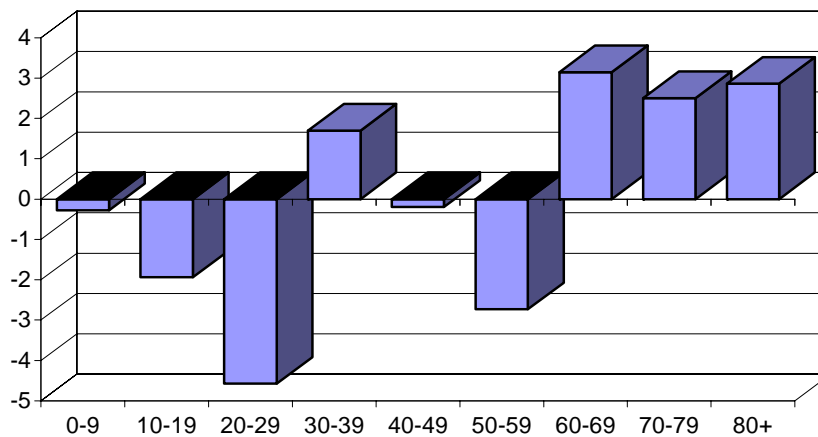


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## Japan

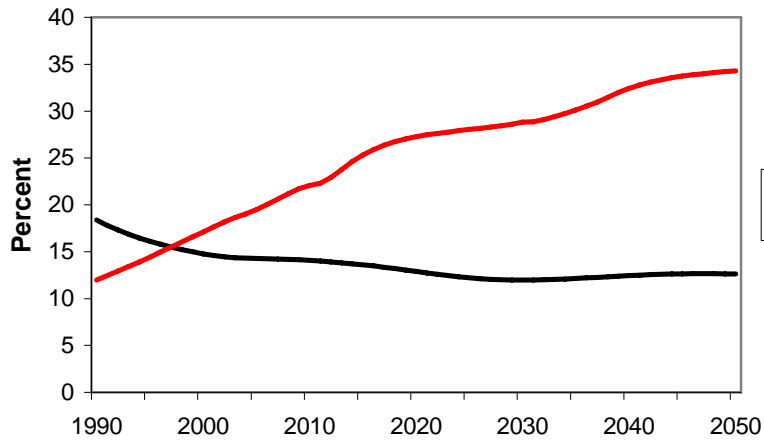
Population Change by Age Groups in Millions: 2005-2015



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### Japan: Old and Young as Percent of Population

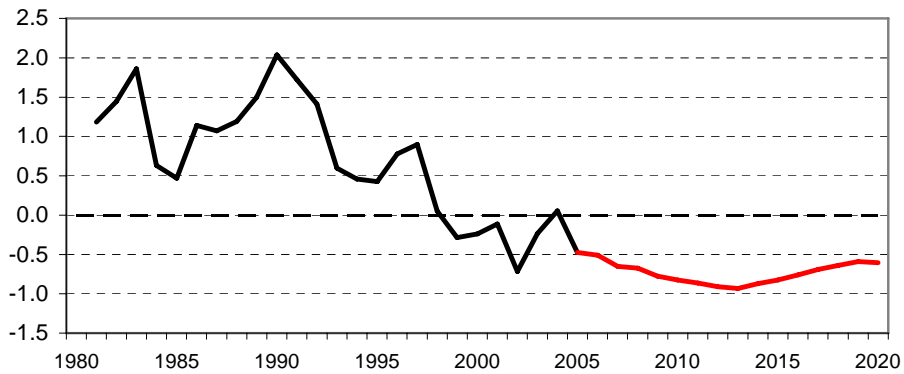


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### Japan

#### Annual Growth in Labor Force



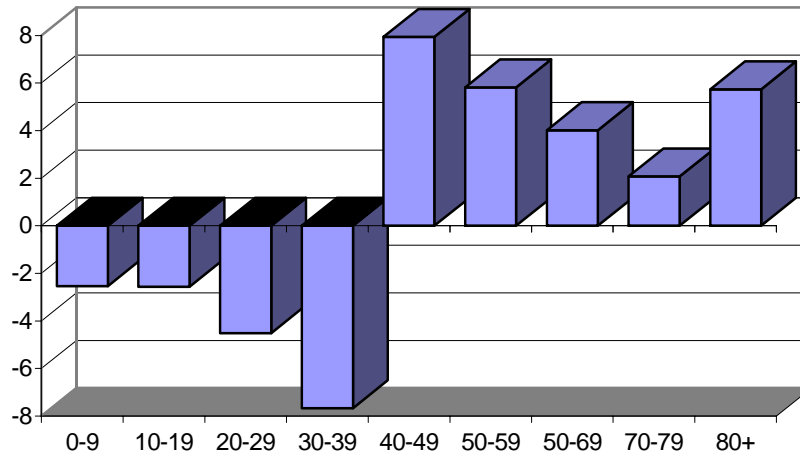
Sources: ILO; Hokenson & Company.

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## Western Europe

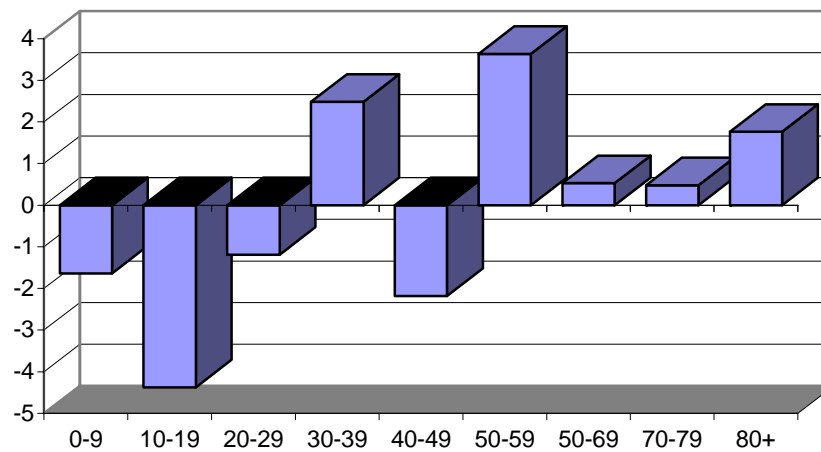
Population Change by Age Groups in Millions: 2005-2015



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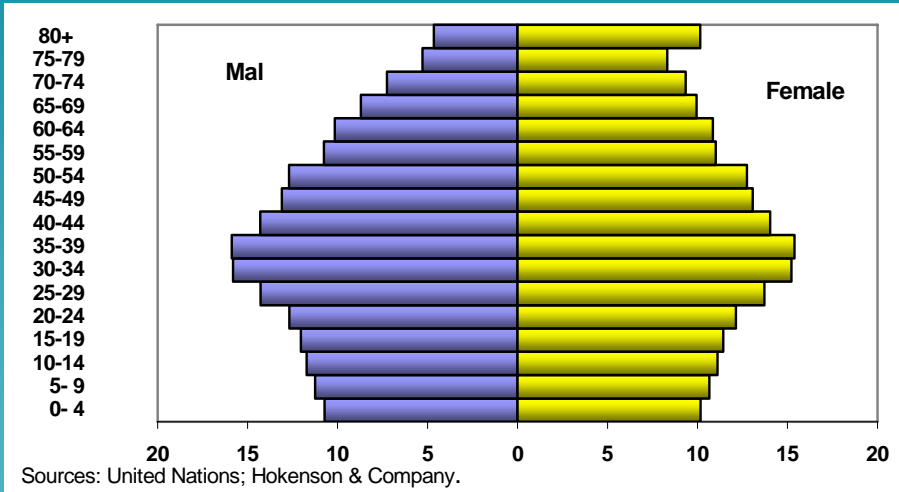
## Eastern Europe Population Change by Age Group: 2005-2015



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## Western Europe: Population in Millions (2000)



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## Eastern Europe: Population in Millions (2000)

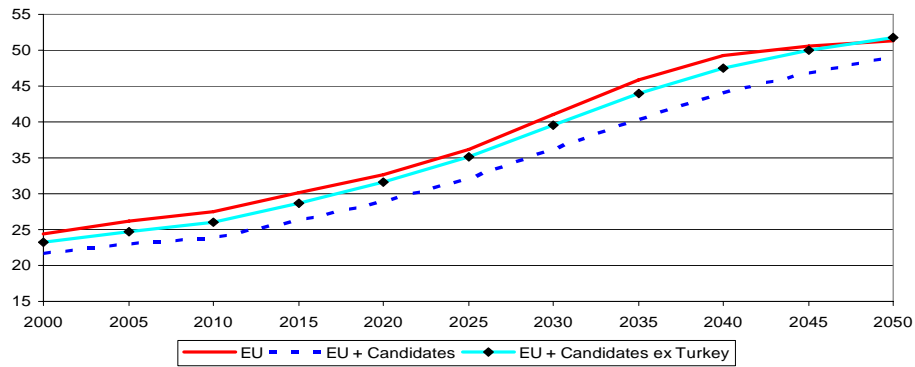


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## Aging in the European Union

**E.U. & Candidates Aged Dependency Ratios**  
(population 65+ as a percent of 15 to 64)



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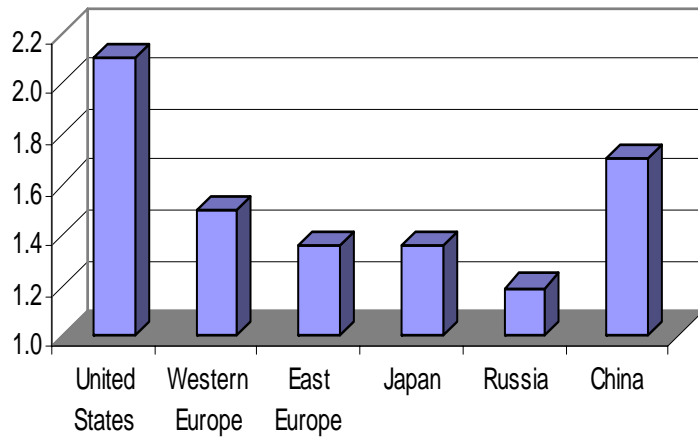
## The American "Exception"



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### Total Fertility Rate for Selected Regions and Countries: 2005

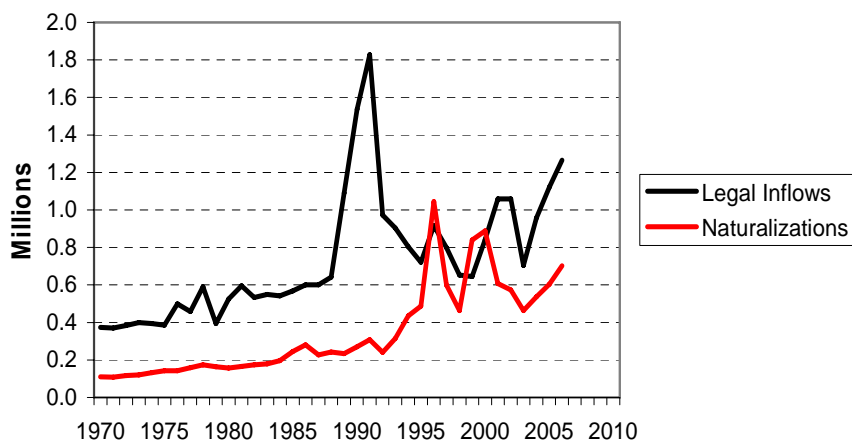


Source: United Nations: Hokenson & Company.

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### Legal Immigration and Naturalizations

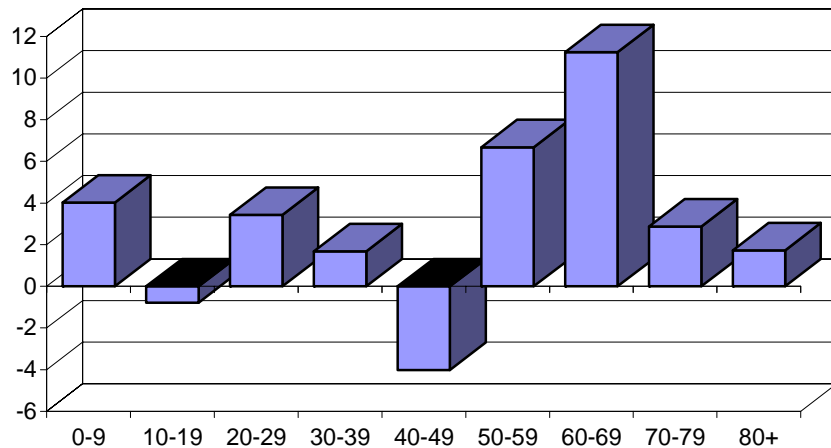


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## The United States

Population Change by Age Groups in Millions: 2005-2015

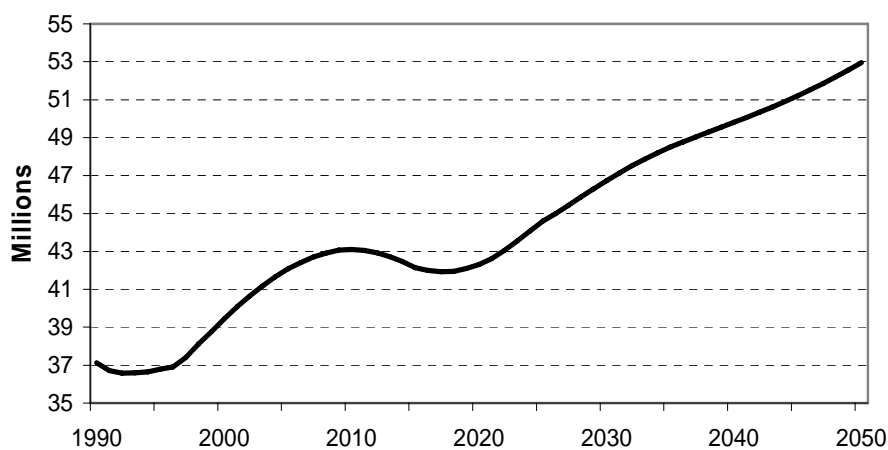


Sources: U.S. Census Bureau; Hokenson & Company.

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## United States : Number of Entry-Level Workers

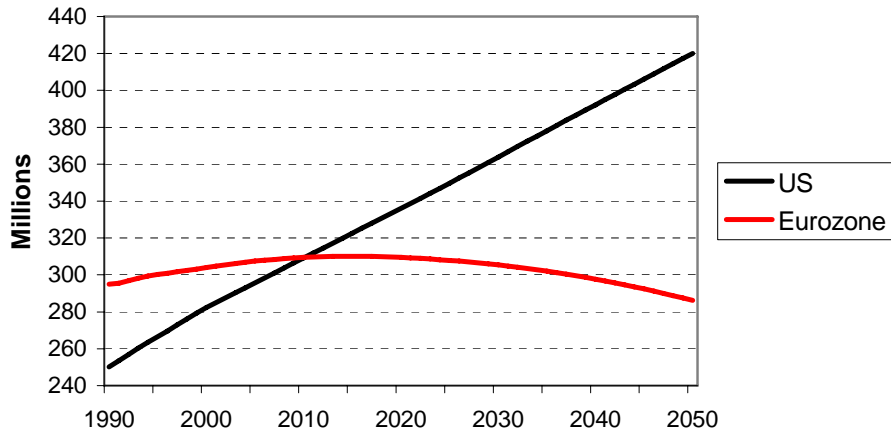


Sources: United Nations; Hokenson & Company.

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## Total Population: US versus Eurozone



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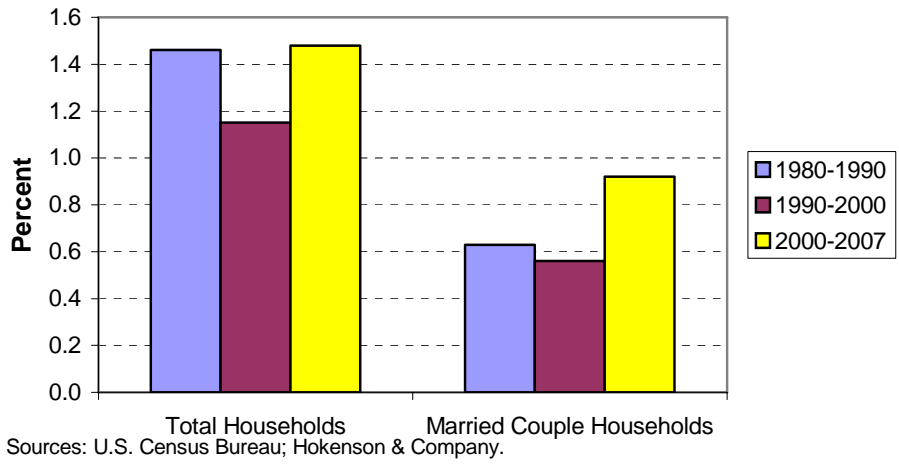


## Demographics of the Obama Years

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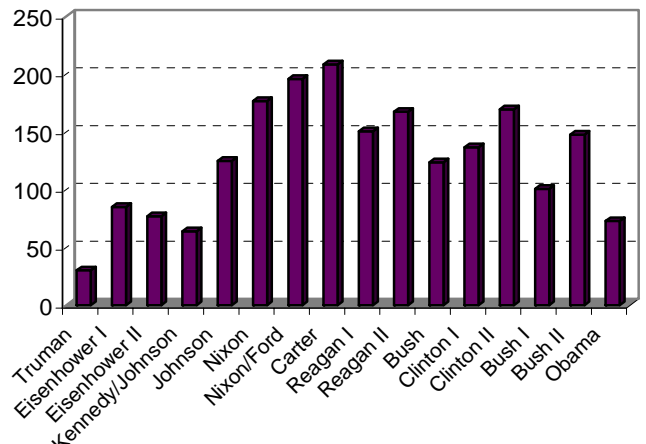
### Annualized Growth in Total and Married Couple Households



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### Average Monthly Increase in Labor Force by Term (Thousands of Persons)



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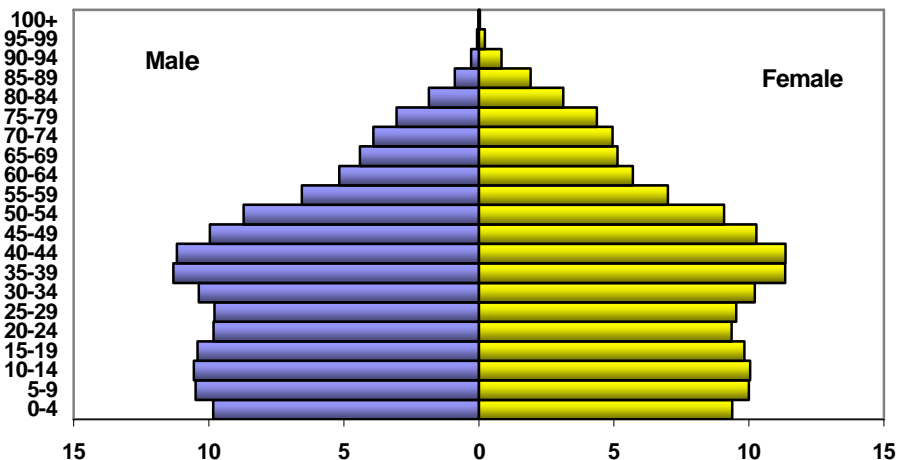


# Retiring the Current Model of Retirement

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## United States: Population in Millions (2000)

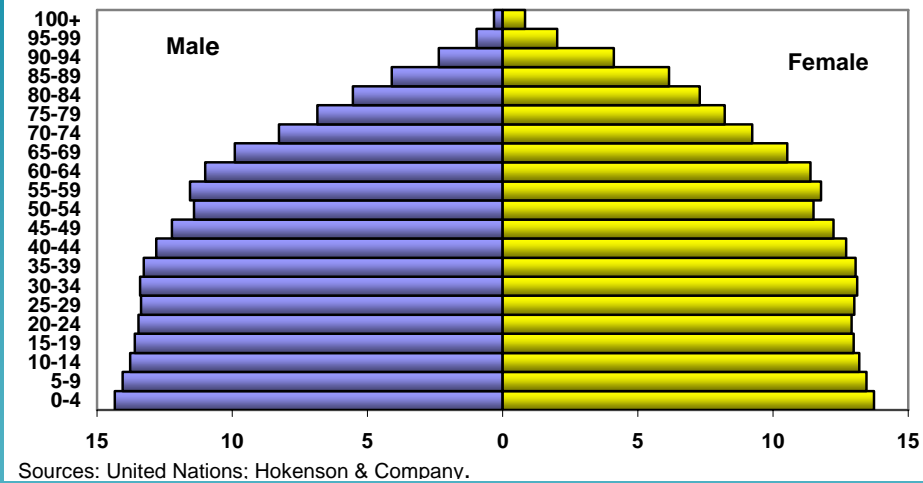


Source: United Nations; Hokenson & Company.

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## United States: Population in Millions (2050)



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## The Developing World with a Focus on BRIC

Brazil



Russia



India



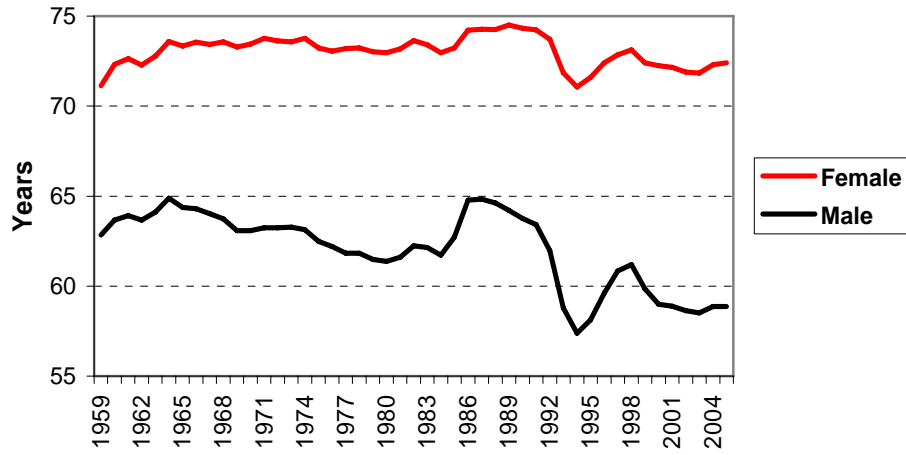
China



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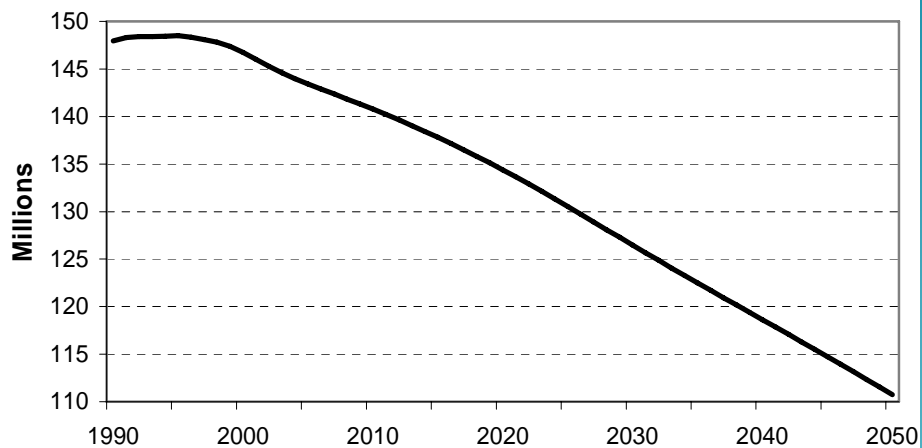
## Russian Federation: Life Expectancy at Birth



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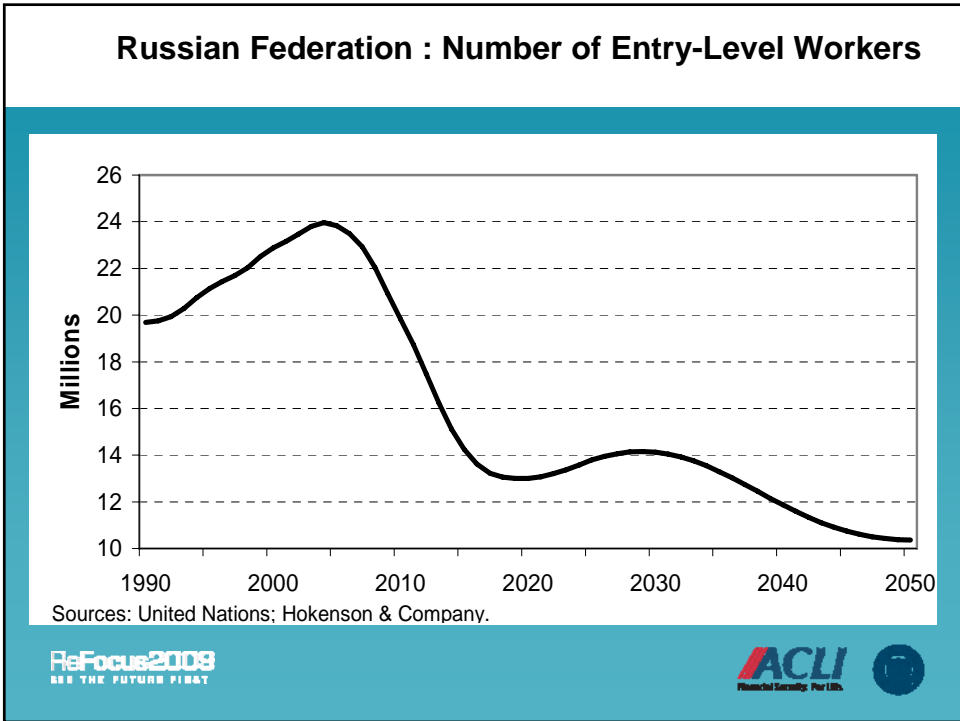
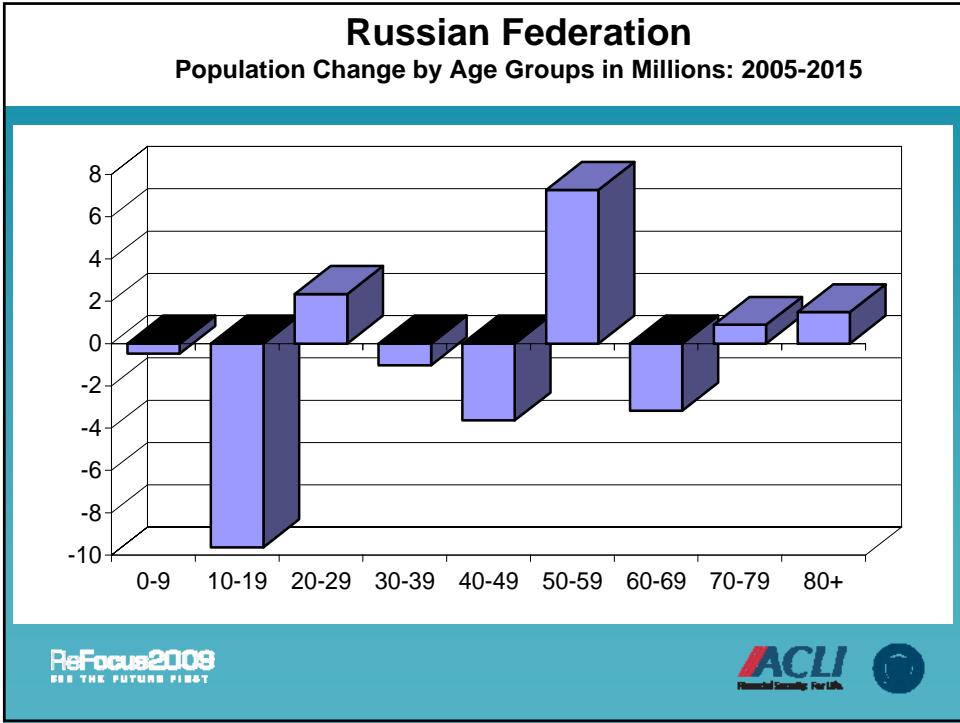
## Russian Federation: Total Population: 1990-2050



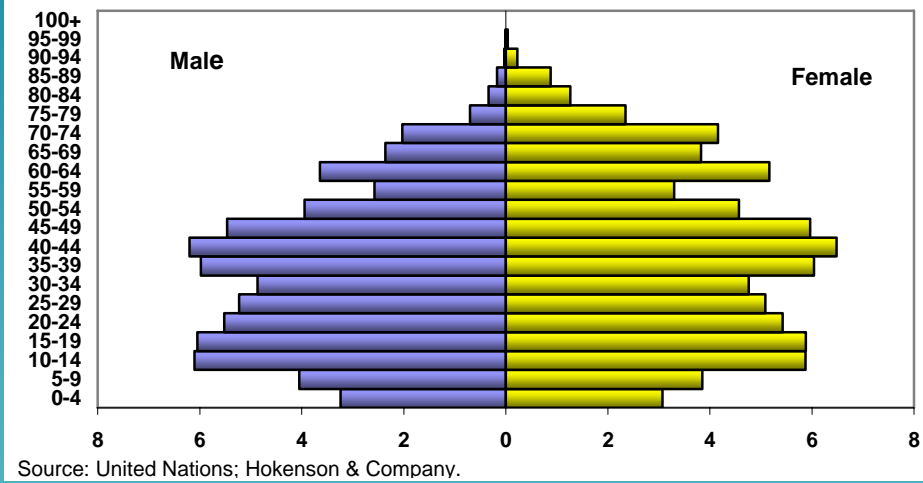
Sources: United Nations; Hokenson & Company.

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## Russian Federation : Population in Millions (2000)

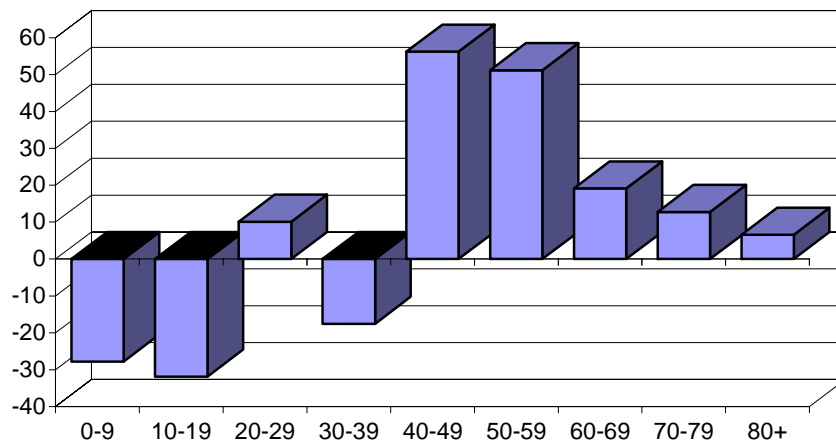


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## China

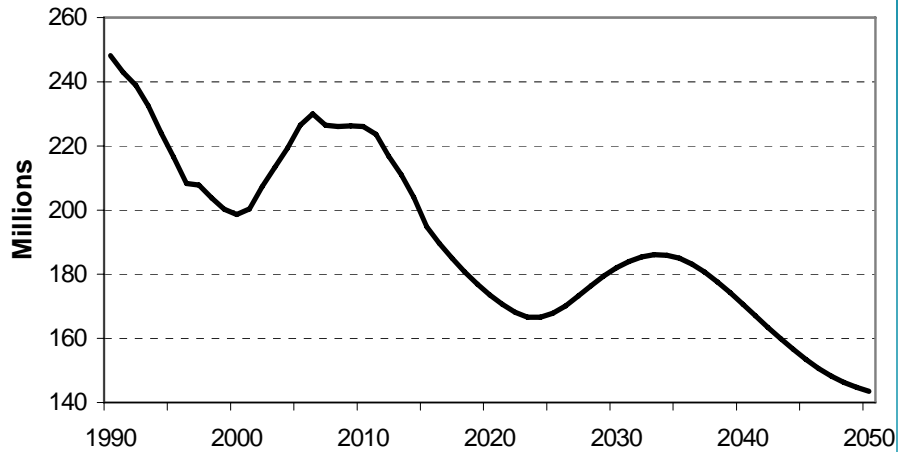
### Population Change by Age Groups in Millions: 2005-2015



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## China: Number of Entry-Level Workers

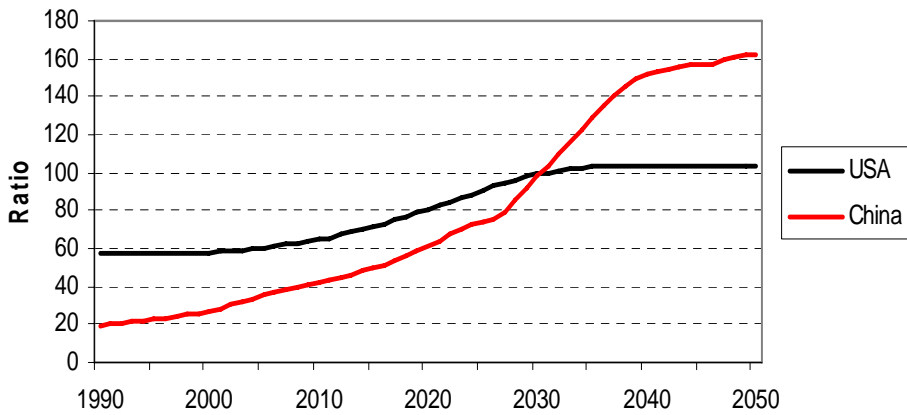


Sources: United Nations; Hokenson & Company.

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## The Aging Index: China versus the US

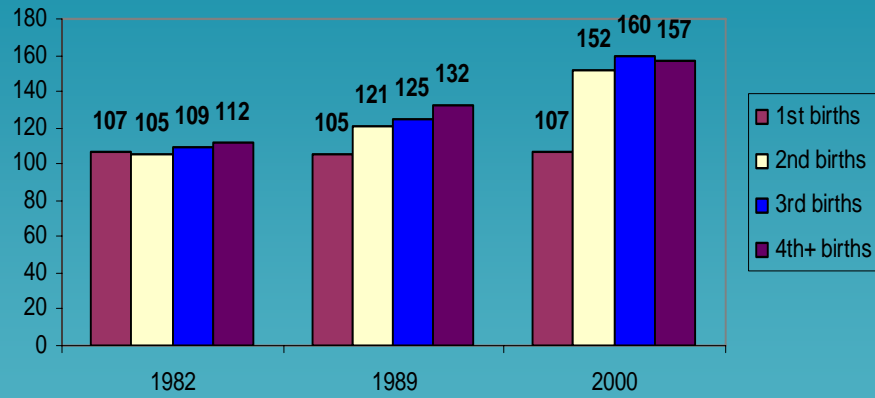


Sources: United Nations; Hokenson & Company.

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## China: Six Brides for Seven Brothers (Sex Ratio at Birth by Birth Order)

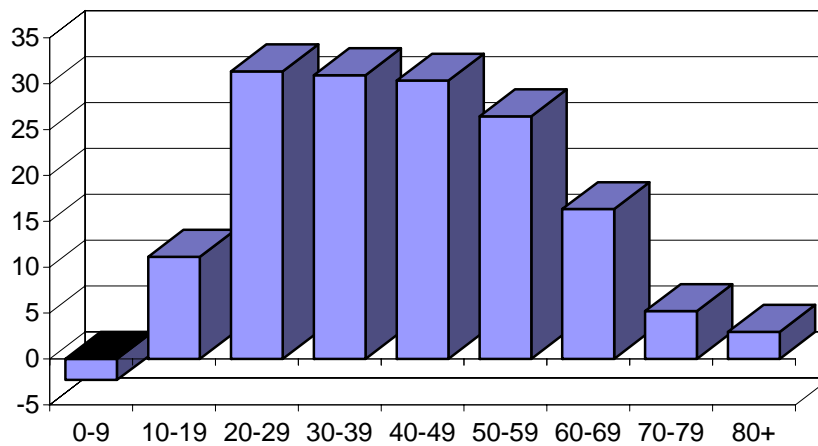


Source: China 2000 Census.

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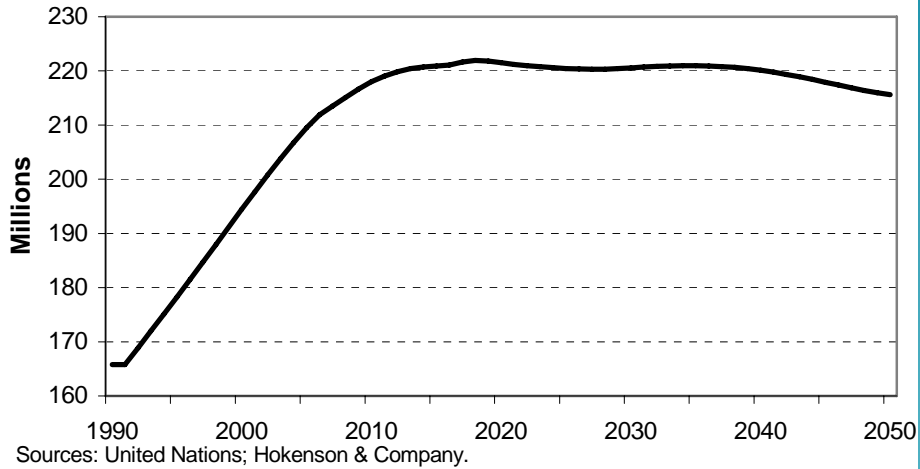
## India Population Change by Age Groups in Millions: 2005-2015



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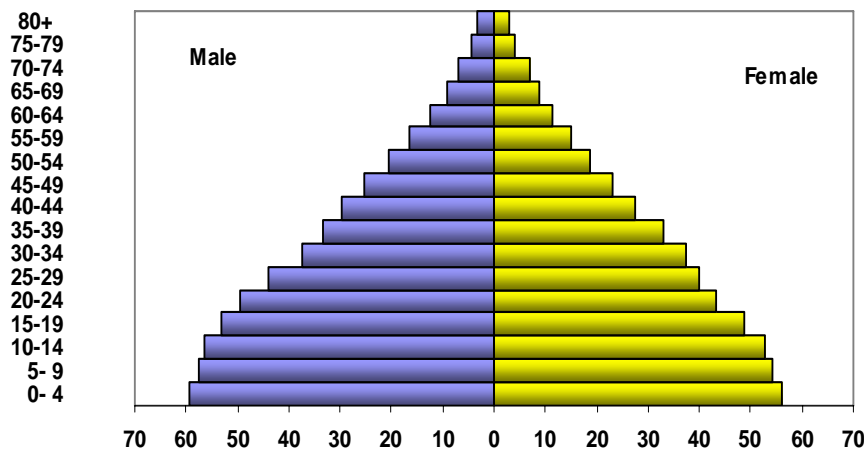
## India: Number of Entry-Level Workers



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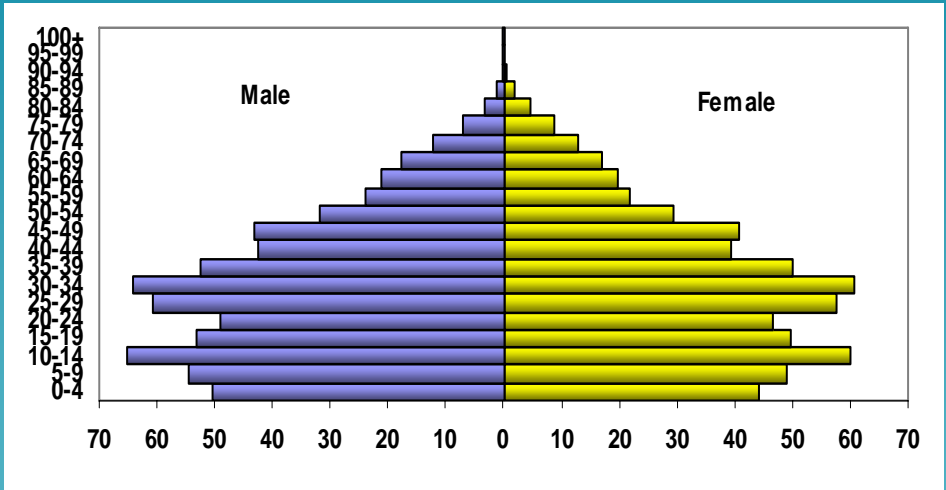
## India: Population in Millions (2000)



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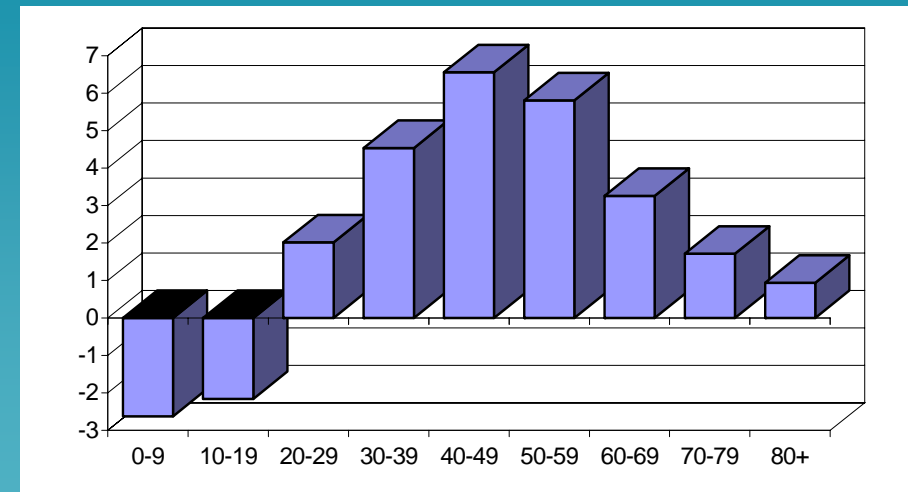
## China: Population in Millions (2000)



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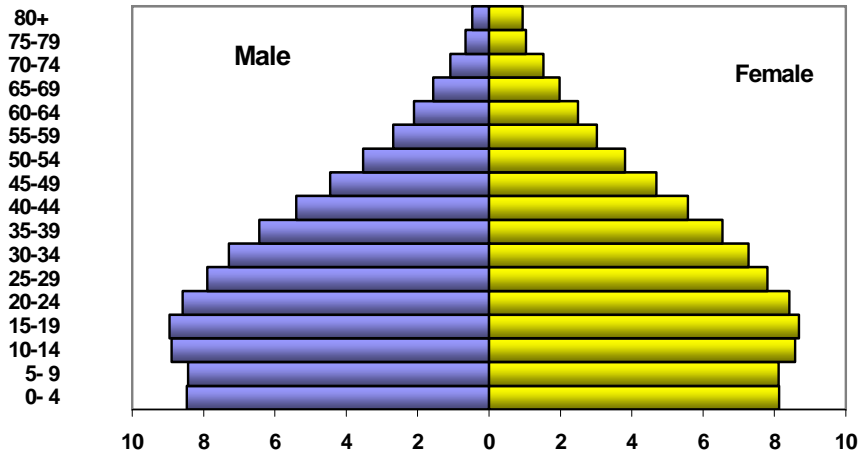
## Brazil Population Change by Age Groups in Millions: 2005-2015



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## Brazil: Population in Millions (2000)

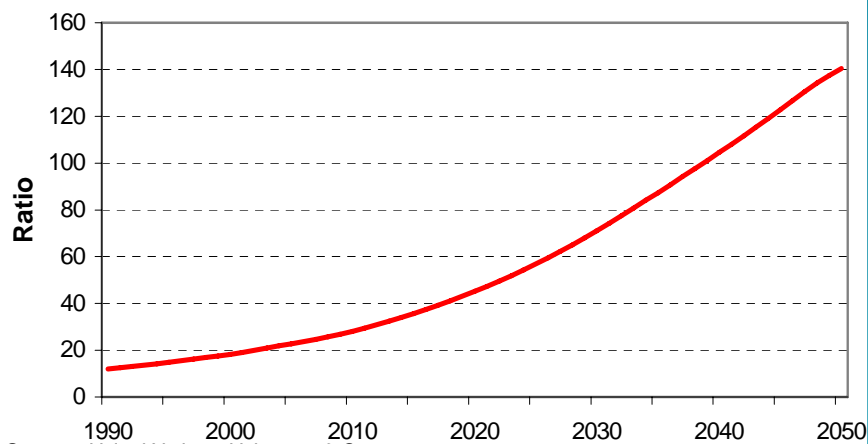


Sources: United Nations; Hokenson & Company.

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## Brazil - The Aging Index: 1990-2050

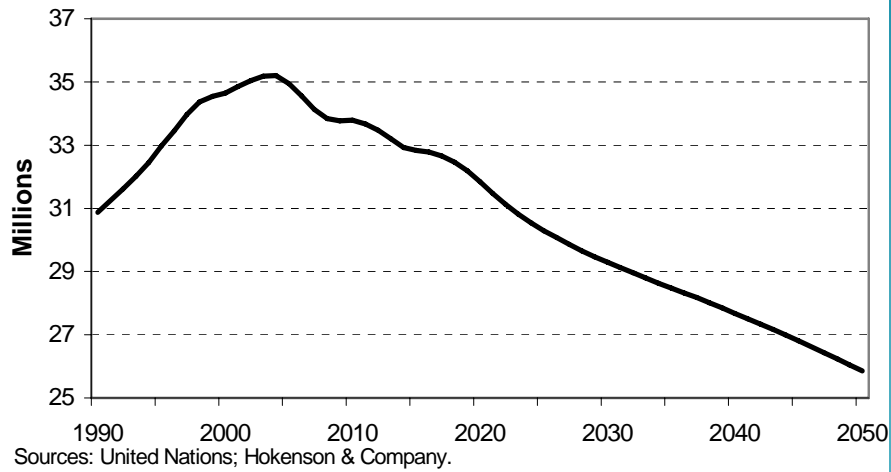


Sources: United Nations; Hokenson & Company.

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## Brazil : Number of Entry-Level Workers



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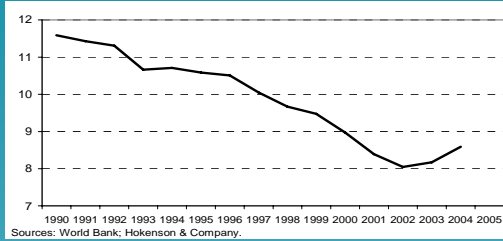
## The Changing Social Mosaic Marriage and Divorce

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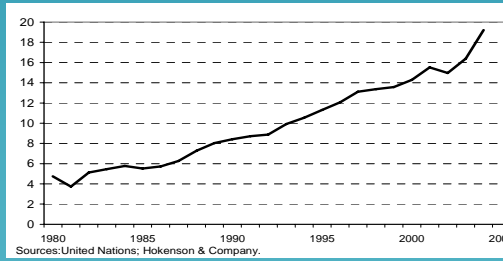


## China: Marriage and Divorce

Marriage



Divorce

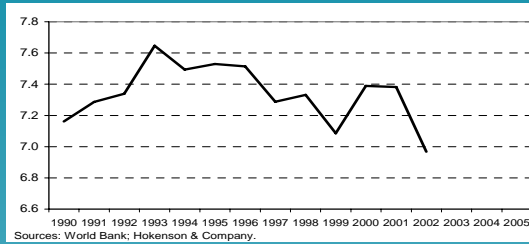


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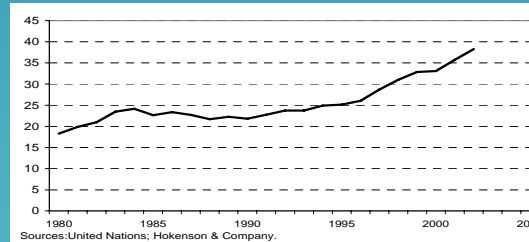


## Japan: Marriage and Divorce

Marriage



Divorce

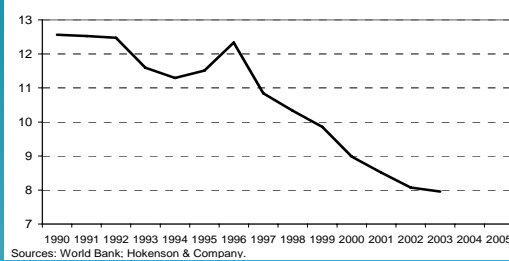


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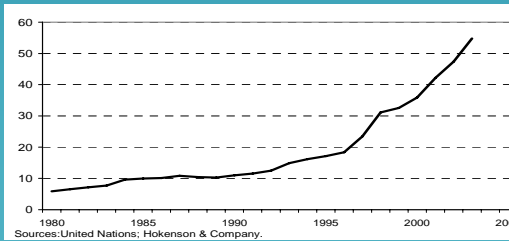


## South Korea: Marriage and Divorce

Marriage



Divorce

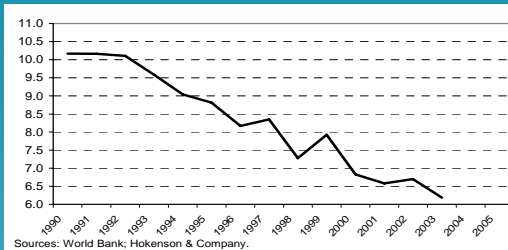


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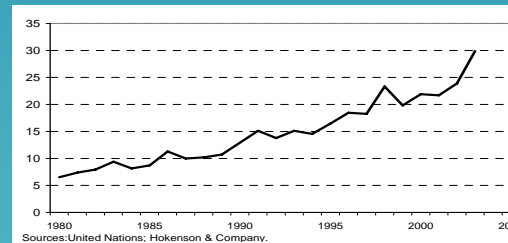


## Singapore: Marriage and Divorce

Marriage



Divorce



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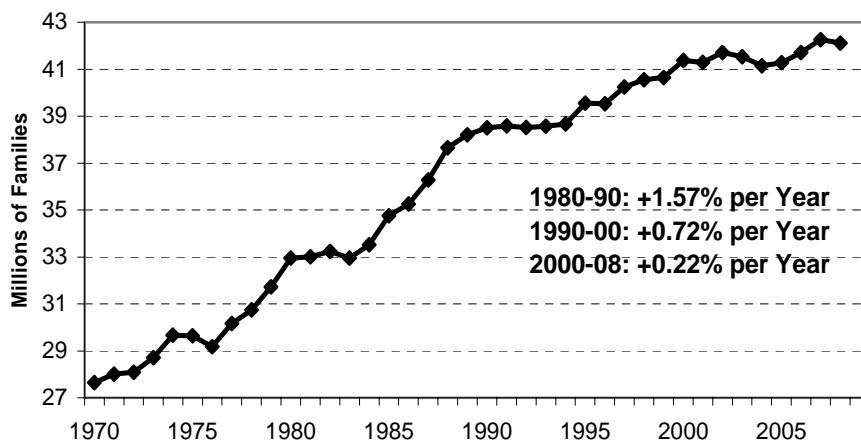


# Important Changes in the Financial Arrangements of Households

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## U.S. Households with more MONEY than TIME (Number of U.S. Families with Two or More Earners)

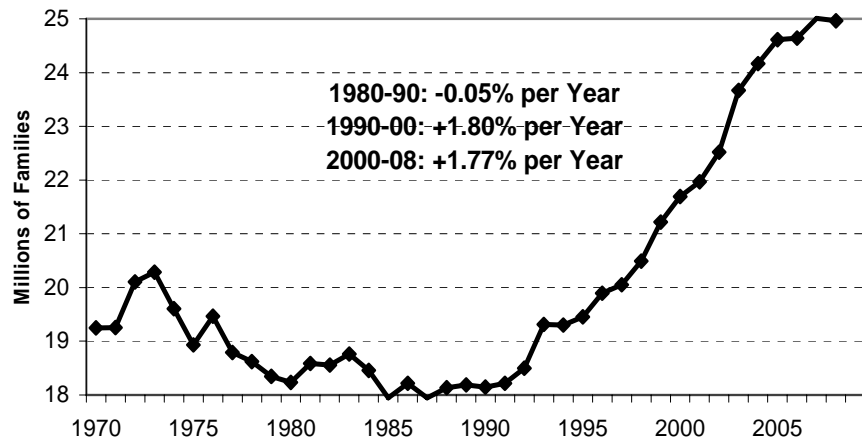


Sources: U.S. Census Bureau, Hokenson & Company.

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## U.S. Households with more TIME than MONEY (Number of U.S. Families with One Earner)



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## Suggested Readings and References

- Birth and Fortune: The Impact of Numbers on Personal Welfare by Richard Easterlin
- The Great Wave: Price Revolutions and the Rhythm of History by David Hackett Fisher
- The Feminine Mystique by Betty Friedan
- The Age of Discontinuity by Peter Drucker
- Population and Development Review

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