

# **BOOMER DESTINY: LEADING THE U.S. THROUGH THE WORST CRISIS SINCE THE GREAT DEPRESSION**

**Tom Osenton**

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**PRAEGER**

**Westport, Connecticut  
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To Curran and Matt—my own Gen Xer  
and Millennial—who inspire me to want  
to make a difference every day.



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# Introduction

*Life grants nothing to us mortals without hard work.*

—Horace

As I was finishing this book during the summer of 2008, I honestly felt as though I was drafting an *early-warning* about a looming secular crisis somewhere out there on a three to six year timeline. Virtually all of the social and economic components that I researched—the sub-prime mortgage crisis, the oil shocks of 2005 and beyond, the Dow’s unsustainable ride to 14000, the further maturation of an already mature U.S. economy—suggested that the underlying fundamentals of the patient’s health were indeed NOT strong.

Like a comprehensive history and physical performed by the good folks at the Mayo Clinic or Massachusetts General or Johns Hopkins, all the symptoms were there foretelling a difficult stretch ahead. What surprised and unnerved me most was the speed at which conditions metastasized. Suddenly, instead of writing about a future crisis, I was writing about a here-and-now crisis. That’s the bad news. The good news—if there is any—may very well lay in the fact that if the crisis arrived faster, we may pass through it faster. Like the cold and dark days of winter, the faster we get through them, the faster we get on to the hopeful spring thaw.

Over the course of about a year while writing this book, I experienced at least four power outages due to a variety of natural and unnatural reasons that simply stopped me dead in my tracks. One particular severe thunderstorm knocked out electrical power for two days in the neighborhood. Although that might not sound like much of a hardship, the experience reminded me just how dependent we are on electricity as a resource central to our lives. After just four hours without power, I was essentially transported

back to 1860, lacking all of the modern conveniences that we take for granted today. As dusk approached and my batteries ran out, I was unable to use my laptop, my cell phone, my Kindle, or my iPod. I was unable to call anyone, email anyone, text anyone, or use instant messaging (IM) to contact anyone.

As the sun went down, I lit candles and realized that I couldn't cook dinner with my electric stove or microwave, and besides, almost everything in the refrigerator was already ruined. No television, no movies, no music—just candle light, books, pen and paper. All that was missing was the log cabin.

By Day 2, I started to realize just how much we rely on electricity, how much we take it for granted, how angry we get when it goes out, and how angry we get when we call the power company demanding to know exactly when power will be restored. In my house, I couldn't even make that call because the telephone runs on electricity. And now I was beginning to smell, because I couldn't take a shower: the hot water heater ran on—yes—electricity. Even driving downtown to get coffee and a bagel was not an option because the stores didn't have power either. Life as I knew it had stopped—just as in the sci-fi cult classic *The Day the Earth Stood Still* when a flying saucer lands in Washington, D.C., and neutralizes all electricity. That scared me as a 10-year old, but it scares me even more now.

When the electricity finally came back on after more than 48 hours, the first thing I did was take a shower. Then I cleaned out the refrigerator before getting back to work on the computer, something that many of us rely on every day for work and play.

What became clear to me during those 48 hours was that we live each day incredibly close to the edge of a world that is very different from the one in which we grew up. This is a world of shortages, not excesses; a world of limited choices, not unlimited choices. A world of less, not more. In the words of cartoonist Walt Kelly's comic strip character Pogo: "We have seen the enemy and he is us." That comic strip ran almost 40 years ago and it's still true today. Now it is up to us to change that to help save the American Dream—not for us, but for our children and grandchildren.

## Why I Wrote This Book

My last book, *The Death of Demand*, explored the growth of the American corporation over the second half of the twentieth century. Although some looked at it as a doomsday book, others saw it for what it was—an aca-

demographic study of growth rates and the impact on a corporation's initiatives when growth rates begin to slow, as they have for all corporations that were around just after WWII. It was a study of the advent of reengineering or cost-cutting—activities that didn't even exist in the 1950s, 1960s, and 1970s during which time America's corporate infrastructure was built up in large part because of the arrival of 76 million baby boomers. It was a study of the deconstruction of the infrastructure of America's blue chip and blue hair corporations.

After reading William Strauss and Neil Howe's groundbreaking work *Generations: The History of America's Future*, I realized that the economic downturn for companies such as General Motors has not only been coming for a long time, but is part of a repeating cycle of American history that goes back to the very beginning. Suddenly, my last book made much more sense. History tells us that America experiences a major crisis every 80 years, and with a mature economy that is made up of mature sectors, mature industries, and mature corporations, it is rapidly approaching the eightieth anniversary of the day that marked the beginning of the last American crisis—*Black Tuesday*, October 29, 1929. The Revolutionary War was followed 80 years later by the Civil War, itself followed 80 years later by the Great Depression and World War II. Now as we approach 80 years since *Black Tuesday* and face an array of challenges never before matched in American history, it becomes our responsibility to prepare for the coming crisis of the new millennium. So the sociologically bent *Boomer Destiny* was born as a natural extension to the economically bent *The Death of Demand*.

The Baby Boom generation has yet to distinguish itself as more than just the self-centered, materialistic consumers that they have come to be perceived as. Yet like FDR's Missionary Generation—the senior leaders of the last American crisis—Boomers, led by Boomer President Obama, have a chance to write an entirely new ending to the legacy they will leave over the next 10 to 15 years as the senior leaders of the coming American crisis.

One last reason that I wrote this book - I care deeply about the world we will be leaving to our children and grandchildren. It doesn't look anything like the world we entered, and the prospect of being the first generation in American history to leave the country in worse shape than we found it should frankly shame all of us into action. We have been called as a generation to save the American Dream—not for us but for our kids; and there is no greater gift that we can possibly give them.

## A Few Words to Historians and Sociologists

I must express my sincere appreciation to the *gurus of generations*—the late William Strauss and the very generous Neil Howe. It was upon their theses that this book was built, and without them, this book never could have been written.

Second, there are different schools of thought on the precise definition of generations—many of which were coined by Strauss and Howe—and the time span that identify each. Sociologists and historians, for example, might define the Boomers as those born between 1943 and 1960, although pop culture says the Boomers were born from 1946 to 1964.

Because the essence of this book does not turn on a generation's precise date of birth, I have taken the liberty to standardize the time-definition of generations into neat 20-year spans. These 20-year spans also roughly coincide with the duration of each of Straus and Howe's social turnings. For example, FDR's Missionary Generation was born from 1865 to 1884 which coincides with the 20-year First Turning high of the Great Power Cycle. Dwight Eisenhower's Lost Generation was born roughly from 1885 to 1904 which coincides with the Second Turning awakening of the Great Power Cycle. JFK's GI Generation was born roughly from 1905 to 1924 which coincides with the Third Turning unraveling of the Great Power cycle. And John McCain's Silent Generation was born roughly from 1925 to 1944, which coincides with the Fourth Turning crisis of the Great Power cycle. Those were the four generations born during the Great Power cycle. Boomer Barack Obama, on the other hand, was part of a generation that was born at the beginning of a new cycle—during the First Turning high of the Millennial cycle. The following are the nine American generations that are widely discussed in this book, along with their date of birth and the specific turning during which those births occurred:

- Missionary Generation—born 1865 to 1884—High
- Lost Generation—born 1885 to 1904—Awakening
- GI Generation—born 1905 to 1924—Unraveling
- Silent Generation—born 1925 to 1945—Crisis
- Boomer Generation—born 1946 to 1964—High
- Gen X Generation—born 1965 to 1984—Awakening
- Millennial Generation—born 1985 to 2004—Unraveling
- New Silent Generation—born 2005 to 2024—Crisis
- New Boomer Generation—born 2025 to 2044—High

Please understand that I mean no disrespect of the nuances of the study of sociology or history or of generations. But this standardization seemed like the best method for me to tell my story.

One of the difficulties in writing a book about the U.S. government is that you need to be equipped with a calculator that adds, subtracts, multiplies, and divides in at least the tens of trillions. That's 13 zeroes. A trillion looks like this: \$1,000,000,000,000. And after writing this book, I wondered if you become desensitized to large numbers if you work for the U.S. government, because now when I look at \$1,000,000,000—one billion dollars—it doesn't look that huge anymore.

Lastly, I have offered up some suggestions in the latter part of the book not as definitive solutions but more as thought starters for all Americans to ponder as we seek to fix the great country that we all love. My objective is to encourage us to look at old problems in new ways—for example, the suggestion for a *Boomer Resource Grid* that I detail in Chapter 10. This is simply an idea designed to demonstrate the potential power of a generation and how—with a little organization and creativity—the Boomer generation can make a huge impact on the world it leaves behind.

*Boomer Destiny* was written as an appeal—a manifesto—for the generations now alive in America. I hope you enjoy the book, and I would welcome any questions or ideas that you might want to share. Just send me an email at [tom@boomerdestiny.com](mailto:tom@boomerdestiny.com) and I'll gladly reply.

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Thank you to all my Millennial students who taught me much over the last three years.

Finally, to the late Don Murray, who helped me so much in the early stages of thinking through this book: *nulla dies sine linea*.



## Chapter 1

# A Legacy Not Yet Written

*Life is a series of collisions with the future; it is not the sum of what we have been, but what we yearn to be.*

—Jose Ortega y Gasset

Winning the election was not nearly as difficult as the task that lay ahead for the newly elected president of the United States. The laundry list of challenges was daunting, exacerbated by the prior administration’s lack of urgency and action. A flagging economy, unemployment, an uneven distribution of wealth, the threat of bombings on Wall Street, immigration concerns, millions living beyond their means, a crumbling infrastructure, natural disasters, and weakening aggregate demand—all of it happening on the heels of a decade of prosperity.

Although this may sound like the agenda for a newly elected Barack Obama in 2009, these were the challenges of the day for a newly elected Franklin Delano Roosevelt (FDR), as he stood on the steps of the U.S. Capitol and was sworn in as the 36th president on March 4, 1933. He had just turned 51 years old, and he already knew what he was getting himself into. After all, he had been governor of the state of New York when the stock market crashed in 1929; when the Depression picked up speed, his state was particularly hard hit. The new chief executive was no stranger to tough times; taking over the reigns from Herbert Hoover in mid-Depression was no big deal for the optimistic FDR.

But sometimes it takes a little more than just a “rah-rah” attitude and a little elbow grease to turn a nation around. Make no mistake about it—FDR’s “can-do” attitude helped serve as the glue to rally a nation. But it also took a great deal of time, patience, resources, hard work, and luck, as well as the willingness of multiple generations of Americans to adjust their expectations and attitudes and to sacrifice selflessly by working together for the common good.

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Standing there on that cold and overcast Saturday morning in 1933, did FDR fully comprehend the enormity of the challenge that lay ahead? More than 13 million Americans were out of work. Many of the nation's banks were closed. More than three years after the crash of 1929, the Dow Jones Industrial Average was still down more than 80 percent from pre-crash levels. A deepening depression would drag on through his first two terms. As chief executive, he would live through Pearl Harbor, D-Day, and the Battle of the Bulge yet would never personally experience U.S. victories on V-E or V-J Day. How could he have known, while listening to *Hail to the Chief* for the very first time as president, that, in just a little more than a decade, he would have conquered the vast majority of the challenges that were before him only to die at the age of 63?

This is FDR's legacy as well as that of his peers of the Missionary Generation—mostly born in the years immediately following the Civil War. It was the destiny of the Missionary Generation to serve as the wise senior advisors to the mid-lifers of General Eisenhower's Lost Generation, who, in turn, served as the managers of the young adults of Lieutenant Kennedy's GI Generation. These three generations of Americans worked together to overcome the last prolonged crisis in American history. For 16 long years, through a deep depression and a world war, Americans pulled together to overcome long odds and unimaginable suffering.

It was Albert Schweitzer who said, "One truth stands firm. All that happens in world history rests on something spiritual. If the spiritual is strong, it creates world history. If it is weak, it suffers world history."

Something quite spiritual happened in the years following Black Tuesday and the Wall Street Crash of 1929. Three different generations of Americans teamed up to muscle through the most challenging times since the Civil War. It was a bitter and painful time for America, but the country prevailed. "If we had no winter, the spring would not be so pleasant," wrote seventeenth-century American poet Anne Bradstreet. "If we did not sometimes taste of adversity, prosperity would not be so welcome."

Just about 80 years ago, America was served up a heaping helping of adversity: a Wall Street crash that triggered the Depression, a 1937 recession that slowed the recovery, and then a four-year World War. Yet even with 16 years of uncertainty and self-sacrifice, the United States eventually made its way through a very long, very cold winter and onto a new and prosperous spring of hope. And, when it did, it welcomed the arrival of an entirely new generation of Americans. Baby boomers, or Boomers—the largest generation in American history—ushered in a new seasonal cycle,

and life in America was good. But, as with all seasonal cycles, spring doesn't last forever. And neither does summer or autumn.

## **Déjà Vu All Over Again**

As the first decade of the twenty-first century draws to a close, the United States finds itself in uncertain times once again, facing many of the same challenges that FDR faced in the 1930s and 1940s. The economy is weakening, with record budget deficits and skyrocketing national debt. The working class is underpaid, underinsured (healthcare), underfunded (retirement), and overextended (credit). Services such as public schools, hospitals, and police and fire departments are all overstressed by budget cuts and the legal and illegal inflow of immigrants. Add to the equation the threat of domestic and international terrorism, as well as the ever-present possibility of a natural disaster, and America today is arguably facing a challenge that is at least equal to if not greater than the threat that existed in the years leading up to the Great Depression (see Table 1.1).

Certainly the United States has always had its share of challenges, regardless of the era. But the current alignment of significant socioeconomic challenges has never been greater or capable of adversely affecting so many. These challenges may not result in a Depression, but the problems that they create certainly will require the cooperation of several generations of Americans and more than just a few years to fix.

During the 1930s and 1940s, America slogged its way through a double-barreled crisis that included financial disaster and a world war. Once again, America finds itself in the same precarious position it experiences every 80 years or so—on the brink of crisis. Increasing unemployment, a pull-back in consumer spending, a costly war, a mature economy, weakening demand, and the slowest GDP growth since the 1930s all add up to an inevitable period of pain and adjustment.

During the 1930s and 1940s, there was high awareness of and sensitivity to the overconsumption of natural resources. Because most Americans did not yet own an automobile, demand and consumption of gasoline were not major issues. But by 2000, unbridled postwar commercial success brought the United States to the edge of saturation. When there are 40 million more registered vehicles than licensed drivers in the United States, it is difficult to sell cars—even with employee discounts. When the percentage of U.S. homeowners is relatively flat for decades because of responsible lending standards, it takes irresponsible lending standards to increase the universe of homeowners. After pushing the edge of the envelope for more and more growth, the United

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**TABLE 1.1. Constellation of Contraction**

What was will be again. The times may change but the issues remain the same

Issue	1930s and 1940s	1990s and 2000s
The Economy	Depression	Slowest GDP Growth Since Depression
The Environment	Over-Consumption of Natural Resources	Global Warming
War	World War II (3 Years 8 Months)	Iraq War (5 Years and Counting)
Trade	Protectionism/ Collapse of Intl. Trade	Trade Deficit
Working Class Wages	Stagnant	Stagnant
Federal Budget	Deficits from 1931–1946	Record Deficits from 2003–2009
National Debt	Increased 15-Fold from 1929 to 1945	Tripled from 1990 to 2007
Healthcare	National Health Insurance Defeated	47 Million Without Healthcare Coverage
Housing	Lack of Affordable Housing	Sub-Prime Mortgage Bubble
Security	Anarchists Bomb Wall Street	Terrorists Attacks of 9/11
Immigration	National Origins Quota	20 Million Undocumented Workers
Wildcards	Dust Bowl, Drought, Great Okeechobee Hurricane	Hurricane Katrina, Fires, Floods

States arrived at a very dangerous destination—one that negatively impacted the economy as much as it did the environment.

During the 1930s and 1940s, immigration was a significant issue in the United States. National origins quotas greatly restricted immigrants from entering the United States and, in some cases, banned entire nationalities, such as the Chinese, from entering at all. Legislation from the late 1920s effectively ended the mass migration that had been common in the nineteenth century. In the 1990s and 2000s, immigration is once again a central issue, but this time the focus is on the growing number of immigrants living in the United States illegally—either by overstaying their original legal entry or by crossing the border illegally.

The alignment of a host of once-a-century social and economic challenges has been quietly forming over the last quarter century. And, even though

there has always been an ambitious agenda of issues facing the United States at almost any point in its nearly 235-year history, there have certainly been those rare moments when a unique convergence of challenges is so concurrently significant that it simply causes the dam to burst.

The last American crisis was filled with dramatic events, such as the rare attack of the U.S. mainland, a Wall Street crash, and a long and painful war that ended with the use of nuclear weapons. Now America again faces a daunting list of challenges that are fundamentally not that much different than those of 80 years ago. America prevailed in 1945 and lived to see another spring—one of the greatest in U.S. history—and it will prevail again. But now, as then, the United States must endure a winter season that will challenge multiple generations and beg for truly inspirational new leadership with the guts to make difficult decisions at the risk of popularity.

Gone however, are FDR's Missionary Generation, Ike's Lost Generation, and most of JFK's GI Generation—the triumvirate that helped the United States through the last American crisis. Instead, a new line-up of generations has formed—one that has the aging Silent Generation (born 1925–1944) moving out of the role as senior leaders and into its senior years. Moving into the role as senior leaders of American society over the next 20 years will be the largest, most written-about, most marketed-to generation of all time: the baby boomers.

The timing is such that Barack Obama's Boomers are becoming senior leaders of American society at the beginning of an American crisis—just as Benjamin Franklin did as a member of the Awakening Generation through the crisis of the American Revolution, as Abraham Lincoln did as a member of the Transcendental Generation through the crisis of the Civil War,<sup>1</sup> and as FDR did as a member of the Missionary Generation through the last American crisis—the Great Depression and World War II. Those are big shoes to fill and big issues to conquer. Besides being the largest and most conspicuously consuming generation of all time, who are the Boomers? Are they up to the task of leading the country through the next American crisis?

## **Boomer Bio**

We have heard the basic statistics a thousand times: 76 million Boomers were born during an 18-year period from 1946 to 1964—the largest generation in American history (although the Millennial generation, born from 1985 to 2004, came quite close in size). But no generation comes close to the prolific output of American women on an annual basis: in 1957—the

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peak birthing year for Boomers—4.3 million Boomers were born during a time when the U.S. population was only 150 million. Now, more than 50 years later, it is still the case that U.S. women have never birthed 4.3 million babies in one year—even with a total population at more than 300 million, more than twice that of the late 1950s.<sup>2</sup>

Boomers were the first generation in history to gain notoriety as children because of the sheer size of the generation. Historically, it has taken time and experience for a generation to make its mark. The GI Generation—the generation that Tom Brokaw calls the Greatest Generation—made its mark as the rising adults who fought and died during World War II. This was the generation of young people who, returned to the United States after so much time and suffering, and started to turn out “victory babies” in record numbers.

In the 18 years prior to 1946, the number of live births in the United States averaged 2,687,000 per year. In the 18 years following World War II, that average jumped to 4,215,000 births per year, or an additional 1,500,000 babies per year until 1964. That amounts to an incremental 27 million Americans added to the U.S. population from 1946 to 1964,<sup>3</sup> or nearly one-half the size of all of Generation X, born from 1965 to 1984.

So the Boomer Generation was first known for its size. Second, it was known for the economic opportunity that its size created. And, later in life, when Boomers joined the labor force, no other generation could spend like the Boomers—quite possibly as a means of self-remuneration as the self-centered, narcissistic generation that happily traded *quality of life hours* for *standard of living hours*—in building what they deemed a “better” life.

### Constellation of Expansion

In the years immediately following World War II, a unique alignment of conditions and events provided a recipe for dynamic economic growth in the United States. First, three generations of Americans who had sacrificed so much for so long—through a depression and a world war—could finally get on with their lives. At last, FDR’s generation had done its part in managing Eisenhower’s generation, which, in turn, pulled the strings of the obedient grunts from JFK’s generation. These generational cohorts were spent, and, when their pent-up demand was finally unleashed after the war, it didn’t take much to spark a new wave of expansion in the United States—the first since the Roaring Twenties.