

Global baby bust critical thinking examples

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In recent years, global baby bust has affected the international market of consumer goods. A significant decrease in the birth rate has influenced the industrialization. A vital decrease in the sales of the consumer goods related to infants has also been observed in the recent years. The national income of several countries is affected where baby bust is on the peak. It is also analyzed that baby bust in many countries have increased the unemployment rate significantly.

Low fertility rate leads to the decline in the growth of population. Baby bust produces many negative effects on the consumer marketers and the overall economy. Labor growth decline which deteriorate the economy and the tax base of the country shrinks which produces negative impacts on the elderly financial benefits.

Consumer spending roughly generates two third of the GDP for the United States. Baby busts have a severe impact on the marketers of the consumer goods. For example, in the case of low fertility, there would be less buying of consumer goods related to the children. The education industry also faces a decline in growth due to fewer admissions and higher education institutes produce fewer professionals who are key for economic growth. Furthermore, the housing industry deteriorate since there is a less demand for homes to accommodate larger families .

Baby bust produces impacts on those marketers as well who sell to governments. Due to less fertility rate, pension and health care spending of the government increases. On the other hand, spending on education and research and development gradually declines. This leads to the cuts in the government spending on the consumer goods which in turn affects the

private marketers.

Baby bust results in the aging of population which results in the declining rate of technological growth and organizational innovation. Comparisons between different countries reveal that the increase of elder population in a society brings significant drop in the level of entrepreneurship and inventiveness. For example, most entrepreneurial country in the world is currently China, where there are five working people for every single retiree. During the late 20th century, working age population in East Asia grew by nearly four times faster as compared to its dependent population. This growth leads to the increase in social resources which would have been used otherwise in bringing up of the children. The boom in the China's economy is also due to the decline in its dependent population. These are the factors which makes the countries more attractive than others.

Population aging creates imbalance in the society and creates more senior citizens than work force. This brings the negative impact on government budgets. For example, in Germany, it is expected that public spending on pensions will rise to 15.4 % of GDP in 2040, as compared to the current 10.3%. On the other hand, the government's spending on health care are expected to increase to 8.4% of GDP as compared to 3.8% of today.

Both the government and private sector revenues also experience a decline due to the population aging and less fertility. Population growth is a key to economic growth since more population creates more demand and more demand increases the amount of labor that capitalists buy to produce goods.

It can be seen that the decline in the fertility rate results in the decline of the

overall economy. When the work force of any country declines, it brings down the economy except if the productivity is increased sufficiently to compensate the loss.

References

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