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A Spicier Stew In The Melting Pot

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A SPICIER STEW IN THE MELTING POT

Drop by Lotte, an Asian supermarket in suburban Rockville, Md., and you'll be instantly transported to the Far East. Koreans, Chinese, and Japanese customers mob the 9,500-square-foot store, snapping up everything from fiery kim chi to fresh quail eggs. "Before we opened up three years ago, there were only small oriental shops" in the area, says manager Andy Mim. But metro Washington's Asian community, which doubled in the past decade, is swelling so fast that Lotte last year opened a second store in northern Virginia.

Lotte may feel like Seoul, but it's an important preview of 21st century America. Indeed, a surprising revision in the Census Bureau's long-term population forecast has shattered notions about what America will look like 50 or so years from now. In a report released on Dec. 4, Census now estimates that by the year 2050, Asians, Hispanics, African Americans, and other nonwhite groups could represent 47% of the total population (charts). In its last projections, published just three years ago, Census figured minorities would make up only 25.2% of the population in the mid-21st century.

That's not all. By 2050, the bureau now says, America's population could jump 50%, to 383 million, from 255 million in 1992. In its 1989 projections, Census estimated the population would peak at 301 million in 2040, then slip to just under 300 million a decade later.

Why the drastic revisions? The numbers-crunchers at Census say they looked hard at their assumptions about

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On Line?

fertility rates, longevity, and immigration flows. The result: They now expect more babies, more gray beards, and more new faces from San Salvador, Jakarta, and all over. Says Carol De Vita, a demographer for the Population Reference Bureau: "This all drives home just how quickly the country's population picture is changing."

REST EASY. The new report has dramatic implications for public policy and for the marketing of everything from diapers to drugs. The prospect of 80 million extra workers to tax, for instance, is welcome news for the Social Security trust fund. The retirement system has been projected to go bust by 2036, when the youngest baby boomers will be in their 70s. Even though increased life expectancy means pensioners will be drawing their checks for a greater number of years, the growth in the younger population should allow the Social Security system's trustees to adopt a rosier outlook when they draw up a new 75-year actuarial study next spring.

Many of these future workers will be brandishing green cards. Legislation in 1990 increased the annual level of legal immigration. That, combined with continuing illegal border-hopping, led Census to increase the net inflow from 500,000 to 800,000 people a year. The fastest-growing population segment will be Asians and Pacific Islanders, whose numbers will increase fivefold, to roughly 12% of the total population by 2050. Hispanics, who will overtake African Americans as the largest minority group early next century, will represent 21%.

Reaching this rainbow of ethnic groups with the right product and message will be a considerable challenge for marketers. "The key is what will be the rate of assimilation culturally and linguistically," says Peter Kim, U.S. director of strategic planning at ad agency J. Walter Thompson Co. Second-generation Asian Americans, for instance, are likely to have a command of English, making them more responsive to mass-market print, TV, and radio campaigns.

Not so Hispanics, who often live in Spanish-speaking enclaves in large cities. That's why Procter & Gamble Co. has taken to sponsoring Hispanic events, such as Miami's Carnival festival, which draws 1 million visitors. "We're certainly one of the biggest spenders" in Hispanic marketing, says a P&G spokeswoman. Even so, Hispanic Business Magazine estimates that the consumer-product behemoth spent only \$29 million of its \$2.1 billion ad

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budget in 1991 on Hispanic-community advertising. P&G declined to break out the figures.

Such limited spending underscores the fact that many marketers have been slow to catch the wave of change. Although Hispanics spend some \$200 billion a year, only 1% of ad budgets are targeted at them, according to consultant DRI/McGraw-Hill. "Very few companies have targeted the Hispanic consumer seriously," says George San Jose, president of San Jose & Associates, a Chicago-based advertising agency.

FOREVER YOUNG? The expected surge of Hispanics and Asians--two groups that tend to have bigger families than whites--is one reason Census has boosted its fertility guesstimate. By 2050, it predicts, the average woman will have 2.12 children, instead of today's 2.05. "All this bodes well for the food companies, since we're heavily reliant on population growth," says John Blair, vice-president of marketing at Quaker Oats Co. The prospect of more American families could also boost the housing and real estate markets--even if the impact won't be spread evenly. Dortella and other demographers expect most immigrants to gravitate to traditional entry-point states such as California, New York, and Texas.

Companies catering to the other end of the age spectrum have reason for cheer, too. With life expectancy now anticipated to hit 82.1 years for those born in 2050, vs. 76 for those in diapers today, the number of the oldest--and often sickest--Americans will quintuple over the next 60 years. Small wonder that P. Roy Vagelos, chief executive of drug giant Merck & Co., happily pointed out to Wall Street analysts recently that "early next century, one in five Americans will be eligible for Social Security and medicare." Merck has been quick to pounce on the aging trend with such new offerings as Proscar, an alternative to prostate surgery.

Even so, the new Census Bureau projections belie fears of an America populated by a citizenry coping with receding gums and aluminum walkers. Higher immigration and bigger families will keep America young well into the next century. That's good news for pop-culture purveyors in Hollywood. Home Alone 2.5, anyone? Brian Bremner in Washington, with Joseph Weber in Philadelphia and bureau reports



George L. San Jose, president & chief creative officer of The San Jose Group, a multicultural advertising agency.