



WORK IN PROGRESS
RETHINKING ASPIRATIONS
A JWT TRENDLETTER DECEMBER 2008

An Installment in JWT's Series on Understanding and Navigating the Recession

EXECUTIVE SUMMARY

The global recession is challenging the aspirations of hundreds of millions of people, especially in the developed world, forcing them to focus on basic needs rather than higher-level ambitions. With economies transitioning painfully out of a long boom period—during which people came to take many comforts for granted—consumers will increasingly downsize their expectations, both in terms of material gains and hopes and dreams for the future.

Key Questions

- How will the financial crisis reshape the aspirations that will in turn reshape the world in the coming years? How likely are people to rethink what's possible and what's desirable?
- How will governments take on a new role in shaping aspirations?
- Recent aspirations have revolved around fame and fortune; what will be the new smart lifestyle aspirations going forward?
- How should marketers and brands respond to this shift in aspirations?

Key Findings

For many decades, growing numbers of people worldwide have been raising their aspirations for more and better on every front. With the global economic crisis, however, people can no longer assume that the next 12 months will be as good as or better than the previous 12. It's pushing people to review what they have and to revise their expectations.

We're seeing a shift away from aspirations for fame and fortune—today, people are showing an urge to change direction and lead simpler, leaner and perhaps more meaningful lives. As people evolve ways to live with and through the economic crisis, there will be great interest in finding ways to strip away some of the complexities of modern life. Consumers will embrace downscaled lifestyles, value the steady employment offered by the public sector, and seek greater control over their lives as trust in the system erodes.

Governments will increasingly be seen as the entities with the power to provide security and stability, aspirations that markets and the business world cannot fulfill. It will be up to leaders at every level—heads of households, businesses, countries and international bodies—to safeguard and steward the bigger, longer-term aspirations.

Aspirations—people’s hopes and ambitions—fuel markets and drive political movements. The craft of marketers, business leaders and politicians lies in great part in tuning into people’s aspirations, understanding what they mean, identifying what’s missing, imagining what could be and leading people to bridge the gaps.

For a generation, growing numbers of people worldwide have been raising their aspirations for more and better on every front: food, work, education, housing, transportation, leisure, medical care and, of course, consumption. Media and marketing communications have both reflected and fed these aspirations.

Consumers are still seeing many of the same images they saw before the global economic crisis hit, but the context and mood are now very different. For some, the images seem as though they’re from a different world.

People can no longer assume that the next 12 months will be as good as or better than the previous 12. The sharp downturn in consumer spending shows that the global economic crisis has changed people’s assumptions about what lies ahead—it’s challenging the hopes and aspirations of hundreds of millions of people. It’s forcing them to review what they have and to revise their expectations.

How will the crisis reshape the aspirations that will in turn reshape the world in the coming years? How likely are people to hold on to the aspirations they had before? How likely are they to rethink what’s possible and what’s desirable? This *Work in Progress* examines these questions.

FROM SIMPLE HOPE TO SOPHISTICATED DREAMS

In October 2008, successful independent hedge fund manager Andrew Lahde posted a note explaining why he was dropping out of the rat race. He said he was content with the money he had made and went on to describe the lives of others in the big-money business: "I will let others try to amass nine-, ten- or eleven-figure net worths. Meanwhile, their lives suck. Appointments back to back, booked solid for the next three months, they look forward to their two-week vacation in January, during which they will likely be glued to their BlackBerries or other such devices. What is the point?"

RETHINKING MODERN ASPIRATIONS

Aspiration is about the gap between what is and what could be, with the right effort and the right circumstances. It's driven by the feelings the aspiration triggers, which may be a greater sense of self-worth, self-esteem or security; it may be excitement, togetherness, self-determination—any number of feelings.

Every nation, every region and every group of individuals has its own distinctive aspirations. China aspires to achieve the respect and status of a leading nation. Regions such as Catalonia in Spain and Scotland in the U.K. aspire to be recognized as distinctive cultures in their own right. Groups of individuals aspire to achieve everything from greater civil rights to wireless hotspots everywhere.

A small global elite—business tycoons, Russian oligarchs, Middle Eastern potentates and A-list celebrities—aspire to owning private jets or vacationing at the most exclusive island resorts. Such aspirations are well beyond the reach, even the dreams, of 99.9% of the world.

However, hundreds of millions have successfully aspired to more mundane things that would have seemed equally unachievable barely a century ago—and still seem out of reach in the poorer parts of the world: clean running water, abundant food, reliable energy supplies, a comfortable home, a steady income, affordable education. Today, many people expect these things rather than aspire to them. Similarly, the right to vote and various freedoms (of speech, of movement, of worship, etc.) are now regarded as rights in most of the developed world.

The aspirations that have driven the boom of the last 30 years have been less basic: a bigger home (or a second home), a higher pay grade, a fancier car, a more fun lifestyle, personal fulfillment. As the crisis bites deeper and spreads wider, how many people, communities, businesses and nations will be able to maintain their heightened aspirations?

Not long ago, for example, Iceland was a prosperous nation that aspired to transform itself into one of the world's first green, carbon-neutral economies—surely a worthy ambition. Yet in just a few weeks in the fall of 2008, its over-leveraged financial sector imploded and the country effectively went bankrupt. A \$2.1 billion two-year loan from the IMF will help keep Iceland going, but what about those environmental aspirations?

It seems normal to us now that so many people aspire to change their lives, to have more, to achieve more and to be more. It hasn't always been so, however, at least not to this degree. Expectations and aspirations have continually risen over the past 60 years.

After World War II, millions of young adults worldwide were just hoping for a more peaceful existence: They aspired to a steady job, regular meals, a home, a family and a community. These aspirations for security and stability laid the foundation for the economic growth that rebuilt the U.S., Europe and Japan.

Rethink: In the 1960s and 1970s, after two decades of stability, young adults were kicking against the steady, cautious conformity of their parents. They aspired to challenge the status quo and to change the world through music and activism, fighting for civil rights, equal rights and peace.

A journalist was interviewing an elderly Asian businessman who was very wealthy but famous for his modest lifestyle. Asked how it was that his sons lived in big houses and drove expensive cars while he lived so modestly, the man replied: "Their father is rich. Mine was poor."

A SHIFT IN THE WIND

"You repeatedly asked me: Why are so many of us going to Wall Street? Why are we going in such numbers from Harvard to finance, consulting, i-banking? ... High salaries, the all but irresistible recruiting juggernaut, the reassurance for many of you that you will be in New York working and living and enjoying life alongside your friends, the promise of interesting work—there are lots of ways to explain these choices. ... You are worried because you want to have both a meaningful life and a successful one; you know you were educated to make a difference not just for yourself, for your own comfort and satisfaction, but for the world around you. And now you have to figure out the way to make that possible." —Harvard President Drew Faust, address to Class of 2008

Rethink: Through the '80s and into the '90s, aspirations centered around money: making lots of it quickly. The character Gordon Gekko in Oliver Stone's *Wall Street* embodied the hard-edged aspirations of the era. An advertising industry recruiter was likely to find a lukewarm reception at top American colleges, where students aspired to become dot-com millionaires or go into investment banking.

Rethink: As a new century began, fame became as much an aspiration as fortune. Hundreds of millions of people were tuning in to talent shows like *Pop Idol* and reality TV shows, broadcasting themselves to the world on Web sites such as MySpace, and branding themselves on personal blogs. The aspiration was to be seen, to be known, to be a celebrity.

Rethink: The aspirations of the last three decades—becoming rich and famous—are deeply woven into many plans. But in an environment radically changed by the global economic crisis—with stocks, housing prices and GDP stalled if not plunging—what new aspirations will overlay the existing ones?

A shift in aspirations away from material gain and toward a simpler, more meaningful life was evident even before the brunt of the global financial crisis hit in the fall of 2008. This goes hand in hand with trends such as the increasingly popular Slow Movement and notions such as "me time" and "work-life balance," which have become increasingly common catchphrases and stalwarts of the growing self-help industry.

Aspirations for fame and fortune have been strongest in the U.S., and Americans are now showing signs of an urge to change direction. A spring 2008 JWT survey of 1,011 respondents revealed that a significant percentage of Americans have been re-examining their lifestyles and questioning some long-held aspirations.

Two-thirds of respondents to the survey agreed that "I'd much prefer a job that allowed me to 'give back' to society." More than half (53%) said they have found themselves "thinking more about 'the road not taken' lately," while 47% said they would like to make a complete career change. Almost six in 10 agreed that "There are times I wish I could have an entirely different life."

The wish for a simpler life was widespread. Close to half (48%) agreed with the statement "My life has become too complex, with too many things to do and not enough time to do them." This resonated particularly strongly among twenty- and thirtysomethings (56% and 53%, respectively). Only 10% said they didn't want a simpler life, whereas 32% were considering opting for a simpler life by cutting back on expenditures and 23% were considering opting for a simpler life by spending more quality time with family.

Disentangling from the tight web of modern careers, families and other obligations may not be easy, however. One intriguing finding was that 15% said they would like to opt for a simpler life but didn't know how to achieve it.

It's important to note that in China, India and other developing countries, the notions of scaling back and re-evaluating lifestyles are irrelevant, self-indulgent

REFLECTING AND SHAPING ASPIRATIONS FROM THE TOP

luxuries for hundreds of millions. There, people have only recently found their way onto the path of prosperity and consumerism, and hundreds of millions more would like to follow them. As the global financial crisis has shown, however, the attitudes and actions of consumers in the developed markets have a major influence on the world economy.

In recent decades, consumers (and many politicians) looked to business and markets to meet their aspirations. But with markets extremely volatile and business begging authorities for bailouts, governments will increasingly be seen as the entities with the power to provide security and stability, aspirations that markets and the business world cannot fulfill. Already, several governments have taken upon a radically expanded role in the financial markets.

In the United States, Barack Obama's response to the economic crisis that unfolded in the waning months of the presidential election helped him establish and hold his lead. As the crisis stoked anxieties, Obama's cool-headed, measured approach increasingly seemed to be what voters wanted from the next president.

Both presidential candidates recognized the shift in the wind and tacked accordingly in the direction of change. In electing Obama, however, it seems that Americans are aspiring to a new sort of leadership. (Obama's was a positioning and proposition that appealed far beyond the United States, and a number of global polls showed that in most countries, people were looking for a change of direction and attitude from the U.S.)

Obama clearly aspires to be a leader who not only reflects voters' aspirations but also shapes them. And his community-oriented, we're-all-in-this-together vision seems to complement the aspirations of a new era. "Thinking only about yourself, fulfilling your immediate wants and needs, betrays a poverty of ambition," he said during a commencement speech at Wesleyan University in May 2008. "Because it's only when you hitch your wagon to something larger than yourself that you realize your true potential and discover the role you'll play in writing the next great chapter in America's story."

While elected leaders may reflect the aspirations of voters, however, there's a danger in overestimating their power to shape the aspirations of ordinary people. How many have persuaded their electorates to adopt their own vision of the future and modify their lives accordingly? In recent years, such influential leaders have been more common outside politics than in it: the Dalai Lama, Al Gore (as a climate change activist), Bono and Steve Jobs.

Some Obama critics fear an authoritarian, collectivist shift away from the laissez-faire, individualistic ethos that is the essence of the American way for many. But rightly or wrongly, many in the United States and elsewhere blame free-wheeling individualism for the economic crisis. And there's no doubt that all over the world, government interventions have helped prevent a total meltdown of financial systems and economies. As the costs and pain of the crisis mount, it will be government actions that provide relief.

A CLOSER LOOK THE RECESSIONARY PSYCHE

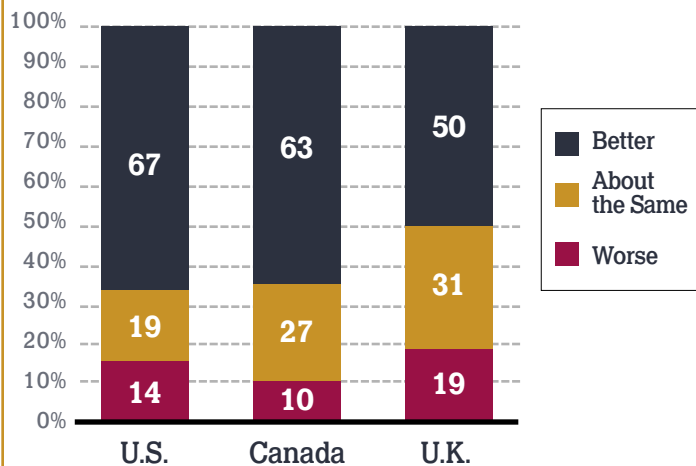
In spring and fall 2008, JWT's research arm, SONAR, conducted two surveys:

- The first, which was undertaken to determine consumer attitudes in relation to the looming recession, was conducted in late May in the U.S. among 1,011 respondents aged 18-plus.
- The second, conducted in November in the U.S., the U.K. and Canada, aimed in part to gauge the mood of consumers as the holiday season approached. It achieved target completions of just over 500 adults aged 18-plus in each country.

The following draws on findings from these surveys to highlight how consumers are beginning to rethink their aspirations.

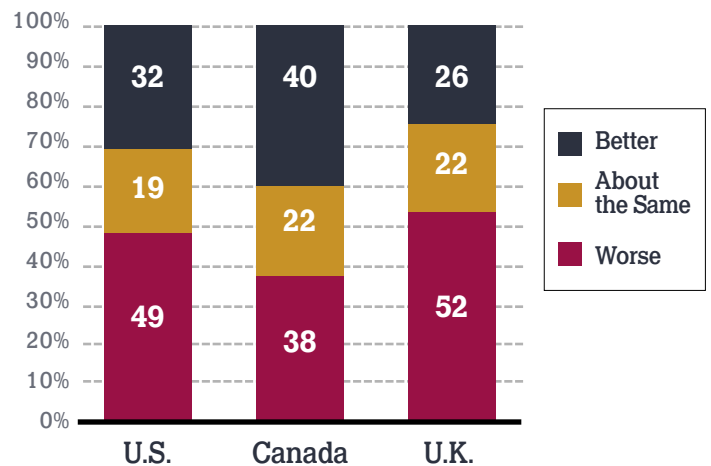
CONSUMERS ARE STILL OPTIMISTIC ABOUT THE FUTURE

How do you believe your financial situation will be three years from now?



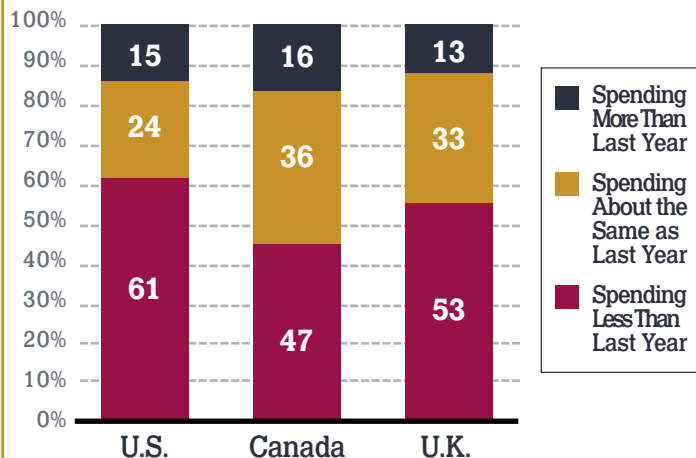
EVEN THOUGH MANY ARE HURTING FINANCIALLY

Compared with five years ago would you say your financial situation is better, worse or the same?



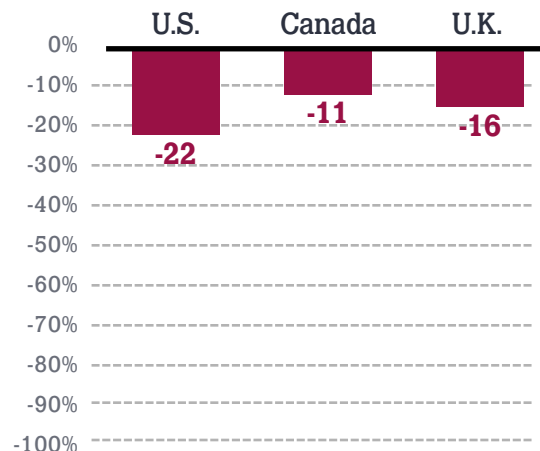
PEOPLE EXPECTED THEY WOULD BE SCALING BACK ON GIFT-GIVING

Thinking about your holiday budget last year, do you expect that you will be spending more, less or about the same as last year?



IN THE U.S., THE PLANNED REDUCTION IN GIFT-GIVING WAS SUBSTANTIAL

Percentage decrease in gift-giving budget (compared to a year ago).



A CLOSER LOOK
THE RECESSIONARY PSYCHE *(continued)*

Seven in 10 Americans said they are considering taking steps toward a simpler life; another 15% want a simpler life but don't know how to achieve it:

Which of the following describes you?

I'm considering opting for a simpler life by getting off the career track	7%
I'm considering opting for a simpler life by relocating	8%
I'm considering opting for a simpler life by cutting back on expenditures.....	32%
I'm considering opting for a simpler life by spending more quality time with family	23%
I would like to opt for a simpler life but don't know how	15%
I don't want a simpler life.....	10%
Don't know/didn't answer	5%

And many Americans have been rethinking their habits:

I am inclined to buy less stuff:

Agree Completely	46%
Agree Somewhat	39%
Neither Agree nor Disagree	11%
Disagree Somewhat.....	3%
Disagree Completely	1%

Overall, I'm spending less on health and wellness, just because there are other priorities in my budget today:

Agree Completely	18%
Agree Somewhat	36%
Neither Agree nor Disagree	15%
Disagree Somewhat.....	19%
Disagree Completely	13%

BACK TO MASLOW

For understanding what drives people's aspirations, psychologist Abraham Maslow's famous hierarchy of needs is a widely accepted model. It's based on the simple principle that some needs take precedence over others. (For instance, a hungry and thirsty person will drink first because thirst is a stronger need than hunger.)



Through the boom years, people and businesses have mostly been able to take for granted that their most basic needs are met. Brands and marketing have focused largely on needs higher up the hierarchy:

- Love and belonging needs (friendship, family, intimacy, a sense of connection) have been the core territory of social networking brands such as Facebook and of communication technologies such as mobile phones.
- Above that, self-esteem (confidence, mastery, achievement, respect of others, a sense of unique individuality, independence, status, dominance, prestige) has been the heartland of aspirational brands ("Because you're worth it") and premium brands.
- At the top of the hierarchy, self-actualization (morality, creativity, spontaneity, acceptance, experiencing purpose, meaning and inner potential) has been the preserve of ethical consumption (Fair Trade, organic, local, carbon-neutral, minimal packaging). Brands and corporations aspiring to be seen as good corporate citizens have been working hard to gain credentials in this area.

The global economic crisis has overturned the conditions of the boom years. The changing behavior of businesses and consumers through 2008 showed that everyone was moving back down the hierarchy to attend to the more basic needs: safety and security and even physiological and biological needs.

WHAT IT MEANS

It's a safe bet that a focus on basic needs will remain the case for a while to come, with consumers and businesses focusing on ensuring their survival through the crisis. This will put a lot of higher-level aspirations on the back burner.

Steady employment and public service: As unemployment spikes, those much-derided, poorly paid, bureaucratic public sector/service jobs with pension benefits suddenly look like employment paradise. While these jobs aren't immune to recession, working in the public sector will become a lot more aspirational than it has been in decades as governments worldwide prop up their economies with billions in public spending.

Living leaner: With money tight, consumers will be forced to think and live leaner—to reduce spending on not just food and drink but also on car trips, home energy use, clothing, entertainment, etc. What was once seen as frugality, with negative connotations of poverty and stinginess, may well morph from a distressing necessity to a smart lifestyle aspiration for consumers. Corporations have already embraced the necessity of “lean” as a smarter way of operating.

Regaining some control: The global economic crisis has been a massive experience of powerlessness for hundreds of millions of people, from individual consumers up to big corporations and governments. Everybody feels at the mercy of forces beyond their control. The only people with any sense of control are those fortunate enough to have access to cash.

For the immediate future, consumers and businesses will have little choice but to rely on politicians and governments to get the crisis under control. That may be acceptable for a while, but once people adjust to the new leaner reality, they will look for ways to get more control in their life. That will mean no longer assuming they can rely on “the system” and “experts” to run things on their behalf. It will mean managing money more carefully, saving more (and more smartly), and paying more attention to risk and danger signals.

Living more simply: Modern life has become very complicated. And with the media delivering the complexities of the global economic crisis and other long-term issues like climate change around the clock, it's become more complicated than ever. How much complexity can people live with?

For a while now, people have been talking about “downscaling,” or living more simply. As the length and strength of the boom showed, this never became a mainstream phenomenon. But as the JWT survey indicates, living more simply is an appealing idea to many, at least in theory. As people evolve ways to live with and through the economic crisis, there will be great interest in finding ways to simplify life—not necessarily for philosophical reasons but as a way of reducing stress and anxiety.

Leadership and new narratives to inspire: For a while to come, most consumers and many businesses will be focused on meeting the basic priorities of life—surviving and making it through the crisis without too much damage. Higher aspirations will be out of the frame for many. People and businesses struggling to make it from week to week won't have much time or energy to think about human rights, poverty in the developing world, the environment or any number of current and potential future issues.

It will be up to leaders at every level—heads of households, businesses, countries and international bodies—to safeguard and steward the bigger, longer-term aspirations. The job of leaders is to prepare for the future and describe the future in ways that inspire people to work toward it. Such leaders will need the strength of aspiration to make the current economic crisis a turning point that leads to a smarter, more secure future.



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