

The Brass Ring by John F. Dini

How Baby Boomers Changed the Face of Small Business in America (Part 3)

A long, long time ago (I've actually ridden only one such in my lifetime) Carousels had a spring-loaded sleeve of brass rings protruding near the innermost (and least popular) track of horses. A bigger kid could lean out and yank a ring from the sleeve with considerable effort, and be rewarded with a free ride.



Today, of course, we can't even read the description of such an ill-conceived device without cringing at the thoughts of fallen children, their bodies horrifically mangled in the giant gears of the turntable, and the litigation and public outrage that would follow. Times change.

"Reaching for the brass ring" has become a metaphor for chasing success. As I discussed in last week's column, the massive number of Baby Boomers would have affected the economy regardless of their other tendencies, but their *commonality* and *competitiveness* raised that impact by an order of magnitude.

If you are a Boomer business owner, I defy you to say that you've never complained about the work ethic of the younger generation. From the mid 70's to the mid 90's (prime time for Boomers in the workforce) American white-collar workers saw the rise of an average work week from just over 40 hours to almost 54. This while our European contemporaries were campaigning for (and winning) 35 hour weeks and ten weeks of vacation. What made American Boomers so competitive?

Our numbers. There were simply too many of us to accommodate at every stage of our lives. Just as the impact of ageing Boomers leaving the workforce will come as a surprise to most, so the flood of people into schools, homes and jobs took the majority of businesses (and governments) by surprise.

I attended public schools in the 1950's where 45 or 50 children were the norm in a classroom. It had nothing to do with unenlightened teaching methods or weaker unions. There simply weren't enough classrooms. Between 1945 and 1957 the annual number of new births in the country increased by 53%, from 2.8 million to 4.3 million. They couldn't build schools fast enough.

When I started college in the late 1960's, they were pulling trailers into muddy fields and calling them community colleges. There weren't enough universities for all those who wanted to attend. And when I graduated and applied for a position in corporate America, their hiring offices were like the Department of Motor Vehicles, with group testing and rows of interviewing offices.

It was a time of plenty in America, but there wasn't enough of what the Boomers were seeking. The "Spock Babies," as we were called, had been raised to believe that every one of us could, and should, succeed. We all expected the corner executive office, but there weren't enough places for everyone.

(An aside: I've always been curious about Gene Roddenberry's selection of a name for the First Officer of the Starship Enterprise. Was there some subliminal appeal that helped make *Star Trek* one of the most popular Boomer shows in history?)

From 1966, when the first Boomers turned 21, through 1975, the rate of college graduations in the United States *tripled* on an annual basis, from just over 600,000 to nearly 1,700,000 a year. (See the timeline at [The Boomer Bust](#))

Baby Boomers competed for the better places in schools and for admission into the better universities; and then competed fiercely for jobs when they graduated. Once employed, they were part of a glut of other qualified Boomers; roughly the same age, and with similar qualifications. The brass ring went to the ones that worked hardest, longest and smartest. An entire generation accepted competition as a way of life. It was a numerical inevitability.


But many Boomers were squeezed out by the numbers, or were disinclined to engage in a battle for promotions and raises. They still wanted the gratification that Dr. Spock said they should have. They still expected the brass ring.

They went into business for themselves.


From 1975, when the first Boomers turned 30, until 1986, the formation of new businesses in America jumped from 300,000 to 700,000 annually. By 1990, when the oldest Boomers turned 45, the number of new business formations had fallen back to 600,000. *It has remained there since.* As our population has grown from 190 million to 310 million, the number of business start-ups has been flat.

The massive number of small businesses in the United States, the source of 67% of all new job creation since 1995, is clearly the product of millions of Boomers who sought success outside traditional wage-paying jobs. For the first time since the industrial revolution, (when production consolidated into large enterprises) America became a nation of shopkeepers again.

These are the businesses that are beginning to be sold. Whether there are enough buyers is another question.



["Beating the Boomer Bust,"](#) is a collection of articles focused on the unique challenges facing the business community due to the large population of retiring Baby Boomer business owners. It is the product of a year of research, and of fifteen years helping business owners prepare to leave their companies. Small business owners in America are ignoring a tidal wave of change that will leave a few small businesses untouched while wiping many others from the face of the planet.

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