

First Friday Book Synopsis

Interview: Maddy Dychtwald



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Maddy Dychtwald is a nationally recognized author, public speaker, marketing executive and entrepreneur. She has spent nearly twenty-five years deeply involved in exploring and forecasting demographic, lifestyle and consumer marketing trends. In 1986, she co-founded Age Wave, with her husband, Ken. As the nation's foremost thought-leader on population aging and its profound business, lifestyle, and cultural implications, Age Wave provides breakthrough research (including the landmark study *Women, Money and Power*), compelling presentations, award-winning communications, and results-driven marketing and consulting initiatives to over half the *Fortune 500* companies.

Dychtwald is the author of three books: her latest is *Influence: How Women's Soaring Economic Power Will Transform Our World for the Better* (May 2010). She has also written *Cycles: How We Will Live, Work, and Buy* (2004), and co-authored an illustrated children's book entitled *Gideon's Dream: A Tale of New Beginnings* (March 2008). As a sought-after public speaker, she has addressed more than 275,000 business leaders worldwide. She has been featured in leading newspapers and magazines nationwide, including *Newsweek*, *Time*, *Bloomberg/Businessweek*, and *US News and World Report*. Dychtwald lives in the San Francisco Bay Area with her husband and two children.

Morris: Before discussing a specific book, a few general questions. First, please explain the meaning and significance of the name of your firm, Age Wave.

Dychtwald: For the first time in history, we are seeing a dramatic shift in our population from one dominated by youth to one dominated by mid life and older adults. It's metaphorically a wave of older adults hitting us, with the impact of a tsunami—transforming every aspect of our society from the marketplace to the workplace to the very

way we define old. Not only does our company name describe the trend that our business is focused on, it suggest power and a positive vibe which, when we started the company in 1986, wasn't usually associated with aging. We wanted to help change the attitude of aging to be more positive.

Morris: Given the number of speeches you have delivered and your interaction with the members of each audience, to what extent (if any) have the questions you've been asked and the comments people have shared changed within the last several years?

Dychtwald: When I first started speaking at conferences and association meetings, most of the audience thought age 50 was over-the-hill. It was also news that older adults had money and were willing to spend it. Today that has transformed dramatically. We all know that 50 and even 60 are no longer over the hill. And it's the aging of the baby boom generation—those born between 1946 – 1964—that is responsible for this change. They are 78 million strong –1/3 of our population—and they have always done things differently than their parents and grandparents. With that in mind, we're beginning to see how boomers are beginning to reinvent retirement and our perspective of what 50, 60 or even 70 can be like.

Morris: In terms of balancing one's career with one's personal life, is it easier, more difficult, or about the same today as it was a few years ago?

Dychtwald: Balance is a continuous struggle, but it used to be considered a "women's issue"—something that primarily described women trying to figure out how to build a family and a career simultaneously. That has changed. Today, with the growth and importance of two income families, it's become a "family issue." We see men as well as women struggle to balance family and career. In many married couples, all roles and responsibilities are open to negotiation and that makes things even more complicated. However, now that balance is recognized as an issue impacting women and men, our workplace policies are more likely to become family-friendly, giving women and men a better shot at successfully balancing family and work rather than having to choose between the two.

Morris: Please explain the title of your book, *Cycles*.

Dychtwald: *Cycles* hones in on a major paradigm shift that many of us are a part of right now. It has to do with the very way we organize our lives. Keep in mind, through most of history, life was short and took a predictable linear path: birth-education-work-marriage-family-retirement-death. It was a linear path that was defined primarily by age and gender, so you knew exactly what you were supposed to do based on how old you were and your gender. But that's beginning to change. As life expectancy has skyrocketed—adding another 30 years of life in the 20th century alone—we're beginning to realize that our life path may be more cyclic than linear. For instance, education is no longer something that happens just when you're young. Neither is marriage. People have 2nd and 3rd careers rather than one job for life. Many of us are cycling back to these lifestages based on our needs and interests rather than just our age and gender. This book explores the personal, social, business and economic ramifications of this shift from a linear to a more cyclic life arrangement.

Morris: The book was published in 2004. In terms of how we live, work, and buy, what has been the single most significant change during the six years since then? Please explain.

Dychtwald: I think we have reached a tipping point where the changing role of women coupled with their growing earning power has positioned them as both the leading change agent of the next several decades as well as the dominant market for everything, from food to automobiles, from pharmaceutical products to stock investments. That's why I decided I wanted to focus my research and my thinking on this subject in *Influence*.

Morris: Now please shift your attention to *Influence*. For those who have not as yet read it, your focus is on “how women’s soaring economic power will transform our world for the better.” Here’s my first question. Please explain your frequent references to “economic emancipation.”

Dychtwald: After thousands of years of economic dependence, a critical mass of women around the globe are moving from survival to financial independence and influence. . . .almost at economic parity with men. What I’m struck by is that my great grandmother wouldn’t recognize women’s role in the world today. One hundred years ago women were considered property: they couldn’t open a bank account, couldn’t vote, couldn’t divorce their husband, and most were not well educated. Today that’s all changing, not just in the US but around the globe.

Morris: Of all the gender role transformations that have occurred, which has the greatest significance and most important implications? How so?

Dychtwald: At the heart of all the transformations that have taken place is the fact that in the past most women didn’t have the opportunity to pursue higher education. Today women are better educated than men: 73 percent of all high school valedictorians in 2009 were women; for every 100 men graduating from college there are 133 women. And it doesn’t stop with college. Today, women are graduating from medical school, law school, and business school in equal numbers to men.

This provides them with the skill set to excel in the new economy. A few simple examples: 30 years ago, about two percent of women were doctors or lawyers. Today, one-third of all doctors and lawyers are women. In fact, women now make-up 51% of all professional workers, which has converted into increased earning power. We’re not all the way there yet, but we’re moving in the right direction at increasing speed.

Morris: The research that you, your husband Ken, and your associates conducted revealed three “clear trends.” What are they and why is each important?

Dychtwald: In the study we conducted, there were three findings pertaining to women and money that jumped out at us. First, by a significant margin, the women we surveyed said “the best thing about having money was the security that came with it” while men were more likely to say that it was “the freedom” money brought with it that was the best thing about having money. By the way, most studies and secondary research support this difference. Women’s fear of poverty runs deep at every income level.

Second, when it comes to money, men saw themselves as “warriors” while women saw themselves as “worriers.” Men were almost twice as likely as women to say they would take significant financial risks. This, of course, has boded well for women in the recent turbulence in the financial markets.

The other clear gender divide we discovered was that, in general, women are more likely than men to put the financial needs of others ahead of their own. In fact, for women, “caring for family” was second only to “security” while for men it was further down the priority list. One financial advisor we interviewed said it best, “If they won the lottery, most men would buy expensive toys and women would help their kids and relatives.”

Morris: Your discussion of women’s “money profiles” caught my eye. For those who have not as yet read *Influence*, what are the five types and what is the dominant characteristic if each?

Dychtwald: As we collected data from our study, trying to better understand women and their financial behavior, five profiles of women and money emerged. Overall, our research uncovered the fact that what determines a women’s financial personality is very much how she feels about money, how much she defers to

someone else to get the job done, what she wants money to do for her, what she wants to do with her money, and how confident she is in her relationship with money. While these profiles are merely snapshots at one moment in time, it immediately became clear that three of the five personalities helped women's economic emancipation while two others did not. In the book, I describe these personalities in detail, but here's a quick take.

The most confident of the five personality types is the **Alpha Female**. Eighteen percent of the women surveyed identified with this profile, and their behavior (when it comes to money) is much like a stereotypical confident male: a quick decision-maker, risk-tolerant, and less interested in the details than the results.

The Perceptive Planner is not quite as confident as the Alpha Female, but this is the personality that 35 percent of women identified with, making it the largest segment in the study. They are analytical, disciplined and responsible.

The third personality is the **Power Partner** which is the second most common group in our study with 23 percent of women identifying with this personality. She is collaborative and willing to strike compromises, believing that two heads are better than one. These three personality types are pro-active and empowered when it comes to money.

The last two personalities are not: **Supportive Traditionalists** and **Uncertain Searchers**. About a quarter of all women identify with these two personalities. A Supportive Traditionalist demonstrates the *de facto* way women used to behave with money, deferring decisions around money to a male. She enjoys spending and is not too interested in gaining knowledge around finances. Amazingly, it is the smallest group in our study with only 8 percent of women identifying with this personality.

The least confident personality is the Uncertain Searcher with about 16 percent of women identifying with this personality. This personality is led by her emotions when it comes to making financial decisions. She knows little to nothing about finances and doesn't know where to turn for information. She knows she's lost and isn't sure how to move on.

Morris: Near the conclusion of the third chapter, you briefly discuss "the sleeping giantress," a metaphor that refers to "the collective untapped economic power" of women. Don't these statistics cited by Marti Barletta in *Marketing to Women* (2006) suggest that the "giantress" is awake and active?

Women are responsible for 83% of consumer purchases in the U.S.:

94% of home furnishings

93% of over-the-counter pharmaceuticals

90% of food

80% of health-care spending

55% of consumer electronics

92% of vacations

72% of new cars

Dychtwald: Definitely. However, I also cite the fact that many women feel misunderstood by marketers. For example, 84 percent of women feel misunderstood by investment marketers, 74 percent feel misunderstood by auto marketers, and 66 percent feel misunderstood by healthcare marketers. Up until now, much of American business still thought of men as the prototypical customer while women were seen as a niche market. This is what is

beginning to change. Companies can no longer afford to neglect understanding and reaching the most powerful consumer in the world.

Morris: Please explain your reference to “the entrepreneurial exodus.”

Dychtwald: Over the last several decades, we’ve seen millions of women leave corporate America to start their own companies. In fact, even during the recession, women-owned companies have grown at twice the national average. Often women are motivated to venture off on their own so that they can find new ways to work which make more sense for their lives.

Morris: What does it mean to “rewrite the rules from outside in”? Which rules? Rewritten by whom? From the outside of what?

Dychtwald: Once entrepreneurial women leave the grind of the traditional workplace, they often have the flexibility to test different rules of that workplace and come up with new models of work that might be a better fit not just for women, but for everyone. Keep in mind, the workplace of today was primarily designed in another era by men, for men, with at-home spouses. That’s just not who we are as a society anymore. As a result, it isn’t working for a huge number of women. Frankly, it isn’t work very well for a lot of men either.

Specifically, women entrepreneurs have caught the swell of three key trends—just- in-time employment, cloud sourcing, and results- based work, all of which I describe in my book. By example, they’ve shown big corporations how to use these trends to reinvent the model of the workplace. In the decade ahead, the smartest corporations will continue to learn from successful women entrepreneurs and find new ways to hang on to their top talent, often women. Those that don’t won’t be able to compete in the new global economy.

Morris: In months and years to come, you suggest that marketers “will need to move way beyond ‘pink’ and consider their consumers in a far more sophisticated way.” Please explain.

Dychtwald: Industries that have focused primarily on men as their target market such as banks, financial service companies, technology companies, and automobile manufacturers often used to just repackage existing services in “pink” for women. Now there is a trend that is beginning to take shape: savvy companies are beginning to dig deep to figure out what women *really* want. As a result, they are often coming up with entirely new products and services designed with a woman in mind which can mean reinventing their businesses pretty dramatically.

Morris: Please explain your reference to “mutiny on Noah’s ark.”

Dychtwald: For most of recorded history, the “Noah’s Ark” model of family— one man, one woman— dominated society. But that boat’s been leaking steadily for the past few decades. Two main cultural explosions have blown holes in the hull. First, women’s economic freedom to not marriage: As women have earned more, they’ve married less and later. Various changes in divorce laws have also helped. In the United States, we’re no longer subject to divorce laws that automatically award custody of children and property to husbands, so it’s easier to leave unhappy marriages.

The other explosion that’s sinking Noah’s Ark is women’s longevity: Females of all species tend to live longer than males, and women outlive men by about five years. In its simplest terms, what this means is that 90 percent of all women will be single at some point in their adult lives, which means the “Noah’s Ark” model of family is giving way to a variety of different kinds of families. One size no longer fits all.

Morris: Many people were surprised by the recent results of several major primaries, especially the ones in California. How and why are women closing the leadership gap in politics?

Dychtwald: I think it's a bit of an overstatement to say that women are closing the leadership gap, but they are making some impressive gains. According to the White House Project's founder and president, Marie Wilson, "People think that women are in power, but that's not really the case in any field." In fact, today women hold a mere 20 percent of all leadership positions in politics. Women have done a remarkable job of moving into that "middle place"—moving from survival to independence on the scale of economic power, moving from entry level to middle management. Senior leadership positions in almost every field, including politics, are still held primarily by men.

Morris: What is "EMILY's Legacy"?

Dychtwald: EMILY's List was the first political action committee (PAC) for women and it remains an important force, raising huge amounts for women candidates and providing them and their campaign staffs with rigorous training. It was started by former Carter White House staffer Ellen Malcolm in 1985. Back then, not a single woman Democrat had ever been elected to the Senate in her own right, or been elected to governor of a large state.

So Malcolm invited twenty-five friends to write letters to other friends about a new network to raise money for pro-choice Democratic women candidates. To join the network, it cost \$100 and then members were asked to write checks for two or three women candidates. By the way, Emily is an acronym—"Early Money Is Like Yeast (It Makes the Dough Rise).

In 1992, EMILY's List contributed some \$6.2 million to women candidates. Twenty women were elected to the House, four women to the Senate. And scholars still refer to 1992 as "the year of the woman." U.S. elections of female Senate candidates have not moved forward as dramatically since then but haven't lost ground either. EMILY's List gave rise to other PACS on both sides of the political aisle. It also taught women that they need to write a check, and a significant check, in order to support the causes and the candidates they care about.

Morris: You conclude the book with ten suggestions as to how to expedite the "power shift" as women "unleash the full power of economic emancipation." Frankly, I don't understand why you frame the call to action this way. Women need men to help achieve that worthy objective and, in fact, men have played an increasingly important role in support of women's rights. Also, why address the suggestions to female readers?

Dychtwald: I think you make a legitimate point, and I really wrote this book with one major theme burned into my brain: we need to create a partnership society where women stand side by side with men rather than replacing men. Both women and men need to work together to transform our world for the better. However, men have much more of a history of thinking like this, so I wanted to suggest some easy ways women who might not know what they can do right now to change the world could, in fact, take some simple steps.

Morris: Which question had you wished to be asked during this interview – but weren't – and what is your response to it?

Dychtwald: Your questions have been thought provoking, so thank you for that. One question that no one has asked me is how writing this book has changed me. And it has changed me in a multitude of ways. The way that stands out for me is that through interviewing the more than one hundred incredible women and men I spoke to in

conducting the research for my book, I began to realize that I could more effectively use my own personal influence. I make an effort every day now to do just that...even in small ways, but I more pro-actively wield my own influence.

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