

# Iran in the context of the United States and the Generational Turning Point

*The Last Stand of the Baby  
Boomers and What Comes Next*

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## Executive Summary

Periods of geopolitical turbulence often coincide with the end of long political cycles. History suggests that roughly every 70–90 years, generational turnover reshapes national priorities, political leadership and the international order. These transitions are rarely smooth. They tend to produce moments of instability as the institutions and assumptions of one era collide with the attitudes of a rising generation.

The United States now appears to be entering such a phase. The generation that shaped the political and economic architecture of the late twentieth century is approaching the end of its dominance, while younger cohorts with very different economic experiences and priorities are steadily becoming the largest segment of the electorate.

Recent events around Iran should therefore not be viewed in isolation. They sit within a broader moment of geopolitical and generational transition. The current Trump administration can be interpreted as a manifestation of this end-cycle tension - the political consolidation of a generation that has dominated American leadership for decades.

In that sense, the present moment represents the last stand of the Baby Boomers: a final attempt to defend the geopolitical assumptions and economic order built during their rise to power before demographic momentum shifts decisively toward younger generations.

The political tensions of the current moment, from the reassertion of economic nationalism to fractures in alliance architecture, reflect this generational collision in real time. For institutional investors, the transitions that follow such turning points have historically coincided with new macroeconomic regimes: new fiscal frameworks, new sector leadership, and new assumptions about the role of the state in economic life.

This note sets out the structural case for viewing the 2020s as a generational pivot, examines the investment implications, and places the current moment within the longer arc of American historical cycles.

## I. The Political Economy of Generational Succession

Political power seldom passes quietly from one generation to the next. Periods of transition are often marked by a final, intense assertion of influence by the cohort that has dominated institutions for decades. The United States is living through such a moment today.

The **Baby Boom generation**, born between 1946 and 1964, has shaped American political and economic leadership for much of the past four decades. Its worldview was forged during the Cold War - an era in which American military power, expanding global trade, and rising domestic prosperity reinforced the conviction that the United States should lead decisively abroad and maintain confidence in its economic model at home. The institutions of globalisation, the architecture of American alliances, and the dominance of US financial markets all matured during the period when this generation rose to positions of authority. These were not merely policies; they were, for this cohort, articles of faith.

Demography, however, has begun to shift the ground beneath that leadership. Millennials and Generation Z already outnumber Baby Boomers in the population and are steadily becoming the largest segment of the electorate. Yet older voters continue to dominate political participation, turning out at rates often **twenty or more percentage points higher** than younger cohorts. The result is a political system where institutional control remains with an ageing generation even as the demographic centre of gravity moves elsewhere - a structural lag that has become one of the defining tensions of this decade.

In this context, the rise and persistence of Donald Trump is best understood not simply as populism, but as **the political expression of a generation defending the order it built**. His electoral coalition rests **heavily on older voters** who remain deeply attached to the economic and geopolitical framework of the late twentieth century: national strength, clear strategic allies, and the conviction that American power should be asserted rather than questioned. What reads as disruption to younger observers is, for this constituency, restoration.

Younger Americans approach the world from a fundamentally different starting point. Their formative experiences include the global financial crisis, stagnant real wages, unaffordable housing, mounting student debt, and a more fragmented and multipolar international order. Their political concerns focus less on global dominance and more on economic security: stable careers, purchasing power, and the prospect of owning a home. Foreign policy is increasingly evaluated through its domestic cost, not its strategic symbolism.

The wars and crises now unfolding abroad have therefore become the final theatre of this generational struggle: an older leadership asserting the strategic doctrines of the twentieth century while a rising electorate demands a political economy designed for the realities of the twenty-first.

## II. The 70-90 Year Cycle: Historical Context

History rarely changes direction suddenly. More often, it moves through generational replacement: the gradual passing of influence from one cohort to another whose formative experiences were shaped by an entirely different world. Political scientists from Karl Mannheim to Ronald Inglehart have long argued that attitudes formed in youth tend to endure across a lifetime, and that when those cohorts begin to dominate the electorate, political priorities shift accordingly.

In long historical rhythms, often estimated at roughly **70-90 years**, the institutions and assumptions of one era gradually give way to another. This is not merely a sociological observation; it has material investment consequences. The United States has experienced such transitions twice in the modern era:

### THE LONG CYCLE: AMERICAN TURNING POINTS

1860s - Reconstruction: The post-Civil War settlement reshaped the political economy of labour, land, and federal authority, ending the antebellum order and beginning a new industrial era.

1930s - 1940s - The New Deal and Post-War Order: The Great Depression and World War II triggered the most comprehensive redesign of American economic institutions in history: Social Security, the FDIC, the Bretton Woods system, and the architecture of US-led global leadership.

2020s - The Next Turning Point?: By the same 70-90 year measure, the current decade falls squarely within the expected window for the next systemic transition - one defined by the collision between the post-Cold War order and the priorities of a new generational majority.

The governing political class remains unusually old. The median age of members of Congress stands at roughly **57 in the House and approximately 65 in the Senate** - among the highest levels in modern American history. Many of today's senior leaders were politically formed during the Cold War or the unipolar moment that followed. Their strategic instincts were calibrated in a world where American primacy and global intervention were largely unquestioned. That world is dissolving.

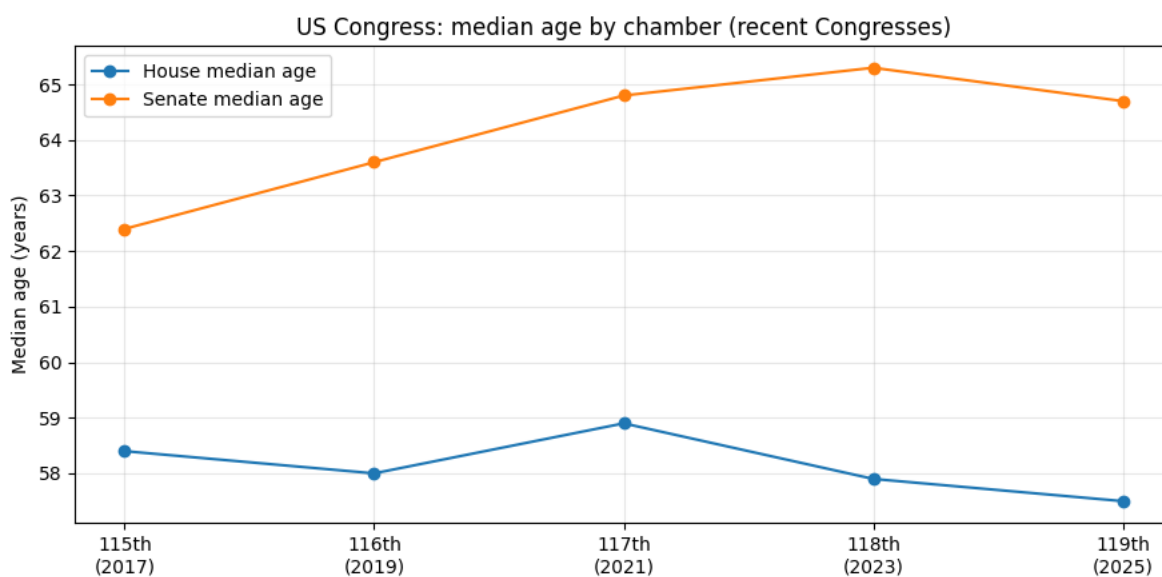


Figure 1: Congressional age distribution and generational cohort dominance

### III. The Generational Handover: Electoral Mechanics

The electorate is changing quickly beneath the surface of institutional inertia. Millennials and Generation Z have already surpassed the Baby Boom generation in absolute size and will become the dominant electoral bloc over the course of the next decade. By the mid-2030s, younger cohorts could represent **close to 60% of eligible voters**, while the Baby Boomer share contracts sharply through natural attrition.

Their political priorities diverge markedly from those of the generation they are displacing. Younger voters are less focused on geopolitical dominance and more preoccupied with economic security: housing affordability, real wage growth, the burden of student debt, and the cost of living. Foreign policy is increasingly judged not by strategic doctrine but by its domestic consequences. The question is less about credibility abroad and more about opportunity at home.

The Middle East conflict offers a particularly sharp illustration. Gallup survey data shows that Americans under 35 are now significantly more sympathetic toward Palestinians than Israelis, while voters over 55 remain strongly pro-Israel. This is not merely a geopolitical disagreement; it is a generational one, expressed through the prism of lived economic experience and a fundamentally different relationship to American power and its projection.

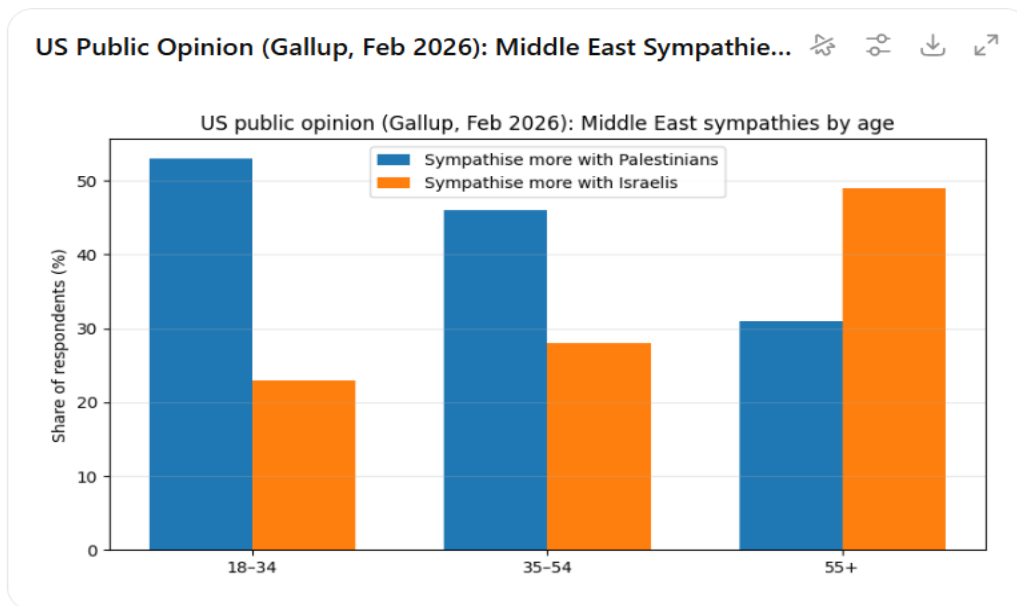


Figure 2: Generational divergence in foreign policy attitudes (Gallup)

There is, however, an important structural qualification. Demographic weight does not automatically translate into political power. Younger Americans vote at significantly lower rates than their elders. In recent elections, turnout among voters under 30 has been **20–30 percentage points lower than among those over 60**. This participation gap has allowed an older electorate to continue shaping policy even as generational attitudes shift rapidly beneath the surface. The lag is real - but it is not permanent.

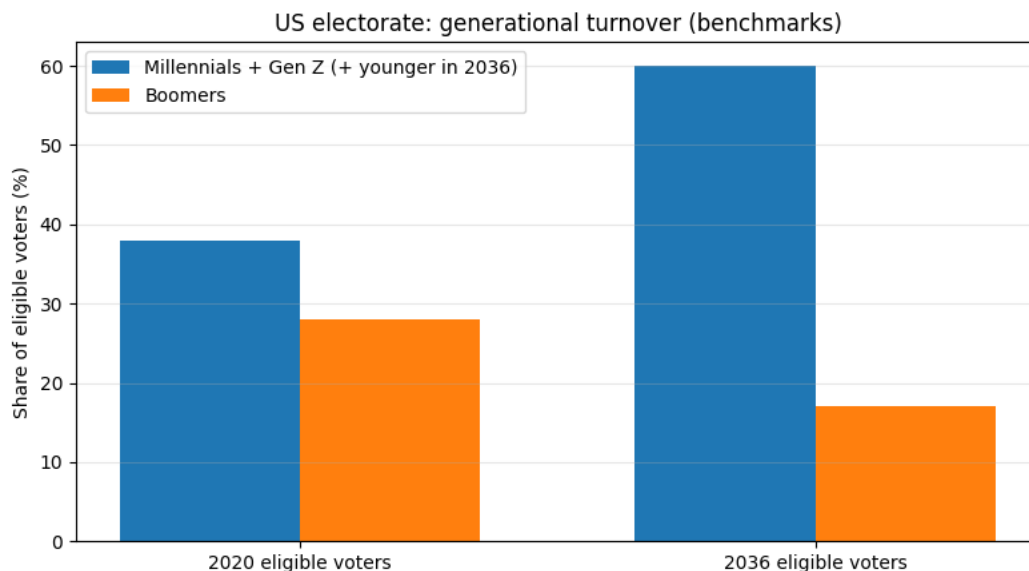


Figure 3: Voter turnout by age cohort - generational participation gap

History suggests such imbalances rarely persist indefinitely. As younger cohorts age, entering their thirties and forties, forming households, accumulating assets and paying rising tax burdens, their participation rates tend to rise. When that shift occurs at scale, leadership and policy priorities typically follow within a single electoral cycle. The geopolitical tensions of the current decade may accelerate this process. Wars and fiscal crises have historically proven catalytic in mobilising previously disengaged younger cohorts.

## IV. Investment Implications: A New Macroeconomic Regime

For institutional investors, the significance of generational transitions lies not in their political drama but in the **new policy regimes they tend to inaugurate**. The cohort that came to power in the 1930s reshaped fiscal policy, labour markets, financial regulation, and the global monetary system. The generation that followed in the late twentieth century reversed much of that framework, prioritising deregulation, globalisation, and market liberalisation. Each transition produced a decade or more of structurally different investment conditions.

The emerging electorate in the United States appears to be forming a third distinct set of priorities. Greater emphasis on housing affordability, healthcare access, education, wage growth, and domestic industrial capacity points toward a political environment substantially more tolerant of fiscal activism and strategic state intervention in the economy. The post-Reagan consensus around small government and globalised supply chains is eroding, not from ideological conversion at the top, but from demographic replacement at the base.

Timeframe	Baseline Scenario	Accelerated Transition
2025-2028	Boomer-led institutions retain policy control; fiscal conservatism constrains domestic agenda; geopolitical posture remains interventionist	Crisis event accelerates youth mobilisation; electoral upset reshapes congressional composition; industrial policy expands
2028-2032	Gradual legislative shift as Millennial cohort reaches peak electoral weight; housing and healthcare reform gain political traction	New administration prioritises domestic investment; defence budget redirected toward resilience and industrial capacity
2032-2040	Consolidation of new policy regime; state involvement in strategic sectors normalised; inflation structurally higher than 2010s baseline	Rapid redesign of tax, fiscal, and regulatory architecture; new macroeconomic settlement comparable in scope to 1930s–1940s transition

### KEY INVESTMENT THEMES FOR THE GENERATIONAL TRANSITION

**Fiscal expansion as structural trend:** Government spending, industrial policy, and redistribution likely to become persistent economic drivers - implying structurally higher inflation floors and upward pressure on long-term interest rates.

**Sector rotation:** Domestic infrastructure, housing construction, healthcare delivery, and defence technology aligned with economic sovereignty themes stand to benefit. Sectors dependent on frictionless globalisation face a more challenging backdrop.

**Duration risk:** A regime in which fiscal policy is more activist and monetary policy less autonomous implies a different risk premium for long-duration fixed income than prevailed in the 2010s.

**Geopolitical repricing:** As the alliance architecture built by the Boomer generation comes under strain, defence and energy security assets in allied jurisdictions may warrant structural re-rating.

## V. Conclusion: The Direction of Travel

Generational transitions of the kind described in this note rarely occur smoothly or on schedule. They unfold unevenly, institutions adjusting slowly while attitudes change quickly, and they are frequently interrupted by the agency of political leaders who resist the change. The current moment is no exception. The final assertion of Boomer-era leadership is real, consequential, and likely to shape markets and geopolitics for several more years.

But the direction of travel is increasingly clear. The United States appears to be entering the early stages of a generational handover - one that could fundamentally redefine both domestic economic policy and the country's role in the world over the next decade. For investors, the risk is not that this transition fails to materialise; it is that portfolios built for the policy assumptions of the late twentieth century remain misaligned with the regime that is now forming.

We continue to monitor the structural indicators of this transition, electoral data, fiscal policy signals, and generational attitude surveys, as part of our broader work on long-cycle frameworks for strategic asset allocation. This note is the latest in our Generational Cycles Series, which examines these dynamics across developed and emerging markets.



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