



GRAY NEW WORLD

AGING IN THE TIME OF
TECHNOLOGY

2020 | **REPORT ON AGING**

LEGAL

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01

Methodology

CakeMX collects data and deliver insights on emerging demographic trends.

In August - September 2019, we conducted an online survey of U.S. consumers age 55-70 years old.

We surveyed 534 Baby Boomers (defined as those born 1944 to 1964) a series of questions about their technology use and preferences. We also asked questions about their current lifestyle and expectations of lifestyle change as they age.

We collected additional qualitative interview responses on retirement and reasons for remaining in the workforce.

For the purposes of this report, the generations are defined approximately as follows:

<u>Generations</u>	<u>Years</u>	<u>Age Span</u> <small>(in 2020).</small>
Baby Boomers	1946-1964	55-76
Generation X	1965-1980	40-55
Millennials	1981-1996	24-39
Gen Z	1997-2012	8-23

02 | Introduction

Despite being one of the largest and wealthiest generations, people 55 and over have been mostly ignored by technology, with relatively few products being created to specifically address aging and the needs of later stage life. But new startups are rising to meet the unique needs of an aging population whose economic power is stronger than ever.

Software has changed many parts of our world and completely transformed industries. But so much of technological innovation has focused on solving the problems of younger users — those who are at or nearing the peak of their economic power and who investors believe will quickly adopt new products.

And in non-technology companies, older people are often advertised to, but these incumbent companies often lack the product innovation needed to build with their specific needs in mind. As a result, our aging population has become the invisible market.

A persistent, but not entirely accurate stereotype paints older people as disinterested and unskilled when it comes to technology. While they may be reluctant to adopt new technology for the sake of novelty, the older consumer is not tech averse and has become just as reliant on technology as the rest of us.

They use social media, buy things online, and welcome their robot overlords — especially if they're helping revolutionize care.

This report is the first of its kind to try to understand a market that holds 57% of the nation's wealth, but remains surprisingly under-innovated.

[1]

In order to build for this market, we have to first understand the people in it.

We approached this research through the lens of an investor: looking for changes in consumer behavior and market inefficiencies that will present big opportunities in a market that remains under-invested in comparison to its economic influence. We aren't interested in throwing the candy coating of branding and marketing on top of old businesses and calling it 'something something...for Boomers'. Public and private market investors, corporations, and startups should all see this as an opportunity to rethink from first principles their approach to the aging consumer and reimagine stagnant industries and decades-old business models.

Even those businesses that we think of as advanced technology are being affected by the 55+ consumer. Older people will have increased mobility thanks to autonomous vehicles. They'll use IoT and artificial intelligence to remain safe and independent in their own homes. Advancements in biotech will extend the life span and deliver longevity with increased quality of life.

The way we approach aging for today's 55+ population will set the stage for the way we manage aging for generations to come. Each generation that follows is more dependent on technology than the one that came before.

Today, Baby Boomers — tomorrow, the next generation of aging adults.



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 [@moniquewoodard](https://twitter.com/moniquewoodard)

03

Today's Aging Population: Baby Boomers

The biggest and most economically influential part of the aging market falls into the Baby Boomer generation. Baby Boomers were born between the years of 1944 and 1964 during an increase in births that followed the end of World War II. Today, they span an age range from 53 to 76 years old.

Long thought of as technologically unsavvy, Baby Boomers aren't the stereotypical Luddites who don't know how to use smartphones or just the brunt of an 'ok, Boomer' meme. They may be retired (or not), but many are still leading active lives and certainly don't see themselves as elderly people on the road to the retirement home.

Most of all, Boomers are still active members of our cultural and economic landscape.

President Barack Obama is 58. Michelle Obama is 56. Kris Kardashian is 63. Jeff Goldblum is 66. Keanu Reeves is 55.

These are your Boomers.

Boomers came of age during the age of advertising when brands were truly being born. They're the original 'Me generation' who ushered in a time of consumerism, high household incomes, and were accustomed to having marketing aimed directly at them.



© Coca-Cola Corporation

Over the years, their needs have changed, but their desire for products that reflect them has not.

The youngest Baby Boomers still have more than 10 years of very active spending time ahead of them where they will continue to spend at high rates as long as the products on the market continue to meet their needs — and that includes technology.

Beyond the Boomer horizon lies even more tech savvy generations who expect technology to keep up and continue to meet their needs as they age.

THEY SPEND \$3.2 TRILLION ANNUALLY

With 72 million Boomers^[2] in the US, they represent one of the largest generations and were only recently surpassed by Millennials as the largest living US generation by numbers.

However, they are still the wealthiest, holding \$3.2 trillion in direct spending power and more than 54% of household wealth.^[3]

There is a popular idea that younger consumers spend on experiences while older consumers spend on things, but Boomers too are spending on experiences. They're spending \$157B a year on travel^[4] and over \$36B on their pets — making up over 46% of the entire pet market.^[5]

2 Census.gov | Population Predictions Dataset | <https://www.census.gov/programs-surveys/popproj/data/datasets.html>

3 Baby Boomers Possess the Majority of US Household Wealth | <https://www.marketingcharts.com/demographics-and-audiences/household-income-107999>

4 Americans Already Packing Their Bags for 2019 | <https://www.aarp.org/research/topics/life/info-2018/2019-travel-trends.html>

5 2017 U.S. Pet Spending by Generation – The Boomers Bounce Back | <https://www.petbusinessprofessor.com/petmarket/2017-u-s-pet-spending-by-generation-the-boomers-bounce-back/>

THEY USE TECHNOLOGY

Boomers were not born with ubiquitous internet like their Millennial and Gen Z children, but the influence of the internet in their daily lives can't be denied. Unlike the stereotype, they have come to be just as reliant on the internet, social media, and brands born in the digital age as we all are.

The generation naturally falls into cohorts, with the youngest Boomers being more driven by technology than older Boomers, but overall, those 55+ are spending approximately 27 hours a week online and \$7B in shopping online every year.^[6]

Baby Boomers haven't always been this digitally engaged, but over the last decade, the gap has closed dramatically. Their likelihood to own and use a smartphone has increased more than 2.5X over the last 8 years^[7] and this easy accessibility of technology has turned them into daily internet users.

When it comes to technology, Boomers often go against stereotype. Among the 55+ demographic, you'll find people who are active users of social media, casual gamers, and those who consider themselves early adopters and will be the first to buy the newest technology.

The high household income of Boomers means that they have more money to spend on technology and are apt to spend it on buying new hardware that leads them to try new apps and platform software. Younger generations certainly drive early technology adoption, but it is this older and more affluent generation who can take it mainstream.

6 Introducing Boomers: Marketing's Most Valuable Generation <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/nielsen-boomers-report-082912.pdf>

7 Millennials stand out for their technology use, but older generations also embrace digital life | <https://www.pewresearch.org/fact-tank/2019/09/09/us-generations-technology-use/>

THEY CAN BE EARLY ADOPTERS

In our survey of people age 55-70, we found that people in this age group are using technology to manage their daily lives and often see themselves as not just casual technology users, but early adopters of technology.



39%

**SELF-IDENTIFY AS
BEING EARLY
ADOPTERS OF
NEW TECHNOLOGY**

66%

USE VOICE ASSISTANTS LIKE AMAZON ALEXA, APPLE SIRI, AND GOOGLE HOME



Photo credit: Jan Kolar (www.kolar.io)

GRAYNEWWORLD.COM

#GrayNewWorld

66% of them are already using voice assistants like Amazon Alexa, Apple Siri, and Google Home for a variety of functions, including receiving news and other information, listening to music, audiobooks, or podcasts, managing to-do lists, making purchases and phone calls, or smart home control.

Voice will become an increasingly important platform for seniors, providing a more accessible interface as they get older and have challenges navigating websites and using smartphones. Eventually, voice apps will be one of the platforms that make it easier for seniors to age in place and be safe and independent in their homes.

04

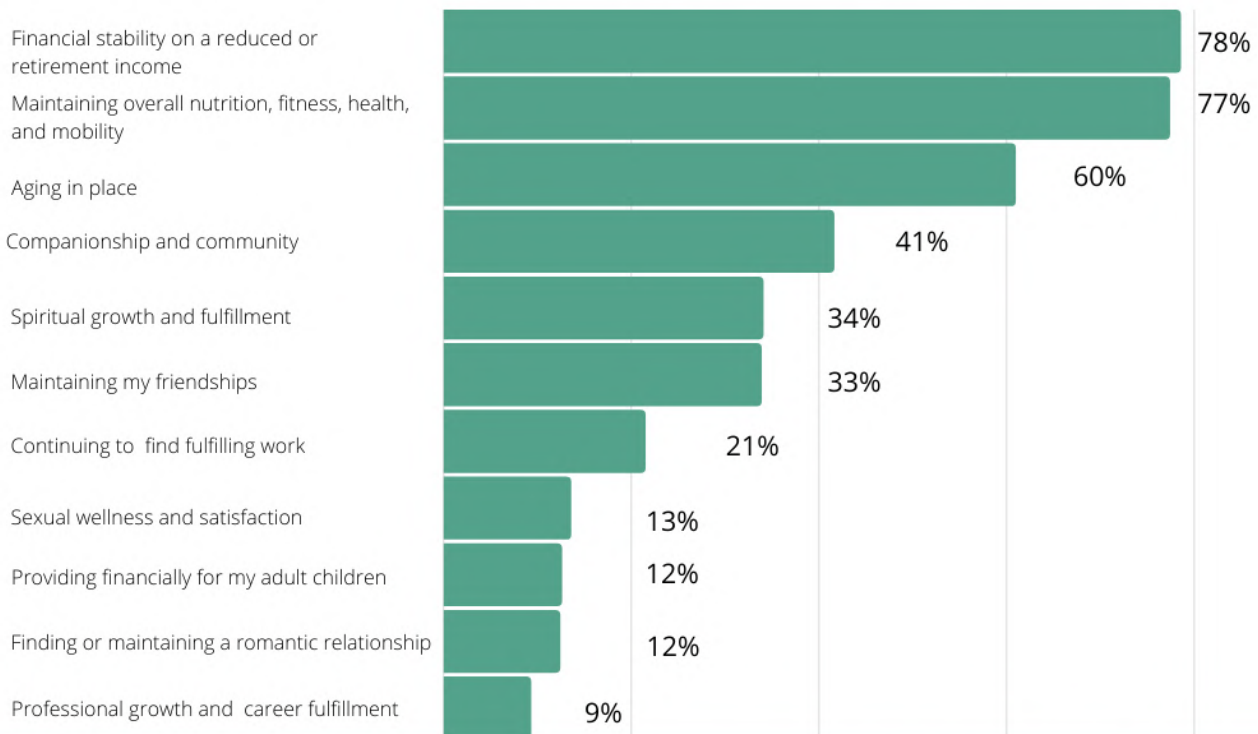
What Boomers Want

Getting older has been stereotyped as this 'golden' period of blissful slowing down, but aging also brings with it rapid changes in lifestyle and shifting priorities.

We asked our panel of seniors to identify their most important concerns as they age and as you might expect, much of their focus starts to coalesce around the issues of health and money.

WHAT BOOMERS CARE ABOUT

What is 'top of mind' for people age 55-70 as they get older?



Today, seniors are already managing many of their 'top of mind' activities using technology.

When we surveyed people age 55-70 about which health and money oriented activities they use technology for, the top 5 things they **currently use technology to manage** and the top 5 things they **want to use technology to manage** were near mirror images of each other.

Top 5 Things People 55-70
Currently Use Technology to Manage

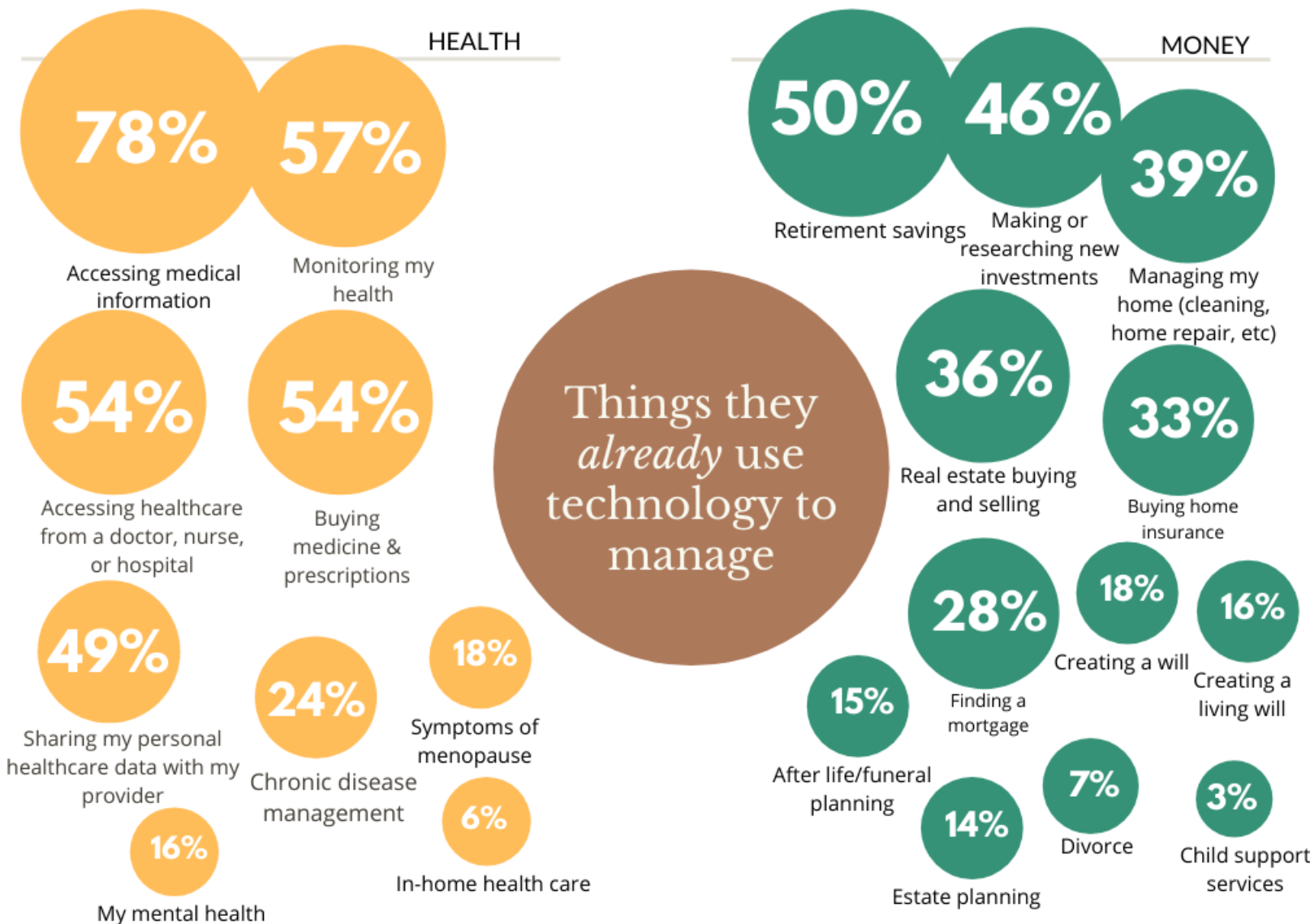
1. Accessing medical information
2. Monitoring their health
3. Accessing healthcare from a doctor, nurse, or hospital
4. Buying medicine and prescriptions
5. Retirement savings

Top 5 Things People 55-70
Want to Use Technology to Manage

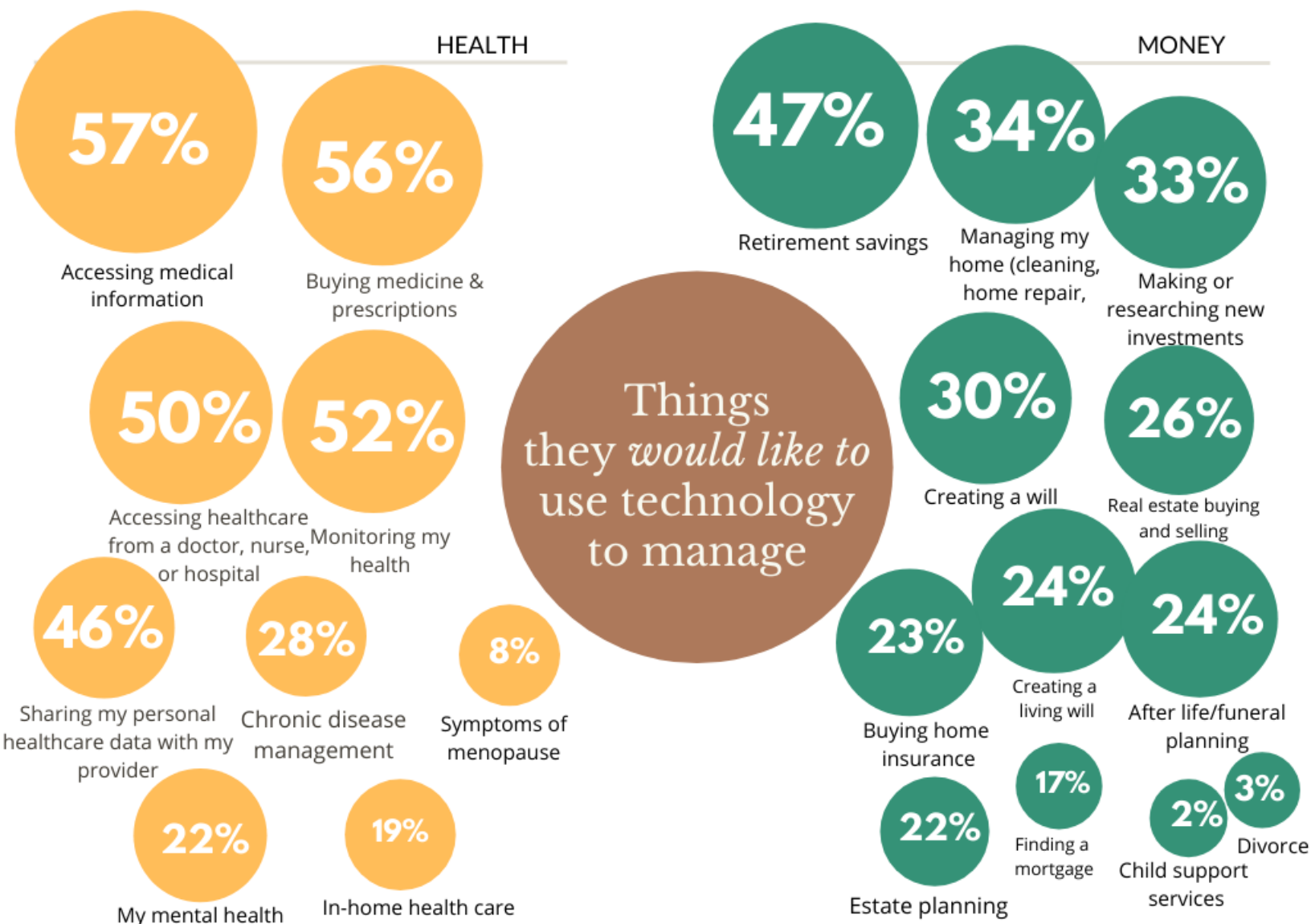
1. Accessing medical information
2. Buying medicine and prescriptions
3. Monitoring their health
4. Accessing healthcare from a doctor, nurse, or hospital
5. Retirement savings

Seniors are already fairly well integrated into using technology for some of the most important aspects of their lives.

But the high percentage of people who still **want to** use technology to manage some of the most important aspects of health and money means there is still room to deliver innovation and a better experiences for the activities at both the top and the bottom of this list.



In-home healthcare, estate planning, and funeral planning are all areas that have entrenched industries that have had very little innovation, but where the opportunity to use technology to deliver a much improved experience that the aging population will love is very high.



05 |

Retirement Ready...Or Not

10,000 Boomers reach retirement age every day — but they're not necessarily retiring.

Approximately 10,000 Boomers turn 65 years old every single day.^[8] This crucial turning point represents the traditional age of retirement for most people in the United States and is often when people will leave the workforce completely or shift to working part-time instead of full-time and most importantly, start to live on their retirement income.

This retirement age milestone is important even as 45% of the people we surveyed anticipate that they will remain in the workforce after 65.

45%

**ANTICIPATE THAT THEY
WILL REMAIN IN THE
WORKFORCE BEYOND
AGE 65**

*Boomers are delaying retirement both by desire
and by need.*

Today's aging population are not just living and working to retire. People expect to live longer and more active lives, leading them to spend more time in the workforce and delay retirement.

These 'workforce remainers' are often in white collar jobs that don't require physical labor and can also provide them with the earning power that drives their higher household incomes.

Other Boomers are returning to the workforce after a period of time away.

Older women are a significant number of these 'workforce returners'. As some younger women are leaving the workforce, older women are remaining in or making their return after a period away. In 2018, 25% of women age 65-72 were still in the U.S. workforce. ^[9]

We can't ignore the historical and ongoing pay gap for women that left women in the 55+ cohort earning and saving much less than men in the labor market and as a result, having less financial stability as they get older. Some Boomer women end up back in the workforce by choice, but many are there after feeling the financial constraints of divorce or the death of a primary earning male partner.

THE RETIREMENT PARADOX

The financial landscape for Boomers is one of high earning power and willingness to spend right alongside the financial uncertainty of retirement.

While they control the majority of household wealth, many people over 55 are simultaneously financially unprepared for retirement.

Financial planners suggest that people should expect to need 55% to 80% of their annual working income for each year of retirement, but a Transamerica report found that people age 55-64 have saved a median amount of only \$164,000 toward retirement and 20% of them have less than \$50,000 saved for retirement. ^[10]

Alongside having under-saved for retirement, many Baby Boomers are also living under the weight of medical bills, credit card debt, mortgages, and their children's student loans.

People age 60-69 have seen a 72% increase in their student loan debt and more than 50% of Baby Boomers stated that college loan debt is “a major barrier to meeting their financial goals”. ^[11]

In order to pay off this debt, some Boomers are draining their 401(k)s, returning to the workforce, or delaying retirement altogether.

10 Transamerica 18th Annual Retirement Survey | <https://www.transamericacenter.org/retirement-research/retirement-survey>

11 College Debt in America: The Case for Tuition & Loan Repayment Benefits | <https://www.guardiananytime.com/gafd/wps/portal/fdhome/insights-perspectives/emerging-trends/college-debt-study>

Like any group, Baby Boomers are not a monolith.

The generation is known for their spending power and relatively high net worth, but many are still and living under the financial constraints of mortgages and credit card bills.

Some Boomers are choosing to work beyond retirement in executive-level jobs while others are moving back into the workforce out of necessity in much less well-paid positions.

In any given group of people 55+, you'll find divorced moms, empty nesters, the newly widowed, those returning to the workforce, and retirees.

Each of these life stages presents a new set of challenges and requires understanding a new segment of the market to deliver the innovation they need.

06 | Investment Themes

Aging is the market opportunity that many technology and next generation companies have passed by, but the age-related needs of older consumers is one of today's biggest areas of opportunity.

Older consumers have long been thought of as brand loyal – so much so that next generation companies shouldn't spend their limited marketing dollars trying to wrestle them away from the legacy brands they grew up with. But these consumers are also seeking out new products that provide a better user experience in their now technology-enabled lives.

With that in mind, there are significant opportunities to innovate around the changing needs of the aging consumer.

This is by no means a comprehensive list. New business models will be developed and new technology will present itself as innovative companies drill focus into the very real needs of the older consumer across categories like fintech, care, mobility, future of work, and more.

FINANCIAL STABILITY

The seniors we surveyed identified maintaining “financial stability on a reduced or retirement income” as their primary concern as they grow older.

Financial health will drive much of their life experience over the next several years and many of these activities can be transformed and made better using technology and tech-enabled platforms.



Photo credit: Harli Marten

78%

IDENTIFIED “FINANCIAL STABILITY AND LIVING ON A REDUCED OR RETIREMENT INCOME” AS THEIR NUMBER ONE CONCERN AS THEY AGE.

FINANCIAL STABILITY

The financial health of our aging population is the tip of the spear because it influences everything from the amount of time they spend in the workforce beyond retirement age to where and how they expect to live as they get older.

Financial decisions also increase in complexity as people get older and start to consider estate planning, selling or buying new real estate, or paying for later stage life care; and much of this happens just as they start to live on a reduced or retirement income.

Financial health will drive much of their life experience over the next several years and many of these activities can be transformed and made better using technology and tech-enabled platforms.

The earliest 'fintech for seniors' products focused on fraud protection and helping older people manage their finances in partnership with their family caretakers.

But the opportunity for aging consumers is much bigger and companies have the opportunity to capture customers much earlier.

Retirement readiness products can help people close the gap between the amount they have saved and the amount they need before retirement. Estate planning is being transformed from something that requires a lawyer and high legal fees to something that can be done online. And home buying and financing for aging in place will be the next big opportunity to serve the financial needs of aging adults.

AGING IN PLACE

Over 79% of the people we surveyed expect to 'age in place' and live independently in their current home or in a downsized smaller home as they get older.



Photo credit: (Alex Boyd)

79%

EXPECT TO 'AGE IN PLACE' AND LIVE IN THEIR OWN HOME AS THEY GET OLDER

AGING IN PLACE

'Aging in place' or aging while living in your own home instead of a senior care facility has become a preference as much for independence as for financial stability.

For most people, their home is both their biggest financial asset and their biggest liability. It comes with a hefty mortgage, requires regular maintenance and repair, and by the time they reach retirement age, they either own it outright or hold a large amount of equity in the residence.

But as people get older, they experience life changes like children moving out of the home, divorce, or losing a spouse. Even with these life changes that may leave them living alone in a large house, most people still want to continue to live there as both a means of independence and maintaining or continuing to grow the equity in their home.

But the home can become an inconvenient and even dangerous place if not designed for the decreased mobility that comes with getting older. Homes in areas with large aging populations will increasingly come pre-built for aging in place. Those not already fitted for aging will require remodeling (and occasionally, refinancing) in order to accommodate the inability to walk up long flights of stairs or step into a bathtub.

Technology combined with design will make independent living more viable for seniors. They'll be able to use both IoT and wearables to detect falls or out of the ordinary behavior and alert emergency services when needed. Voice throughout the home will provide medication reminders and help seniors stay safe and connected to loved ones who live far away.

In the past, older people had few options for housing that provided care and community as they age. With escalating levels of care, the primary options were:

- Living with family
- Senior/independent living communities
- Assisted living communities
- Nursing homes

Today, more options are opening up as aging adults explore new ways to live.

AFFORDABLE LIVING THROUGH HOMESHARING

Homesharing isn't a new concept, but co-living startups like Common have primarily focused on young people moving from college and university dorms to similar communal living arrangements in expensive and population-dense cities.

People later in life are also uniquely suited to home sharing, but with some key differences. Most seniors who consider co-living want to own their home and share it with 1-2 other roommates, not live in an entirely communal house.

Homesharing offers the opportunity for matching with like-aged roommates as well as inter-generational matching (i.e. matching older people with younger tenants).

Silvernest has matched seniors with teachers in Teach for America and City Year as a way to provide affordable housing for young public servants. However, their most popular pairing type is still older homeowners who want roommates near their own age.

Home sharing allows homeowners to live independently and find financial stability by splitting costs when they might otherwise have to move into a senior living community.



Silvernest* is a homesharing platform built for Boomers and empty nesters that offers compatibility-based roommate matching and a set of lease and relationship management tools.

More than landlord/tenant matching, homesharing through Silvernest can alleviate the financial burden of a mortgage while allowing homeowners to age in place. Silvernest is currently available in all 50 states.



Nesterly
www.nesterly.io

Nesterly's homesharing marketplace focuses on intergenerational matches, pairing older homeowners with young housemates who pay in full or trade light housework and chores for reduced rent.

Nesterly is currently active in the Boston and Columbus, Ohio regions.

One thing stands in between home care becoming a growth market versus a national crisis — it's strained workforce.

Professional home care is one of the most critical areas of aging and one that is experiencing its own boom alongside the aging population boom.

The global home health care industry will be worth an estimated \$528.2B by 2026 and the US Bureau of Labor estimates that employment in the sector will grow by 54% even while all other sectors will see only 7% job growth.^[12]

Caring for grandparents and Alzheimer's patients is work that is critical, but it is also one of the lowest wage and highest turnover jobs.

These jobs are often held by women of color and immigrants to the U.S. and high turnover is a symptom of the low wages and stress of the job.

Care may be booming, but the boom hasn't hit the workers who make up the majority of this labor market.

AGE-RELATED CARE

As the largest generation ages, they will be met with rising healthcare costs and a Medicare system that is unprepared for the strain of the boom in the aging population.

This presents an opportunity for digital health solutions that lower the cost and retain the quality of healthcare.

Care in the home falls into two categories:
family-driven care and worker-driven care.

Care for an aging family member often starts within the family.

However, many of those providing care are supporting both their children and their aging parents at the same time, creating a 'sandwich generation'.

Family-driven care often causes both financial and social strain.

This is where technology can step in and make family-driven care more manageable. Software can help families manage and track care across multiple family members, including medicine schedules, doctor appointments, symptom tracking, blended finances, and general communication.

A 2019 New York Times report illuminated the daily challenges for home care workers and their effect on the future of elder care.

“As many as two-thirds of home care workers leave their jobs, their field or the workforce every year, and more than 4.2 million jobs will have to be filled from 2016 to 2026...”

Nationwide, home care workers earn an average of \$11.52 an hour and 45% of them who work full time are also on public assistance. ^[13]

One of the biggest current innovations comes in the form of helping families access home care from a workforce that is paid fairly and less likely to mirror the same high industry turnover rates.

You can't talk about home care without talking about the two well-known and well-capitalized companies in the space.



www.care.com

Care.com (NYSE: CRCM), an online marketplace for caregivers to connect to families for whole family care, was one of the early online caregiving platforms.

While not exclusively focused on the aging market (they also provide care for children, pets, and special needs family members), seniors have always made up a large part of their care receiver base.

Care.com went public in January 2014 and in 2019, was acquired by IAC for \$15 per share in a deal worth \$500M.



www.joinhonor.com

Honor was founded the same year that Care.com went public and the privately held company is focused exclusively on providing in-home care for seniors and helping them age in place.

Honor's consumer business allows families to book on-demand caregivers from the platform and they also work with enterprise home care partners to manage back office for independent home health aide companies. Honor has also been leveraging data and machine learning to predict turnover likelihood.

The next phase of senior care will bring new enterprise opportunities that change the way senior home care is managed and delivered.

Across the industry, there is still opportunity to help home care workers make more money, experience more employment satisfaction, and reduce turnover.

Companies will develop around workforce management and employee engagement solutions that help traditional home care companies manage their labor pool, make better placement matches, identify problems, and improve overall working conditions. We'll also see new business models that help providers access their wages faster.

All of these will deliver innovation to an industry that absolutely requires it in order to head off a care crisis for the aging population.



LONELINESS & SOCIAL ISOLATION

Social isolation is a major threat to mental and physical health as we age. Interacting with others helps people maintain brain cognition, avoid depression, and lower the risk for chronic health problems like heart disease and obesity. ^[14]

But as you age, social isolation becomes more the norm than not. Your social circle becomes more narrow and today's aging adults are more likely to live far away from their extended family of siblings, kids, and grandkids.

According to Pew Research Center:

“Americans ages 60 and older are alone for more than half of their daily measured time – which includes all waking hours except those spent engaged in personal activities such as grooming.” ^[15]

Before, we would have addressed social isolation with church or religious activities and bingo night at the local Elks Lodge. These opportunities to connect IRL still exist, but people have also started to turn online to create relationships that are realized offline.

14 NIH | Social isolation, loneliness in older people pose health risks | <https://www.nia.nih.gov/news/social-isolation-loneliness-older-people-pose-health-risks>

15 Pew Research Center | On average, older adults spend over half their waking hours alone | <https://www.pewresearch.org/fact-tank/2019/07/03/on-average-older-adults-spend-over-half-their-waking-hours-alone/>



www.joinpapa.com

Papa, a startup launched in 2017, provides college students who act as ‘grandkids on demand’ for older people who need assistance.

Students are paid hourly to do things like run errands, provide rides to the doctor or bank, and spend time with them reading and socializing.



www.hellorevel.com

Launched last year, Revel is a membership community for women age 50+.

Women can both host and attend topic and activity-based gatherings like cooking classes, printmaking, and picnics.

As their desire to age in their own homes meets the natural social isolation of aging, we will have to rethink where socialization happens and with whom. The overall decline in religious attendance means that church may not be the primary social gathering place for future generations.

There will be socialization that happens in the home (ie. bringing people to you as roommates or temporary companions) and socialization that happens outside the home (i.e. going out and building community around common hobbies, beliefs, or points of view).

WHERE SOCIALIZATION HAPPENS

The modernized version of the senior center probably looks a lot different than what you've imagined or seen in the media: a room full of elderly people playing bingo and listening to a schmaltzy Sinatra singer.

Seniors are remaining active and vibrant for much longer and their chosen activities will reflect this.

The 'senior activity center' of tomorrow may be a series of Soho House-like social spaces specifically built around the lives and interests of aging adults and with needs around mobility scaling as required.

Or perhaps it isn't even a single permanent place that people go to, but a location agnostic experience that they opt into.



HEALTH AND WELLNESS

Over 77% of the Boomers we surveyed choose “maintaining overall nutrition, fitness, health, and mobility” as their number two aging-related concern.



Photo credit: Keren Perez

77%

**IDENTIFIED
“MAINTAINING
OVERALL NUTRITION,
FITNESS, HEALTH, AND
MOBILITY” AS THEIR
NUMBER TWO
AGING-RELATED
CONCERN.**

HEALTH AND WELLNESS

Baby Boomers have always been a health-conscious group. While Eastern yoga and meditation practices were always there, Boomers were the generation who brought them into the American mainstream and then later, popularized Jane Fonda workouts and fad diets.

As they age, people 55+ will increasingly turn to digital solutions to manage aging-related health needs, general wellness, and chronic disease.

The increased numbers of seniors determined to age in place will open up the need for additional care options around mental health and wellness; and there will be a greater need for products that make medical adherence seamless and help seniors remember to take medicine or comply with a medical regimen.

Products like Eargo (hearing aids) and SirenCare (smart socks for diabetics) are changing the way people access medical products and going direct-to-consumer to deliver new technology and cut out cost-driving middle men.

Companies are also bringing menopause management into the digital age. Telehealth platform, Genneve, provides treatment plans and access to products that help women manage hot flashes, regulate estrogen levels, and treat other symptoms of menopause. Ro has also expanded their telemedicine focus to provide menopause treatments under the brand Rory.

The most innovative companies are already delivering digital health and wellness solutions uniquely tailored to the 55+ consumer that provide improved delivery of medical products and better ways to self-manage wellness.



www.eargo.com

Eargo is a modern hearing aid brand. Their rechargeable hearing aids set themselves apart by being beautiful and discreet.

The company took a cue from many digitally native brands and lowered the cost to consumers by cutting out the middle man and eliminating the need to see an audiologist.



www.siren.care

SirenCare's 'smart sock' for diabetics monitors foot temperature as a first line of detection for foot ulcers and conditions that lead to amputation.

Information is sent back to your doctor so that they can monitor and treat as soon as symptoms appear. Patients sign up for a subscription that sends a new package of socks every 6 months.

AGING AT WORK

Even as record numbers of people turn 65 and reach retirement age every day, they are blowing past that milestone and remaining in the workforce or not preparing for retirement at all.

This has created a unique situation where retirement and near-retirement age workers remain employed and sometimes seek employment right alongside their young professional peers.

*The multigenerational workforce is
the future of work.*

Millennials, Gen X, and Baby Boomers have been in the workforce alongside each other for years and will continue to be represented in the workplace at all levels. In 2019, Gen Z college graduates turned 22 and represent the next generation of young professionals making their way into the workforce.

This meeting of the generations is changing the workplace.

Older workers remain active participants in a workforce that is often geared toward younger workers. Everything from recruiting and interviews to benefit options remain very focused on acquiring and retaining the young professional. At the same time, many companies have not invested in the succession planning required for older professionals in senior or ownership positions to transfer knowledge and move out of the workforce completely without taking important expertise with them.

Companies who recognize that the older worker is both valuable and here to stay will need to reimagine what work looks like for them as they age and how the workplace will evolve to meet their changing needs.

The rise of remote work in particular, will benefit older employees who want to move to lower cost communities but still maintain an income and some level of employment. An employee nearing retirement may choose to move to a retirement community in Florida or Arizona but still remain employed through remote or fractional time employment and the software that enables a distributed workforce.

The multigenerational workforce is creating opportunities for technology to improve the ‘at work’ experience and remake the workplace — especially where it can address the needs of the older worker.



FINDING REWARDING & FULFILLING WORK

A significant part of creating a sustainable labor market of tomorrow means integrating older workers and helping them find financially rewarding and fulfilling full or part time work when they want or need it.

Some of them will have the resourcefulness to build lightweight businesses on platforms that allow them to monetize their creativity or expertise, but many will simply want the option to do relevant work when they want it.

The gig economy has been the answer to short-term work discovery for many older people. Gigs like ridesharing (Uber and Lyft), grocery delivery (Instacart and Postmates), and tasks (Task Rabbit and Handy) offer them the freedom to work when they choose to and earn money without having an '8 hour per day' job.

But gig work can be a grind, with the most exploitative platforms exchanging low wages for many hours of work. Older workers are often looking for more frequent and competitively paid jobs or work that uses their professional skills, and some need the benefits that gig work doesn't usually provide.

Platforms that offer the flexibility to connect older workers to more lucrative employment based on the frequency and benefits that they need can win with older workers and deliver the opportunity for companies to benefit from the knowledge that older workers have collected over the years.

PROVIDING THE BENEFITS THAT MATTER TO OLDER WORKERS

Employers now have to manage a labor pool that includes young professionals just starting their careers as well as older workers still in the workforce.

Companies have attracted young employees with everything from unlimited vacation days to school loan repayment, gym memberships, and pet insurance.

But attracting and retaining employees in a multi-generational workplace requires that employers think about benefits in a more bespoke fashion and offer customizable options based on individual employee needs.

Fertility benefits may not be part of the benefits stack for an older employee, but financial planning and student loan payment programs that extend to loans taken out on behalf of their children may be a welcome employee perk for these older workers.

UPSKILLING & RESKILLING OLDER EMPLOYEES

Retaining older workers also means maintaining employee value by helping them learn new skills — especially around new technology.

As the number of older workers in the labor force increases, age discrimination will continue to hit corporations big and small. In 2019, Google settled an age discrimination lawsuit with an \$11M payment to a group of job applicants who alleged age bias in their hiring process and IBM was recently hit with a discrimination lawsuit from a group of employees in their 50's who claim that they were “forced out” of the company and compelled to retire before they intended.

In 2018, the U.S. Equal Employment Opportunity Commission (EEOC) fielded 16,911 charges of age discrimination against employees in US companies.^[16]

Today's older workers are not going to go gentle into that good night of retirement and not having programs that successfully integrate older workers will become a significant liability for corporations.

Workers have always been encouraged to invest in their skills, but employers will have to invest in the skills of their workers more than ever before.

Much of the initial promise of massive open online courses (MOOCs) was around changing access to higher education, but corporate education has become an important business line of the most successful online course providers. Coursera and Udacity — both MOOC unicorns with billion dollar valuations — have each created enterprise-grade training solutions for corporations who want to retain or move workers into new areas of expertise.

The employee training and skills development space has even room for modernization.

As employers try to retain a valuable workforce and are met with an aging employee base, corporate-driven career training will hit businesses of all sizes. Interactive online lessons, self-guided training, short-term upskilling platforms, skills-focused bootcamps, and nanodegrees will all play a role in helping workers adapt to new technology and learn new skills.

Rather than view the older worker as someone that needs to be replaced or shuffled back into the workforce in a low-wage job that doesn't reflect their skill sets, corporations have to embrace the institutional knowledge held by these employees and use technology to maintain the skills of older employees who can still be very valuable.

07

Building an Aging Unicorn

CAN THE NEXT BILLION DOLLAR BUSINESS BE BUILT ON THE AGING MARKET?

The market around seniors and aging is massive. Aging adults want new ways of buying everything from hearing aids to menopause products. Home care companies need software that helps them manage an exploding patient base and a strained workforce. Companies will use technology to reimagine what the home care and assisted living industries look like altogether.

The new aging-focused winners have the opportunity to reinvent categories across both consumer and the enterprise — and that is how you make a unicorn.

Companies ‘for the old’ don’t just count older consumers as their customers, but their Gen X and Millennial children too. While an aging parent may be the end user of a company like Papa or Silvernest, adult children are often the ones who drive initial discovery, purchase, and down the funnel acquisition. In the case of healthcare monitoring or financial tracking, these adult children become the primary product users too.

And beyond our current crop of older consumers, we've got more in the funnel.

Gen X and eventually, Millennials, will become the future customers of many of these companies, driving even higher growth in customer demographics where technology is an expectation.

Companies focused on aging will have a continuous user base that doesn't stop at today's aging generation but persists into future generations.

More important than building a unicorn is building a company that delivers lasting value for customers, employees, and shareholders.

The problems to be solved for our aging population are big, persistent, and universal. Those companies that are able to build businesses based on solid business fundamentals will create real value for years to come.

GOTTA CATCH THEM ALL: DISTRIBUTION AND DISCOVERY FOR BOOMER EYEBALLS

Hacking distribution is the biggest challenge standing in front of an aging-focused startup trying to achieve escape velocity.

Many consumer startups — especially digitally native brands — have leaned into Google, Facebook, and Instagram as paid acquisition channels that will deliver a steady stream of customers.

You can absolutely acquire older consumers on these same channels, but just like other segments, over-reliance on paid marketing will drive high customer acquisition costs (CAC) and growth in your marketing budgets but leave more sustainable organic growth just out of reach.

Older consumers can be acquired, it just may not be in the way you're used to.

In order to realize growth with an older segment of the market, companies have to think beyond Instagram and Facebook Ads and seek out organic growth channels where older consumers are more likely to discover their product.

In some cases, the customer you need to acquire will be their younger children. Younger family members become the first line of acquisition for many products aimed at the aging consumer — especially in categories like financial protection, homesharing, and social companionship.

Older consumers absolutely do shop and discover new products online. When it comes to shopping online, Boomers are the big spenders, spending on average \$203 per transaction,^[49] more than any other generation, including Millennials. Discovery, however, is very different, with Boomers often becoming aware of products through offline media and advertising channels.

More than any other group, capturing the aging consumer dollar is a multi-channel opportunity. Older consumers may discover a product via offline television or other earned media placement, see the product in-store, and complete the purchase online. They may discover a product through an online review or YouTube video and go to the website to purchase. There are multiple pathways to getting older consumers to the sale and they don't always start with an online ad.

BEYOND FACEBOOK & GOOGLE: THE GROWTH CHANNEL MIX

Keeping customer acquisition costs low and discovering organic growth channels is the fuel that drives the growth engine.

Focusing your growth marketing on Facebook, Instagram, and Google alone won't deliver organic growth.

For seniors, virality may come in real world communities or user behavior like their propensity to watch and share video or making it simple to pass on useful information about a product.

There is no single magic bullet to discovering organic growth for older consumers, but targeting an older demographic gives you the opportunity to be creative and unlock growth channels that can deliver users in more targeted and cost-effective campaigns.

- Email
- Earned Media
- SMS
- Search
- Brand Partnerships
- Television
- Content marketing
- Reviews
- Channel partnerships
- Ambassador marketing
- Influencer marketing

Boomer influencers have become almost as prevalent as their younger counterparts.

While brands focus on the Millennial and Gen Z influencer market, a big opportunity lies in engaging the 55+ consumer through influencer and micro-influencer marketing. Because the 55+ consumer hasn't been bombarded with these types of placements, this path to awareness and acquisition hasn't yet been oversaturated.

Seeking out older influencers isn't just for aging-focused brands. General brands can open up entirely new customer base by engaging the consumers that others left behind.

Fenty, pop star Rihanna's partnership with global luxury house LVMH, solidified its 'cool for everyone' ethos by engaging 67-year old model JoAni Johnson as one of the faces of the luxury clothing brand.



2019 Fenty ad campaign, JoAni Johnson far right ©Fenty

A common assumption has been that if you market to a younger consumer, older consumers will drag along.

But is an active 50-something more likely to buy yoga pants from a 25-year old fitness influencer or someone with a face, body, and style that looks more like their own?

No matter which channel you use, it's important to recognize that the 55+ consumer doesn't necessarily think of themselves as 'elderly'.

They're facing the realities of aging, but doing it in their own way. That includes embracing age with gray hair, un-Photoshopped bodies, and a few more wrinkles, but where none of those things impede their ability to enjoy life.

This should impact the method of engagement as well as photos, graphics, and language that you use to talk to your audience.

08

Baby Boomer Influencers You Need to Know



Lyn Slater, 66
IG: [@iconaccidental](#)
Followers: 683K
Fashion and style blogger whose unique, urban aesthetic is appreciated by fashion lovers of all ages



Tsuyoshi Seki, 61 & Tomi Seki, 60
aka Bon and Pon
IG: [@bonpon511](#)
Followers: 798K
Retired couple from Japan whose coordinated outfits have led to a book, curated Rakuten collection, and a clothing and accessories line



Shan Michael Hefley, 57
IG: [@shan_hefley](#)
Followers: 64.8K
Male fitness influencer and bearded healthy living icon for the 50+ set



Wendy Ida, 67
IG: [@wendyidafitness](#)
Followers: 26.1K
Fitness guru and Youtuber who teaches others how to live fit, fierce, and fabulous after 40



Linda Rodin, 70
IG: [@lindaandwinks](#)
Followers: 257K
Beauty editor and entrepreneur now turning her love of dogs into a thriving pet products company



Kip Kedersha, 60
YouTube: [@kipkay](#)
Subscribers: 2.6M
Long-time Youtuber who posts how-to and gadget testing videos for lovers of DIY



Irvin Randle, 57
IG: [@irvinrandle](#)
Followers: 287K
#MrStealYourGrandma is the bearded gentleman teacher who went viral and became one of Instagram's most dapper male style influencers



Maye Musk, 71
IG: [@mayemusk](#)
Followers: 249K
Silver-haired supermodel who became the face of CoverGirl and represents timeless beauty

09 | Everybody Ages



Today, Boomers, tomorrow Gen X and then Millennials.

Eventually, everyone ages and while today, we see the unique effects of getting older in a technology-enabled society on Boomers, soon, those same effects will come to later generations.

Their behaviors may be different, but their expectations not dissimilar.

Generations that have come to rely deeply on the internet and the convenience that it brings to daily life will approach aging with the expectation that technology will make it better, easier, and more manageable than ever before.

What happens when internet natives get old? In 2020, the oldest Millennials will turn 39 years old and over the next 20 years, start to have the same age-related concerns as their parents.



©Hims

We've already seen the direct-to-consumerization of Millennial-targeted aging categories like hair loss, erectile dysfunction, and wrinkle cream.

Next, companies will go beyond health and personal care to other categories like housing, work, and financial planning. If younger consumers are already comfortable buying insurance via chatbot or holding their cash at a neobank, it isn't a big leap for them to use technology to manage the complexities of estate planning and creating a will.

These consumers expect to age in a world where their Apple iProduct will allow them to track their health indicators, send the data directly to their primary care doctor, and automatically escalate potential health concerns. Where the next social platforms will create online-to-offline connections that combat the loneliness that comes with old age. And where digitally native brands will improve upon the buying experience for menopause treatments, dental adhesives, and hygiene products.

Delivering innovation for today's 55+ consumer is inextricably tied to delivering innovation for younger generations tomorrow.

10 | Aging is Global

While we think of the boom in Boomers as uniquely American, other countries are also experiencing sharp spikes in the numbers of aging adults.

Japan is the oldest large country in the world. The country's median age is 47.3 and by 2025, Japan will be the country with the highest number of people over 75.^[18] Japan's Baby Boomers, known as the "dankai no sedai" were born from 1947-1949 and like the generation in other economically robust countries, have both spending power and free time.

China, too, has experienced a rising aging population. China's over 60 population swelled to 241 million as of 2017 (larger than the population of Brazil) and is projected to reach a peak of 487 million, or 35% of the population, by 2050. ^[19]

Virtually every country in the world (except several in Africa) is feeling the demographic pressure of growth in their older population juxtaposed against declining birth rates. By comparison, Africa is home to 19 of the 20 **youngest** countries.^[20]

18 Countries by Median Age (2018) | <http://worldpopulationreview.com/countries/median-age/>

19 China's elderly population continues to rise, with 241 million now 60 or over | <https://gbtimes.com/chinas-elderly-population-continues-to-rise>

20 19 of the world's 20 youngest countries are in Africa | <https://www.weforum.org/agenda/2019/08/youngest-populations-africa/>



Photo credit: [Priscilla Du Preez](#)

While social norms and cultural structure may be different in countries outside the US, many of the opportunities to innovate around care and housing for the aging population will be similar to those in the US.

But the surging aging population in places like Japan and China also comes alongside an overall decline in fertility rates, which is having a deep impact on the labor force.

The number of people leaving the workforce through retirement is outpacing the number entering the workforce. Workers themselves feel the pinch to work longer hours for the same pay, taking the already intense work culture to unsustainable levels.

Ultimately, this combination of low fertility rates and the rising numbers of retirees, means that the labor market that can't be filled by people will have to be filled by software and automation.

11 | Takeaways

By the year 2030, 20% of the US population will be 65 or older and the US will have more older people than it has children.

This major demographic shift represents a sea change that we can feel in every corner. Where and how people will choose to spend the later years of their lives. Changing expectations for retirement. Workplace dynamics.

Yet, this market has gone nearly untapped. Companies focusing only on the 18-49 year old demographic are missing out on a large group of consumers that have tremendous spending power and are in desperate need of innovation. People don't magically stop needing things at age 49. In fact, focusing too much on age as the primary product differentiator for an older demographic is short-sighted. As they age, consumers continue to care about many of the same things they always have.

The brands and products that will resonate with older consumers will look both obvious and non-obvious.

A direct-to-consumer hearing aid brand? Obvious.

A platform that helps companies customize their benefits stack to provide targeted benefits that will meet the needs of employees at different stages of life? Non-obvious, but necessary.

We are in the golden age of aging

The size of the aging market today is bigger than ever and will grow significantly over the next decade. Today's largest segment — Baby Boomers — have had enough exposure to technology that they've not only become comfortable with using it every day, but come to expect the conveniences that tech platforms can deliver.

But the 'why nows?' go beyond simple market size and technology use. Several major cultural shifts have all converged to create the perfect storm of opportunity around aging.

Families have become more dispersed, with adult children often living hundreds of miles away from their aging parents, changing norms around where and how seniors might age as they get older.

Many sectors of the aging industry have gone unchanged for decades and are ripe for innovation that technology can deliver. Senior care will evolve as technology allows people to socialize differently and age independently in their own homes.

The workplace and the nature of work itself has changed. Our labor market has shifted toward knowledge worker jobs that can be done without heavy, physical labor, allowing older people to remain in the workforce far longer than previous generations. And people are increasingly using both the gig economy and their unique personal talents to create streams of income that don't require a 9-5 job.

The enterprise, too, will change as this market matures. More older workers in the labor force means changes to employee benefit programs. The healthcare and senior care sectors will have new software needs as they feel the strain on their workforce and use technology to deliver better care at every stage. People will still be an important component of caregiving, but they will see their jobs significantly improved by technology that allows them to deliver more efficient care.

Fast-forward a few years and today's 55+ consumers are delivering a snapshot of what we can expect when Gen X and then Millennials enter the same stage of their lives. Those of us seeking out companies that meet the needs of this rising demographic aren't just thinking about today's aging population, but tomorrow's as well.

The aging market will continue to evolve as each cohort brings new behaviors, social norms, and has new expectations from technology, but the opportunity is here to stay.





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About the Author

Monique Woodard is an angel and venture capital investor based in San Francisco.

Monique believes that the future of technology is being driven by major demographic trends. She invests in companies with global ambitions who are creating technology products that meet the needs of tomorrow's internet users.

Monique has spent time building ecosystems and investing in startups in the US and internationally.

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