

## Bracing for the Silver Tsunami: Golden Dividends and Strategic Business Opportunities



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October 2016

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## OVERVIEW

- Global Aging & The Greying of America
- Key Drivers
- BIG Opportunities
- The Carolinas: An Ideal Innovations Lab
- Discussion

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## Signs of Global Aging

- In 2005, the ratio of children to seniors was 3:1; by 2050, the ratio will be 1:1.
- In 2000, close to one quarter of the population in Japan, Spain, and Italy was elderly.
- Close to one-half of their populations will be 65 or older in 2040.

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### Signs of Global Aging Cont'd

- Japan sells more adult diapers than baby diapers
- China has the 4:2:1 problem
- Today, 9% of the Chinese population is elderly (129 million)
- By 2050, the Chinese elderly population will total 330 million (25% of the total)—larger than the entire U.S. population today

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### Signs of Global Aging, Cont'd

- For the first time in 100 years, deaths exceeded births among U.S. non-Hispanic whites in 2011
- Today, 16% of the U.S. population is 65+; 26% will be elderly by 2040.
- Close to 40 million people in the U.S. provided unpaid eldercare in 2011 and 2012— at an estimated cost of \$30 billion in loss work productivity.

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### Signs of Global Aging Cont'd

- 10 million millennials are caring for adult family members.
- 25 percent of U.S. caregivers are between 18 and 34 years of age.
- Google launches a medical company— Calico—to defeat death by prolonging life.

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### Key Drivers

- Changes in Longevity
- Declining Fertility
- Population control policy
- Aging of Boomer Cohort

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### Average Life Expectancy through History

Period	Life Expectancy
Cro-Magnon Era	18
The Renaissance	30
America in 1850	43
America Today	78
Developed World in 2030	101

Source: Arrison (2011)

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### Longevity Hot Spots

- Ikaria, Greece
- Okinawa, Japan
- Loma Linda, CA
- Nicoya, Costa Rica
- Sardinia, Italy

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### China's Total Fertility Rate

1975-80	2005-2010
3.0	1.6

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### TOTAL FERTILITY RATES FOR U.S. WOMEN BY RACE/ETHNICITY, 2012

Race/Ethnicity	Total Fertility Rate
All Races	1.88
Hispanic	2.18
Non-Hispanic White	1.76
Blacks	1.90
Asian	1.77
Native American	1.35

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### Snapshot of Global Aging for Industrialized Regions, 2050

Region	Median Age	Total Fertility Rate	Population > 60 (%)	Population > 80 (%)	Old Age Dependency Ratio
World	38.8	2.0	22.0	4.0	42.0
<b>Industrialized Regions</b>					
North America	43.6	1.9	30.0	9.0	61.0
Western Europe	48.4	1.6	32.0	11.0	82.0
Eastern Europe	50.3	1.6	42.0	9.0	95.0
European FSU	49.1	1.6	40.0	8.0	90.0
Pacific OECD	51.3	1.5	42.0	14.0	100.0

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### Snapshot of Global Aging for Developing Regions, 2050

Region	Median Age	Total Fertility Rate	Population > 60 (%)	Population > 80 (%)	Old Age Dependency Ratio
World	38.8	2.0	22.0	4.0	42.0
<b>Developing Regions</b>					
Latin America	38.9	2.1	22.0	4.0	43.0
Central Asia	37.9	2.0	20.0	3.0	38.0
Middle East	37.1	2.0	19.0	2.0	34.0
North Africa	37.5	2.0	19.0	2.0	36.0
Sub Saharan Africa	27.3	2.6	7.0	0.0	13.0
China & CPA	47.7	1.5	35.0	7.0	73.0
South Asia	37.0	1.9	17.0	2.0	31.0
Pacific Asia	39.5	1.9	23.0	4.0	44.0

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### Responses to Declining Demographics of Rich Countries

- “How to get people to have more unprotected sex,” that is, “how to get them to have more babies”
- Fared Zakaria GPS, June 14, 2015

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### Responses to Declining Demographics Cont'd

- France—paid family leave for parents & preschool for three years
- Denmark --“Do it for Denmark”—10% of Danish children are conceived on vacations
- Japan—funding matchmaking events
- South Korea—trying to reduce price of weddings to encourage marriage

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### Responses to Declining Demographics, Cont'd

- A region in Russia encouraged citizens to “bear a patriot” in June 2012, on Russia Day, offering money, refrigerators, and even cars.
- Singapore encouraged baby making on its national holiday.
- China abandons its one child policy

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### U.S. POPULATION CHANGE BY AGE, 2000-2010

Age	2010	Absolute Change 2000 - 2010	Percentage Change 2000 - 2010
<25	104,853,555	5,416,289	5.4%
25-44	82,134,554	-2,905,697	-3.4%
45-64	81,489,445	19,536,809	31.5%
65+	40,267,984	5,276,231	15.1%
TOTAL	308,745,538	27,323,632	9.7%

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### U.S. POPULATION TURNING 50, 55, 62, AND 65 YEARS OF AGE, (2007-2015)

	Age 50	Age 55	Age 62	Age 65
Average Number/Day	12,344	11,541	9,221	8,032
Average Number/Minute	8.6	8.0	6.4	5.6

November 2015 18

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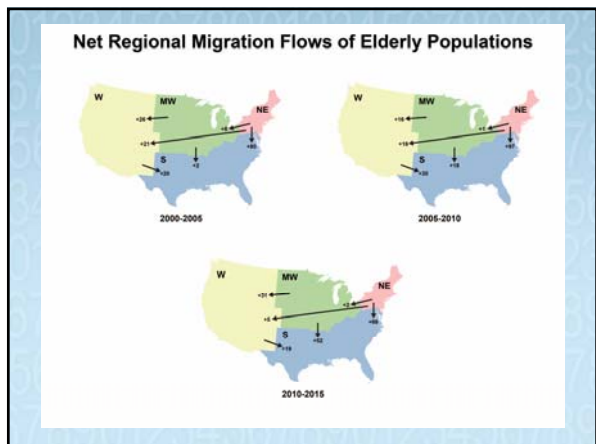
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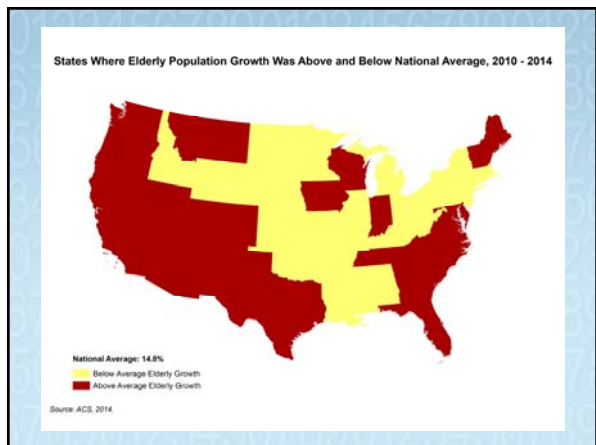
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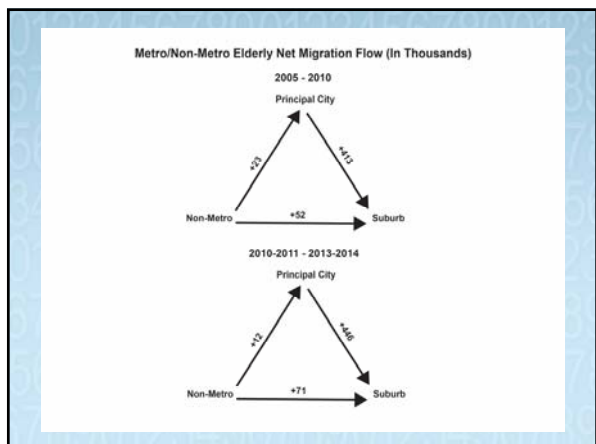
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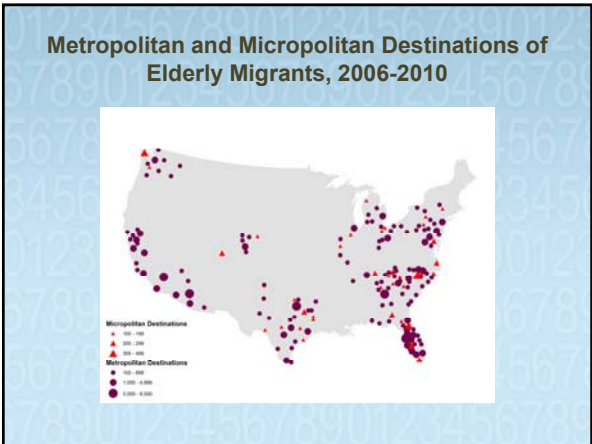
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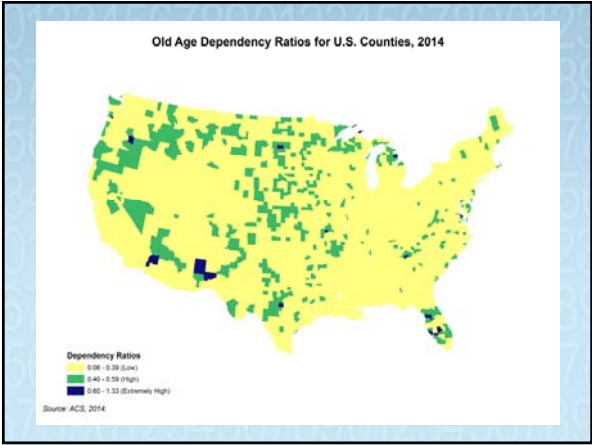
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# The Multigenerational Workforce

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### Multi-Generational Diversity

Generation	Birth Years	Current Ages	Est. Workforce Participation in 2013*
Veterans Traditionalists WWII Generation Silent Generation	1922-1945	70-93	5% (7M)
Baby Boomers 'Boomers'	1946-1964	51-69	38% (60M)
Generation X Baby Busters	1965-1980	35-50	32% (51M)
Generation Y Millennials	1981-2000	15-34	25% (40M)

November 2014  
\*Source: AARP - Leading a Multi-Generational Workforce, 2007

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### Succession Planning & Accommodations for Elder Care

Organizational Game Changers!

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### The BIG Opportunity I

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**The Aging Boomer Market**  
**A \$15 Trillion Prize Globally**  
Bloomberg BusinessWeek

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**The Silver Shopper**  
“You’d have to be an idiot to turn your back on this humongous growth market”  
Jody Holtzman  
AARP

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**Boomers will redefine what it means to be old**

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**Remember**

- “The majority of Baby Boomers work and play little different from those in their 40s. They’re not obsessing over arthritis, incontinence, and dementia.”

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**Boomers Defined**

- More are working past 65
- More likely to purchase a car today than other generations.
- Watch significantly more TV than Millennials.
- More than half are on Facebook
- Major consumers of Apple’s products

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**Boomers Defined Cont’d.**

- AARP has started an over 50 model search.
- Amazon.com has launched a website dedicated to customers over 50.
- 63% of Americans plan to work during retirement.

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### The Aging Consumer Paradox

- Seniors don't like to be singled out and reminded that they are old.
- The company that does a great job of making products for seniors takes great pains not to make products for seniors.

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### The Big Opportunity II

Encore Entrepreneurship

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### Fifty is the New 20

- One quarter of 44-70+ population interested in becoming entrepreneurs.
- Americans 55-64 start new business ventures at a higher rate than any other group, including 20 somethings.
- 23% of new entrepreneurs were age 55-64 in 2010, up from 14% in 1996.

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### Fifty is the New 20 Cont'd

- 50% of businesses started by 50+ entrepreneurs still operating 5 years later.
- Encore Entrepreneurs alleged to have:  
Double E-SP: Experience, Expertise, Seasoned Judgement & Proven Performance.

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### Pathways to Encore Entrepreneurship

- Great Recession
- Economic Globalization & Emergence of "GiG" Economy
- Unfulfilled Dreams
- Unanticipated Crises
- Caregiver & Childcare Responsibilities
- Affordable Care Act
- Boredom

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### Desire to Have Social Impact

- Social Services 37%
- Poverty Alleviation 28%
- At Risk Youth 24%
- Economic Development 24%
- Health Care 24%
- The Environment 19%
- Human Rights/Social Justice 18%

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### The BIG Opportunity III

- How do we help seniors age gracefully in their homes and their communities?
- That is, how to help them age in place and keep them out of hospital emergency rooms, expensive nursing homes, and long term care facilities?
- What role can digital technologies play in healthy aging?

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### Age-Related Challenges

- Mobility Limitations
- Hearing Loss
- Vision Impairments
- Mental Disorders
- Substance Abuse Issues
- Chronic Disabilities
- Economic Constraints

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### The Triple Whammy

- Aging Boomers Face Mortality
- Elder Care Responsibilities
- Raising Grandchildren

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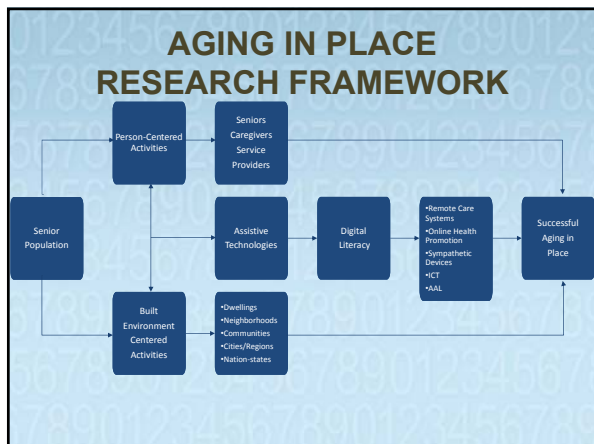
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## The Carolinas

An Ideal Elder Care Innovations  
Lab

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### Elderly Share of Net Population Change, 2000-2010

Area	Total Population Change	Elderly Population Change	Elderly Share of Net Change
United States	26,884,972	3,737,660	13.9%
South Region	14,318,924	2,455,718	17.2%
The Carolinas	2,099,702	411,572	19.6%
North Carolina	1,486,170	265,031	17.8%
South Carolina	613,532	146,541	23.9%

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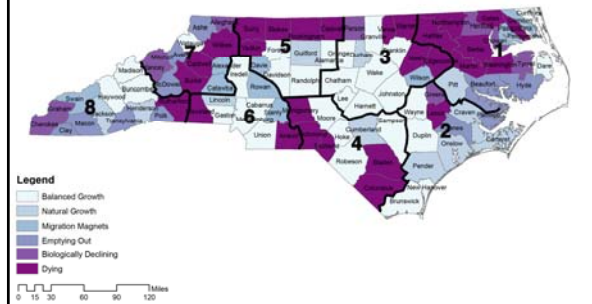
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### County Typologies, 2010 - 2014




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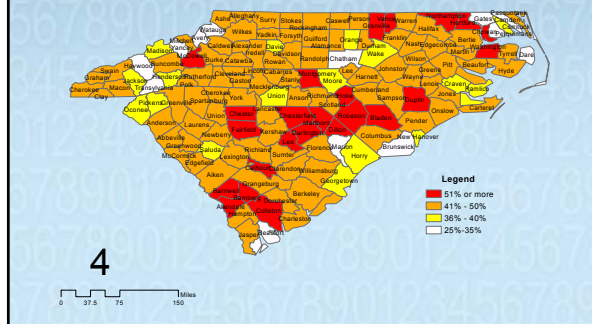
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### Distribution of Widowed Elderly Women by County, The Carolinas, 2010




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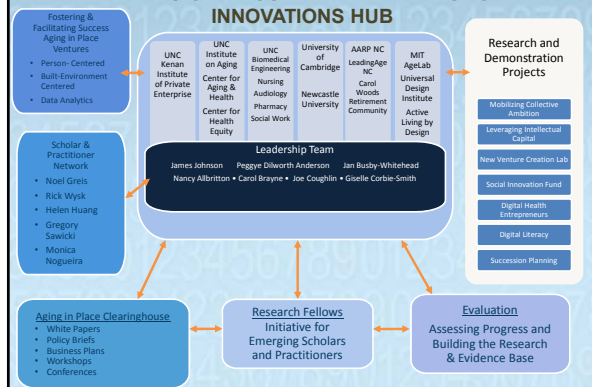
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### THE KFBS/GILLINGS ELDER CARE ECONOMY INNOVATIONS HUB




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### SMART TECHNOLOGY + BIG DATA + ANALYTICS

**"SMART" TECHNOLOGIES REDUCE THE RISK OF FALLS AND ENABLE SENIORS TO SAFELY AGE IN PLACE**



Dr. Noel P. Greis, Director, Digital Enterprise and Innovation, Kenan Institute and Adjunct Professor of Operations Management, Kenan-Flagler Business School

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### FINDING OUT WHAT WORKS?

**AN EVIDENCED-BASED FRAMEWORK TO DETERMINE THE MOST EFFICIENT ALLOCATION OF RESOURCES TO ACHIEVE THE HIGHEST REDUCTION IN FALLS**

**CREATE WELL-BEING BY ALIGNING INTERVENTIONS WITH RISK**



**MAXIMIZE THE COST EFFECTIVENESS OF INTERVENTIONS AND PREVENT FALLS**

Dr. Noel P. Greis, Director, Digital Enterprise and Innovation, Kenan Institute and Adjunct Professor of Operations Management, Kenan-Flagler Business School

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### Think about Urban Design for Our Aging Population



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**Urban Design Principles**

- Visitability of institutional settings
- Senior playgrounds & fitness parks
- Universally accessible transport systems
- Complete street ordinances
- Extended walk times at pedestrian cross-walks
- Senior friendly street signage

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**OPPORTUNITIES**

- Cater products & labeling to emerging groups
- Design & package products with equality in mind

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**LABELING & PACKAGING**

- Easy to Read
- Easy to Understand
- Easy to Carry
- Easy to Enjoy
- Safer to Use

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### DEFINITION OF EASY TO CARRY: CURRENT VS. FUTURE

Current Population	Future Grey Population
Bulky and Heavy	Minimal Unit Size and Weight
Big-sized cart, shopping cart, car trunk	Compact car, Rolling carriage
Price Sensitive	Weight Sensitive
Aesthetics Is More Important	Function Is More Important
Mostly carry with one hand	Handle with both hands

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