

The rising tide of the silver economy

Whilst we may not yet have discovered the long-coveted elixir of eternal youth, the truth is that humans are now getting older than ever before; we are living longer, leading more active lives and, as a result, the 60-plus age group is far more independent than their predecessors.

By [Chris Cilliers](#) 27 Jan 2020



The Booming Boomers: It's forecast that by 2050 the number of people in the 60-plus age group will have swelled by an additional billion, and they are already surpassing Millennials as key influencers for many industries, especially real estate.

This population sector, otherwise known as baby boomers, is in fact the fastest-growing consumer group in the world. And it's forecast that by 2050 their numbers will have swelled by an additional billion, which means they will account for one in five of the population.

Armed with an increasingly higher spending power and a growing share of overall income, they are quickly becoming key influencers for many corporations and industries.

In the US they already spend more than millennials, the current key focus of most marketers, and this opens up significant investment opportunities in a range of industries from healthcare and biotech to real estate and leisure.

A 2017 Gallup poll revealed that 74% of employed adults planned to work past retirement age, not only out of financial need but also because they're simply not ready to stop being productive members of society.

And with estimates putting the current global value of the silver economy at a considerable \$15tn, organisations that are positioned to meet this group's core senior-centric needs will reap very attractive returns in the coming decades.

One of the industry's best poised to benefit from this growing market is real estate as there is now so much

more scope than ever before.

Suitable retirement options

The traditional concept of retirement accommodation, apartment block-styled old age homes offering little more than a roof over one's head and three-square meals a day falls far short of current needs and there is a serious shortfall of suitable options.

We are seeing a flood of seniors now looking for a variety of housing options, including active lifestyle living residential estates that also offer frail care options for when required as well as upmarket urban apartments for downsizing.

There is also a growing preference amongst retirees for continuing to live in their own homes rather than alternatives such as assisted living communities, an emergent trend which is known as aging in place.

People want to live where they are as they grow older, near their friends and known amenities; where they're most comfortable and can feel independent.

However, ageing people, no matter how active, are likely to develop mobility, dexterity or even memory challenges to some degree as they grow older and most homes aren't designed for their changing needs, so there is also potential for such renovations and adaptations.

Extended middle age

At the end of the day, companies need to remember that for many people, living longer equates to an extended middle age rather than a descent into frailty, which we are already beginning to clearly see by spending patterns.

According to Sanjeev Sanyal, global strategist at Deutsche Bank, the market for high-priced consumer goods such as cars, watches and sports equipment is already dominated by older adults and in Britain the same pattern has emerged.

In fact, the wealthiest fifth of those aged 50 to 64 spend more each week on food and alcohol, recreation, restaurants, hotels and transport than those aged 30 to 49-years – and the latter is traditionally the most coveted age group.”

It would be a major and very short-sighted error for organisations to continue to disregard the older generation, a mistake that younger marketers still often make.

And for most companies to survive in the long term, they will need to embrace this growing demographic curve as this hitherto largely untapped market is likely to be the one to ensure their prosperity and longevity.

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