



future society

New Consumers
The ageing population



The **world's population is ageing**, and the number of older people (65 and over) is growing faster than any other demographic group. This phenomenon is not confined to Europe alone but has a global dimension as evidenced by the population pyramids of China or Japan.

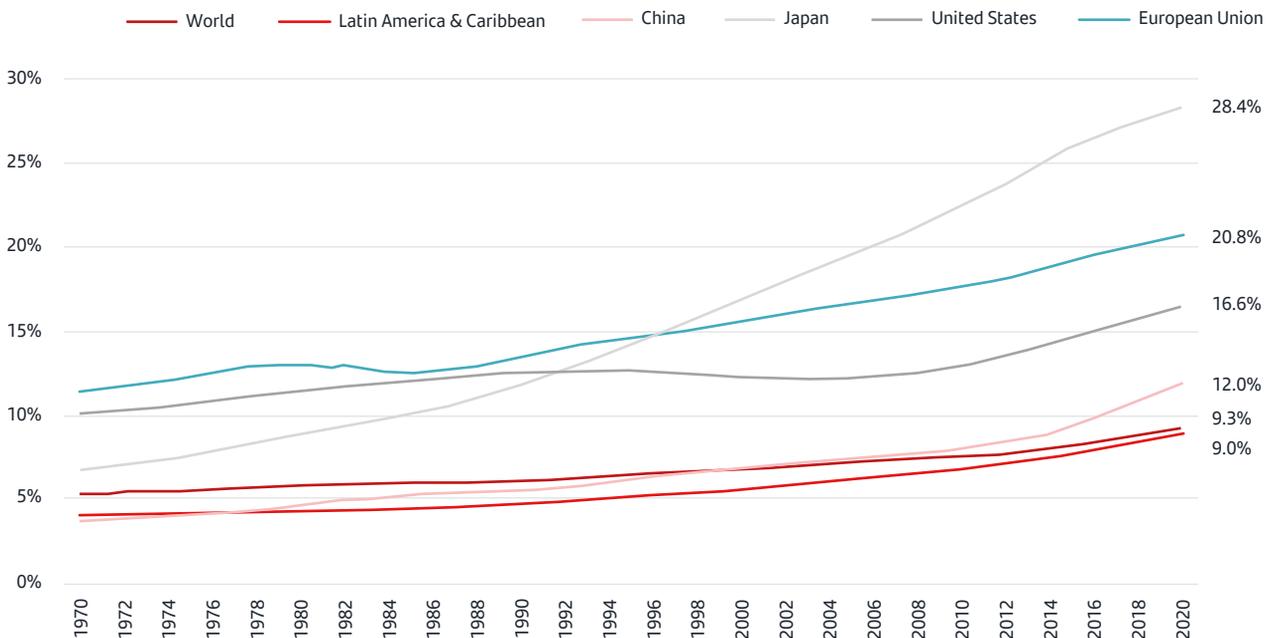
According to data from the United Nations report "World Population Prospects 2019", virtually **every country in the world is experiencing growth in the proportion of older people**. In 2019, there were 703 million people aged 65 and over in the world. The number of older persons is projected to double to 1.5 billion by 2050. Globally, the proportion of the population aged 65 and over increased from 6 per cent in 1990 to 9.3 per cent in 2020. It is estimated that this proportion will continue to **increase to 16 per cent in 2050**, so that **one in six people in the world will be 65 years of age or older**

In economic terms, ageing is usually perceived by experts as something very negative. However, the reality is that **there are many positive aspects and opportunities linked to active and healthy ageing**. This process is creating an increased demand for certain goods and services aimed at improving quality of life in a variety of areas such as **appropriate housing solutions, mobility, leisure, travel, health and medical care, finance and education**. All these changes in the consumption priorities of this growing segment of the population –that has spending power– represent investment opportunities for those who want to take advantage of this megatrend.

Global aging will transform consumer spending. On the other hand, not only are the number of older households growing and outpacing their younger counterparts, but they are also putting their purchasing power to work in very different areas, creating profound changes to the composition of the global economy.

% Population over 65 years of age

Source: World Bank





Opportunities linked to the ageing population



Real Estate

This demographic trend will have a profound impact on society and the social fabric of cities. According to the OECD, by 2030 all major urban centers in member countries will see a sharp increase in the number of older people. These **cities will need to adapt** and develop a range of short and long-term strategies to ensure an adequate response to both the challenges and opportunities presented by the ageing population. There is an untapped potential market for **quality housing adapted to the needs of older people**. There is a **fundamental mismatch between the large, under-occupied homes that seniors currently own and the mid-sized, affordable housing they need**. This may explain why the **assisted living industry** has exploded in recent years according to Jones Lang LaSalle data, with total available supply increasing by more than 4% per year over the past five years.



Silver Tech

Many of the innovations that have made headlines in Silicon Valley have been aimed at Millennials, as they have grown up with technology. However, a new wave of startups is developing **platforms, apps and devices that look to help seniors live independently, combat diseases like dementia, and improve their quality of life**. For example, telemedicine and mobile clinics to help improve health care in underserved areas. **Home health monitoring through smart devices and wearable technologies and communication with health professionals can enable more personalized care**. Artificial intelligence (AI) and data-driven innovation will provide **practical solutions to improve quality of life for older persons and facilitate independent living**, while reducing financial costs and freeing up family time.



Financial advice

Wealth management in developed economies is an increasingly important activity in the **financial industry** according to studies by leading strategic consultancies. The Deloitte Center for Financial Services, in its paper "The Future of Wealth in America"¹ expects US household assets to grow from \$87 trillion in 2015 to more than \$140 trillion in 2030, of which nearly \$64 trillion will be in investable financial assets. **Boomers will continue to be the wealthiest generation in the United States until at least 2030**. Their share of net household wealth will peak at 50.2% in 2020 and decline to 44.5% in 2030.

Baby Boomers, especially the youngest, will remain top consumers of financial services until at least 2030. Then they will range in age from 66 to 84, and nearly 60 million will still be alive. *Baby Boomers* are likely to consult financial advisors more widely in the coming years, to learn about safe investments to protect their wealth, but also to discuss how to plan for **wealth transfer to the next generation**.



Ageing-related companies



Expedia Group, Inc. provides online travel services for leisure and small business travelers.

The company offers a wide range of **travel shopping and booking services**, as well as real-time access to information on schedules, prices and availability from airlines, hotels and car rental companies.

Their websites include **CarRentals.com**, **Expedia.com**, **HomeAway**, **Hotels.com**, **Hotwire.com**, **Orbitz**, **Travelocity**, **Trivago** and **Vrbo**.



Edwards Lifesciences Corporation designs, develops, manufactures and markets products and services for the **treatment of advanced cardiovascular disease**.

The Company offers products such as **tissue** replacement heart valves, **heart valve repair**, hemodynamic monitoring devices, angiography equipment, oxygenators and pharmaceuticals.

Edwards Lifesciences is the global leader in patient-centered medical innovations for structural heart disease, as well as critical care and surgical monitoring.



Thermo Fisher Scientific is a U.S. producer and provider of **analytic instrumentation, scientific equipment, reagents and consumables** for laboratories. Its main markets are pharmaceutical, biotech, diagnostics and health care, academic and government, industrial and applied research.

The **rapid increase in production related to the testing of COVID-19 testing**, and the development and manufacture of therapeutics and vaccines, has created a historic demand for laboratory plastics, including pipette and automation tips, storage tubes and plates, transfer pipettes, and packaging vials and bottles.



The **Charles Schwab** Corporation provides a variety of **financial services to individual investors, independent investment managers, individual retirement plans and institutions**.

The company offers its clients **securities** brokerage, **banking and related financial** services through offices in the United States, Puerto Rico and the United Kingdom. Seventy-five percent of its revenues come from brokerage and retail banking services for individual investors, and corporate brokerage and retirement plans. The other 25% comes from services to institutional investors.



Zillow Group, Inc. Zillow is a leading e-commerce company in the U.S. **real estate marketplace for home sales and rentals** dedicated to empowering consumers with data, inspiration and knowledge about their real estate properties.

Zillow serves homeowners, buyers, sellers, renters and real estate professionals across the country. Its national reach will allow many **boomers**, who are likely to downsize or relocate to less expensive regions of the country, to give Zillow opportunities on both sides of the fence.

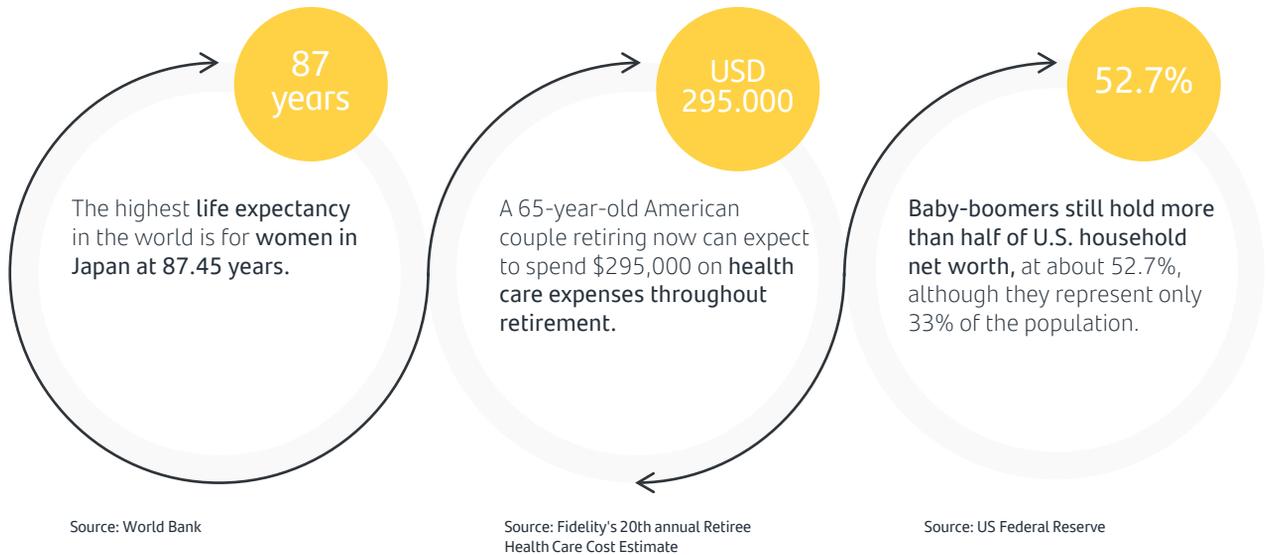


IQVIA Holdings Inc. is a global leader in using **data, technology, advanced analytics** and expertise to help clients drive healthcare forward.

The company **combines advances in data management with technology and human insight to help the healthcare industry make better decisions that lead to better patient health**. It offers a wide range of solutions including clinical development strategies, therapeutic expertise, predictive and prescriptive analytics, and patient retention services.



Did you know that?



Important Legal Notice

This report has been prepared by Santander Wealth Management & Insurance Division, a global business unit of Banco Santander. S.A. ("WM&I", together with Banco Santander, S.A. and its subsidiaries shall hereinafter be referred to as "Santander"). It contains information gathered from various sources and third parties. All such sources are believed to be reliable, but the accuracy, completeness or timeliness of this information is not guaranteed, either expressly or by implication, and is subject to change without notice. The opinions contained in this report should not be relied upon as irrefutable and may differ from, or be otherwise inconsistent or contradictory to, opinions expressed orally or in writing, or recommendations or investment decisions made by other Santander units.

This report has not been prepared and should not be relied upon for any investment purpose. It has been prepared for informational purposes only. The report has been prepared primarily for educational purposes and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any security or to adopt any investment strategy. The companies listed in the report are illustrative examples only and do not constitute an investment recommendation.

This material may contain "forward-looking" information that is not purely historical in nature. Such information may include, but is not limited to, projections and forecasts. No representation made in this document regarding any performance presented herein should be taken as a consideration in the selection of any product or investment strategy.

Santander and its respective directors, agents, representatives, attorneys, employees or agents assume no liability whatsoever for any loss or damage in connection with or arising out of the use of all or any part of this report.

At any time, Santander (or its employees) may have positions that are in line with or contrary to those set out in this report.

The information contained in this presentation is confidential and belongs to Santander. This report may not be reproduced in whole or in part, distributed, published or delivered, under any circumstances, to any person, nor may any information or opinions be expressed in this report without prior written permission, on a case-by-case basis, from WM&I.

Any third-party materials (including logos and trademarks) whether literary (articles / studies / reports / etc. or extracts thereof) or artistic (photos / graphics / drawings / etc.) included in this report / publication are copyrighted in the name of their respective owners and are reproduced only in accordance with fair industrial or commercial practices."

© Banco Santander, S.A. 2021. All rights reserved.