

Global Agenda

How 21st-Century Longevity Can Create Markets and Drive Economic Growth

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A World Economic Forum White Paper

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Introduction

The Great Awakening: The 21st Century's Formative Market Opportunity

In 2012, the World Economic Forum published *Global Population Ageing: Peril or Promise*.¹ In this seminal work, the Forum's Global Agenda Council on Ageing Society highlighted the revolutionary consequences of worldwide population ageing. The authors drew attention to the dynamic demographic transformations upending all aspects of social and economic life and the need to rethink the assumptions that underpin our behavioural norms, social expectations, and policies and institutions² within the context of a world with more people over 60 than under 15 years of age.

Further, the authors recognized that the vehicles that have enabled population ageing – breakthroughs in healthcare and sanitation, mass urbanization and modernization – are unsustainable without significant changes to the paradigm. Innovations in healthcare, among others, can be credited for making once unimaginably long lives the norm, but lasting ways to finance them must be found. And while many cities, workplaces and homes have fostered a healthier ageing experience for large numbers of global baby boomers, cities and communities must now become instruments to further extend healthy ageing into the 80s, 90s and even 100s in all regions of the world.

The World Economic Forum publication meaningfully contributed to the ongoing global conversation about worldwide population ageing. Two years earlier Standard & Poor's issued its own clarion call: "No other force is likely to shape the future of national economic health, public finances and policy-making as the irreversible rate at which the world's population is ageing."³ The Organisation for Economic Co-operation and Development (OECD), G20 and Asia-Pacific Economic Cooperation have joined the ranks of the World Health Organization (WHO), the International Labour Office (ILO), the United Nations Population Fund (UNFPA) and others to engage on the subject. Even so, the McKinsey Institute's recent *No Ordinary Disruption* contends that population ageing has only begun to emerge as a "global force breaking all the trends".⁴

For all the talk of "crisis" and "demographic cliffs," many business leaders, policy-makers, non-governmental organizations, academics, economists and others are recognizing that population ageing can be, given the right strategic framework, a supremely powerful market driver.

Evidence from the private sector is beginning to mount. Major global corporations – including Bank of America Merrill Lynch, Nestlé Skin Health, BlackRock, BMW, Intel, GE, Novartis, Aegon, Discovery and Pfizer – have embedded "ageing" as a key strategic driver of their commercial goals. Smaller companies like Aeon and Home Instead Senior Care are realizing tremendous growth through the same strategy. Yet it is not only a question of commercial goals. Equally, these global businesses have positioned ageing as a lever for attracting and retaining top talent, as well as building out frameworks of sustainability and shared value.

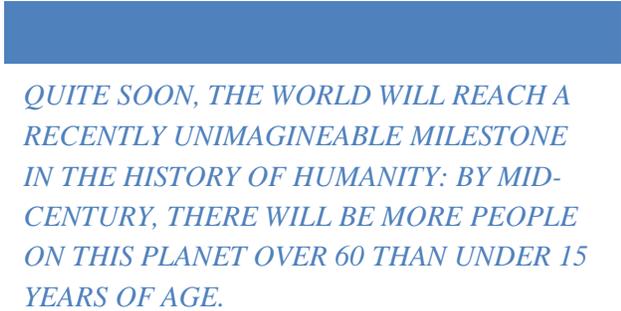
Even more specifically, Nestlé has recently announced that it will open Skin Health Investigation, Education and Longevity Development (SHIELD) centres⁵ in major cities across the globe to focus on investigating, educating and training for a "life-course of healthy skin". Cardinal Health has made products and services directed to "alternative sites of care", increasingly important with an ageing population and the need to innovate around how chronic disease is treated. JP Morgan Chase and Aegon each have very recently opened new research centres on retirement and longevity.⁶ Fujitsu is launching its elder-designed Raku-Raku smartphone in Europe, following the successful market pick up in Japan. Pfizer continues its creative web-based campaign, "Get Old". Home Instead Senior Care is reinventing the role of professional caregiver globally to enable more and more seniors to have the freedom and choice to stay at home with best quality care. Discovery, through its Vitality programme, has built an innovative approach to promote longevity and quality of life as part of its life insurance programmes. And, in June 2015, BlackRock, the largest asset manager in the world, released its own white paper, "Unlocking the Longevity Dividend: How Longer Lives are Changing Retirement, Investing and the Economy".⁷

What is more telling is that ageing is becoming a market imperative throughout pop culture. Who would have expected that Hollywood and the fashion industry – so long the exclusive preserve of the young – would embrace ageing? Yet *Women's Wear Daily* noted last year that designers and retailers would only “ignore the \$21 billion boomer market at their own peril”.⁸ And a survey of recent Oscar winners and nominees shows that the silver screen is no longer off limits to silver actors.

As the private sector moves to capture the market opportunities, public policies are needed to address ageing and enable further innovation. Some examples where public policies can help create the hospitable environment might include flexibility in labour markets for the inclusion of all ages; incentives for silver entrepreneurship and ongoing employment for those currently in 20th-century retirement categories; and pension and education reforms that are built for sustainability in a world where people live to 100 years of age and where there are more old than young. Not least would also be a reaffirmation of the critical importance of adequate national policies to ensure pharmaceuticals, devices and technology that would enable the continued progress of healthy ageing and active, productive and happy people.

Approaches to flexible ageing policies are being addressed by a number of intergovernmental organizations, including the WHO, the ILO, the UNFPA, the OECD, the G20, the World Bank and such international civil society entities as the Global Coalition on Aging, the International Federation on Ageing, HelpAge International and the International Longevity Centre Global Alliance. There are many other think-tanks addressing the challenges and opportunities of older populations. Each organization is building on the recognition that population ageing is a 21st-century imperative that requires a substantial and finely calibrated response.

In October 2015, the WHO released its first-ever world report on ageing and health.⁹ This should establish a basis for ageing to become a major strategic platform of global public health for its next five-year plan. The report builds on the momentum already under way through the WHO's work leading the Age-Friendly Cities initiative, as well as the guidance on non-communicable diseases. The ILO monitors support to ageing, old-age pensions and social security health through its recurrent *World Social Protection Report*,¹⁰ as well as other publications, such as on ageing and long-term care. The G20 has just issued “Principles on Silver Economy and Active Ageing”.¹¹ The OECD, for its part, has put together a set of groundbreaking reports on ageing and big data,¹² the silver economy¹³ and – before long – ageing and the digital economy.



QUITE SOON, THE WORLD WILL REACH A RECENTLY UNIMAGINEABLE MILESTONE IN THE HISTORY OF HUMANITY: BY MID-CENTURY, THERE WILL BE MORE PEOPLE ON THIS PLANET OVER 60 THAN UNDER 15 YEARS OF AGE.

The demographic data is inarguably compelling. Quite soon, the world will reach a recently unimaginable milestone in the history of humanity: by mid-century, there will be more people on this planet over 60 than under 15 years of age. In many OECD countries, this reality will arrive far sooner and for some is already here. The once exceptional prospect of “growing old” has become the norm. As societies modernize and urbanize, birth rates throughout the world are plummeting. Already some 80 countries have fertility rates below replacement levels and the number is growing alongside modernization. Depopulation is accelerating, resulting in a profound demographic reshuffling of the global age structure with more old than young.

Many mistakenly believe that ageing is principally a phenomenon in industrialized nations. In fact, currently, emerging markets are experiencing the most dramatic impacts of ageing.¹⁴ What took a century to unfold in Europe, Japan, the United States and other G7 nations is transpiring in only a few decades in China, Brazil, India, Turkey and a host of other developing and emerging market countries. It will surprise few that Japan is placing ageing at the centre of its 2016 G7 leadership agenda or that one of the EU's key 2020 growth goals is related to healthy and active ageing. But

many would not have predicted that China would position ageing high on the agenda of its 2016 G20 leadership.

Nevertheless, despite this profound and inspiring set of activities designed to capture the potential of an ageing population, no overarching framework unites these individual efforts into collective action. No one body has emerged to take the mantle of leadership by articulating a framework for understanding, addressing and executing a global ageing strategy that will ensure *promise* in place of *peril*.



*IN THE US, FOR EXAMPLE, BY 2017
AN ASTONISHING 70% OF
DISPOSABLE INCOME WILL BE IN
THE HANDS OF THOSE OVER 60.*

With its mandate “to invent, innovate and dare to move forward fast”¹⁵ and its convocation of public and private cooperation, the World Economic Forum is uniquely positioned to assume a major leadership role in global action on ageing. Is it possible, at the global level, to ensure that ageing is a driver of national and global economic growth, innovation, enhanced prosperity and wealth?¹⁶ How can public policy be structured to align 21st-century demographics to both personal and national economic security? How can the adverse consequences of ageing be mitigated – including increases in non-communicable diseases such as Alzheimer’s¹⁷ – and prevented from derailing our growth and prosperity prospects? How can the foundations of economic growth best be configured on a planet that may soon sell more adult diapers than baby diapers, as Japan will do in just five years?

Central to the answer to these questions is the notion that businesses must – and will – respond to this new billion-large consumer base. Not only is the over-60 segment growing faster than any other, it will constitute close to 30% of the total population of all developed and many developing countries before 2050, when the number will exceed 2 billion. But this demographic also already controls a vast portion of global wealth and spending power. In the United States, for example, by 2017 an astonishing 70% of disposable income will be in the hands of those over 60.¹⁸ It is in the retroactive impact across all the stages of the course of life, however, that these market opportunities swell exponentially. Preparation for an older age offers immeasurable commercial potential. Someone who anticipates living for 90 or more years will plan, work, learn, play and go through life differently.¹⁹ Businesses need to have a more intuitive understanding of a newly emerging mindset across all the age groups as the impact of longevity can underpin competitive business strategies.

The sheer size of this market opportunity evokes the 20th century’s milestone economic realizations, such as identifying the economic potential of entire countries such as India and China with populations of over 1 billion each, and empowering women to attain the higher rungs of the global workforce. Yet what is unique and unprecedented about the potential of an ageing population is the lack of borders. No country is immune from population ageing – regardless of its particular social, religious or economic conditions.

Indeed, given this unique set of circumstances, it is possible to see that, as markets respond to population ageing, a virtuous cycle begins: the population ages, business leaders and innovators design strategies to capture the market opportunities, and the strategies are executed, which further creates conditions that sustain the ageing market. Done right, markets can become both the driver and beneficiary of population ageing.

The Evolution of Emerging Markets

Businesses, large and small, have begun to use ageing as a lens through which they view their strategic plans. As such, ageing becomes a commercial opportunity that feeds the top and bottom lines,

encourages workplace and workforce change that can drive productivity, and provides a vehicle to support shared value and sustainable partnerships with government and civil society.

The following dynamics of this new over-60 population reveal how and why this segment provides a new market opportunity.

The group is newly formed

The elderly, locally and globally, have always constituted a demographic group. In some parts of the world, this group has witnessed astounding lifespans. Some Mediterranean populations and Caucus tribes are prime examples. But this was rare and until recently few enjoyed long lives. A century ago, when Otto von Bismarck broke ground with his achievements in social welfare, he was able to do so precisely because his programmes were configured to reflect historical demographic facts. The very few beneficiaries of his promise for social welfare benefits made his ideas fiscally sustainable and politically valued. Consequently, social security systems extended around the world and contributed to support old-age income, consumption and ultimately to the extension of longevity. Today, such programmes' sustainability is questionable in the context of 21st-century demographic arithmetic.

By the 1950s, with improvements in access to health, nutrition, water and sanitation and the end of major epidemics combined with advances in medicine and increased urbanization, the number of recipients grew. The baby boomers, the largest growth segment in our global population to date, and the synchronized increases in global populations in the developing world, gave rise to warning calls of overpopulation. The world soon adjusted to the increases in potential workforce by becoming more productive, accelerating economic growth and acquiring the financial latitude to fund social protection systems for those in need. Income redistribution through social security contributed to sustained domestic consumption and developed national demand.

But in the 21st century, humanity stands at the brink of a world with more “old” than “young.”

Growing numbers control the purse strings...

For much of recent history, the so-called elderly were financially dependent on others, whether children, families or government. Not so today. With better economic futures, older adults have become conspicuous consumers and active savers.

Growing numbers create new demands...

Entirely new markets for products and services are opening up. Most visibly, home healthcare and extended care options are exploding. More subtly, industries like fashion and entertainment are beginning to adapt to the new tastes of the active, vital older adult and, of course, there is health, financial services and retail. With a higher level of disposable income, more out-of-home dining options will be demanded. Accessibility to activities has been a given and will now require more flexibility on the part of public transport services. Even Hollywood, which is already responding, has recalibrated its single focus on the teen movie market with such outstanding releases as the popular *Best Exotic Marigold Hotel*, *Red*, and the release of Robert De Niro's new film, *The Intern*, in which the actor plays a senior who goes back to work for a technology start-up – a fine example of art imitating life.²⁰

Notwithstanding the enormous disparities both within and between regions, the majority of the world's wealth today is concentrated in the burgeoning 60+ segment of the population. According to the US Government Consumer Expenditure Survey, baby boomers outspend other generations by approximately \$400 billion each year on consumer goods and services.²¹ A similar overspend applies in other developed countries where large percentages of disposable income are held by the 60 and over.

Many not there yet...but could be if...

Despite the increase of wealth in this generation of older persons, there remain massive inequalities within and between countries. In regions where old-age poverty is extensive, public policies such as adequate social security are critical instruments to ensure improved income to the elderly²² and thus ensure demand for a vibrant silver economy.

New markets are not a new idea

Businesses have always understood commercial opportunity as a consequence of creating and/or leveraging new markets. 21st-century longevity has created such a new market – 1 billion over 60 by 2020 – not unlike business strategies upon the opening of China with its 1.2 billion people, and working women buying power as that demographic entered the workforce in serious ways, or new technologies resulting from the environmental movement. In each case, an intuitive understanding suggests that product and service development along with innovative marketing contains huge commercial opportunity. These other market examples are neither homogenous nor fully exploitable, just as the 1 billion over 60 are different and diverse. But in each case, business leaders have found ways to add growth that is not only considerable and sustainable but also consistent with parallel strategies in other areas.

So consider this: a company's strategy to engage in China operates in parallel with a continued investment and business strategy for Europe. Likewise, business leveraging of the demographic over 60 does not preclude one from continued investment in Millennials, for example.

Another example is the growing market that connects consumer demand with consumer social value. According to *Fortune* Editor Alan Murray, "Prodded by socially conscious customers and idealistic employees, as well as a skeptical public, businesses are searching for new ways to prove capitalism's power to rectify social ills."²³ Whether it is John Mackey's "conscious capitalism",²⁴ Paul Tudor Jones' "just capital",²⁵ Michael Porter's "shared value" capitalism,²⁶ Lynn Forester de Rothschild's "inclusive capitalism" or Marc Benioff's "compassionate capitalism",²⁷ this capitalism is certainly a framework for social engagement and a progressive and groundbreaking approach that is, literally, describing and helping to create a whole new market. One sees this particularly in the environmental arena where entire new industries have been built, technologies created and innovation taking place as a consequence of consumer demand for environmentally responsible living.

But perhaps the best example to understand the creation of a new market is the trillions that have been added to global GDP as a consequence of women entering the workforce. With that development, as with the business opportunity provided by the billion-large group from our longevity, companies across the globe came to appreciate the opportunities afforded by the commercial strategies dedicated to this new female demographic. Perhaps it began considerably before the women's movement – as Rosie the Riveter illustrated, the mid-20th century marked a point when women became employed in new fields. But as more women, with the aid of increased access to childcare, legislative reforms and the freedom brought by advanced education, found their way to full-time employment, businesses large and small developed and implemented strategies to leverage this new business opportunity. This market alone has provided pathways for businesses to develop new fashions, new food products and new services to meet the demands of that sector of the population.

Examples of Companies that Have Recognized the Inherent Market Potential²⁸

Many companies have recognized the potential of the market opportunity for products and services geared to the 60+ demographic. Others have observed that creating and maintaining a better work environment for older workers brings benefits to all employees. There is an enlightened, informed and proactive position and their success is testimony to their insight. Some examples include:

- **BlackRock** is the largest manager of retirement assets in the world. It has designed a retirement strategy based on the profound market changes that are a consequence of 21st-century longevity. The asset manager has recognized that its business is undergoing a substantial evolution due to the tension between 20th-century financial planning, corporate pensions, retirement planning and public policies on the one hand, and the realities of much longer lives and new financial-market realities in the 21st century on the other. At the industry and individual levels, BlackRock is aligning its global retirement business to offer solutions that close the retirement income gap so individuals can live a financially secure and dignified retirement. The firm addresses these new age-demographic realities, showing foresight and leadership through multiple channels, including its white paper, "Unlocking the Longevity Dividend: How Longer Lives Are Changing Retirement,

Investing and the Economy” and the development of its cost of retirement income indexes and mutual funds”.²⁹

- For over 45 years, **Intel** has created technologies that transform the way people live, work and learn and for more than a decade it has also been a leader in the ageing space, most recently reflecting that commitment through its support of the World Economic Forum Guiding Principles for Age-Friendly Businesses. The company’s innovative technology solutions help cities, healthcare institutions and consumers achieve healthier, more active ageing, while its innovations in telehealth and telemedicine are revolutionizing healthcare, including for those in the “ageing demographic”. Moreover, internally Intel has been both consistent and groundbreaking in partnering with such innovators as Marc Freedman’s Encore³⁰ to enable and even encourage careers, engagement and active ageing after retirement.
- **Cardinal Health**, an integrated healthcare products and services company, has recognized the undeniable force of ageing and, with it, increased chronic illness. Retail pharmacies will be delivering more care and counselling as Cardinal Health provides these customers access to innovative tools, technologies, specialized services and solutions. Its Integrated Delivery Solutions group works across health systems to ensure that patients start and stay on the right medicine. Recognizing that the ageing population is increasingly treated in peri-acute settings, like the home, the moment of discharge and the transition to those settings are extremely important. And so the launch of its Hospital Quality at HomeTM products allows consumers the opportunity to purchase the products they have used in clinical settings through retail outlets. Its recent acquisition of Navihealth, a leading provider of post-acute services for health plans, health systems and providers, highlights the recognition of the healthcare evolution, driven in great part by this powerful ageing trend.
- **Bradesco**, Brazil’s second largest banking and financial services group, has embraced longevity and active ageing as a major plank of its marketing activities for the past 10 years. It has determined that association with longer and more engaged lives has clear commercial resonance in one of the world’s biggest emerging marketplaces. Activities include prize awards for best journalism on ageing issues; academic research; life story essays; the sponsorship of social marketing on images of ageing; training and certification of age-friendly doormen; research on age-friendly public transport and on community-based elder care; annual longevity fun runs and walks in the country’s 20 largest cities; and an ongoing series of yearly international fora that bring together academic, business, government, intergovernmental and civil society leaders to discuss longevity.
- **Discovery’s Vitality businesses** recognize that insurance organizations have a unique obligation to build programmes that maximize population health. Aside from governments, insurers are the only entity that can monetize the impact of better population health. Vitality – pioneered by Discovery in 1997 – addresses this irrationality and aims to improve the health of its members. It removes the barriers to living a healthier life and encourages healthy behaviours using incentives. Vitality enables a new disruptive category of insurance – *shared value insurance* – that improves the health and increases the longevity of its clients, while being profitable for the insurer. This model is being adopted globally through the Vitality Alliance – a network of leading insurers deploying the Vitality model in their respective markets: AIA in Asia (one of the largest life insurers in Asia-Pacific, present in 18 markets with over \$160 billion in assets), Ping An in China (the second largest life insurance company in the world), John Hancock in the United States (a division of Manulife group, the third largest life insurance company in the US), Manulife in Canada (the largest life insurance company in Canada) and Generali in Europe (the third largest insurance company in Europe). These partners all place Vitality at the heart of efforts to promote better health and longevity among their members. The Vitality model has been validated by Harvard and the Rand Corporation, and was recently cited by Michael Porter at Harvard Business School as one of the “purest” forms of shared value. Discovery was recognized in September 2015 by *Fortune* magazine as one of the 50 companies that are changing the world.

- **Home Instead Senior Care**, one of the globe's leading home healthcare operations, has discovered that attracting and hiring mature workers allows them to harness the positive relationship through common connection points, between caregivers and customers. In turn, Home Instead has been proactive in hiring older workers and in providing a package of benefits that reflects their specific needs. As a result of these initiatives, more than 30% of Home Instead's caregivers are over 60 years of age. The benefit of this hiring and employee package strategy has been positive on both sides; older workers have responded positively to Home Instead as they are looking for work that provides them with work hour flexibility, while feeling a unique kinship to this population. Through its employee engagement survey and a newly created task force, Home Instead has created a benefits package that reflects the needs of its workforce as well as being embraced by employees across all age groups. The particular benefits that have proven very popular among the over 50s, include access to a generous 401(k) employer matching contribution; no pre-set age at which employees have to retire, giving employees greater freedom to choose when they stop working; the ability to direct a portion of "benefit dollars" across a wide range of flexible benefits, including college savings plans or premiums for long-term care insurance; and "Honor Paid Time Off", a programme that allows employees to take vacation, sick and personal time off in the amount they need as long as their work gets done. Moreover, as a leader in home care globally, Home Instead Senior Care has recognized the critical importance of first-rate elder care, which is relationship based and ensures choice and freedom for seniors and their family caregivers. The company has also undertaken a groundbreaking initiative on Alzheimer's skills and training for its caregivers – roughly 50% of all elder care is for Alzheimer's – and has taken the additional initiative of making this training module freely available online globally.³¹
- **Nestlé Skin Health**, which acquired Galderma in 2014, recognizes that all 1 billion people over 60 years of age are experiencing deteriorating skin, impacting healthy and active ageing. The company believes that addressing these needs is best served by focusing on a life course of healthy skin and is developing new innovations to meet this growing market. The company has an "Ageing Strategy" based on consumer needs and the attendant market opportunities for a globally dispersed demographic with diverse but substantial skin health needs. It has joined the Global Coalition on Aging and together are partnering on creating a global network of SHIELD centres that will enable investigation, education and learning across stakeholders, from dermatologists to geriatricians, caregivers to nurses, and general physicians to hospital administrators, about the impact and opportunity of skin health on active and healthier ageing.
- The Japanese retail giant **Aeon** has begun to make changes to its general merchandise outlets and its shopping centres so seniors feel more welcome and comfortable. In Japan, households headed by people over 65 hold nearly half of all consumer spending power, and projections suggest this will only increase in the coming years. Aeon plans to expand its successful "age-friendly" approach to shopping, targeting China and other middle-income Asian nations that have ageing populations.
- **Fijitsu**, Japan's leading information and communications technology company, has embraced the growing 60+ market with the launch of its Raku-Raku phone series. Marketed specifically to the older consumer, the Raku-Raku smartphone was developed with "easy-to-use, easy-to-hear and easy-to-read functionality". Since 2001, more than 20 million units in the product line have been sold worldwide. In 2012, the company released a Raku-Raku smartphone designed to "enable users not acquainted with a touchscreen to operate the phone with the same ease-of-use as a conventional mobile phone". The phone was quickly embraced by the market and led to the release of the Raku-Raku Smartphone 2 in 2013 that was further improved based on ageing population feedback.
- **Pfizer**, the global pharmaceutical company, has launched a fun-loving and thoughtful campaign called, "Get Old". The Get Old programme is designed to engage adults in conversations about lifestyle choices that will enable them to age in good health. The Get Old campaign eschews the

typical heavy-handed and pedantic attitude to healthy ageing, and opts instead for a light, social approach. Of adults who visit GetOld.com, 44% report having better eating habits and 35% claim to have started or improved an exercise routine. Pfizer is also providing considerable financial sponsorship of age-friendly community initiatives.

- **Bank of America Merrill Lynch** has developed a highly innovative and comprehensive approach to healthy and active ageing for its individual and institutional clients to assist effective financial planning across the life course. The company's efforts in the area of longevity are noteworthy and include bringing on staff one of its industry's only Financial Gerontologists. Bank of America Merrill Lynch has also established a programme that helps clients focus on seven life priorities: health, home, work, family, leisure, giving and finance. The company has developed a pioneering longevity training programme for its financial advisers and institutional clients in partnership with the USC Leonard Davis School of Gerontology. Bank of America Merrill Lynch is a founding member of the Global Coalition on Aging and partners with academic leaders in the area, including MIT and Stanford. The company also promotes discussion and engagement of these topics through its own employee networks, such as its Inter-Generational Employee Network.
- The **ANZ banking group**, the third largest bank by market capitalization in Australia, first launched its "Age Diversity Strategy" in 2004. Its purpose was to create a workplace culture where "age is no barrier" by retaining skills and experience; actively recruiting mature age workers; better reflecting the age profile of customers and the wider community; investigating the business and customer benefits of mixed-age teams; emphasizing flexible work practices and marketing them to mature age employees; and creating an inclusive culture where experience is valued. The results within the first few years of the programme included substantial increases in the age of employee retirement and significant decreases in older worker turnover. ANZ's chief executive officer has described the strategy simply as "good business".
- **Aegon**, a leading financial services group headquartered in the Netherlands, provides life insurance, pensions and asset management. For many years, Aegon has been conducting research into people's attitudes to and readiness for retirement. Its survey is one of the largest of its kind in the world, covering 16,000 people in 15 countries. In 2015, the company established the Aegon Center for Longevity and Retirement³² to reinforce its commitment to conducting research, educating the public, and leading a global dialogue on trends, issues and opportunities surrounding longevity, population ageing and retirement security. The Center works in close cooperation with Transamerica Institute,³³ a non-profit, private foundation funded by Aegon's subsidiary, Transamerica Life Insurance Company, in the United States.
- **Deloitte's** Mass Career Customization (MCC) programme is a tool that enables the organization to dial up (increase responsibilities) and dial down employees (e.g. reduce their hours or travel). The MCC framework articulates a definite, not infinite, set of options along the four core dimensions of a career – pace, workload, location/schedule and role – as well as the trade-offs associated with choices across the four, highly inter-related dimensions. In collaboration with their managers, employees periodically select options along each dimension based on their career objectives and life circumstances within the context of the needs of the business. MCC is a new model for how careers are built that incorporates the dimension of time by acknowledging that an employee's needs and priorities change over the course of a career. MCC applies to everyone in the organization and is fully integrated into existing talent management processes. It eliminates the linear, binary characteristics of the corporate ladder and replaces them with an adaptive framework that encourages adaptability and longer-view thinking as core competencies.
- The Internal Trainer and Retired Trainer Practice programme at **Akbank** uses the wealth of knowledge and experience of its retirees and hires them to provide training to young employees. Almost all of the core banking trainings at Akbank are conducted by retirees. The programme,

however, is not limited to retirees; it also offers young talent in the company an opportunity to provide technology education to older executives and retirees.

- A leading manufacturer of air conditioning systems, **Daikin Industries** strongly promotes opportunities for individual capacity building and personal development from the time of employment to retirement. Moreover, the company offers a variety of flexible work options for employees with caregiving responsibilities, including extended family caregiving leave. Further, Daikin Industries rehires all employees who wish to continue working past the statutory retirement age on a full-time, part-time or per diem basis.

Challenges for Sustaining Growth in the Future

The need for an age-friendly workplace

These success stories are important examples of the present state of some of the business activities that are focused on this ageing market. Clearly there is a new market for products and services that will appeal and serve this burgeoning demographic. And forward-thinking companies are initiating new workplace policies to protect, entice and retain older workers. But companies must go beyond the actual business opportunities and isolated instance of exemplary corporate citizenry to adjust to this demographic shift; they must include a strategic repositioning of their workplace to encourage and appeal to the older worker and, in turn, be a more attractive place for younger workers too.

Companies need to revisit the value proposition of older workers as mentors and key information players. “The retention, recruitment and full participation of older workers may well become a necessity for companies accustomed to attracting most new hires in their 20s and 30s and focusing development on the first part of a young employee’s career.” Companies will see the dynamics of their work environment shifting with more intergenerational collaboration and the need for better work/life balance as people live and work longer. The World Economic Forum’s Global Agenda Council on Ageing Society has created a set of principles for age-friendly businesses that can and should be adopted by businesses looking to stay vibrant in the future (see box). A commitment to incorporate these seven business principles today will lead to a more attractive and productive business in the future.

Conclusion

An historical shift is turning global ageing into a positive development on the basis of longevity, driving consumer demand for new markets and our ability to capture and retain the experienced worker. There are certainly challenges that need to be addressed in workplace environments and retirement policies but, in acknowledging those challenges, there is still a perceptive change in the overall doomsday outlook on this demographic realignment. The promise of strength, sustainability and prosperity is evident when viewed within the context of history and our ability to shift perspectives and realign business strategies. Many companies are well on their way to showing the rest of the world through example how to prosper and not perish. But the work is not yet complete, and powerful questions remain:

Guiding Principles for Age-Friendly Businesses

An Age-Neutral Workplace

Recognize the value of employees of all ages

A Supportive Working Environment

Create work environments that will provide access and sustain employees regardless of age

An Inclusive Culture

Accept and embrace employees across all ages

Life-Long Learning and Participation

Keep opportunities available and open for learning and mentoring

Contributes to Employees Health and Pension Schemes

Retirees will be future consumers and drivers of the silver economy

Financial Planning for Longer Working Lives

Inform all employees to gain more financial literacy to better serve their increasing needs over time

Healthy Ageing

Encourage and support an active and healthy lifestyle

Supportive Caregiving

Support employees as they honour their caregiving responsibilities

1. How will governments rethink their retirement strategies to better reflect the ageing of their societies and how will they manage their populations' expectations?
2. How will informed public policies ensure adequate income security in old-age and enable these market developments to expand further to the less economically advantaged populations, outside and inside the G20 richer nations? How will societies educate their younger populations on the issue of longevity to better prepare them financially, intellectually and physically for the demands of living longer?
3. How will industries develop the mindset and competencies to adjust their business models to better reflect the needs and strength of this new consumer class?
4. How will policies be adjusted to serve the needs of the older worker, and reward and incentivize silver entrepreneurship; including tax policies?
5. How will governments enable employment, including jobs for older persons?
6. How will national health systems and the healthcare industry respond to the rapid increase of age-related non-communicable diseases?
7. How will the healthcare industry respond to the tsunami of age-related non-communicable diseases that are threatening to break down healthcare systems around the world?

These, and other questions, will arise as discovery continues in this yet uncharted territory. However, some paths for continuing the prospects of economic success are suggested:

1. Companies need to continue to expand their market interests by creating products and services for this new demographic commercial opportunity.
2. Companies need to adopt and adapt to the changes internally in their workforce and workplace environments along the lines suggested by the World Economic Forum Guiding Principles for Age-Friendly Businesses.
3. Companies can use their social responsibility programmes – perhaps through shared value frameworks – to support their commercial ageing strategies, and align workplace and workforce changes to the employment of older workers.
4. A culture shift should be encouraged in how what used to be called retirement is imagined and defined to engender a positive approach to human capital across the entire life course.
5. Public policy institutions in such core areas as education, health, social protection, transport, housing and economic and financial planning must more closely align with 21st-century longevity, in all countries and regions of the world.
6. Policy should be initiated to provide incentives for working longer, differently and more flexibly; this would include tax incentives for silver entrepreneurship, pension and labour reforms, and wellness programmes for more active and healthier ageing.
7. Incentives for innovation in the health, financial and technology sectors should be designed and activated to encourage inventions that will add life to the longevity miracle.

Were society, government and industry to follow these paths, the beginnings of a new global perspective and direction centred on longevity would be created, which would generate transformation, contribute to economic growth into the next century and successfully bring to bear the promise of global population ageing.

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