



Why Young Tech Startups Are Waking Up to a Lucrative, Long-Ignored Market: Aging Adults

by Chitra Ragavan · 10 Nov 2020 · 14 min read

When former JP Morgan executive [Rhian Horgan](#) began working with her parents on their retirement planning, she quickly became bogged down in calculating their complicated financial scenarios. Horgan hit her low point when trying to wade through a dense 300-page guide to social security that she had bought out of desperation at her local Barnes & Noble.

“And as I dug into this, the first thing I thought was, well, this does not set up the average person to be successful,” remembers Horgan. “The second thing I realized is that Social Security is typically more than half of most retirees’ retirement income. So we have these really important decisions they’re making, the math is really complicated, and then crazily enough, I couldn’t find any technology.”

So Horgan decided to do something about it. She built a financial fitness app called [Silvur](#), the first and only retirement planning app exclusively for those over 50. Silvur's goal is to simplify retirement planning and goal setting for the estimated [73 million](#) baby boomers in the United States—those born after World War II, between 1949 and 1964—who are nearing or are already in retirement.

Riding a Seismic Shift

Horgan is not alone in tapping into this giant market opportunity. As people age and retire at unprecedented rates both in the U.S. and worldwide, technology startups are riding this seismic shift in demographics. And they are using their imagination, pragmatism, and drive to fuel a new era of technology that enriches the lives of older people and helps ease their transition into their third and fourth acts and beyond.

These tech innovations span the gamut, from the pragmatic—such as financial planning apps and AI-powered hearing aids—to the futuristic, such as companion and pet robots, reminiscence therapy, music therapy, and other tools to reduce or compensate for the cognitive declines from aging. Like Silvur, many of them focus on products and services for women, who constitute more than half the aging population and often find themselves at a significant financial and social disadvantage as they age.

“This market has been long underserved because tech companies hadn't figured out how to reach these consumers.”

Now, a crop of new startups is emerging and is capitalizing on the fact that older Americans and their loved ones are accessible in new and different ways that didn't exist before, says [Abby Miller Levy](#).

She's the founder and managing partner of [Primetime Partners](#), an early-stage venture fund armed with a \$50 million investment portfolio and a mission to transform the quality of living for older adults.

"People's life spans have been extended by technology and medicine. But we haven't built the infrastructure, the housing, the care, the experiences to now address this increased longevity," Levy continues, "I find it fascinating that 50% of the people born after 2007 will be over 100 years old. And yet, we have a society that stops at age 60. So we now have 40 years to plan for that doesn't exist."

The Gray Tsunami

This lackluster innovation is all the more surprising given the staggering market size of this demographic. According to the U.S. Census Bureau, more than 10,000 boomers are retiring every day; a phenomenon dubbed the "gray tsunami." The bureau estimates that by 2029, [more than 20%](#) of the total population will be over 65, and all baby boomers will have crossed that age threshold.

And these are not just U.S. trends. The world is rapidly aging too.

According to a [report](#) by the United Nations, by the year 2050:

- There will be nearly 2.1 billion older adults worldwide.
- The number of adults 60 and older will outnumber adolescents and youths (ages 10-24).
- Nearly half a million adults will be 80 years old.

The [global spending power](#) of people aged 60 and over is currently \$15 trillion and only likely to skyrocket, leading Forbes to title this demographic “The Seventh Continent.” A [Barrons](#) story described the world’s 65-plus population as “the mother of all untapped markets,” one primarily driven by wealthy economies. According to the premier investing publication, in the U.S. alone, [the spending of Americans ages 50 and up](#) in 2015 accounted for nearly \$8 trillion worth of economic activity. "The sheer amount of money involved," the magazine says, "nearly defies comprehension." And Dr. Joe Coughlin, who leads the Massachusetts Institute of Technology AgeLab, refers to it as the "Longevity Economy," which he describes in his [book](#) as the "world's fastest-growing, most misunderstood market."

Harsh Realities

Although these numbers and trends are dramatic and compelling, what really drives many of these tech founders and investors into this space, including Horgan, Levy, and others featured in this story, is not the eye-popping market size but the personal experiences of watching family members confronting the harsh realities of aging.

For Levy, it came from her struggles to help her parents find things to do to stay happy and productive after they retired early. “There are infinite products and services geared to new moms,” Levy says, “And yet, 25% of our population has no products or services other than senior living today.”

Bringing added heft to Primetime Partners is Levy’s co-founder and chairman, [Alan Patricof](#), the 85-year old founder of Greycroft and Apax, two multi-billion dollar [venture capital](#) and [private equity](#) firms. One key investment focus for the firm is technology benefiting caregivers. The majority of caregivers are women, who constitute [more than half](#) of the baby boomers today. Levy is especially drawn to the needs of the so-called “sandwich generation,” women who had kids later in life and are now “sandwiched” between caring for both their old parents and young children.

“People joke about the sandwich generation. But the sandwich generation is going to be elongated,” says Levy, “Because if your parents are now going to be 100, that role of caretaking that was usually six months to two years, has now been elongated for a longer period. And the toll that’s going to take disproportionately on women is something we need to think about.”

“In general, women often get the short end of the stick for social security and other benefits, either because they were caregivers or homemakers, got divorced or remarried, or simply earned less than their spouses and male counterparts throughout their careers.”

Now, many of these women are turning to apps such as Silvr (50% of its customer base are women) that are empowering them to take charge of their finances, says CEO Horgan, who has entered into a high-profile content partnership with former journalist and celebrity influencer, [Katie Couric](#), to get the word out to women about Silvr.

“What I love about our women customers is their resilience. They’re embracing their next act,” says Horgan, “It’s unfortunate though that women are doing all that at the time that they’re also at this financial disadvantage. And so for me, I get super excited about the fact that we’ve actually created an experience that women are engaging with. And I think, if they’re engaging with us first, we’re giving them a better chance of being successful.”

Whether they are male or female, many retirees are confronting sobering financial prospects.

According to the [Transamerica Center for Retirement Studies](#):

- Fewer than 1 in 10 Americans believe they have a large enough nest egg.
- Even though 60 % say they have a retirement strategy, only 12 % have written it down somewhere.
- Only 19 % have a backup plan if an adverse life or health event forces them to retire prematurely.

Make or Break

More than anything, the prohibitive cost of healthcare and long-term care can often make or break older people's budgets. Even though 70% of Americans need some form of long-term care at the end of life—which can cost anywhere from \$50,000 to hundreds of thousands of dollars—Medicare does not provide for it. Picking the right supplemental insurance plans such as Medicare Gap and Medicare Advantage is, therefore, one of the most critical decisions seniors must make, and make them at the right time, so they don't lose benefits.

That's where New York-based [Chapter](#), a newly launched online Medicare brokerage startup, has found its niche.

“The unfortunate reality is that most people don't understand Medicare because it's extremely complicated,” says Chapter's co-founder, [Cobi Blumenfeld-Gantz](#). “And once they do choose a plan, they don't fully understand what's covered, how that might change over time. And even if they are in the position to have a particular procedure, they don't actually know how that implicates their finances.”

Chapter's motto is "Medicare Made Simple," and is designed to offer a lifeline to its customers, more than 65% of whom are women, through a user-friendly platform and expert advisors to help them understand their options.

Blumenfeld-Gantz launched Chapter because of his own experience as a high school student watching his mom spend three weeks on the phone trying to navigate Medicare for his grandfather who was overwhelmed by the choices. And last year, his own parents picked the wrong plans when they enrolled in Medicare for themselves.

“Once he started looking into Medicare, he saw how easy it was for seniors to get ripped off by unscrupulous brokers with vested interests, thanks to lucrative referral agreements with one or more plans. Blumenfeld-Gantz says he knew he had to jump in and make a difference.”

“We actually educate people about Medicare as they go through our platform, unlike most other online brokerage platforms. They ask only three questions: How much money are you willing to pay? Where do you live? And who are your doctors?” says Blumenfeld-Gantz. “We offer the best plan whether or not we get paid for it because it’s the right thing to do.”

Although Medicare is a huge first step in tackling the needs of this vast and complex demographic, Blumenfeld-Gantz has even bigger ambitions. “Really, what we want to do in the long term,” he says, “is rewrite the whole aging narrative.”

A Most Vulnerable Population

While Horgan and Blumenfeld-Gantz help individual retirees make complex financial decisions, in Seattle, [Paul Jarvis](#) is taking on some of the big institutional hurdles around

caregiving for the elderly. Jarvis helps senior living operators triage the massive list of COVID-19 infection control protocols inside long-term care facilities through his policy management software company, [Bateau](#).

Helping care providers manage paperwork and policies may sound bureaucratic, but is far from it. Indeed it's literally a life and death mission today, given that aging populations are especially vulnerable to the coronavirus and must be taken care of using stringent infection control protocols.

According to a [New York Times article](#), 38% of U.S. coronavirus deaths, totaling 87,000+ seniors, have been linked to senior care facilities. As of October 30, the virus has infected more than 581,000 people at some 23,000 facilities.

"The challenge of elder care is that it's highly regulated, with a vulnerable population, and if there are incidents, operators may get sued," says Jarvis. "So they have more policies and there's real pressure to make sure that those policies are followed."

What Jarvis knew from his experience as a former tech startup operations manager was that most organizations run into compliance challenges when they try to get different teams at different locations aligned to follow policies, for instance, in information security — things like handling customer laptops, USB fobs, etc.

So he and a college friend who is a software engineer decided to cofound [Bateau](#) to solve that problem and launched a tech platform called Binder to integrate documents and manage the communications around those documents in one place instead of the piecemeal processing offered by many of their competitors, including Microsoft's [SharePoint](#).

“The original thesis was, it shouldn’t be that hard to get teams of people in different places to run from the same playbook,” says Jarvis.

Jarvis says he was initially focused on consumer businesses like hospitality and restaurants. But when COVID-19 hit, restaurants shut down and at the same time, senior living operators were in the eye of the storm. So, Jarvis reached out to a connection who was a senior living operator with multiple facilities across the U.S.

As a trial run, the contact gave Jarvis a five-page word doc with about fifty bullet points and fifty related pdfs to upload into Binder. The team centralized all the documents and communications in one place, created “version control” for each document to memorialize changes in health protocols, and added checkboxes for staff members to confirm that they had understood and acknowledged the policies.

Within days of rolling out the platform to three of the senior living facilities, Jarvis says his client, who prefers to remain confidential, wanted it rolled out to everyone to ensure rapid and seamless compliance around COVID-19 protocols.

Jarvis reports that the streamlined process gives senior living staff much more time to spend with their patients. And his customer saw tangible success when the U.S. Health and Human Services inspectors came calling unannounced one day to one of the facilities for a surprise visit, asking to review the COVID-19 infection control records.

Normally, such a visit would have caused a lot of institutional heartburn.

But this time, Jarvis says that instead of digging through individual emails to staff, hundreds of attachments, and a confusing litany of SharePoint documents, the facility’s executive director calmly logged into Binder’s digital library, organized with all the

relevant signed documents and printed them out in short order. The executive director later reported to Jarvis that the inspectors had told her, “she was a shining star,” he says with pride.

Fragility, Vulnerability, Loss of Ego

Over in San Francisco, [Andrew Song](#) is tackling a very different type of compliance, this one around the use of hearing aids in older adults.

Song was inspired to launch a hearing aid startup, [Whisper](#), after watching his grandfather reject his expensive hearing aids out of frustration, a common problem in the elderly.

“My grandfather has hearing loss. But he’s a hearing aid owner, not a hearing aid wearer,” says Song. “If you found out that your grandfather or your family member spent thousands of dollars on a medical device and then chose not to use it, you probably would be very concerned.” With his background in math, computer science, and technology, and the revolution in artificial intelligence, Song decided to build a smart hearing aid, one that’s constantly learning to get better, and one that people with hearing loss would actually want to use.

“We saw that not only could AI be applied to a self-driving car, not only could it be used to make a cool face mask on Snapchat,” says Song, “But we could also use it to help hearing. And that was the genesis of this idea.”

Song says Whisper promises that it’s a “hearing system that gets better over time.” Through regular software updates, Whisper’s AI interface boosts better sound separation and advanced signal processing. The second key differentiating factor is pricing. Whisper users can get their hearing aids through a subscription model rather

than forking over thousands of dollars upfront for a hearing aid that can quickly become obsolete, either as their hearing worsens or the technology improves, or both.

Several members of Song's team have hearing loss, a constant reminder to him of the importance of humanizing technology. He and his team are also trying to factor in the psychological implications—the fragility, vulnerability, and loss of ego that can come with hearing loss, especially for women, who are always fighting long-entrenched societal stereotypes of beauty, along with practical obstacles.

For instance, Song notes that even simple things that men take for granted, like functional pockets, are absent in most women's clothing, making it harder for them to carry the so-called "Whisper Brain," the hearing aid's pocket-sized command center. "And so when you think about how you carry things, your life is very different if you have pockets or you don't have pockets," says Song. "And I think that's an example where women have a heightened sense of how, if they want to use a product like a hearing aid, it will affect their image."

These are just some of the dozens of startup founders who are seeking to make an exponential difference in the lives of aging Americans. In a timely manner, given how COVID-19 has tragically impacted older populations in senior living facilities, Primetime Partners' Levy is closely tracking technologies geared to help the 90% of Americans who want to age in place. And she's bullish about the growing array of so-called "longevity health" products and services that long have been only the purview of millennials and GenXers, that are now being tailored for very specific segments of the aging population.

"We're just beginning to see some new businesses designing more preventative wellness or types of apps or tools for older adults, recognizing that there's a very wide range," says Levy.

“If you think of older adults, there’s someone who is 60 who can be very different from someone who’s 80. And so you’re starting to see entrepreneurs designing for different life stages within the older adult market.”

No matter what the age group, one thing is for sure. The gray tsunami has finally captured the attention of the tech tsunami sweeping the world.