Rising life expectancy and falling birth rates point to increasingly aging societies in many countries...

...with rising global dependency ratios likely to compound retirement savings gaps...

...yet these changes could also drive new growth in sectors which can help support an aging society.
With life expectancy rising as birth rates fall, there has been much talk about aging populations – particularly in developed markets – and the marked impact this is having on a number of sectors and industries.

Shifts in demographics are likely to have pronounced effects across economies, with the potential to shape a multitude of sectors and products, so we believe they are critical to track from an investment perspective.

Leaving aside healthcare as one more obvious beneficiary of an aging population, sectors which are likely to be influenced by this demographic trend also include home improvements and housing. With a high proportion of retirees unwilling to move into retirement homes and preferring to ‘age in place’, it is reasonable to assume some future government policies may recognize this, with implications for housing and beneficiaries of home-improvement spending.

Travel is another likely beneficiary of an aged population. In the US, Europe and the UK, over-65s are traveling more, for longer durations and are increasingly spending more than other age cohorts per trip.

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