



Thinking Sustainable!

## Ageing population

The growing world population (8 billion by the end of 2022) combined with an ageing demographic generates challenges and opportunities, with significant implications for the economy, health and social structure. In order to take advantage of these long-term trends, investors need to explore innovative approaches involving different investment areas and identify sustainable solutions to ensure a resilient and equitable future.

### KEY MESSAGES

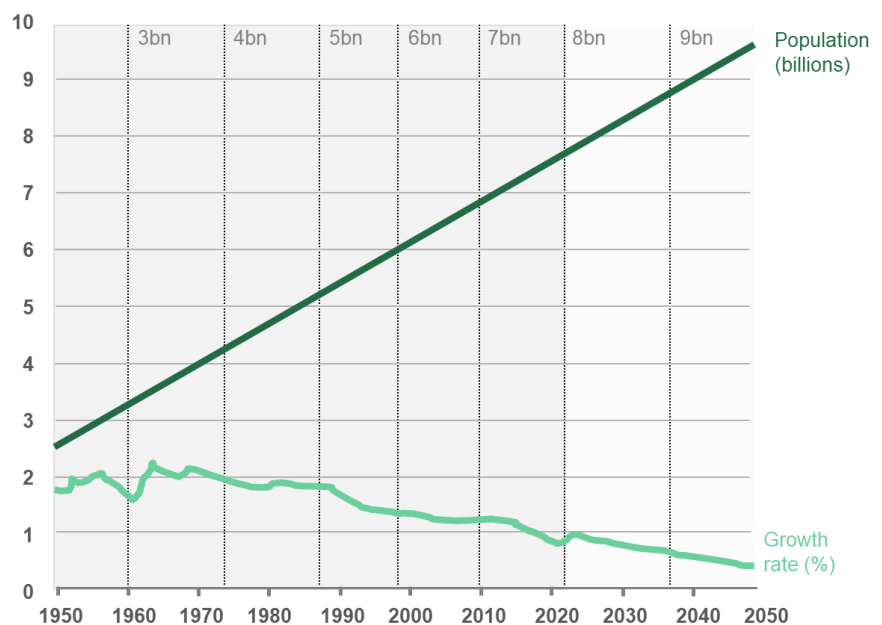
The demographic trend is marked by a progressive increase in population and average age.

### Demographic trend

The world is growing older. We are seeing a global decline in the birth rate, especially in developed economies such as the United States, Japan and Western Europe, accompanied by a steady increase in population and longer life expectancy. According to the World Population Prospects 2022, the population aged 65 years or above is growing quicker than the population under 65. This trend is referred to as the "ageing population".

Ageing and its implications have both economic and social repercussions, from impacts on the labour and financial markets through to demand for goods and services, such as transport, security and health.

Latest UN projections estimate that the world population could reach 8.5 billion (bn) in 2030, 9.7 bn in 2050, and 10.4 bn in 2100.



Source: [International Monetary Fund](#)/Graphic: United Nations Department of Economic and Social Affairs, Population Division, World Population Prospects, 2022 Revision

This rapid growth is accompanied by an increase in life expectancy, which will result in society growing older and older. Economies must therefore face up to the challenge of an ageing population, taking into account potential new consumption habits, investment in human and physical capital, structural reforms and technological innovations.



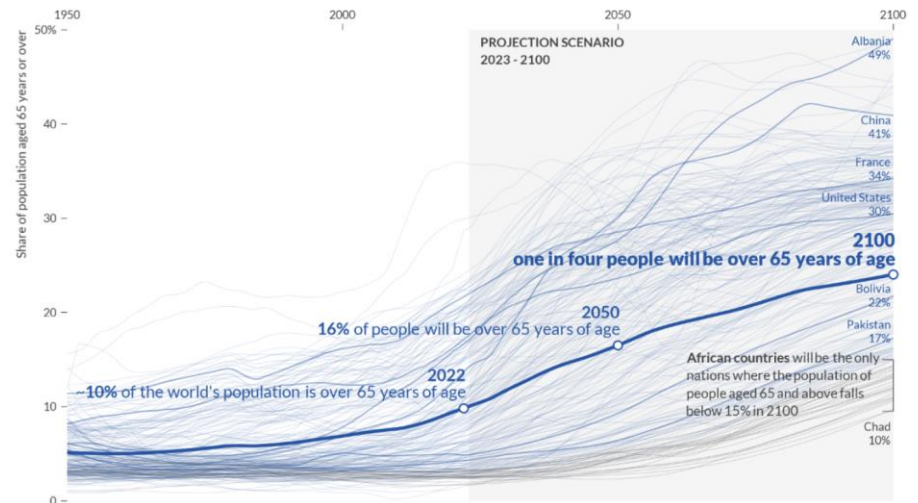
### KEY MESSAGES

The share of the population aged over 65 will grow by approximately 15% by 2100.

### The evolution of global ageing

The UN study shows that the over-65s will make up 16% of the world population by the end of 2050, and 25% in 2100.

The African states are the exception, as the population ageing rate there is far lower than other economies. In fact, the share of the population aged over 65 is expected to reach approximately 15% in 2100, i.e. 10% lower than the world average.



Source: [World Economic Forum](https://www.weforum.org/)/Graphic: United Nations World Population Prospects (2022).

It is also predicted that, by 2050, over-60s will account for 34% of the population in Europe and 26% in North America (an increase of approximately 13% and 10% from 2006); the ageing population will therefore be more significant in these geographic areas. A different, albeit similar, implication is likely to be evident in emerging countries, in particular Asia and Latin America. Although the estimated percentage of over-60s in these areas in 2050 is smaller, the speed of ageing will be more pronounced.

Despite being long-term estimates, these forecasts are useful in giving investors an idea of what the future might look like.

### KEY MESSAGES

While representing a challenge for society, an ageing population also offers great opportunities.

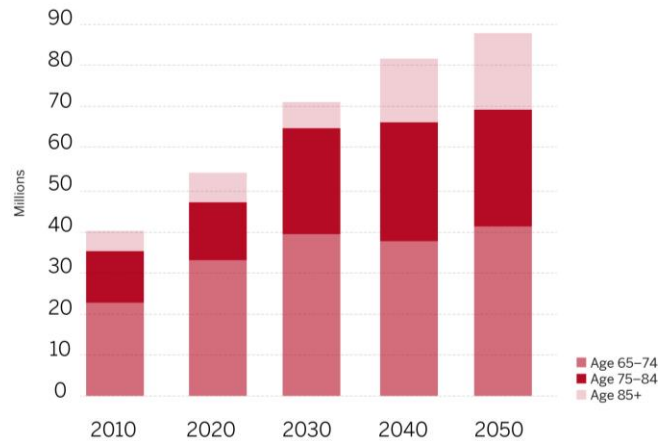
### The Silver Economy

It is evident that the issue of an ageing population is a long-standing and global trend, which will become a reality in the long term and have an impact on everyday life. Investors seek to understand how this trend will influence future public economy choices (e.g. in pensions) in order to identify a return that creates value over time, involving different investment areas to identify sustainable solutions to ensure a resilient and equitable future.

Medicine and improved hygiene and nutritional conditions have contributed to a superior lifestyle, with consequent health benefits. Although ageing is a natural and physiological decline of the body which affects us all, good and bad habits are cumulative. This phenomenon will lead to an **increase in demand for health and medical services** and therefore for skilled labour.



## Steady Growth in Healthcare Demand



Source: US HHS & [AMN Healthcare](#)

The ageing population therefore emphasises the labour shortage, and not only in the health sector. Increased automation could be a solution. We can therefore predict an increase in demand for IT and software solutions that help companies compensate for labour shortages and make their business more efficient. Software companies, semiconductor companies and cloud providers will undoubtedly benefit from this development. As a result, **technology** is a key factor in overall personal prosperity and productivity, with direct benefits for GDP.

Finally, we must note that the elderly are often wealthier than the young. Companies which are active in sectors primarily targeting older age groups, such as the **luxury** sector, could benefit from the ageing population. This is not to be attributed solely to developed countries; it is a global phenomenon that also affects emerging economies. In fact, industrialisation has led to improved living conditions, accumulating wealth and prosperity in the emerging economies in particular.

### Benefits

- *Participate in a secular trend: through the proposed investment funds, capital is invested in companies whose activities benefit from the growing demand of the Silver Economy.*

### Risks

- *Market fluctuations: depending on market phases, shares are subject to major fluctuations in their value, both upwards and downwards.*

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