Investment Managers

Gen Z and seniors have spending power. Here's how investors can align with these generations.

Gen Z and seniors are among the most influential generations today, as their spending power reshapes markets. Here's what investors need to know to capitalize on generational trends.

Two generations with money to spend

Who they are

Gen Z

Born between 1995 and 2010, has different priorities from previous generations.

- Avoids student loans by taking direct-to-career paths.[1]
- Prioritizes reducing debt.
- Prefers spending money on experiences over possessions.

Seniors

Aged 65 and above, encompass Boomers and the Silent Generation.

- Have readily adapted to smartphones and e-commerce.
- Are increasingly using health tech.
- Grew as a demographic by 38.6% from 2010 to 2020.[2]

21%
of the U.S. population falls into Gen Z.[3]

17.3%
of the U.S. population was over 65 in 2022.[4]

How they work

Investors have their eye on Gen Z. By 2030, Gen Z is projected to constitute 30% of the labor force, bringing new ideas about work and technology to the fore.[5] Currently, Gen Z and Gen Z over 18 have a sole job.[6]

Meanwhile, seniors are extending their work years, with 32% of 65-69-year-olds employed in 2022, up from less than a quarter in 2000.[7]

Generations in the Workforce, 2030

How they spend

In the U.S., Gen Z's spending power continues to surge,[8] flagging potential opportunities for investors.

The over-50 demographic still wields substantial spending power even while leaving the workforce gradually.

This demographic represents:

34%
of global GDP, or $45 trillion[10]

Half
of U.S. consumer spending[11]

Gen Z and senior purchasing habits are redefining the consumer landscape

How they spend disposable income

Pandemic-hit entertainment spending in 2020 rebounded in 2021 with a 22.7% increase,[12] driven by purchases from Gen Z and seniors.

Travel businesses
like Hostelworld, Ryanair, and Intrepid Travelers actively appeal to the 52% of Gen Zers who are already frequent travelers.[13]

Adaptive clothing brands
like Ovidis, MagnaReady, Silverts, and Buck & Buck create adaptive clothing for seniors, including velcro pants and magnetic button shirts.

How they rely on e-commerce

E-commerce is booming due to consumer demand across generations. It's convenient for busy Gen Zers and invaluable for seniors who may struggle to visit physical stores.

96%
of Gen Z shops online at least once a month.[14]

40.3%
of seniors embraced online shopping during the pandemic.[15]

Delivery companies
are finding ways to help seniors, such as Instacart's Senior Support Service for account setup, or Walmart's partnership with Avarice Care to integrate online grocery ordering and delivery for seniors.[16]

Buy now/pay later services
through PayPal, Affirm, and Afterpay help Gen Z, a generation saddled with student debt and a rising cost of living, afford their online purchases.

Gen Z and seniors drive growth in tech and social media markets

How they use social media

Every generation is on social media, though they tend to use the platforms differently.

45%
of U.S. adults used at least one social media site in 2021.[17]

95%
of Gen Zers are on YouTube and

62%
are on Instagram.[18]

Social communities
on Facebook and Stitch (designed for over-50s) target seniors looking for connection.

Short-form videos
like TikTok, YouTube Shorts, and Instagram Reels are a top way to cater to Gen Zers looking for entertainment.

How they use tech

Gen Z is more tech-savvy, but seniors are also using devices like smartphones and tablets to stay connected and entertained.

96%
of those ages 18-29 own a smartphone.[19]

65%
of those 65+ own a smartphone.[20]

Video streaming
takes up 3.4 hours a day on average for Gen Z. Few have cable subscriptions, preferring YouTube and streaming services on their smartphones, tablets, laptops, and smart TVs.

Smartphone accessibility
is critical for the 81% of those 60-69 and 62% of those 70+ who use smartphones.[21] Apple provides features like font size adjustment and Display Zoom, while RAZ Mobility designed the RAZ Memory Cell Phone for seniors with cognitive decline, and Lively offers user-friendly smartphones with enhanced features.

Standout consumer trends for Gen Z and seniors

Gen Z trend: The sharing economy

Unlike previous generations, Gen Z embraces the sharing economy where consumption means having access to products and services rather than owning them.

Sharing services
like Uber and Lyft rideshares have taken off, as have bike and scooter share options like Citi Bike and Lime. Self-driving rideshare services like Cruise continue to show long-term potential. Likewise, popular streaming services, such as Netflix, Hulu, and Spotify, pose potential investment opportunities.

Senior trend: Healthcare tech

The number of 65+ Americans is expected to nearly double between 2018 and 2060,[22] and seniors' per senior personal healthcare spending reached $22,206 on average in 2020.[23] Companies are taking note of these demographic changes, and investors have the opportunity to follow suit and tap into this expanding market.

Healthcare tech companies
lare addressing seniors' healthcare needs and presenting investor avenues: Auidem offers over-the-counter hearing devices, while EllieGrid, Tinylogics, and Loba offer smart pill boxes and apps. Moreover, there's a growing demand among seniors for robotic surgery, AI diagnostics, and eye care solutions.

75%
of U.S. hospitals use some sort of telemedicine.[24]

$3.5 million
U.S. Bully Boy-based and wearable devices in 2022.[25]

Looking at workforce trends, spending preferences, and interest in digital and tech, Gen Z and seniors are actively reshaping markets. For today's investors, following today's generational trends could offer intriguing potential for returns.

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[1] Question Pro (Jan 2023), Gen Z Facts Want Affordable, Faster Connected Education (February 2023)
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[6] Gallup (2022), A Deep Dive into Gen Z Workers
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[8] Deloitte (Jan 2022), Gen Z and Millennial Spending Patterns Offer Insights for Companies
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