



Advances in healthcare and technology mean people expect to live longer, better lives than they might have imagined even three decades ago. What opportunities await in the longevity economy?

The New Old

BY SARA CRAVATTS

BY 2030, ONE IN EVERY FIVE RESIDENTS IN THE US WILL BE OVER THE AGE OF 65.

It's the first time in the nation's history that older people are projected to outnumber children. With the average life expectancy now at 78.7 years, there's a growing need for increased resources. While some experts worry that housing, transportation, and healthcare infrastructures aren't prepared, many businesses are looking at the country's shifting demographics as an opportunity and see what's known as the **longevity economy—valued at \$7.6 trillion**—as a place for growth. Real estate developers, technology companies, product manufacturers, and healthcare providers are all finding ways to improve our quality of life as we age. The aging business is a lucrative one because its customer base is universal: everyone—if they're lucky—grows old.

Aging Safely in Place

Among the chief concerns for aging Americans is ensuring that they or their loved ones have somewhere safe to live. Most people prefer to age in their own homes and communities, but many are not prepared, says Fritzi Gros-Daillon, MS '81, director of training and advocacy at Age Safe America. "An AARP survey showed that about 85 percent of people want to age in place and 90 percent have done nothing to get ready," she says.

Key to aging in place is preventing falls, the most common cause of injury among the elderly. The Centers for Disease Control and Prevention estimates that by 2020, the costs related to injuries sustained from falls will rise to \$60 billion annually. Gros-Daillon ticks off the list of home modifications people should make—building ramps, installing voice-activated lights, and putting in grab bars, especially in bathrooms. "Grab bars are the new seat belts," says Gros-Daillon. "You may not want it, but everybody needs one."

Age Safe America, Gros-Daillon's employer, is a training, advocacy, and consulting organization that serves as a hub for people or small businesses looking to enter the home-safety industry. Companies like Age Safe America are springing up in response to the booming longevity economy; 83 percent of US household wealth is held by people over the age of 50, and members of the older population are willing to spend their money

on ensuring that they can age comfortably. "With the longevity economy, the purchasing power of baby boomers is going to shift," Gros-Daillon says. "It's not just about ski trips anymore."

Even in a safe home environment, many older individuals require some level of care. Jamie Malakoff '00 identified this need and founded Wellspring Senior Care in response. Malakoff served in the military before earning his MBA and later worked at Estée Lauder, Lehman Brothers, and TIAA. But in 2013, he made a drastic change by entering the Redeemer Theological Seminary to become a Presbyterian minister. He found himself doing most of his pastoral work with either aging congregants or with their caregivers. "I saw the need as being so great," he says.

Wellspring provides nonmedical home-care, which includes services as varied as help running errands and assistance getting dressed. Malakoff has used his seminary and military experience to offer unique resources to his clientele: Wellspring offers Sunday bible study sessions via conference call so that homebound seniors feel included in their communities; clients can even sign up for an automated phone call that will remind them to join the conference call. Wellspring also works with clients to ensure that they take advantage of all the US Department of Veterans Affairs benefits available to them.

For those who can't receive the services they need at home, assisted living housing and

senior communities can be the answer—even for people who are still active and self-sufficient. Tom DeRosa '88, CEO of Welltower, a 40-billion-dollar healthcare real estate enterprise, is leading the charge on making senior living communities places of wellness. Welltower invests in senior residential care businesses as well as post-acute care and outpatient medical facilities. "At Welltower, we care for more than 300,000 seniors every day," says DeRosa. "So much of someone's well-being is determined by where they live, particularly as they age."

When choosing a senior care community, seniors are



increasingly drawn to urban areas over suburbs, often to be closer to adult children, DeRosa says. To cater to this demand, Welltower is building residences in cities, and customizing them to meet the needs of aging residents. One such building is Sunrise at East 56th in Manhattan, set to open in 2020. "We designed that location for a population that is memory impaired because there is very little of that supply in New York City," says DeRosa. "The way we designed the building, the way we use color and patterns, the design of the floor and the music being played—these are all things we use to bring residents to a higher level of cognition."

Bringing Care Home

Whether seniors are living in their own homes or in a facility that provides assisted living or skilled nursing, technology is making it easier for them to receive medical care, and investors are betting that trend will continue. Venture capitalists invested \$18 billion in healthcare startups in 2015, a 350 percent increase since 2010, according to a 2016 AARP report. Among these technologies are ones that provide telehealth, the ability to communicate

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with a medical professional via a video chat; smart devices offering medication reminders and fall detection; and wireless home systems that allow for monitoring a loved one from afar.

“Research shows that the majority of older adults want to age independently in their own homes, but a leading factor for moving loved ones into an assisted living facility is that they’ve lost their ability to manage their medication regimen themselves,” says James Wyman ’16, co-founder and COO of Pillo, a voice-activated at-home device that helps manage healthcare.

Pillo was modeled after a watchful caregiver, with a voice interface that allows users to interact directly with the device and an array of features that make taking medication safer and easier. Facial recognition ensures that medication is dispensed only to the correct patient. The device can store up to a 28-day supply of pills at a time, and the voice feature can answer any questions concerning medications. To minimize the chance of missed doses, Pillo can be programmed to notify a loved one through a mobile app if a scheduled medication hasn’t been taken; it can also open a video call directly through the device. “As we age, taking medication becomes the norm rather

than the exception, and making mistakes can be dangerous,” says Wyman. “With Pillo, two-thirds of our study participants didn’t miss a single pill over the course of a month.”

Telehealth, another method of receiving care at home, is being adopted by the country’s leading hospitals. Between 2016 and 2018, NewYork-Presbyterian Hospital’s telehealth service, NYP OnDemand, saw a spike in video visits from 1,000 in 2016 to 120,000 in 2018, and it projects 500,000 visits for 2019. “These programs are designed for every age group, but clearly it is going to advantage the aging population in many respects, mainly because of the challenge of ambulation, parking, and bringing family members to visits,” says Emme Deland ’80 (’81PH), senior vice president and chief strategy officer at NewYork-Presbyterian. Because telehealth adds convenience while preserving human interaction within healthcare, its rollout has been relatively successful. “We were introducing a new technology that wasn’t totally disruptive to how people are used to getting their care,” Deland says, “so it was easier for patients and physicians to adopt.”

Telehealth alleviates many burdens for senior patients, such as the need to travel to a doctor’s appointment. “This all has

great implications for helping seniors age in place,” explains Jonathan Gordon ’06, managing director of NYP Ventures, NewYork-Presbyterian’s venture fund. “Many seniors live in communities with limited public transportation options, and traveling by taxi can be expensive. For seniors with limited mobility, using Access-A-Ride to get to an appointment can be an all-day ordeal; by doing follow-ups virtually, we can save patients an entire day.”

Technology not only can help people stay in the comfort of their own homes, it can also make those homes safer and allow loved ones to keep a watchful eye with remote monitoring.

Domenico Crapanzano ’97 is the founder and CEO of Fing, a remote network-scanning service. His company is tapped into a corner of the tech world set to explode thanks to the rising interest in automation and smart homes: the ability to control and monitor your devices remotely.

Applied to the aging business, this means monitoring elderly individuals living alone. “We have people who put sensors on a toilet or on the door of the refrigerator, which allows them to monitor how often someone is getting up to go to the bathroom or kitchen, and means they are able to make sure nothing



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bad happens during the day," says Crapanzano. "More devices in our homes are connected to the network than ever before, so you can have eyes on a site from far away."

Devices already present in many homes can be helpful. Products such as Alexa and Google Home that use voice activation can assist those who struggle with mobility to accomplish tasks around the home, while smart watches can download an endless array of apps, from pill reminders to fall-detection services.

Technology is not only making safety measures far more accessible, it is also helping reduce the stigma of aging. "With wearables like smart watches, people don't have to be as self-conscious about wearing the great big pendant around their neck that says 'I'm an old person,'" says Gros-Daillon, referring to common fall-detection devices.

Many experts say that the stigma around aging is quickly disappearing—in part because of entrepreneurs like Patricia Kavanagh '78. After earning her MBA, Kavanagh spent a decade at Lehman Brothers before deciding, in her mid-40s, to attend medical school. Once she began practicing as a neurologist, she noticed that many of her patients would benefit from a walker, but few of them used one, simply out of embarrassment.

Kavanagh saw an opportunity to address this problem and used her business and medical experience to co-found Foray Design to produce a more streamlined walker called Spring. Spring allows customers to stand taller, has a sleeker design, and is easier to transport and use than many traditional walkers.

"It's a very complicated psychological and social thing," says Kavanagh. "When people take a fall, they are given a walker from the hospital. It's ugly, not very functional, and reinforces their feelings of being in decline. The number of people who should be using walkers and are not is immense."

Putting Health First

Aging is, most literally, a physical process, so healthcare is pivotal to aging comfortably and safely. The US healthcare system, though, faces many challenges—chief among them that it may struggle to support the upcoming boom of people over 65.

"There is tremendous care fragmentation in the healthcare system," says Arielle Basch '01, director of program development at JASA, a nonprofit agency dedicated to caring for seniors in New York City. "It's felt

even more strongly by older folks who have multiple health conditions, doctors, and medications. Providing continuity across healthcare settings and making it possible for patients to understand how to manage their conditions outside of the doctor's office results in better care. There is a real need to focus on these areas when it comes to serving older adults."

That care is costly, and most times with the aging population, the payer is the US government, with Medicare spending hitting \$705.9 billion in 2017 and set to rise. "Our acute-care hospital system is not equipped to manage the needs of an aging population," says DeRosa. The solution, he says, is starting preventive health—and starting it early. "We have to inspire that population to live healthy and well," says DeRosa.

Today's eldercare models tend to focus on the 85-plus population, but DeRosa says they need to start earlier. "We are aiming to take that down to the 65-to-85 population," he says. "What we do for our residential clients is keep them in a wellness environment: keeping the body moving, maintaining nutrition and hydration, keeping people socially engaged, keeping them in a community—those are all important to our health as we age."



In the past, medical care and services were almost exclusively provided in acute-care facilities, but many believe this approach is unsustainable as the aging population swells. “When considering the health and wellness needs of an aging population, we need to think beyond acute-care hospitals,” says DeRosa. “The aging population is creating the pressure to do that more quickly and to transition from the hospital bed to outpatient settings of wellness. If we are able to coordinate someone’s positive, wellness-oriented residential setting with modern ambulatory care, we could truly take cost out of the system.”

Having a strong healthcare system is pivotal not only for patients but also for their families. The need for caregiving, whether provided by a paid professional or an unpaid family member or friend, is soon expected to become one of the most pressing issues of our time. AARP predicts that the caregiver support ratio—the number of potential family caregivers aged 45 to 64 for each person aged 80 or older—will plummet from 7 to 1 in 2010 to 3 to 1 by 2050.

For Malakoff, finding competent caregivers is one of his business’s greatest hurdles. “Getting clients is easy,” he says. “Getting quality caregivers is hard.” The disparity

between clients and caregivers is mainly due to low pay—the average home caregiver earned \$23,130 annually in 2017, a salary that hovers around the US poverty line.

The financial burden of caregiving is also heavy for unpaid caregivers. Malakoff notes that “caregiving is a women’s issue,” with over 60 percent of caregivers being women and an estimated \$325,000 in lost wages over a female caregiver’s lifetime, as reported in 2017 by the National Center on Caregiving. The economic value of informal care provided by women is as much as \$188 billion annually.

Planning for a Longer Life

But experts say that growing old is about more than medical bills. Many Americans view retirement as an opportunity to enjoy things they haven’t previously had time for. But these days, people have to get creative. “When the Social Security Act was put into place by Franklin D. Roosevelt, the average life span was around 61,” says Ann Kaplan ’77, partner at Circle Wealth Management. “Now if you retire at 65, you’re likely to live to be 90 if you’re a woman.”

She says that appropriate planning can help people enjoy a second act after leaving the paid workforce. “The most important thing anyone can do is to save from an early age and control spending,” says Kaplan, “because what you can’t control are capital markets or the tax policy.”

Maria Chrin ’89, managing partner at Circle Wealth Management, advises her clients to save through Roth IRAs whenever possible and pay taxes now rather than risk the unpredictability of higher taxes in the future. “The tax treatment could change at some point,” she says, “but as of now, this is one of the best tools for saving, since all of the appreciation and distributions are tax-free.”

Regardless of how people choose to save, the important thing is to start early. An AARP survey revealed that only 47 percent of Americans in their 40s and 50s with household incomes ranging from

\$40,000 to \$99,999 said retirement was one of their three top savings priorities for 2019. Still, says Chrin, “just a 1 percent difference in your return could mean hundreds of thousands of dollars in the long term.”

Another financial challenge facing the older generation is inflation. “People are living longer, but returns on fixed income are so low that the classic types of asset allocation—heavily allocated to bonds—are no longer as efficient,” says Kaplan. “Returns need to be higher in order to keep up with inflation and maintain one’s lifestyle.”

Chrin echoes this caution. “Asset allocation for retirees needs to be rethought and include more growth,” she says. “If someone retiring has 70 percent of their savings in bonds, inflation is going to take out at least 3 percent.”

Though there are some challenges, Kaplan adds that there are many ways to fund life as we age. “Our clients think about how they can not only maintain their lifestyle but enjoy it,” she says. “Key questions are where they want to live, if they will need help at home, if they want to travel, spend time with friends and family, take advantage of continuing education and entertainment opportunities. Once you have established the goals, planning becomes easier.”

Chrin says that the time for people to start preparing for growing old is when they’re young. “Retirement models need to be adjusted across the industry,” she says, “to address the fact that people are living longer.” ●

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