

# Silver spending

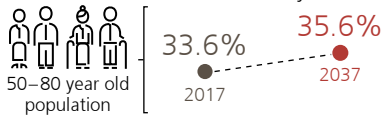
## Longer Term Investments (LTI)

As people grow older, their spending focus tends to change. Today one in four people are aged 60 or older, a figure which is expected to rise to one in three by 2050. We expect this age group's spending power to become increasingly influential as it grows to represent a greater proportion of the global population.

### Projections and opportunities

#### Aging population

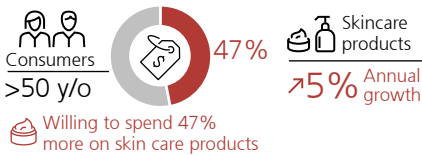
The UN projects the share of the population aged 50 to 80 to increase from 33.6% to 35.6% in the next 20 years.



Source: UN, UBS as of 2017

#### Personal care and beauty products

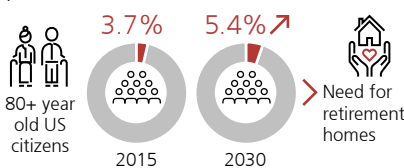
Data suggests that consumers over 50 are willing to spend 47% more on skincare products than those under 50, with the market expected to grow 5% annually.



Source (growth rate): FactSet consensus; Source (peak age rising): Kantar Worldpanel published in 2014

#### Housing

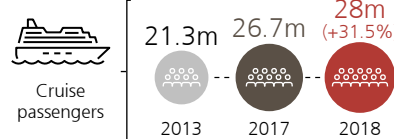
As individuals age, the need for retirement homes and assisted living facilities is likely to grow. By 2030, seniors over 80 will represent 5.4% of the US population, up from 3.7% in 2015.



Source: UN, OECD, UBS, as of 22 February 2018  
UBS CIO Longer Term Investments: Retirement Homes, 5 March 2018

#### Leisure and tourism

CLIA estimates that 28m passengers took cruises last year, up from 26.7m in 2017. This is a 31.5% rise from 2013's 21.3m. We expect favorable US demographics to prolong this trend.



Source: CLIA 2018 Cruise Industry Outlook, June 2018

#### Healthcare

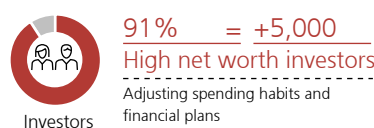
Individuals over 65 use prescription drugs at more than double the rate of those aged 19–64. Spending on them in the US is expected to climb 6% annually over the next 10 years.



Source: UN, OECD, UBS, as of 22 February 2018; UBS CIO Longer Term Investments: Retirement Homes, 5-03-2018

#### Financials

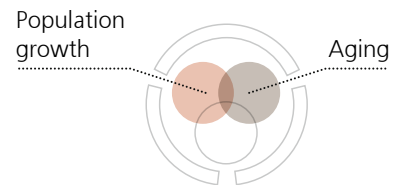
Of 5,000 high net worth investors surveyed by UBS, 91% are adjusting their financial plans in response to higher life expectancy, creating an opportunity for financial service providers.



Source: UBS Investor Watch



#### Silver spending investment properties



○ Influencer    ⊗ Key drivers



#### Near-term drivers

- Consumer confidence
- Financial market conditions
- Oil prices

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