

Are Irish companies missing a golden opportunity with the Silver Economy?

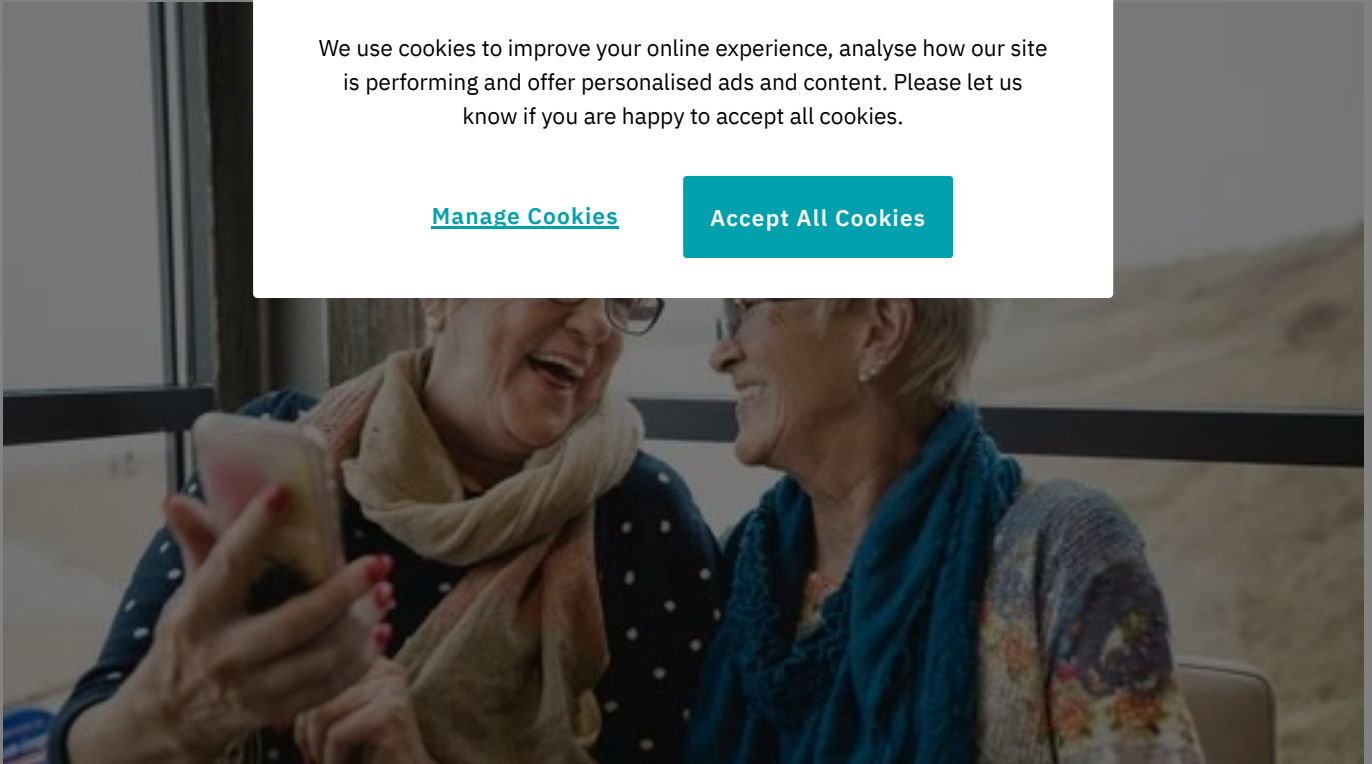
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A European Commission study estimated the European Silver Economy is worth €3.7 trillion and will potentially be worth €5.7 trillion by 2025 Photo: Getty Images

Analysis: the growing population of older people represents an untapped, lucrative market for Irish businesses

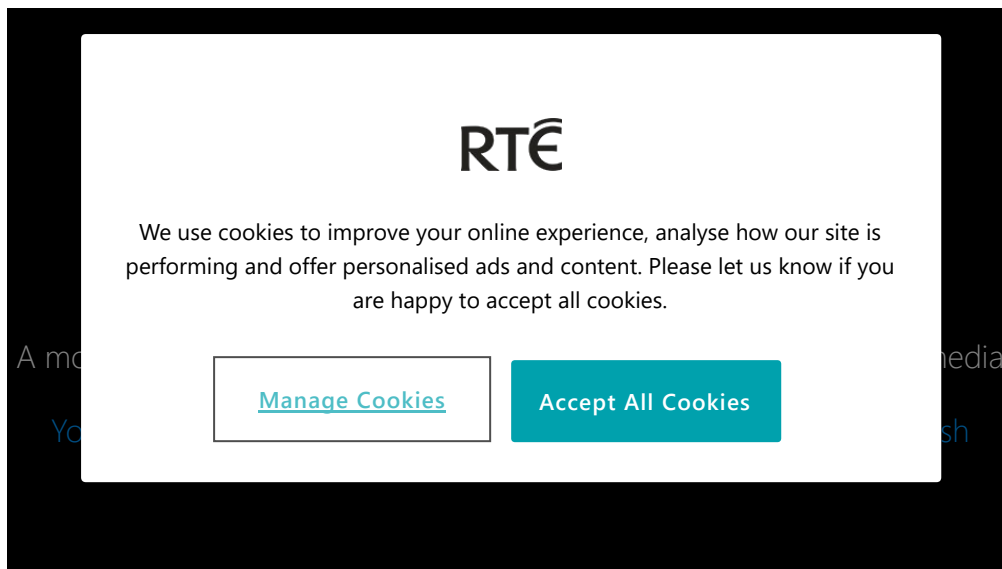
By [Aisling Conway](#), [Lenihan](#), [Helen McGuirk](#) and [Niamh Lenihan](#), MTU

The age profile of our citizens is changing; most countries in Europe have a growing older population. The number of people in Ireland who are 65 years of age or over is set to double to 1.6 million in the next 35 years, according to the [CSO](#). Approximately 21% of the EU population is over 65, this is estimated to increase to over 30% in the next 30 years. There are approximately three Europeans of working age for every European aged 65 or over, this is [projected to decrease](#)

to two working age adults for each older person by 2050.

While this demographic change represents many challenges for Irish and European policymakers, it also represents a golden opportunity for businesses. Older people have significant purchasing power. Many are time rich and many are pursuing active lifestyles. Irish enterprises potentially have an untapped market to exploit; the Silver Economy.

Also referred to as the grey or senior economy, it encompasses all sectors, including tourism, medical/healthcare, education, food and housing and is described as the economic opportunities arising from expenditure related to population ageing. A [European Commission study](#) in 2018 estimated the European Silver Economy is worth €3.7 trillion and will potentially be worth €5.7 trillion by 2025. The study also reports that the Silver Economy will contribute 32% of EU GDP and support 38% of EU employment.



From RTE News, ageing population could push finances on 'unsustainable path'

Our understanding of how firms grow, and the importance of entrepreneurship, has developed over decades and has produced many theories on how firms start, grow and survive. Awareness of change in the economy and responding to it is well documented. Research conducted by McGuirk, ConwayLenihan and Lenihan investigated how aware companies are of the silver economy. This research formed part of a European-wide project, [Silver SMEs](#), which

surveyed companies across eight regions in seven EU countries, including the Southern region of Ireland.

The [findings](#) show there is a lack of understanding of the term 'Silver economy' among the surveyed companies. In addition, there is a lack of awareness of the potential benefits to firms of capitalising on this lucrative market. Over the course of the research, many companies highlighted gaps in training or other public supports at a regional level that could enhance the knowledge and opportunities of this market.

To bridge the gap between awareness and action, a clear role for policy exists to support businesses in capitalising on this growing market. Engaging with this market also has broader societal benefits in supporting older adults to remain active, age-in-place and supporting innovation to address their needs. For example, in France, policy makers are financially supporting businesses in addressing the challenges of ageing (Silver Normandy, Silver Surfer).

Read more: [What do smartphones teach us about ageing in Ireland?](#)

In Sweden, the smarter homes initiative gives companies a platform to showcase digital and smart solutions to enable older adults to live independently in their own homes. In Ireland, the [Health Innovation Hub](#) offers support to businesses from the health sector including those focusing on an ageing population. This research also differentiated between the needs of three groups; active (healthy), vulnerable and dependent and the opportunities for companies in addressing those needs.

Given the ongoing fallout from the [Covid 19 pandemic](#) on businesses, awareness of the economic value and the potential for companies to produce and sell goods and services specific to the needs and demands of older people should be communicated and supported by public policy. Typically, companies tend to view the silver economy associated with the healthcare sector but there is a need for the active ageing population for goods and services from other sectors such as housing, tourism, finance, transport, education etc.

Read more: [How to design a future Ireland for an ageing population](#)

We note the positive step by the [South-West Regional Enterprise Plan to 2024](#) including an action of creating awareness of the market opportunities in the Silver Economy for businesses. This action will explore new market opportunities for regional enterprises and new start-ups in the silver economy. This action proposes to highlight the potential of the silver economy to Irish enterprises and entrepreneurs, through training and communication campaigns.

In a follow-up European project ([SeniorEco-Nect](#)) researchers from MTU's [Hincks Centre](#) are exploring how to connect different aspects of the silver economy with a specific focus on integrated and inclusive policy development. Its purpose is to maximise the benefits of the silver economy for all.

The challenge is to overcome the fragmented nature of the silver economy in Europe. This growing market incorporates a broad range of sectors, involves a diverse cohort of stakeholders and various cultural views on ageing. In connecting these elements, and recognising the need for tailored support, will help develop a sustainable and valuable demand and supply of goods and services for an ageing population. This research highlights the need for greater awareness of the economic value of the silver economy for Irish businesses.

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