

Viva the Vital
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More Older Boomers Means More Economic Development

By John W. Martin

Job growth is on everyone's mind. While many of us know that one the greatest sources of new jobs is entrepreneurial activity – new startups that successfully grow into large scale corporate employment centers – few know who really generates the entrepreneurial spark.

Like most, you probably assume that entrepreneurs are the fearless, “nothing to lose” youth of America – Bill Gates or Steve Jobs in the 1980s, or the Google or Facebook founders more recently – who launch innovative businesses out of backyard garages. According to new research from Diane Stangler and the Ewing Marion Kaufman Foundation, that's not the case. In fact, youths between 20 and 34 are the *least likely* to start new businesses. Over the past decade, year-after-year, the highest rate of entrepreneurial activity was among people between the ages of 55 to 64.

If this holds true for the next ten years, the sheer number of Baby Boomers who are currently in and who will soon reach this entrepreneurial sweet spot - ages 55 to 64, coupled with the recent corporate job displacements, disappearing 401(k) accounts, and relatively ease and low cost of business entry, may mean a big boom for small business job creation across America.

What business categories are likely to grow and where will this entrepreneurial activity take place? From our experience connecting the Boomer dots, we see one likely scenario and wonder if there's an economic development opportunity for our own community.

Our crystal ball says the entrepreneurial spirit will cater to emerging opportunities in categories that will help Boomers successfully grow older – obviously, we'll want to make money helping ourselves age. Thousands of new products related to communication, safety and security, health and wellness, and learning will come on the scene. The desire to avoid assisted living facilities and nursing homes will drive Boomer entrepreneurs to develop technology-inspired, home-based monitoring services. One day soon, we may be wearing flexible wrist bands that continuously read our vital signs and wirelessly transmit our temperature, heart beat and oxygen levels readings to our geriatrician and adult children.

Eventually, all of this entrepreneurial activity adds up to money and jobs. According to the *Aging in Place Technology Watch* newsletter, by the end of 2009 Boomer-related aging in place technologies will be a \$2 billion industry. By 2020 it is projected to grow to \$20 billion.

While all of these the Boomer-related aging in place technologies will need to be implemented across every community, where will they be created? Where will entrepreneurial Boomers open shop? What regions of our country will emerge as aging-in place technology centers? The answer may be right here.

A recent Brookings Institute report predicts that states and regions that attracted most of their boomers long ago – well before they even reach their senior years – will be the big winners. They project the fastest “senior growth” between 2010 and 2020 in the Intermountain West, the Southeast, and Texas –

mainly because those areas already have large Boomer populations who will stay put. And start businesses.

We are not surprised that Brookings predicts areas like ours will be well-positioned to prosper. Every Boomer wants a vibrant community that provides an exceptional quality of life for people of all ages. The growth in our region over the last two decades has come from every age segment.

We also think regions will begin to build well-deserved reputations for being “age-friendly,” in order to attract any older Boomers on the move. The quicker we learn to cater to this demographic, bringing accepting attitudes and innovative support services that meet their needs, the more older Boomers we will attract. Add in a growing number of businesses that help older boomers and each of our early successes will breed more successes.

This happened when the high-tech industry emerged in the 80’s and 90’s in places like Silicon Valley, Boston’s Route 128, North Carolina’s Research Triangle, and Northern Virginia. Initially fueled by economic sparks and high profile success stories, these technology centers earned a reputation that was subsequently reinforced by a growing density of technology-focused companies.

Already several communities are scheming to become new Boomer technology centers. In South Florida they’re now looking to a future based on new crop of seniors – today’s older Boomers. Sarasota County currently has the highest per-capita senior population among large counties in the U.S. Today, one in three Sarasota County residents is 65 or older. SCOPE, or Sarasota County Openly Plans for Excellence, a decade-old think tank known for tackling community issues, is now openly formulating a framework for a proposed “Institute for the Ages.” Sarasota County and local chamber of commerce officials have gone on record saying this initiative could spur local economic development in the biotech industry. Similar initiatives are now being discussed in other markets.

Could we become an emerging high-tech center for Boomer-related aging in place technologies? Maybe we are already there with our Virginia BioTechnology Research Park; world-class health systems; Virginia Center on Aging; ten colleges and universities, our economic development engines – the Greater Richmond Partnership and the Greater Richmond Chamber of Commerce; the Older Dominion Partnership; our region’s track record of launching entrepreneurial enterprises like Ethyl, Markel and Owens & Minor – startups that grow up to become large employers; and the 321,476 Baby Boomers who call our region home.

Early this summer, *BusinessWeek* ranked our region the sixth-best place in the nation to start over for people who have been laid off or are just looking for a career or lifestyle change. Maybe *BusinessWeek* is on to something, and our Boomers will lead the way!