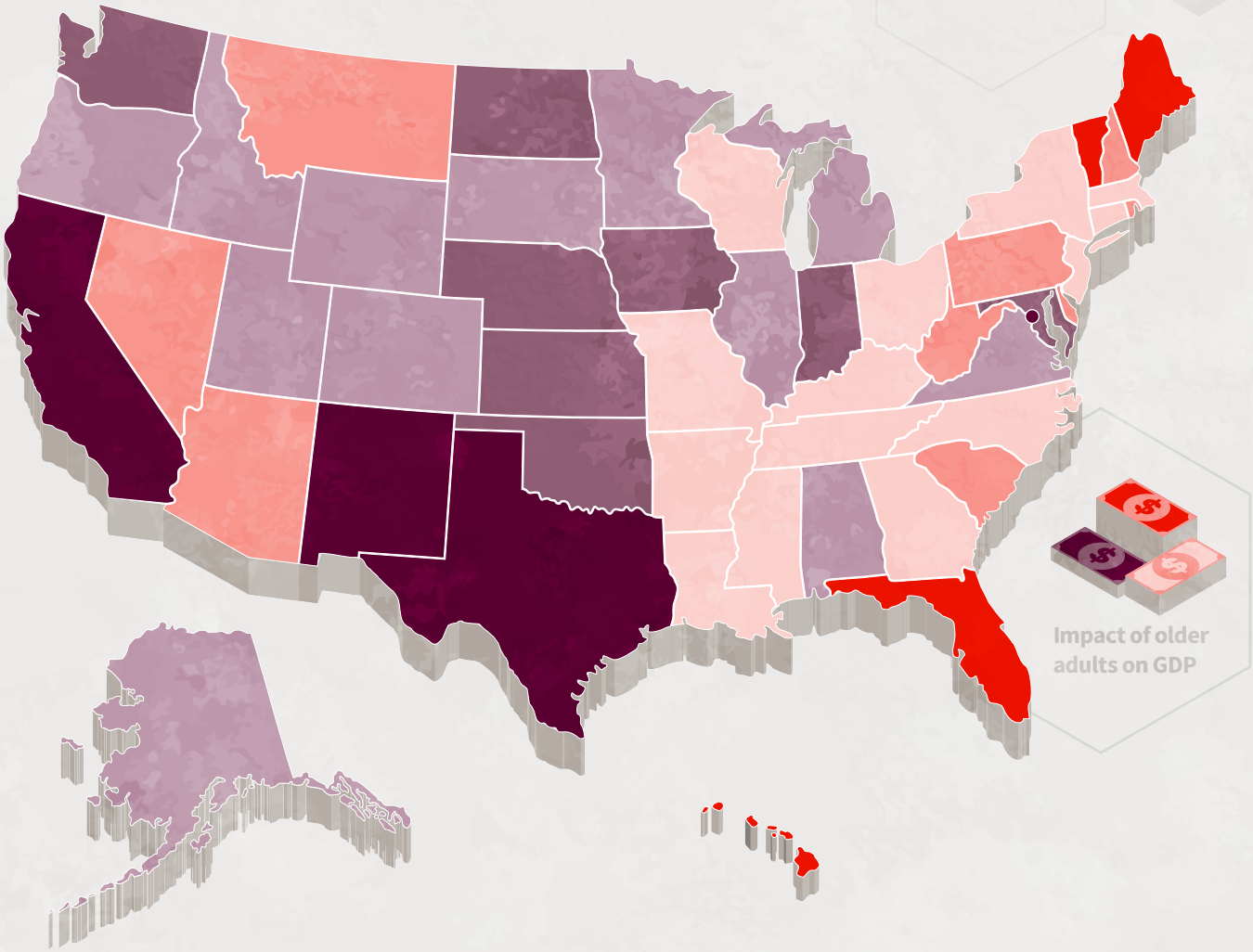
AARP®

The Longevity Economy® Outlook 2026

How Adults Age 50 and Older Are Reshaping Work, Spending and the Future of the U.S. Economy



Developed by ECONOMIST ENTERPRISE

Table of contents

Acknowledgments

We would like to extend our gratitude to Ani Harutyunyan for leading the project at AARP and overseeing the strategic direction and framing of the work. We would also like to thank Staci Alexander, Lina Walker and Debra Whitman for advice and technical support provided during the project.

The project was also informed by conversations with a range of subject matter experts, including Tracy Chadwell, Joseph Coughlin, Martha Deevy, Peter Evangelakis, Mary Furlong, Bari Hoffman, Paul Irving and Monique Morrissey.

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Executive summary

Aging has become one of the central drivers of U.S. economic activity. Adults age 50 and over are rapidly expanding in numbers, with an impact that extends well beyond their own generation. Many are not only living longer but also remain active as workers, consumers, taxpayers, volunteers and caregivers. Their contributions, which already support a large share of economic output and employment, are only projected to expand.

Looking ahead, the future trajectory of growth, labor markets and consumption in the U.S. will depend on how effectively the economy integrates older adults. Much of the private sector has yet to adjust to this shift, treating older consumers as a niche segment rather than the largest and fastest-growing economic constituency in the country. That mismatch represents a significant commercial opportunity.

But despite its growing economic influence, the 50-plus population is far from uniform. Wealth within this group is heavily skewed, shaping who can withstand the financial realities of aging. Differences across life stages within this cohort add to the complexity: a 50-year-old and an 80-year-old, though often grouped together, have very different roles in the economy, labor market and society. Without targeted support from businesses, nonprofits and governments, the economic benefits of increased longevity accrue disproportionately to those who are already the most secure, leaving a large share of older adults navigating longer lives with fewer safeguards.

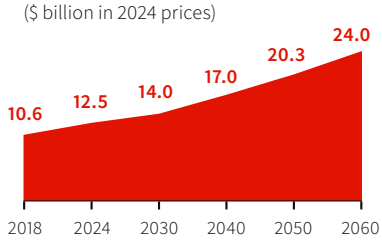
This 2026 update of the Longevity Economy® Outlook explores the wide-ranging impacts of the 50-plus population in the U.S., measuring the size and scope of their economic activities and societal contributions. The data reported in this study are from 2024 (as these are the latest available figures), with historical comparisons to 2018 (the year reported in the previous U.S. Longevity Economy® Outlook) and future projections through 2060.

The scale of the 50-plus economy:

Adults age 50 and over are one of the country's central economic engines. In 2024 they generated 43% of U.S. GDP—$12.5 trillion—enough to be the world's third-largest economy.

People age 50-plus generate $102,000 in GDP per person, account for 56% of household consumer spending and pay nearly 60% of federal income taxes. Through these activities they sustain 46% of U.S. jobs across all ages and sectors. By 2060 the economic footprint of older adults is projected to double to $24 trillion, equivalent to 46% of GDP. Far from sitting at the margins, older adults are central to the U.S. economy.

GDP contributions of those age 50-plus
($ billion in 2024 prices)



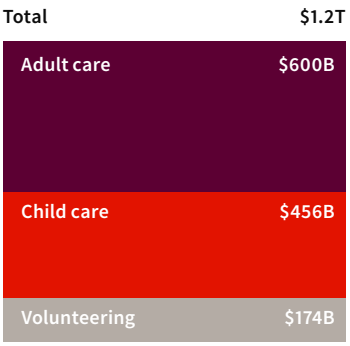
Households headed by someone 50-plus spend over $10 trillion annually, rising to a projected $22 trillion by 2060, reshaping demand across many sectors.

Households age 50-plus already account for 56% of U.S. consumption, projected to reach 61% by 2060. Spending is increasingly skewing toward health care, housing, home-based services and assistive technologies, while non-essential purchases become more restrained as retirements lengthen. Technology spending is rising especially quickly: for example, 50-plus spending on communications and electronics has grown the fastest since 2018, up 62%. It now accounts for 4.7% of consumption, close to the 4.9% share among younger households, signaling growing demand from older consumers as digital tools become more integrated into aging.

Households age 50-plus were responsible for 56 cents of every dollar spent in 2024.

Unpaid contributions are economically essential: adults 50-plus provided the equivalent of $1.2 trillion in unpaid care[1] and volunteering[2] in 2024.

They are responsible for 59% of all caregiving provided to other adults, 15% of caregiving for children, and 53% of all volunteering. Households age 50-plus also donate 70% of all charitable contributions and provide 72% of financial support for college students. These activities form a substantial layer of economic activity not captured in GDP, helping stabilize families and communities while reducing public-sector burdens.

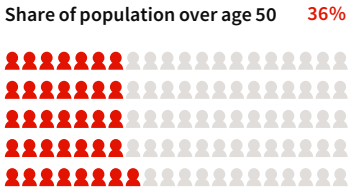


1. Adult caregiving estimates from: Valuing the Invaluable 2026. AARP Public Policy Institute. March 2026. https://www.aarp.org/content/dam/aarp/ppi/topics/ltss/family-caregiving/valuing-the-invaluable-2026-family-caregivers-contribution-reaches-1-trillion.doi.10.26419-2fppi.00402.001.pdf.
2. Child caregiving and volunteering estimates from Economist Enterprise, based on data from the American Time Use Survey (IPUMS dataset) and U.S. Bureau of Labor Statistics

The shape and evolution of the 50-plus population:

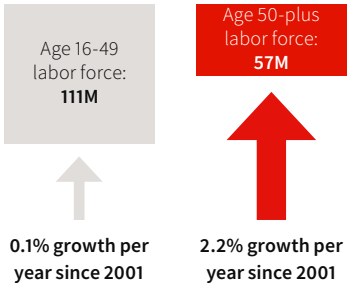
The 50-plus population is not just growing, it is also aging rapidly. This is shifting the cohort toward later-life stages while reshaping work and spending.

Adults over 50 made up 36% of the population in 2024—around 123 million people—and are growing by more than one million each year. Yet this growth is increasingly concentrated at older ages. Adults age 65 and over now account for half of the 50-plus population (61 million), up from 45% in 2018, with the fastest gains among those age 75 and over. By 2050 one in four Americans will be over 65, comparable to some of today's fastest-aging societies.



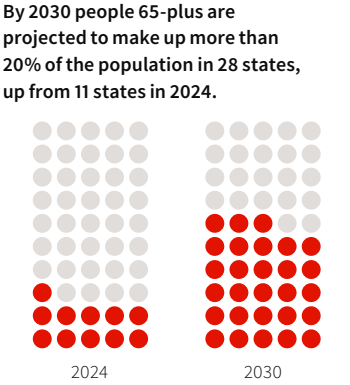
Nearly 57 million people age 50-plus are in the labor force, underscoring how critical older workers have become as growth among younger workers lags.

Since 2001 the 50-plus labor force has expanded by an average of 2.2% per year, compared with just 0.1% growth among younger workers. Sustaining older-worker engagement is therefore becoming essential to productivity and long-term growth. In sectors facing staffing challenges, such as health care, manufacturing, finance and education, people 50-plus account for over a third of workers. The growing role of older workers is particularly visible among those age 65 and over, whose share of the labor force has increased from 3% to 8% over the past 25 years.



Population aging is a national trend, the pace of which varies across the 50 states, with highly uneven economic effects.

In 11 states and nearly half of U.S. counties, adults 65 and older already outnumber children.[3] By 2030 people 65-plus are projected to make up more than 20% of the population in 28 states, up from 11 states in 2024. Yet the pace of change matters as much as the current age profile. States with rapidly aging populations face sharper adjustment periods in labor markets, health care systems and public finances. A key challenge is overcoming inertia across policy and business to prepare for this shift while also leveraging opportunities to integrate older adults fully into economic life.



3. Older Adults Outnumber Children in 11 States and Nearly Half of U.S. Counties. U.S. Census Bureau. June 2025. https://www.census.gov/newsroom/press-releases/2025/older-adults-outnumber-children.html

1. Introduction: aging is redefining the U.S. economy

The rise of the longevity-powered economy

Adults age 50 and over underpin a significant share of U.S. economic activity—as consumers, workers, caregivers and volunteers—yet many businesses still treat them as a niche segment rather than one of the country's largest and fastest-growing markets.

People 50 and over generated $12.5 trillion in economic activity in 2024, equal to 43% of U.S. GDP. If measured as a standalone economy, this output would rank as the third largest globally, behind only the U.S. and China.

Meanwhile, in 2024 alone the value of their unpaid activities, including adult care, child care and volunteering, was estimated at $1.2 trillion. They also gave $124 billion in 2024 to charities, churches, schools and college students. These efforts support families and communities while reducing pressure on government spending.

People 50 and over generated $12.5 trillion in economic activity in 2024, equal to 43% of U.S. GDP. If measured as a standalone economy, this output would rank as the third largest globally, behind only the U.S. and China.

Yet, older adults are often framed as dependents rather than contributors to growth. In reality, in 2024 the 123 million people age 50 and above, representing 36% of the U.S. population, sit at the center of economic activity. As longevity reshapes how the economy produces, spends and grows, the economic weight of this group will only increase. By 2060, adults age 50 and over are projected to represent 41% of the population, and their economic contribution is expected to almost double to $24 trillion, equivalent to 46% of GDP.

Amid this shift, demand is rising for products and services that support longer, more independent lives, from financial planning and housing to health care, technology and mobility. But the development of products and services for this population has lagged, and much of the private sector is still adjusting to this shift. Many firms still approach older consumers as a secondary market, even as they are becoming the largest and fastest-growing economic constituency in the country. That mismatch represents a significant commercial opportunity.

The stabilizing role of older adults in a turbulent economic landscape

Slower population growth and rising economic volatility are reshaping how older adults work, save, spend and retire.

Population growth has slowed to its weakest pace in decades as the birth rate declines and immigration fluctuates. The total birth rate stood at roughly 1.6 births per woman in 2024, far below the 2.1 replacement level, continuing a two-decade downward trend.[4] As a result, labor-force expansion has slowed to roughly 0.5-0.6% annually in recent years, tightening the supply of workers across the economy.[5] With fewer young workers entering the labor market, due not only to lower birth rates but also to declining labor-force participation among younger adults, older Americans are playing a growing role in sustaining employment and consumption.

These demographic changes are emerging within a volatile economic environment. Since the previous Longevity Economy® Outlook was published in 2019, the U.S. has weathered its steepest economic downturn since the second world war, followed by an unusually rapid recovery. The pandemic disrupted retirement trends, pushing some workers out of the labor force and pulling others back in, while accelerating digital adoption and reshaping patterns of work, from remote employment to flexible career paths in later life.

Financial conditions have also shifted. The rapid rise in interest rates since 2022 has pushed bond yields to levels not seen in more than a decade, increasing borrowing costs for households and businesses. Although inflation has eased from its post-pandemic peak, higher prices for essentials continue to weigh on household budgets, particularly for retirees and lower-income adults. Housing supply constraints also continue to drive up rents and ownership costs in many regions, while energy prices remain sensitive to geopolitical tensions and supply disruptions. At the same time, fiscal pressures are intensifying as populations age. National health expenditures reached $5.3 trillion in 2024—about 18% of GDP, up from 13% in 2000—making health care one of the economy's fastest-growing sectors and an increasingly important driver of employment.[6,7] These trends shape household balance sheets and influence how people save, spend and retire.

In an economy facing slower demographic growth and tighter fiscal constraints, older adults play a stabilizing role both as workers and consumers, and also as caregivers, volunteers, and community and family members.

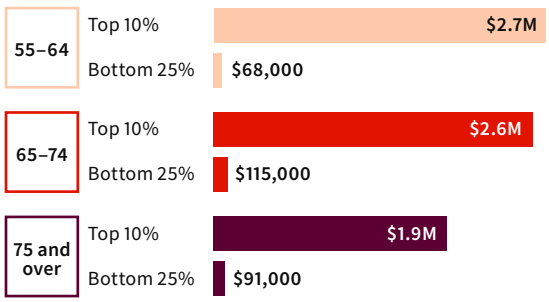
4. Births: Provisional data for 2024. Vital Statistics Rapid Release. U.S. Centers for Disease Control and Prevention. April 2025. https://www.cdc.gov/nchs/data/vsrr/vsrr038.pdf
5. The U.S.-Born labor force will shrink over the next decade. Economic Policy Institute. October 2025. https://www.epi.org/publication/the-u-s-born-labor-force-will-shrink-over-the-next-decade-achieving-historically-normal-gdp-growth-rates-will-be-impossible-unless-immigration-flows-are-sustained/
6. Economist Enterprise calculations based on data from the National Health Expenditure Accounts and the Bureau of Economic Analysis
7. NHE Fact Sheet. Centers for Medicare & Medicaid Services. 2024. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet

A population defined by diversity and disparity

As people live longer, wealth disparities are creating stark differences in how aging is experienced.

Despite its growing economic influence, the 50-plus population is far from uniform, especially in terms of wealth. Wealth distribution within this group is heavily skewed, impacting who can withstand the financial realities of aging. Federal Reserve data show that among those age 55-64, the top 10% of households have around $2.7 million in net worth (including housing assets), on average, compared with just $68,000 for the bottom quartile. Similar gaps persist across the 65-74 cohort, where the top 10% have an average net worth of $2.6 million, while the bottom 25% have $115,000.

Disparities exist among the net worth of the 50-plus population:



Even among those age 75 and over, where assets are often drawn down, disparities remain stark. The top 10% still have $1.9 million, on average, compared with $91,000 for the bottom quartile.[8] In effect, a relatively small share of households accounts for a disproportionate share of financial security.

These disparities translate into sharply divergent experiences of aging. For higher-wealth households, aging is typically accompanied by a greater capacity to absorb rising costs. The majority, however, faces heightened exposure not only to everyday expenses but to unplanned expenditures, which are often covered by a fixed or limited income. Meanwhile, two-thirds of older adults rely heavily on Social Security[9] and face rising out-of-pocket costs for health care, housing and utilities.[10, 11] Without targeted support in these areas, the economic benefits of increased longevity risk accruing disproportionately to those already at the top, leaving a large share of older adults navigating longer lives with fewer safeguards.

8. Survey of Consumer Finances 2022. Federal Reserve. 2023. Percentile estimates based on published tables and derived analyses. https://vaultedworth.com/tools/net-worth-percentile
9. Social Security Opinions and Attitudes on Its 90th Anniversary. AARP. July 2025. https://www.aarp.org/content/dam/aarp/research/topics/work-finances-retirement/social-security/social-security-90th-anniversary-survey.doi.10.26419-2fres.00976.001.pdf
10. AARP Report Finds Long-Term Care Costs Outpacing Americans' Incomes. AARP. March 2026. https://www.aarp.org/caregiving/financial-legal/long-term-care-affordability-report/
11. Americans 50-Plus Are Concerned About Utility Costs Going Up. AARP. July 2025. https://www.aarp.org/pri/topics/livable-communities/utilities/utility-costs-affordability-poll/

About this report: framing the analysis

Against this backdrop, the Longevity Economy® Outlook examines how demographic change is reshaping the foundations of economic growth in the U.S. It explores how older adults contribute to the economy through employment, consumption, caregiving and civic engagement, and how those contributions will evolve as longevity increases. It also considers how businesses, policymakers and communities can adapt to an economy in which older adults play an increasingly central role.

In particular, the report addresses five forward-looking questions:

1. How is aging in America evolving and what does it mean for economic outcomes across all age groups?
2. Are longer lives and shifting expectations about work and retirement reshaping how the contribution of older adults is understood?
3. How is the growing role of the 50-plus population altering patterns of employment, consumption and tax contribution across the economy?
4. How is population aging increasing the importance of unpaid contributions to families, communities and the broader economy?
5. What do these shifts reveal about the foundations of long-term prosperity, resilience and well-being for people across age groups?

How we developed the Longevity Economy® Outlook

This outlook features economic impact analysis that was developed by Economist Enterprise using a dynamic forecasting model from Regional Economic Models, Inc. (REMI PI+) and other supplementary modeling. The outlook also includes additional analysis related to unpaid non-market activities (eg, caregiving, volunteering and charitable contributions).

The REMI PI+ model enables a holistic estimation of the 50-plus cohort's economic impact, taking into account not only its spending but also other inputs such as its workforce and tax contributions. These inputs drive complex interactions, creating demand and output across industries and rippling through the economy.

The model collates these effects to determine the 50-plus population's overall contribution to GDP, employment, wages and salaries, and taxes. The model's simulations also forecast these impacts through 2060 and project their effects within specific industries.

For additional details, see Appendix 1.

Key terms

Contributing to/supporting/creating: the ripple effects (directly and indirectly) of the economic activities of the 50-plus cohort.

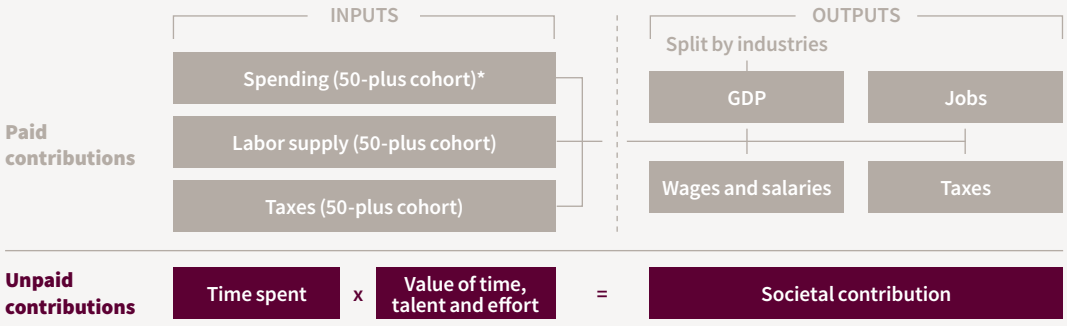
Spending: household and personal consumption expenditures of products and services (an input in the REMI model).

Jobs (employment): full-time and part-time jobs.

Labor supply: the labor force supplied by the 50-plus population.

Wages and salaries: the sum of wages and salaries, supplements to wages and salaries, and proprietors' income.

Measuring the paid and unpaid contributions of the 50-plus population



Note: *Includes charitable donations

2. Demographic outlook: how the 50-plus population is changing

Key highlights

- By 2060 41% of the U.S. population is projected to be age 50 or older, up from 36% in 2024 and 28% in 2001.
- The 50-plus cohort itself is aging quickly: adults 65 and over now account for half of the 50-plus population, up from 45% just eight years ago.
- Labor force participation among older cohorts has accelerated: in the past 25 years, the share of the workforce over 65 has more than doubled; among those 75-plus it has tripled.

The rapid aging of the aging population

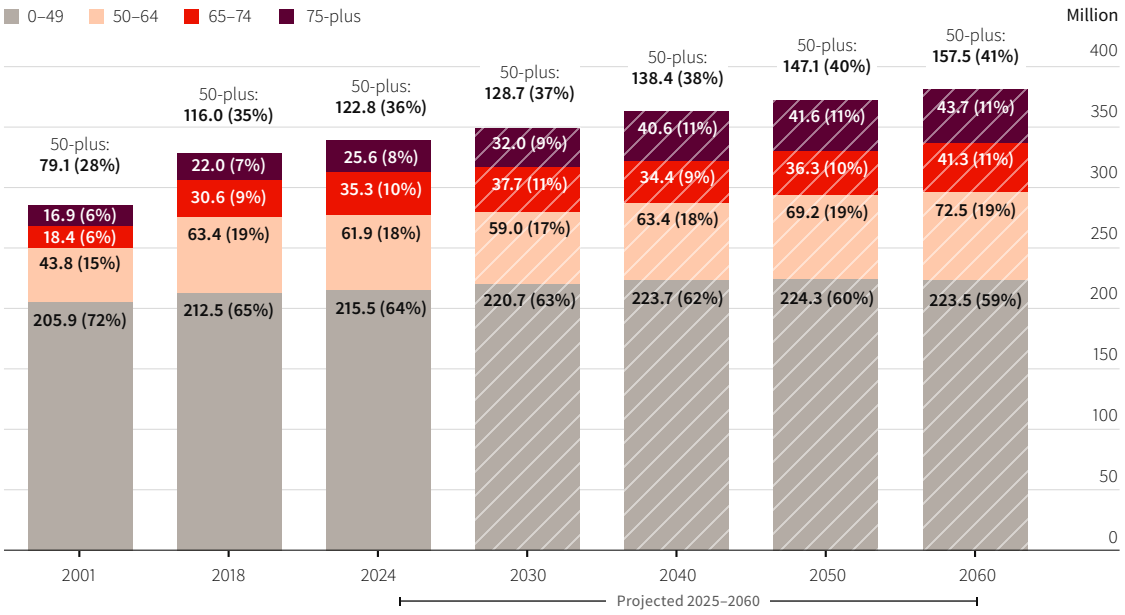
Growth within the 50-plus population is increasingly concentrated at later ages, even as the overall size of the group continues to rise, with ramifications for U.S. labor force participation, consumption and spending patterns, and care needs.

Since 2018 the 50-plus population has expanded by more than one million people a year, reaching roughly 123 million in 2024, which is 36% of the U.S. population. But that growth is unevenly distributed across geography and demographic groups. In 2024 adults age 65 and older outnumbered children in 11 states and almost half of U.S. counties,[12] signaling a shift in age profiles that has led to longer-term impacts on many aspects of local economies, including housing, health care and transportation.

The composition of the older population is also becoming more diverse; people from Black, Hispanic, Asian, American Indian, Alaska Native and other multicultural communities now account for 42% of adults age 50 and over, up from 31% 25 years ago. This underscores that older adults cannot be treated as a single, uniform group, and that better understanding diversity within the 50-plus population is essential to fully appreciating how they shape the economy and society.

Aging within the 50-plus cohort is also accelerating. Over the coming decades, most growth will come from those age 65 and over, with the 75-plus population expanding fastest. Adults 65 and over now account for half of the 50-plus population, up from 45% just eight years ago. By contrast, the 50-64 cohort, which has traditionally served as the bridge between mid-career work and retirement, is shrinking.

Figure 1:
The 50-plus population is projected to reach nearly 158 million by 2060, 41% of the U.S. total
U.S. population by cohort, 2001-60 (select years)
(Millions and % of U.S. population)



Sources: REMI, US Census Bureau

12. Older Adults Outnumber Children in 11 States and Nearly Half of U.S. Counties. U.S. Census Bureau. June 2025. https://www.census.gov/newsroom/press-releases/2025/older-adults-outnumber-children.html

In practical terms this means headline figures for the 50-plus population can mask important differences in work, spending and care needs across life stages. A 50-year-old and an 80-year-old may sit in the same statistical bracket, but their economic roles and contributions differ sharply. As the aging of the population continues, these differences will play a growing role in shaping economic behavior.

These shifts are not just the result of a one-time demographic bulge, but a lasting structural transition, driven by persistently low birth rates, later family formation and life expectancy that remains high by historical standards. By 2060 41% of the U.S. population is projected to be age 50 or older, up from 36% in 2024 and 28% in 2001.

However, longevity gains have not been evenly shared. Geographic and racial differences in life expectancy after age 50 have widened in recent decades. According to previous AARP research, counties with large Black populations have historically experienced slower improvements, taking nearly 30 years to reach longevity levels that predominantly non-Black counties achieved decades earlier. Factors such as health care, environmental exposure, income and education underpin these differences. The economic consequences are substantial. Persistent disparities in life expectancy could cost the U.S. economy around $1.6 trillion in GDP by 2030, alongside millions of lost jobs, as shorter lives translate into fewer working years and reduced consumer spending.[13]

Figure 2:
The 50-plus population has grown substantially in the past 25 years; in 2031 it will welcome millennials
U.S. population distribution

Sources: Economist Enterprise, REMI, US Census Bureau

13. Our Collective Future: The Economic Impact of Unequal Life Expectancy. AARP, Economist Impact. 2023. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2022/longevity-economy-disparities-life-expectancy.doi.10.26419-2Fint.00042.008.pdf

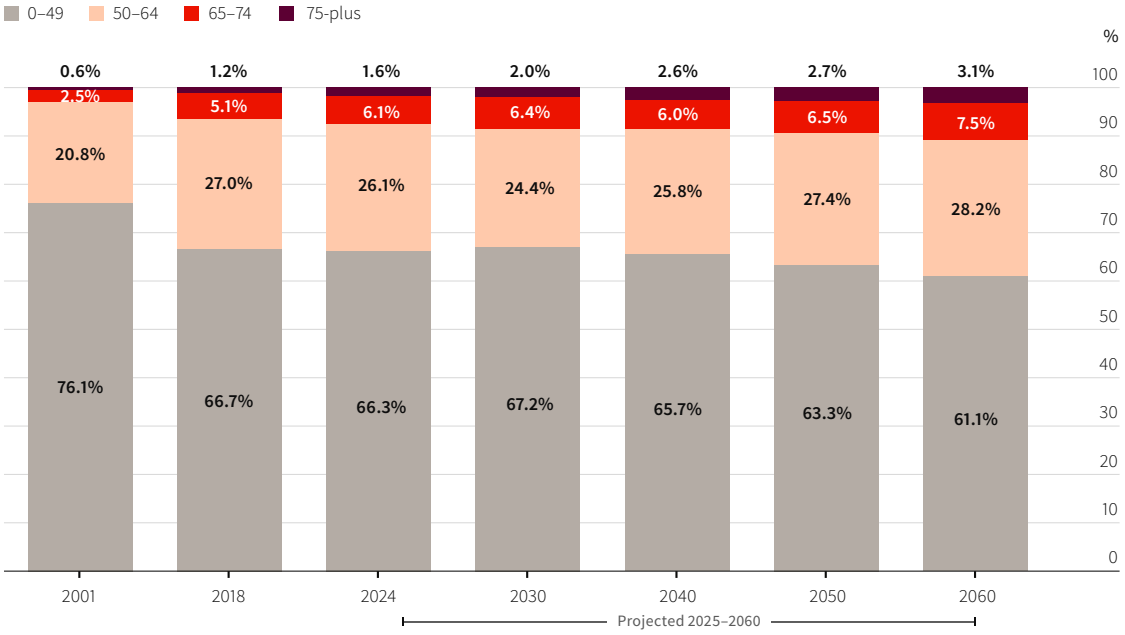
The 50-plus workforce: a fast-growing pillar of capacity

Older adults are not a niche in today's labor market. Nearly 57 million are 50-plus, accounting for roughly a third of the labor force, while participation among those age 65 and over continues to climb.

Older workers are making extended careers a defining feature of the labor market. Four, even five, generations now work side by side. Labor force participation among older adults has risen steadily for two decades, reversing a long post-war decline in late-career work. Among those 65-plus, the participation rate has climbed to about 21% in 2024, up from 12.5% in 2001. The large boomer cohort has also boosted the number of older workers.

As a result, the share of the labor force over age 65 has more than doubled since 2001, with the share over 75 having nearly tripled; by 2060 it is expected to triple again (see figure 3). The effective retirement age in the U.S. has likewise risen. For men, it reached 67.3 in 2024, up 4.8 years since 2001. For women, it has reached 66.7, an increase of 5.0 years.[14] These trends are tilting the 50-plus workforce toward older ages, particularly as growth in the 50-64 cohort is not expected to resume until after 2030, when millennials join the ranks.

Figure 3:
People 50-plus already represent 34% of the labor force; they are projected to reach 39% by 2060
Age composition of U.S. labor force, 2001-2060 (select years)



Sources: REMI, Bureau of Labor Statistics (BLS), US Census Bureau

14. OECD Data Explorer. OECD. Accessed May 2026. https://data-explorer.oecd.org/vis?&tm=labour%20market%20exit&pg=0&snb=2&vw=tb&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_PAG%40DF_DEC&df[ag]=OECD.ELS.SPD&df[vs]=1.0&dq=USA.A.ELMEA....&pd=1990%2C2024&to[TIME_PERIOD]=true

More broadly, the 50-plus labor force has expanded far faster than younger cohorts since 2001, growing by an average of 2.2% annually compared with 0.1% among workers under 50. As older workers account for a growing share of labor force growth, sustaining their engagement is becoming increasingly important to productivity and long-term capacity.

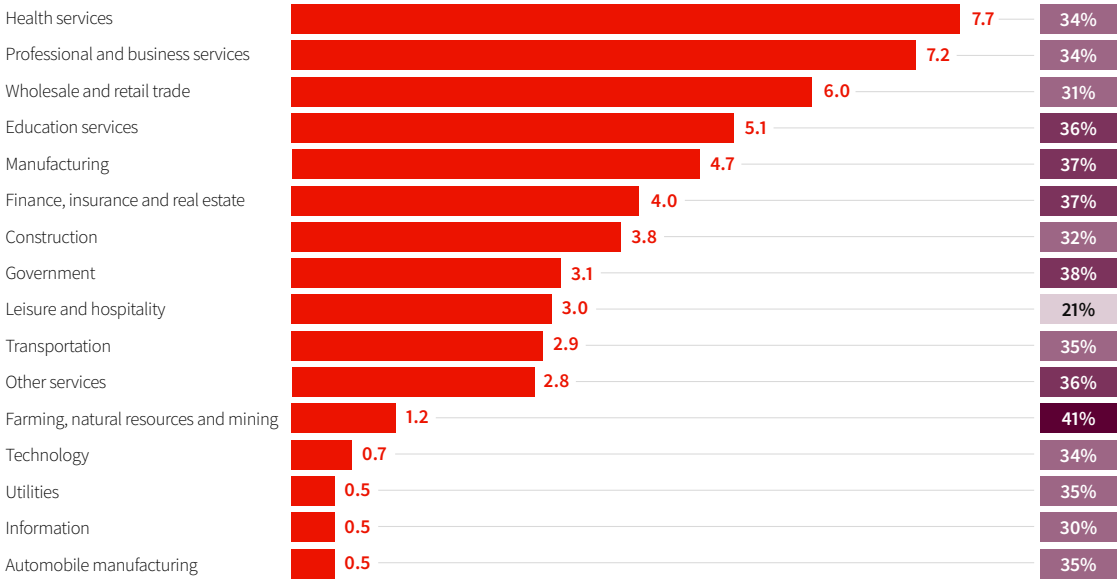
But the implications of an aging workforce go beyond overall labor supply, affecting the structure of seniority and leadership within organizations.[15] Leadership roles have traditionally been concentrated among workers in their 50s and early 60s. However, with the 50-64 cohort currently shrinking, organizations may face tighter leadership pipelines and greater succession pressures, particularly in sectors with long skill-building cycles.[16] This may accelerate changes in how firms approach promotion, retention and knowledge transfer across generations.[17]

Firms are already responding to this shift: retaining experienced leaders for longer, promoting younger workers sooner or both. Many are also reducing managerial layers and relying more on contingent workers, cutting roles traditionally held by more experienced workers that enabled mentorship and clear career pathways.[18]

As older workers account for a growing share of labor force growth, sustaining their engagement is becoming increasingly important to productivity and long-term capacity.

15. OECD Employment Outlook. OECD. July 2025. https://doi.org/10.1787/194a947b-en
16. Closing the experience gap. Deloitte Insights. March 2025. https://www.deloitte.com/us/en/insights/topics/talent/human-capital-trends/2025/closing-the-experience-gap-through-talent-development.html
17. Global Talent Trends. LinkedIn. October 2024. https://business.linkedin.com/hire/global-talent-trends
18. Closing the experience gap. Deloitte Insights. March 2025. https://www.deloitte.com/us/en/insights/topics/talent/human-capital-trends/2025/closing-the-experience-gap-through-talent-development.html

Figure 4:
54 million workers are 50-plus, making up more than 30% of workers in nearly every sector
Workers age 50-plus, by industry (2024)
(Millions and % of sector)



Sources: BLS, Economist Enterprise

As of 2024 54 million adults age 50-plus are employed across industries (see figure 4). The farming and natural resources sector stands out, where 40% of workers are 50-plus. Meanwhile, across 11 other industries their share has surpassed a third.

In health services alone, 7.7 million workers are age 50 or older (34% of the sector), playing a key role in a sector that has long struggled with staff shortages. With health demand set to grow faster than most sectors in the next decade, that pressure is only expected to intensify,[19] with roles such as home health and personal care aides expected to expand by about 17% between 2024 and 2034.[20]

19. Employment projections: 2024-2034. U.S. Census Bureau. August 2025. https://www.bls.gov/news.release/pdf/ecopro.pdf
20. Occupational Outlook Handbook: Home Health and Personal Care Aides. U.S. Bureau of Labor Statistics. https://www.bls.gov/ooh/healthcare/home-health-aides-and-personal-care-aides.htm

The challenge and opportunity of longer working lives

Older adults are working longer, but not always by choice. Structural barriers limit who remains employed, but better integration of older workers represents a major opportunity.

At 11.3 million—around 7% of total employment—workers age 65 and over are a minority, but an increasingly consequential one.[21] Yet their experiences in the labor market vary widely.

Retirement timing is rarely a matter of preference alone. Many extend their careers voluntarily, drawn by purpose, additional income and businesses' need for experience. Others remain employed out of necessity.[22]

Educational attainment and occupation strongly shape retirement outcomes. College-educated workers are far more likely to remain employed in later life, with greater access to flexible roles. That pool has expanded substantially. Among people age 65 and over, the share holding a four-year college degree rose from just 5% in 1965 to 33% in 2023.[23]

Among people age 65 and over, the share holding a four-year college degree rose from just 5% in 1965 to 33% in 2023

Those with lower levels of education are more likely to face job loss or physically demanding work that pushes retirement earlier, often forcing them to draw down savings sooner.[24]

Around 28% of retirees report leaving work earlier than they had intended, often due to health issues, job stress or caregiving responsibilities.[25] Others have reported being forced into retirement.[26] Some exit the workforce only to return later, often due to rising living costs or insufficient savings.[27] Older workers also face age discrimination, less bargaining power and precarious employment,[28] such as temporary contracts, gig work with unpredictable hours or income where there is a greater risk of sudden job loss with little recourse.

Around 28% of retirees report leaving work earlier than they had intended, often due to health issues, job stress or caregiving responsibilities. Others have reported being forced into retirement.

21. Estimates from Economist Enterprise, 2024 Bureau of Labor Statistics Consumer Population Survey, REMI.
22. Updated Data Shows Mixed Feelings About How Older Americans Perceive the Labor Market. AARP. October 2025. https://www.aarp.org/pri/topics/work-finances-retirement/employers-workforce/retirement-decisions-working-job-hunting/
23. Fact sheet: Aging in the United States. PRB. January 2024. https://www.prb.org/resources/fact-sheet-aging-in-the-united-states/
24. Even as Job Searches Grow More Challenging, Financial Pressures are Pushing Some Retirees to Return to Work. AARP. November 2025. https://www.aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/financial-pressures-retirees-return-work/
25. Labor Force Pulse Survey: Annotated Questionnaire. AARP. October 2025. https://www.aarp.org/content/dam/aarp/research/topics/work-finances-retirement/employers-workforce/retirement-decisions-working-job-hunting-annotated-questionnaire.doi.10.26419-2fres.00997.001.pdf
26. What to do if you're forced into early retirement. AARP. October 2025. https://www.aarp.org/money/retirement/forced-into-early-retirement/
27. Even as Job Searches Grow More Challenging, Financial Pressures are Pushing Some Retirees to Return to Work. AARP. November 2025. https://www.aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/financial-pressures-retirees-return-work/
28. Age Discrimination Holds Steady Among Older Workers in 2025. AARP. Updated January 2026. https://www.aarp.org/pri/topics/work-finances-retirement/employers-workforce/age-discrimination-workplace/

The economic cost of underutilizing older workers is substantial, but better integration benefits the whole workforce:

- In 2018 the U.S. economy forfeited an estimated $850 billion in GDP due to age discrimination affecting older adults in the labor market, as workers were pushed into early retirement, underemployment or prolonged periods out of work. If current patterns persist, annual lost output could reach nearly $3.9 trillion in 2050.[29]
- Better integration of older workers—such as through flexible work arrangements, targeted training or age-inclusive hiring—could raise GDP per capita by nearly a fifth over the next 30 years[30] and help support a more multigenerational workforce.

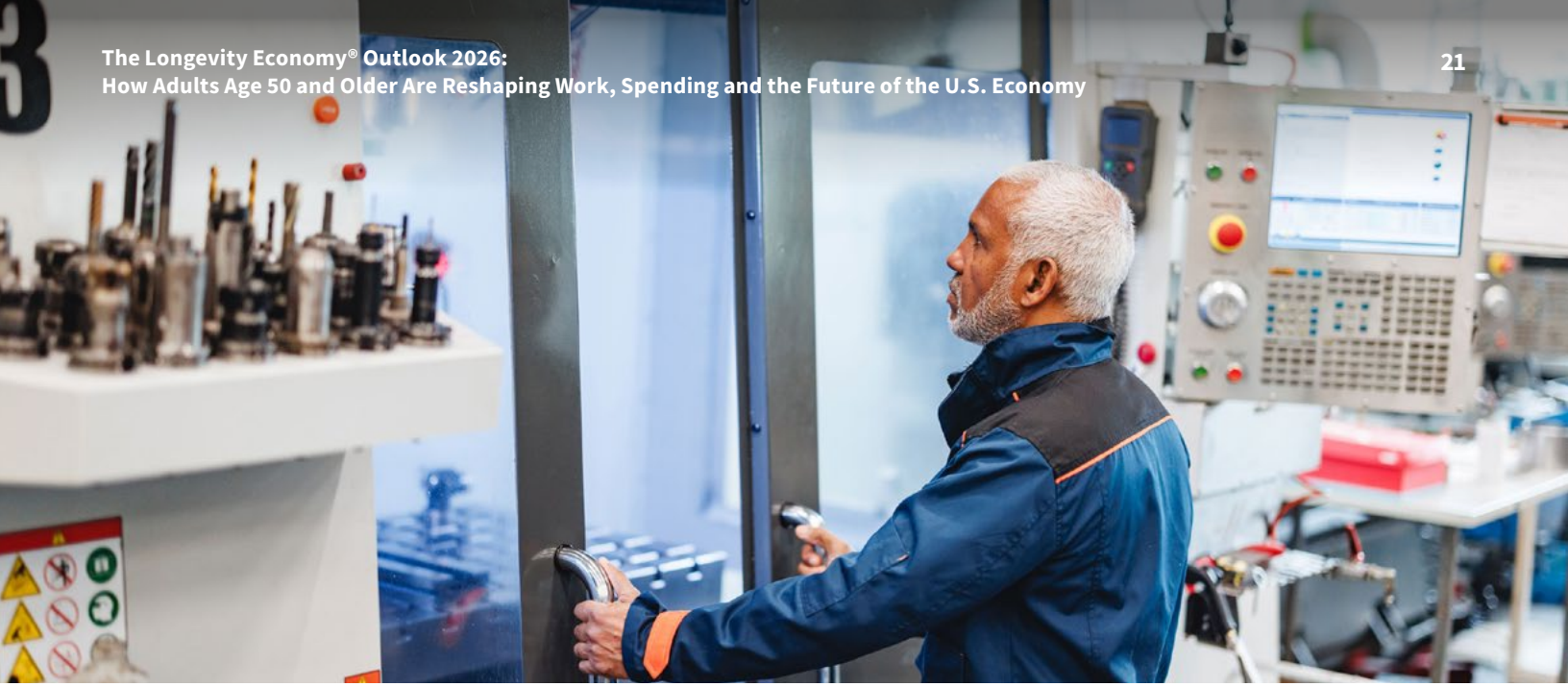
As population growth slows and labor markets tighten, ensuring full participation by this cohort is an economic stabilizer. If older workers withdraw faster than expected, the squeeze will be felt throughout the economy.

29. The Economic Impact of Age Discrimination. AARP, The Economist Intelligence Unit. 2019. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2020/impact-of-age-discrimination.doi.10.26419-2Fint.00042.003.pdf
30. Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer. OECD. 2020. https://doi.org/10.1787/59752153-en.

3. Economic contribution: the scale of older adults' impact

Key highlights

- The 50-plus population generates 43% of U.S. GDP ($12.5 trillion), which would make it the world's third-largest economy after the U.S. and China.
- Their activities support 98 million jobs across all ages and sectors (46% of employment).
- They are a major source of government revenue, paying nearly 60% of federal income taxes.



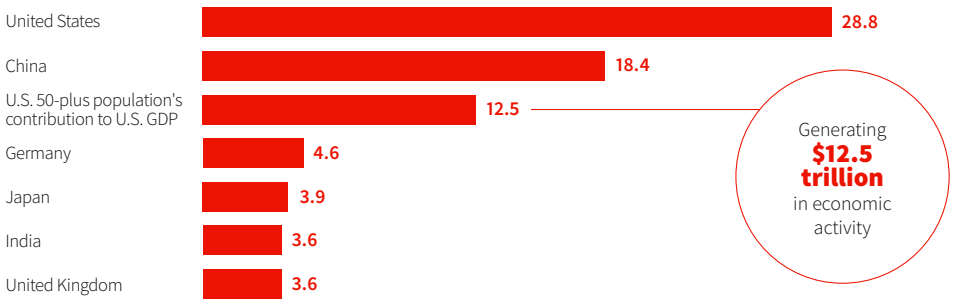
The $12.5 trillion economy hidden in plain sight

Older adults are not on the margin of the economy. They are central to its scale and stability.

An aging population is steadily reshaping the contours of the U.S. economy. Treated as a standalone economy, the activity generated by adults 50 and over would rank third in the world, producing an estimated $12.5 trillion in output each year (see figure 5). In 2024 this was equivalent to 43% of U.S. GDP. That share is rising steadily over time, reflecting not only demographic change but also the continued participation of older adults in work, consumption and business activity. As younger cohorts face increasingly volatile employment and income, older adults are playing a larger role in stabilizing and sustaining overall demand.

The scale of this contribution has grown faster than previously expected. Since 2018, the economic footprint of the 50-plus population has increased by more than $2 trillion, well above projections at that time, supported in large part by stronger-than-expected U.S. economic growth.

Figure 5:
If the 50-plus population was its own economy, it would rank third in the world, driving $12.5 trillion in GDP in 2024
Comparison: GDP in 2024
($ trillion)



Sources: Economist Enterprise, The Economist Intelligence Unit, REMI

The picture is no less striking at the individual level. Each person age 50 or over generated an average of $102,000 in GDP in 2024, an inflation-adjusted increase of 11% since 2018. This figure is on par with GDP per capita among all adults 16 and over, which stood at roughly $105,000, underscoring that older adults are just as productive on average, contributing at levels comparable to the broader workforce.

Each person age 50 or over generated an average of $102,000 in GDP in 2024, an inflation-adjusted increase of 11% since 2018.

As the population ages, the economic impact of older adults will increase further, driven by continued growth in the 50-plus population, the entry of millennials into the cohort in the early 2030s, and substantial intergenerational wealth transfers from boomers—estimated at around $46 trillion—that will raise the spending power of households as they age into the 50-plus population.[31] Together, these forces are projected to nearly double the size of the 50-plus economy in real terms to $24 trillion by 2060, or around 46% of GDP.

None of this should imply that financial security is universal among the 50-plus population. Significant disparities persist. Older white and Asian Americans are more likely to report stable financial circumstances, according to AARP research, with only around 20% facing financial strain or difficulty meeting expenses compared with roughly a third of Black and Hispanic adults.[32] Wealth-building tools and assets that can be passed across generations are similarly uneven. Trust ownership and estate planning, which help households preserve and transfer wealth across generations, are far more common among higher-income households and among white and Asian Americans than among Black and Hispanic households.

For businesses, the opportunity lies in recognizing both the scale and diversity of this market. Tiered offerings, including affordable financial tools, flexible insurance products and lower-cost digital services such as bill optimization or smart budgeting apps, will be essential to meet the needs of households with differing levels of liquidity and risk tolerance.

31. Cerulli Anticipates $124 Trillion in Wealth Will Transfer Through 2048. Cerulli. December 2024. https://www.cerulli.com/press-releases/cerulli-anticipates-124-trillion-in-wealth-will-transfer-through-2048
32. Families, Culture and Money: How Adults Age 50-Plus Navigate Money Matters Within Families and Across Generations. AARP. October 2025. https://www.aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/culture-and-money-matters/

How the 50-plus economy sustains jobs across sectors

Adults age 50 and over are driving job creation in critical sectors like health care and financial services.

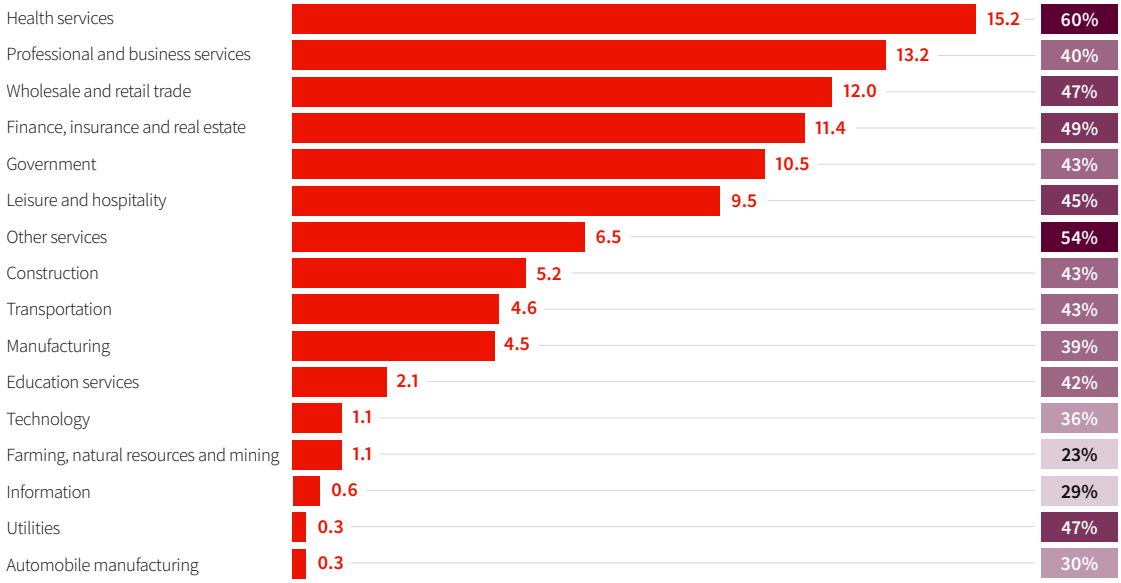
The economic influence of the 50-plus population is particularly visible in employment—not simply in the jobs older adults hold, but in the jobs their economic activity sustains. In 2024 activity generated by adults age 50 and over—through their work, consumption, business ownership and tax contributions—supported roughly 98 million jobs across all ages and sectors, or around 46% of total U.S. employment.

The 50-plus population's influence on jobs spans across industries, especially service-oriented sectors, which are heavily supported by local consumers. Health care stands out in particular. In 2024, economic activity of adults age 50 and over helped support roughly 15.2 million jobs in health services, up from 13.2 million in 2018, accounting for around 60% of total employment in the sector.

Beyond health, the influence of people 50-plus extends to professional and business services, where total jobs sustained by 50-plus economic activity rose from 11.7 million in 2018 to 13.2 million in 2024, equal to 40% of the sector's jobs. A similar increase is evident in finance, insurance and real estate, where the impact on jobs increased from 9.6 million to 11.4 million, which is nearly half of the sector (49%).

Unlike discretionary consumer spending, outlays by people 50-plus for health services tend to be less sensitive to economic cycles, providing a stabilizing source of demand.[33] At the same time, aging populations are reshaping long-term demand for financial planning, retirement products and advisory services, drawing labor into these sectors and changing the mix of jobs being created, even during periods of economic volatility.[34]

Figure 6:
The 50-plus population's activities supported 98 million jobs in 2024 across all ages and sectors, or 46% of U.S. employment
50-plus impact on U.S. jobs, by industry (2024)
(Millions and % of sector)



Sources: Economist Enterprise, REMI

33. Is Healthcare Employment Resilient and "Recession Proof"? Dillender, Marcus et al. Inquiry. 2021. doi:10.1177/00469580211060260
34. The looming advisor shortage in US wealth management. McKinsey & Company. February 2025. https://www.mckinsey.com/industries/financial-services/our-insights/the-looming-advisor-shortage-in-us-wealth-management

A fiscal stabilizer and major source of tax revenue

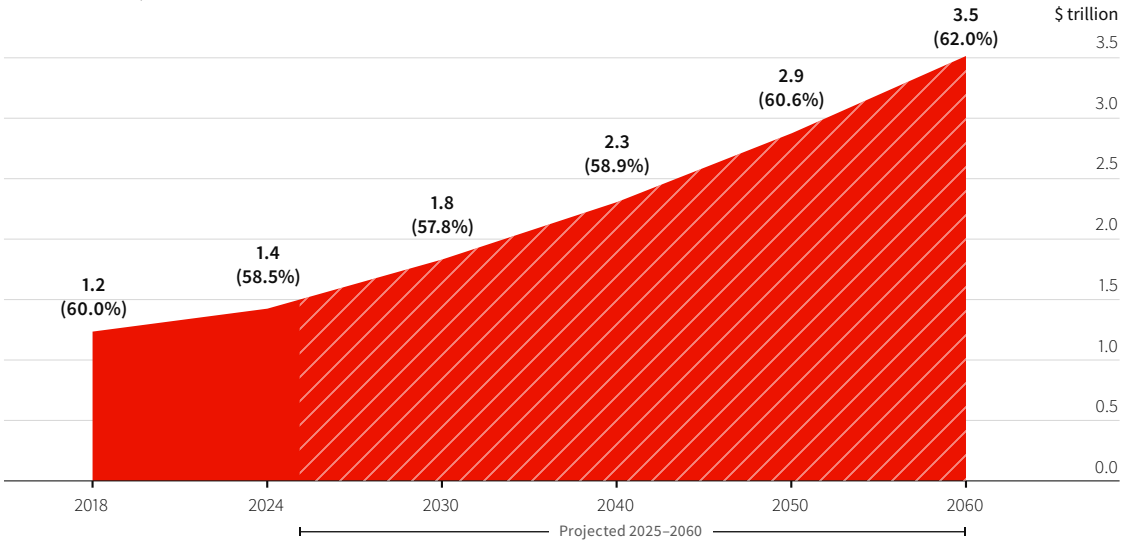
Fiscal revenues increasingly rest on older taxpayers, though this contribution is not evenly distributed.

America's public finances rely heavily on the taxes paid by older adults. In 2024 people age 50 and over paid $1.4 trillion in federal income taxes–nearly 60% of the total–despite making up just 45% of the working-age population. However, this contribution is highly concentrated among higher-income households, reflecting the unequal distribution of income and wealth within the 50-plus population.

Their tax contribution is projected to rise to $3.5 trillion by 2060, or roughly 62% of federal income-tax receipts (see figure 7). Far from being a fiscal drain, older adults are a major source of government revenue, supporting public services used by all generations.

This reality sits uneasily with narratives about generational hoarding or older adults as a burden on the state.[35] Such framings tend to focus narrowly on age-based entitlements while overlooking the full economic picture. Older adults continue to work, spend, pay taxes and support family networks, which is helping to sustain the economy even as population growth slows. Aging is not costless, and its uneven effects across people and regions should not be ignored. But the U.S. economy–including its fiscal stability–is increasingly tied to the activity of people well beyond midlife.

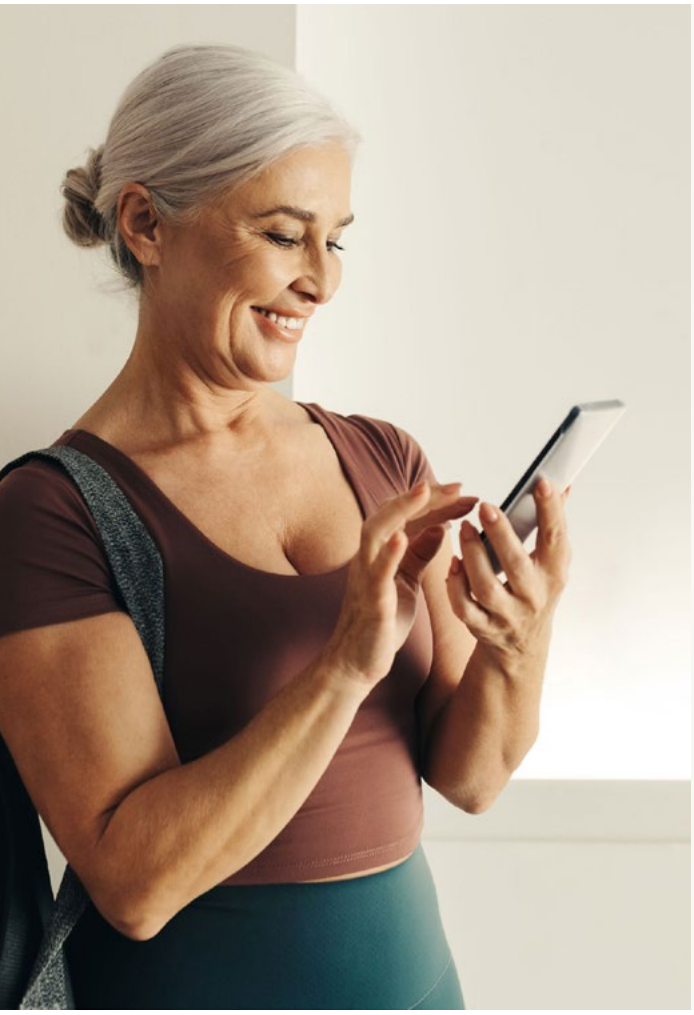
Figure 7:
Older adults directly account for nearly 60% of federal income tax receipts
Federal income taxes paid by the 50-plus population
($ trillion in 2024 prices and % of total)



Source: Economist Enterprise calculations based on data from The Economist Intelligence Unit, REMI, BLS, Internal Revenue Service (IRS), Congressional Budget Office (CBO) and Bureau of Economic Analysis (BEA)

35. Optimizing aging: A call for a new narrative. Diehl, Manfred et al. The American psychologist. 2020. doi:10.1037/amp0000598

4. Consumer spending: how patterns are shifting and what it signals for future demand



Key highlights

- Households headed by someone 50-plus spent $10.7 trillion in 2024. Their share of U.S. consumption has hovered around 56% even as their share of the population has increased, reflecting a compositional shift toward consumers 65 and older.
- After 2030 the share of spending by 50-plus households is projected to accelerate, reaching 61% by 2060, or a total of $22 trillion.

Key spending categories

- **Health** spending accounts for 33% of household consumption among those 75-plus. Total U.S. health expenditures are set to double by 2060.
- **Housing** is still the second-largest part of household budgets (24% for those 65-plus) and is set to remain so amid rising demand for "aging in place".
- **Leisure** spending is making a comeback, especially among households in the 75-plus cohort, which spent 50% more than they did in 2018.
- **Tech** spending among 50-plus households is rising faster than any other major category. Since 2018 their total purchases of communications and electronics grew 62%.

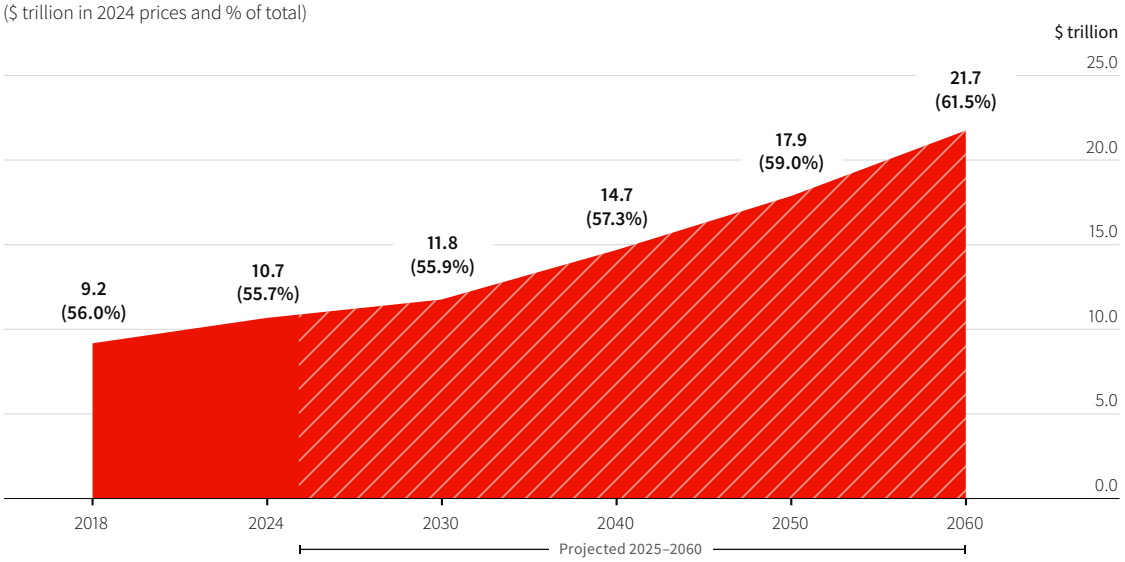
A steady trend, with rapid expansion to come

Older households still do most of the spending in America, largely because of the cohort's sheer size. But the trajectory of that spending is changing.

The total consumption of 50-plus households is where their economic impact is most tangible. In 2024 households headed by someone age 50 or over accounted for 54% of all U.S. consumer households and were responsible for nearly 56 cents of every dollar spent, or $10.7 trillion altogether. They remain the single largest force in the American consumption engine, and their outlays are projected to keep rising, reaching nearly $22 trillion a year by 2060. At that point it will represent over 61% of total consumption.

Despite an expansion in 50-plus households since 2018, their share of overall consumption has remained broadly stable at around 56%. This is because a greater share of the group is now older and spends less, while fewer are between the ages of 50 and 64, when spending is usually higher and households are larger, thus offsetting the effects of population growth. But after 2030, the share of consumer spending by 50-plus households is expected to jump sharply (see figure 8), driven by both the sheer number of older households and the incoming millennial cohort.

Figure 8:
Older households drive the majority of consumer spending in the U.S., accounting for 56 cents of every dollar spent in 2024
50-plus household consumer spending
($ trillion in 2024 prices and % of total)

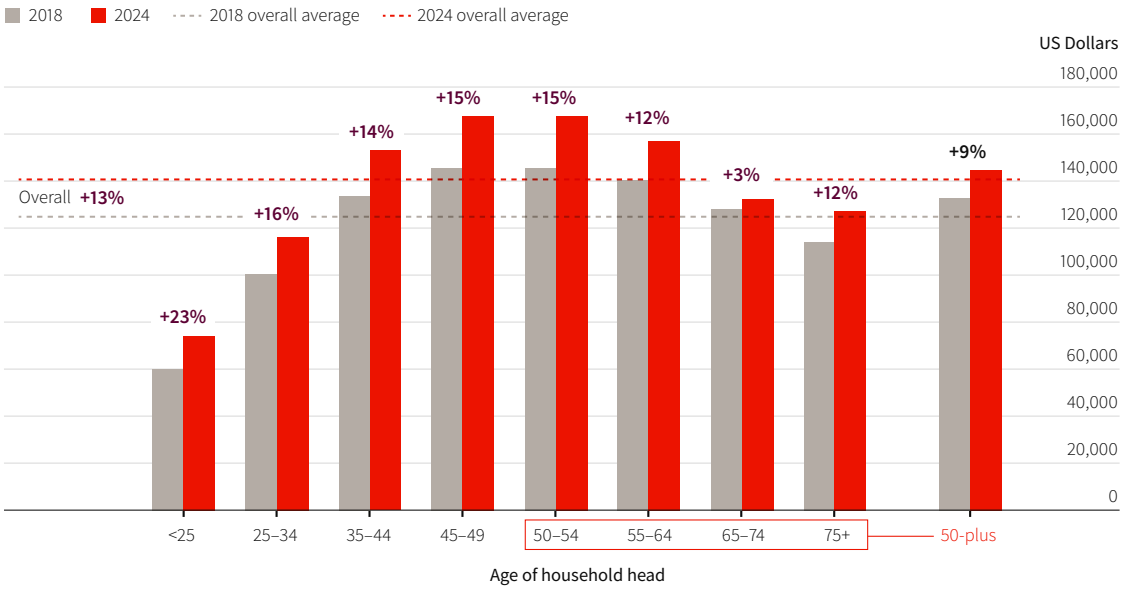


Note: consumer expenditures are recorded at the household level, reflecting the age of the household head.
Source: Economist Enterprise calculations based on data from REMI, BEA, BLS, Harvard Joint Center for Housing Studies (Harvard JCHS) and US Census Bureau

At the individual household level, the most rapid increase in average spending has come from households headed by someone under 50; within the 50-plus group the strongest momentum sits at its younger edge (see figure 9). Those age 50-54 are spending at all-time highs, reflecting a mix of factors that keep consumption elevated, including continued labor-force participation, high household earnings and ongoing commitments such as mortgages and family support. For some households this growth is manageable, but for others the cost of necessities during this demanding life stage often outstrips their means.

Among both the youngest and oldest households, propensity to spend is clearly lower (see figure 9). However, spending growth since 2018 for those 75-plus has nearly kept pace with the U.S. average. The 75-plus cohort already makes up nearly 12% of households and is projected to reach almost a fifth (19%) by 2060. For businesses and policymakers, understanding the distinct needs and spending patterns among older adults will become increasingly central to corporate and economic strategy.

Figure 9:
Since 2018 average consumption among 50-plus households grew 9%, trailing the 13% average
Average consumption per household
($ in 2024 prices)



Note: consumption figures reflect direct household spending, third-party payments (such as insurance) and imputed values for non-market items such as the rental value of owner-occupied homes.

Source: Economist Enterprise calculations based on data from REMI, BEA, BLS, Harvard JCHS and US Census Bureau

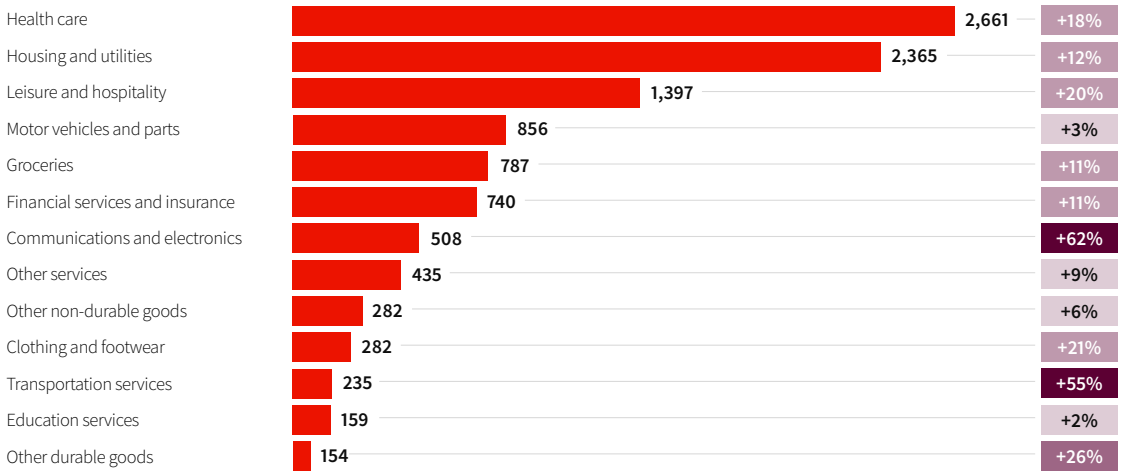
The shape of spending

Rising costs, longer working lives and more uncertain income streams are changing how people work and how—and why—they spend.

As people confront the economics of living longer, spending tilts toward health care, home adaptations, assistive technologies and services that preserve independence.[36,37,38] This shift is already visible in aggregate spending patterns (see figure 10), where health care, housing and leisure dominate outlays by people 50-plus and where tech spending is climbing rapidly.

But funding what may be 15 to 20 years in retirement (or more for some) requires more careful planning, as savings must stretch further over an increasingly uncertain lifespan. The adjustment begins well before retirement. The decades meant to build wealth have grown more financially crowded, now coinciding with higher housing costs, rising childcare and health care expenses, and later family formation.[39] First-time homebuyers are older than ever.[40] Major financial milestones arrive later than for previous generations, and often with heavier debt burdens, as households take on larger mortgages while still carrying student loan balances into midlife.

Figure 10:
Health care, housing and leisure accounted for 60% of spending by 50-plus households in 2024
50-plus household spending in 2024, by category
($ billion and inflation-adjusted growth since 2018)



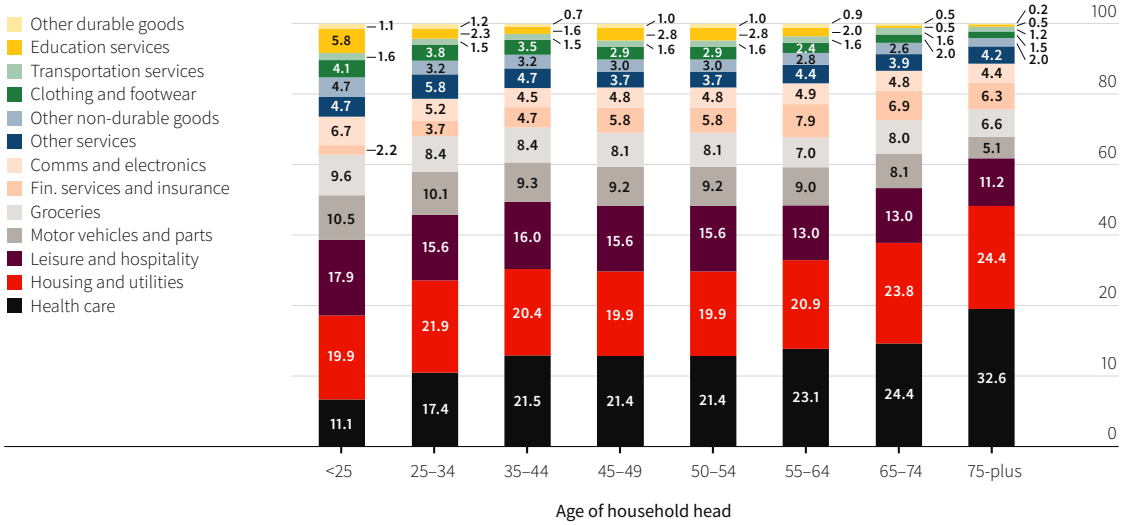
Note: consumption figures reflect direct household spending, third-party payments (such as insurance) and imputed values for non-market items such as the rental value of owner-occupied homes.
Source: Economist Enterprise calculations based on data from REMI, BEA, BLS, Harvard JCHS and US Census Bureau

36. Medical spending of the US Elderly. De Nardi, et al. Fiscal Studies. 2016. https://pmc.ncbi.nlm.nih.gov/articles/PMC6680320/
37. Aging in Place With Assistive Tech Survey. U.S. News & World Report. 2025. https://www.usnews.com/360-reviews/services/senior-tech-aging-in-place-survey
38. Some older Americans splurge to keep homes accessible while others struggle to make safety upgrades. AP News. 2024. https://apnews.com/article/aging-retrofit-housing-accessibility-home-depot-lowes-a40df169bc69fe94d163ecc76c0801ad
39. The Rising Age of Motherhood in the United States. CDC. June 2025. https://blogs.cdc.gov/nchs/2025/06/13/7780/
40. First-Time Home Buyer Share Falls to Historic Low of 21%, Median Age Rises to 40. National Association of Realtors. November 2025. https://www.nar.realtor/newsroom/first-time-home-buyer-share-falls-to-historic-low-of-21-median-age-rises-to-40

At the same time, many find themselves part of the so-called sandwich generation, supporting both children and aging parents. As childcare costs extend further into midlife and more adults care for older relatives, income is often redirected away from saving. More than six in ten workers (62%) said in 2025 that caring for and supporting family members financially has hurt their ability to save.[41]

More broadly, these financial dynamics are already apparent in how spending evolves with age (see figure 11). Even within segments of the 50-plus population, spending shifts decisively toward health care at older ages, while younger cohorts allocate more to housing, transport and discretionary categories.

Figure 11:
Consumption profiles differ by age, with health care accounting for a much larger share among the oldest households
Breakdown by category and age cohort
(Percentage of total household consumption)



Note: consumption figures reflect direct household spending, third-party payments (such as insurance) and imputed values for non-market items such as the rental value of owner-occupied homes.

Source: Economist Enterprise calculations based on data from REMI, BEA, BLS, Harvard JCHS and US Census Bureau

41. New Economics of Retirement. Goldman Sachs. October 2025. https://am.gs.com/cms-assets/gsam-app/documents/insights/en/2025/am-retirement-survey-102025.pdf

The medical economy

Health care underpins long-term growth in the 50-plus economy, with spending increasingly concentrated among those age 75 and over. For this group, medical needs shape everyday consumption in ways unmatched by any younger cohort.

Households headed by someone 50 and over spent $2.7 trillion on health care in 2024 (see figure 10), which is projected to more than double by 2060. These households also account for a disproportionate share of health care spending relative to their population size. As a result, they drive sustained demand for medical care, long-term services and therapy services.[42]

Among those age 75 and over, health care now accounts for 33% of household consumption (see figure 11), down noticeably from 38% in 2018 but still far above other age groups. As more of the population ages into the 75-plus bracket, health care's share of overall consumption will continue to rise even if per-person costs stabilize.

At the same time, health care is increasingly shifting toward a more home-centered model. Older adults overwhelmingly prefer to age in place rather than enter institutional care, which is reshaping U.S. spending patterns. Demand is moving toward outpatient services, home-based care and continuous monitoring.[43] Longer lifespans are also increasing the prevalence of chronic conditions, which require ongoing management rather than episodic intervention.[44] This shift is redirecting demand beyond insurers and hospitals, stimulating adjacent industries such as telehealth platforms, in-home care services and mobility aids.[45,46,47]

The financial implications of this shift are striking. Outlays by 50-plus households on therapeutic appliances and home-health tools are projected to triple by 2060. Spending on paramedical services, such as physiotherapy and home health clinical care, is expected to double over the same period (growing by 127%). By contrast, expenditure on nursing homes is forecast to grow by just 29% over the next 35 years. Taken together, these trends point to resources being directed away from institutional care toward home-based services and technologies.

At the same time, the cost of long-term services and support remains a major constraint. Private-pay care is unaffordable for many households, with affordability worsening in recent years, particularly for home- and community-based services. The tension between rising demand and limited affordability will shape how care is delivered and who can access it.[48]

42. Employment projections – 2024-2034. U.S. Census Bureau. August 2025. https://www.bls.gov/news.release/pdf/ecopro.pdf
43. From facility to home: How healthcare could shift by 2025. McKinsey & Company. February 2022. https://www.mckinsey.com/industries/healthcare/our-insights/from-facility-to-home-how-healthcare-could-shift-by-2025#/
44. Aging, longevity, and healthy aging: the public health approach. Gianfredi, Vincenza et al. Aging Clinical and Experimental Research. April 2025. doi:10.1007/s40520-025-03021-8
45. Trends in utilization of remote monitoring in the United States. Joo, Joseph H et al. Health Affairs Scholar. June 2025. doi:10.1093/haschl/qxaf115
46. From facility to home: How healthcare could shift by 2025. McKinsey & Company. February 2022. https://www.mckinsey.com/industries/healthcare/our-insights/from-facility-to-home-how-healthcare-could-shift-by-2025#/
47. Housing America's Older Adults. Joint Center for Housing Studies of Harvard University. 2023. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Housing_Americas_Older_Adults_2023_Revised_040424.pdf
48. Long-Term Services and Supports Are Becoming Even More Unaffordable for Middle-Class Americans. AARP Public Policy Institute. March 2026. https://www.aarp.org/content/dam/aarp/ppi/topics/ltss/ltss-becoming-more-unaffordable.doi.10.26419-2fppi.00400.001.pdf

Housing as longevity infrastructure

Housing and utilities are among the largest drivers of household consumption, second only to health care. They account for more than a fifth of spending across age groups, but the burden rises to roughly 24% for households 65 and over.

As homes age alongside their occupants, property taxes, maintenance costs, utilities bills and homeowners' insurance persist and often increase. Housing pressures also vary sharply by cohort.

Since 2018, housing expenditures have risen fastest for the oldest and youngest households, up 12% for those 75-plus and 15% for households under 25, compared with just 7% growth overall. Although homeownership peaks after 65, older households are not always insulated from rental pressure, with the majority of older renters experiencing cost burdens.[49] The number of renters age 65 and over increased by 2.4 million between 2013 and 2023—the fastest growth of any age group—which was due to downsizing, relocation or moving closer to family or care services.[50]

Rising housing costs are pushing some older adults toward cheaper areas with more limited access to healthcare, transport, fresh food and social infrastructure. This trade-off can complicate aging in place by increasing reliance on cars, raising indirect costs and making caregiving more difficult to organize and sustain. The most livable neighborhoods—those with close access to services and opportunities for social engagement—support healthier, more independent lives.

Yet access to local environments that support longevity remains uneven. Tenure, income, health status and race can influence who ends up where, and disparities persist even within high-livability areas.[51] People of color, those with disabilities and lower-income households still face barriers to fully accessing these communities' opportunities.

49. One in Three Older Households Is Cost Burdened. Harvard University Joint Center for Housing Studies. August 2025. https://www.jchs.harvard.edu/blog/one-three-older-households-cost-burdened
50. U.S. Seniors Rent Like Never Before: 65+ Age Group Up 2.4 Million Renters in a Decade. Apartment Owners Association. August 2025. https://aoausa.com/u-s-seniors-rent-like-never-before-65-age-group-up-2-4-million-renters-in-a-decade-by-alexandra-ciuntu/
51. Which older adults have access to America's most livable neighborhoods? An analysis of AARP's Livability Index. AARP. October 2020. https://www.aarp.org/pri/topics/livable-communities/which-older-adults-have-access-to-americas-most-livable-neighborhoods/

The suitability of housing itself is also a growing constraint, especially given widespread preferences to age in place. Many households are investing in home modifications to support independence, from accessibility retrofits, such as stairlifts and walk-in tubs, to safety upgrades. Homes are also becoming digitally mediated environments, incorporating a variety of assistive technologies. Around half of older households use at least one form of smart-home technology.[52]

As housing needs evolve, the market is responding and expanding rapidly. For instance, emergency-response systems, fall-detection devices and motion sensors now allow residents to monitor activity and summon help quickly. The need is substantial: more than half of adults age 80 and over report at least one limitation affecting mobility, vision, hearing, cognition or independent living.[53] As these smart-home tools evolve, they have the potential to contribute to an ecosystem that supports regular health monitoring, social connection and daily assistance within the home.

52. 2026 Tech Trends and Adults 50-Plus. AARP. December 2025. https://www.aarp.org/pri/topics/technology/internet-media-devices/2026-technology-trends-older-adults/
53. Housing America's Older Adults. Joint Center for Housing Studies of Harvard University. 2023. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Housing_Americas_Older_Adults_2023_Revised_040424.pdf

Technology-enabled longevity

Technology is increasingly becoming the connective tissue linking housing and health care. Older adults are accelerating into the digital economy, with spending on communications and electronics rising faster among the 50-plus than in any other major consumption category.

Since 2018 spending on communications and electronics among households headed by someone age 50 and over has risen by 62%, the fastest growth across major categories (see figure 10). While still a modest slice of total budgets, this growth signals a meaningful shift in behavior, exceeding what would be expected solely from younger generations entering the 50-plus cohort.

Adoption rates are also rising rapidly, as older adults integrate technology more deeply into everyday life. Smartphone ownership among adults 50-plus climbed from 55% in 2016 to 90% in 2025.[54] Those in their 70s are narrowing the gap with younger cohorts, even surpassing those age 50-69 in tablet ownership. Usage patterns are pragmatic, with shopping platforms, online banking, fitness tracking and telehealth dominating.

This growth in demand has helped give rise to AgeTech, a fast-growing category of solutions designed to meet the needs of older consumers, spanning innovations that support not only independence, but also broader health, wellness and prevention across the life course.[55]

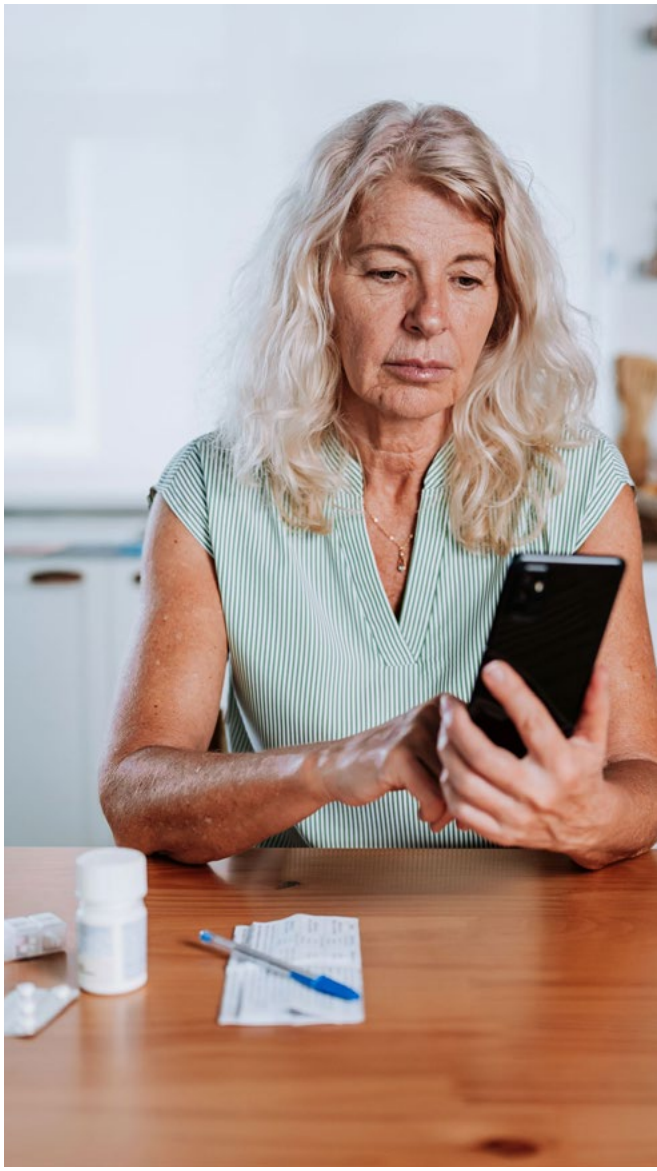
Venture capital and corporate investment are gradually responding to this signal. Companies are developing a range of consumer tools, such as wearable devices and remote-monitoring platforms that track vital signs, nutrition, sleep patterns and physical activity in real time, enabling earlier intervention and more personalized care.[56] AI-enabled assistants are also being developed that prompt users about medication, help maintain daily routines, and offer conversation and digital assistance.[57]

54. 2026 Tech Trends and Adults 50-Plus. AARP. December 2025. https://www.aarp.org/pri/topics/technology/internet-media-devices/2026-technology-trends-older-adults/
55. Innovation to make aging easier for everyone. The AgeTech Collaborative from AARP. https://agetechcollaborative.org/
56. Adding years to life and life to years. McKinsey Health Institute. March 2022. https://www.mckinsey.com/mhi/our-insights/adding-years-to-life-and-life-to-years#/
57. To Stay in Her Home, She Let In an A.I. Robot. New York Times. February 2026. https://www.nytimes.com/2026/02/12/us/elliq-ai-robot-senior-companion.html?unlocked_article_code=1.LlA.epJJ.5mFlAojejYDH&smid=url-share

However, while these innovations hold significant promise, they also carry potential risks. For instance, an error in medication alerts could have serious health repercussions, which is why it is vital to ensure strong safeguards, oversight and avenues for redress when these tools are used. Many of these technologies are still nascent and should not replace clinicians but rather help extend medical labor. Human involvement, especially in consequential decisions, remains critical to reducing risks and avoiding poor outcomes.

Alongside these innovations, consumer spending is rising rapidly. Households age 50 and over spent $508 billion on communications and electronics in 2024, a figure projected to reach $632 billion in 2030 and $1.6 trillion in 2060. Even so, the market remains underdeveloped relative to the scale of demographic change, in part due to persistent age bias in design and development. Older adults are often underrepresented in datasets, overlooked in product testing or treated as an afterthought in design, leading to tools that are less usable or effective.[58]

Digital participation also remains uneven. Although device ownership has surged, engagement still reflects long-standing divides in income, education and broadband access, leaving lower-income and rural older adults less able to benefit from digital and AI-enabled services that promise greater independence and quality of life.



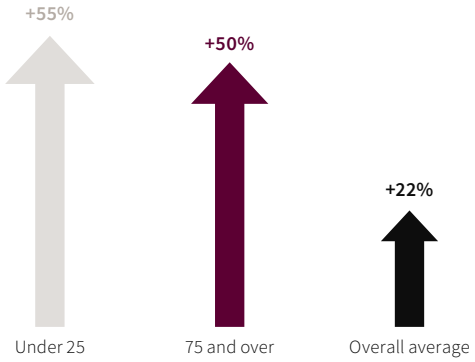
58. Ageism in artificial intelligence for health. World Health Organization. February 2022. https://www.who.int/publications/i/item/9789240040793

Late-life leisure, growing in scale and scope

Leisure is staging a brisk comeback, powered not only by the young but also by older cohorts, especially those age 75 and over, whose spending is rising fastest of all.

After the pandemic slump, spending on leisure and hospitality has rebounded across generations. In particular, inflation-adjusted spending by households age 75 and over has risen by 50% on average since 2018, which is much faster than the overall average (22%) and second only to the increase among households under 25 (55%).

Inflation-adjusted spending on leisure and hospitality by households since 2018 has rebounded



Leisure remains the third-largest spending category for all ages, though older households still allocate a smaller share than younger ones. But research suggests the surge among adults 75-plus has staying power. Accumulated wealth, paid-off homes and reduced work-related expenses free resources for travel, dining, cultural activities and recreational goods. A recent survey shows adults over 50 planning to spend more on trips,[59] as travel becomes increasingly associated with healthy aging and overall well-being.[60] For many, the imperative is to travel while health permits.

Yet here too averages hide important financial differences across individuals within the cohort. The fast growth rates in the travel and leisure sector may reflect, to some degree, a wealthier subset of older households rather than a universal shift. Some may even be pent-up demand from households who had to cut back in the wake of the pandemic.

59. 2024 Travel Trends: Despite High Costs and Travel Challenges, Older Travelers' Plans Hold Steady. AARP. February 2024. https://www.aarp.org/pri/topics/social-leisure/travel/2024-travel-trends/
60. Leveraging Travel as a Catalyst for Healthy Longevity. Global Coalition on Aging, Transamerica Institute. March 2025. https://www.transamericainstitute.org/docs/research/aging-longevity/travel-catalyst-for-healthy-longevity-roundtable-report-2025.pdf

5. Unpaid contributions: economic value beyond the market

Key highlights

- Adults 50-plus provided the equivalent of $1.2 trillion in unpaid care and volunteering in 2024.
- Households headed by someone 50-plus gave $111 billion in 2024, accounting for 70% of all charitable donations in the U.S.
- College students receive significant direct support from households age 50 and over, who contributed $13.1 billion in 2024, around 72% of all such support.

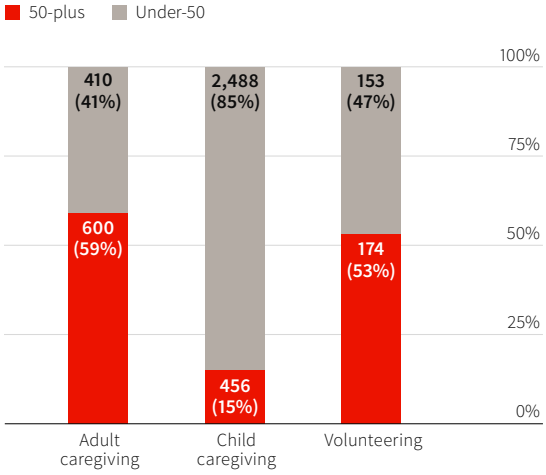
The unpaid economy

Some of the most essential economic activity never appears in GDP. Older adults sustain much of the social infrastructure that the U.S. economy depends on.

Beyond wages and output lies a quieter but substantial layer of economic activity. Adults age 50 and over provide vast amounts of unpaid labor through caregiving and volunteering by supporting children, older relatives, community organizations and local services. These activities rarely appear in national accounts, yet they underpin households and public systems alike.

Valued at the market rate for equivalent services, this unpaid work amounted to roughly $1.2 trillion in 2024 (see figure 12). On its own, that contribution would rival the economic output of Illinois ($1.1 trillion), Pennsylvania ($1.0 trillion) or Ohio ($923 billion), placing it comfortably among the country's five biggest state economies.[61]

Figure 12:
Adults 50-plus provided the equivalent of $1.2 trillion in unpaid care and volunteering in 2024
Value of unpaid activities, 2024
($ billion)



Sources: adult caregiving estimates are from AARP's Valuing the Invaluable 2026; child caregiving and volunteering estimates are Economist Enterprise calculations based on data from the American Time Use Survey (IPUMS dataset) and BLS

The 50-plus population spent more than 29 billion hours providing care to adults in 2024—roughly 2.4 hours per day for each caregiver—equivalent to $600 billion in unpaid support. In total, the entire value of unpaid adult caregiving in the U.S., including from caregivers under age 50, surpassed $1 trillion in 2024.[62]

In addition to caring for adults, people age 50-plus spent a similar amount of time engaged in unpaid child care—more than 28 billion hours in 2024—valued at $456 billion. They also contributed over 6 billion hours of volunteering, equivalent to $174 billion in service provided.[63]

Such efforts often substitute for services that would otherwise fall to overstretched health and long-term care systems, childcare providers or public budgets. Older adults supply not only time but also experience and social capital by organizing community groups and caring for relatives and friends whose needs fall outside paid care systems. As longevity increases, this unpaid infrastructure is likely to grow in importance. The economic story of aging, therefore, is not confined to GDP or labor-force participation. It also includes the understated and indispensable contributions that sustain families, communities and the broader economy.

61. SAGDP1 State annual gross domestic product (GDP) summary. U.S. Bureau of Economic Analysis. 2024. https://apps.bea.gov/itable/index.html?appid=70&stepnum=40&Major_Area=3&State=0&Area=XX&TableId=531&Statistic=3&Year=2024&YearBegin=-1&Year_End=-1&Unit_Of_Measure=Levels&Rank=1&Drill=1&nRange=5
62. Adult caregiving estimates from: Valuing the Invaluable 2026. AARP Public Policy Institute. March 2026. https://www.aarp.org/content/dam/aarp/ppi/topics/ltss/family-caregiving/valuing-the-invaluable-2026-family-caregivers-contribution-reaches-1-trillion.doi.10.26419-2fppi.00402.001.pdf
63. Child caregiving and volunteering estimates from Economist Enterprise, based on data from the American Time Use Survey (IPUMS dataset) and U.S. Bureau of Labor Statistics

Giving in later life

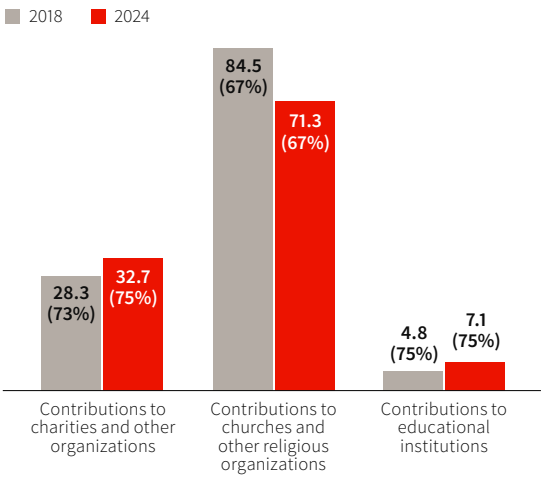
Adults age 50 and over are the backbone of charitable giving. While patterns of giving have shifted in recent years, Americans' overall commitment to philanthropy remains strong.

Households in the 50-plus cohort contributed $111 billion in 2024, accounting for 70% of all charitable donations by U.S. households. Their philanthropy supports a wide array of institutions, from local community organizations and food banks to universities, hospital and cultural bodies, providing a steady flow of private funding that complements public spending.

However, the pattern of giving is evolving. Since 2018 there has been a notable shift in the composition of donations, with religious giving declining sharply across age groups. At the same time, contributions to other causes such as charities, educational institutions and community organizations have increased modestly.

A 2024 study by Giving USA also reports lagging religious giving in recent years, with rates peaking in 2016 but declining in five of the seven years since. It was the *only* measured area where giving in 2023 had fallen below its pre-pandemic 2019 level (adjusted for inflation).[64]

Figure 13:
Households in the 50-plus cohort gave $111 billion in 2024, 70% of all charitable giving
Total 50-plus charitable giving in the U.S., by type
($ billion in 2024 prices and 50-plus share of all household giving)

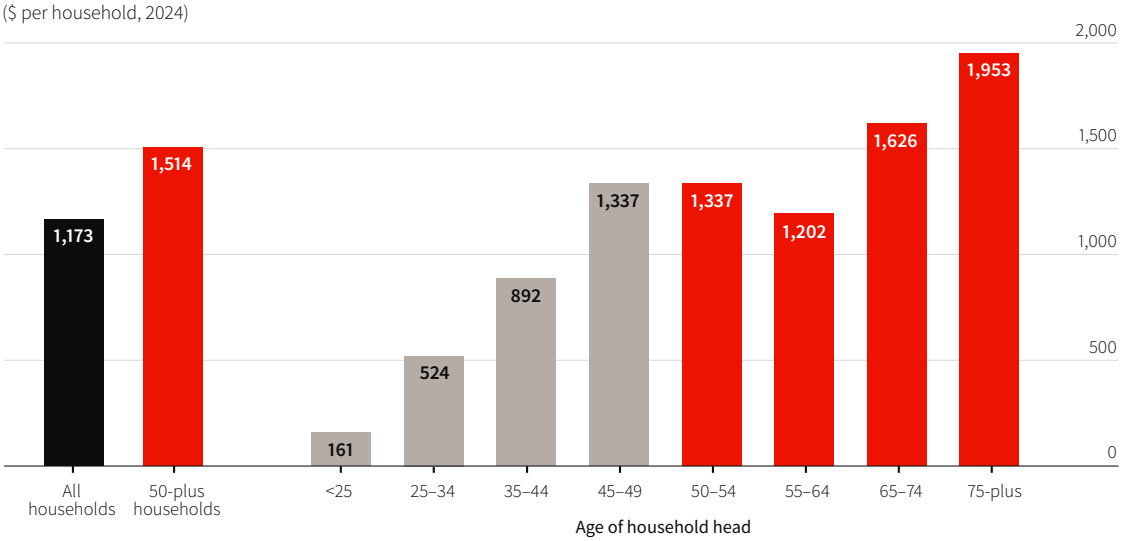


Source: Economist Enterprise calculations based on data from BLS and REMI

64. Giving USA 2024: The impact on Religion. Lake Institute on Faith & Giving. 2024. https://lakeinstitute.org/resource-library/insights/june-2-2024/

At the household level, average charitable contributions have edged down slightly since 2018, from $1,702 per household to $1,514. This trend is observed across most age groups, but it is most pronounced among households age 55-64, where rates fell more than twice as much. For many in this bracket, finances are under growing strain as households juggle competing demands, such as preparing for retirement, supporting children through higher education and, increasingly, caring for aging parents. Such pressures can encourage more selective giving.

Figure 14:
Older households tend to give most generously to charitable organizations
Average charitable contributions (including to charities, churches, education)
($ per household, 2024)



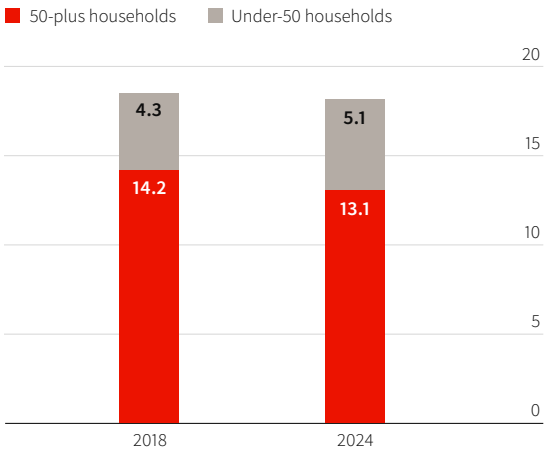
Source: Economist Enterprise calculations based on data from BLS and REMI

Paying it forward: financing younger cohorts

Intergenerational giving helps smooth education costs for millions of college students.

Many 50-plus adults continue to provide financial support to younger family members, helping to smooth the costs of education and early career transitions. College financing is a clear example. In 2024 householders age 50 and over contributed $13.1 billion directly to college students, accounting for around 72% of all such support (see figure 15). These transfers, often from parents or grandparents, help offset rising tuition costs and living expenses that younger households struggle to meet on their own, highlighting the intergenerational nature of older adults' impact.

Figure 15
Households in the 50-plus cohort gave $13.1 billion to college students in 2024
Total financial support for college students
($ billion in 2024 prices)



Source: Economist Enterprise calculations based on data from BLS and REMI

In addition to making formal transfers, older adults also frequently provide indirect financial support for students and young adults below age 26 by including them as dependents on family health insurance plans. Among young adults (18-25) on employer-sponsored insurance, about 72% are covered as dependents (mostly on a parent's plan).[65] After this option was instituted in 2010, the uninsured rate among 19-25-year-olds fell from 31.5% (2009) to 13.1% (2023), equating to 5.6 million fewer uninsured.[66]

65. Dependent Coverage for Young Adults in Employer-Sponsored Health Plans. KFF. October 2024. https://www.kff.org/private-insurance/dependent-coverage-for-young-adults-in-employer-sponsored-health-plans
66. Health Insurance Coverage and Access to Care Among Young Adults, Ages 19-25. ASPE Office of Health Policy. October 2024. https://aspe.hhs.gov/sites/default/files/documents/6a90b238fdf6fe7e24ee880d5c024fc9/Health%20Insurance%20Coverage%20and%20Access%20to%20Care%20Among%20Young%20Adults%2C%20Ages.pdf

6. State-level variation: how aging is shaping each economy differently

Key highlights

- In 29 states the population is older than the U.S. average (36.3% of people over age 50). By 2060 all states but Alaska will surpass that point.
- States with the youngest but fastest-aging populations (such as Utah, Texas, Idaho, Colorado and Arizona) will face compressed transition periods, with less time to adjust their labor markets, public finances and services to an older population.
- Population flows are affecting each state's experience with aging, ranging from Idaho's large net inflow of older adults—especially retirees—to Washington DC's large exodus.
- These differences are not just demographic; they also determine how much economic value states could realize from longevity.

Note: key findings for all U.S. states and major territories are available in separate fact sheets.

The tempo of change: when fast-aging brings compressed transitions

The pace of aging may matter more than the state's current age. Demographically younger states, where aging will accelerate over a shorter window, face a steeper adjustment curve.

In the 13 states with the youngest populations, under 35% of residents are age 50 or over (see figure 16). Yet many will age rapidly over the next 35 years. Utah's 50-plus share, for example, is projected to rise by more than 13 percentage points by 2060, and Texas's will rise by nearly nine, compared with just five nationwide. Idaho, Colorado and Georgia, still relatively young today, are on track for similarly pronounced shifts.

Median age is therefore a poor guide to future pressures. The real risk is sharp change in the median age, as many states may have to absorb decades of adjustments in public and financial institutions and labor markets within a single generation unless they make early preparations.

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Figure 16:
Twenty-nine states have older populations than the U.S. average today. By 2060 all states but Alaska will surpass that point.
Share of the population over age 50 in 2024

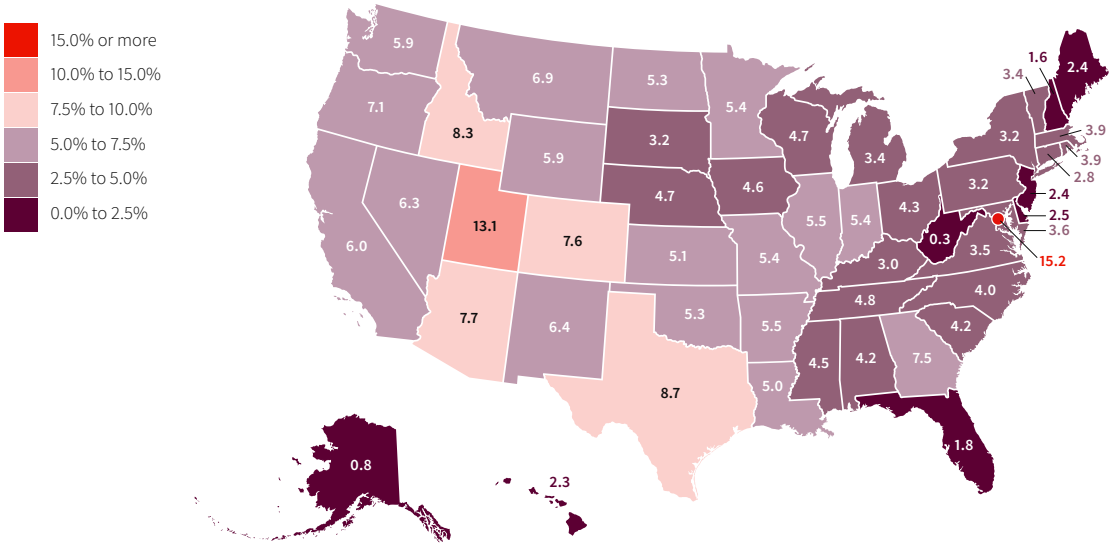
	Significantly younger	Younger	Near average	Older	Significantly older
Share over age 50:	<33%	33% to 35.3%	35.3% to 37.3% (US = 36.3%)	37.3% to 40%	>40%
	26.6 Utah	33.6 Colorado	35.4 Indiana	37.7 New Mexico	40.6 Delaware
	27.1 Dist. of Columbia	33.8 Oklahoma	35.4 Louisiana	37.7 Ohio	40.7 Florida
	30.7 Texas	34.2 Georgia	35.5 South Dakota	37.8 New Jersey	41.2 West Virginia
	31.5 Alaska	34.2 Idaho	35.9 Arkansas	37.9 Oregon	42.3 Vermont
	32.9 North Dakota	34.2 Nebraska	36.1 Mississippi	38.0 Montana	42.5 New Hampshire
		34.7 Washington	36.2 Virginia	38.1 Massachusetts	43.7 Maine
		34.8 California	36.2 Tennessee	38.3 New York	
		34.9 Kansas	36.3 Minnesota	38.3 South Carolina	
			36.3 **US AVERAGE**	38.6 Wisconsin	
			36.3 Nevada	38.9 Michigan	
			36.5 Iowa	39.0 Rhode Island	
			36.6 Illinois	39.3 Hawaii	
			36.6 North Carolina	39.3 Connecticut	
			36.7 Maryland	39.6 Pennsylvania	
			36.8 Kentucky		
			36.8 Wyoming		
			36.9 Missouri		
			37.0 Arizona		
			37.3 Alabama		

Source: Economist Enterprise calculations based on data from REMI

Without adequate planning, rapid aging can amplify the economic strain across entire state economies. Regions experiencing fast demographic shifts without commensurate increases in labor force participation among older workers face sharper productivity slowdowns, according to the OECD.[67] Participation gains at older ages help, but they are unlikely to offset the wave of retirements as large cohorts exit the workforce.

In fast-aging states, that imbalance may bite sooner. Employers compete for scarcer talent, wage pressures rise and labor shortages intensify in already constrained sectors. The fiscal effects will vary. States heavily reliant on income taxes may see slower revenue growth if labor-force expansion stalls, while states dependent on property or sales taxes may fare better, provided older households remain confident spenders. A youthful population today can therefore mask the scale of the transition already embedded in the demographic pipeline.

Figure 17:
States are aging at different rates, with many in the west expected to see the highest 50-plus growth
Percentage point change in the 50-plus population share expected by 2060



Sources: Economist Enterprise calculations based on data from REMI

67. OECD Employment Outlook 2025: Can We Get Through the Demographic Crunch? OECD. 2025. https://doi.org/10.1787/194a947b-en.

At the opposite end are states where the demographic shift has already occurred. In several of America's demographically oldest states, where more than 40% of the population is 50-plus, the share will rise only marginally over the next 35 years. This is a function of their existing age structure and the balance of births, deaths and population flows.[68]

In West Virginia, where more than 40% of residents are age 50 and over, further expansion of this cohort will be minimal. Even Florida, a long-popular destination for retirement, will age only modestly further since it simultaneously gains many young people from domestic and international sources.[69, 70] New Hampshire and Maine, the oldest states demographically, are projected to see the 50-plus share rise by only 1.6 and 2.4 percentage points, respectively.

These states have, in effect, already absorbed the demographic shift. The task ahead is less about sudden adjustment than it is about managing the fiscal and economic realities of an older society. The sharper pressures lie elsewhere across the country. By 2030 roughly 28 states are projected to resemble Florida and Maine today, with at least one in five residents age 65 or over (up from 11 in 2024).

That said, a rising median age does not automatically spell labor scarcity. Several states with older age profiles, such as Vermont, Wisconsin and New Hampshire, have some of the nation's strongest labor force participation rates among people 65-plus. This supports a more gradual adjustment in their labor markets. At the same time, a younger population does not automatically imply economic growth. What matters is not just who lives in a state, but who works, who spends and which sectors depend on them.

What matters is not just who lives in a state, but who works, who spends and which sectors depend on them.

68. States with high median ages may not be as uniformly old as you think. U.S. Census Bureau. https://www.census.gov/library/stories/2025/06/young-old-counties.html
69. Latest IRS Data Shows It's Not Just Retirees Moving to Florida. NTUF. June 2025. https://www.ntu.org/foundation/detail/latest-irs-data-shows-its-not-just-retirees-moving-to-florida
70. Net International Migration Down in Every State and Most Counties. U.S. Census Bureau. March 2026. https://www.census.gov/library/stories/2026/03/net-international-migration.html

Not just 50-plus headcount: why economic outcomes differ across states

The footprint of older adults is large almost everywhere. But the amount each state benefits from the 50-plus population depends on wealth, work and industry mix, not simply demographics.

How demographically old a state is does not neatly predict how strongly aging shapes its economic outcomes. Two states can share similar median ages yet experience divergent effects on growth, labor supply and public finances.

Even in some demographically younger states, older residents remain an economic backbone. Utah, for instance, has the highest share of children in the country with more than a quarter of its residents under 18. Only about 27% are 50 or older, compared with roughly 44% in Maine. Yet Utah's 50-plus cohort generates well over two-fifths of state GDP and nearly half of consumer spending.

The pattern recurs in Alaska and Georgia, where the 50-plus population represents roughly a third of residents but contributes a markedly larger slice of GDP (43% and 44%, respectively; see figure 18). The reasons for this vary but include factors such as work, wealth and industry mix. In these states, for instance, the 50-plus cohort makes up more of the labor force than might be expected given the state's age profile. Older adults also often hold a disproportionate share of income and assets, spending relatively more on health care, housing and financial services, which can amplify their economic impact.

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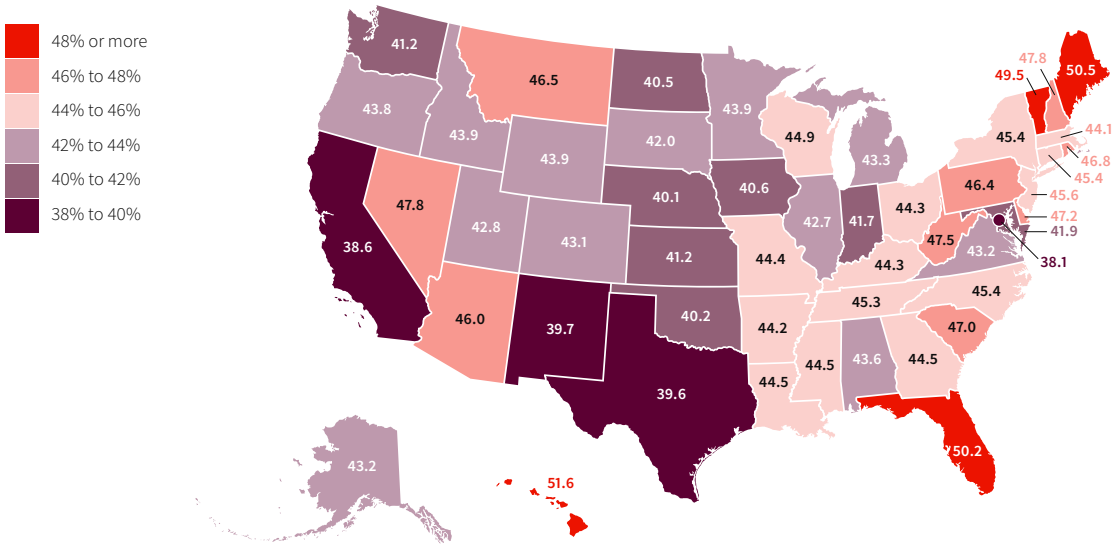
Figure 18:
The economic impact of older adults ranges from 38% of GDP in Washington DC to 52% in Hawaii
Contribution of the 50-plus population to GDP in 2024
(% of state GDP)



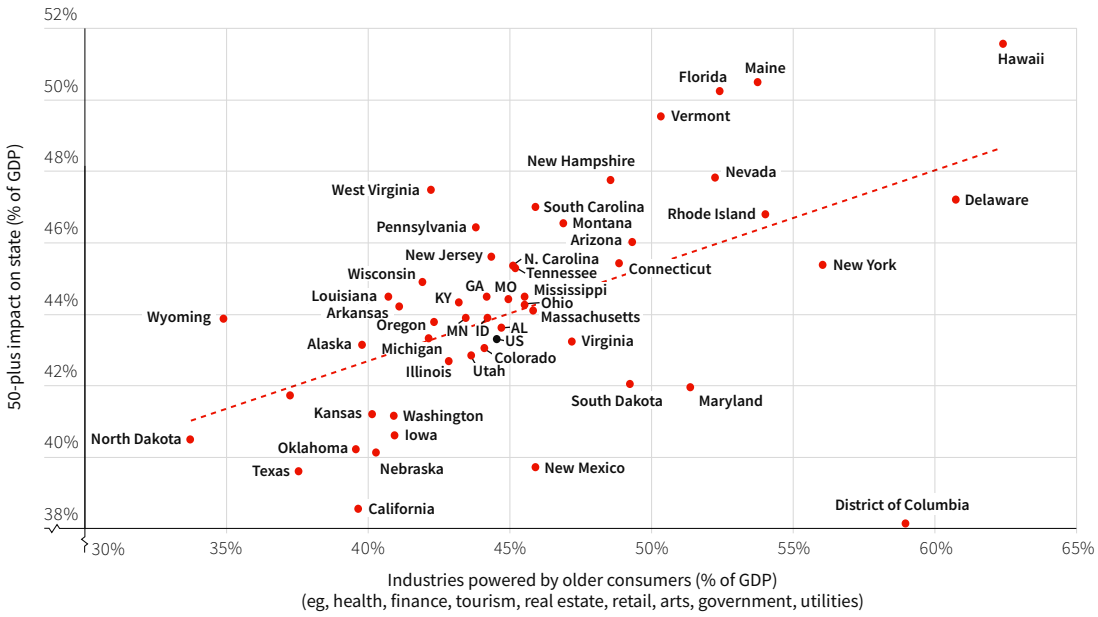
Sources: Economist Enterprise, REMI

Industry mix is a key factor determining how strongly aging translates into economic activity. States with economies concentrated in health care, real estate, financial services, tourism and other locally supplied services tend to see a stronger 50-plus imprint on GDP (see figure 19), reflecting the spending patterns of older households.

Florida and Hawaii illustrate the dynamic. Both combine sizable older populations with service-heavy economies centered on real estate, health care, travel and leisure, along with notable federal spending. Retirement income, housing wealth and tax contributions feed quickly into local output, lifting the 50-plus share of GDP.

In smaller New England states such as Maine and Vermont, sectors powered by older consumers likewise account for a significant share of activity. But in larger, more diversified economies, the impact of aging is less dominant. Texas, for example, has an economy shaped significantly by energy, advanced manufacturing and trade, while California combines technology, entertainment and global commerce alongside services. In these states, aging remains important, but it is one force among many shaping economic outcomes.

Figure 19:
States with service-heavy economies tend to see a higher impact from the 50-plus population
Industry mix vs 50-plus impact in 2024



Note: for visibility, full axes are not shown
Sources: Economist Enterprise, REMI

Population flows: the reshuffling of economic geography

Older adults often move between states. Differences in 50-plus population flows help explain why state outcomes diverge over time.

Relocation decisions are driven more by housing costs, job opportunities and quality-of-life than by state tax differences alone, a pattern evident in where older adults are moving.[71] Lower-cost, high-amenity states such as Florida, Texas and Arizona continue to attract the largest net inflows of older adults in 2024, while higher-cost states such as California and New York record the largest net outflows.

Measured per 1,000 residents age 50 and over (see figure 20), population flow patterns in 2024 reveal a more nuanced picture. Adjusting for population size helps identify where demographic change is most rapid or more moderate.

Population flow patterns underscore how aging and demographic change can reshape economic trajectories. Outcomes ultimately depend on how effectively states manage these shifts and integrate older populations into work, consumption and local economies.

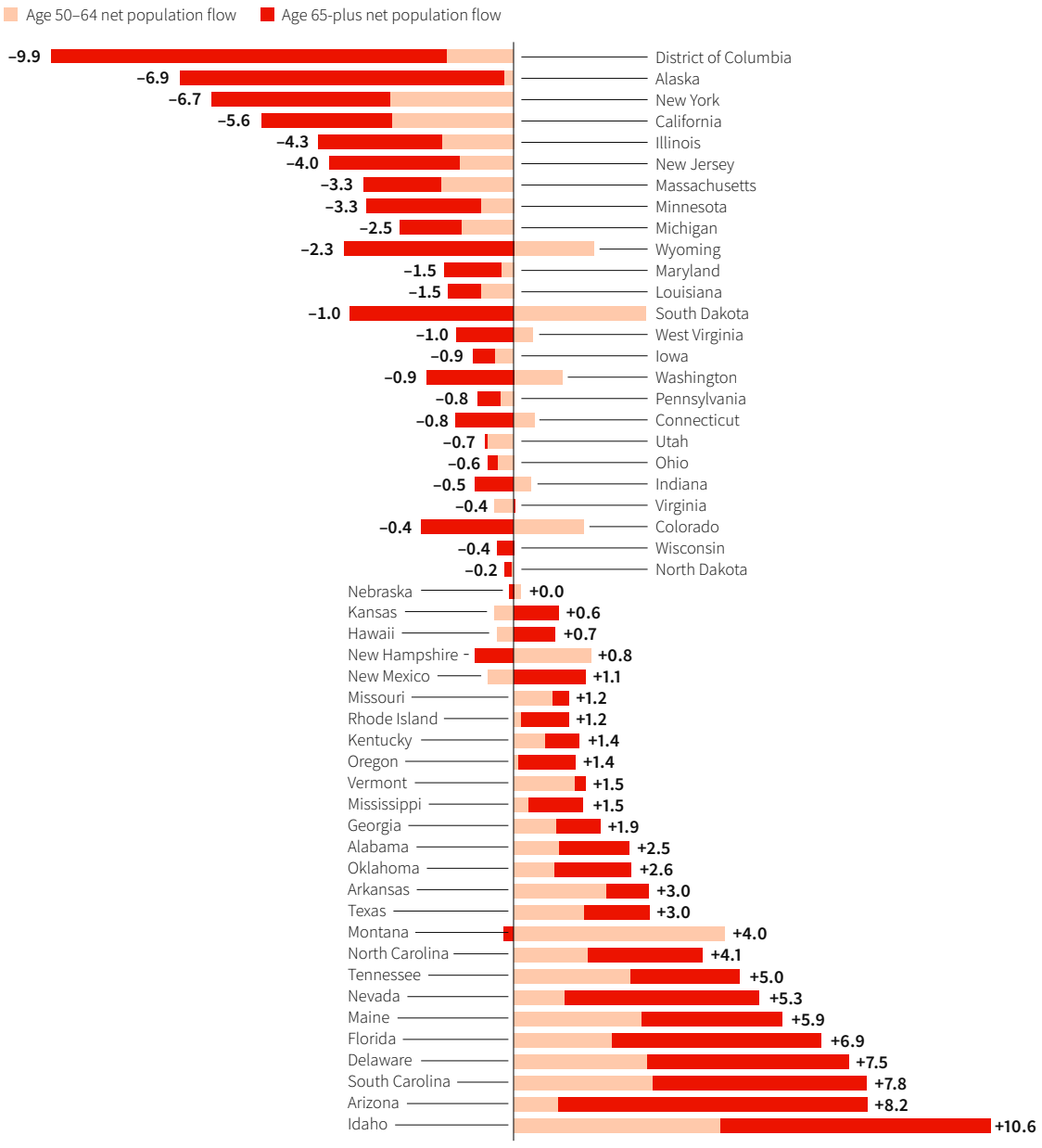
Idaho posts the largest net gains per capita, with more older adults moving in than out (a gain of roughly 11 per 1,000 50-plus residents). Arizona also records some of the country's strongest net gains, especially among retirees age 65 and over, followed closely by South Carolina and Delaware. Meanwhile, Montana stands out for its nation-leading net gains among the 50-64 cohort. States attracting working 50-64-year-olds benefit not only from consumption but also from labor supply and income-tax receipts. For states like Colorado and Washington, attracting more working-age adults in their 50s can help stabilize the labor force and counterbalance exits from retirees.

At the opposite end, the District of Columbia shows the largest per-capita losses of 50-plus residents. Alaska, New York, California and Illinois also experience notable outflows. In New York, California and Illinois, those outflows span both pre-retirement (50-64) and retirement cohorts (65-plus). The departure of 50-64-year-olds can be particularly consequential, as the loss of experienced workers affects income-tax revenues and erodes institutional knowledge in key sectors.

The implications for state economies can be significant. Population flow patterns underscore how aging and demographic change can reshape economic trajectories. Outcomes ultimately depend on how effectively states manage these shifts and integrate older populations into work, consumption and local economies.

71. State Taxes Have a Minimal Impact on People's Interstate Moves. Center on Budget and Policy Priorities. August 2023. https://www.cbpp.org/research/state-budget-and-tax/state-taxes-have-a-minimal-impact-on-peoples-interstate-moves

Figure 20:
In per-capita terms, Washington DC lost the most 50-plus residents in 2024, while Idaho gained the most
Net population flows (individuals per 1000 residents) in 2024



Note: The labeled value reflects the **overall net change per 1,000 residents age 50 and over**, which is a **weighted average**, not the sum of the two bars.
Sources: Economist Enterprise calculations based on data from REMI

7. Conclusion: the strategic shift

A longevity-powered future will reward those already building for it

The 50-plus population is already a central feature of the U.S. economy. The question is no longer whether this shift is underway, but whether businesses, policymakers and nonprofits will adapt fast enough to harness its economic potential.

A society built for longevity is not a distant prospect. Across housing, technology and labor markets, early movers are beginning to design for longer lives, from deploying assistive technologies in the home to backing AgeTech ventures and rethinking workforce models to retain experienced staff. Capital is starting to follow, with specialist investment funds targeting longevity-linked sectors from digital health to accessible housing. But these efforts remain fragmented. To convert momentum into durable growth, policymakers and businesses will need to move from pockets of innovation to coordinated, system-wide redesign.

Make longer working lives productive, not precarious.

Employers and policymakers should treat workers over 50 as core to the labor supply, particularly as more adults remain employed well into their 60s and 70s. Workplaces should be organized to enhance their value alongside younger cohorts. A small but growing set of co-generational employers is already testing what works, pursuing mixed-age teams, mentoring exchanges that pair experience with digital fluency and offering phased retirement models that retain expertise while creating entry points for younger workers.[72] These models need to scale. Age-friendly hiring practices, flexible schedules and targeted training will help ensure the higher participation of skilled and experienced workers. Improving the retention of older workers will result in a workforce that combines experience and adaptability, easing labor shortages rather than relying solely on younger cohorts.

72. Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer. OECD. 2020. https://www.aarpinternational.org/file%20library/llel/oecd_promoting-an-age-inclusive-workforce.pdf
See also recommendations at the Living, Learning and Earning Longer (LLEL) collaborative between AARP, OECD and WEF.

Turn housing into infrastructure for longevity.

Most people 50-plus say they want to age in place,[73] yet much of the housing stock was designed for younger households and car-dependent lifestyles.[74, 75] Governments, developers and insurers should treat age-ready housing as a supply problem, not a niche preference. Innovation is emerging, including retrofitting services, modular accessibility upgrades and insurance products that incentivize resilience, but availability remains limited. Zoning reform to enable accessible downsizing, financing for retrofits and clearer building standards will be needed to shift the market from bespoke solutions to broad-based provision.

Capture the longevity premium by innovating around frictions.

Aging societies can benefit from novel products and services, including remote care platforms, mobility aids, AI-enabled assistants and in-home robotics. Innovation is accelerating, but much of it still reflects assumptions about older users rather than their lived realities. Poor interface design, limited interoperability and a failure to account for cognitive, sensory and financial constraints continue to limit adoption. Firms that co-design with older cohorts are likely to see better uptake in their products. Distribution is also shifting, with adjacent sectors from insurance to real estate acting as gateways for technology adoption. Deliberate intervention is needed to ensure age-tech benefits low-income, rural households. Closing this gap may require additional investment in digital literacy and connectivity.

Shift capital toward the business of living longer.

Financial markets are beginning to reflect the economic potential of longevity, offering investors diversified exposure across sectors from health care to consumer goods.[76] Yet a large share of capital still flows toward life-extension science rather than improving how it is lived, with investment remaining skewed toward biotech and therapeutics.[77] This leaves everyday needs, including housing, care delivery and financial resilience, comparatively undercapitalized. This could be addressed by rebalancing investments toward scalable, consumer-facing solutions reflecting longer lifespans.

73. Building for the Future: Creating Homes and Communities for Aging Well. AARP. December 2024. https://www.aarp.org/pri/topics/livable-communities/housing/2024-home-community-preferences/?CMP=RDRCT-PRI-HOMFAM
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77. Biotech Stocks and Longevity Investing: Trends to Track. The Motley Fool. March 2026. https://www.fool.com/research/biotech-stocks-longevity-investing/

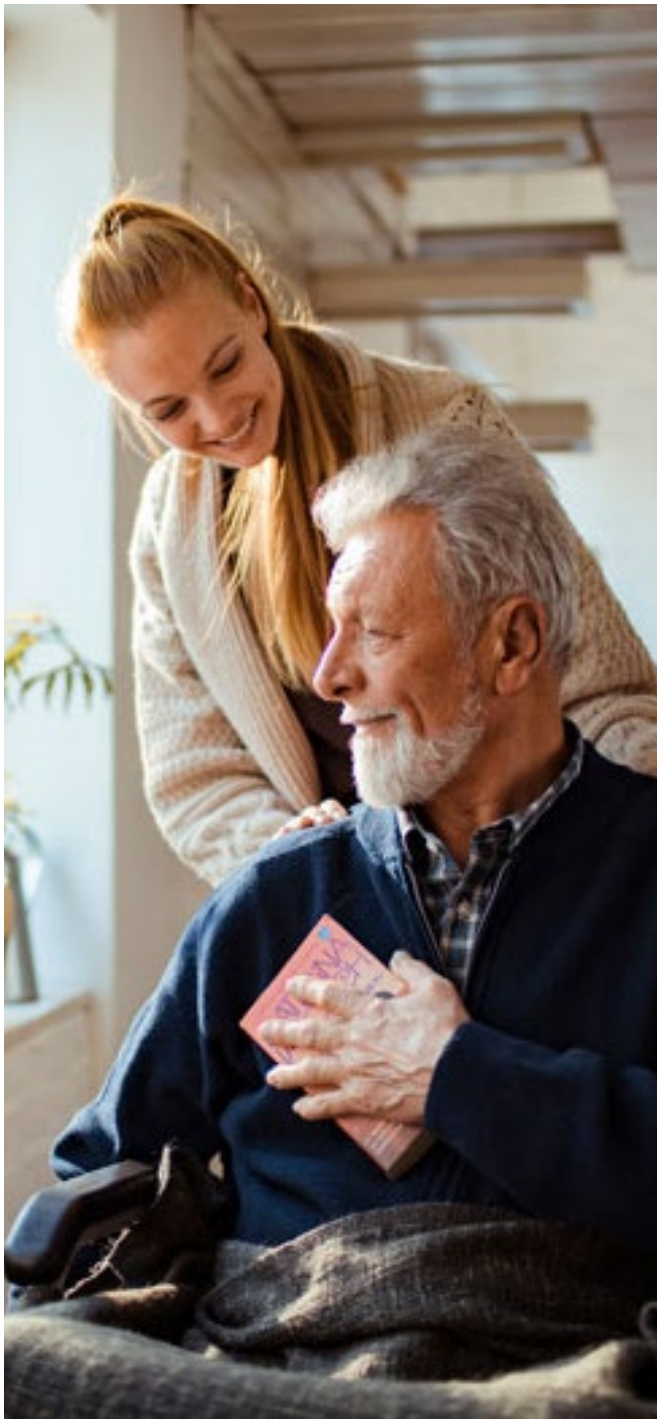
Recognize charitable and unpaid contributions as economic infrastructure, incentivizing them accordingly.

A large share of value created by older households through volunteering, charitable giving and intergenerational financial support, remains invisible in GDP, despite underpinning social stability and mobility. Policymakers should measure and integrate these contributions into economic planning, reinforcing them through targeted policies that incentivize giving and volunteering and sustain older households' financial capacity to contribute. Treating these flows as peripheral may risk underinvesting in one of the economy's most reliable support systems.

Build a functioning care economy rather than relying solely on unpaid family caregivers.

The scale of unpaid care provided by older adults, across both elder- and childcare, underscores how heavily the system already depends on this invisible workforce. Policymakers need to treat caregiving as essential infrastructure, expanding access to affordable care while supporting unpaid caregivers through measures such as tax credits and paid leave. Employers also have a role in embedding flexibility into workforce design to accommodate workers balancing jobs with care responsibilities.

Looking ahead, the prize will not simply be managing aging, but harnessing it, creating an economy where longer lives expand productive capacity, deepen consumer markets and strengthen intergenerational resilience. Those that act early will not just adapt to aging; they will grow because of it.



Appendix

Note on the methodology

Economist Enterprise carried out the research, analysis and development of this report. The methodology primarily utilized the REMI PI+ model (from Regional Economic Models Inc.), a dynamic model of the U.S. economy incorporating computable general equilibrium components and forecasting capabilities across 50 states and the District of Columbia.

The modeling methodology relied on a series of input elements, which took into account preferences by segments of the 50-plus population for, among other things, consumption and labor supply. Once inputted, these effects created demand for industries, increasing output and generating jobs.

To fully incorporate the impact of the economic activities of the 50-plus population on federal government spending, additional tax data were collected from various government sources including the Congressional Budget Office and the Internal Revenue Service. These were used to calculate an effective tax rate for each of the seven types of federal taxes. The results were then applied to scale up federal government spending to fully capture the federal tax revenue generated by the economic activities of the 50-plus cohort.

A linked satellite model was also developed to forecast the spending of households by age cohort across the U.S., incorporating data from REMI, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the US Census and the Harvard Joint Center for Housing Studies.

In estimating the unpaid contributions of the 50-plus population, two primary methodologies were used. The first methodology was developed as part of AARP's Valuing the Invaluable 2026 study, which measured adult caregiving in the U.S. and relied primarily on AARP survey data. The second methodology was developed by Economist Enterprise to measure child care and volunteering in the U.S. and relied primarily on American Time Use Survey data from the Integrated Public Use Microdata Series. Comparable wage rates were selected for each activity in the analysis in order to ascertain the implied value of each hour spent.

To ensure accurate comparisons of the 50-plus population's impact over time, Economist Enterprise developed revised estimates for 2018 based on the latest available data and models. As a result, figures published in previous editions may not be directly comparable with those presented here.

Key findings and methodology details for all U.S. states and major territories are available in separate fact sheets.

Consumption spending components

1. Health care
- **a. Health insurance**
  - Net health insurance
- **b. Medical services**
  - Dental services
  - Non-dental services
  - Physician services
  - Paramedical services
  - Hospitals
- **c. Nursing homes**
- **d. Pharmaceutical and other medical products**
  - Pharmaceutical and other medical products
  - Therapeutic appliances and equipment

2. Housing and utilities
- **a. Rent/mortgage**
  - Rental of tenant-occupied nonfarm housing
  - Imputed rental of owner-occupied nonfarm housing
  - Rental value of farm dwellings
  - Group housing
- **b. Utilities**
  - Fuel oil and other fuels
  - Water supply and sanitation
  - Electricity
  - Natural gas
- **c. Furnishings and maintenance**
  - Furniture and furnishings
  - Household appliances
  - Glassware, tableware and household utensils
  - Tools and equipment for house and garden
  - Household maintenance

3. Leisure and hospitality
- **a. Restaurants**
  - Purchased meals and beverages
- **b. Accommodation**
  - Accommodations
- **c. Recreation and entertainment**
  - Sporting equipment, supplies, guns and ammunition
  - Sports and recreational vehicles
  - Musical instruments
  - Books, educational and recreational
  - Magazines, newspapers and stationery
  - Membership clubs, sports centers, parks, theaters and museums
  - Recreational items
  - Other recreational services
  - Gambling
- **d. Net foreign travel expenditures**

4. Motor vehicles and parts
- **a. New motor vehicles**
- **b. Net purchases of used motor vehicles**
- **c. Parts and maintenance**
  - Motor vehicle parts and accessories
  - Motor vehicle maintenance and repair
- **d. Services and insurance**
  - Other motor vehicle services
  - Net motor vehicle and other transportation insurance
- **e. Motor vehicle fuels, lubricants and fluids**

5. Groceries
- **a. Food and nonalcoholic beverages purchased for off-premises consumption**
- **b. Alcoholic beverages purchased for off-premises consumption**

6. Financial services and insurance
- **a. Financial services**
  - Financial services furnished without payment
  - Financial service charges, fees and commissions
- **b. Insurance**
  - Life insurance
  - Net household insurance

7. Communications and electronics
- **a. Hardware**
  - Video, audio, photographic and information processing equipment and media
  - Telephone and facsimile equipment
- **b. Services**
  - Telecommunication services
  - Internet access
  - Audio-video, photographic, and information processing equipment services

8. Other services
- **a. Professional and other services**
- **b. Personal care and clothing services**
- **c. Social services and religious activities**
- **d. Postal and delivery services**

9. Other non-durable goods
- **a. Food furnished to employees (including military)**
- **b. Household supplies**
- **c. Personal care products**
- **d. Tobacco**
- **e. Food produced and consumed on farms**
- **f. Net expenditures abroad by U.S. residents**

10. Clothing and footwear
- **a. Men's and boys' clothing**
- **b. Women's and girls' clothing**
- **c. Children's and infants' clothing**
- **d. Other clothing materials and footwear**

11. Transportation services
- **a. Ground transportation**
- **b. Air transportation**
- **c. Water transportation**

12. Education services
- **a. Higher education**
- **b. Nursery, elementary and secondary schools**
- **c. Commercial and vocational schools**

13. Other durable goods
- **a. Jewelry and watches**
- **b. Luggage and similar personal items**

Note: this analysis excludes final consumption expenditures of nonprofit institutions serving households, which is spending made by nonprofits on behalf of households.

Industry sector components

1. Farming, natural resources and mining
- Forestry and logging; fishing, hunting and trapping
- Support activities for agriculture and forestry
- Oil and gas extraction
- Mining (except oil and gas)
- Support activities for mining
- Farm

2. Utilities
- Utilities

3. Construction
- Construction

4. Manufacturing
- Wood product manufacturing
- Nonmetallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Electrical equipment, appliance and component manufacturing
- Other transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing
- Food manufacturing
- Beverage and tobacco product manufacturing
- Textile mills; textile product mills
- Apparel manufacturing; leather and allied product manufacturing
- Paper manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing

5. Automobile manufacturing
- Motor vehicles, bodies and trailers, and parts manufacturing

6. Wholesale and retail trade
- Wholesale trade
- Retail trade

7. Transportation
- Air transportation
- Rail transportation
- Water transportation
- Truck transportation
- Couriers and messengers
- Transit and ground passenger transportation
- Pipeline transportation
- Warehousing and storage

8. Information
- Publishing industries, except internet
- Motion picture and sound recording industries
- Broadcasting, except internet

9. Technology
- Computer and electronic product manufacturing
- Data processing, hosting and related services; Other information services
- Telecommunications

10. Finance, insurance and real estate
- Monetary authorities–central bank; credit intermediation and related activities
- Securities, commodity contracts and other investments; funds, trusts and other vehicles
- Insurance carriers and related activities
- Real estate
- Rental and leasing services; lessors of nonfinancial intangible assets

11. Professional and business services
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support services
- Waste management and remediation services

12. Education services
- Educational services; private

13. Health services
- Ambulatory health care services
- Hospitals; private
- Nursing and residential care facilities
- Social assistance

14. Leisure and hospitality
- Scenic and sightseeing transportation; support activities for transportation
- Performing arts, spectator sports and related industries
- Museums, historical sites and similar institutions
- Amusement, gambling and recreation industries
- Accommodation
- Food services and drinking places

15. Other services
- Repair and maintenance
- Personal and laundry services
- Religious, grantmaking, civic, professional and similar organizations
- Private households

16. Government
- State and local government
- Federal civilian
- Federal military

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https://doi.org/10.26419/int.00401.001