

Older generations to rescue the high street

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- “The Missing £Billions: The economic cost of failing to adapt our high street to respond to demographic change.” December 2016.
- **“Understanding Retirement Journeys: Expectations vs reality.”** November 2015.
- Future of ageing conference. November 2015
- **“Financial Wellbeing in Later Life. Evidence and policy.** March 2014

Key data sources:

Age UK
British Independent Retailers Association
British Retail Consortium
Communities & Local Government
Centre for Retail Research
Council of Shopping Centres
Department for Business Innovation & Skills
Department for Communities & Local Government
Friends of the Elderly
Innovate UK
Institute for Public Policy Research
Ipsos Retail Performance
Kings Fund
KPMG
NatCen - the English Longitudinal Study of Ageing (2014/15)
Office for National Statistics
The English Longitudinal Study of Ageing (ELSA),
The UK Household Longitudinal Study (UKHLS, now known as Understanding Society)
UK Data Service
World Health Organisation

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1. Foreword

In October 2016, Anchor **launched a media campaign titled 'Standing Up 4 Sitting Down'** which **identified the lack of seating in the high street** and called for more seats for use by older people.

The issue of seating symbolised the ways in which the needs of the elderly are disregarded and became a metaphor for the demand for positive changes in practices which would take account of the needs of the elderly.

The campaign aimed to provide MPs, planners, businesses and the public with a better understanding of the broader challenges older people face on the high street. **An integral component of the campaign was Anchor's commissioning of a report by ILC-UK "The Missing £Billions: The economic cost of failing to adapt our high street to respond to demographic change."** Dec 2016. It highlighted the cost to retailers of overlooking the needs of the elderly.

This report builds on the ILC-UK report. It widens the terms of reference and adds current and future perspectives. It is intended to be thought provoking and in that respect to motivate positive responses from the various stakeholders involved in determining the future of the high street.

2. Introduction

Over the past two decades, **Britain's high streets have been in decline as market forces and economic pressures have caused retailers to shut up shop. 'Business as usual' is no longer an option.** High street retailers are now facing a decade of creative destruction; a process through which innovation brings about the demise of whatever existed before. It will be those retailers who are able to reinvent their business who will survive and prosper.

The older generations will be an economic force to be reckoned with in shaping this reinvention. In the past, retailers have focused on meeting the needs of the younger market segments. However, we estimate that over the next ten years almost two-thirds of all retail spending growth will come from those aged over 55. They are going to drive retail with their considerable purchasing power, shopping behaviour and preferences as retailers respond positively to the demand for elderly friendly shopping environments.

In addition, it will be the older generations who are setting the agenda for the reinvention of the high street; an agenda which is premised on a community focused environment which integrates new shopping experiences with social interaction, housing, healthcare services, leisure activities and entertainment.

It will take concerted endeavour by all the stakeholders involved in the future of the high street for this agenda to be realised.

3. 2030 Snapshots

[] Between 2017 and 2030, the population aged 65+ will grow by 33 per cent, from 11.6 million to 15.4 million compared to an expansion of only 13% in the population as a whole.

[] **The next ten years will be marked by the “Baby Boomer” generation entering the 60+ age-group, with this segment growing by more than 30 per cent over the period 2017-30.**

[] In 2017, the estimated population, aged 60 – 79, in England’s nine regions is 10.2 million. By 2030, this population will increase by 23 per cent to 12.6 million.

[] **There will be a surge in the ‘oldest old’. People over the age of 85 are now the fastest growing demographic group in the UK. There are currently 1.5 million people over the age of 85; by 2030 this will have grown to over 3 million.**

[] An ageing society will drive significantly increased spending on health, long-term social care, the state pension and other old-age benefits. The Office for Budget Responsibility suggests this could increase annual spending by almost 2.5 per cent of GDP between 2019/20 and 2030.

[] In 2016, 16 per cent of men and 12 per cent of women were still in employment past retirement age. While official retirement ages will rise over the period to 2030, it is estimated that by 2030 the proportion of working retirees could at least double.

[] By 2030 11.3 million people are expected to be living on their own; more than 40 per cent of all households. 70 per cent of these are women. The number of people over 85 living on their own is expected to grow from 573, 000 to 1.4 million. If rates of loneliness among older people are not reduced, predicted demographic change alone will drive up the numbers of lonely older people in the UK by 45% by 2030.

[] At £320bn a year, the over-50s now account for around 47 per cent of all UK consumer spending. This spending is set to grow by 4.4 per cent per year. In 2030, it is estimated it will increase to £368bn. 40 per cent of this spend is likely to be online, leaving £220bn for high street retailers to win or lose.

[] In 2030, retailers who are not elderly friendly could be losing annual spending of between £0.58bn and £4.5bn.

[] In 2017, retailers in the English regions stand to win or lose a total £0.77bn from elderly consumers aged 60 - 79 years. By 2030, that grey spending power increases by 23 per cent to £0.95bn.

[] In the North of England alone there are four million people aged 50-74 with an annual purchasing power of £1.5 billion. By 2030, it is estimated this will exceed £2.5bn.

[] By 2030 the UK economy could be up to £55 billion smaller than it would have been without Brexit. In this '**pessimistic**' scenario, where trade costs increase significantly, households could be £1,700 worse off per year by 2030.

[] All British towns and cities would be negatively affected as a result of higher trade costs between the UK and EU. Economic output in cities (as measured by Gross Value Added, GVA) could be **1.2 per cent lower on average under a 'soft Brexit'** and **2.3 per cent lower under a 'hard Brexit'**.

[] By 2030 e-commerce will account for around 40 per cent of all UK retail sales; which suggests approximately half of **the UK's existing retailers** could shut up shop over the period 2020 and 2030 if they fail to reinvent themselves.

The successful retailers by 2030 will be those who have recognised that **'business as usual'** is no longer a viable strategy.



4. The current demise of the high street



The high street of today is unsustainable. If current trends continue, between 2020 and 2030 half of **the UK's existing shop premises will have** disappeared. 100,000 stores will close, leaving just 120,000 shops.

In 1950 there were 600,000 stores in the UK, in 2012 there were 290,000 and just 220,000 will survive by 2020. With home deliveries increasing exponentially, the decade from 2020 to 2030 will see a further 100,000 stores as e-commerce grows exponentially, leaving just 120,000 shops on our high street.

By 2030 e-commerce will account for around 40 per cent of all UK retail sales.

Supermarket's physical store sales will slump from 42 per cent to 24 per cent by 2030: and that's not enough to remain viable. Many well-known store brands will reach a tipping point, and will vanish from the high street.

There are currently 18,000 estate agents on UK high streets. By 2030 there may be none.

Online banking has caused the closure of more than one in four UK bank branches (26 per cent) in the past five years; over 4000 have closed in the past ten. Over the past twenty eight years, 10,000 branches, including building societies, have disappeared from the high street. As technology infiltrates every aspect of life, mass market retail banks will be largely invisible to consumers by 2030.

If the factors driving the decline of the high street are not addressed, town centres will become wastelands **and the forecasts of the 'death of the high street' will become a reality.**



5. The demise of the high street will exacerbate loneliness



The demise of the high street would have far reaching, adverse impacts on many aspects of social life. Human interaction through the high street is crucial to the sense of community and in this regard has an alleviating effect on loneliness among the elderly generations.

If rates of loneliness among older people are not reduced, predicted demographic change alone will drive up the numbers of lonely older people in the UK by 40 per cent by 2030.

Age is a very important predictor of loneliness. The total number of older people in the UK will grow by close to 50 per cent between 2017 and 2030; the older end (85 per cent) will see even higher rates of growth. This suggests that demographic change could cause a sharp increase in loneliness in the UK. Today, 1 in 5 people aged over 75 'often feel lonely'.

In the years to 2030, differences between the wealth levels of richer and poorer older people will grow ever greater. Poverty is a very important predictor of loneliness and poorer old people tend to be disadvantaged in multiple ways, having lower levels of mobility, less access to technology and leisure activity.

The 2020s is the decade when the UK will move into a new phase: sustained high rates of growth in numbers of people in their late 70s and older. This is the age group that is especially vulnerable to loneliness.

There are an estimated 1.2 million people in the UK who have "chronic" loneliness, with links to poorer physical and mental health and increased use of GPs, hospitals and social services.

The overall number of older people reporting loneliness (at least sometimes) in the UK will rise from around 5.25 million today to 7 million by 2030 (an increase of around 40 per cent). The numbers of older people reporting that they are often lonely will rise from 1.25 million today to 1.7 million by 2030.

Isolation

- 3.5 million people aged 65+ live alone.
- Over 2 million, or nearly half (49 per cent), of all people aged 75 and over live alone.
- 30 per cent of pensioners say they would like to go out more often given the opportunity.
- Nearly a quarter (24 per cent) of pensioners go out socially less than once a month.
- 41 per cent of people aged 65 and over in the UK feel out of touch with the pace of modern life and 12 per cent say they feel cut off from society.



The demise of the high street would mean that people in later life could become even more isolated. The impact of the loss of social contacts and sense of independence would be akin to a chronic, low-level bereavement.

In contrast, a reinvented, community focused, mixed generational high street environment could work to alleviate impacts of loneliness.

6. Lack of elderly friendly shops could be costing retailers billions

As people age, their mobility begins to suffer. In most cases, it is simply one of the facets of ageing. However, even minor difficulties can have an adverse effect on their lives. They may not be able to visit friends and find shopping for their groceries difficult.

The prevalence of disability rises with age. 45% of adults over State Pension age have some form of disability. More than 66 out of every 100 people aged 85 and over are disabled. The Department of Work and Pensions (DWP) forecasts a rise of 86 percent in the number of disabled people aged 65 years and above by 2030.



Disability is very different to other demographic characteristics in that it is much harder to define and measure in an objective way and there is no single agreed measure of disability. The DWP provides data for those claiming disability benefit **but this doesn't present the full story. Many data sources rely on an individual's self-perception of their disability through surveys.**

One such source is Euan's Guide - The Access Survey. In the most recent 2016 survey, it was reported that only 35% of survey respondents said they were generally satisfied with the level of accessibility provision they found at various venues.

The kinds of venues in which respondents felt they had good accessibility were hospitals and healthcare, public and council buildings, museums and art galleries, and cinemas and theatres. Contrastingly, pubs and bars, cafes, restaurants and shops were generally recorded as having poor accessibility. 77% of participants felt that pubs and bars were inaccessible, and 79% found that shops were difficult to access. 87% of respondents were concerned about getting into and around the shopping venue.

When accessibility is good, 96% of survey respondents reported they would be likely or very likely to return to the venue.

In their **report 'The Missing Billions'**, ICL-UK found that having mobility issues is associated with a severe drop in spending – minus 13.6% on eating out, 15.9% on clothing, 12% on leisure - regardless of income and other socio-demographic factors.



ICL-UK then estimated that if households aged over 50 with mobility issues were to spend as much on food, eating out, clothing and leisure, as people of the same age and with the same socio-economic characteristics but without a mobility issue, that could result in an increase in annual spending between £0.5 and £3.8 billion:

How much more overall spending per year could there be if people did not have a walking difficulty (or if the issue was taken care of)?

| 2016 | Lower Bound | Predicted additional spending | Upper Bound |
|-----------|-------------|-------------------------------|-------------|
| Age 50-54 | £63.9m | £230.3m | £568.4m |
| 55-59 | £80.9m | £248.8m | £656.1m |
| 60-64 | £87.7m | £239.3m | £660.6m |
| 65-69 | £97.8m | £267.1m | £740.8m |
| 70-74 | £75.4m | £260.5m | £649.9m |
| Age 75+ | £66.0m | £223.3m | £563.3m |
| Total | £0.50bn | £1.47bn | £3.84bn |

Based on this data, the Centre for Future Studies projected the results to 2030:

A more age friendly high street could substantially increase **retailers'** turnover

| 2030 | Lower Bound | Predicted additional spending | Upper Bound |
|-----------|-------------|-------------------------------|-------------|
| Age 50-54 | £75.5m | £271.7m | £670.7m |
| 55-59 | £95.5m | £293.6m | £774.2m |
| 60-64 | £103.4m | £282.4m | £779.5m |
| 65-69 | £144.4m | £315.2m | £874.1m |
| 70-74 | £89.2m | £307.4m | £766.9m |
| Age 75+ | £77.9m | £263.5m | £664.7m |
| Total | £0.58bn | £1.73bn | £4.5bn |

In 2030: Annual spending on eating out: Up to £1.3 billion: On clothing: Up to £2 billion: On leisure: Up to £1.3 billion.

The forecasts take into account the increase in the elderly population to 2030; the additional spending power of the baby boomers, and the increasing incidence of mobility problems.



The forecast indicates that in 2030 retailers who are not elderly friendly could be losing annual spending of between £0.58bn and £4.5bn. Those that are, will be reaping the benefits.

Sources:

- [] CFS/ILC-UK: Data from ELSA wave 7 and ONS population projections
- [] ILC-UK **'The Missing £Billions' Nov 2016**
- [] ONS Detailed household expenditure by countries and regions 2014-16
- [] ONS 2014-based Subnational population projections
- [] ONS NUTS1 gross disposable household income (GDHI)1, UK, 2015
- [] ONS Weekly household expenditure: analysis of the regions of England 2013

7. The drivers of change in the high street

A combination of drivers of change will produce a period of profound transition in UK town centres and high streets over the coming decade. The key drivers are:

- Economic turbulence magnified by the uncertainties of Brexit
- The impacts of ecommerce
- Changing demographics
- Disruptive technologies

These drivers of change have been impacting on high streets for more than a decade and are resulting in very complex shifts in consumption practices and culture. This has produced changes in consumer behaviour that even the most **sophisticated 'consumer facing' retailers and service providers have found** disruptive and difficult to analyse. However, having a clear understanding of those changes is critical to the resilience and re-invention of **Britain's high streets**.

Economic turbulence



An accelerating wave of economic, social and technological change will reshape the country. Brexit, and the possible depreciation of the currency, will accelerate this change. The service sector will grow, with creative and caring work increasing significantly. By contrast, manufacturing and the public sector is likely to shrink. It is forecast that 2m jobs in retail will disappear by 2030.

Government finances could be at breaking point under the strain of NHS and pension spending as Britain ages. The 65-plus population will rise to 15.4 million by 2030, while the working-age population will rise by just 3 per cent.

The shortfall in the funding of adult social care by 2030 could reach £13bn as the government struggles to finance care for elderly. (CFS/Age UK/Kings Fund/JRF).

The impacts of Ecommerce



Online shopping has had marked substitution and modification impacts on consumer behaviour. Online shopping is replacing trips to retail stores, and altering the nature of physical shopping

(e.g. the frequency and duration of trips) to high street stores. Online retail options facilitate price comparison and reduce both the direct costs of visiting **town centres and the opportunity costs of consumers' time.**

Highly complex shifts in consumer behaviour and the culture of consumption towards a convenience culture have been taking place for over a decade. Consumers have not only embraced online shopping, but have also re-evaluated the cost/benefit of high street shopping over the convenience of shopping at the local/neighbourhood level.

The latter is particularly the case if retailers can **supply either a 'choice-edited'** neighbourhood version of the range and quality of the high street, or provide something specialist and/or rooted in the local community. Consumers are adapting their behaviour to austerity in a way that is supportive of local/neighbourhood convenience. High streets are struggling to survive both the challenges of online shopping and the long term structural shift from retail to service provision.

At £320bn a year, the over-50s now account for around 47 per cent of all UK consumer spending. This spending is set to grow by 4.4 per cent per year. In 2030, it is estimated it will increase to £368bn. 40 per cent of this spend is likely to be online, leaving £220bn for high street retailers to win or lose. Half of the **UK's** existing retailers could shut up shop over the period 2020 - 2030 if they fail to reinvent themselves.

Changing demographics



The changing demographic profile of the UK is a major influence on consumer purchasing power, shopping behaviour and shopping preferences. The age structure, ethnicity, household composition and demographic distribution

of the UK population are all undergoing significant change and its implications are important for retailers to understand and anticipate.

Between 2017 and 2030, the population aged 65+ will grow by 33 per cent, from 11.6 million to 15.4 million compared to an expansion of only 13 per cent in the population as a whole. **The next ten years will be marked by the "Baby Boomer" generation entering the 60+ age-group**, with this segment growing by more than 30 per cent over the period 2017-30. There will be a substantial increase **in the 'oldest old'**. **People over the age of 85 are now the fastest growing demographic group in the UK.** There are currently 1.5 million people over the age of 85; by 2030 this will have grown to over 3 million.

In 2017, the estimated population, aged 60 – 79, in England's nine regions is 10.2 million. By 2030, this population will increase by 23 per cent to 12.6 million.

The baby boomer generation has no intention of retiring to the quiet life. They are down-ageing: acting younger, both physically and mentally. Understanding **this is important because it's this older segment that's going to drive retail over** the next ten years. An ageing population profile, helped by lower birth rates, longer life expectancy and the sheer size of the baby-boomer generation are three factors underpinning this development. Over the next ten years almost two-thirds of all retail spending growth will come from those aged over 55.

The overwhelming challenge facing retailers is **to adapt to the UK's ageing** population and satisfy their specific tastes and demands. Their influence will be significant. High street retailers must become more than just shopping destinations and embrace a more varied future.

Disruptive technologies

Technology will play a pivotal role in shaping the way consumers shop and how retailers can communicate and market to them. The significant take-up of smartphone and tablet device technology by the over fifties, and the related explosion in the power of social networking presents a major opportunity.

Baby boomers aged 65-74 are increasingly connected, with four in ten (39 per cent) using a smartphone. There has been a sharp rise in over-75s using tablets, from 15 per cent to 27 per cent. And the use of smartphones among this age group has nearly doubled, from 8per cent to 15per cent. Nearly half (48 per cent) of internet users aged 65-74 now have a social media profile. Among over 75s, the proportion with a profile has nearly doubled from 19per cent to 41per cent. Around nine in ten (87 per cent) social seniors aged over 65 have a Facebook account.

Digital technology in the high street can also ensure retailers are attractive, sustainable and meeting the consumer demands of elderly consumers.



Such technologies include: virtual fitting rooms; interactive, personalised window displays; virtual reality headsets which gauge the customer mood and reflect how they are feeling in the store; augmented reality which brings real time immersive experiences such as trying on make-up;

'in-store conversationalists' who know each customer's preferences; and holographic fashion shows which present personalised designs.

Of course, not all elderly customers are comfortable with technology and may even feel threatened by it. That's why high tech must be balanced by high human touch.

Technology has the potential to change completely the way elderly customers shop and to improve and enhance their shopping experiences.

8. The boomers are a force to be reckoned with



The baby boomer generation account for some 76 per cent **of Britain's £11 trillion of** wealth. As a consequence the over 50s have become big spenders. At £320bn a year, the over-50s now account for around 47 per cent of all UK consumer spending.

Taking into account the potential impact of pension reform and impending interest rate rises, this increasingly large and wealthy demographic represents a big opportunity for retailers. It is estimated that pension reform will add £4.5 billion to the power of the grey pound.

UK baby boomers hold the majority of the retail spending power, with very little debt. It is estimated they will account for 64.5 per cent of all in-store plus click and collect sales growth by 2030.

Characteristics of the boomer generation

Baby boomers perceive themselves to be much more like their children and younger generations than like their parents or older generations. They are tech savvy. Boomers aged 50–74 are spending twice as much per year as the under 30s on theatre and cinema tickets.

Retirement for Boomers is not about retreating or stopping; if anything, it is about re-invention either through new work, volunteering, travel or learning. 40 per cent continue to work full time; 17per cent part-time. 19per cent are intellectually driven and may return to education in some form. 15 per cent are still focused on getting rich.

Most Boomers (82 per cent) think of their ageing identity in terms of how much **time they have left rather than their actual age. This is linked to a 'things to do before I die' orientation.** When people perceive remaining time as limited they tend to prioritise social goals that are emotionally meaningful to them.

Boomers who got hooked on books, fashion or music in their youth often continue and develop these interests in mid- and later-life, reflecting the 18 per cent who are emotionally-driven and the 14 per cent who are pleasure-driven – all wanting to live life to the full.

12 per cent focus more on healthy bodies and lifestyles with interests in diet and exercise. Boomers are into environment and sustainability and many volunteer their time with 22 per cent looking for meaning, balance and spirituality in their lives.

Boomers have the money and desire to commission bespoke new products and services that extend their enjoyment of life for longer. They are willing to buy prototypes and be early adopters for what they want in terms of experiences, health, relationships and personal fulfilment.

Boomers feel much younger than their chronological age, typically by some ten years or so and they do not like to be targeted on account of their age alone, or at all.

Health and wellbeing are key drivers of consumption. Sales of hair dyes, face creams, skin lotions and other self-**care products targeting the 'over-50 male'** have increased by over 400 per cent in the last decade. Although the majority of older women do not use anti-wrinkle creams, over a third of women in their 60s do.



Two-thirds of Baby Boomers say that technology is a vital part of their lives and over 50 per cent believe that technology has made their lives easier. They use the internet for email and researching information about goods, services and travel, internet banking, and online news and magazines.

Retailers who attract the Boomer pound will be those who help Boomers to overcome or delay the infirmities of age, make them less visible or more tolerable, and generally enable them to carry on their lives as they wish.

When it comes to consumption, Baby Boomers are driven not only by their needs but by their passions and preferences, and most of all by what adds to their quality of life in terms of their experience of it. Boomers actively seek out what they want.



9. The high street reinvented

After struggling economically for a decade, losing ground first to out-of-town centres and then to the dramatic increase of online retail, high street retailers have declined and the social purpose of the high street has been significantly undermined.

The process of creative destruction will inevitably lead to the demise of retailers who fail to reinvent themselves to compete successfully in the emerging high street environment. Those that do reinvent will be leading the renaissance of the high street, creating vibrant locations at the heart of the community. The high street will have a varied and distinctive urban fabric which is able to host multiple uses and frame public life.

The reinvented retailers will be sharply focused on satisfying the needs and wants of the older generations and in particular those of the baby boomers, representing as they do significant purchasing power compared to the younger generations. As a consequence, it will be the aspirations of the older generations which will reinvigorate the high street and shift the balance towards a more diverse, prosperous, elderly friendly environment.

Consumers are attracted to diverse and accessible town centres. Leisure services and an enjoyable town centre atmosphere can lead to increased levels of dwell time and spend in the town centre.

Good product range and quality of retail provision and customer service are key drivers **for consumers; however, consumers' perception of the attractiveness of a town centre/high street is also about the overall 'town centre experience' and atmosphere, and about leisure.** This goes beyond just retail provision.

By 2030, the high street will consist of fewer, mostly independent, shops – and will have many more houses amongst the shops: bringing life back to some town centres that were previously ghost towns after 8pm. More convenience stores **would be likely to stay open 'till late' as populations** return to city centres; and these will also serve as parcel locker locations which by 2030 will probably be the leading option for shopping deliveries.

Technology will play an increasing role in the future high street. Autonomous vehicles and droids will be delivering into retail outlets and direct to town centre homes from out of town distribution centres.

Town centres and high street plans will encompass a complete community hub solution incorporating; health, housing, education, arts, entertainment, business/office space, manufacturing and leisure; whilst developing day time, evening time, and night time cultures where shops are just a part of the total plan.

It was difficult to gain permission to convert business premises to private homes. However, following the Governments 2016 consultation on ways to develop housebuilding - '**Reducing planning regulations to support housing, high streets and growth**' – it is believed that the introduction of new residents to town centres would make them safer and that more residents within a town centre would increase footfall to local businesses.

Town centres and high streets will make a positive social and economic impact on communities: for employment, to shop, for entertainment, public services, cultural events and to do business.

Reinvented retailers will be making use of technological innovation to offer a more digital, more personalised and improved service to their customers and to ensure the same enjoyable user experience across every channel, digital as well as physical.

The store is the true differentiator in the Amazon-centric world of today and tomorrow. In a high-tech retail world, there is a need for high human touch too, especially with the older generations who may feel isolated by the technology. These are not competing goals. High tech will work with high touch in the form of **'in-store conversationalists'**.

The role of the conversationalists will be to provide the same well-informed, personalised, customer-friendly service of times past; making sure the elderly customer feels welcome and truly experiences the store.

In addition, for those customers who are comfortable with high tech, there is the opportunity to continue the one-to-one conversation when the customer leaves the store through chatbots on Messenger and other such platforms.

Places with a vibrant mix of shopping, leisure and other attractions based on the needs of the local community are places where elderly people will actively choose to spend their time.

Town centres and high streets will stop seeing themselves as shopping destinations and embrace a more varied future. Old stores will be turned into doctors' clinics, pre-school crèches, and social enterprises that put the local community at the heart of any solution.

What age change is doing is strengthening demand for both improved shopping environments and better service/accessibility: older shoppers are far more demanding than the younger generations.

Retailers will rethink store design, marketing and advertising campaigns to attract the grey pound and above all understand these are older consumers who still think of themselves as young consumers. Retailers could pick up an additional £11.6bn at the till with an improved in-store experience.

Conversion rates are almost twice as high in physical stores than online. 25 per cent make a purchase almost every time they visit a physical store, versus just 12 per cent on websites. Reinvented retailers will be more creative when it comes to the experience in-store. The key is to make the lives of older shoppers that much easier.

Individual shops that were once mono-functional will become hybrids of use; chemists will take on larger healthcare roles while also encouraging healthy lifestyles through facilities and classes. Driven by technological advances which facilitate networks of university courses, libraries will see a renaissance, mixing life-long learning with childcare or providing small business incubator spaces for new Third-Age entrepreneurs.



The reinvented high street could be a vibrant, prosperous, elderly friendly place in which to live, work, learn, shop and enjoy at leisure. Retailers can lead the way.

10. How will this come about?

The purchasing power of the older generations combined with the commercial pressures challenging retailers will galvanise them into planning strategies through which to reinvent themselves. One of the major strategic objectives will be to create elderly friendly retail environments which make the shopping experience easily accessible, convenient and enjoyable.

The older generations will also act as a catalyst to convince local authorities that high streets could be better reimagined as destinations to host local services and support recreation; there will be a distinct shift in emphasis from a retail focus.

For instance, with older generations playing a much larger role in their **grandchildren's care, playgrounds** accompanying the, nursery or infant school should become a feature on the high street. It will be the daily presence of both old and young which provides the impetus to rethink the urban fabric; from how existing buildings are used, to the character of public spaces.

High streets should become more flexible, containing a diversity of uses which support an active social and civic life. High streets will be places to meet and become destinations to be enjoyed by the whole community.

Forward thinking town planners are starting to break with tradition and are incorporating services and local amenities into the high street. GP surgeries, libraries and other health services are being located between convenience stores and chemists whereas traditionally they would have been set back from the high street. These act as a draw for the older generations who are less inclined and perhaps less able to travel for their groceries but still need to access essential local services. Transport, accessibility and local infrastructure will therefore become increasingly important. However there is a long way to go to realise the vision.

Success at a local level requires strong local leadership and partnerships. Retailers should be the prime movers in creating Town Centre Councils (TCCs) for the towns in which they operate. The TCCs will comprise all stakeholders from developers to local town planners. Their mission will be to prepare a long term strategic plan for the development of the reinvented town centre.

New relationships are being established in town centres and high streets, creating new opportunities and contributing to their resilience. The biggest challenge for future policy is to understand that successful high streets will be those which promote these new relationships.

The high street will then have the resilience and capacity for re-invention.



APPENDIX

UK Regional breakdown by English regions

| ESTIMATED POPULATION OF ENGLAND | 2017 | 2030 |
|---------------------------------|------------|------------|
| LONDON | 8,787,000 | 10,754,000 |
| EAST | 6,130,000 | 6,682,000 |
| SOUTH EAST | 9,026,000 | 9,838,000 |
| SOUTH WEST | 5,515,000 | 6,011,000 |
| EAST MIDLANDS | 4,724,000 | 5,149,000 |
| WEST MIDLANDS | 5,800,000 | 6,322,000 |
| YORKS & HUMBER | 5,425,000 | 5,013,000 |
| NORTH WEST | 7,219,000 | 7,868,000 |
| NORTH EAST | 2,636,000 | 2,873,000 |
| ENGLAND | 55,262,000 | 60,510,000 |

Population increase: 9.5%

| ESTIMATED POPULATION ENGLAND REGIONS AGES 60 - 79 | 2017 | 2030 | % INCREASE |
|---|------------|------------|------------|
| 60 - 64 | 2,977,000 | 3,712,000 | 25 |
| 65 - 69 | 2,890,000 | 3,532,000 | 22 |
| 70 - 74 | 2,604,000 | 2,975,000 | 14 |
| 75 - 79 | 1,770,000 | 2,350,000 | 32 |
| | 10,241,000 | 12,569,000 | 23% |

Estimated population English regions: Ages 60 - 79

| 1. NORTH EAST | 2017 | 2030 | % INCREASE |
|---------------|---------|---------|------------|
| 60 - 64 | 160,000 | 176,000 | 10 |
| 65 - 69 | 153,000 | 178,000 | 16 |
| 70 - 74 | 132,000 | 153,000 | 16 |
| 75 - 79 | 95,000 | 124,000 | 30 |
| | 540,000 | 631,000 | 18% |

| 2. NORTH WEST | 2017 | 2030 | % INCREASE |
|---------------|-----------|-----------|------------|
| 60 - 64 | 402,000 | 479,000 | 19 |
| 65 - 69 | 393,000 | 463,000 | 18 |
| 70 - 74 | 347,000 | 381,000 | 10 |
| 75 - 79 | 248,000 | 312,000 | 26 |
| | 1,390,000 | 1,635,000 | 18% |

| 3. YORKS & HUMBERSIDE | 2017 | 2030 | % INCREASE |
|-----------------------|-----------|-----------|------------|
| 60 - 64 | 301,000 | 360,000 | 20 |
| 65 - 69 | 293,000 | 344,000 | 17 |
| 70 - 74 | 261,000 | 289,000 | 11 |
| 75 - 79 | 183,000 | 236,000 | 29 |
| | 1,038,000 | 1,229,000 | 19% |

| 4. EAST MIDLANDS | 2017 | 2030 | % INCREASE |
|------------------|---------|-----------|------------|
| 60 - 64 | 269,000 | 334,000 | 24 |
| 65 - 69 | 269,000 | 323,000 | 20 |
| 70 - 74 | 242,000 | 266,000 | 10 |
| 75 - 79 | 164,000 | 222,000 | 35 |
| | 944,000 | 1,145,000 | 22% |

| 5. WEST MIDLANDS | 2017 | 2030 | % INCREASE |
|------------------|-----------|-----------|------------|
| 60 - 64 | 312,000 | 383,000 | 23 |
| 65 - 69 | 305,000 | 361,000 | 18 |
| 70 - 74 | 281,000 | 295,000 | 25 |
| 75 - 79 | 149,000 | 251,000 | 38 |
| | 1,047,000 | 1,263,000 | 25% |

| 6. EAST | 2017 | 2030 | % INCREASE |
|---------|-----------|-----------|------------|
| 60 - 64 | 342,000 | 434,000 | 27 |
| 65 - 69 | 340,000 | 416,000 | 22 |
| 70 - 74 | 316,000 | 345,000 | 23 |
| 75 - 79 | 215,000 | 290,000 | 34 |
| | 1,213,000 | 1,531,000 | 26% |

| 7. LONDON | 2017 | 2030 | % INCREASE |
|-----------|-----------|-----------|------------|
| 60 - 64 | 363,000 | 506,000 | 39 |
| 65 - 69 | 308,000 | 434,000 | 41 |
| 70 - 74 | 255,000 | 335,000 | 31 |
| 75 - 79 | 188,000 | 255,000 | 35 |
| | 1,114,000 | 1,530,000 | 37 |

| 8. SOUTH EAST | 2017 | 2030 | % INCREASE |
|---------------|-----------|-----------|------------|
| 60 - 64 | 497,000 | 636,000 | 28 |
| 65 - 69 | 489,000 | 611,000 | 25 |
| 70 - 74 | 453,000 | 505,000 | 12 |
| 75 - 79 | 311,000 | 418,000 | 34 |
| | 1,750,000 | 2,170,000 | 24% |
| | | | |

| 9. SOUTH WEST | 2017 | 2030 | % INCREASE |
|---------------|-----------|-----------|------------|
| 60 - 64 | 331,000 | 404,000 | 22 |
| 65 - 69 | 340,000 | 402,000 | 18 |
| 70 - 74 | 317,000 | 341,000 | 8 |
| 75 - 79 | 217,000 | 290,000 | 34 |
| | 1,205,000 | 1,437,000 | 22% |

| TOTAL ENGLAND REGIONS | 2017 | 2030 | % INCREASE |
|--------------------------|------------|------------|------------|
| 60 - 79 | | | |
| 60 - 64 | 2,977,000 | 3,712,000 | 25 |
| 65 - 69 | 2,890,000 | 3,532,000 | 22 |
| 70 - 74 | 2,604,000 | 2,975,000 | 14 |
| 75 - 79 | 1,770,000 | 2,350,000 | 32 |
| | 10,241,000 | 12,569,000 | 23% |

| Consumer spending per English region Ages 60 – 74 yrs. | | |
|---|---------|---------|
| REGION | 2016 | 2030 |
| NORTH EAST | £52m | £61m |
| NORTH WEST | £66m | £79m |
| YORKS & HUMBERSIDE | £69m | £82m |
| EAST MIDLANDS | £72m | £88m |
| WEST MIDLANDS | £76m | £95m |
| EAST | £83m | £105m |
| LONDON | £114m | £148m |
| SOUTH EAST | £118m | £146m |
| SOUTH WEST | £116m | £141m |
| TOTAL | £0.77bn | £0.95bn |

In 2017, retailers stand to win or lose a total £0.77bn.

In 2030, that grey spending power potential increases by 23% to £0.95bn.

Sources:

[] CFS/ILC-UK: Data from ELSA wave 7 and ONS population projections

[] ILC-UK **'The Missing £Billions' Nov 2016**

[] ONS Detailed household expenditure by countries and regions 2014-16

[] ONS 2014-based Subnational population projections

[] ONS NUTS1 gross disposable household income (GDHI) 1, UK, 2015

[] ONS Weekly household expenditure: analysis of the regions of England 2013



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