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# AgeTech

## Israel's Life Science Industry IATI Report 2019 Rising Sectors

*Connecting Israel's Tech Ecosystem*

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### AgeTech<sup>1</sup>

#### Introduction

The world's population is rapidly aging with virtually every country in the world experiencing growth in the number and proportion of older persons. According to the World Health Organization<sup>2</sup>, between 2015 and 2050, the proportion of the world's population over 60 years will nearly double from 12% to 22%, due to decreased childbirth rates and increased longevity. According to the United Nations<sup>3</sup>, the number of older

*With the support of Dov Sugarman and Yael Benvenisti, Co-CEOs of Mediterranean Towers Ventures*

<https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

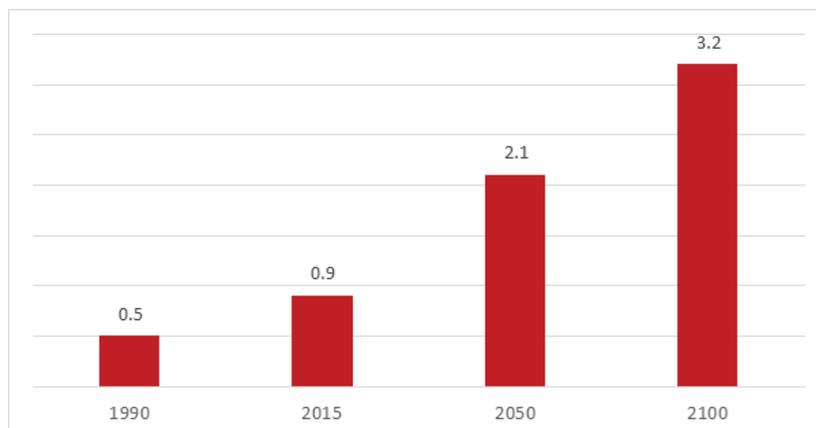
[/https://www.un.org/en/sections/issues-depth/ageing](https://www.un.org/en/sections/issues-depth/ageing)

1  
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persons aged 60 years or over is expected to more than double by 2050 and to more than triple by 2100, rising from \$962 million globally in 2017 to \$2.1 billion in 2050 and \$3.2 billion in 2100 (Figure 17).

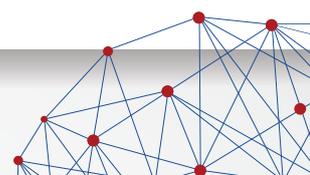
Figure 17 - Projected Global Population Aged 60 and Above



Source: <https://www.un.org/en/sections/issues-depth/ageing/>

Globally, the population aged 60 or over is growing faster than all younger age groups, and people 80 and older, also known as the oldest old, are the world's fastest growing age group. Because of this growth, population aging is poised to become one of the most significant social transformations of the twenty-first century, with implications for nearly all sectors of society. While the reality of global aging represents a triumph of medical, social, and economic advance, it also produces huge challenges to social insurance programs, pension schemes, health care systems, existing models of social support, housing and transportation, as well as family structures and intergenerational ties.

The good news is that this aging boom may just be happening at the best possible time. That is because technology has never been better for aging. Over the last 10 to 15 years, with the increasing development of smartphones and advanced GPS, aging has vastly improved thanks to the technology associated with these advancements.

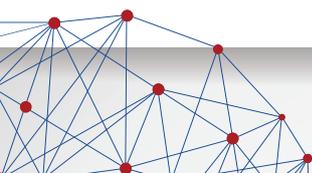


There are six primary areas where technology can have the biggest impact:

- Key Activities of Independent Living
- Cognition
- Communication and Social Connectivity
- Personal Mobility
- Transportation
- Access to Healthcare.

While the digital divide - or lag in participation of older adults in digital services and other technologies - remains an issue, boomers (ages 55-72) are enthusiastically adopting a range of technologies. As more boomers age, the opportunities to improve existing services or provide innovative new ones to them will continue to grow and even more investors and founders will take notice of this space.

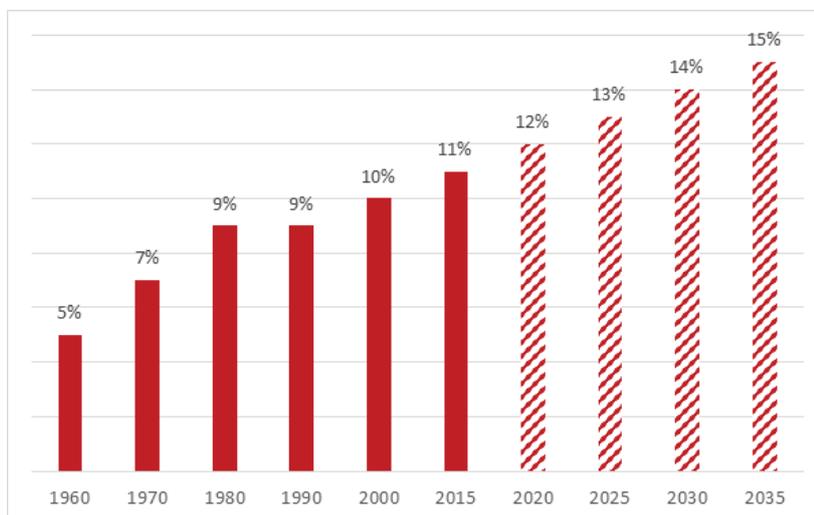
There are many signs that AgeTech is becoming the next frontier market for technology disruption, as evidenced by the increasing number and quality of technology startups, increasing investor interest and entry of global consumer brands into the space. San Francisco based Aging2.0, which strives to accelerate innovation to address the biggest challenges and opportunities in aging, has tracked 3,000 startups in the global AgeTech space since 2012. 2018 was a particularly eventful year with major acquisitions by Amazon (PillPack) and Best Buy (Greatcall), and the launch of the Apple Watch with fall detection, ECG and Emergency SOS, targeting the 65+ population.



## Aging in Israel

Due to a higher birthrate in Israel than in other western countries, the percentage of older adults in Israel is lower than the equivalent percentage in other developed countries. According to the Central Bureau of Statistics of the State of Israel (CBS) as of 2017, the total population of Israel was 8.7 million, of whom 11% or 978 thousand were aged 65 and over. As in the rest of the world, Israeli society is beginning to age more rapidly. The CBS population projections expect the number of older adults in Israel to reach \$1.6 million in 2035, representing a 77% growth in the number of older adults between 2015 and 2035, and the growth rate will be 2.2 times faster than that of the general population during this time. By 2040, the number will increase to 14.3% of the population, and by 2065, it is expected to be 15.3% or 3 million people (Figure 18).

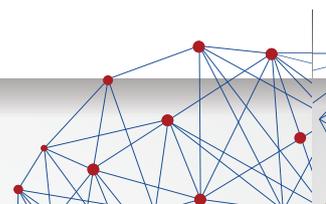
Figure 18 - Percentage of Age 65+ in the Population (2015)<sup>1</sup>



Source: The Central Bureau of Statistics of the State of Israel, Mayers-JDC-Brookdale

While globally there are several dedicated funds that focus on aging, in Israel only Mediterranean Towers Ventures is investing exclusively in companies developing disruptive solutions for aging. The fund has been tracking AgeTech startup activity in Israel over the past 2 years, and based on its data, there are currently approximately 170 technology companies active in the AgeTech space in Israel. These companies range from the pre-seed stage to A round, and while the majority are dedicated to aging, some are deploying their products into the aging space in addition to other verticals.

[https://brookdale.jdc.org.il/wp-content/uploads/2018/02/MJB-Facts\\_and\\_Figures\\_Elderly-65\\_in\\_Israel-2018\\_English](https://brookdale.jdc.org.il/wp-content/uploads/2018/02/MJB-Facts_and_Figures_Elderly-65_in_Israel-2018_English)



The primary issues being tackled by Israeli innovators include:

- Mobility
- Activities of daily living
- Social isolation and loneliness
- Fall detection and prevention
- Medication management
- Dementia and Alzheimer's disease
- Cognition
- Nutrition
- Medical devices
- Assistive devices

The type of technologies being utilized to solve these issues are AR/VR, machine learning, big data, robotics, cloud computing, mobile apps, IOT and voice recognition.

Evidence of the importance of the space can be seen in the increasing involvement of governmental entities in supporting the AgeTech space. Most notably, the Israel Innovation Authority (Innovation Authority) has awarded grants to a number of early stage startups in the space, and have launched dedicated funding calls in partnership with leading geriatric centers in Israel. Additionally, the Ministry of Health launched a challenge grant in 2018 focused on fall prevention, which will ultimately deploy solutions into the managed health plans. Also in 2018, the Ministry of Social Affairs and Social Services implemented a pilot for reducing social isolation, and are now launching a tender for nationwide deployment. The National Insurance Institute of Israel is launching a tender to upgrade their existing personal emergency response system (PERS) with a new generation sensor-based platform. Lastly, the Binational Industrial Research and Development Foundation, which works to generate mutually beneficial cooperation between U.S. and Israeli companies, has expressed interest in the AgeTech space and has funded at least one project dedicated to aging and several others that can impact aging.

There has also been large growth in the number of accelerators/hubs active in the space. Finally, more and more large international corporations such as Sampo, Toyota, and Comcast are actively searching for AgeTech products in Israel.

