

# The Geography of the French Silver Economy

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## **Abstract :**

Almost every country in the world is experiencing sustained growth in both the number and share of older persons in its population (United Nations, n. d.). Population ageing is not only a macro-demographic transformation but also a structural reconfiguration of demand. As age structures shift, the composition of aggregate consumption changes, increasing the relative importance of goods and services tailored to older consumers. These include, among others, assistive or preventive devices and technologies, housing adaptations, teleassistance, digital connectivity, social participation and wellbeing, care management, banking and insurance, and tourism. The expansion of entrepreneurial activity targeting these needs has given rise to what is increasingly referred to as the “silver economy” (European Commission, 2015), a transversal and heterogeneous set of activities cutting across traditional sectoral boundaries.

Economic geography has traditionally emphasized supply-side explanations for the spatial distribution of entrepreneurship. These explanations focus on agglomeration economies, knowledge spillovers, labor market pooling, supplier networks, and industrial clustering as the primary forces shaping where new firms emerge and grow. Entrepreneurship research similarly tends to treat demographic structure as a supply-side characteristic: certain age cohorts are more likely to become entrepreneurs (Levesque and Minniti, 2011; Zang and Acs, 2018), and certain workforce compositions are considered particularly conducive to new venture formation (Glaeser and Kerr, 2009). From this perspective, demographics matter because they affect the availability and quality of entrepreneurial human capital.

However, demographic change may also influence entrepreneurship through a fundamentally different channel: demand. Population ageing accentuates heterogeneity in demand across regions. Regions with different age compositions exhibit different market potentials for age-specific goods and services. In this sense, ageing does not

merely shape the supply of entrepreneurs but also the structure of market opportunities. Priem et al. (2012) conceptualize “opportunity signaling” as the process whereby overt or latent consumer needs indicate prospects for entrepreneurial discovery and value creation. Ageing populations may generate such signals, increasing the salience of needs related to care, autonomy, mobility, and social participation.

The demand-driven mechanism is also acknowledged in the literature on market size and innovation. Acemoglu and Linn (2004) demonstrate that pharmaceutical innovation responds significantly to market size changes induced by demographic shifts: as the baby-boom generation aged, innovation activity shifted toward drug categories demanded by older cohorts. Their findings suggest that demographic composition shapes not only consumption patterns but also the direction and intensity of innovative activity.

At the same time, as highlighted by Kohlbacher et al. (2015) silver market is not “*one big, homogenous market*” but rather “*a conglomerate of many (sub-) markets, which partly overlap with existing ones due to the very heterogeneous needs and capabilities of the target group*”. Because the geography of ageing does not necessarily coincide with established innovation or economic hubs, this creates a potential tension between demand-side pull and supply-side agglomeration forces. On the one hand, demographic demand might attract entrepreneurial activity to ageing regions. On the other hand, silver-economy firms may still prefer diversified, knowledge-rich urban regions where complementary capabilities, venture capital, and specialized labor are available. Whether demographic demand can offset or reshape traditional agglomeration patterns is therefore an open empirical question.

This study addresses this question by investigating the spatial implications of demand-pull mechanisms in the context of silver-economy entrepreneurship in France. France provides a particular setting because it was among the first European Union countries to formally institutionalize the silver economy as a strategic sector through a dedicated *contrat de filière*. This policy initiative aimed to coordinate actors across a fragmented field and to transform demographic ageing from a societal challenge into an economic opportunity. Several attempts have been made to characterize the French silver economy and to analyze the creation and diffusion of age-related innovations (Laperche et al., 2019; France Silver Éco, 2025) to better inform this policy initiative. Nevertheless, empirical research on the dynamics of the silver economy—and especially on its geographical dimension—remains limited.

A central empirical challenge arises from the fact that the silver economy does not correspond to a standard industrial classification. It spans multiple NAF codes (*Nomenclature d'Activités Française – French Nomenclature of Activities*) and activities, making it impossible to identify its universe directly from administrative statistics. Given this limitation, this study combines multiple data sources to identify new firms producing

silver goods and services and to geolocate their establishments. Crunchbase is used to identify new firm creation in the silver economy. Using keyword-based searches, firms that received funding after 2015 and target the needs of the elderly are selected. As Crunchbase is crowdsourced and sometimes records the year of first funding rather than exact founding dates, the dataset is complemented with information from the French national business directory, which provides precise data on establishment creation year, location, and exit (if applicable). The resulting sample contains 406 silver-economy establishments created in France between 2015 and 2025, by 79 firms founded during the same period. This establishment-level data is then complemented with INSEE statistics at the NUTS-3 level, including population demographics, employment composition, and overall establishment creation.

Initial econometric results rely on Poisson count models estimating the number of silver-economy establishments per region-year. Regions with a higher share of older residents host significantly more silver establishments per capita, consistent with an ageing-related demand-pull effect. Industrial diversity, measured through employment entropy, is positively associated with silver activity in pooled models, suggesting that diversified regional economies provide complementary capabilities that facilitate silver-oriented production. However, this effect disappears under region fixed effects, indicating that industrial variety functions primarily as a slow-moving structural characteristic rather than as a driver of short-term changes in entry. In contrast, overall new firm creation remains strongly associated with silver establishment formation, underscoring the role of broader entrepreneurial ecosystems.

Taken together, these preliminary findings suggest that the geography of the silver economy reflects an interaction between structural demographic demand, long-run regional diversification, and short-run entrepreneurial dynamics. They indicate that population ageing may indeed generate localized opportunity signals that shape entrepreneurial entry, but that these effects operate within the constraints of pre-existing regional capabilities. More broadly, the study contributes to economic geography and entrepreneurship research by highlighting the importance of demand-side forces in shaping the spatial organization of innovation and firm creation, particularly in the context of grand societal transformations such as demographic ageing.

**Keywords:** silver economy, population ageing, entrepreneurship, firm location

**JEL codes:** R12, L26, J11

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