

able

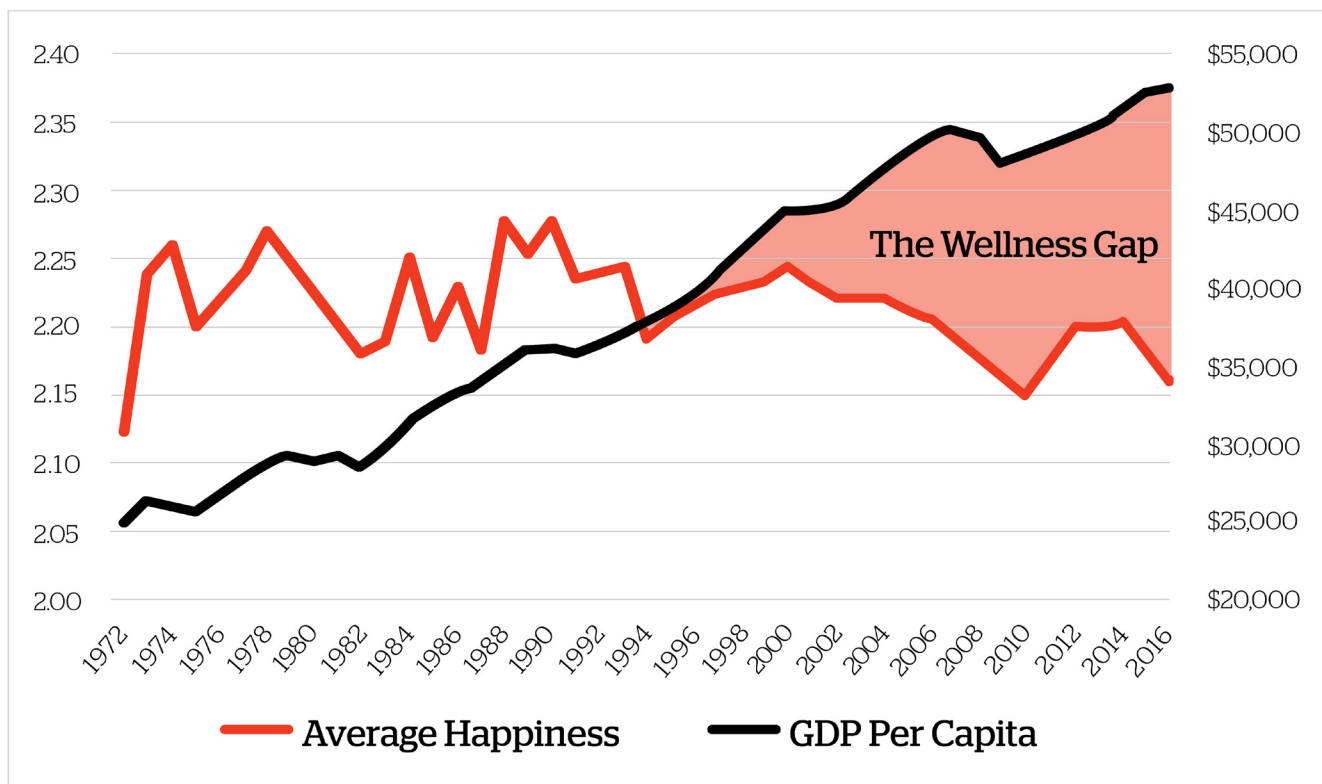
Investing With Purpose For Profit

The 2010's gave us the iPad, Instagram, Slack, Fitbits, gluten-free foods, and thousands of CBD products, all optimistically designed to make our lives healthier and more connected. But increasingly, we see that these well-intended innovations may have contributed to an opposite outcome. We are entering a new decade with a monkey on our nation's back: **"The Wellness Gap"**— the term we use to describe the disconnect between economic growth and measures of wellbeing. While GDP per capita continues to climb, recent data shows that physical and mental health have plummeted.

U.S. life expectancy has fallen over the last three years,¹ representing the longest consecutive decline since World War I. Some Americans are expected to live shorter lives than their parents, and much of it is due to behavioral health issues including depression and addiction often resulting in accidental deaths. Millennials, often glorified for their impact and influence, now carry the infamy of a skyrocketing mortality rate: without intervention, they could be 40% more likely to die compared to the previous generation at a comparable age.²

In the 2018 World Happiness Report, Jeffrey Sachs articulated that happiness in the U.S. is the Easterlin Paradox: As GDP per capita has more than doubled since 1972, Average Happiness, a score derived from the annual Gallup World Poll, has remained relatively stagnant.³

Average Happiness and U.S. GDP Per Capita, 1972-2016³



At _able Partners, we are committed to finding and funding the tools and solutions necessary to address **The Wellness Gap**.

Who or what is to blame? It could be the technology that increased our productivity yet left us sedentary. It could be social media, which was supposed to make us feel connected to our friends and family, but instead has left many of us feeling lonely, isolated and insecure. A recent decade-long study found that the rate of individuals reporting symptoms consistent with a major depressive episode in the past year increased 52% in teens and 63% in young adults. Girls were more vulnerable than boys. By 2017 one out of every five teenage girls had experienced major depression in the last year.⁴ This distress is not exclusive to youth: one in five U.S. adults experience mental illness each year, but only 43% received treatment in 2018 according to the National Alliance on Mental Illness. The average delay between onset of mental illness symptoms and treatment is 11 years and the total economic burden of major depression alone is now estimated to be \$210.5 billion per year.⁵

Or, it could be the inadequacy of our stressed healthcare system: we need more healthcare providers. The Association of American Medical Colleges predicts a shortage of up to 120,000 physicians in 2030. We need better care: women and minorities are less likely to receive adequate care and more likely to be misdiagnosed.⁶ And we need more affordable prices: insurance costs have risen 740% since 1984 and premiums have largely outpaced growth in wages over that time period.⁷

Closing The Gap

As Former Chair of the Federal Reserve, Ben Bernanke, once said, “The ultimate purpose of economics, of course, is to understand and promote the enhancement of well-being.” As early stage investors, able Partners focuses on just that: using positive returns to create positive results for consumers’ everyday lives. We call our investment focus “**positive living**”—making the daily lives of consumers healthier, happier, and more meaningful—and our portfolio is full of ambitious, high growth companies innovating to close **The Wellness Gap** while delivering strong financial returns. As we enter 2020, we continue to support private companies tackling some of the biggest public problems, and we remain particularly focused on areas that have historically been stigmatized. This **stigma** can result in large and underserved markets where we see significant opportunity:



Mental Health



Aging Women's Health



Addiction



Coaching & Continued Learning



Sexual Wellness



Self-Expression



Childcare

Businesses in our portfolio like **Alma** are working to destigmatize mental health, make it more accessible, and give therapists the tools and community that they need to be successful. **Spring** provides a clinically validated, data-driven solution for employers to support mental health in the workplace by identifying and delivering personalized care at scale. **CurieMD** aims to support the 2.1 million women who enter menopause every year (that’s an estimated 6,000 women each day) of which 75% seek treatment for disruptive symptoms and do not receive proper care.⁸ Women in this stage of life have the highest suicide rate across the decades.⁹ **Tempest** is improving support for those who have an unhealthy relationship with alcohol and other substances, making treatment more accessible and attractive for a new generation. **The Light Phone**, one of TIME’s best inventions of 2019, is helping to redefine our relationship to technology and freeing us from the addictive burden of our screens. Having purpose in life has been associated with positive health outcomes in older adults and we see community as an essential building block for living a purpose-filled life. Businesses like **The Wing**, co-working and community for women, and **Chief**, coaching and peer mentorship for executive women, are helping women find their purpose in life. Nutrition is intimately linked to both physical and mental health, with an estimated 90% of serotonin produced in the gut,¹⁰ and companies like **Daily Harvest** are making nutrient dense food both convenient and attainable for families throughout the country. Lastly, in the area of childcare, we know that 40% of full-time women employees in STEM leave the workforce or go part-time after the birth

of their first child,¹¹ as the cost of childcare in the U.S. has nearly tripled since 1990.¹² And yet only 7% of employers offer on or near site childcare,¹³ which is why we are supporting early stage innovation in the category like NYC-based **Vivvi**, a flexible childcare and early education solution for small to midsize employers and their employees.

Naturally, it will take policy and a shift in cultural norms to close **The Wellness Gap**, but as early stage investors we believe in the type of capitalism that can be a catalyst for positive change. Many of our portfolio companies are effecting change while creating tremendous value for their customers, employees and investors through growth and profitability. We know there is substantial demand for products that promote well-being and a social imperative to find them. We call on entrepreneurs to bring forth their best ideas to tackle these challenges for our society in the new decade, confident that both investors and founders can do well while doing good.

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