

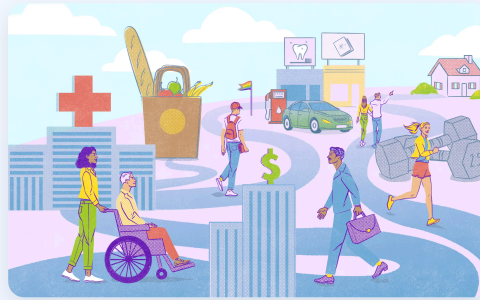
The Next Wave of Game-Changing Companies Will be Life-Changing Companies

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Forerunner is dedicating \$250 million to addressing the traditional needs of a non-traditional society

You don't have to look very far to see that humanity is in a precarious place. The last few years brought a tsunami of change that heightened new and longstanding adversities — deep flaws exposed within our healthcare system, accelerated social and political polarization, climate change that's evolved into an ever-present threat, and now soaring inflation and a looming recession. Peering underneath the surface of these socioeconomic shifts, you find consumers who feel alone, inadequate, neglected by the institutions historically responsible for society's well-being, and like there is too much stacked against them to reach a contented life. The mental health statistics are chilling. The amount of alone time spent per person has reached historic highs, with loneliness ballooning into an epidemic. Financial security feels like an ever-moving and unattainable target for most, and especially a shrinking middle class. The caregiving crisis is keeping a massive, majority-women population out of the workforce and in a prolonged state of financial strain. And millennial and Gen Z populations are seriously rethinking their lifestyles and whether to start families out of concern for the future state of the environment. Overall, people everywhere don't feel optimistic about the future. These are massive societal problems, and they are not (yet) turning corners, they are getting worse.

At Forerunner, we've dedicated ourselves to investing in those championing change for consumers, which has led us to back defining companies like Chime, Glossier, Hims&Hers, OURA, Faire, and more. To invest with the consumer mindset is to deeply understand the needs of humanity — and in our decades of investing, we at Forerunner have never seen a time when the needs were so clear, so severe, and so fundamental.

As an industry, investors and builders spend so much time thinking about what new fringe behavior might move mainstream and what new technology is poised to reshape society. But in this tireless search for "what's next" — I believe we're missing the most immediate, important billions-dollar opportunities hiding in plain sight: core life fundamentals for an increasingly complicated world. Life fundamentals, like our health,

financial security, environmental safety, community and wellbeing, might be seemingly obvious and even mundane, but that's just the point — in today's world, they are increasingly scarce and unreliable. Life fundamentals are luxuries.

Today, Forerunner is announcing our \$250 million commitment to addressing the core needs of today's consumer by helping reimagine and rebuild the life foundations for our increasingly complex world. Because however more complex and dynamic humanity becomes, the consumer's needs are still remarkably traditional — perhaps especially so amidst mounting complexity. In the coming years, we expect to see a refreshed, sharper focus on the core life fundamentals that help people harken back to a more pure, simpler way of living — even if the avenues with which consumers pursue these more traditional values are new. And that's where we think we can help make a difference: accelerating ideas for addressing the traditional needs of increasingly non-traditional consumers.

In consumers' pursuit of the more fundamental elements of life, we are seeing two very important opportunities and shifts: the first is foundational, and the second is emotional.

Traditional needs for non-traditional consumers:

Consumers have become incredibly diverse and dynamic in comparison to decades past — from our identities, beliefs, areas of passion and social investments, fields of work, and definitions of success — but our needs have proven to be much more impervious to change, and are still quite traditional. Regardless of whether you're a solo entrepreneur, highly spiritual suburban dweller, career-driven mom, or Gen Z college grad trying to build a career and social life amid remote work — everyone needs purpose, direction, growth, and wellbeing.

And as humanity becomes more and more complex and diverse, our paths for fulfilling core life needs become less and less obvious and reliable. Many of the longstanding institutions responsible for core life needs were designed for a more monolithic culture — particularly healthcare, government, education, the financial system, and community centers — and are not equipped to serve the ballooning scope of issues and priorities that now fall into these domains.

As we look forward to rebuilding foundational needs for today, there are a few primary categories that are piping with unmet demand and opportunity for more profound alignment with modern consumers.

Health & Wellcare	Sustainability	Personal finance	Community & Belonging	Work
<ul style="list-style-type: none"> • Underserved life stages • Mental health • Fitness • Nutrition • Caregiving resources • Longevity • Access and inclusion 	<ul style="list-style-type: none"> • Goods & materials • Supply chain & enablement • Conscious consumerism • Food supply & cleaner ingredients • Electrification 	<ul style="list-style-type: none"> • Unique personal savings pathways • Financial planning for "non-traditional" paths • Modern payment solutions • Financial equity for underserved groups 	<ul style="list-style-type: none"> • Values and passions aligned community • Unique opportunities for delight, empathy • More thoughtful bridges between online and offline life 	<ul style="list-style-type: none"> • Infrastructure for the rise of solo entrepreneurship • Re-skilling and scaffolding for the modern worker • SMB stacks for non-technical companies

Traditional needs for non-traditional people

As we consider the future of these life fundamentals, we are asking ourselves and entrepreneurs — what does financial security look like amid widening wealth gaps and a shrinking middle class? What does family planning look like for LGBTQ+ couples when the prevailing system is heteronormative, and for women everywhere who are stretched too thin and delaying parenting until much later in life? What infrastructure is needed to support a burgeoning class of small business owners, creators, and freelancers — who are

increasingly monetizing their talents for supplementary income or full-time work? How do we forge values-aligned communities to help restore some of the purpose and belonging that was once centralized around the church? How do we make sustainability more accessible to businesses and consumers vs. it feeling like a pressure to shoulder the higher costs? And with an overburdened and understaffed healthcare system that's designed to be reactive, how do we provide consumers with the right resources to take personal health into their own hands and optimize their well-being?

These are issues underpinning some of the most profound consumer shifts of today and tomorrow, and where we see the most powerful opportunities for entrepreneurship.

When life fundamentals are luxuries, nostalgia is everywhere

The second shift we're tracking with high interest is more emotional: a romanticizing of the simpler, more grounded way of life — a throw back to past decades, even from a younger set of consumers that haven't necessarily lived these experiences. Gen Z is **chronicling the return to in-office work** as though it's a kind of exotic, spiritual passage. Twenty- and thirty-something year olds are **flocking to get AARP cards**, traditionally a resource for those nearing retirement, to start scoring savings — a trend popularized by TikTok. (Did you know you can get AARP cards before you turn 50? We did not.) **Flip phones** and **classical music** are making comebacks — specifically with Gen Z. And there's been an explosion of interest in DIY activities — from woodworking, knitting, dyeing one's own hair, cooking, home improvement projects, puzzles, and thrifting. Forerunner ran research this month on over 1,000 people across the US and found that 75% identify as nostalgic. Interestingly, this statistic didn't meaningfully change when looking at younger demographics who'd presumably be less likely to feel this way — our research showed that 72% of respondents under 30 years old identify as nostalgic.

After years of social media-fueled exuberance, people are increasingly looking to invigorate the more traditional, analog parts of life.

Adjacent to this nostalgia, the modern definition of wealth and success seems to be evolving from consumerism-driven abundance to true contentment. A night of deep long sleep is now considered a badge of personal peak performance. Longevity and personal health are status symbols, amongst some of the most covetable assets. A strong, supportive community is the holy grail. Growing sentiments of nostalgia and an infatuation with a more pure, pragmatic lifestyle are being born out of the fragility of core life needs. Because when life fundamentals are luxuries, strong foundations are their own unique symbols of wealth. **The opportunity for entrepreneurship lies in redistributing these new scarcities to all.**

As investors, we believe there has never been a more complex and fascinating time to focus on the consumer. The past decade has been dominated by digital proliferation and envy-driven consumerism, which seems to have left consumers feeling a bit guilty – and even sour. **Businesses feverishly built products vying for our attention and wallets, but all the while, society's underlying foundations grew increasingly brittle. It's like we were building a city on top of a fault, and the cracks are now starting to split.** Looking ahead, we see massive opportunities in building for the traditional needs of non-traditional consumers, so society can have stronger, more reliable paths for purpose, direction, growth and wellbeing.

At Forerunner, we believe the next wave of game-changing companies will be life-changing companies. If you're a builder who shares this view and aims to improve lives for many we want to hear from you: **investments@forerunnerventures.com**.