

The “Silver Tsunami” – Value Can’t Escape Simple Supply & Demand Dynamics



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Global M&A Bulletin

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Outside of value, the second most asked question we get from a perspective client is “timing”. For most companies, timing really is individualistic and depends on each situation. But there is an answer relating to the overall market and macro factors which will drive natural supply and demand dynamics.

Over the next decade (2026-2036), there is a what many have called a “Silver Tsunami” emerging as baby boomers seek retirement. The peak wave of boomers turning 65 occurs through 2029/2030. After 2029/2030, fewer boomers will retire as most will have already done so, though some are delaying retirement until their 70s. Extending to 2036, total boomer retirements could approach 30-40 million. Most importantly, as of 2026, baby boomers (aged 62-80) continue to hold a significant share (est. 30-37% of all businesses) of businesses in the U.S.

What does this mean for business owners seeking to sell their business?

Everyday over 10,000 baby boomers are retiring and this is expected to accelerate over the next decade. Given COVID and recent economic uncertainty, many are postponing selling or transitioning their business. Simple supply and demand pressures will most likely prevail when many aging baby boomers push their transition and thus create a glut in the market of businesses looking for a transition.

Although there is a record amount of dry powder on the sidelines, this dynamic will create downward pressure on valuations. Value is ultimately determined by supply and demand and with more deals in the market, this will naturally reduce multiples on companies that could harvest higher values in the near term vs. pushing it off like many baby boomers are currently.

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In Summary:

1. Business owners are currently in a seller’s window right now, the market is not yet flooded. Most baby boomers are still holding off, so supply is artificially constrained. Buyers (private equity, strategic acquirers, family offices, and the record “dry powder” sitting on the sidelines) are competing for a relatively limited number of quality businesses. This keeps valuation multiples higher than they are likely to be in 3-7 years. (continued on reverse)

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2. A supply tsunami is coming. Over the next decade, tens of thousands of additional businesses will hit the market as retiring owners finally pull the trigger. Simple economics kicks in:

- More businesses for sale = increased supply
- Even with strong buyer capital available, demand cannot absorb that volume without price and term concessions
- Multiples compress (often 1–3 turns lower on EBITDA, depending on industry and size)

The dynamics and data are clear: businesses that could “harvest higher values in the near term” will see those values eroded once the glut arrives.

3. Timing impact on your exit

- Sell in the next 1–3 years → You capture today’s tighter supply and stronger multiples.
- Wait until 2028–2035 → You enter a buyer’s market with far more competition, downward pressure on price, and potentially longer marketing periods (businesses sitting on the market 12–24+ months instead of 6–9).



4. Other ripple effects

- Buyers will become more selective and aggressive on terms (higher escrow, longer reps & warranties, lower multiples, more earn-outs).
- “Me-too” or average businesses will suffer the most; only truly differentiated, high-growth, or recession-resilient companies may hold value.
- Industries already experiencing rapid consolidation (e.g., HVAC, dental, landscaping, veterinary, home services and domestic manufacturing) could see even sharper compression once the wave hits. (Industry niche consolidation waves are another topic and consideration on its own)

Bottom line for owners seeking to sell. The current environment is one of the strongest seller’s markets many owners will ever see. Postponing (like most of their peers) may feel safer short-term, but it carries a high probability of lower exit multiples later. When multiples fall by a couple of turns, no amount of realistic growth can make up for that delta in valuation. Moreover, you have to weigh the amount of capital, time, labor and additional resources to basically get back to today’s value “par”.

If your business is ready – clean financials, strong team, recurring revenue, growth trajectory – now is the time to test the market and lock in peak valuation before the supply overhang arrives. Many owners who wait end up regretting it when they realize the “dry powder” didn’t prevent the inevitable price correction driven by overwhelming supply.

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