

TELOSITY
BY VINAJ VENTURES

Youth Wellness & Mental Health: A \$26 Billion Opportunity

Executive Summary

Youth Wellness & Mental Health Market Guide Objective

The objective of this guide is to:



→ **Inform Investors**

Provide investors with pivotal information about the increasing multi-billion opportunities (\$26B by 2027) of youth wellness and mental health technologies and startups (15X growth over last 4 years.)



→ **Guide Startups**

Provide startup founders with guidance to launch and grow youth wellness and mental health companies, by leveraging insights from 850+ startups, case studies and Telosity's successful ventures.

Why Youth Wellness & Mental Health?

The CDC reported the highest rates of adolescent sadness to-date, and youth struggles with anxiety, stress, depression, loneliness & suicide have risen.

Technology-driven solutions represent an opportunity to increase access to mental health care services, allowing more young people to get the help they need.

1 in 6 U.S. Youth Ages 6-17

experience a mental health disorder each year ¹

50% of All Lifetime Mental Illness

begins by age 17, and 75% by age 24 ²

Suicide

is the 2nd leading cause of death among people age 10-34 ³

52% Increase

in the rate of clinical depression in 12-17 year olds between 2005 and 2017 ⁴

1. <https://nami.org/mhstats#--text=16.5%25%20of%20U.S.%20youth%20aged%206-17%20experienced%20a%20lifetime%20illness%20among%20U.S.%20adults%20%20by%20demographic%20group%3A>
 2. <https://nami.org/mhstats#--text=16.5%25%20of%20U.S.%20youth%20aged%206-17%20experienced%20a%20lifetime%20illness%20among%20U.S.%20adults%20%20by%20demographic%20group%3A>
 3. <https://www.mhri.gov/health/statistics/suicide>
 4. <https://www.apa.org/pubs/journals/releases/abn-abn000040.pdf>

Why Invest in Youth Wellness & Mental Health?

There's never been a more opportune time to do good and enter an accelerating \$26B industry, with 15x growth in investment over the last four years.

Every **\$1 of investment** in prevention and early intervention for mental illness and addiction programs yields **\$2 to \$10 in savings** in health costs, criminal and juvenile justice costs and low productivity.¹

Investors and startup founders like you can meet the insatiable market demand and a massive opportunity for youth wellness and mental health technologies.

\$26B Market by 2027

youth mental and behavioral health market size estimate, based on \$132.4B projection for all ages in the U.S.²

15x growth in investments

over the last four years in youth wellness and mental health startups was spurred by needs, market, successful companies and acquisition targets.

\$360B in Disposable Income

amount Gen Z has earned, more than double an estimate three years ago.³

64.3M Young People

between the ages of 10-24 years old in the U.S.⁴

1. <https://steinberginstitute.org/press-release/fact-sheet-cost-benefits-early-intervention-mental-illness/>

2. <https://www.precedenceresearch.com/us-behavioral-health-market>

3. <https://www.bloomberg.com/news/articles/2021-11-17/gen-z-has-360-billion-to-spend-trick-is-getting-them-to-buy>

4. <https://data.census.gov/cedsci/table?q=Population%20Total&tid=ACSDPY2018DP05>

Why Now?

The Youth Wellness & Mental Health Market Opportunity:

For investors and startups, this is an opportune moment to build significant and sustainable business models while doing good and making an impact by entering a surging **\$26B** industry.



→ Timing is critical given the urgent gaps in adolescent needs with:

- ◆ A shortage of professionals in the youth mental health space
- ◆ The highest reported rates of adolescent sadness to-date, and alarming rates of youth struggles with anxiety, stress, depression, loneliness and suicide

→ Tech-based solutions can have a significant impact at scale as:

- ◆ Data can drive personalization of youth wellness applications
- ◆ Digital apps augment professional mental health solutions
- ◆ Digital-native youth are accustomed to going online to seek help

→ By 2027, the Youth Wellness & Mental Health market is estimated to be \$26B:

- ◆ For VCs and startups investing in youth wellness and mental health solutions
- ◆ Inclusive of payers, providers and educational institutions looking for solutions to augment existing processes to help youth in need

Overall Mental Health Tech Product Trends



Globally, the U.S. is leading in venture capital investments in the mental health space. Mobile apps offer the convenience of meeting users on the channel where they spend most of their time.

88% of all Funding

raised in Mental Health was deployed to companies inside of North America

96% of all products

developed by Digital Health companies focused on Mental Health are Mobile Applications

23% of all products

fall into the category of Wellness Apps

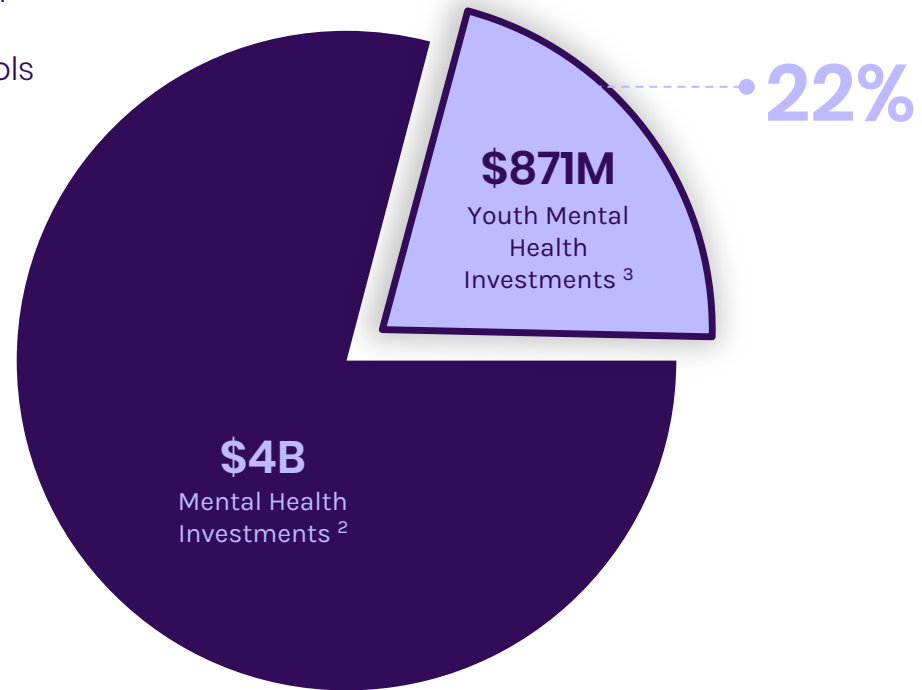
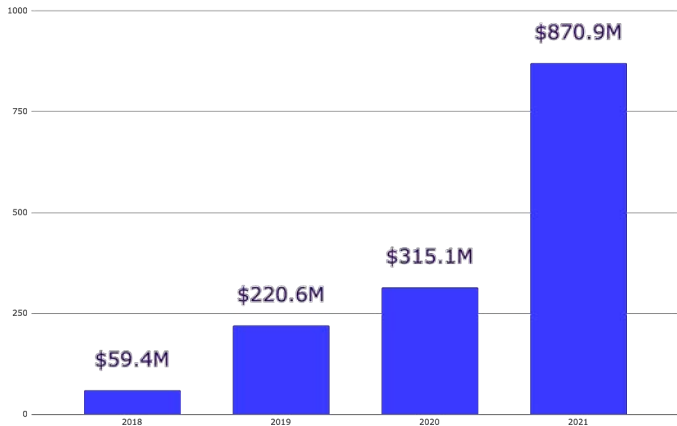
71% of venture funding

in Mental Health for H1 2021 was deployed to companies in Telemedicine and Patient Solutions (the dominant clusters over the past 2 years)

15x Growth in Youth Venture Capital Investments Over 4 Years

Venture investments in youth mental health companies have significantly increased since 2018 both in number of deals and in check size. There are a number of drivers including growing demand from payers, providers, schools and employers; COVID has exacerbated the challenge.

Youth Mental Health Investments 2018-2021



1. <https://rockhealth.com/insights/2021-year-end-digital-health-funding-seismic-shifts-beneath-the-surface/>

2. Pitchbook

3. Telesity by Vinaj Ventures Research

TELOSITY
BY VINAJ  VENTURES™