

# *Driving Improvements in Longevity*

The Geneva Association  
October 26, 2020

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President, *Rest-of-Life* Communications



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# LONGEVITY IN THE NEWS

## DISPARITIES

By S. Jay Olshansky, Toni Antonucci, Lisa Berkman, Robert H. Binstock, Axel Boersch-Supan, John T. Cacioppo, Bruce A. Carnes, Laura L. Carstensen, Linda P. Fried, Dana P. Goldman, James Jackson, Martin Kohli, John Rother, Yuhui Zheng, and John Rowe

## Differences In Life Expectancy Due To Race And Educational Differences Are Widening, And Many May Not Catch Up

## THE GROWING GAP IN LIFE EXPECTANCY BY INCOME

IMPLICATIONS FOR FEDERAL PROGRAMS AND POLICY RESPONSES

Committee on the Long-Run Macroeconomic Effects of the Aging U.S. Population—Phase II

Committee on Population  
Division of Behavioral and Social Sciences and Education

and

DOI: 10.1377/hlthaff.2011.0746  
HEALTH AFFAIRS 31,  
NO. 8 (2012): 1803–1813  
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The People-to-People Health  
Foundation, Inc.

**S. Jay Olshansky** (sjayo@uic.edu) is a professor at the School of Public Health, University of Illinois at Chicago.

**Toni Antonucci** is a research professor in the Life Course Development Program and the Elizabeth M. Douvan Collegiate Professor of Psychology at the University of Michigan, in Ann Arbor.

**Lisa Berkman** is director of the Center for Population Development Studies and Thomas D. Cabot Professor of Public Policy and Epidemiology at Harvard University, in Boston, Massachusetts.

**Robert H. Binstock**, now deceased, was a professor in the Department of Epidemiology and Biostatistics in the School of Medicine at Case Western Reserve University, in Cleveland, Ohio.

**Axel Boersch-Supan** is director of the Max Planck

## Special Communication

## The Association Between Income and Life Expectancy in the United States, 2001-2014

Raj Chetty, PhD; Michael Stepner, BA; Sarah Abraham, BA; Shelby Lin, MPhil; Benjamin Scuderi, BA;

## LATER RETIREMENT, INEQUALITY IN OLD AGE, AND THE GROWING GAP IN LONGEVITY BETWEEN RICH AND POOR

Barry Bosworth & Gary Burtless, The Brookings Institution

Kan Zhang, George Washington University

Interview at  
al content at

The background of the slide features a series of black silhouettes against a light grey background. On the left, there are several trees of varying sizes. In the center and right, there are silhouettes of people in various activities: some are sitting on a bench, some are walking, some are pushing a stroller, and some are holding hands. The overall scene suggests a park or a public space.

THE **SIGHTLINES** PROJECT

SEEING OUR WAY TO LIVING LONG & LIVING WELL  
IN 21st CENTURY AMERICA

# Sightlines Project Vision



Stimulate an informed, vibrant, national conversation on proactive approaches to living long and living well in 21<sup>st</sup> Century America

# Key domains and indices

**Healthy Living**  
(1999 → 2011)

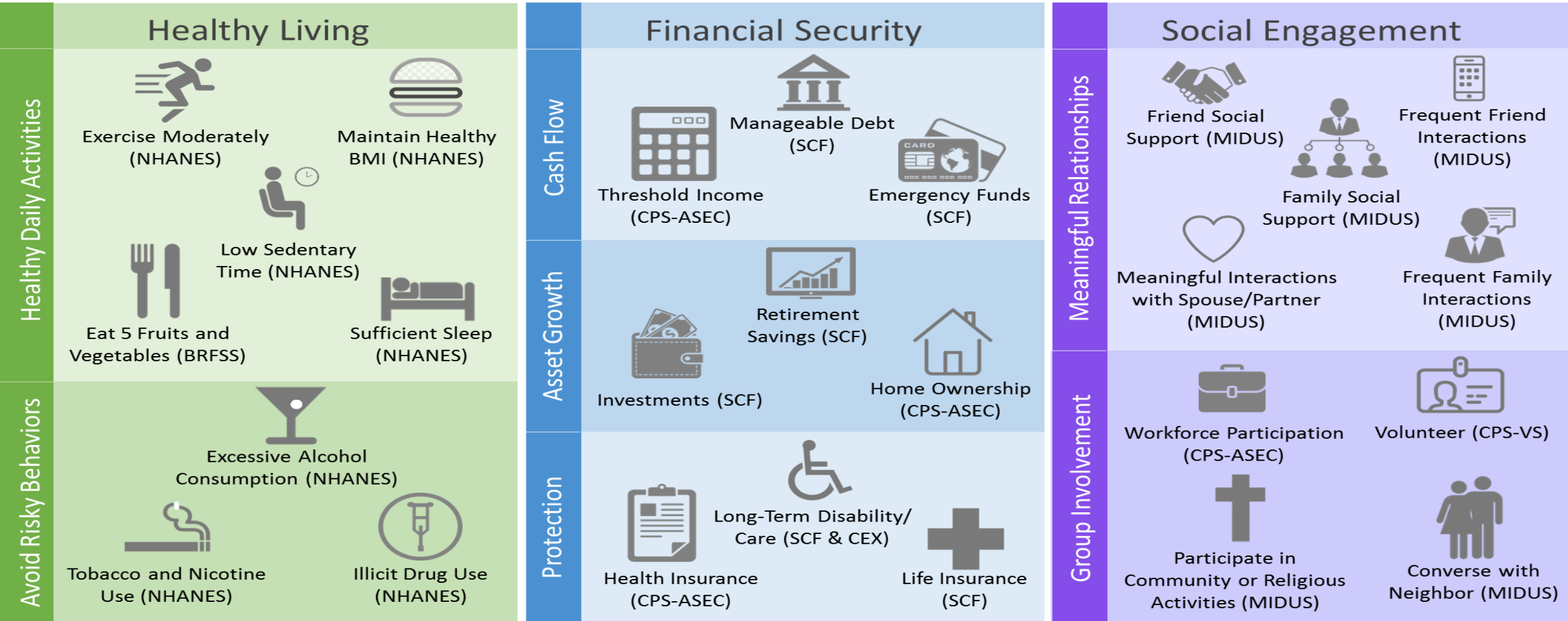
**Financial Security**  
(2000 → 2014)

**Social Engagement**  
(1995 → 2012)

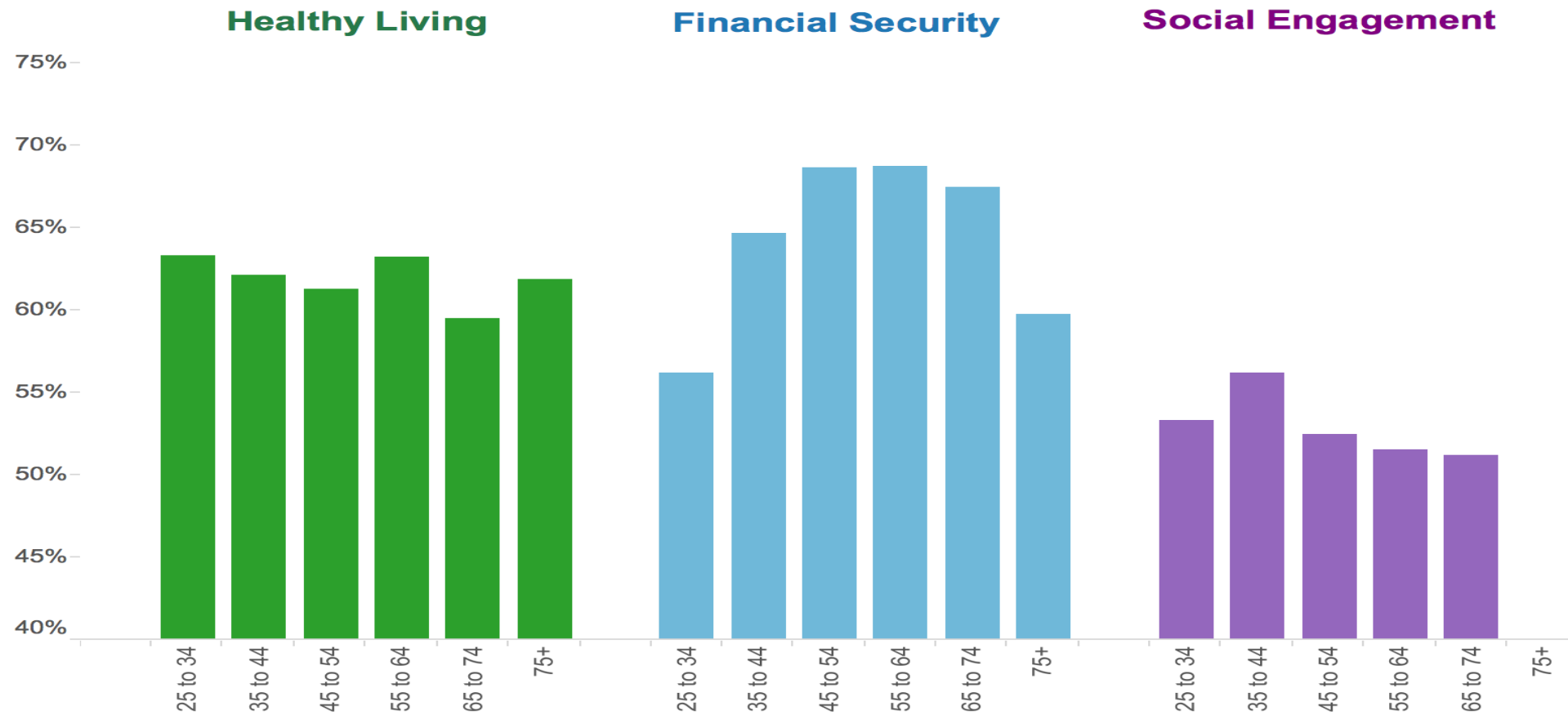
25	35	45	55	65	75+	25	35	45	55	65	75+	25	35	45	55	65	75+
34	44	54	64	74		34	44	54	64	74		34	44	54	64	74	

- 8 - 9 behavioral criteria in each domain
- Average percentage of Americans doing 'right' at each of six decades of life
- Trajectory: prevalence in most recent vs. benchmark year

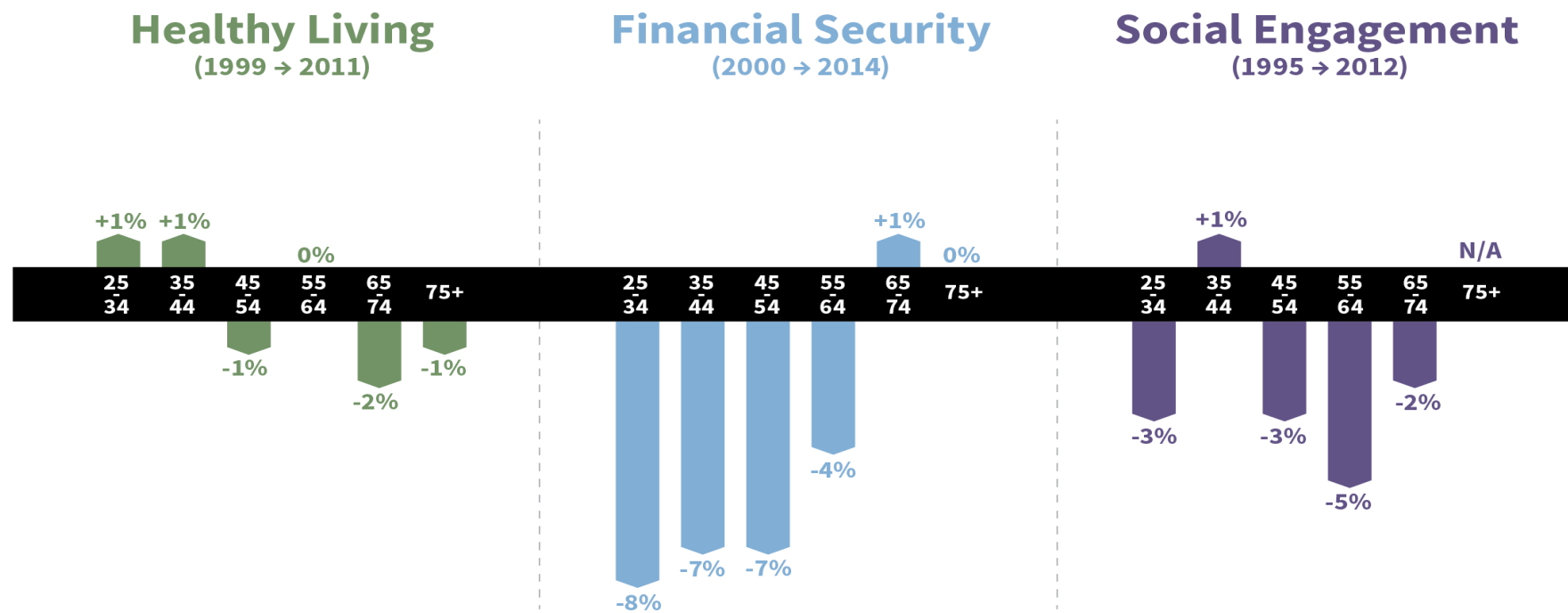
# Actions linked to healthy, long life



# How well are Americans doing today?



# Key indices are stable or down



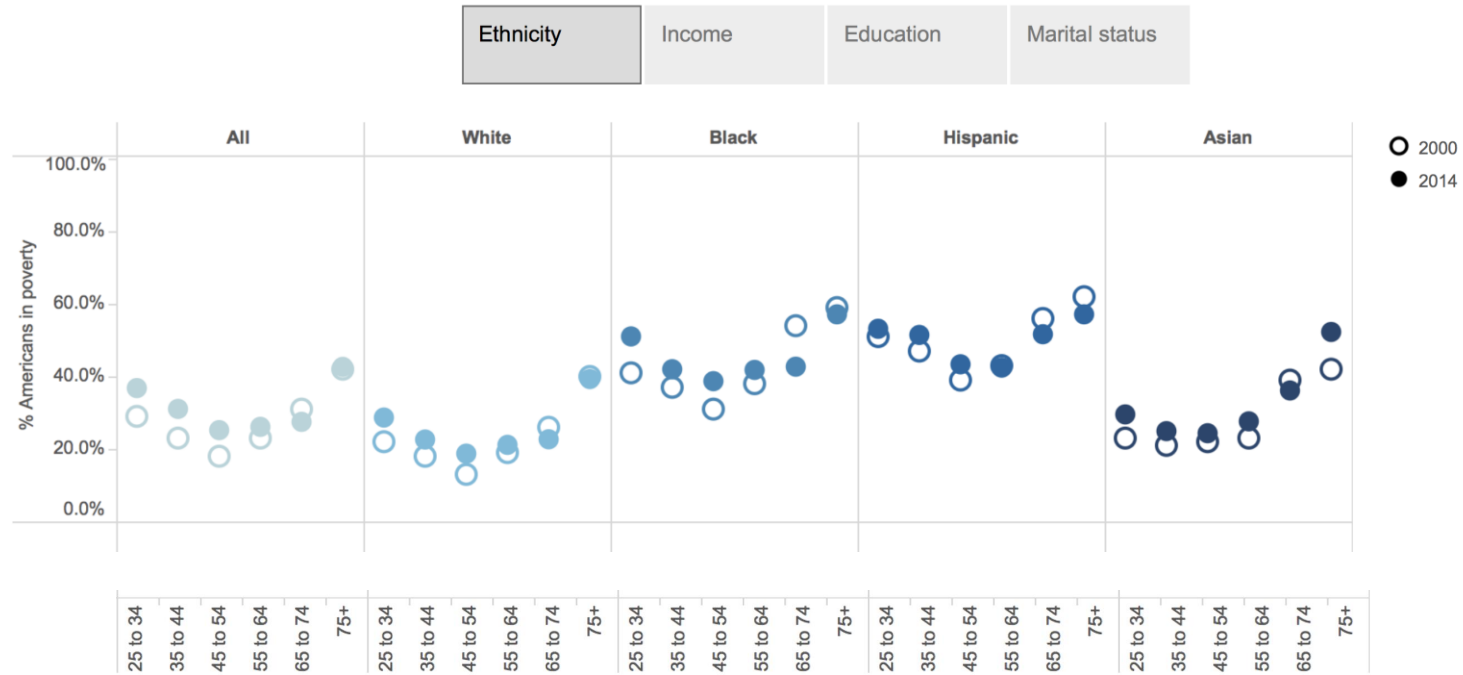
Healthy living gains offset by rising risks

Financial security trends alarming

Traditional social engagement waning

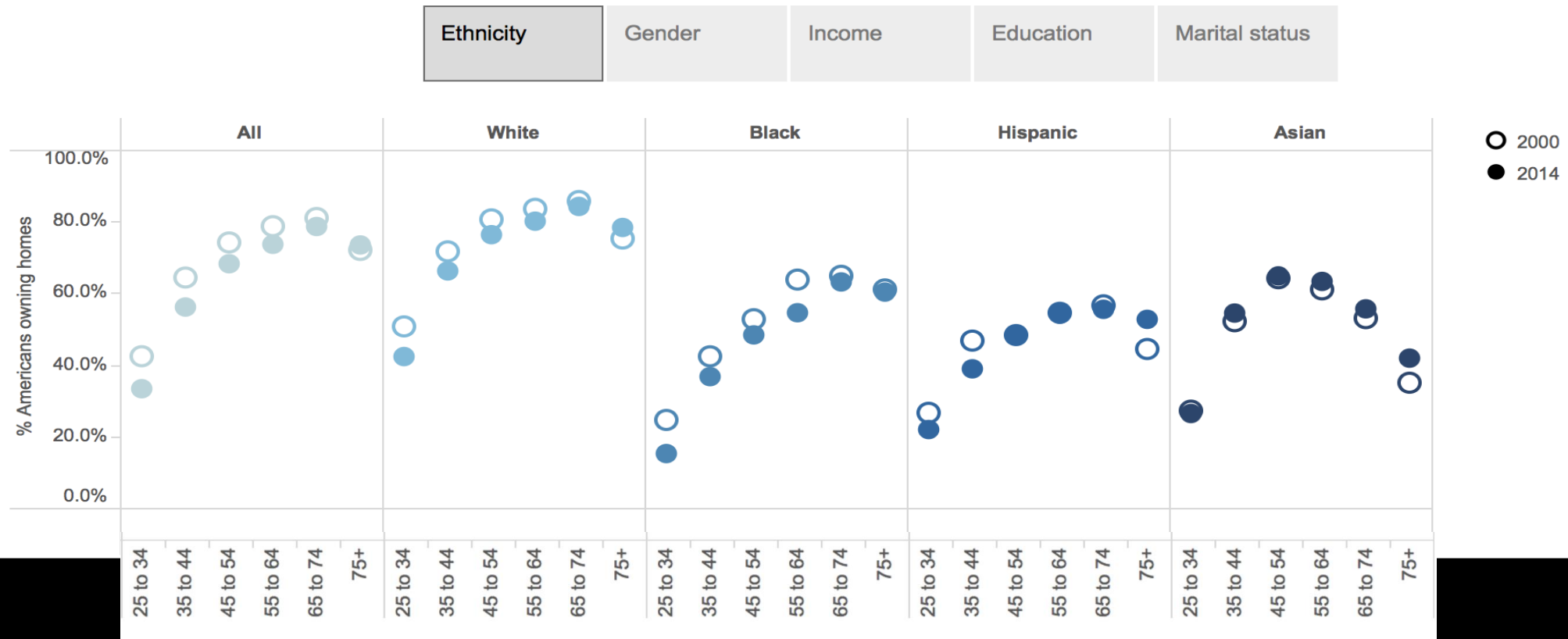


## PERCENTAGE OF AMERICANS LIVING WITH POVERTY



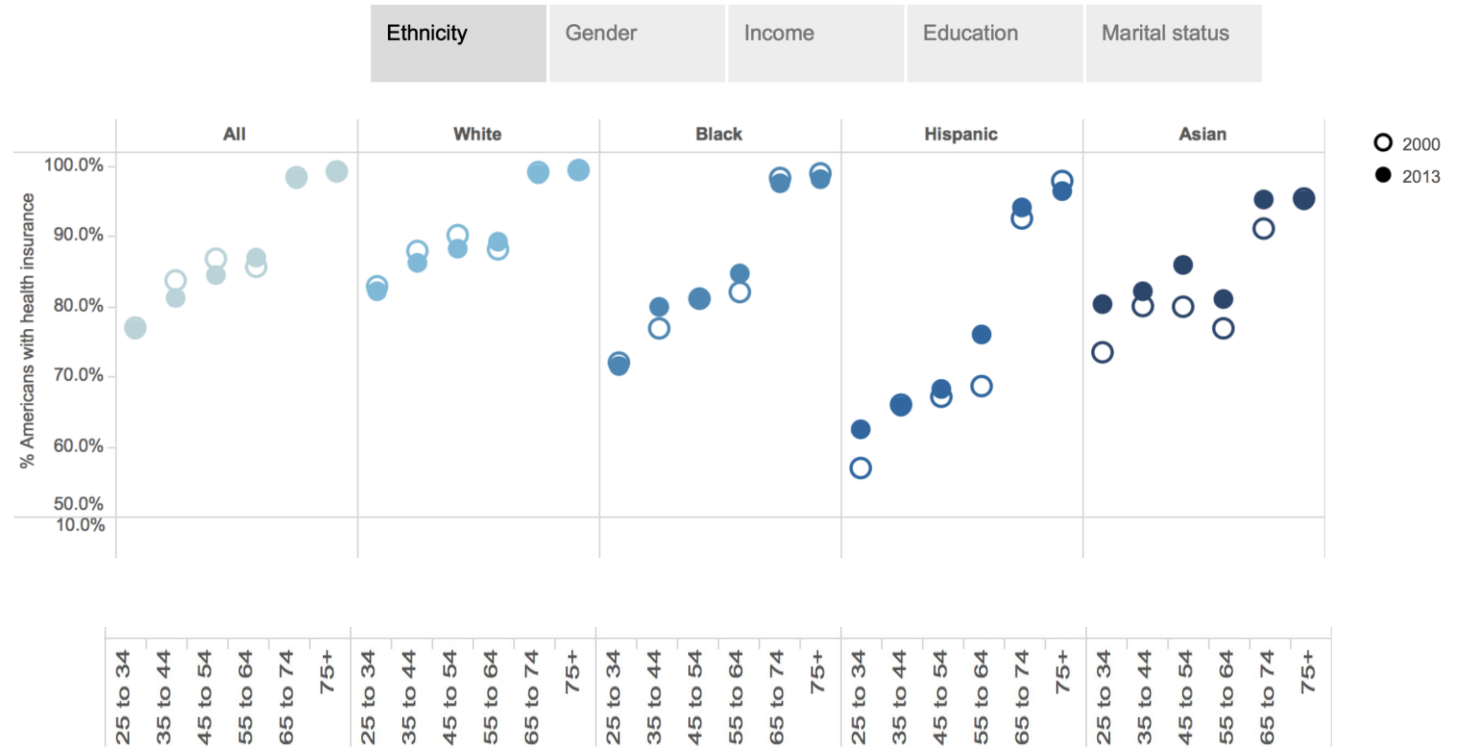
**African-Americans, Hispanics more likely to live in poverty or near-poverty**

# Percentage of Americans being home owners in 2014 compared to 2000



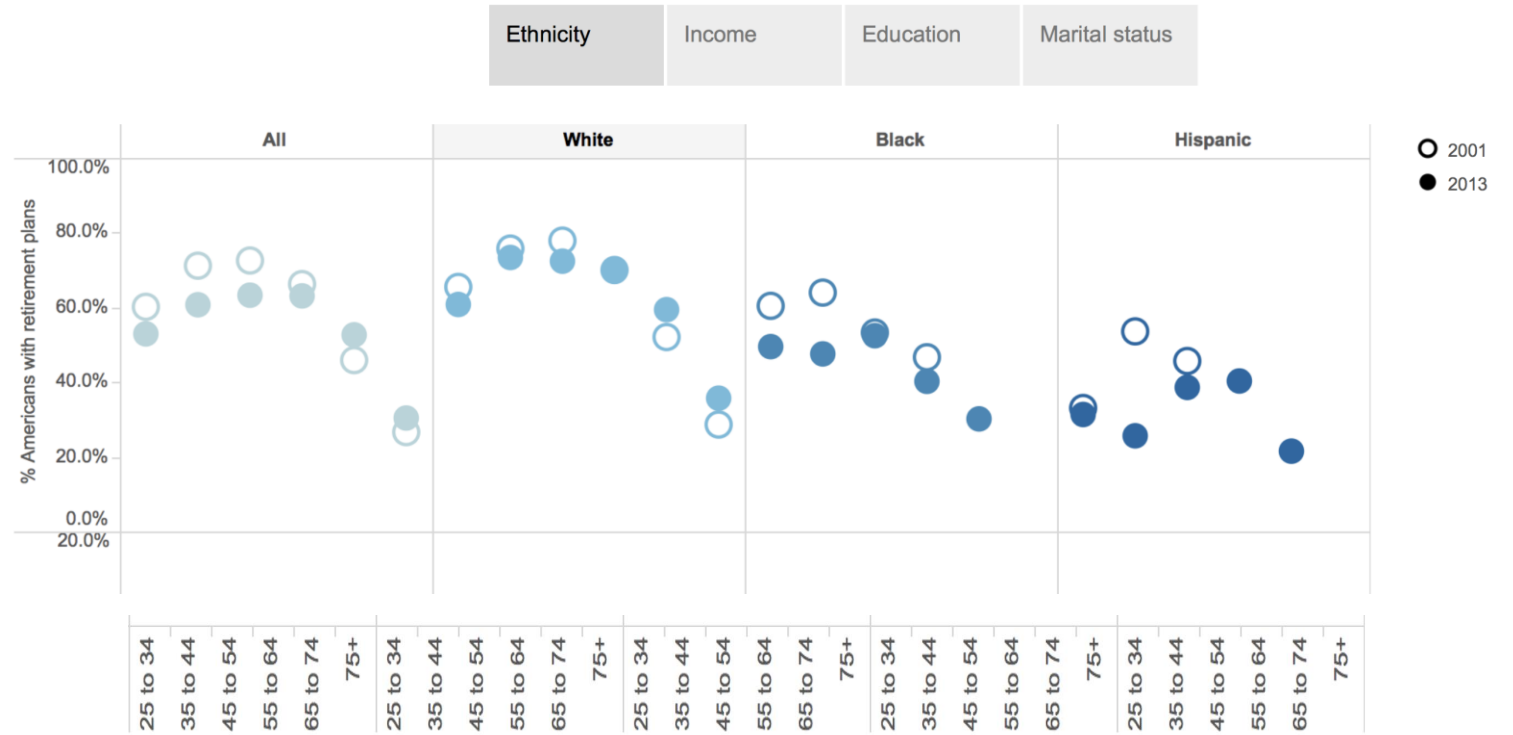
**African-Americans, Hispanics less likely to own their home**

# African-Americans, Hispanics less likely to have health insurance

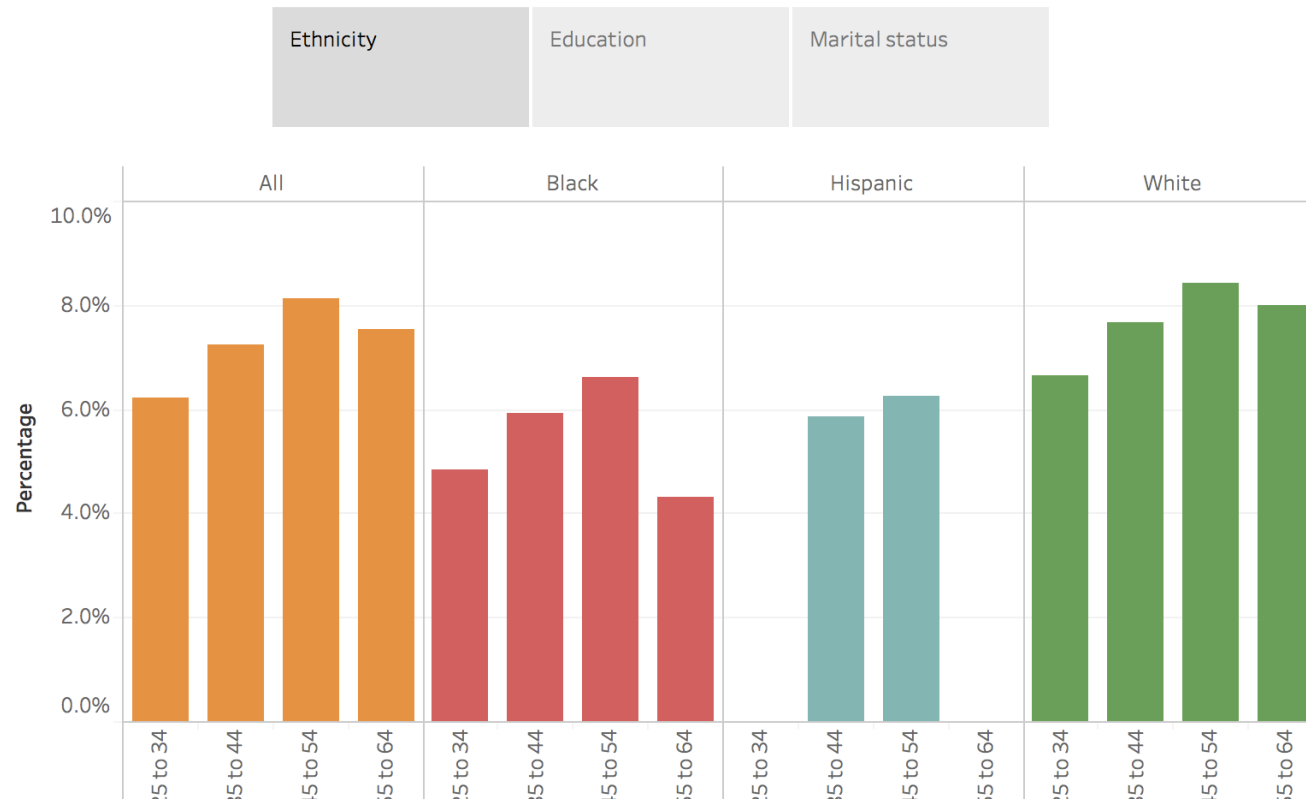


# African- Americans, Hispanics less likely to participate in retirement plans

PERCENT OF AMERICANS WITH RETIREMENT PLANS



## % INCOME CONTRIBUTED TO EMPLOYER-SPONSORED RETIREMENT PLANS (ELIGIBLE FAMILIES ONLY), MEDIAN VALUE



... and their median contributions to retirement plans are less

# The Pandemic Is Making Things Worse

Source: Journal of American Medical Association  
October 2020



View Large



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Table 2. Excess All-Cause Mortality in the US Compared With That in Other Countries<sup>a</sup>

Table 2. Excess All-Cause Mortality in the US Compared With That in Other Countries<sup>a</sup>

Country	Excess all-cause mortality per 100 000			Excess US deaths from all causes (% of reported deaths)		
	Since the start of the pandemic	Since May 10, 2020	Since June 7, 2020	Since the start of the pandemic	Since May 10, 2020	Since June 7, 2020
<b>Moderate mortality (COVID-19 deaths, 5-25/100 000)</b>						
Norway	-2.6	-4.3	-2.1	235 610 (100)	102 598 (44)	63 952 (27)
Denmark	5.1	1.9	1.8	218 664 (93)	96 375 (41)	57 910 (25)
Israel	8	7.5	5.4	209 376 (89)	77 932 (33)	46 091 (20)
Germany	10.0	1.4	-0.2	202 547 (86)	97 905 (42)	63 952 (27)
Canada	13.3	-3.7	-7.6	192 009 (81)	102 598 (44)	63 952 (27)
Switzerland	17.0	-3.6	-2.7	179 545 (76)	102 598 (44)	63 952 (27)
Austria	17.1	3.2	1.4	179 208 (76)	92 042 (39)	59 375 (25)
Finland	19.1	8.7	5.4	172 706 (73)	74 116 (31)	46 264 (20)
<b>High mortality (COVID-19 deaths, &gt;25/100 000)</b>						
Sweden	50.8	14.9	3.7	68 540 (29)	53 429 (23)	51 864 (22)
France	51.5	5.9	2.6	66 167 (28)	83 301 (35)	55 512 (24)
The Netherlands	55.1	0.1	-0.7	54 282 (23)	102 157 (43)	63 952 (27)
Belgium	67.8	-4.6	-6.4	12 638 (5)	102 598 (44)	63 952 (27)
United Kingdom	94.5	13.7	-1.2	-75 196 (-32)	57 659 (24)	63 952 (27)
Spain	102.2	2.1	1.8	-100 768 (-43)	95 784 (41)	57 948 (25)
United States	71.6	31.2	19.4			

<sup>a</sup> Data on deaths are through July 25, 2020 (week 30, n = 235 610 excess US deaths compared with 145 545 reported COVID-19 deaths). Countries lacking publicly available all-cause mortality data through this time are omitted. Excess deaths were estimated by week, compared with 2015-2019, beginning when a country surpassed 1 COVID-19 case per million population. In columns 3-5, due to large sample sizes, all mortality rates are statistically significantly different from the corresponding US mortality rates ( $P < .001$ ). Scenarios in the last 3 columns assume that compared with the country in a given row:

(A) the US had a comparable cumulative mortality rate; (B) the US excess all-cause mortality rate was unchanged until May 10 (week 20, n = 133 012 deaths), when it became comparable to the other country's death rate; and (C) the US excess all-cause mortality rate was unchanged until June 7 (week 24, n = 171 659 deaths), when it became comparable to the other country's death rate. Totals are truncated to avoid exceeding US estimated deaths. Due to reporting lags, these data include less follow-up time than Table 1, which in some cases produces lower cumulative death rates.

# Most Important Financial Decisions

## The Top 5

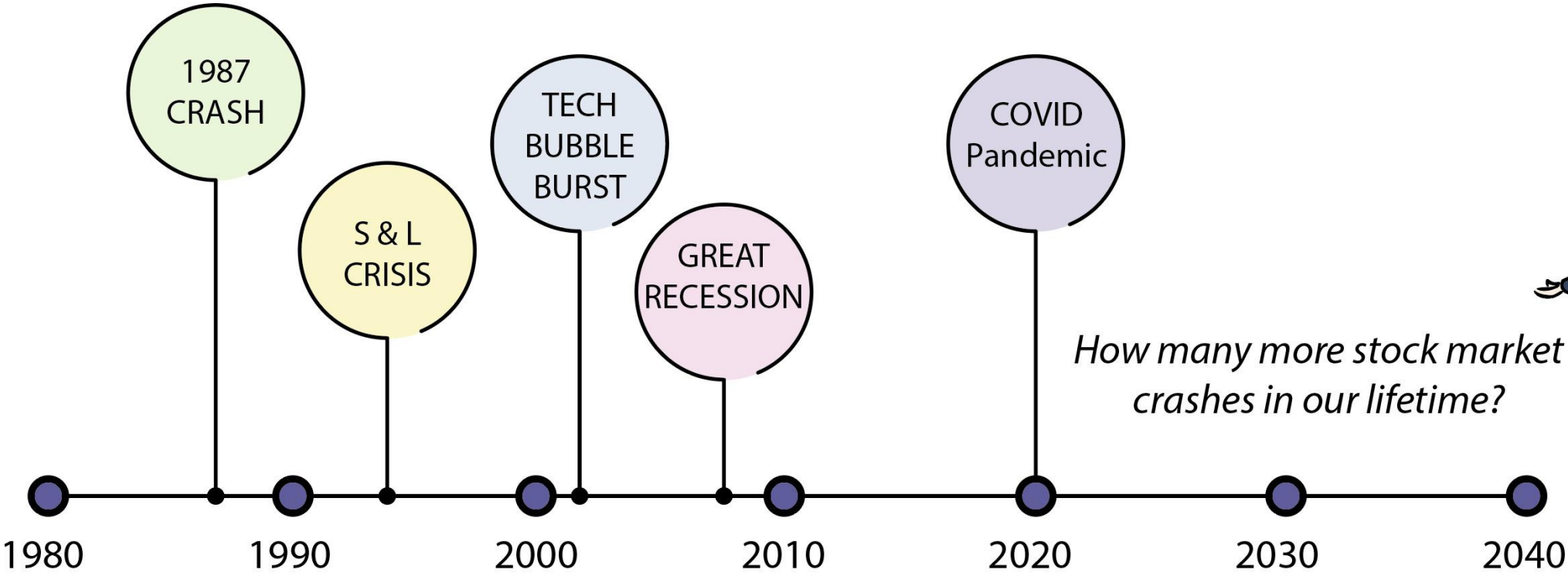
1. When and how to retire
2. When to start Pillar 1/Social Security
3. Build your retirement income portfolio with invested assets, pensions, annuities
4. Make smart choices for medical insurance/Medicare
5. Which living expenses to reduce

# Top 10 Financial Decisions

1. **When and how to retire**
2. **When to start Pillar 1/Social Security**
3. **Build your retirement income portfolio**
4. **Make smart choices for medical insurance/Medicare**
5. **Which living expenses to reduce**
6. **Whether to deploy home equity**
7. **Protect against long-term care expenses**
8. **Protect against diminished capacity as you age**
9. **Provide for your spouse after you're gone**
10. **Plan your financial legacy**



# Build your retirement plan to last





*“Help! I haven’t saved enough for retirement!”*

# Meet Rob and Betty

- Both age 62, live in the U.S.
- Both work, household income: \$100,000/year
- Retirement savings: \$350,000
- Can they retire at 62, age 66-1/2 (SS FRA), or age 70?

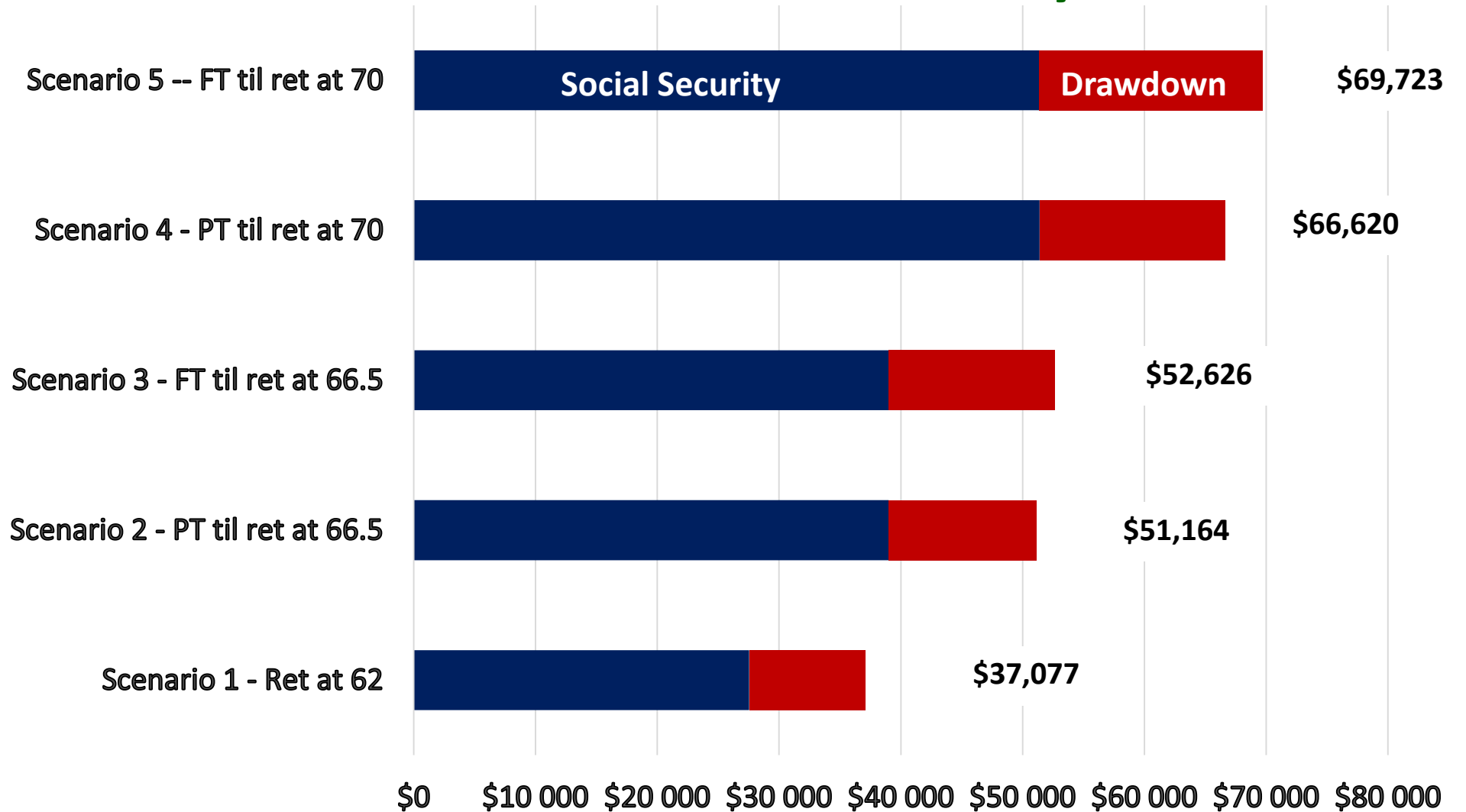


# Baseline Retirement Scenarios for Rob and Betty

1. Retire immediately at age 62, start SS and drawdown
2. Work PT from age 60 to age 66-1/2, then start SS and drawdown
3. Work FT from age 60 to age 66-1/2, then start SS and drawdown
4. Work PT from age 60 to 70, then start SS and drawdown
5. Work full-time from age 60 to 70, then start SS and drawdown

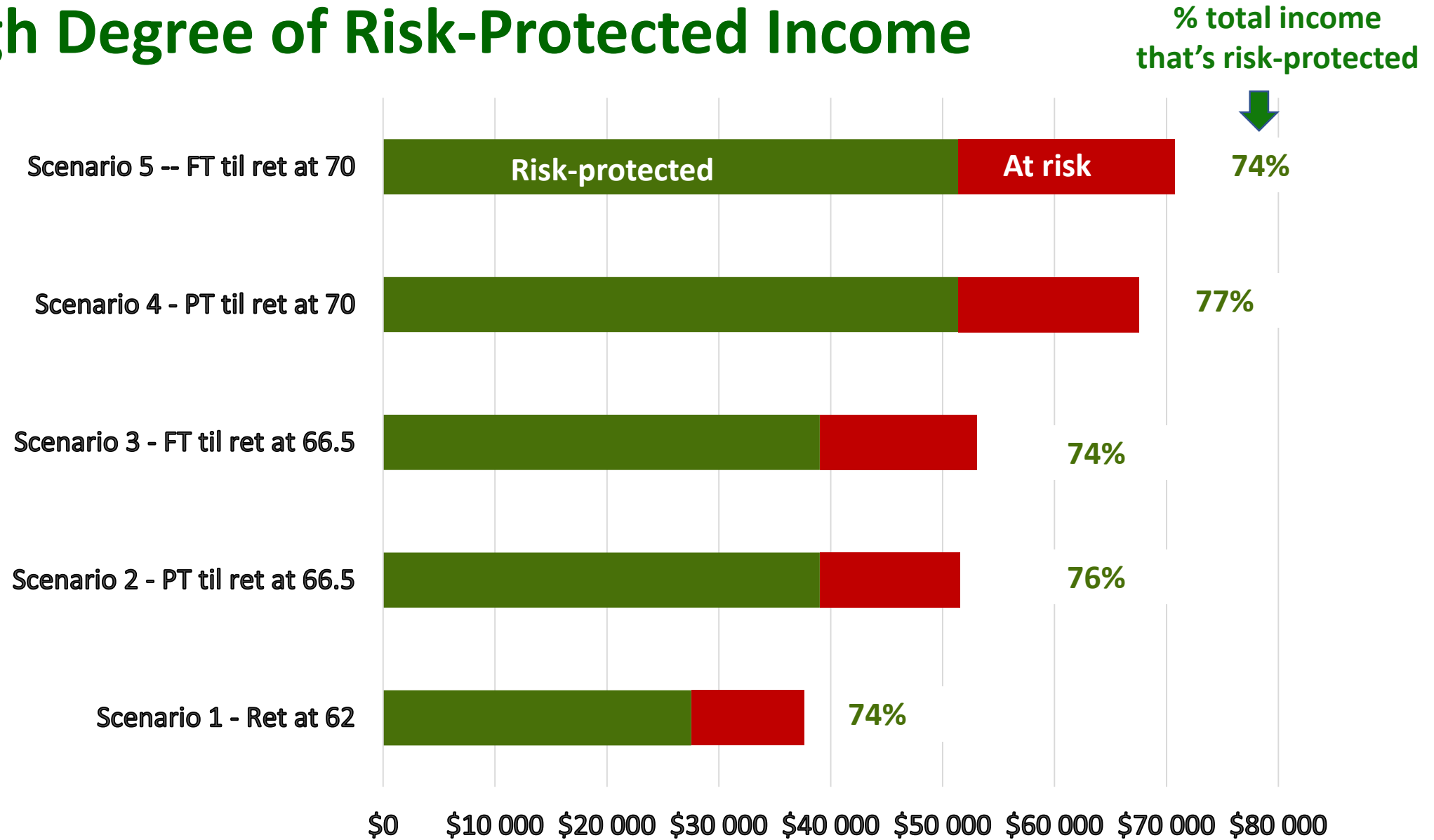
# When and How to Retire?

## Baseline Scenarios for Rob and Betty



Source: *Don't Go Broke in Retirement*, by Steve Vernon

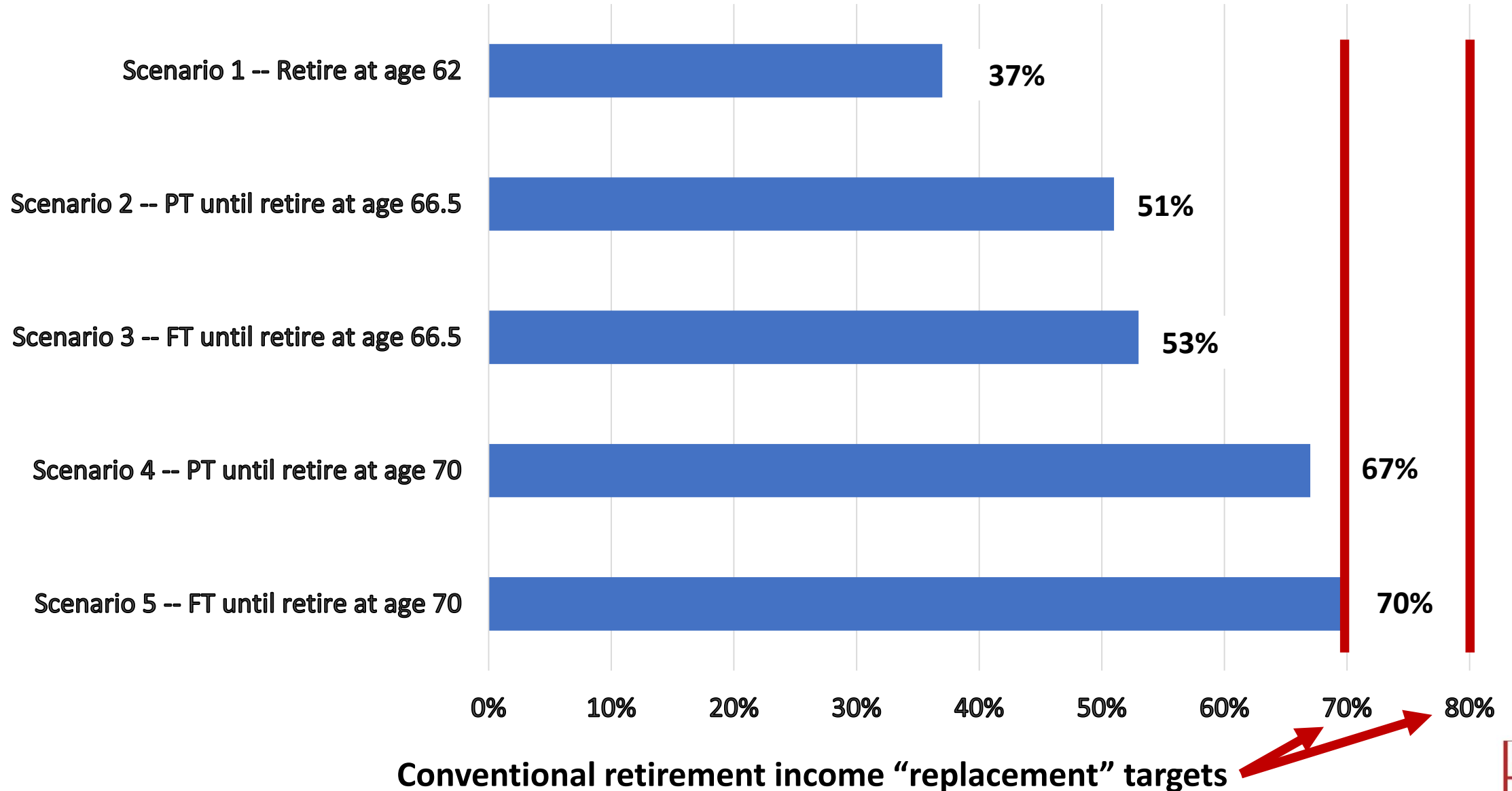
# Most Middle-Income U.S. Retirees Will Have a High Degree of Risk-Protected Income



Source: *Don't Go Broke in Retirement*, by Steve Vernon

# Rob and Betty's Tough Choice: Work Longer or Reduce Spending

## Their "Replacement Ratios"



“it’s very expensive to fund 30-year retirements over a 40-year career.”

**John Shoven**

**Professor of Economics, Stanford University**





# Most Important Life Portfolio Decisions

- **General location to live**
- **Specific home/community**
- **Enhance your health**
  - **Nutrition**
  - **Exercise**
  - **Manage stress**
  - **Sufficient sleep**
  - **Reduce unhealthy habits**
- **Build your health care team**
- **Develop your health metrics**
- **Nurture your well-being**
- **Develop your social portfolio**
- **Work/volunteer**
- **Plan your nonfinancial legacy**

Unrealistic Optimism  
Temporal Discounting  
Anchoring Effect  
Decision Fatigue  
Illusion of Control  
Status Quo Bias  
Default Heuristic  
Consumerism  
Confirmation Bias  
Overconfidence  
Inertia  
Affect Heuristic  
Social Norms  
Stories  
Disposition Effect  
Serial Position Effect  
Loss Aversion  
Credit Card Effect  
Planning Fallacy  
Choice Overload  
Endorsement Effect  
**Framing Effect**





None of the men in my family  
lived past age 75.



My neighbor's 97-year-old aunt ran out of money and had to move in with her. The aunt didn't think she'd live that long.



My mother died of cancer at age 54. Enjoy it while you can. You just never know how long you'll live.



**What's more important to your health and longevity?**

- 1. Your genes**
- 2. Your lifestyle decisions**

“For all but the most strongly determined genetic diseases ... MacArthur Studies show that the environment and lifestyle have a powerful impact on the likelihood of actually developing the disorder. This is wonderful news for individuals with strong family histories of some cancers, heart disease, hypertension, rheumatoid arthritis, and many other conditions. We now know that diet, exercise, and even medications may delay, or completely eliminate, the emergence of the disease.”

– **From *Successful Aging*, by John W. Rowe, MD and Robert L. Kahn, PhD**



**How can you  
help address  
the longevity  
inequality?**





**How can you help your customers make effective longevity decisions?**

**How can you  
accommodate longer  
working lives?**



—

**What's the best way to deploy behavioral economics and psychological science?**

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**For more information...**



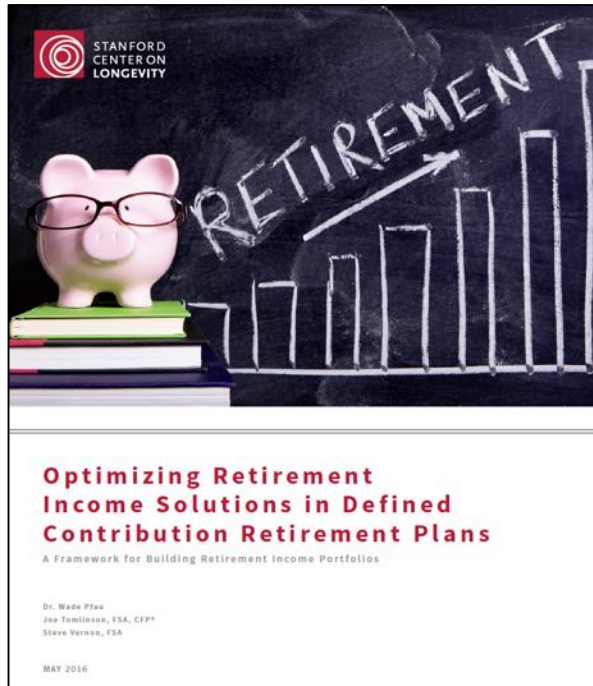
# *Sightlines 2021*



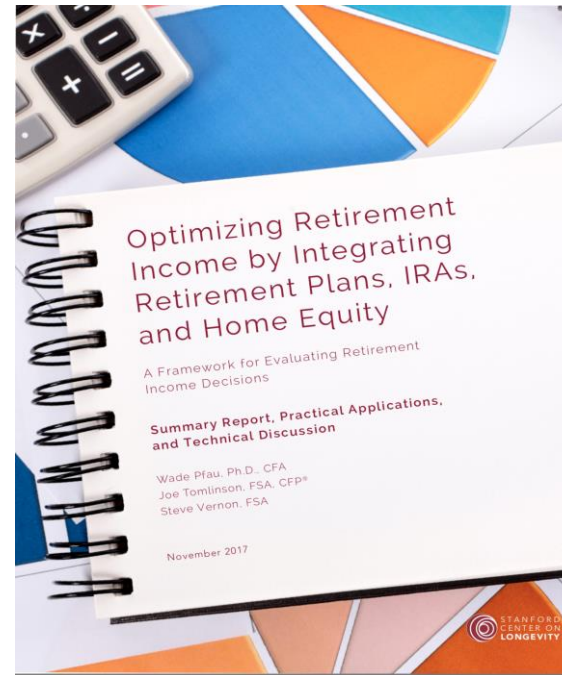
SEEING OUR WAY TO LIVING LONG & LIVING WELL  
IN 21st CENTURY AMERICA



# Collaboration Between Society of Actuaries and Stanford Center on Longevity



2016



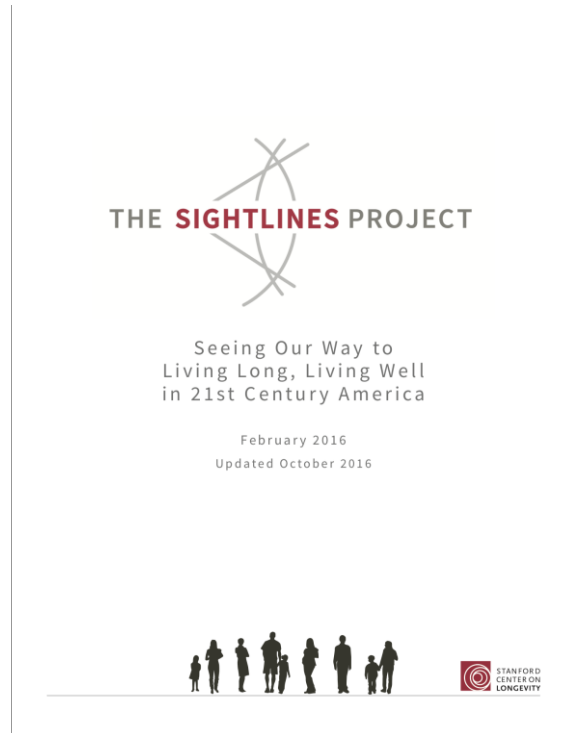
2017



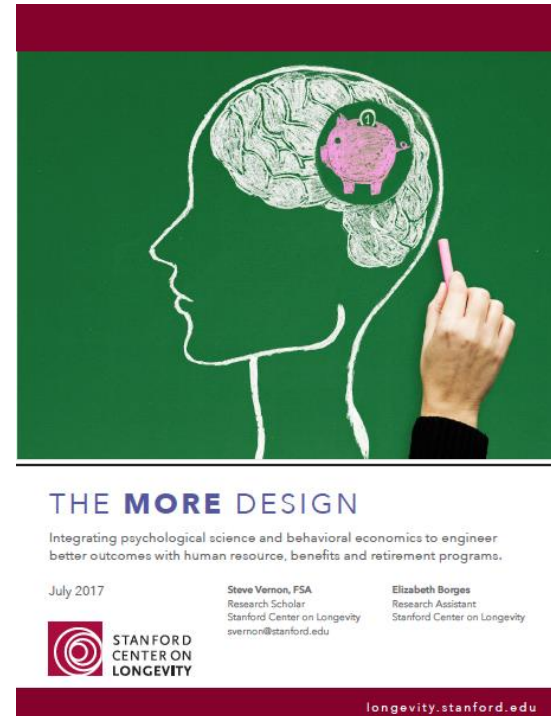
2019

<http://longevity.stanford.edu/scl-publications/>

# Additional Reports at the Stanford Center on Longevity



2016



2017



2018

<http://longevity.stanford.edu/scl-publications/>

"This book is exactly what every pre-retiree needs!"

— TERRY SAVAGE, author of *The Savage Truth on Money*  
and nationally syndicated financial columnist

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