STANFORD CENTER ON LONGEVITY

IN THE NEWS

The Washington Post

In search of a word that won't offend 'old' people

LAURA CARSTENSEN
December 29, 2017

We hear a lot about aging societies these days. At the same time, we hear relatively little about being old from older people themselves. In part, this is because most people in their 60s, 70s and older still don't think of themselves as "old." We often refer to old people in the third person.

As long as we are healthy and engaged in life — as most people in their 60s, 70s and older are — we don't view ourselves as old. But by using "they" rather than "we" in our minds and our conversations, we keep an entire stage of life at arm's length. By failing to identify with "old," the story about old people remains a dreary one about loss and decline.

Language matters: We need a term that aging people can embrace.

For years, I've thought that we should just start calling ourselves old and be proud of the fact that we've reached advanced ages. Maggie Kuhn, who co-founded the anti-ageism group Gray Panthers, also took this position.

I first heard Kuhn speak in the late 1970s at the meetings of the Gerontological Society of America. A distinguished geriatrician introduced her in a hotel ballroom to a standing-room-only crowd. He concluded his gracious introduction by saying something to the effect of, "And now it is my great pleasure to give you this impressive young lady." Kuhn ambled to the podium, stood silent for a moment, pulled the microphone down to her mouth (she was as short as she was fierce) and slowly and forcefully said, "Two things: I am not young, and I'm no lady. I am an old woman. And the fact that you cannot call me what I am without insulting me illustrates the depth of the problem we face."

I instantly idolized her. But embracing the term "old" is probably a fool's errand. Over the past 40 years or so, I've tried to persuade people to use the word "old" proudly, but I have so far failed to get a single person to do so. In fact, even I avoid "old" for fear that the term might offend.

Alternative terms range from distant but respectful to outright patronizing. None of them are appealing to old people. The most widely used are "senior citizens," "retirees," "the elderly" and "elders." Then there are the derogatory terms, such as "geezers" and "coots," mostly whispered behind closed doors. And there are terms such as "sages," which frankly go too far in the opposite direction, as plenty of old people are a far cry from wise. Some people prefer the comfortably familiar term "boomers." But then what do we call Gen Xers and millennials when they grow old?

There are those who argue that we need to distinguish the young-old from the old-old. Although I suspect this is touted mostly by baby boomers who want to deny that they are old, it's true that 65-year-olds are not the same as 95-year-olds. It's also true that chronological age is a poor marker of functioning. Even though the young-old differ from the old-old, there is tremendous heterogeneity within age groups. The functional status of "old people" has also shifted substantially over historical time. A century ago, 40 was old. Today's older generations are healthier, more cognitively fit and better educated than any previous generation.

So, what do we call old people?

The Stanford Center on Longevity, which I direct, strives to develop a culture that supports long life, and we recognized early that language matters. Most people say that they don't want to grow old, but they also want to live a long time. Yet, we've never settled on a good term for old people.

Last spring, I met Maureen Conners, a fascinating woman who works in fashion technology, an emerging longevity industry (that is, a business providing the needs of older people, including education, travel and entertainment). She uses the word "perennials" to refer to older customers.

Upon first hearing this term, I was startled. The symbolism it connotes is perfect. For one, "perennials" makes clear that we're still here, blossoming again and again. It also suggests a new model of life in which people engage and take breaks, making new starts repeatedly. Perennials aren't guaranteed to blossom year after year, but given proper conditions, good soil and nutrients, they can go on for decades. It's aspirational.

In August, Allure magazine announced that it would no longer use the term "anti-aging" and appointed Dame Helen Mirren their spokeswoman. Jane Fonda and Lily Tomlin are starring in a wonderful series called "Grace and Frankie" in which they portray two smart, funny and unapologetic perennials.

Perhaps we are reaching a tipping point — a shift away from the fear of growing old and toward embracing living long. "Perennials" may just move the conversation along.

THE WALL STREET JOURNAL.

Baby Boomers Looking for Reinvention Try College—Again

DOUGLAS BELKIN
December 28, 2017

Fellowship programs offer a 'gap year' for successful types to press pause before their second act

Pat Collins has worked as a therapist for 30 years and is looking to reinvent herself. So she has gone back to the place where she invented herself the first time—college.

"I'm not sure what I want to do next," said Mrs. Collins, 66 years old. "I'm able to retire financially. But I'm not ready to stop working."

Mrs. Collins is a fellow at the University of Minnesota's Advanced Careers initiative, one of many programs at schools catering to baby boomers looking for a second act.

Schools like Harvard University and Stanford University pioneered the idea. University of Notre Dame will start a new program next fall and many other schools have expressed interest.

Adult students have been a growing force at universities for more than a decade—mostly blue-collar workers or those pursuing advanced degrees focused on getting new skills.

The advanced career fellowships target white-collar workers paying sometimes hefty tuition to take advantage of all a major university has to offer.

"There are 10,000 baby boomers retiring every day and we need them; we can't let them just be on the sidelines," said Phyllis Moen, the University of Minnesota sociologist who started the fellowship program.

Universities can also use the business, with some of the programs charging tens of thousands of dollars—and most of the fellows paying full freight.

A decline in the number of high-school graduates is expected to continue sapping university enrollments. In early December, Moody's cut its outlook for the higher-education sector to negative from stable, citing a failure of operating revenue to keep pace with expenses.

Harvard University launched the first program in 2008 to direct accomplished executives toward global problems. Fellows at the Advanced Leadership Initiative pay $65,000 and get free rein of the campus to audit graduate and undergraduate classes and lunch with faculty.

The first class had 12 students; this year there were 48, chosen among 550 applicants. Among the key components: the ability of boomers and millennials to take classes together and learn from each other.

"There are only two segments of life that have the total freedom to think about the great issues of social change," said Rosabeth Moss Kanter, a professor at Harvard Business School who helped create the program. "Undergraduates and people who may be at the end of their middle years who aren't preoccupied with how to make money or raise a family."

Stanford's program launched in 2015. Officials liken it to a gap year for successful professionals wanting some time to reflect before they start something new. The price point is similar ($65,000 per student—add $30,000 to bring a partner or spouse). Both programs attract a lot of corporate attorneys, c-suite executives and money managers.

Phil Pizzo, a medical doctor and the founder of Stanford's program, said he has fielded inquiries from 30 universities in the U.S. and abroad about how to establish a professional fellowship. This year, the program received about 10 applications for each of the 25 spots.

"Since the 11th century, universities have focused on young people," Dr. Pizzo said. "Now, with longevity being what it is, we need to expand the role to lifelong learning and intergenerational learning and teaching."

Dr. Moen observed Stanford's Distinguished Career Initiative and decided to start a public school version in Minneapolis. Tuition is $7,500 for the year but is likely to rise. The program began this fall. Undergraduate students took a class called "The Future of Work and Life in the 21st Century" with the fellows.

"The first time I walked into the class I was like, 'Why are there a bunch of old people in here with us?'" said Madison Smiley, a 20-year-old junior, majoring in psychology. "I was afraid it was going to feel like taking a class with my mom."

But during an assignment aimed at figuring out ways to help contract workers find a sense of community in the workplace, the fellows offered a real-world perspective that made their project work.

"My peers aren't in the workforce," Ms. Smiley said. "They were able to share the problems they have actually seen."

By the end of the semester, they took group photographs, the first time a class had done that in Dr. Moen's career.

CBS money watch

Meet the "Spend Safely in Retirement" strategy

STEVE VERNON

December 8, 2017

How will ordinary workers retire in a world that no longer offers traditional pensions for most? How will they decide if they have enough savings to afford retirement? And how can they generate reliable, lifetime retirement income?

These questions pose serious challenges for older workers approaching their retirement years -- especially now because the switch from traditional pension plans to 401(k) plans has placed a serious responsibility on them. They need to be their own investment managers and actuaries, and they have to decide how to best deploy their savings in retirement. It should surprise nobody that most workers don't have the skills needed to successfully answer these questions.

To address this problem, many articles suggest you consult a financial planner. But finding an adviser who is both skilled with retirement income planning and isn't conflicted by how he or she is paid can be a roadblock for many workers. And not many people take this advice: Only about one-third of workers contact advisers for any purpose.

Without anyone to consult, just about half of older workers attempt to calculate how much money they need to retire. In fact, the "planning" that most older workers complete is to estimate their monthly retirement income, then reduce their living expenses to that level.

When it comes to deploying their retirement savings, retirees tend to exhibit two distinct strategies:

1. Conserving savings for a rainy day, minimizing their withdrawals and treating savings as an emergency fund.
2. "Winging it" by treating their savings like a checking account to pay for current living expenses, often withdrawing too rapidly at an unsustainable rate.

FORTUNE

How to Invest for a 40-Year Retirement

CHRIS TAYLOR

December 13, 2017

Have a seat, won't you? Maybe take a deep breath too, because we have some good news and some bad news.

At this point in your life, you almost certainly have some milepost numbers in your head that are shaping your plans for the future. Some of those numbers have dollar signs attached, of course, but just as important are the ones pegged to birthdays. Chances are you've been basing your retirement planning—the amount you're saving, where you plan to live, the lifestyle you intend to fund—on an estimate of how long you will live.

The good news: You probably underestimated.

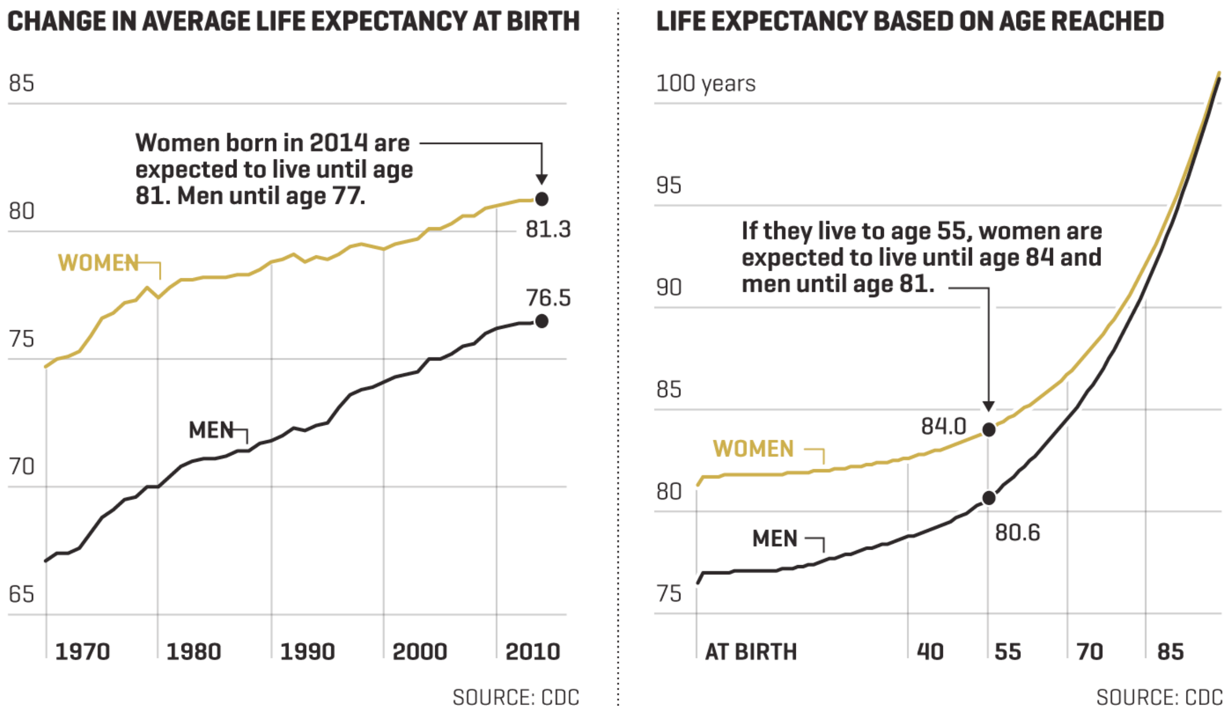
The bad news? Same.

You're far from alone in this. In fact, 40% of retirees underestimate life expectancy of people their age by at least five years, according to a study by the Society of Actuaries. One gigantic study by the University of Michigan asked 26,000 Americans 50 and over, back in 1992, how many of them would make it to 75, and then tracked exactly how many did. As of this year, the results are in: Those who said they had a 0% chance of reaching 75? Half of them made it. And among those who said they had only a 50/50 chance, 75% did.

Part of the problem stems from a misunderstanding of statistics. Stats from the Centers for Disease Control and Prevention say that American men born today can expect to live 76.5 years, on average, and American women 81.3. But those numbers reflect life expectancy at birth and are dragged lower by people who die young.

LONGER THAN YOU THINK

The most widely reported statistics on life spans are based on "average life expectancy at birth." But by the time you've reached midlife, chances are you're going to live longer than that average.



By the time you are in your fifties, you have already outlasted everyone born the same year as you who passed away under untimely circumstances. For you, those oft-cited "averages" are virtually 100% inapplicable. You can probably expect to live much longer. And while various troubling social factors, including unequal access to health care and the impact of the opioid crisis, have stalled the growth of the average U.S. life expectancy in recent years, odds are that America's higher earners will live longer—maybe much longer—than they expect.

"Remember that longevity isn't uniform across the population," says Wade Pfau, a professor of retirement income at the American College of Financial Services in Bryn Mawr, Pa. "For those at the higher end of wealth distribution, with better education, income, and health care, longevity has been increasing by about two years every decade. Those people can expect to live three or four years longer than average." And the older you get, the more that advantage compounds.

For the very wealthiest, of course, there's little financial downside to the likelihood of five or 10 more years on earth. But for most middle- and even upper-middle-income earners, the prospect of making one's savings stretch into what seems like an endless retirement is a daunting one, increasing the uncertainty around how to invest, how to pay for medical care, and whether you can leave a legacy behind for the kids or your community.

It's also daunting for the financial services industry, where a cadre of advisers and mutual fund companies are reinventing themselves to work with, and for, people who may need to finance a 30-year retirement. And at a time of political uncertainly and rising U.S. government debt, where the long-term viability of pillars of retirement-age financial security like Medicare and Social Security is increasingly in doubt, the urgency of preparing for a long post-career life becomes that much greater.

So first things first: Congratulations on those extra years. (Don't let financial challenges obscure the value of the gift of time.) But second: Get ready to take a longer, more careful look at your retirement plans. Because if you're likely to live to 95, or 105, you may need to throw out the old playbook and draw up a new one.

That reexamination can create the kind of push-and-pull that Bev and W. Davis ("Dave") Hobbs are having with their financial planner. The retired couple from Eastham, Mass., both 66 years old, have done pretty well for themselves, with a classic home on Cape Cod and a successful business they just sold last year.

But when they started pulling $10,000 checks from their portfolio a little too often, their financial adviser, Jim Guarino, started pulling his hair out. After all, Bev's mom lived until 92, and her grandmother until 94, so the odds that Bev could keep on trucking into her mid-nineties are very solid indeed. (Dave, whose family history doesn't include as many old-timers, expects to live to around 82.)

With that longevity horizon, even the $1.5 million the Hobbses squirreled away from their company sale could run out if the couple spend too fast. So Guarino pulled out the charts and graphs, went over the couple's spending line by line—and begged them to reduce their monthly drawdowns to $7,800. "He explained that if we kept spending at this rate, we would run out of money by the time I was ninetysomething," Bev recalls.

The Hobbses took some of Guarino's advice, like using a home-equity loan rather than savings to cover home repairs, and looking into long-term-care insurance. But they also remain dead set on pricey upcoming trips to Belize and the New Orleans jazz festival. Let's just say the debate and the adjustments are … ongoing.

Even for the most diligent savers and investors, the prospect of funding decades of retirement is daunting. It's psychologically challenging to put off satisfaction in the present for security in the future—much less decades in the future. It's human nature that we estimate our longevity based on the longevity of our parents, or grandparents. The realization that we're likely to live much longer than they did may come as both a blessing and a curse: More years means more time to travel the world, scratch off bucket-list items, or volunteer for favorite causes. What it also means: More years to pay for all that, more years for the mind and body to break down, more years to worry about becoming a financial burden on your family.

These financial anxieties of old age are particularly resonant in America. Author and London Business School professor Lynda Gratton, along with her coauthor, Andrew Scott, had a simple premise in mind for their 2016 book, The 100-Year Life: What is going to happen to us all, when everyone starts living to 100? "One of the most resounding comments in the U.S. was, 'My savings are going to run out,' " says Gratton.

So yes: More years, more problems. Thankfully, there's no shortage of solutions. There are financial strategies that combat longevity risk, no matter your current age. Younger savers obviously hold a massive advantage, having so much runway left to save, stockpile, and plan. But even people in their fifties and sixties have plenty of time to make portfolio tweaks, alter their timelines, rethink their savings rates, and ensure that they don't outlive their money.

Society's "longevity risk," as financial planners call it, has been a slow-developing crisis, more a rising tide than a sudden storm, so top investment minds have had some time to prepare for it. "This is not a sudden surprise," says Roger Ferguson, president and CEO of retirement-plan provider TIAA. "We annuity writers have seen this coming."

In response, financial services companies are building longevity risk more intrinsically into their products. To witness how longevity is changing the business, just look at target-date mutual funds (TDFs). The one-stop shopping cart of retirement vehicles, they are designed to put you on a comfortable "glide path" toward retirement—owning more equities when you are young, more fixed income and cash when you are older—while keeping investors from having to make potentially wealth-destroying decisions about timing the market. (The "target date" roughly corresponds to the year the hypothetical investor reaches retirement age.) At a time when many mutual funds in general have fallen out of fashion, TDFs have gobbled up the investing world, having amassed $1.07 trillion in assets at the end of October, according to research shop Morningstar, up from $116 billion at the end of 2006.

But because of longevity risk, target-date funds have changed. Many used to be "To" funds, fixing investors' asset allocation at their retirement date and staying there. Nowadays the vast majority are "Through" funds, designed to carry customers to the end of life. They keep equities fairly high and tinker with allocation for 20 or even 30 years after retirement, and they tend to own more stocks. An added bonus: That nod to longevity has made for superior returns, notes Morningstar.

The industry's personal touch is changing too. Financial planners are scrambling to get certified as retirement-income specialists who can steward customers through 20 or 30 years of retired life. That is why you may see a flurry of additional letters after their names these days. One such cluster might be Retirement Income Certified Professional, or RICP, a designation awarded by the American College. That program started in 2013: There are already more than 5,000 active RICPs and 10,000 more enrolled.

Planners can also become a Chartered Retirement Planning Counselor, or CRPC (28,600 grads, 2,000 enrolled); or a Chartered Retirement Plans Specialist, or CRPS (6,000 grads, 500 enrolled), both programs administered by the College for Financial Planning. All these designations indicate your planner has been loading up on additional training not just to get you to retirement, but also to successfully manage the many years that will follow.

Perhaps the biggest clue about what the future holds: Ask retirement experts, who are buried in longevity data all day, about how long they themselves plan to live. How about Wade Pfau, for instance, one of the industry's foremost retirement authorities? "On my spreadsheet, I have worked it out until 105."

In case you haven't worked it out that far, here's what you can do about it.

Strategy One: Work Longer

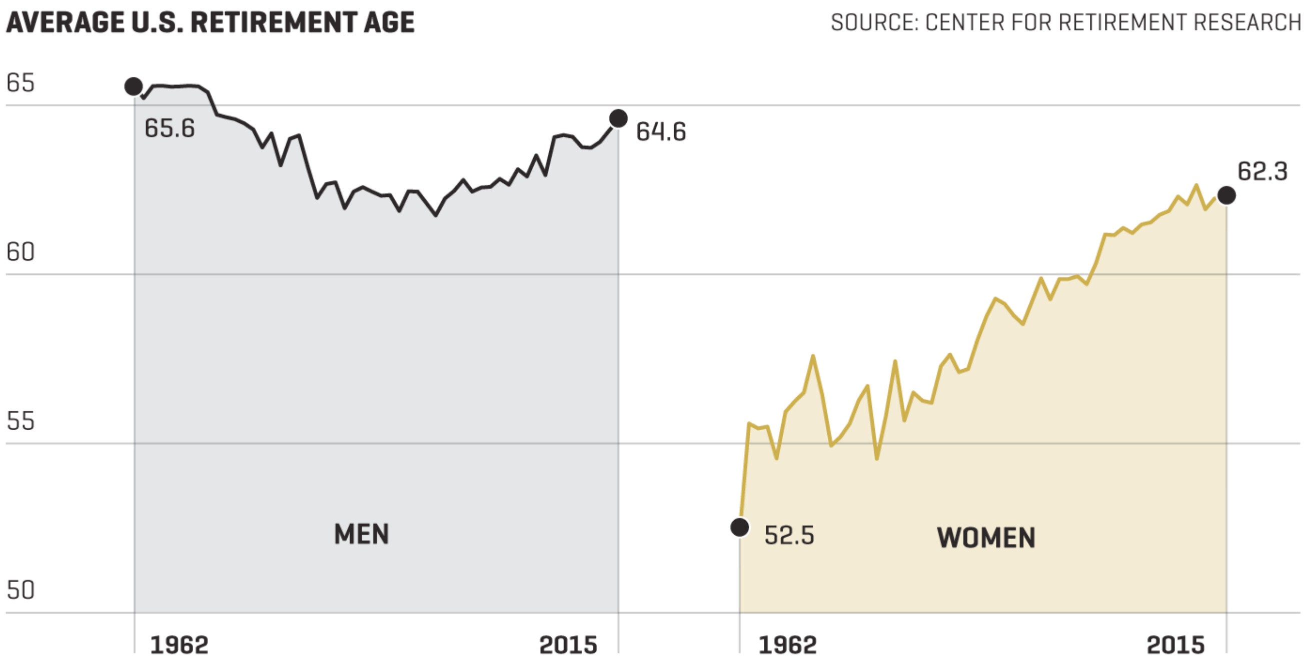
Let's get this one out of the way first: Working longer will change the math in your favor, and powerfully so. It may not be the laid-back future that many associate with the word "retirement," but just a few more years of working and saving, rather than drawing down assets, is a game changer.

That was the conclusion of the Stanford Center on Longevity, in a collaborative project with the Society of Actuaries. Researchers tested a blizzard of potential "drawdown strategies"—that is, hypothetical rates of spending in retirement, mapped against investment returns on people's savings—to analyze which had the best chance to keep up with inflation and sustain a portfolio through a long retirement.

"One of the conclusions we came to pretty early on was that the traditional notion of retiring in your early sixties was a bad idea," says Steve Vernon, a research scholar at the center. "If you're going to last into your mid-eighties or beyond, most people don't have enough savings to generate the income needed to keep them going." So where retirement timing is concerned, Vernon says, "70 is the new 65."

PUTTING OFF THE PARTY

Americans are retiring later, in some cases because they're staying healthier longer, in others because they need to save more for their nest eggs.



In practice, many of us don't even stay on the job until 65. The average U.S. retirement age has been steadily rising, but it's still only 63, according to an analysis of Census data by the Center for Retirement Research at Boston College. That reflects both voluntary early retirement, by those who have hit their goals, and involuntary departures by those whom job losses or health concerns have pushed out the door.

If you can keep clocking in until age 70, not only are you building up your savings instead of chipping away, but you are also enabling yourself to delay the start of Social Security. The allure of that: Every month you put it off, up to age 70, the amount you're paid in the future rises. Let's say your monthly benefit at age 66, the current "full retirement age," is $2,500. Put it off until 70, and that monthly figure becomes $3,300—a 32% raise that you'll collect for life.

There are exceptions to this rule of thumb, of course: Some married couples, for example, can collect more benefits if one opts to take Social Security earlier while the other keeps working. But for most people, says Vernon, delaying Social Security is so smart that, if you need some cash to tide you over until 70, it may be worth dipping into savings to do so. It may be counterintuitive to start drawing down your assets early, but the prospect of a higher lifetime payout later just makes too much sense.

Working longer isn't just a financial issue. Studies have demonstrated that remaining in the workforce sustains cognitive functioning, preserves social networks, and can even delay the onset of Alzheimer's. (For more about how to work later in life, on your own terms, read "Why Consulting Can Be Better Than Retiring.")

"Think about it: If you retire at 60, and you live to 100, that's a hell of a lot of time," says Gratton, the London Business School professor. It's so long, in fact, that Gratton suggests we completely jettison our traditional conception of the three-stage life—education, work, retirement. In its place, we should think about a "multistage" life in which every stage expands.

Educational breaks, like the pursuit of an additional degree, can be inserted into your working career (keeping your skills updated and helping you remain relevant to employers). Mid-career sabbaticals can act as early "retirements," allowing you to travel the world or do other things to recharge, before you return to the workforce. What all these ideas have in common: Making the most of extra years.

Strategy Two: Upgrade Your Portfolio

How should your investment approach change, in a world where you could very well live to 100?

The most conventional guideposts out there are pretty old and creaky. Take the idea that your exposure to the stock market, in percentage terms, should be 100 minus your age—so a 90-year-old might have 10% in the stock market and the rest in fixed income and cash. That may have made sense from the 1960s through the early 2000s, when annual interest rates on ultrasafe Treasury bills routinely topped 5%; it looks less smart in the low-interest-rate new economy.

Here's a better tip: Think like a target-date fund manager. Here's why. The raison d'être of these investment products is to build assets in a thoughtful way, give you increasing safety as a retirement date draws near, provide enough diversification to keep your portfolio balanced during market jolts, and generate returns long after you've retired. In short, these are the people digesting all the latest longevity data and coming up with the right investment recipe to make a customer's money last.

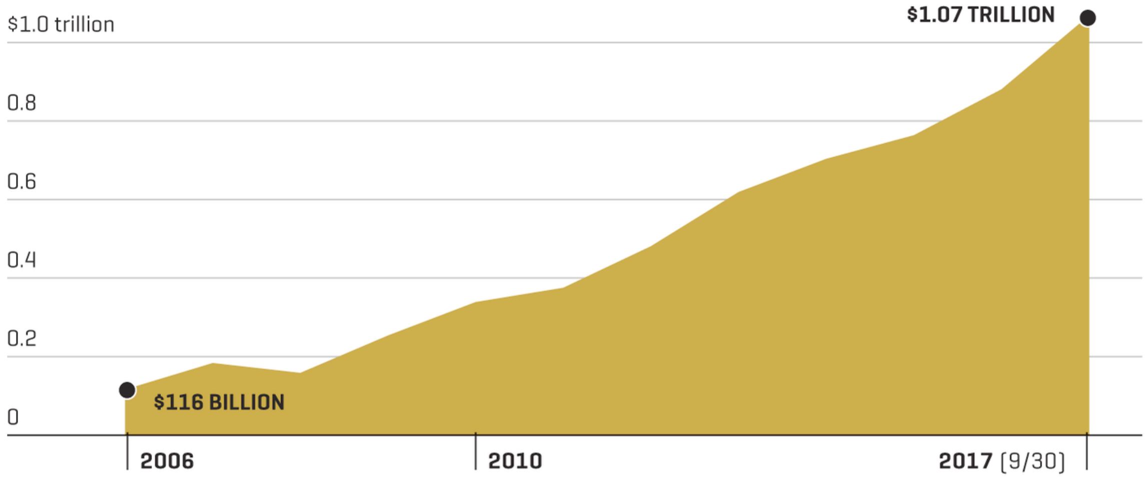
Here is the reality such managers face: Equities are the best (and likely the only) asset class primed to keep your portfolio chugging over the very long term. The S&P 500 has delivered a 9.5% annual return going back to 1928, according to a study by NYU Stern School of Business finance professor Aswath Damodaran. And with global interest rates so low, fixed income and cash alone are unlikely to enable your savings to keep up with your cost of living after retirement.

TARGETING A LONGER LIFE

Target-date funds have come to dominate American retirement portfolios. To address longer life spans, fund managers like Vanguard are changing their asset mix to include more stocks.

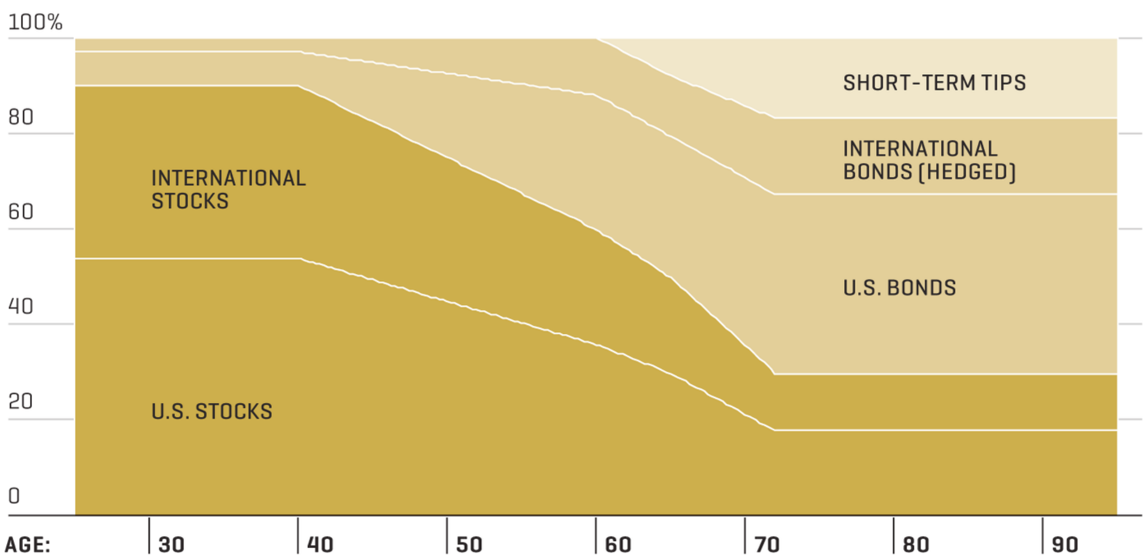
TOTAL INVESTMENTS IN TARGET-DATE FUNDS

SOURCE: MORNINGSTAR



VANGUARD TARGET-DATE FUNDS ALLOCATION

SOURCE: VANGUARD



Jake Gilliam, senior portfolio strategist at Charles Schwab Investment Management, plays a role in constructing that company's expansive target-date product line. Back when the firm rolled out target-date products, he says, the funds were designed to shift gradually toward a retirement allocation of 25% equity and 75% fixed income. But in the mid-2000s, data about growing longevity helped convince the company that the "To" model wasn't going to get the job done anymore. So Schwab moved to the "Through" model, with allocations shifting even during retirement years.

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The new mix: 40% equity and 60% fixed income at retirement, with the heavier dose of stocks providing more upside potential. Schwab's target-date funds do eventually reach a 25/75 split—but only after 20 full years of retirement. "We now manage assets through an expected life span of at least age 85," Gilliam says.

The change in asset percentages was only one of several noteworthy tweaks. Schwab managers meet for formal reviews every year to adjust target-date funds' underlying assets with an eye to boosting returns. In recent years they have added international equities and small-cap stocks—asset classes that come with higher volatility than sturdier blue chips, but also offer the promise of higher returns.

They've also spiced the loaf with assets like global real estate and Treasury Inflation-Protected Securities (TIPS), whose returns generally rise with inflation. The goal: to have an asset mix sufficiently diversified so that when one part of the market crashes, investors won't feel the need to go fleeing for the exits. These assets are all riskier, in the short run, than plain-vanilla bonds, but a retiree with a long-term time horizon can't afford to shun the rewards that come with those risks.

Investment giant Vanguard Group goes even heavier on equities than Schwab does, to power decades of retirement returns. Its target-date funds are composed of 50% stocks at retirement, a percentage that glides down over the next seven years to 30%, where it stays.

Its investment strategists are envisioning a 30-year time horizon beyond retirement at 65. In other words, even if you aren't picturing yourself at age 95, senior investment analyst Maria Bruno is. Bruno is part of the Vanguard strategy team putting the firm's products together. "It's good to use 30 years of retirement as a general guideline," says Bruno. "And when you are making projections, you should always err on the conservative side—maybe even going all the way to 100 or 110."

Strategy Three: The 'Drawdown' Showdown

For most of their lives, retirement savers (and their brokers and advisers) focus on asset accumulation. But that phase is just the beginning of your retirement challenge. The other half of the equation is the drawdown: How much you will chip away, each year, at everything you have built up.

Conventional wisdom is that a 4% annual drawdown rate is the way to go—a withdrawal big enough to keep your retirement years comfortable, but not so big that you risk running out of money prematurely. To which Wade Pfau says nope. "With people living longer, the 4% rule has become a lot less safe than it used to be," he says. "I think a 3% figure provides the same amount of safety that people generally attach to the 4% rule."

To use a concrete example, if you have a million bucks socked away for retirement, drawing down $30,000 a year (in addition to any other sources like Social Security or pensions) is a conservative enough choice that you should be able to sleep at night, confident that even extreme swings in the market won't harm your ability to keep your portfolio healthy into your nineties. Take out $40,000 a year or more, Pfau argues, and statistical models suggest that you are starting to stress the long-term viability of your portfolio. (In either model, you'd adjust your annual withdrawal to keep up with inflation.)

For all but the wealthiest, this advice can sound both spartan and constraining. After all, we aren't robots, and no one has the exact same monetary needs every single year. That's why other advisers suggest another way to come at the drawdown problem: Be flexible about it.

Vanguard's Bruno prefers to think about a "floor and ceiling" approach. In her models she uses a 2.5% annual drawdown as a floor and 5% as a ceiling. The rate you choose depends on how the market performs the previous year. If the S&P 500 has a boffo year, go ahead and feel comfortable about a 5% drawdown, moving that money out of your retirement accounts and into the bank at the start of the following year. (Based on 2017's performance, it looks as though this is what you'd be doing in 2018.) If the market has had a down year, try to restrain your spending with a 2.5% rate.

Not only does this method recognize the realities of life, but it "increases the longevity of your portfolio," Bruno says. It keeps you from selling more assets when the market is lowest, giving your portfolio a few more years of life.

Strategy Four: 'Longevity Insurance'

As all of the above suggests, even a substantial nest egg may not be able to cover all the exigencies of a blessedly long life. That's why the idea of "longevity insurance" has become a cornerstone of preparation for a longer retirement. One form of such insurance is an annuity; another is long-term care.

The term "annuity" has taken on toxic overtones in some circles in recent years. That umbrella definition covers a wide range of relatively complicated and expensive investment products that have been associated with high-pressure sales tactics and inscrutable rules about fees and payouts. But strip away bad actors and financial engineering, and the concept makes eminent sense in an era of increasing life spans. In its simplest and least expensive form (often called a "simple income annuity"), an annuity gets you a potentially riskless stream of income: You give an insurer a lump sum, and in exchange you get a lifetime of payouts, akin to Social Security checks.

The longer you live, the more money you derive from the transaction. If you die early, the insurer gets the better of the deal—but frankly, you won't be around to regret it. Another increasingly popular product, sometimes called the deferred annuity, makes this tradeoff even starker. In return for waiting for payouts to begin—for 10 years, say, or until you turn 85—you pay much less upfront than you would for an annuity that paid you immediately.

For most retirees, devoting all your savings to this is the wrong move. But funding an annuity with a portion of your assets can help fuel a lifetime of monthly checks that—when paired with other income and investments—forms a powerful three-pronged solution. "To purchase guaranteed income for life, at a low cost, can be a very good strategy," says Vanguard's Bruno. "In conjunction with Social Security, those are two pretty big tools in your toolbox."

Long-term-care policies are essentially another kind of longevity insurance—and a vexed one for many families. Their very existence reflects the fact that Medicare, which most retirees rely on for health coverage, does not cover nursing-home care. Should you need regular assistance, either in a nursing facility or in your own home, you usually have to self-fund, either through insurance coverage or your own savings. Medicaid picks up the tab only after you've exhausted your own assets.

Nursing homes, obviously, are not cheap. The average nationwide cost for a private room is now $8,121 a month, according to a new study by insurer Genworth. But only 8% of the population is covered by private long-term-care policies, in part because the coverage itself is fairly pricey and complex. Premiums typically range from $2,500 to $6,000 a year, and insurers that provide it have been hiking those premiums in recent years, and in some cases trimming the benefits they offer, in response to unexpectedly high costs. Rules of thumb: Buy it when you're younger and healthier, to capture a lower premium rate, and run the numbers with an adviser to make sure the cost of coverage won't derail your savings.

All of these strategies require savers and investors to picture themselves at 85, at 90, at 100. That's an exercise that's counterintuitive to us, in part because, for most people at most points in human history, that kind of longevity was utterly out of reach. But we are getting to the point where that person is not just possible—he or she is becoming probable.

"Before, people used to retire at 65 and then live another 10 years and that was it," says Pfau. "Now we are living another 30 or 40 years, so it is almost like every year of work has to fund a year of retirement. That's just not feasible… As life expectancies get so high, we have to start looking at everything differently."

Neither strategy seems optimal. Better for the first group would be a plan that enables them to spend more in retirement and feel safe. The second group needs to spend their savings more safely, so they won't outlive their money.

Needed: Straightforward retirement income solutions

Older workers have a clear need to generate reliable, lifetime retirement income -- or to "pensionize" their IRAs and 401(k) accounts. This would enable middle-income workers to more easily complete the necessary, even if rudimentary, retirement planning.

The good news? Recent research by the Stanford Center on Longevity (SCL), collaborating with the Society of Actuaries (SOA), identifies a straightforward retirement strategy that can work for most middle-income retirees and be implemented in virtually any traditional IRA or 401(k) plan.

This research provides a framework for assessing different retirement income generators (RIGs) and navigating the many trade-offs older workers face when making retirement income decisions. It compared 292 different retirement income strategies, including various combinations of Social Security claiming ages, systematic withdrawals from invested assets and annuities from insurance companies.

For three hypothetical retirees, this research prepared "stochastic forecasts" and "efficient frontiers," analytical techniques that many large pension plans use to devise funding and investment strategies.

Introducing "Spend Safely in Retirement"

The SCL/SOA report identifies the "Spend Safely in Retirement" strategy, which produces a reasonable trade-off among various goals for middle-income retirees. This strategy delays Social Security for as long as possible but no later than age 70 for the primary wage-earner, and it takes advantage of Social Security's many desirable features.

The "Spend Safely in Retirement" strategy recommends that retirees invest their savings in a low-cost mutual fund and use the IRS required minimum distribution (RMD) to calculate the lifetime retirement income those savings will generate. The SCL/SOA report suggests using low-cost target-date funds, balanced funds or stock index funds for this purpose.

The IRS RMD rules dictate the minimum withdrawal starting at age 70-1/2, which is 3.65 percent of savings at that age. The SCL/SOA analyses assumed a withdrawal percentage of 3.5 percent from ages 65 to 70.

The best way for an older worker to implement the "Spend Safely in Retirement" strategy is to work just enough to pay for living expenses until age 70 in order to enable delaying Social Security benefits. In essence, “age 70 is the new 65.” To make this method work, retirees may also need to significantly reduce their living expenses.

If a worker isn’t willing or able to delay retirement, the next best way to implement the “Spend Safely in Retirement” strategy is to use a portion of savings to enable delaying Social Security benefits as long as possible but no later than age 70.

Benefits of “Spend Safely in Retirement”

The SCL/SOA analyses show the “Spend Safely in Retirement” strategy has many key advantages:

- It produces more expected total average retirement income throughout retirement compared to most other solutions the SCL/SOA report analyzed.
- It automatically adjusts the withdrawal amounts to recognize investment gains or losses. Withdrawals are increased after any year with a favorable return but decrease after an unfavorable return.
- It provides a lifetime income, no matter how long the participant lives, and it automatically adjusts the withdrawal each year for remaining life expectancy.
- It projects total income that increases moderately in real terms, while many other solutions aren’t projected to keep up with inflation.
- It produces a moderate level of accessible wealth for flexibility and the ability to make future changes. It also provides a moderate level of bequests, for the same reasons listed above.
- It produces low measures of downside volatility.
- It gives older workers the flexibility to transition from full-time work to part-time work to full retirement.

The “Spend Safely in Retirement” strategy has another significant advantage: It can be readily implemented from virtually any IRA or 401(k) plan without purchasing an annuity. Many administrators can calculate the RMD and automatically pay it according to the frequency elected by the retiree.

Helping with important life decisions

The “Spend Safely in Retirement” strategy represents a straightforward way for middle-income workers with between $100,000 and $1 million in savings to generate a stream of lifetime retirement income without purchasing an annuity and without significant involvement from financial advisers. This group might represent as many as half of all workers age 55 and older.

This strategy can also help older workers make important life decisions, such as how long they should continue to work full-time, whether they should transition into retirement with part-time work, when they can fully retire and how much money they can spend in retirement.

CBS money watch

An almost perfect retirement income source

STEVE VERNON

December 5, 2017

Did you know that Social Security benefits meet more retirement planning needs than most other ways of generating retirement income? That's one of the many insightful conclusions from a recent study by the Stanford Center on Longevity (SCL) and Society of Actuaries (SOA).

The SCL/SOA report demonstrates that Social Security has the following significant advantages:

- It helps maximize the amount of retirement income a retiree can expect through a thoughtful optimization strategy.
- It helps minimize a retiree's taxes by excluding part or all of Social Security income from taxation.
- It protects against most common retirement risks, including longevity, inflation, investment, death of a spouse (through the survivor's benefit), cognitive decline and mistakes, and fraud.
- It's simple to implement, with no transaction costs.

No other retirement income generator has this beneficial combination of features. That's why it makes sense for workers to maximize Social Security's essential value, usually by delaying the start of benefits for the primary wage-earner up to age 70. The optimal strategy for a married couple often depends on their specific circumstances. So it may be desirable to use commonly available software or to consult a financial adviser who specializes in Social Security optimization to determine the best strategy for you and your spouse.

The SCL/SOA study shows that for many middle-income retirees, Social Security benefits will represent 50 percent to 66 percent of their total retirement income if they start Social Security at age 65, and from 75 percent to more than 85 percent of their total retirement income if they optimize Social Security by delaying until age 70.

As a result, if Social Security benefits represent 80 percent of a retiree's total retirement income portfolio, then at least that same percentage of the total portfolio will enjoy the advantages listed above. In this case, Social Security may be the only annuity income that many middle-income retirees will need, given its dominance of their total retirement income sources.

Pessimists might point out that Social Security is subject to political risk because lawmakers can change the amount of benefits paid to current retirees or older workers. When deciding on a Social Security claiming strategy, older workers must weigh this risk against Social Security's desirable features, including the possibility of a permanently increased lifetime retirement income that protects against inflation.

Another worry to consider is the likelihood that politicians will make significant benefit reductions for existing retirees and current workers who are close to retirement, although this is more of a long shot based on historical evidence. So far, politicians have shown an extreme reluctance for widespread Social Security cuts for people close to or already in retirement.

Given that Social Security provides the biggest portion of income for a typical middle-income worker, it reduces their stress of finding the "perfect" retirement income generator when deploying their savings in retirement. Instead, older workers and retirees can choose simple, low-cost retirement income generators and feel good that they haven't missed out on a better solution.

Bottom line: Optimizing Social Security benefits should be the foundation of most workers' retirement income plans.

CBS money watch

American seniors are sicker than global peers

STEVE VERNON
November 22, 2017

Here's troubling news for America's senior citizens. A recent international survey found that adults age 65-plus in the US are sicker than their counterparts in 10 other high-income nations, and they face greater financial challenges regarding their health care. This is despite the universal coverage that Medicare provides.

And it's especially worrisome, given the challenges with Medicare's long-term funding and potential future benefit cuts, which the Republican's new tax cut package could exacerbate.

Here are some key findings from the survey conducted by The Commonwealth Fund:

- More than one in three older Americans (36 percent) report having three or more chronic conditions. The next-sickest nation, Canada, is significantly healthier, with just close to one in four Canadians reporting have three or more chronic conditions. The healthiest nation was New Zealand, with only 13 percent of older Kiwis reporting the same.
- Nearly one in four older Americans (23 percent) report that in the past year, they hadn't visited a doctor when sick, had skipped a recommended test or treatment, hadn't filled a prescription or had skipped medication doses, all because of the cost. The US is far worse than other nations in this area: 5 percent or fewer respondents reported these cost barriers in France, Norway, Sweden and the UK.
- The US is an outlier on out-of-pocket expenses, with 22 percent of American respondents reporting they had spent $2,000 or more for medical care in the past year. In all other countries except Switzerland, fewer than 10 percent of older adults spent that much.

Several reasons are behind these discouraging results, including:

- Medicare has much higher deductibles and co-payments compared to health insurance plans in other nations.

- Older Americans pay far higher amounts for prescription drugs than seniors in other nations, partly due to Medicare's restriction on negotiating prices with pharmaceutical companies.
- Americans have much higher rates of obesity compared to other nations, resulting from lack of exercise and eating too much unhealthy food. For example, the Stanford Center on Longevity Sightlines project reports that only about one in four Americans of all ages eats the recommended five servings of fruits and vegetables each day, just 37 percent of those age 65 to 74 exercise the recommended 150+ minutes each week and the same percentage of that group are obese.

The Commonwealth Fund survey should be a wake-up call for all Americans approaching their retirement years. While Medicare provides a base level of health care, you'll most likely want to supplement Medicare with a Medigap or Medicare Advantage Plan for more complete coverage.

You'll also want to get serious about taking care of your health by improving your diet, exercising more, bringing your weight to a healthy level, making sure you get enough sleep and stopping smoking, if applicable. You can take encouragement that it's possible by looking at the better health indicators of the other nations surveyed by the Commonwealth Fund.

Given the state of Medicare and other health care plans covering older Americans, you'll need to make smart choices and get all the help you can to manage your health care costs and enjoy your retirement years.

BUSINESS INSIDER

Scammers are stealing people's money through a scheme that has nothing to do with your password

ELENA HOLODNY

October 19, 2017

Scammers can appeal to emotions like excitement and anger to mislead people — and the older you are, the more you may be at risk.

That's according to a study by the Stanford Center on Longevity, which was funded by the Financial Fraud Research Center by AARP and the FINRA Investor Education Foundation.

The study had two age groups: older adults, aged 65 to 85, and younger adults, aged 30 to 40. Both groups went through a series of tests that made them feel a strong positive emotion (excitement), a strong negative emotion (anger), or a weak emotion (which was called "neutral"). Then, all the groups were presented misleading advertisements to see if they were interested in buying what was being advertised.

The team found that the older adults in the excitement or anger groups reported "greater intention" to buy the items in the misleading ads than those who were in the neutral group.

Young adults, meanwhile, saw no major differences based on emotions. The more credible younger adults rated a given ad, the more likely they said they would be to buy what was being advertised.

For older adults — across all three emotional states — there was no relationship between how credible an ad looked and how likely they were to buy it.

"When emotionally aroused, either excited or frustrated, older adults may be more susceptible to being victimized by scammers than are younger individuals," Ian H. Gotlib, the David Starr Jordan Professor of Psychology at Stanford, told Stanford News. "They were more likely to want to pay for an item advertised misleadingly, regardless of how credible they believed the advertisement was."

Financial scammers sometimes prey on older adults, especially those who are retired. And although older adults aren't necessarily defrauded at higher rates than younger adults, older adults are more susceptible to certain types of scams, according to the Federal Trade Commission (FTC).

Victims of elder financial abuse lose about $36,000 on average, a 2014 study by Allianz Life found.

These issues will be important to address as the population of elderly adults in the United States continues to grow.

Stanford | News

Stanford celebrates 10 years of driving the discussion on longevity

NATHAN COLLINS

October 19, 2017

In its first 10 years, the Stanford Center on Longevity helped expand discussion of the world's aging population, making that discussion both more inclusive and more optimistic.

The way researchers and policymakers talked about it 10 or 20 years ago, aging was not something to be happy about. Getting older meant disease and both cognitive and physical decline – conditions to be managed by people with little to look forward to.

Today, the discussion of the world's aging population is more inclusive and more optimistic – and more ready than ever to tackle real challenges in the field – thanks in part to the efforts of the Stanford Center on Longevity, which recently celebrated its 10th anniversary.

"We feel that if we apply the best of science and technology to solving the problems of longer lives, we can turn added life expectancies into a tremendous gift instead of a burden," said Laura Carstensen, a professor of psychology and the center's director.

Staying optimistic

That point of view, and the center itself, emerged out of circumstances that many took to be anything but rosy. In the 19th century, Carstensen told Stanford magazine in 2004, death and disease were not particularly associated with old age because a great many people didn't make it that far. Antibiotics and other medical advances changed all that. By the end of the 20th century, it wasn't particularly unusual to live into one's 80s, 90s or longer.

Policymakers and researchers were not especially prepared for the coming shift, and they viewed it through a dark lens. What, after all, would the world do with an aging, retired population in cognitive and physical decline?

In 2007, the Center for Longevity began to tackle such questions – specifically, the overlapping problems of how to keep people mentally sharp, physically fit and financially secure – spurred in part by interest in the Stanford magazine article. As Carstensen and colleagues worked with Stanford researchers and others to get their heads around the challenges of aging, however, they realized they didn't just have a problem to solve, but rather an opportunity to take advantage of. A work force that lives to be 100 years old, for example, has more chances to pause work or work part-time, allowing people to take more time to learn new things, raise families and volunteer.

Changing the conversation

But to take advantage of those possibilities, the conversation about longevity had to change. For one thing, it needed to stop being about inevitable decline and more about solving problems, the roots of which are often found early in life. "We're as interested in children" as adults, said Carstensen, who is also the Fairleigh S. Dickinson Jr. Professor in Public Policy.

The center's work also informs the science. A few years ago when online brain games were being promoted as a way to stay sharp, a panel organized by the Center for Longevity found that those games actually had little effect and that physical exercise was better at preventing cognitive decline. That led to a collaboration with the President's Council on Physical Fitness and the first-ever exercise recommendations for adults, Carstensen said.

In other efforts, the center collaborated with architects, including Henry Cisneros, to think about how to design the built environment for a graying population and with the developers of self-driving cars – an innovation that could be game-changing for older people outside of urban areas or otherwise without access to public transportation. They have also worked with banks and other financial institutions on ways to encourage saving for the future and how to "spend down" savings effectively toward the end of life.

"We wanted to change how people approach long life," Carstensen said of the center's first decade. The positive potential of a world where people age well, she said, is more clear than it was 10 years ago. "Now, we've got a lot of work ahead to make that happen."

THE WALL STREET JOURNAL.

When Did You First Feel Old?

CLARE ANSBERRY

October 2, 2017

"I feel old."

Those three little words pop into just about everyone's head, often at random moments. Your back gives out after a workout. Walking by a store window, you catch a glimpse of yourself that looks like your dad. You're at a concert, can't wait for it to end and dreading traffic.

Even the young feel old. Matt McDermit, who just turned 31, recently bought a coffee at Starbucks on the campus of Duquesne University in Pittsburgh where he works as a social media manager. The barista called him "Sir," which is what his mother taught him to call older people when he was little. It was around the time a student jokingly said Mr. McDermit, who has a beard and shaved head, could pass as her dad and get a free guest meal pass.

He's not particularly fond of his birthday either, because each one distances himself further from the innocence of childhood. He still remembers his uncle telling him on his 10th birthday that it was the end of his single-digit years. "I was like 'What? What do you mean?' "

Usually, when someone says they feel old, it's not a good thing because the word "old" is applied widely and disparagingly. An old car means a wreck. An old dress means don't be seen in it. "There is almost no way of saying 'I feel old,' to mean 'I feel great,' " says Laura Carstensen, a Stanford University psychology professor and founding director of the Stanford Center on Longevity.

She says people come to feel old for two reasons, one physical and one social. On the physical side, the doctor prescribes heart medication for the first time. Hairlines recede. The social "you're old" cue often comes from others, either directly—the "You're too old to wear that" comment from a friend while shopping—or indirectly by comparing ourselves with others or our previous faster and leaner selves.

Feeling old matters, says Dr. Carstensen, 63. If you feel young, regardless of age, you tend to live longer than if you feel old, as in sick and tired. "Subjective age predicts how long you live," she says.

People don't mind feeling older when it's in the context of being more capable and competent, says Bill Thomas, an author and geriatrician.

He distinctly remembers the day horsing around with his youngest son, then about 15, and realizing his son was stronger than he was. "I was no longer the dad who was stronger," says Mr. Thomas, who describes himself as a big person who has always taken a lot of pride in his physical strength. "That time is gone from me and it's not coming back." He had to shift his ego center, away from physical strength, to emotional and intellectual strength.

"Feeling old isn't bad. But it is really complicated," he says.

Professional athletes and those who labor physically for a living might feel older before others. An NBA team with an average age of 28 might be considered old to some. Women tend to feel old more often because they pay close attention to their bodies and notice sagging arms.

Carolyn Black Becker, a professor of psychology at Trinity University in San Antonio, surveyed more than 900 women between the ages of 18 and 87 and found that more than half of 18- to 29-year-olds worried about looking old. She blames, in part, the proliferation of antiaging products and procedures, which send the message that aging is bad.

Ms. Becker, an expert on eating disorders, launched her study after her Pilates instructor came up to her and said, "So, the fat talk is much better, but what do I do about the old talk?"

Ms. Becker celebrates age, and says she is 50, even though her 50th birthday isn't until January. Yet, she was taken aback a bit when she received a mailing saying she would soon be eligible for senior discounts. "I'm not dying to be 28 again, but even I found that it feels a little old to be a member of AARP."

While young people sometimes feel old, the older often feel young or at least not as old as they are. A 2009 Pew Research Center study found that 60% of adults 65 and older feel younger than their age, with the gap between actual age and "felt age" widening as people grow older. Nearly half of those ages 50 and older say they feel at least 10 years younger, while a third of those 65 to 74 feel 10 to 19 years younger.

Rev. Beatrice Lamont e, who turns 101 in October, continues to preach at the small church she founded North Versailles, Pa. She traveled to Africa when she was 97 and recently passed her driver's test. This summer, she made her national TV debut on the 700 Club. She says people who spend their time talking about being old and sick feel old and sick, so she avoids it. "I haven't seen my doctor for about a year now, and the only reason I go to see him is because I like him and I have good insurance," she says.

Age hit Jon Banuelos, a musician, when he was about 35 and moved from flat Texas to hilly Pittsburgh and went for a long bike ride. "I came home and passed out for like five hours. I thought, 'What is wrong with me?' " says Mr. Banuelos, now 40. A friend recently asked him to play tennis. "I can't, man. My knees are hurting," he recalls saying. But the birth of his son six months ago has made him feel young and determined to stay fit. "I need to be ready for when he's 2 and 3 and running around," he says.

Awareness of age isn't necessarily a bad thing, says Ellen Langer, a Harvard psychologist and author. Appreciating that time isn't endless helps set priorities.

She believes people feel and act old because they are expected to once they reach a certain age, in part because of cultural markers, like senior discounts. If anyone over 50 is sore after gardening, they blame age, rather than spending 45 minutes in an awkward position, says Dr. Langer, who was recently reminded of her age after scrolling down an inordinate number of years on her computer to log in her 1947 birth date.

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Why America's Inequality Is a Threat to Living Longer

KEVIN McKEAN
September 26, 2017

A noted researcher on the biology of aging, Steven N. Austad (chairman of biology at the University of Alabama at Birmingham), warns that one of the greatest threats to today's lengthening lifespans is the growing gap in health status among different groups of Americans.

That warning came during last week's Stanford Center on Longevity conference marking the center's 10th anniversary: Celebrating a Decade of Redesigning Long Life. Other notable speakers there included: biochemist Craig Venter (known for helping sequence the second human genome); futurist Paul Saffo and Dr. Victor Dzau, president of the National Academy of Medicine.

How Inequality Threatens Progress in Longevity

Austad acknowledged that discussions of inequality in America typically focus on wealth or politics. The political left talks about the "99 percent vs. one percent" and the right speaks about the "forgotten man."

But Austad said a similar gap between the haves and have-nots in health now threatens to undermine the progress science has made in lengthening human expectancy —68.2 years in 1950, on average, and nearly 79 years today.

"There are really two cultures in America at this point, because there are groups in this country for whom life expectancy is actually declining," Austad said.

Falling Life Expectancy for Some

He noted that, over the last 20 years, life expectancy has declined by about five years for white American women with less than a high school education and by about three years for similarly educated white men, according to the National Center for Health Statistics and the U.S. Census Bureau. "In life expectancy, five years is a huge loss," Austad added in an interview after the session. "It's greater than the difference in life expectancy between the U.S. and Latin America and the Caribbean."

The erosion in lifespan among groups like these has actually led to a tick down in overall U.S. life expectancy, from 78.9 years in 2014 to 78.8 years in 2015, in the latest data from the National Center for Health Statistics.

Lifestyle Issues Play a Key Role

"Why this is happening isn't clear," said Austad, whose research on the biological mechanisms of aging has won awards from the National Institute on Aging, the Gerontological Society of America and the American Federation for Aging Research. "Differential access to health care appears to play only a minor role. More important are probably lifestyle issues, like obesity, smoking, diet and lack of exercise."

Another important cause, Austad noted: the epidemic of so-called "deaths of despair" among middle-aged whites.

For example, a study earlier this year by economists Anne Case and Angus Deaton of Princeton University showed that problems of alcohol, drugs and suicide boosted the death rate for whites aged 45 to 54 by one-half-percent per year from 1999 to 2013.

An Extra 10 or 20 Years of Life?

This countercurrent in life expectancy is especially striking because it comes as scientists see a path to dramatic additional gains in lifespan in the near future.

"We are on the verge of a huge revolution in medicine," Austad told the group. "I'm not claiming that we going to be living to 500 years any time soon. But enough evidence has accumulated from human and animal research that an extra 10 to 20 years of healthy life is right now within our grasp."

The National Institute on Aging is considering a proposal to test whether the popular anti-diabetes drug, metformin, might extend lifespan in non-diabetics. The proposal follows a serendipitous observation that the drug seems to counter some of aging's bad effects at a cellular level.

The Young Centenarians

Laura Carstensen, a Stanford psychologist and founding director of the Center, told the conference audience that if current trends continue, the average child born today will live to over 100.

"The next time you drive by a schoolyard and see those young ones swinging on the tire swings and climbing on the play structures. know that you are looking at the first centenarians of the 22nd century," Carstensen said. "It is time to prepare our children and the nation for century-long lives."

Sharing that longevity broadly, though, will require overcoming health inequality. Austad thinks the most important remedies there may be social, economic and educational, rather than medical.

Social and Economic Remedies to Shortened Lives

"In Alabama, as in many parts of this country, we have counties where a large fraction of people don't have access to a supermarket, so they have to buy groceries at a gas station or convenience store, which doesn't encourage a healthy diet," he noted. "And they don't go to the doctor unless they are really sick, even though good preventive care has accounted for a lot of the gains in longevity."

A Call for Reinventing Retirement

Austad said reinventing the stage of life now called "retirement" could be another part of the remedy.

"People are happiest when they have a reason to get up in the morning that transcends simple aimless leisure," he said. Americans in their 60s and 70s might retrain themselves for less strenuous, but more psychically rewarding careers or enlist in encore programs to work in public service.

"Our ancestors 150 years ago couldn't have anticipated that we would be living 30 years longer," Austad said. "But as the 21st century progresses, we can anticipate that the opportunity for good health will continue to get better and life will get longer. So it's up to us to make most of that opportunity."

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Tech, Alcohol And Ageism On The Minds Of Top Aging

SOPHIE OKOLO
August 8, 2017

Late last month, more than 6,000 professionals in gerontology and geriatrics convened in San Francisco for the IAGG World Congress, an event that occurs every four years and brings together representatives from disciplines such as medicine, nursing and social science, to address the latest ideas to improve the quality of life for older adults. (IAGG stands for International Association of Gerontology and Geriatrics.) I was there representing the Milken Institute Center for the Future of Aging, and was exposed to the latest science, research, training, technology and policy development from nearly all of the top experts on aging around the world.

The conference theme, "Global Aging and Health: Bridging Science, Policy, and Practice," was especially relevant given the Milken Center's focus to create a better future for the current generation of older adults and for generations to come.

Highlighted in this review are a few of the hottest trends in technology, health, culture and innovation discussed at the conference; they help make the case for investment in longevity.

Self-Care Technology

Self-care technology (that's technology employed by patients) was among one of the big technology trends at the conference. Representatives from corporations such as Pfizer, Walmart and Samsung discussed health care trends and issues in the aging and self-care space; the audience expanded the discussion of older peoples' engagement in designing new products.

Panel presentations showed how technology is supporting the aging population and addressed the impact of tech on health care. For instance, as Next Avenue has written, patients can now use virtual reality for physical exercise and pain treatment, a clinical outcome resulting from telemedicine interventions.

"It's not about technology for technology's sake," said Dr. Wen Dombrowski, chief convergence officer of Catalaize, a consultancy that advises on innovation and emerging technologies to meet patients' and families' real needs. "Self-care technology for the aging population should be driven by older adults."

In short, it is about the need to invest in self-care tech, even if that requires leveraging existing technologies and innovation solutions (such as Alexa or Siri) to support healthy aging. As W. Reid Estreicher, senior care business development lead at U.S. Samsung, said: "Technology has amazing ways to connect us, but it can also divide if not used or designed properly."

Older adults want to be empowered to seek self-care solutions — including emerging technologies — to improve their health and wellness. These innovations were discussed in a unique, one-day technology and aging track, featuring a startup alley and pitch competition.

Alcohol Use in Older Adults

Alcohol consumption was a key health subject at the conference. While alcohol use is a niche trend in aging research, it poses a serious health risk. Research shows widespread alcohol-related problems among older adults.

"Alcohol consumption is the third-leading cause of morbidity and the primary cause in 4% of deaths worldwide," said Andy Towers, senior lecturer at Massey University's School of Public Health, in a session titled "Cross-National Exploration of Older Adults' Alcohol Use."

These are staggering statistics. Martin Hyde, associate professor of gerontology at Swansea University in Wales, added that "problematic drinking in later life is a growing, but often overlooked, public health issue." Therefore, the speakers said, fast action is needed on the policy and societal fronts. For instance, experts can better educate policymakers and the public about the effects of alcohol consumption.

A Positive View of Aging

A recurring theme during the conference was how to view aging in a positive light, impacting various sectors in culture and society. "Challenging negative stereotypes around growing older starts with us," said Jo Ann Jenkins, CEO of AARP, in her keynote address about disrupting aging.

Jenkins urged everyone to become change agents and everyday innovators on aging, starting with accepting their own age. This is a challenge and opportunity for all, because, as Jenkins asked, "Despite the opportunities in aging, why is aging still viewed as a problem in societies?"

The Power of Older Workers

Dr. Linda Fried, dean of the Columbia University Mailman School of Public Health, spoke about the assets of an aging population for stronger societies. "Paid work for older adults fuels the economy and more work for the young," she said.

This mirrors the message in a report published by the Milken Institute Center for the Future of Aging, "The Power of Purposeful Aging: Culture Change and the New Demography." The report found that people over 50 in the United States are responsible for at least $7.6 trillion in annual economic activity.

Taking Charge of Our Health

As companies find ways to serve the older population, speakers noted, it is important to remember that innovations can empower people to manage their health as they grow older.

In a session titled, "Nutritional and Skin Health Solutions for Independence, Functional Ability and Wellness as We Age," Valerio Nannini, senior vice president, strategies and performance, at Nestle, explained that personalized digital nutrition is poised to disrupt aging. It explores how people use digital tools to help deliver the ideal nutrition at the right cost.

Aside from digital trackers and connected sensors, Nestle is also working on skin health innovations. Studies show that a simple skin care regimen can significantly improve quality of life and reduce itching and infection.

Tackling Ageism and Changing the Culture

As I think back on the conference, I recall a question that Laura Carstensen, director of the Stanford Center on Longevity, posed to the audience during the "Facilitating Purpose in Later Life" session. She asked: "Why are we not creating a culture that supports long life?"

Since ageism is the root cause, societies need to tackle ageism on all fronts to improve the lives of current and future generations. Older adults are a valuable resource and should be considered in every strategy, business plan and brainstorm session, the speakers said.

A Personal Note

My journey in this exciting field began when I registered for a course titled Psychology of Aging as an undergraduate student in bioinformatics. My quest for creating this age-friendly culture now continues at the Center for the Future of Aging as we work to change the perception of older adults in policy, business, media and other domains through research, convening, informing and educating.

This year's conference had a packed agenda that emphasized aging as a lifelong process — from conception through old age. I look forward to attending the 2021 conference in Buenos Aires.

CBS moneywatch

What age is considered "old" nowadays?

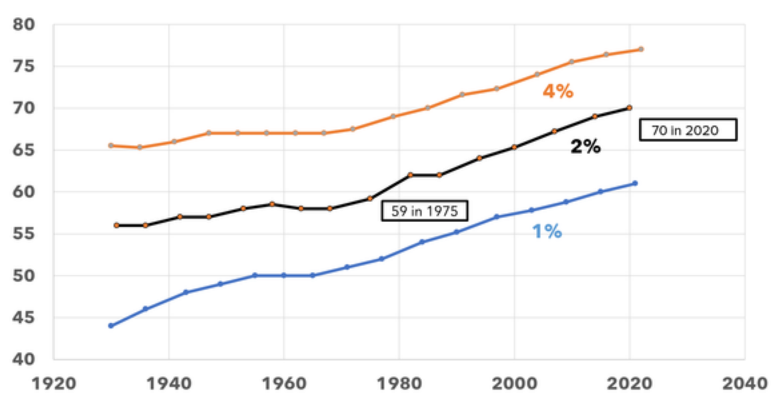
STEVE VERNON

June 29, 2017

"Old" people are getting older. While this might seem obvious, a statistical perspective provides interesting insights into living and working in today's longevity revolution.

Research from John Shoven, a prominent economics professor at Stanford University, suggests that if your chance of dying within the next year is 1 percent or less, you might be considered "middle aged." The chart below shows that the threshold for men transitioning beyond middle age increased from about age 44 in the 1920s to about 60 today.

AGE AT WHICH MALES REACH 1%, 2% AND 4% MORTALITY



SOURCE: SOCIAL SECURITY LIFE TABLES

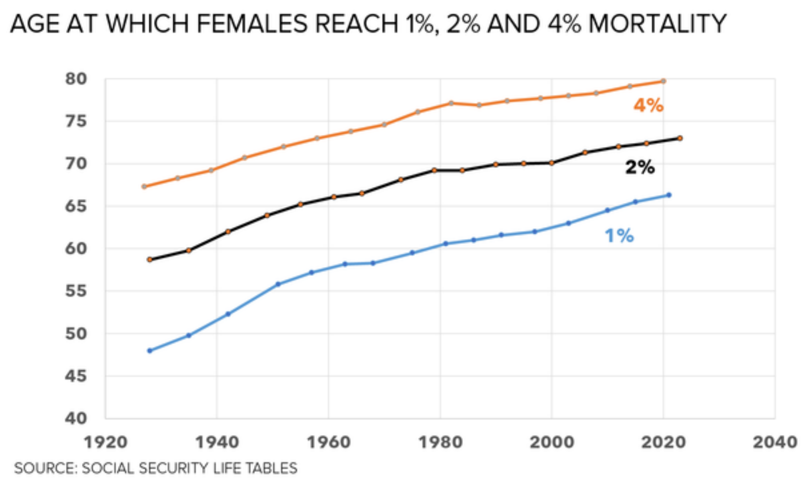
If your chance of dying within the next year is 2 percent or more, Shoven suggests you might be considered "old." The above chart shows that the threshold age for being considered old for men increased from about 55 in the 1920s to 70 today.

And finally, if your chance of dying within the next year is 4 percent or higher, you might be considered "very old" or "elderly." The above chart shows that this threshold for men increased from about 65 in the 1920s to 76 today.

Note that by these definitions, “old” in the 1920s -- 55 -- is now considered “middle aged” today, and “very old” in the 1920s -- 65 -- is now considered merely “old” today.

Shoven suggests that reduced mortality rates correlate roughly with improved health and vitality at all ages, and can be used as a proxy measure for aging.

Here’s the same chart for women:Perhaps we are reaching a tipping point — a shift away from the fear of growing old and toward embracing living long. “Perennials” may just move the conversation along.



By these measures, women today transition out of middle age around 65, a number that has increased from the late 40s in the 1920s. “Old” for women today is about 73, which increased from the late 50s in the 1920s. And “very old” today is about 80, an increase from about 67 in the 1920s.

But these are just numbers. How do today’s boomers look and feel? It’s insightful to compare photos of the boomers’ parents and grandparents when they were in their 60s and 70s -- they look a lot older than today’s boomers of the same age.

These are the fortunate consequences of the longevity revolution we’ve been experiencing over the past several decades. It results from virtually universal access to clean water, sanitation, waste removal, electricity, refrigerators and vaccinations, and continued improvement in health care. Many demographers predict longevity will keep lengthening in the decades to come.

Howver, while we should be dancing in celebration of our longer and healthier lives, instead we’re wringing our hands over the significant challenges of an aging society.

The statistics cited above point to the compelling need for people to continue working in some manner during their later years. But as a society, we set cultural expectations for appropriate retirement ages decades ago, when many people in their 60s and 70s were unable to work and were considered “old” or “very old.”

We’ll need to rethink those expectations. It’s simply too expensive to continue adding more and more years to the retirement phase of our lives. That requires savings levels that we just can’t afford, and it’s putting serious strains on Social Security and pension systems.

According to Shoven, “It’s very expensive to fund 30-year retirements over a 40-year career,” a fact that points to the economic necessity for many people to work longer than prior generations did.

It also doesn’t make sense to stop working altogether now that we’re no longer considered “old” in our 60s or 70s and are still physically capable of earning a paycheck and contributing to society. And people can also gain social and health benefits by working in their later years.

Society faces significant challenges adjusting to the greater number of people living longer. However, wouldn’t you rather face these challenges than go back to the “good old days” when “old” people were a lot younger than today?