

Viva the Vital

April 29, 2010

## Boomers and the Promise of the Longevity Dividend

By John Martin

Get ready for the first generation to cash in on the “longevity dividend.” Life expectancy in the United States has increased by 30 years over the past century, to age 78 -- an advance greater than the progress of the previous 50 centuries.

Boomers, median age of 55 this year, are blessed to be in the position to enjoy this burst in longevity. Some will live long enough to enjoy 40 more trips around the sun. The question for Boomers is, what will they do with those years? The question for society is, how will we respond to the extraordinary challenges that accompany this new longevity?

These questions and more are answered by the nation’s leading longevity experts in the new book *Longevity Rules: How to Age Well Into the Future*. Eskaton, a nonprofit aging services provider, took on the Herculean task of corralling 34 experts, including medical doctors, scientists, economists, engineers, demographers, philosophers and marketers, who provide diverse and often controversial perspectives on how to ensure that the extension of our life expectancy becomes more rewarding than burdensome for individuals and society. (*Full disclosure - we contributed – both the introductory section and an essay*).

*Longevity Rules* begins by reminding us how America is growing older. The U.S. Census Bureau projects with considerable confidence that the number of Americans over the age of 65 will increase over the next 20 years from 40 million in 2010 to more than 70 million in 2020. To put it into perspective, today one out of every seven drivers on the road is over 65. By 2030, it will be one in four drivers. Yikes?

We have had older people before, but we have never had this many older people, ever, in the history of mankind, much less America.

While the book points out the *problems* of aging, it really focuses more on the *promise* of aging.

*Promise #1:* Those future older people are Boomers. And given that, we can safely say, based on consistent and overwhelming responses to consumer surveys, that they would rather age in place, at home, than in an institutional setting. Nine out of 10 Boomers, in fact, want this home field advantage. Our communities are the real winners. Rather than heading to the Sun Belt, Boomers will remain engaged in their communities – volunteering, building legacies, and strengthening family relationships (read grandchildren).

*Promise #2:* More older people will fuel a new economic sector – “aging in place” technology. Small entrepreneurs and corporate giants are already lining up to cash in. FirstSTREET, the Colonial Heights-based national mail order firm is selling devices and home improvements that keep people in their homes longer. GE and Philips have come up with bright ideas using unobtrusive Web-based monitoring

services to connect seniors with their family caregivers hundreds of miles away. This new category is expected to grow from \$2 billion today to more than \$20 billion by 2020, according to *Aging in Place Technology Watch*.

*Promise #3:* More years for all will usher in a new saving mentality and more dynamic long-term insurance offerings. Based on hard economic numbers, most Boomers have not saved enough to finance a secure and comfortable retirement. The Center for Retirement Planning at Boston College says that more than half of all Boomers are at risk of failing to replace their pre-retirement income. Include the risk of needing long-term care, and the number is three out of five. Living longer costs money. Expect to see innovative long-term care insurance products that not only include payouts for paid in-home care, but also flexibility to convert to life insurance if long-term care isn't needed.

*Promise #4:* Boomers are turning their back on consumerism. The numbers point to a future of lessened material expectations for Boomers. They are rediscovering the traditional values of thrift and frugality, which they see as consistent with the emerging "green" values of conservation and recycling. A Society of Actuaries survey confirms this as 54% of middle aged adults have cut back on spending, up from 37% in 2007, as a way to plan for their financial future.

Fortunately, the contributors in *Longevity Rules* outline dozens of other "longevity dividend" promises. Which ones will come true? Even if we polled all 76 million Boomers, we would likely get 76 million different responses. In the end, we will have to wait to find out.

Meanwhile, we can gain some educated insights from the contributors to this book. If you're like us, you'll think of this as the starting point for the "new rules" for growing old.