

# | The Longevity Gamble

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We're simply living longer. That's the news from the Social Security Administration, which says one out of four people who are age 65 today will live beyond age 90, and one in ten will live beyond age 95.

Yet that very longevity we all hope for is something we never quite seem to plan for. In fact, the Society of Actuaries reveals that 43% of retirees underestimate by at least five years how long they will live. That, coupled with plan participants' lack of figuring health problems into their long-term planning process (Fidelity Investments estimates healthy couples will require \$245,000 for medical expenses during retirement), could mean running out of money well before one's time is up.

That begs the question: how can one estimate a lifespan? And how can retirement advisors steer participants toward the best estimate?

*"Are your plan participants betting that they'll live a long time? Do their retirement savings and goals match that enthusiasm?"*

## Knowing How Long

There's no way of knowing exactly how long any one person will live. Various factors influencing health, including heredity and habits, play a role in determining one's longevity. Still, retirement advisors can help plan participants see an overall picture of how much retirement income they might need. For example, participants can use the Social Security Administration's Life Expectancy Calculator to see what the average life expectancy is for that person born on a particular date.

Still, other factors influence your plan participant's life expectancy – factors such as:

- Current health
- Lifestyle
- Family history

- Social habits
- Education

A good calculator for helping your participants see their predicted life expectancy is Living To 100. Basing life expectancy on a variety of habits and factors, the calculator gives a more comprehensive view of a life expectancy plan participants should consider in their retirement planning.

## Investing in Longevity

Advisors can help plan participants save the most for their retirement by:

- Advising that participants plan for a life that stretches to at least 95
- Reviewing portfolio mix and investment strategy to see if the risk tolerance matches the participants' savings goals
- Review account balances and calculate

monthly retirement income on those balances (gives participants a more realistic view of how far their money will stretch)

- Showing them how delaying Social Security can allow them more money for later on
- Including a conversation about long-term care insurance
- Discussing a sensible draw-down monthly payment that can help extend savings even further
- Reviewing investment vehicles that can provide additional retirement income

Helping plan participants save for a longer life now will bring them additional peace of mind as retirement looms. Retirement advisors can be the trusted partner in ensuring a comfortable retirement with enough savings to last a lifetime.