

Understanding and Managing Longevity

**A major opportunity for better and less costly caring
for Older Australians**

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Executive Summary

The ongoing increase in personal longevity is a major community challenge.

Ageing does not mean inevitable and ongoing decline. With effective information and support, most people can respond positively to their increasing age and often improve their situation. The earlier they start the more likely a positive result.

More resources should be directed to empowering individuals to better manage their personal life course. This will reduce the demands for traditional aged care services.

The terms “aged” and “ageing” have significant negative connotations. Wherever possible the term “longevity” should be used to eliminate this bias.

Recommendations

1. The Commission should recommend the establishment of a Longevity Centre of Excellence to empower individuals to influence their personal longevity and to support greater community awareness and action to positively influence personal longevity and quality of life.

This Centre should:

1.1 Provide reliable information about the factors affecting longevity and their personal importance.

1.2 Provide guidance on courses of action available to enable people to influence both the quality and quantity of their remaining life. This should include the facility for individuals to analyse and quantify their personal situation.

1.3 Develop and maintain material for personal advisers (such as health, financial and social work professionals) to augment their competences through a special focus on longevity. An important part of this material would be training in assisting people to make appropriate tradeoffs when planning their future.

1.4 Conduct ongoing literature research on the factors affecting personal longevity. The priority should be to ensure that current wide-ranging research on longevity issues is interpreted and presented in a way which is informative and personally actionable by individuals and their advisers. The research should be based both on the information derived from the Centre’s own activities, including the data collected from personal analyses, and on authoritative published information.

1.5 Offer its services free to individuals and use web-based and other marketing techniques to ensure the widest possible community awareness and access.

1.6 Liaise with commercial service providers (such as health and financial service providers) to develop and implement longevity research programs and activities which generate revenue to enable the service to offset its costs.

1.7 Remain under public control to ensure that its reputation and data management are completely independent of other influences and that its services are the benchmark for longevity information in the community.

1.8 Provide strategic advice to public and private entities to ensure all facets of longevity are fully understood and able to be integrated into public and private actions.

- 2. The Commission should use the term “longevity” whenever the context permits to minimise the negative connotations of the term “ageing” and its associated variations.**

Author Background

David Williams began longevity research in 1986 and published widely on retirement issues during his executive years with financial advice groups RetireInvest (Director) and Bridges (CEO).

For five years David chaired the Standards Australia committee on Personal Financial Planning which influenced the publication of ISO Standard 22222 (2005) – Personal Financial Planning.

David founded My Longevity Pty Limited in 2008 to draw together and make accessible the rapidly growing mass of information on personal longevity.

Since the launch of the free and sponsor-free website at www.mylongevity.com.au some 20,000 tests have been performed by people have using it to assess their own longevity. Nearly one third have elected to continue receiving free updates on longevity issues.

Detailed Submission

This submission reviews personal longevity and explains why establishment of a national Longevity Centre of Excellence will make a significant difference to the conduct and cost of aged care services in Australia.

Effective response to longevity issues requires the collaboration of many parties – medical and social researchers, professional practitioners (such as doctors, dentists, social services advisers, financial advisers and a wide range of other professionals) together with public and private entities. Much of the work they can do is performed in isolation.

Productive integration of their work to achieve real efficiencies for the community requires a common knowledge base and training to use it.

Individuals can also make a substantial contribution by being better informed and able to commit to personal action to influence their own longevity and quality of life.

This submission envisages a Longevity Centre of Excellence which integrates the current dispersed knowledge about longevity so that it can be applied by individuals and supporting entities to improve the quality of life as people grow older.

Currently just 1% of government expenditure on aged care services is on assessment and information services whereas the provision of services is 99% (totalling \$10 billion). The overall cost is escalating at 6.4% pa¹.

A modest increase in better personal management of longevity will lead to substantial savings in the provision of aged care services and enhance the quality of life of many older people. A recent study showed the feasibility of reducing health costs by focusing on personal ownership by patients². Savings of nearly 30% were achieved. While the step to personal longevity management is larger than just health, it will achieve a good return on investment in both financial and social terms.

Recommendation 1

The Commission should recommend the establishment of a Longevity Centre of Excellence to empower individuals to influence their personal longevity and to support greater community awareness and action to positively influence personal longevity and quality of life.

The remainder of this submission provides an explanation of the various activities for the recommended Centre.

1.1 Provide reliable information about the factors affecting longevity and their personal importance

Can individuals influence their longevity – both the length and quality of their lives?

¹ Australian Government Productivity Commission Issues Paper, May 2010 pp 16,17

² Snyderman R et al, 'Improving Health by Taking It Personally', *Journal of the American Medical Association* 2010, Vol 303, no 4: 363-364

The life expectancy of the Australian population from birth has increased by some 30% over the past 100 years or so. The causes are well known. Reduction in infant mortality was initially the main driver. Over the past fifty years the emphasis shifted to the extension of adult lives by medical and social intervention. Examples include the benefits from cardiovascular assessment and treatment, the work on cancer and publicity about smoking.

The longevity increases reflect science-based interventions. Many authoritative studies also show that attitude and improved community services can also contribute.

New information continues to expand this opportunity. From what is already known, it is clear that knowledgeable individuals can make a difference to their longevity.

How knowledgeable are they?

To date the evidence suggests few people or their advisers know much about longevity.

1.2 Provide guidance on courses of action available to enable people to influence both the quality and quantity of their remaining life. This should include the facility for individuals to analyse and quantify their personal situation

Sources of longevity information

Life insurance companies and actuaries have long been interested in factors affecting life expectancy. Because their knowledge is valuable commercially, little of it reaches the public domain.

The Australian Life Tables (ALT) are the most informative official publication available, produced by the Australian Government Actuary³. The Australian Bureau of Statistics produces a similar and identically named publication. However they are of limited practical value to individuals or their advisers. This is because the ALT are averages only, and the information is presented in a way which is difficult for individuals to understand and apply to their own situation. Also, the ALT “do not make allowance for the improvements in mortality which are experienced over a person’s lifetime” and “represent a snapshot of mortality at a particular point in time rather than the mortality that an individual is likely to face over their lifetime”⁴. As a result these tables underestimate the average life expectancies of baby boomers by several years.

To illustrate, in 2001 the ALT indicate the life expectancy of an Australian male at age 65 was 17.7 years. Taking into account declining mortality rates, an actuarial analysis⁵ suggested the more likely result was 19.1 years. This difference is 11% - enough to affect such a person’s needs for financial and other support. The result is similar for females.

³ Australian Life Tables 2005-07. Published by the Australian Government Actuary.
http://www.aga.gov.au/publications/life_tables_2005-07/downloads/Australian_Life_Tables_2005-07.pdf

⁴ Australian Life Tables 2005-07. Page 11

⁵ Booth H and Tickle L, ‘Beyond Three Score Years and Ten: Prospects for Longevity in Australia’ *People and Place* 2004; Vol 12, No1; 15-27
http://adsri.anu.edu.au/pubs/Booth/P&P12-1_booth.pdf

Over the past ten years there has been an explosion of authoritative information showing many factors can influence whether a particular individual is likely to have an “average” lifespan.

Most of these factors can be influenced by individuals even where genetic pre-dispositions may exist. It follows that knowledge of this kind is the starting point for individuals to take action to address their longevity.

Currently this vast amount of information is diffused across many publications and websites. Some of them are scientifically sound and make an earnest effort to be useful. The majority are not, especially the short-term media (newspaper and television).

Today’s older individuals are adrift in a sea of misinformation. Collation and effective presentation of factual information would enable people to clarify their personal situation and develop meaningful personal goals in relation to their longevity.

Assessing personal longevity

As we have now seen, more than half the people at any age will live longer than “average”. But which half will an individual be in?

There are several longevity calculators worldwide. In Australia, there is one based on reliably-sourced scientific material⁶. This analyser is free and the site is sponsor-free. It was developed by the author of this submission in collaboration with scientists, academics and actuaries.

The analyser enables individuals to better understand both how long they might live and the factors responsible. While the potential remaining lifespan is an important motivator of interest, perhaps more important is the information available for people to decide whether and how to take action.

The main factors influencing longevity can be grouped into six main categories – Surroundings, Health, Attitude, Parents, Eating and Socio-economic status. Individual answers in each of these categories assist in locating the individual’s longevity within their age group.

The analyser shows the individual’s potential longevity. It also illustrates the main influences for them.

The site has operated for three years and is a research-oriented activity. It has processed some 20,000 analyses online and has a member email list approaching 6,000. The analysis process is linked to the ALT and is updated as the ALT change and as authoritative longevity research is published.

This information enables individuals to positively influence their longevity.

Quality of life

The literature and empirical experience suggest that improvements in the quality of life are achievable by addressing the same factors that influence longevity.

⁶ See <http://www.mylongevity.com.au>

Quality of life is a personal value judgment whereas lifespan is objective. Starting with lifespan establishes a concrete benchmark and prepares people effectively for decisions affecting quality of life.

Personal perspectives reflect knowledge and circumstances. Worthwhile improvements in knowledge which lead to more control are likely to lead to more positive perspectives about longevity and quality of life.

Longevity is a social issue not just a health issue. Longevity can be influenced by personal attitude and social support. A community which is better informed will be more supportive towards others and more effective in preparing people to manage their longevity positively.

A positive influence on quality of life will influence the nature and cost of external services required, including aged care services. These represent obvious benefits to government.

Socio-economic status and longevity

The strong relationship between socio-economic status and longevity is well-known.

The longevity of indigenous Australians is consistent with this, is well publicised and addressed politically and socially. What seems less well-known is that from a longevity viewpoint it is estimated that perhaps 25% of our population is in a similar situation⁷.

Recent research⁸ suggests that this significant impact on longevity reflects in part (but not totally) health behaviours. This work suggests that “health policies and interventions focusing on individual health behaviours have the potential not only to increase the population’s health but also to substantially reduce inequalities in health”.

Better personal information about longevity and quality of life has the potential to positively impact on the need for support at all socio-economic levels and reduce costs of services.

1.3 Develop and maintain material for personal advisers (such as health, financial and social work professionals) to augment their competences through a special focus on longevity. An important part of this material would be training in assisting people to make appropriate tradeoffs when planning their future

Background to longevity training

Few professionals who advise individuals have formal training in understanding longevity.

A number of different perspectives are required to understand its full implications. Examples are demographic, economic, behavioural, social and biological perspectives (including health). This common core of information can be further developed to suit its potential application to particular professions.

⁷ Privately derived from Australian Bureau of Statistics data (2008).

⁸ Stringhini S et al, ‘Association of Socioeconomic Position with Health Behaviours and Mortality’, *Journal of the American Medical Association* 2010, Vol 303, no 12: 1159-1166

Personal financial implications of longevity

If people are more aware of the factors affecting their own longevity, they are more likely to take these into account in dialogue with their advisers, including employers, superannuation funds and financial advisers.

Few of these entities have any real appreciation of longevity and its drivers. As a result, their advice is likely to be superficial.

I have had extensive experience in seeking to improve the quality of financial advice. Longevity analysis and management have only recently been recognised as important considerations. Reflecting strong interest by the Financial Planning Association, a training program for financial advisers is currently in preparation.

Similar programs are contemplated for other financial advisers including accountants and superannuation funds whose clients will benefit from access to reliable longevity information.

The community benefit from such developments will be profound. Reliable knowledge about personal longevity leads to discussions about

- prolonging the period of productive work,
- levels of self-funding,
- actions to reduce post-work costs by more effective health management
- the desirability and timing of releasing the capital value tied up in the family home, and
- implications for families as the older members age.

Such discussions will bring considerations of trade-offs – balancing benefits and costs. Advisers will develop skills to facilitate these tradeoffs through their increased knowledge of longevity.

Well-informed decisions will lead to a greater awareness of the need for self-funding and lower costs for government.

Health care and longevity

This submission makes no comment on the quality of services available from health care professionals who specialise in geriatrics and the medical services provided to older people.

However, there is some evidence to suggest that better training of health care professionals in longevity management would help them to better engage with patients. More personal responsibility for our own health management will reduce the cost of public funding of health.

More medical practices are engaging support para-professionals such as nurses and dental hygienists. A natural role for them would be to assist patients to understand basic longevity issues, encouraging greater self-management and accountability. Some preliminary work in oral health suggests this is productive.

Aged Care and Longevity

Concerns over the increasing costs and complexity of aged care in part reflect a society that has not properly come to terms with the full implications of longevity.

Population growth plus increasing life expectancy are clearly combining to increase pressure on aged care services.

This submission provides a strategic approach to moderate the substantial longer term pressures which will arise.

1.4 Conduct ongoing literature research on the factors affecting personal longevity. The priority should be to ensure that current wide-ranging research on longevity issues is interpreted and presented in a way which is informative and personally actionable by individuals and their advisers. The research should be based both on the information derived from the Centre's own activities, including the data collected from personal analyses, and on reliable published information.

Australia is highly regarded internationally for the quality of its work in ageing and longevity research.

The challenge is to make this information more accessible to individuals and their advisers.

A Longevity Centre of Excellence would become the national focal point for disseminating authoritative information. This would include results of its own interaction with individuals via the analyser process (see Recommendation 1.2).

1.5 Offer its services free to individuals and use web-based and other marketing techniques to ensure the widest possible community awareness and access

Convincing people to confront and respond to their own longevity is a major marketing challenge. There are powerful elements of self-interest to be tapped – both positive and negative.

Online experience to date suggests a high initial level of interest, sustained by the interest in ongoing contact and information.

Reaching out to the wider community rather than a more qualified online audience will require a broader approach, but there is considerable experience in the preventative health field to draw on (such as the quit smoking campaigns).

1.6 Liaise with commercial service providers (such as health and financial service providers) to develop and implement longevity research programs and activities which generate revenue to enable the service to offset its costs

Commercial service providers will sponsor programs which will lead to a more informed use of their services and products. There is a wide range of providers available in areas such as health and financial services.

Engaging with such providers can reduce the cost of the activities of the Longevity Centre of Excellence and is acceptable if ethically managed.

1.7 Remain under public control to ensure that its reputation and data management are completely independent of other influences and that its services are the benchmark for longevity information in the community

Already some 30% of the voting population is over age 60.

The growing of the impact of longevity is arousing commercial and political interests. There will be increasing use (and misuse) of longevity information to further particular objectives.

The complete independence of a Longevity Centre of Excellence will be an important factor in the perception of its trustworthiness and competence.

As per Recommendation 1.6, this would not preclude ethical relationships with commercial and other interest groups. However these can be maintained openly and at arms length to ensure integrity is fully maintained.

1.8 Provide strategic advice to public and private entities to ensure all facets of longevity are fully understood and able to be integrated into public and private actions.

Longevity is a complex subject. As in Recommendation 1.3, a number of diverse disciplines need to be well understood to enable entities to fully engage with longevity issues. All will be obliged to engage with these issues at some stage.

The Longevity Centre of Excellence would be able to advise on strategic longevity issues.

An example in the public sphere is the interaction between superannuation, tax and longevity. If conducted solely as a financial debate, opportunities to harmonise financial strategies with the social and health issues may be missed.

In the private sphere, the need to secure long term private funding of older persons requires careful consideration of the design and benefits of annuity offerings. The processes (and longer term consequences) of accessing housing assets need to be coupled with careful consideration of longevity issues, not merely life expectancy as at present.

An independent and knowledgeable position in such discussions could be taken by the Longevity Centre of Excellence which could assist in facilitating productive outcomes.

This work would have commercial value to the Centre.

Recommendation 2:

The Commission should use the term “longevity” whenever the context permits to minimise the negative connotations of the term “ageing” and its associated variations.

This follows naturally from the discussions under Recommendation 1.

Longevity is the primary driver of the issues affecting our older community. As a consequence it impacts the entire community and should have a focus worthy of its importance.

A focus on longevity will alleviate the negativity currently associated with ageing.