

## **Is Living Longer More Than We Bargained For? America's Crisis in Aging - Part I**

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Good afternoon everyone, and thanks for that great introduction. I'm happy to be here and appreciate your invitation.

I'm here to talk about aging. It's kind of a difficult subject, because no one really wants to grow old...but everyone wants to live a long life. We now have more people...living longer...than ever before.

*Two-thirds of all the people in history who have lived to age 65 are alive today.*

In the United States, we have more seniors than Canada has people.

And do you know what the fastest-growing segment of our population is? It's people 85 years of age and older.

If you take away just one thing from what I have to say, I hope you'll come to understand in the next few minutes that the exploding population of seniors demands a conscious, considered and collaborative response to plan for the health, financial and social implications of an older population.

So let's begin with a basic question. And, that is, "How old is old?" Because this helps us understand the aging process a little bit and what we're all going through. So, what I would like each of you to do is just write down on the handout how old you are. Write down your age—your actual age right now. Got that? Now, right underneath it, put down how old you feel. How many of you wrote down that you feel at least 10 years younger than you are? Let's see a show of hands. How many wrote down that you feel at least 20 years younger than you are?

Look around. Look at your friends. This is very common for people to feel younger than they are. And, by the way, I fit in that category. So, chronological age is one of these things that kind of misleads us in our thinking. As a matter of fact, we often make buying decisions on how we feel and not really how old we are. People over 50 consider old age to arrive at their 90th birthday. Now, this is a survey done by Roper Research. So, if you're over 50, you think 90 is old age. But people under 50 consider old age to arrive at their 70th birthday. So, there you are. Now you know that, if you think you are 20 years younger, you're typical. The older we are, the more we push out the age when we think people are old. You might say that we're in denial about aging.

But there's a danger in denial, because seniors today face several crises – and the children of seniors and others who care about them face those crises as well. So whether you're in the young category or you're in the middle old or you're near the top, these crises are very real for every person in this room. And they are very real for every person in the world. But first, let's talk about just the United States.

When you think about aging in America, the first crisis is a decreasing birthrate. What that means is the number of babies born is shrinking, as a percentage of our population.

At the same time, the number of people living longer is growing.

Think about this: *Over the next 16 years, the number of people over 50 will grow 74%, while the people under 50 will grow by only 1%.*

Today no state has more than one-fifth of its population over 65. In 20 years, 30 states will.

Our older population is living longer and getting bigger. And, at the same time, the younger population is shrinking. So the effect is that you have a small young population responsible for supporting a huge senior population. Who's going to pay for this older population? It's a real problem.

11% of the people in the United States who are 65 and older live at the poverty level. Eleven percent – that's three point eight million people, or the equivalent of the population of Los Angeles and Denver combined. They barely have an existence, and they don't have any assets. They're barely getting by. For them, old age is the dark at the end of the tunnel.

But we're in a better position to support them today than the children will be in to support the seniors of tomorrow.

Living longer has great implications for all of us. You've probably never heard of Sara Knauss. Sara passed away at 119 years of age. Sara lived in a nursing home in Allentown, Pennsylvania. At 119, she still was mentally sharp. Physically, her hearing was bad, her eyesight was quite poor—she had macular degeneration. But, she still was in such good condition that her daughter would come read to her everyday. Oh, by the way, her daughter was 97 years old.

Why am I telling you this story?

Sara had been on Social Security for 53 years, her daughter for 35 years and her grandson for 15 years... all at the same time! Three people, one family, all on Social Security. Here's the kicker: This one family was drawing more on Social Security annually than they had contributed in their entire lifetimes.

The first Social Security recipient was a woman named Ida Mae Fuller. She received a check for \$22 in January 1940. She had paid in \$25 during the last three years of her working life. Ida Mae lived to be 100. Any guesses on how much she collected? \$23,000. Just imagine the day when we have tens of millions of Saras and Ida Maes, and drastically fewer young people paying into the Social Security system.

You see, we have a serious problem brewing out there. Take Medicare. Without Medicare... that 11% of people at the poverty level would grow to almost 30%. Gone would be the great benefit Medicare gives to older adults. Without Social Security 45% of American seniors would be at the poverty level – or below it. That's how important those two entitlement programs are.

Most of us in this room are excited about the idea of prescription drugs being made available to older adults. It's going to help many, many people.

But other than the Society of Certified Senior Advisors, people haven't thought about... and people haven't written about... another problem. We're primarily going to provide prescription drugs to help poorer people. They need the help. These poorer people are the ones who go on Medicaid, and we help them financially. But what will happen is that these drugs will help those people to live longer.

How is helping people to live longer a problem?

Well, if we take 5% of the population 65 and older and assume we could add two years to their lives, what that would amount to is that most of those people would be old enough... and poor enough... to be on Medicaid...not Medicare, but Medicaid...and they would get housing support.

And I just put a pencil to this recently and what it amounts to is an extra cost of *\$140 billion a year!* So, as much good as this bill will do, the good it will do also comes with a significant cost to society.

We have in our hands a kind of time bomb. How can we defuse it? One answer is that we need to plan for the reality of more people living longer and a smaller young population to support them. Whether you're a senior or whether you're going to be personally responsible for a senior, working with somebody who knows how to deal with these emerging issues can enable you to manage your retirement to avoid this.

Here's another thought: Have you ever heard the term, "interest rate bankruptcy"? This is a new phenomenon, and who knows how long it will last. But, a lot of people moved into assisted living centers and nursing homes in the past 10 years. One of them was someone we'll call George. George had CD's, and he had investments that were yielding 6-7% interest. He had saved \$150,000 and he had a little Social Security income.

So, between that \$150,000 at 7% interest, earning \$10,000 income, and maybe \$7,000 in Social Security, George could pay to be in that assisted living center.

Now like most every thing else, the cost of assisted living has gone up, and the interest rates on CD's have gone down -- from 7% to 1 and 2 and 3%. So, just use the example if it dropped down to 1% that gives George \$1,500 a year instead of \$10,000. That's \$9,000 a year that is coming out of his principal. So, all of a sudden, George faces interest rate bankruptcy. He doesn't have enough money. He's eating up his principal. And, if George goes to higher levels of nursing, he'll be spending larger amounts of money. The money's gone. And the caregivers won't keep people like George in most cases, because a lot of the assisted living centers are designed only for private-paid money.

That's why it's no surprise that between 1991 and 2001, the bankruptcies of people 65 and older increased 244%. 82,000 Americans 65 and older filed for bankruptcy in 2001 alone, making older Americans now the fastest-growing age group in bankruptcy. In my opinion, this is a national tragedy

The problems of a larger, older population don't begin or end with money. Far from it. A problem that very few of us think about is that of social issues in older adults, such as marriage and divorce.

One out of seven marriages in the United States today is a third marriage. Many of those who re-marry are older adults—people 60, 70, yes, 80 years old. It happens all the time.

So, when we plan, we can't be saying, "Hey, I just got divorced at age 60, and I think I'll get remarried. That will be the last time I ever get married." Maybe not. That may not last.

As a matter of fact, if a couple's been married for 40 years or longer and one of the spouses dies and the other spouse remarries within 12 months, the divorce rate is 85%.

Another challenge you'll face as a senior is isolation. I worry about seniors becoming isolated from society. This becomes a greater problem as people live longer. Did you know that the highest suicide rate in the United States is among white males age 75 and older? That's higher than any other demographic group. What happens?

The older we get, the greater becomes the chances you'll suffer from depression. That's not just for people living alone. That can be married couples who don't even talk to each other. We estimate through our studies and through research we have done at the society that more than half of the men 65 and older have some form of depression.

Part of what goes on in the depression category is brought on by life experiences; and life experiences are also what really dictate to all of us our attitudes in almost everything we do.

And here's what I mean by that. Every time you have a lifetime experience, it layers on top of the previous lifetime experience in that same category. So, let's talk about just from the investing standpoint. If you had one investment after another that was bad, after a certain period of time, they've layered high enough and you say, that's it, I'm through. I'm not gonna do that any more. You quit.

Same way with depression. Bad things happen, they layer, and you become more depressed as time goes along. You come to expect that bad things will happen to you, and your attitude becomes a self-fulfilling prophecy. So those of us who work with seniors have an obligation to deal with the whole person, not just the financial person or the social person or the physical person.

Let me reiterate the central fact of the demographic trend that is re-shaping America. *By the year 2020, the over-50 segment grows 74% in this country. The under 50 segment grows only 1%.*

Our long-held assumptions about aging don't work anymore, because we've kind of re-wound the aging clock. Here's what I mean by that. A person reaching age 65 today can expect to live an additional 18.6 years. Two out of five will reach age 90. Advances in medical research promise to enable more of us to live even longer.

Tell me, how many of you in the room are familiar with telomeres? Let me tell you about them.

In 1961, Dr. Leonard Hayflick discovered that the cells of the human body, your liver cells, your kidney cells, and so on, these cells in our body split approximately 50 times and then they die. That's the aging clock. What he didn't know at that time was that what was really going on inside the cells was the activities of telomeres. The telomeres are on the tips of your chromosomes, just like the little plastic tips on the ends of your shoestrings. Every time the cell splits, this shrinks a little bit.

What scientists have said is that, if they can figure out how to keep these telomeres from shrinking, we can stop the aging process in almost every organ in our body.

Well, as a matter of fact, Dr. Michael Fossil...there's another good name—Fossil... wrote about this in 1996. He said within two years we will figure out a way to keep those telomeres from shrinking. And he was right. Scientists have discovered a way to keep the telomeres from shrinking. In the laboratory they now have human cells that have split 400 times—8 times what we currently know as a lifespan.

So, are we going to live longer because of this? Yes. Are we going to live eight times longer? No. But we will live longer because we can now have some of these organs that we can keep from dying off so soon. The research isn't completed. It's not here tomorrow. It's in the future. But it's inevitable.

The other thing for the future that may be of great value to all of us is what is known as caloric restriction. The fewer calories you take in, the longer you live. Caloric restriction can add 10-15 years to our life today. Now this is the good news. The bad news is that the later in life that you start restricting the number of calories you take in, the less benefit it will have. So, for some of us, who the heck cares. Let's eat what we want. But, Dr. Richard Weindruch of the University of Wisconsin has been working for ten years on a rodent primate study, and he has proven without a doubt that we can really expand our life expectancy when we restrict the number of certain kinds of calories we take in.

Last year, I heard a presentation from a Dr. Lorea of the New Jersey Medical School to the World Future Society. Dr. Lorea said that in the next ten years, we will discover a pill that will burn up the calories—you can eat anything you want. This will be a "smart" pill. And it will just burn up all

those things that aren't good—the fat and all those things that we all know...the cholesterol that clogs the arteries—it'll burn it up. Imagine one good pill that could overcome many bad diets.

Other breakthroughs are occurring in the field of nanotechnology. Folks, this is here today. Remember that movie, "Fantastic Voyage"? It was a science-fiction movie where scientists miniaturized a submarine and injected it into someone's body to save his life. But what was science fiction a few years ago will become medical fact in the future.

Doctors will put little miniature devices in your vascular system that will detect physical problems and the beginning stages of diseases.

And they will even be able to treat it right there from that little device or they will send a signal back to the control station and the control station will say now we know how to treat it.

It's right around the corner.

Nanotechnology's been in use since the early 1990's, but most of that was done for industrial work for automobiles and medical work outside the human body. Now, it's going to go inside the human body.

Now, things like telomeres, caloric restriction, smart pills, nanotechnology – all are designed to do make us live longer. And we will live longer, we will live better, and we will die quicker.

And that's what most of us probably would prefer. Because I would bet anything that all of you are just like me. You want to live a long time, but you don't want to get old, because we associate old with being disabled, being decrepit, being depressed.

When my time comes, I'd prefer it to come quickly, and without being preceded by a lengthy medical condition.

Let me turn quickly to the principles of aging, the physiology of what happens to us as we age. At age 35, we have about 258 taste buds...good, healthy taste buds. By the time we're 75, there are fewer than 60 good, healthy taste buds there.

So, what happens is that seniors start putting more salt on their food, more sugar in their coffee. And the rest of us build unspoken prejudices against those we see doing that.

And this is part of the learning process that it's of value for all of us to know. If we can avoid these prejudices against older adults, we can help all of our friends, our families, and ourselves age better by understanding what is going on.

If you watch older people and you see that they put more salt and sugar on or in their coffee, and you talk to them about that, ask them if they've always done that or if it is something they've started to do as they've aged.

They'll tell you it's more since they've gotten older.

The same thing happens with our smell.

Our sense of smell decreases as we age. Have you ever been around a senior who seems to have used the entire bottle of cologne or perfume? They put it on till they can smell it. But to somebody else, it's really overwhelming. You wait all your life to have time to smell the roses, but when you get there, you don't have the ability.

Now, again, to be a good Samaritan, to be a friend...if you know somebody whose sense of smell has decreased, they may have a body odor. This can be a very great negative that they have no

concept of. Tell them about it. Just say, you may not know this, but I know our smell decreases as we age, and let them know. They'll appreciate knowing you care.

We've all seen tremendous changes in our society and in ourselves.

We're seeing a growing older population...and a shrinking younger one.

We're seeing greater life spans, but a lesser ability to enjoy them.

But what we've seen in the past will pale compared to what we will see in the future.

Forty years ago, the number one concern of our seniors was dying. Now their top concern is that they will outlive their assets. Isn't that something? People are worried about what's going to happen to them financially – and we've seen that they have good cause for worry.

Their second concern is whether they will be able to maintain their independence. It ties back to the financial part. They want to remain independent.

And their third top concern is their health and safety. Now these are all very close together and there isn't one that significantly outweighs the other.

Those concerns are inter-related... and we need an inter-related approach to dealing with them.

If we can do that, we can ensure aging is the final success in our lives.

We have to learn how to deal with the paradoxes of seniors.

Seniors are in a paradox where they hold two-thirds of the country's assets...yet have the highest bankruptcy rate of any group.

Seniors are in a paradox where they seek love and companionship to defeat isolation...yet if seniors remarry after the loss of a spouse, they have a five in six chance of getting divorced.

Seniors are in a paradox where they want to live long and productive lives...yet the highest suicide rate in the U.S. is for males over age 75.

Aging can be something to look forward to instead of something to dread.

Aging can be enjoyed, not just endured.

And that's the fundamental mission of the Society of Certified Senior Advisors. The Society trains professionals in the many ways we can better understand the health, financial, and social issues that we all face... and through that understanding we can provide a better quality of life for our aging population – and a better quality of life for ourselves. Our seniors deserve no less.