

# The Longevity Imperative

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- Lifespans are increasing.
- Healthspans and workspans are not keeping up.

### Implications:

#### o Impact on personal finances.

□ Will our personal savings and defined contribution pensions be sufficient for our extended lives beyond work and contingencies?

#### o Impact on public finances.

□ What will happen to the solvency of public pensions and what will it mean for payouts and contributions?

□ What is the impact on public healthcare in terms of costs and quality of care?

□ What is the impact on tax revenues and on the ability to fund public services?

□ What is the impact on interest rates, term premia, and the ability to raise and service public debt?

#### o Impact on the economy.

□ What is the impact on savings rates and thereby on the ability to service public debt?

□ What is the impact on the labour market?

□ Will older workers displace younger ones causing greater youth unemployment? What are the social implications?

□ What is the impact on the size and quality of the labour force?

- Other implications

o Will retirement ages have to rise? Almost surely.

### Prescriptions and solutions:

- Lengthening healthspans

o Improve health through healthier lifestyle.

o Improve health through medications and therapies.

- o Improve access to healthcare.
- o Does work improve health? Answer this question.
- Lengthening workspans.
  - o Human resource regulations to address ageism.
  - o Retrain to remain economically relevant.
  - o Delay and defer retirement.
- Fiscal sustainability
  - o Raise GST.
  - o Impose land taxes.
  - o Consider wealth taxes. This can be complicated.
  - o Raise retirement ages to match lifespans. This is politically challenging but will have a significant impact.
- Economy
  - o Provide retraining and continuing education opportunities to match skills with abilities and needs.
  - o Use of technology such as AI and automation to extend the capabilities of human beings and not just replace them.
  - o The strategic balance of defined benefit and defined contribution pensions to provide for retirement and contingencies.
  - o Reform of defined benefit pensions schemes and social security. Back to solvency and adequacy.
  - o Reform of defined contribution pension schemes and regulation and development of personal financial industry.
- Others:

#### Areas for investment

- Healthy living.
  - o Preventative medicine.
  - o Fitness and activity.
  - o Diet and nutrition.
- Medicine.
  - o New medicines such as GLP1.
- Personal finance

- o Savings and investment products aimed at longer lifespans.