



Playing the long game

Longevity and financial outcomes

PRESENTATION BY

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Backdrop



Americans are living longer & face financial insecurity in retirement



One in five adults are caregivers



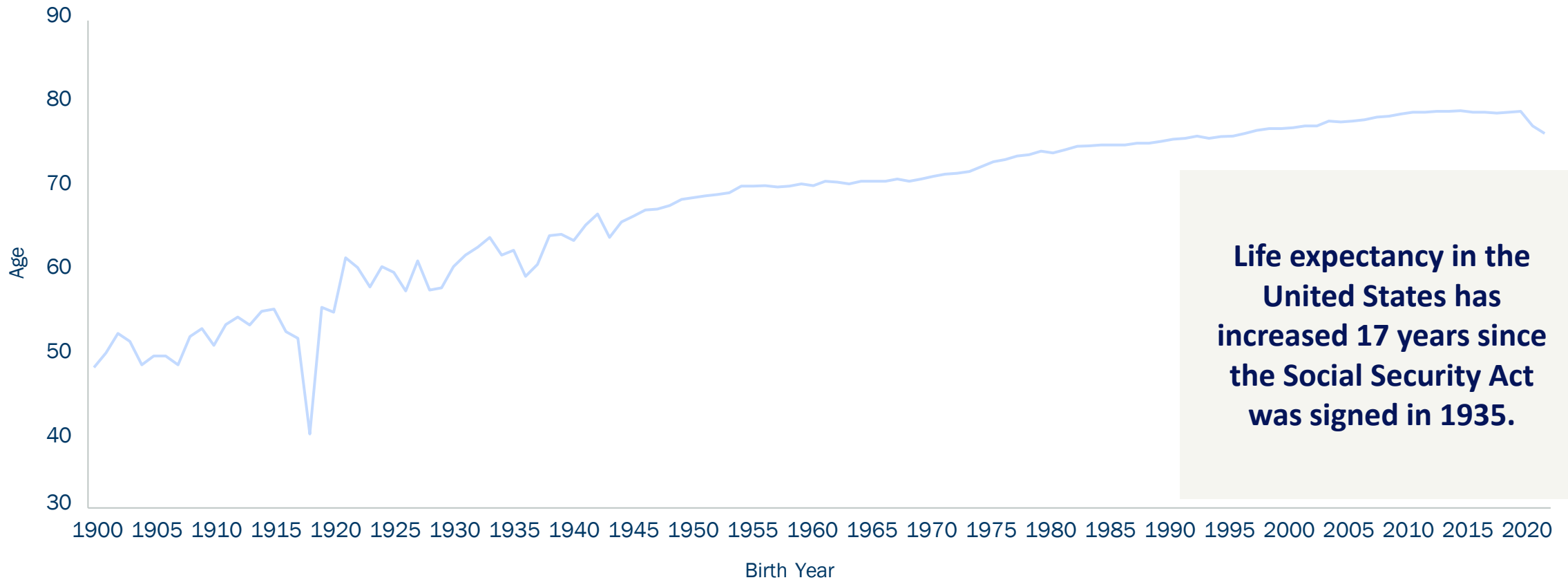
Caregivers face financial consequences



Financial & longevity literacy is key to retirement preparedness

A steady march towards increased longevity

Life expectancy from birth, 1900 to 2021



Living longer creates significant complications

Financial caregiving and increased longevity increase retirement security risk and the need to plan for related costs across various life stages.

- As younger generations increasingly take on caregiving roles, they face different financial pressures and trade-offs.
- Financial choices made at younger ages have ripples for years to come as families weigh trade-offs between present spending, saving for large expenses and saving for retirement.



Longevity literacy among U.S. adults

Longevity literacy is an understanding of how long people tend to live in retirement.

Test your knowledge:

On average in the U.S., how long will a 65-year-old woman live? *[If female]*

- About 17 more years (age 82)
- About 22 more years (age 87)
- About 27 more years (age 92)
- Don't know

On average in the U.S., how long will a 65-year-old man live? *[If male]*

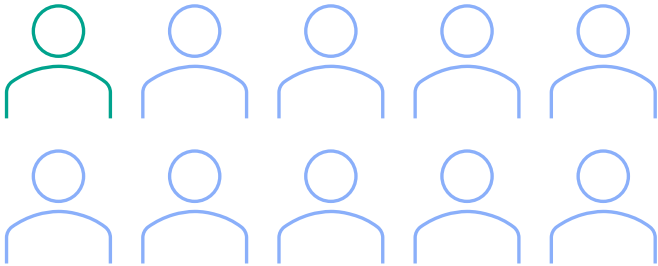
- About 14 more years (age 79)
- About 19 more years (age 84)
- About 24 more years (age 89)
- Don't know

Longevity literacy among U.S. adults is very low

Aggregating across the three questions provides a composite indicator of longevity literacy.

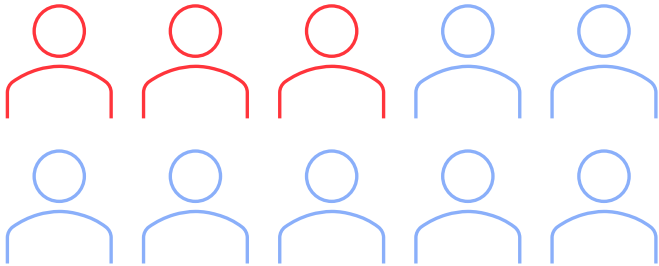
Only 12% have strong longevity literacy

They correctly answered all three questions.



While 31% have weak longevity literacy

They responded either “don’t know” or with an underestimate of life span for each question.

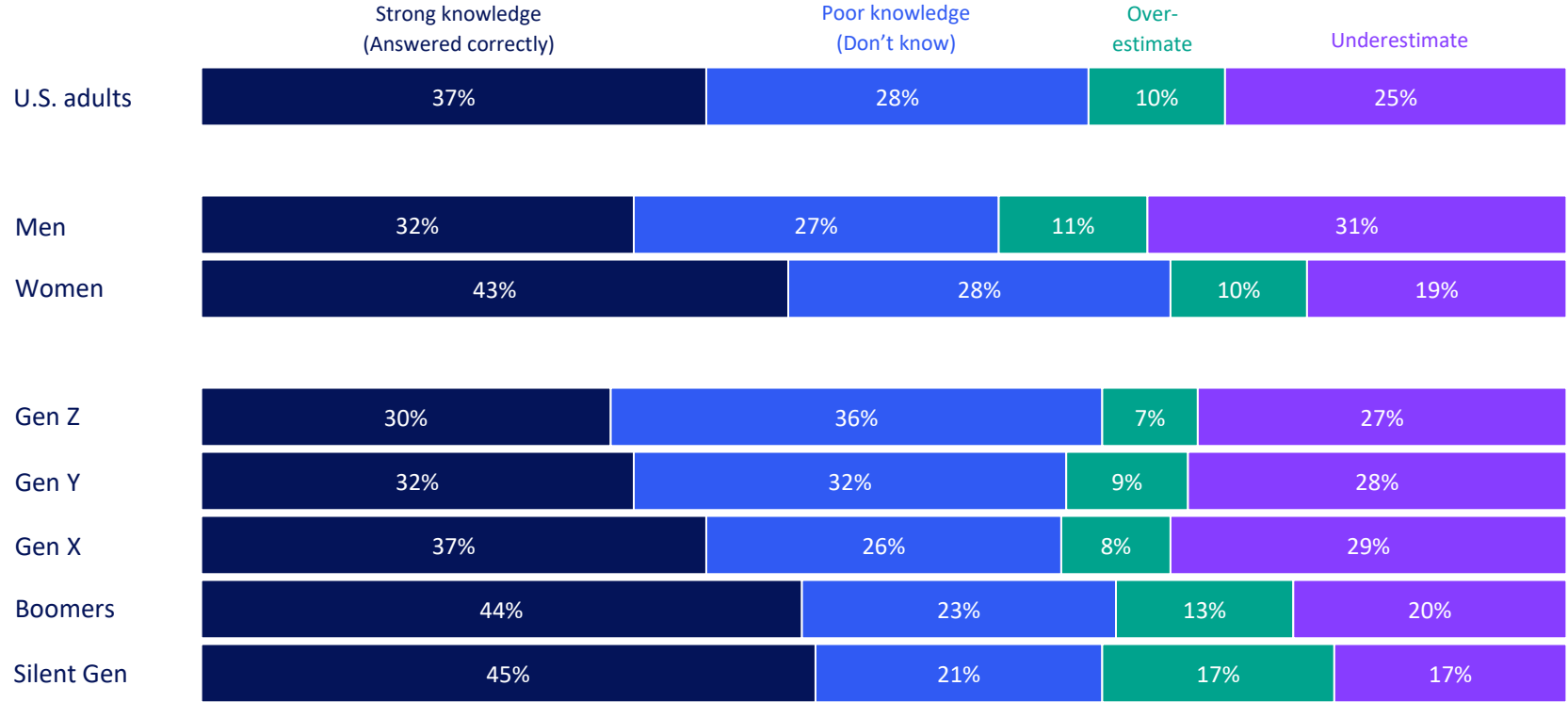


Weak financial literacy is more common among men. It is also more common among Blacks and Hispanics, as well as Gen Z and Gen Y.

Longevity literacy among U.S. adults is very low

Women have greater longevity literacy than men.

Knowledge of life expectancy for 65-year old men/women in the United States



53%
U.S. adults are working with inaccurate information about life expectancy.

Source: Yakoboski, P.J., Lusardi, A., & Hasler, A. (2023). Financial literacy, longevity literacy, and retirement readiness: The 2022 TIAA Institute-GFLEC Personal Finance Index. TIAA Institute; Global Financial Literacy Excellence Center. [tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2023-01/longevity_literacy_financial_literacy_and_retirement_readiness.pdf](https://www.tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2023-01/longevity_literacy_financial_literacy_and_retirement_readiness.pdf)

Longevity literacy among U.S. adults

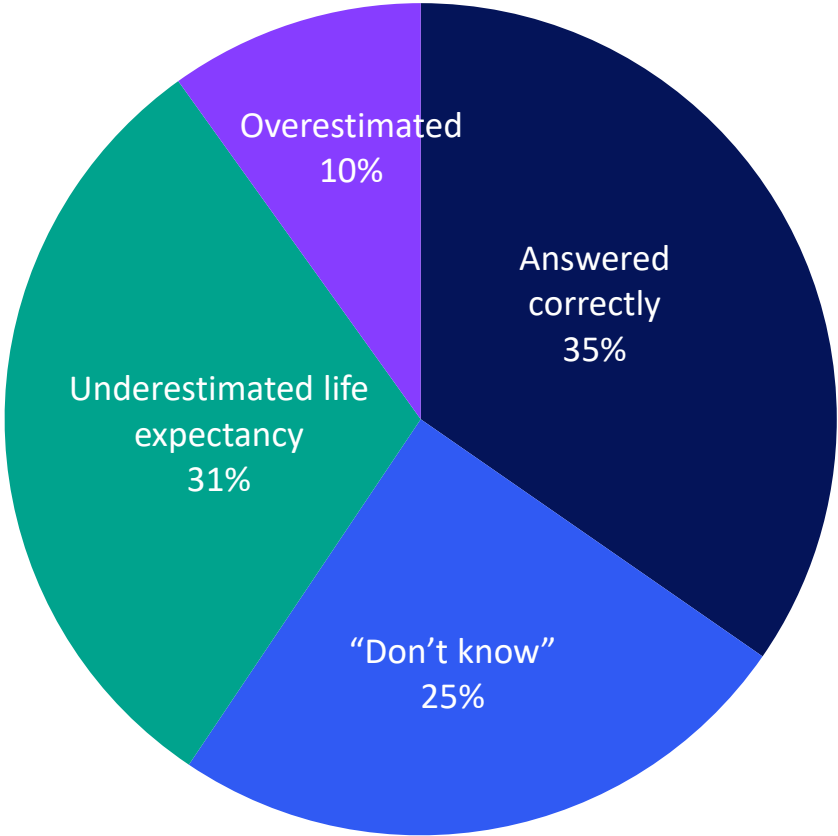
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Source: TIAA Institute-GFLEC Personal Finance Index (2023).

Longevity literacy: strongly linked to retirement planning and preparedness

Understanding the concept of longevity provides a more complete picture of factors involved in financial well-being.



Attention to financial caregiving



Financial and longevity literacy



Optimized retirement readiness

Longevity literacy and retirement readiness

Workers with strong longevity literacy tend to be better prepared for retirement.



50%

Strong longevity literacy

32%

Weak longevity literacy

DETERMINED HOW MUCH THEY NEED TO
SAVE FOR RETIREMENT



72%

Strong longevity literacy

58%

Weak longevity literacy

SAVING FOR RETIREMENT
ON A REGULAR BASIS



69%

Strong longevity literacy

53%

Weak longevity literacy

CONFIDENT THEY WILL HAVE ENOUGH
MONEY TO LIVE COMFORTABLY
THROUGHOUT RETIREMENT

Longevity literacy and retirement readiness

Retirees with strong longevity literacy tend to experience better retirement outcomes.



69%

Strong longevity literacy

57%

Weak longevity literacy

SAVED FOR RETIREMENT
ON A REGULAR BASIS



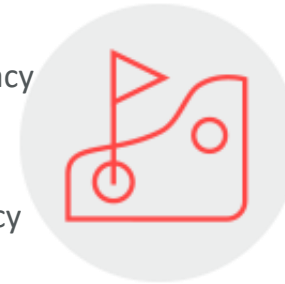
77%

Strong longevity literacy

62%

Weak longevity literacy

LIFESTYLE MEETS OR EXCEEDS
PRE-RETIREMENT EXPECTATIONS



82%

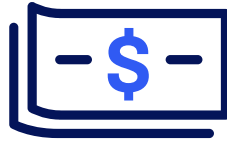
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CONFIDENT THEY WILL HAVE ENOUGH MONEY TO
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Key takeaways



Longevity gains challenge individuals and society to rethink twentieth century approaches to work, family and retirement preparedness.



Individuals and families cannot and should not face these challenges alone.

Raise awareness of the link between longevity and caregiving

Plan for longevity in the early stages of adult life

Financial advisors, employers and policymakers all have a role to play

Together, we can work toward a financial future in which we not only live longer, but better.

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