

The Longevity Imperative (draft)

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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.