



Longer life expectancies call for a new, holistic approach to advice that goes beyond finances, one that we call “longevity planning”.

BLOG

Helping people successfully navigate longevity: The future of advice

What is the future of advice in a world where people are living longer and longer—and where a focus on finances alone falls woefully short of providing people the guidance they want and need? As part of the Institute’s April 2024 Fellows Symposium, Joseph Coughlin, Director of the MIT AgeLab, and Surya Kolluri, Head of the TIAA Institute, engaged in a thought-provoking conversation about how best to help people successfully navigate the challenges and uncertainties they’ll face beyond what traditionally has been considered retirement age. Increasing life expectancies call for a new, holistic approach to advice that goes beyond finances to encompass factors such as health, social connections, and day-to-day practical concerns—all aimed at helping ensure quality of life, not just a long life. Coughlin and Kolluri call this new approach to advice “longevity planning”.



Surya Kolluri, Head of the TIAA Institute

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—Surya Kolluri, Head, TIAA Institute

The conversation

SK: Can you please tell us a bit about the MIT AgeLab and what inspired you to create it?

JC: The AgeLab is a research program within MIT’s Center for Transportation and Logistics. I’m a professor in MIT’s Department of Urban Studies and Planning and was primarily interested in the “infrastructure” of aging from the perspective of engineering, design, housing, and so on. My initial focus was on transportation for older drivers—the cars and roads that might make them safer for the longer term. That work made me realize that we need a systems solution to successful aging and longevity, one that brings together the many scattered innovations along these lines.

SK: Yes, so much can be done to help people age successfully, and we need to think well beyond financial security. During a visit to the AgeLab, for example, I wore the suit developed there, designed to help us understand the experiences of older people. It made it harder for me to walk, control my fingers to pick things up, and made my vision worse! The goal is to increase physical empathy for older people, and with that be able to help them more effectively. You’ve also developed a VW bug to help drivers with different capabilities, among other things.

And last month, the AgeLab held a forum focused on reshaping the financial planning industry into a longevity planning industry. That resonates with the TIAA Institute, as we’ve been focusing on the importance of social and health equity—in addition to financial equity—to achieving a higher quality of life. The goal is to have all three match your lifespan as closely as possible. And we know that health and wealth are connected, which your recent Forum addressed. Can you please tell us more about that?

JC: Sure. The AgeLab hosted a two-day forum centered on helping people prepare for longer lives. We kicked off by bringing together the CEO of CVS and a managing partner at Edward Jones. They’re leaders in healthcare and finance, the bookends of longevity. Recent research found that financial advisory clients have four main priorities, in order of importance: their health, their family, their purpose, and finally, their financial plan. But as we know, most financial advisors start and, too often, end with the numbers.

Our goal is to figure out the future of advice. Unlike other life stages—child, student, parent, career—there’s no roadmap for 65 years and up. All the images we see in the media are people walking on a beach or playing pickleball! Given the remarkable gains in life expectancy, that leaves about a third of life without a map. We think that the future business of advice will include psychologists and social workers, among others, who will help alongside the financial advisors.

SK: We know that half the time, people sever their relationship with their financial advisor following a divorce or the death of a spouse. It’s understandable: A widow who goes to her financial advisor and wants to know if she’ll be OK doesn’t need to be answered with overwhelming numbers and charts. Emotional context matters too—and too often that’s missing.

JC: Exactly. Women are responsible for 90% of spending decisions and so financial advice is key, but advisors can’t ignore larger underlying concerns. Women outlive men, on average, and so more often live alone in their older years. So much of age-related angst is fundamentally tied to women. They are more often caregivers



Joseph Coughlin, Director of the MIT AgeLab

“ Longevity planning is the transformation of the financial services and retirement planning industries into a holistic business of advice and services to help people navigate a 100-year lifespan.

—Joseph Coughlin, Director, MIT AgeLab

for aging spouses or other relatives. And later, living alone brings on all sorts of challenges—and makes women more reliant on outside help and infrastructure.

We need a longevity economy focused on the age 50+ market. It’s massive and overlooked. At the AgeLab, we’re envisioning longevity hubs that address the desires and needs of the growing older population. The hubs could be an export to the world. We see opportunity here, rather than problems to be solved.

SK: How can we get individuals to think more about retirement, beyond saving money for it? Can you tell us about the AgeLab’s “provocatives”—physical objects designed to spur thinking more deeply about the big and amorphous concept of retirement?

JC: First, about the saving—and this is being driven by clients, not the advisors: Clients don’t want to talk about just saving, giving up things now for the future and amassing as much as possible. Instead, the better advice is to think about saving for specific purposes, like traveling, keeping up your house, visiting grandchildren.

To help people engage more with envisioning retirement, to drill down deeper on specifics, the AgeLab created a stack of blocks with questions on them, like, “What are you going to do at 10:30am on Tuesdays?” or, say if you like ice cream, “How will you go and get yourself an ice cream cone?” And “Who’s going to change the ceiling lightbulbs in my house?” These objects/questions bring out all sorts of emotions as people bump up against the practical realities of retirement and living longer. This is all part of what we call longevity preparedness.

SK: Longevity planning is the next step after longevity literacy—a topic the Institute has done a good deal of research, writing and talking about. Institute research found that most people have a poor understanding of how long they could live, often underestimating their life expectancy. We’ve also just recently coined a new phrase—*retirement fluency*—to assess and help close critical knowledge gaps around key concepts fundamental to retirement preparedness—things like Social Security, Medicare, and employer-provided retirement benefits.

When people realize just how many years they could have in retirement, it’s motivating to prepare for all those years! The AgeLab is on the cutting edge of helping people plan, taking a holistic approach that could transform the traditional financial advising profession into one focused instead on longevity planning.

Thank you, Joe, for your excellent work and a great conversation! The Institute team is excited about continuing its collaboration with you and the MIT AgeLab.