Session 3B: Quality of Life of the Elderly

Discussant: Deborah Briceland-Betts, J.D.

Presented at the Living to 100 and Beyond Symposium
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Papers Presented:

Living to 100—A Women's Issue
Anna Rappaport, MBA, FSA, EA, MAAA

Evaluation of Approaches to Reducing Women's Longevity Risk
Beverly J. Orth, JD, FSA

Estimates of Incidence, Prevalence, Duration, Intensity, and Cost of Chronic Disability among the U.S. Elderly
Eric Stallard, ASA, FCA, MAAA

I am grateful for the opportunity to provide discussion regarding this group of three excellent papers. I congratulate the authors who have all given us much to think about. Each paper is unique in how it describes key issues of living to 100. I will discuss each paper in turn, starting with Ms. Rappaport's, followed by Ms. Orth's and finally Mr. Stallard's. I will end with general comments applicable from all three papers. The trio of papers highlights presented under the headline of quality of life for the elderly, collectively paints a bleak picture for those reaching 100 years of age, a cohort that is mostly women.

The papers underscore the inextricable link between quality of life and economic security and the danger that the frail health presents to economic security. Each paper emphasizes how much greater these issues are for aging women than aging men. While the substance of the papers is not new or surprising, it provides a reinvigorated call to

address these issues substantively and creatively to improve the quality of life for this rapidly growing segment of the population.

Let us first look at Anna Rappaport's paper. It is important not as a presentation of new content, but for presenting a clear consolidation of the problems women have as they grow older, particularly after age 85. She states clearly that all too many women face poverty in old age because of a combination of a unique life pattern that is frequently compounded by poor or lack of financial planning.

The paper points to the serious jeopardy of older women living alone. Widows are five times more likely to be poor than women who are in a couple. Never married and single women do not fare much better. I was hoping that the paper would discuss the demographics of the boomer generation in this regard. It is my understanding that this generation has the largest segment of single women and single women head of households of any preceding generation. It would be valuable in this discussion to know if the changing work patterns of this cohort change their vulnerability or darken the long-term demographic picture for older women.

Ms. Rappaport points to policy changes in defined benefit retirement programs and Social Security that can break down barriers that interfere with women's ability to secure their financial future.

Ms. Orth's paper examines a narrower view of the lack of financial security for women. She specifically focuses on a strategy for making accumulated resources last over a very long life through purchasing annuities. The paper is valuable for its discussion of the critical need for both men and women, but particularly women, to look at a longer lifetime when planning retirement spending. It emphasizes the important point that too many retirees overspend in the early years of retirement. And, because of women's longer lives, they are the ones most often left to live on severely restricted incomes in their later years. This paper also makes a valuable contribution through its exploration of varied ways to make annuities available to a broader population. There are

two limitations that I see to this approach: 1) women's lower retirement resources and 2) the adjustment in the annuity payout for their longer lives. If a man and woman purchase an annuity for the same amount, she will receive a lower monthly amount because it is expected that she will live longer.

Dr. Stallard's paper is excellent. His carefully constructed device for measuring the burden of chronic disability in the United States, and its adjustments for gender, use, intensity and costs, provides excellent data that will hopefully fuel much-needed discussions in reimbursement and coverage of long-term care.

I must point out that the paper completes the grim picture for women who live 100 years. We are not only to be poor, but nearly one-third of the years after 65 will be spent in frailty. Especially for women, this frailty will further or completely exhaust our resources.

Collectively, these papers make a compelling case to once again examine how women age in this country. For years we have conducted educational campaigns aimed at increasing women's awareness of their vulnerability in hopes that they can singularly change the outcome. These papers prompt us to look again. If our mission is to improve the quality of life for older women, we need to begin forceful work in this arena. We need to go beyond educational awareness campaigns or blaming women for their perilous state and look thoughtfully into areas that are those that need to be addressed in the public arena and those that should spur the individual to action. Public changes include those mentioned by Anna Rappaport and Beverly Orth, such as addressing some of the gender issues in Social Security and designing annuity programs that work better for women and ones that they will buy. We need to address the issue of equal pay for same or similar work. More than 30 years after the Equal Pay Act, women are still earning about 76 cents for every dollar men earn on similar jobs. On an average paying job, that is nearly ½ million dollars less that she will have to save and invest in retirement.

On the individual side, we need to change how women plan for retirement. Poverty in old age for many women begins the first day on the job as Anna Rappaport said, through choosing jobs that do not pay well or leave room for advancement. We need to ensure that young women who leave the workforce for caregiving have designed a plan that allows the wage-earning unit of the family to continue investing in their retirement plans. And, as traditional retirement age approaches, we need to look beyond the three-legged stool of retirement (Social Security, savings and pensions) to a fourth leg—that of continued work. Seven in 10 boomers have indicated in polls that they will want or need to continue work. We must ensure that jobs are flexible in place and pace and that benefits are available for part-time work. Many older workers will not be able to continue their original careers, but will need or want to move to other work. Retraining and reskilling costs for older workers will need to be addressed through employers and government working together.

Dr. Stallard's paper underscored the high cost of long-term care to individuals and society. More money is spent on long-term care for women than men. Studies have shown that women begin to evidence chronic illness at mid life, and by their mid-60s have two to three to manage consecutively. We need to reward cost-effective home- and community-based programs. We also need individual retirement planning education that includes looking at lifestyle changes that will help avoid or manage diseases such as diabetes, high blood pressure and heart disease.

These papers are important, and I hope they spur discussion about quality of life issues for older women in this country—discussion that brings more than talk, but changes that are made with women's needs in mind, changes that will mean we can improve the quality of life for older men and women.

Thank you.