Informal Discussion Transcript
Concurrent Session 2C: Impact of Aging: What Can Individuals and the Private Sector Do to Address the Challenges Resulting From Aging?

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BOB POWELL: Good afternoon, everyone. I am Bob Powell. I am a journalist who writes about retirement for several publications: *Wall Street Journal*, *Market Watch*, *USA Today*, *The Street,* and I've been honored to moderate this panel. Thank you, Anna.

This session is a continuation of some sorts of the panel discussion that Anna moderated this morning about what the challenges of aging are, and she discussed it from a public-policy point of view, and we'll be talking about it from a private-sector as well as from an individual point of view.

Just a little bit about the flow for today: What I'd like to do is, we have a list of topics to address in our conversation, but I'd also encourage you at any point to get up and talk about some of, maybe, what you view as the challenges resulting from aging and what individuals can do and what the private sector can do to address those challenges, so we can keep the session lively and one where we can go off the topic list if need be, because we've invited some things, but perhaps you have some things that are even more crucial and worthwhile to talk about.

So with that, I'd like the panelists, if you don't mind, to introduce themselves, and then we'll get to our list of topics. So to my right.

SUSANA HARDING: Hello, good afternoon. My name is Susana Harding, and I come all the way from Singapore, and I'm the director of the International Longevity Centers in Singapore, which is slightly different from the gentleman beside me, because ILC Singapore is part of a foundation that provides direct services to older people in the community.

DAVID SINCLAIR: And I'm David Sinclair from the International Longevity Center in London. We're one of 17 ILCs, and they are slightly different. I'm also a retired soccer referee, although I don't think I was ever very good at it. I'm doing the half marathon on Sunday in the rain, and I've been working in aging policy and research for about 20 years, and I didn't have gray hair when I started.

CINDY HOUNSELL: I'm Cindy Hounsell. I'm the President of WISER, the Women's Institute for Secure Retirement, which is a 20-year-old nonprofit which I founded after I learned what it meant for my future that my defined-benefit plan was frozen by my company. It terrified me, and I realized that very few people knew much about their own retirement plans, especially women, who are likely to live longer. One of WISER's most important projects is the National Resource Center on Women and Retirement Planning, which is funded by the U.S. Administration on Aging.

BOB POWELL: So we'll start the panel discussion by having each of the panelists talk for about three to five minutes about what they see as the challenges and the solutions to aging, and we'll start with Susana.

SUSANA HARDING: I'm taking the privilege because I come from furthest. I'm playing a video for how we have been building and pilot testing a program in Singapore that helps older people to maintain their health and continue to have good health as they grow older, and I would like you to listen to their own experience. [*Video.*]

Yeah, after the pilot testing of the SCOPE [Self Care on Health for Older People] Program from 2011 to 2013, the Ministry of Health in Singapore has adopted it and has included it as one of the National Seniors Health Program, and it's being offered across the island. I think that's a good way to start. For this session, I was asked to share about what are the challenges of aging in Singapore. Similar to this part of the world, Singaporeans are living longer but not necessarily healthy, but unlike the West or unlike North America and Europe, we are not used to having social programs. The philosophy is very strong on individual responsibility, so to a certain extent, we come from a country where we really have to rely on ourselves a lot. We are encouraged to be more responsible for our own aging process, and the state is the last resort. So the challenge is that people are living longer with very little savings to live on, and we don't have a social pension. We have a provident fund system in Singapore, so if you have not worked, you don't have any savings when you retire, so you're going to be very reliant on your family. We have very few caregivers and a health care system that is still not fully person centered—I must say, we are working towards that—not as age friendly as we would want it to be, and a community that is not fully utilized and mobilized to support all the people as they become more frail and they would want to continue to live in their own homes.

We also have a private sector that is largely not, in my own opinion, is not fully understanding the challenges of aging and its potential of more people living longer and therefore not investing enough in doing its part to support people to age well in the community. There's very little investment from the private sector on aging, but we have a public sector that has become very, very supportive of the issue of older people, especially in the last five years. We have a government that has invested a lot and has announced a $3 billion nationally allocated resource to support all the people to continue—but still maintaining that overall philosophy that individually you have to be responsible for your own self. If you cannot take care of yourself, the family has to come in. If the family is not there, the community and the government or the state is the last resort. So we are still maintaining that philosophy.

So what have we done in Singapore? As you can see from the video, we started training elders about self-care in 2011. We realize that if we cannot change straightaway the health care system, and back then in 2011, there was hardly investment yet from the public sector, from the government, so we thought, "We should start where we are." We do provide services in the community, so we work with older people every day. So we said, "Why not we start with older people themselves and build their reliance, self-reliance, their resiliency?" So we developed this program called SCOPE, which stands for Self-Care on Health for Older Persons, and we pilot-tested it, and we evaluated it using a randomized control trial for two years. What the evaluation found out is that it was not effective in terms of chronic disease management, but it was effective in creating self-help groups among those who attended the program such that there have been some changes in their health-seeking behavior after the program. Older people have a better sense of how they would want to maintain their health and where are the resources in the community that they can tap and that they can support each other, so that self-help component has been enhanced by the SCOPE program, especially for the low-income older people.

I mean Singapore is, I think it's now the most expensive city in the world, but we have older people that are really struggling in terms of not having enough income as they grow older, so that's what we have done. We pilot tested it, and it's now being offered, and I think to a certain extent, we're trying to create a self-care movement among the older population, consistent with the philosophy of individuals taking responsibility through a training, a program that would allow them to build their knowledge and resilience of how to take care of themselves, so they can maintain their health and enjoy growing older in the community. Through the program, they know what questions to ask their doctors when they come and visit them. They would understand what does it mean for me to maintain this medication, compliance with medication and all these things. And the idea for us is, if we can impact at the individual level, then that would result to a more appropriate use of the health care system, so that would have some impact, in the form of savings, at the system level. We haven't proven that the savings at the system level, but at least at the individual level, we have proven that the confidence—the confidence building the knowledge even for a 70- or 80-year-old with very little education, the older person could still learn and could still make that decision that "I want to take care of myself."

So that's what we are doing now. There's a whole self-care movement in Singapore that we're hoping that we can share in the region, because as you know, Asia is fast aging as a region, and we have more older people in our part of the world, and resources certainly are a constraint for a lot of these countries.

So what can the private sector do? I think one of the things—. Last October, I was also speaking at the conference by the Singapore Actuarial Society, and I was kind of—. As a member of the ILC Global Alliance, one of our roles is to advocate for the people that we work with, for all the people in the community, for service providers like us. So one of the things that I said at that conference is, I said, "Look, you know the numbers. What does it take to come up with very good products? Why aren't you giving some of those very good products that would make sense to a lot of older people, even for those who have very little income?" And one of the things that I said could potentially be done by the private sector is around no-claim.

I remember a few years ago, I had one insurance that after a year I did not claim, I got a check back, saying, "Oh, because you did not claim." I thought that maybe, "Rather than giving it back to me," I said to the society last October, I said, "then why not use that amount to kind of allow people to use that for self-care activities, including going for some training or going for some health training, so that they would be able to take care of themselves, rather than giving it back to us?" Because, you know, once you pay [for] the insurance, you kind of, like, forget it and then not think about it. Next month, when I am back in Singapore, I am hoping I can continue this conversation with them and can explore this possibility.

To me, it seems not difficult for the insurance industry to adopt this as a way to support older people who want to take care of themselves. The Tsao Foundation, of which ILC Singapore is part, we are developing a program that would allow people to have, as early as age 40, to have a successful aging plan; that means making sense of how you would want to live the second half of your life. I mean, a lot of people are now living to 100. I remember turning 40 a few years ago in Singapore, and I received a letter from the Ministry of Health, saying that, oh, "Now you are 40; you are supposed to go for this health screening, you're supposed to—." They know when to give you that letter on your birthday, so why not—we thought that as a foundation—why not start when you are 40? Part of your health screening, you can do that, but think already of your retirement when you're going to be living longer, when you're going to be living to 100. And that's what we are trying to advocate now to the private sector, to think of ways how we can work together, because demographics is telling us we will be living longer. I will be living 80, 90 and all that, but not necessarily healthy, so if I want to have that, I need that support also, not just from the government, but also from the private sector.

So I think that's what we are trying to do in Singapore right now: so self-care as a movement for individuals wanting to gain confidence and knowledge about how to take care of themselves, and also developing, where we are enhancing that SCOPE program, by looking now at diabetic management, as it is one of the chronic diseases with high prevalence and can cost a lot of money to the health care system. So we're also pilot testing now a very specific diabetic management program for older people that would allow them to really make sense of their diabetic condition, understand why I cannot give up eating cake. What is there that reminds me of eating cake, and what does it mean to me, and how should I be able to make that decision that "Okay, I can eat cake, but then that means I may have to forgo some other things"? So that is the thing—not to give up cake totally, but to be able to understand what does it mean for you not to give up that cake today, but maybe tomorrow you don't eat that, that kind of thing. I think that's where we are trying to find, and then that means maybe you have to join him in the fivekilometer—half mile—to be able to make up for that cake.

So I think that's where we are trying to work on. In Singapore, it's a small country, so it allows a lot of leverage in terms of pilot testing, some of this exciting intervention. And the government is supportive, but we're hoping the private sector would come in as soon as possible, so we can get more exciting programs ahead.

BOB POWELL: Susana, I'm a little bit self-conscious about having eaten dessert. Thanks. David.

DAVID SINCLAIR: I'm going to stand up, partly because we use a third more calories standing up than sitting down, and so, and if we're talking healthier aging, I should sort of practice what I preach, and I will be probably very brief.

Let me start with some good news, I think actually we've got the evidence now in the U.K. about what we need to do to age well. We know that. Actually, government knows what it needs to do so actually government is in a good place and actually industry also knows what it needs to do. So from an information point of view, we're in a pretty good place and we've had in the U.K. some really good successes. We got millions more people into saving, major progress in tackling pension or poverty. We're living longer, but that's about where the good news sort of stops. Even though we know what we need to do to age well, we're not doing it, physical activity being one of the best examples. It's one of those things that we know works and we know it works pretty much everything related to aging, yet certainly in the U.K. participation continues to fall and I don't know a single country where participation in physical activity is increasing. It will be interesting if people do. The one thing with aging we know actually works, people won't do it and they're doing it less and less.

Governments are too worried about the next election to plan for the long term, so actually some of the things they need to do will take 20 years, so we suffer from governments who are really reluctant to make some of the difficult decisions, and industry has failed to sell us accumulation and accumulation products that we want. What's the reason? People don't take—it's hard to get excited about savings products, but we don't sell people these products very well, certainly in the U.K. I'm told, though, in Hong Kong at one point, they had a Prudential merchandise shop, because it was quite trendy to have a Prudential umbrella and things, so there are obviously some countries where financial services are quite sexy, but it's not happening in the U.K. Financial literacy is pretty terrible, with one former regulator used to joke—the financial-service regulator used to joke—that 50 percent of the population don't understand 50 percent.

We've got a huge, major problem with people. They don't understand money. Annuities have lost favor. They used to be compulsory in the U.K. Actually, we haven't yet returned to products that really help people manage their longevity and ensure they have an income. People continue to struggle for the long term. So there's a whole series of challenges. As I said, we know what we need to do. We need to do more physical activity. We need to get younger people to save. We need to get older people to spend more. We need to work longer. And how do we get that? This is, I think, the interesting bit for the discussion.

Well, I think firstly, we've got to make sure it's really easy for people to adapt to their homes where they live. I just had a new bathroom put in at home. The one thing that we know works in terms of a bathroom is putting in a bath rail. People don't put the bath rails in until after they've had the fall.

I went to buy a bath rail; my DIY store didn't sell it. You have to go to a specialist disability center. Now, we've got to make sure that some of those aging adaptations are offered to people in their 40s and 50s before you fall rather than afterwards. On housing, we've got to make it easier for people to use their housing wealth, particularly places like the U.K., and there's a big role for industry and products there. How do we make equity-release products affordable and make them in such a way that the people who may benefit most, some of those on low incomes but with medium housing wealth, can actually use such products. We've got to make sure and we talked about this earlier that there isn't discrimination in the workplace.

We've got to really make sure technology helps us, whether it be helping us learn. Apparently one of the big areas of YouTube is instructional videos, and a lot of it is older people watching how to do X and how to do Y. Aviva, the U.K. insurance company, used to have a video on YouTube about what an annuity is, and it was like the most popular thing they've ever done, and it was a huge—huge interest—so there is potential with technology to help people with learning.

How do we get education into the world of saving and insurance? If there was an incentive built into Pokémon Go to save money, my son would be saving loads and loads of money, and yet there's nothing stopping us thinking about things that. How can we do things?

There's an investment company in the U.K. that's just launched an app that if you buy a cup of coffee for $3.70, what it does is it rounds it up to $4.00 and puts the 30 cents into an investment account. And it does this all day and all week, and at the end of the week and the month, you end up with actually quite a lot of savings. It will be interesting to see how it goes down, but I think we've got to work at how we can make the most of some of those technologies.

And as part of that, I think we've got to make sure that there isn't regulation in the way of people designing such products. We made the case a couple of years ago for a product, a social-care savings product that was based on a thing we have in the U.K. called premium bonds. I don't know if you know premium bonds, but it's basically a government savings scheme—national savings—where it's a lottery basically. So instead of you getting interest back, you get lottery money back, and you can claim your 1,000 pounds back whenever you want, but every month while you've got it in there, you're entering this lottery. Now, we made the case for actually savings bonds for social care, which was exactly that—a lottery where actually you were aiming at people with middle income levels who wouldn't ever dream of buying a product but actually might enter a lottery and gradually build up a pot of money—but, of course, we need regulatory change to make that happen.

We've got to—I think we can use new technology. I've got one of these wrist things that say how many steps I've done. I know in the U.S. and in bits of Europe now, there were health insurance schemes that offer discounts if you do so many steps or go swimming and things like that. It does seem funny. We have home insurance in the U.K. that's significantly lower if you've got a burglar alarm, and this builds on Susana's point, actually why not insurance better understanding and rewarding people for making the right decisions and reducing risk, and how can we make that happen in reality, as we've got the new technology now.

Access to data, I think, is really, really important and a big role for the industry. And then, finally, I think, I just want to come back to physical activity, because I think we know what we need to do to get people to do more physical activity, and basically there are three things we can do. We can either nudge people, use behavioral economics. We can redesign, I tried to walk across to Sea World before, by the way. It's quite hard to do. There's no pavement. It's 400 meters. We're still designing the world in such a way that behaviorally it's difficult to make the right sort of decisions. So we can nudge people. We can get people information and advice. There's a question that it may or may not work. Or we can compel. We can basically find ways of forcing people to run around the block or whatever.

For me, there is nothing else other than those three things that we can do, and at some point, governments are going to have to come down on "This is the balance we think there is between the three." And I think the same applies to other aspects of aging, where we need to as societies work out the balance between nudging, information, and forcing people to do stuff.

BOB POWELL: Thank you, David. I think in the States, we may be on the verge of mandating exercise in the new administration. Just kidding! Just kidding. Cindy.

CINDY HOUNSELL: Well, choosing was pretty hard for me, so I'm going to talk about the issues that I work on and know from my own expertise, which are caregiving, social isolation, the lack of retirement income for a majority of the people, and especially women, and that's our major focus. The number of single women is more than at any other time. Being single is a factor leading to elderly poverty, so it is not a rosy future picture for women.

At WISER, we get calls all the time from families, and I thought I'd just mention one example, where the daughter ended up calling us about four times. Her mother has been widowed 46 years, she's 89 years old, and she's just about run out of money, and so she gets to go live in the oldest son's basement or rumpus room or whatever you want to call it. But that's pretty traumatic at almost age 90 to be running out of money and having to make that move and know that you're never going back to your own little space again. Also, the children are annoyed with her because their mother is quite cranky, but look, 46 years as a widow—who knew that she was going to live that long? Also, her widow's benefits are not anywhere near what they would have been, even though she worked part-time jobs as long as she could, it didn't help her at all because of the way the U.S. retirement system works.

And so we see a good percentage of the older population in that situation, only many may not have children to help out. I mentioned there are more single women than ever before, and who will care for them in old age. Also, the younger boomers are not getting married. I see marriage as most popular among the gay population. The younger generation of millennials are not getting married even when they start having babies. I know many friends and colleagues that are traumatized by the fact that they have grandchildren and the parents just won't get married, but not much that we can do about that. And you all have heard from the previous panel about what's likely to be happening on Capitol Hill, and I don't know that there are going to be improvements in any of the aging programs that are needed or the development of a long-term care and support system for the aging population.

Most of the aging services are funded out of the Older Americans Act. I don't know how many people in this room are familiar with that law, other than John Cutler from the last panel. That legislation provides the leadership and the programs for most of the aging programs. The Leadership Council on Aging is a coalition with about 71 aging organizations included that provide essential support services to the elderly. It used to be, I'd say 20 years ago, that everybody counted on AARP to do a lot of the policy work and provide a lot of the public education, but that central role does not command the same attention for the older generation any longer. So there is no one major group to protect the needs for older people. It's more of a patchwork reacting as situations arise, and it's not as if the Leadership Council on Aging is able to ensure getting funding for various key services, such as for Meals on Wheels or the Elder Care Locator.

Has anyone in the room ever heard of the Elder Care Locator? Yes, hardly anyone responded , and I believe that's part of the problem, and it goes back to the fact that I think the population of older people in America are just as unprepared and ignorant as are many of their middle-aged caregivers. Although there are many government or community-based programs, people don't know about them or how to find the help they need for their families to deal with medical emergencies or any of these end-of-life issues until something happens. I've rescued I can't tell you how many people even in my own community just by letting folks know about the Elder Care Locator, which is a program that will find help for your mother or another family member who might be living in Arizona while you are living on the East Coast. There's a medical emergency that has to be dealt with, and the key resource here is the availability of the Elder Care Locator, which helps individuals find local caregiving services and resources. Visit the website or call, and they will put you in touch with the local social-service agency. They will help make the care happen as needed. But people don't know about it, and that's one of the most important aging programs that really provides a solution with results.

So if the people who need the services don't know about it and they're not even looking for a plan until a crisis happens, then what do we do about that? We need a national campaign or public ads to relate the ABCs of aging resources. This is what you need to do, but every book that we receive at the office—and many people, financial planners, accountants, etc. send us books for the aging population—but most of these books do not deal with how to plan for the older ages when it all starts to go wrong. The average family had no background, no expertise, and no idea of what to do or where to go to get help. They don't even know where the local Area Agency on Aging is, which would help you locate a social worker and push you to the next level of finding the care that your parent or family member needs.

And these issues are so difficult, and even our office is always learning about some new level of assistance that can actually help the elderly, because there are money managers who can take over the daily finances, or there's a new business to help with moving the elderly, or there is new technology for stemming the issues of financial fraud. These companies can be enormously helpful, but we've only just learned about them in the last year. EverSafe protects seniors and has a wider range of ways to protect financial security and avoid financial exploitation. It's reasonable, very cheap and reliable.

So there's all of that financial aspect and financial abuse, along with the rest of the later-stage health planning or lack of planning. I feel like I'm learning in the same way that other people are learning, except I'm not in crisis mode and my parents died when they were much younger. Both were age 70, both of them in Florida here, and I was lucky enough just to know how the system worked. I had just started in the field of aging, but I knew that I could find someone to actually help take care of them while I did long-distance caregiving.

But that's what we're missing, and because WISER does a lot of work with the financial industry, they are eager to know how to help and about model programs, but they're just learning about the health aspects, too. We try to bring unlikely allies onto panels and provide information and help to some of the trade associations that we work with just to help their clients and members learn about these programs, so that they can help people in their own communities. The exploitation issues, too, are pretty shocking, and many families are at a loss of how to handle and know what to do. As I was listening to Susana and David, I was thinking all of that work sounds wonderful, but in the U.S., we're too much of a patchwork of people, I think, and we have 50 states, and we have programs that may work in some places that people will admire and have good evidence, but nobody else wants to do it, because they're starting their own new programs and getting funding to do that.

So sorry to leave you with such a depressing assessment of it all. I thought I'd just kind of tell it the way it is, and even I have some items that I was going to talk about as the conversation goes on about some of the new technology, but the aging professionals are very leery of all these things. If I came into a meeting and said, "Oh, EverSafe is this wonderful new company, and here's what they do," I think many people would say, "Let's wait and see on that." Many of the professionals are leery of the technology and the things that would probably really help caregivers, or they are just too busy to assess the new products.

BOB POWELL: Thank you, Cindy. It's interesting. A couple of things come to mind, as I recently became a member of my town's Council on Aging, and not necessarily knowing where to turn to get information about how I do my job, I reached out to the National Council on Aging, which informed me that they have nothing to do with the local Council on Aging, so I had to do a U-turn.

CINDY HOUNSELL: Right, and they're wonderful, the National Council on Aging, actually, because they have a great number of programs, but they're not hugely funded either, but they really do respond to people.

I'll just add one other thing. There's a group that we do work with, and we exchange a lot of fact sheets and things like that—the Medicare Rights Center—and I went up to view their center. They have 60 people in a call center. Everybody thinks they're the government, but that's because the government doesn't have the resources to do what they do. And so if you don't know about the Medicare Rights Center—Bob, I think you've written about them a few times—their information is truly necessary, but if you don't hear about them , then you're out of luck.

BOB POWELL: So as you've heard, we've identified lots of challenges. We're going to double back and explore some of those topics.

The first one that we identified in our preconference call was this notion—and I'll describe it this way—that people haven't really identified what their sources of income will be in retirement nor what their expenses will be in retirement. And as you think about what people's sources of income will be, largely there will be four or three tranches to it: There might be Social Security, there might be personal assets, maybe a pension and maybe earned income. And people are really having a hard time, I think, trying to identify how those sources will match up against whatever expenses they might have—be it housing or health care or transportation—and for how long those expenses will last, because as we know, the most difficult part of retirement planning is no one knows their date of death, and if you did, I could build you a bulletproof retirement plan. And given that the individual, given that the death of defined-benefit plans, given the limited use of Social Security, at least in the U.S. and perhaps in the U.K. and Singapore, it would seem that people are becoming more reliant on their savings. And so we talked about in our phone call this notion of, well, "How do I know how much to save, and how do I get to save more of what I need to fund my retirement?" So who would like to tackle that one first?

SUSANA HARDING: We don't know yet. We're trying to. ILC Singapore is trying to do a study to relieve the family and how much would it cost for an older Singaporean to retire and how much do we really need. And so we're just starting that study next year, so hopefully it is down the line.

But the government has kind of, like, they have the sense of when you're an older person, this is how much you just need, and their number is very, very low compared to the actual lifestyle. And there seems to be a disconnect, and it's a huge difference between, I think, about $500 to now, people, the median would be about $5,000. So you have to—so the onus is, the government is encouraging people to downgrade. Now, they don't call it downgrade. If you used to live in a five-room flat or five-room apartment, which is four bedrooms—in Singapore, that's what they mean when you say five-room flat—they want you to sell that and move to a kind of like a retirement or two-room flat, so you—. But that's a whole life; there's a whole social dimension to it that policy couldn't really understand up to now. So people don't take up that kind of—people still choose to live within that, so it's a difficult thing right now how to, really, I mean, how much you live [on].

So, then, right now, it's up to you as an individual. That's why we were saying our advocacy is perhaps as early on, we should really start thinking about how do we plan to retire, and how much would it cost, and then you make sense. One of the programs that we've developed in Singapore aside from this is actually a financial-situation program for women. A lot of them said that they did not even realize that they will outlive their husbands. One woman said that she was 50—we were doing a focus group discussion—she said, "Oh, no, not to worry, my dream is one day I will die in the arms of my husband." And then we had to tell her the hard truth that actually your husband will die earlier than you, and you will find yourself probably three to five years widowed, so what are you going to do? So that sense of it has got much better, so we have really been pushing for women from 40 and above to understand finance and what does it mean to live beyond 80, beyond 90 and how to build a safety net that includes not just in terms of financial products, but knowing where the resources in the community are, because it's important.

You may have the money, but if you don't know how to make sense of the community resources, your savings will be depleted soon enough. If you have a good relationship with your family, at the same time you have to make sense of how you are going to leave your savings and how to make sense of your own expenses as you grow older.

So these are the things that we are trying to do. So both the financial-education program, so that part is also offered now, but at that time, we only offered for women 40 to 60 years old, so this is the next cohort [we are] planning for. But we're now starting to see if we should start it from as early as before they start working, so then the idea is they can have more years to build their savings. But for the parent cohorts, it's a different ball game altogether, so we're trying to see how we can, as I said in an earlier panel, that we may have to review the life course and how we live our lives. But that may be for the new generation. But for the current cohorts and the next cohort, it's a different ball game; they're already here, so what do we do with it?

I think the response also from the individual, as well as the family—, is you have to make sense of where you are and where your family is, so that then you can then plan accordingly, and that's what we're saying. We're advocating that there has got to be partnership between the private sector and the community, so that then we can rely on each other's strength and resources to be able to make sense of how we can prepare well for old age.

CINDY HOUNSELL: Can I jump in here? I think that's one of the big issues is there's very little guidance or help with long-term planning—any type—and people just don't have access to it. I mean a lot of the companies do a great job on preparing people to save and accumulate money, and people are grateful for that, and they do okay, but if you don't have access at the workplace, which almost half of the population does not, then what do you do? Where do you learn about any of this? It's not like it's evident, and people are so busy anyway, especially women. I mean, that's one of the big issues in America is that the caregivers—and there's been a lot of study on caregivers—and the financial risks that they take because many of them don't save because they're spending all of their money on the person they're taking care of—especially women taking care of their parents. And all of those out-of-pocket costs keep them from doing anything else for their own retirement. So there's legislation; I don't know where it will go, but there is legislation to sort of help with all those costs—tax credits and Social Security proposals that would maybe give credit for caregiving, especially for people that drop out to take care of parents and deplete their own savings and will also receive lower benefits. But it's a problem, because there isn't much financial or retirement literacy available. We don't have it in the high schools; we don't have it in the colleges, right? And there is some help on the TV, but it's meant more for people who have debt and want to try to get out of debt.

SUSAN HARDING: In Indonesia, what they are advocating—because our financial education for women, we have managed to kind of export it to Indonesia, which has about 20 million 60 years and above—so what they're trying to advocate now is for this financial-education program to be part of the technical-education program, so it can be offered at the community level, because this community's training services are all over the country, so people can go there and sign up, and some of it can be credited actually, so they can kind of have further education. So for developing countries, that's what we're trying to do; they're trying to see how it can be. Like this program is actually run by volunteers. We train our volunteers; all those trainers are volunteers. So in terms of cost, it's not as expensive as it is, because once you develop the program, the training, it's the volunteers who deliver it at the community level.

CINDY HOUNSELL: Right, and we have that, too. I mean, that's one of the things we've done. But it's a drop in the bucket of what needs to be done, so where we have good trainers and good volunteers that have been doing the program for a long time, it still works, but it's not the same here. People don't go to the senior centers in the same way that the previous generation gathered, even though some of the centers have decent programs. I mean, we've brought the program to some of the senior centers, but most Americans also don't want to gather in those places. My aunt who died recently at age 92, she didn't want to be with old people. We all know that, right? We all know, "Old people—I'm not going there." So that's another hurdle.

BOB POWELL: I was just reminded, I think there was an SOA study that said people aren't planning for the long term and that it's not something that is on their radar screen, this notion of "How do I create a retirement-income plan? I'm not wired to do that, or I'm not inclined to do that." And even with respect to investor education, there was a fellow at Schwab who ran their 401(k) business who at one point said words to this effect—that for all the money that we spent on investor education, we didn't change savings rates a whit, and we would have been better off just taking that money and depositing it into the plan participant's account, and they would have been that much better off having done that. I mean, this issue of getting people to plan for the long term, save more, identify what their costs might be is a real challenge, right?

CINDY HOUNSELL: Right, and we talked a little bit about this, but in the U.S., I think if we had a national retirement income policy, then people might pay attention to that. And that's been talked about for many decades, but it's a possibility, I think.

DAVID SINCLAIR: Yeah, I think my economists and the team—there's only ten of us, we're not huge—but they talk about the sort of, the rational economic theory that we smooth our consumption across our life, but actually, the reality is neither products nor government policy helps us do that. We don't have products that allow us; we inevitably earn more money at certain times of the year, life, need to spend more at certain times, and yet actually, we don't really have a framework from companies or from industry or from governments as to how to make this happen. But interestingly, actually most of the research, if you look into spending and old age, is that actually people don't want to necessarily want to smooth consumption in old age; they actually want to spend less. We've done huge amounts of work looking at this—spending on essentials as the proportion of income grows as we get older, and we gradually spend less and less on nonessentials, yet we still sell inflation-proofed annuities. Actually, perhaps what we need to be doing is selling products which actually lose some value over time because you may need more money at 65 than you do at 85, or you may want less money.

So I think there is something of, there is definitely a message or industry that how we can better understand how people want to consume in old age and therefore how can we create the sort of products that they might be attracted to buying, and I think there's a separate question alongside the financial advice points—the financial-education point around financial advice, and we're about to embark on two studies: one, a piece of experimental work looking at whether a financial advice service alongside an adviser makes any difference to outcomes, and another piece of work looking at whether or not people who have taken financial advice result in having made better decisions. On the second one, we're slightly worried, because if we come up with the wrong answer, the funder might not be very happy, but I think we're pretty confident that there will be some positive from taking advice. But we actually haven't got the evidence yet that actually someone who took advice 10 years before compared to a completely random sample ended up with better outcomes, but we think we've got the data now that we can do it, so.

BOB POWELL: So part of the savings question also, at least from the States, is a coverage issue. You could save in a 401(k), but half the population doesn't have access to an employer-sponsored plan. They're left to their own devices to save that money via an IRA or a state-sponsored retirement plan or some other vehicles. So the challenge is how do you get someone, I guess, to—when we know that the pickup rates on all these accounts are very low in the absence of an employer-sponsored plan, so those folks are in great need of learning that they need to do something now before it's too late.

DAVID SINCLAIR: And it's the same in the U.K. that we know that the one factor more than anything else, if you account for everything, is the effect on whether or not someone saves is whether or not they've got an employer scheme. So whether or not their employer, so that's the one thing we know works—having a pension scheme that your employer runs. The other side of it is the most under-pensioned people in the U.K. are women essentially, but self-employed, so people who—and very, very low levels of savings amongst the self-employed, and I think it's the denial. There are a lot of people in their 40s and 50s who think they'll just keep doing it. They'll keep fixing fancies or doing whatever their job is, and actually they just haven't made provision.

SUSANA HARDING: Well, in Singapore, we have, as I said, we have a provident system, so we have actually individual accounts, so every month, 20 percent of your salary goes into your account, and then your employer gives a certain amount, about 16 percent. So you get a very high, in a way, savings rate. But that amount, which we actually inherited from the British before we gained our independence, was to at first develop us a retirement system, but down the line, during the early part of the development of Singapore, the government wanted people to own houses, so they changed that to allow you to use part of that to pay for your mortgage. So then suddenly, home ownership shot up. But then that means you've eaten a big part of your retirement income now, because you used it to buy property, and then at some point, they said, "Oh, maybe part of that, 36 [percent] then, you use to pay for your hospitalization, because as we developed, the increasing health care costs become very expensive, and of course, hospitals have got to be paid." So the first part is they say, "Okay, you need to have then part of that for your own medical expense, and you can only use it for hospitalization, not for any long-term care," so the whole pie becomes smaller and smaller. Now we have out of that 36 percent, only about, I think, less than 10 percent goes into your retirement, so the pie gets [smaller]. But you have a house, so some people now end up having a house but with very little money, so that's why they say they're asset rich—because they have got a house that has gone up in value, but then you have very little money, so you're cash poor but asset rich. So now they want you to move out of your house to sell it, so that then you can become cash rich. But then people have gotten used to that. That's their house, so it's a whole challenge to us.

In a way, it's slightly different. We may have the highest savings. We cannot be saving more than 30 percent; how much more can we save? And yet, it doesn't still make sense, so what I'm saying is, to a certain extent, we still share the same challenges, even though our system is totally different from the U.S. and the U.K. in that sense. We save 36 percent a month, and yet we still don't have—enough in our retirement.

BOB POWELL: So let's talk about housing just for a second. In the States, if the consumer expenditure numbers are correct, the average 65-year-old-plus is spending about 35 percent on housing and another upwards of 15 percent on health care. It puts it around 50 percent—half of the income going toward those two expenses. You talked a little bit about unlocking housing equity, and they're encouraging you to move out and downsize. It seems like this would be a no-brainer for most people is to get rid of that expense, especially when so many people—at least, again, in the States—are retiring with a mortgage, and their sources of income are dwindling or declining. And so why the burden of a house, and why not take the equity or use a reverse mortgage or something?

CINDY HOUNSELL: Yeah, I was curious about that, because most people want to age in place, like they don't want to leave; 85 percent, I think, in the survey show that. But are those smaller places available? Because here, in neighborhoods where people want to be, it's not necessarily true that you can find a smaller place that's in your community.

SUSANA HARDING: It's still, for people, that means a lot, to move from one, even though it may be only 30 minutes, because you've lived [there]. You're so used to and so familiar with your surrounding and the community that you grew up in, and how do you [leave]? That's why we are experimenting in one estate in Singapore now about how to really age in place: what does it really mean and how to grow old in your own community and how to build the environment so that then you can just move around, but within the same estate, not necessarily go out.

CINDY HOUNSELL: Right, and that's the same issue—

SUSANA HARDING: But housing is the most difficult to change. Housing is most difficult but, to a certain extent, could be the easiest, but maybe with some government support, because as I said, housing ownership is very high, so people own, so you kind of, like, so the kind of social kind of collective sort of housing and support system is something that people have got to use again. How do you kind of—as you grow older, you may not need that five-room, four bedrooms—how are you going to be able to share that house for other people, so then you can have additional income? Because that's one other option, and a lot of older people look at that as an option, to have, like, a tenant to co-reside with them. But it's also a lot of psychosocial emotions around sharing the space and your privacy, allowing other people into your own—

BOB POWELL: Yeah, my wife is not going to go for that. But I can tell you, in the community where I am, the housing stock is not age friendly at all. The population is aging, and you may want to age in place, but you may also want to age in community. And what we're seeing is the launch of assisted living in over 50 communities that are being sort of launched so that people can at least age in community.

DAVID SINCLAIR: In the U.K., there's been a real push from government to "It's brilliant for everyone to age in their own home." It's good for them, that's what they want, and there's a perception in government it's cheaper—although I'm not convinced that it's actually cheaper if you've got someone living in their own home with eight or nine careers coming in a day than even my 1,000 pounds a week in the care home. We have some people living in their own home in terrible, terrible inappropriate housing, where they're having support shipped into them and actually they probably would be better in care.

So one thing that's worth saying is I think absolutely people say they want to age in place. I think we need to stop patronizing older people a little bit, and sometimes when people say, "Oh, I'm going to move to the countryside, I'm going to move to the seaside," I think sometimes you need to say, “Don’t be so silly. You’ve got your friends here; you’ve got your relatives here. Why would you go somewhere where you need a car to get to X, when you might not be able to drive in 10 years’ time?” And I think there’s something about the advice sector, which, yes, we need to be empowering, but we need to also start to say, “Have you really thought through, in 10 years’ time, what happens when your husband dies and you’ve moved and your only new contact in this new community is this?”

But I think in the U.K., downsizing is one of the most cost-effective ways of reducing some equity, but if we downsize, we potentially take the two-bedroom houses from the first-time buyers and push up the prices of those. They aren’t available in the places people want them, so we’ve got major shortages. We haven’t got enough retirement housing. We’re way below the U.S. on retirement housing; it’s about 4 or 5 percent provision. Equity release at the moment is relatively expensive for an individual, and I can understand at least until you get into your late 70s why it’s very expensive for people to think about, but that might change.

The other thing, actually, that people can [do]—I think we’ll see people doing more and more—is moving from home ownership into rental. Actually owning a home is a real pain. You’ve got to fix the roof; you’ve got to have someone looking at other things in the home.. If you’ve got a good manager of the property that you’re going into, actually you can release a lot of wealth by moving from an ownership into a rental, and as long, as I say, you’ve got a good property manager who actually does what they say, it can be a lot easier, a lot less hassle. And it’s one of the motivations for people to move into retirement housing is they don’t have to deal with the leaking shower anymore; someone else will sort it out.

CINDY HOUNSELL: I mean, I think one of the big helps for women all along—and you’ve probably seen this in Boston, too—is all the public housing, and that hasn’t happened to the degree necessary now. I mean, there’s been no increase with 10,000 boomers a day turning 65. There was little that could be done over the last eight years without a large housing appropriation. I think the Obama administration tried. I was at some meeting where the HUD person came and said that 2,000 units had been built over a five-year period just because there was no funding. I thought it would be better that they don’t mention how many were built, as it was so bad, but we have this huge population coming with the great need and people without the sufficient income to live and pay for necessities, and that's what's always been a salvation for low-income people is the availability of housing projects that have very low income requirements.

DAVID SINCLAIR: For the last sort of 20 years, we've been very aware in the U.K. that we need to build hundreds of houses more houses. We need to build about 300,000 a year just to keep up with demographic change. We've been building about 150,000. Politicians of all parties in every election, certainly for the last 15 years, have said we'll build more houses, except those same politicians don't want them built in their constituencies.

CINDY HOUNSELL: Yeah, of course.

BOB POWELL: So one thing that we didn't talk about, but it occurred to me, is one of the challenges that I've written about is the notion of cognitive decline and the challenge that it represents for caregivers, for those who are suffering from cognitive decline. And it strikes me that one of the cruel things that we do to the elderly, certainly in the States and probably elsewhere, is that we force them to make complicated decisions about things while their cognition is declining. So they have to decide when to claim Social Security, and each and every year, they have to make decisions around Medicare and Medicare Advantage and Medicare Part D and Medigap policies and so forth and so on. And so could you just talk a little bit about the challenges and perhaps the solutions that cognitive decline represents?

SUSANA HARDING: That's one of the things that we are [addressing]. There's a lot of experimentation and research around the cognitive decline in the community. We've just gotten a grant, and we're going to be working with the university to look at how to develop a dementia-friendly community or estate, to really look at how the whole community could make sense of, so the people who decide can still be taken care of in their own community [and] could actually remain at home. So there's a lot of interest and investment around building a more age-friendly or dementia-friendly community in Singapore—also for those with disability, not just the physical—not just the mental, but also the physical side of disability.

We're nowhere near the idea, but I think there's a lot of investment from the government.

There's very little investment from the private sector at the individual level. There are a lot of families also don't know yet all the schemes are available, so there's mobility fund that you can apply, get some funding, there's a lot of those, but it's only—a lot of the schemes right now are only meant for what they call the pioneer generation. So this is the first generation of older Singaporeans, so not necessarily it's guaranteed for the next cohort of older people, so there's still that kind of financial insecurity for the next cohort that their elderly parents are going to be taken care of by the government now, but not necessarily them, so they still have to really make sure that they would be able to. So cognitive decline is really one problem that we have in Singapore and where we haven't made sense yet of how to really address it at the community level, but there is investment in the government in that.

DAVID SINCLAIR: And I think in the U.K., of course, the risk is that the end of compulsory annuitization means that, yes, you might be able to actively manage your drawdown or your funds in your 60s, but will you be as able to do it by the time you get to your 80s? And I think we will see risks that certain people who have not annuitized [and] had to manage their pots find it more and more difficult, and more people will have DC pots that they'll have to do that.

We know already [that] the number of financial scams targeted to older people is increasing. What can you do? Two things, briefly: One, power of attorney—very, very low awareness in the U.K. of it. Actually, I could get knocked over by a bus trying to dive between the buses across the road over here. Actually, shouldn't I have a power of attorney? Actually, should I not be able to make decisions anymore, I want someone else to do it. And we should be doing that before we deteriorate, rather than after, because it becomes much more difficult, yet most people don't. And the second thing is, if we aren't going to annuitize at 60, do we need more and better products that help us annuitize when we get into our 80s instead? And then thirdly, so thirdly, defaults, and actually can we get products with defaults built into them, so actually we're not having to actively make decisions as we get older?

SUSANA HARDING: In Singapore, awareness is still very low, although now there is a lot of advocacy around health care, when they go to the health care system, that they are made aware that you could make this directive. The difficulty around power of attorney is that right now, it's got to be somebody you know, or the state will come in, right? But some of this—we have experiences, because we provide service to older people—some of them actually are managed by us, but we are not allowed to become an executor of that power of attorney, so that is also the challenge. Can a community service provider become an executor for this kind of thing? So these are the things that are still being discussed, because some may not have families at some point—like a lot of the next generation of older people in Singapore has only two children, so at some point 29 percent of health care givers of older people are single, no family at all, so how would they be able to take care of themselves and make sense of how to manage? So somebody has got to come in, and one of our advocacy [issues] is, can community service providers play that role as an executor?

CINDY HOUNSELL: And we're using the U.K. age-friendly banking as a model here. I mean, I don't know if you've written about that, but the safe-banking initiatives are basically built on what the U.K. has been doing for a number of years and are great, I think, especially because they protect the caregivers, rather than just blaming the caregivers for anything that goes wrong. There's a system that provides support to the customers and their caregivers while also intercepting cases of financial abuse. The challenge for exploitation issues by caregivers is that someone needs to be watching over the management of the older person's money. I've seen that in my friend's family, with a son and a daughter where the son would have plowed through the whole checking account and the daughter was very cautious. I was giving her booklets from the Consumer Financial Protection Bureau on how to manage someone's money, just to cover herself because the son would just take checks out of the checkbook. But I think that there are big improvements on the way to help those who are designated guardians and trustees and those with a power of attorney.

And then I was asked to look up a decision-making tool, Rubrik.com. I don't know if anyone in the audience knows more than I was able to find. Anyone know about that? It's a decision-making tool. Do you know about that, Eva? It's supposed to provide guidance on projecting every scenario of what you can do to make a decision—letting the technology guide the decision making, rather than the individual taking on the responsibility of having made that decision.

BOB POWELL: Question?

ROB BROWN: It's not a question. I had hoped to take the conversation in a different direction, as we are getting close to the end. This is a discussion about implications of population aging and what the private sector might be able to do.

Here's one that I really like. At age 65, you take 16 percent of your accumulated capital, and you buy a deeply deferred annuity which starts at age 85 (these numbers do work). If you do that, you can now have income for life. You now know that you have to look after yourself for exactly 20 years. It's finite, and it's known. These products are not selling like hotcakes, and yet we're in a defined-contribution or individual account, accumulation account world. It seems to me there might even be a role for the actuarial profession perhaps working with somebody who is a financial adviser, journalist, blogger to get more of this news out. Maybe it's only me that thinks this is a really good idea, but I happen to think it's a really good idea.

BOB POWELL: So I'll start first. I've written a lot about what Moshe Milevsky has done, and at one point, I wrote an article about the use and value of deferred-income annuity and how I thought it was in some ways the perfect product, because it took the uncertainty out of retirement planning. It established a date of death for you, in essence. And the comment section was cruel; I was accused of being a shill for the insurance industry and whatnot. And I would agree with you: I think it's an interesting product, and there's not much uptake, but I think there could be. But I think in Milevsky's world, he talks about being, rather than it being privately funded, that it be a government product, so that the risk is shared, as opposed to everyone buying their own DIA and the cost could go down, and that sort of thing.

CINDY HOUNSELL: I saw a focus group for this product a couple of years ago, and they had all women in one group. They thought it was a joke: "I'm going to buy this when I'm 50 or 60, and ha, ha, ha, is this a scam?"

BOB POWELL: There's another comment, too. I think the Social Security Administration had at one time a breakeven calculator on their website, and what Jason Fichtner found was that most people were using it incorrectly—that they were claiming Social Security at 62 because they didn't think that they would live past life expectancy, and they were just making the wrong bet half the time.

STEVE VERNON: I couldn't resist following up on that suggestion, and we studied extensively uses of QLACs [qualified longevity annuity contracts] to generate income from retirement plans, which is, in theory, one solution. There's a potential for a big disruption in the retirement income between age 84 and age 85, and as long as everybody knows that, that's okay. There's a potential for disruption and disappointment if people don't understand the issues involved with using QLACs in a retirement strategy.

We came to the conclusion that QLACs are a nice tool, but they need to be used with a financial adviser in most cases. Any type of annuity is a tough sell, and an annuity that starts at age 85 is even tougher. By the way, you're only going to get good pricing if there's no pre-85 death benefit. Once you have a pre-85 death benefit, the pricing goes out the window—another reason why they're really a hard sell.

Let me instead put out an idea that is not new by any means. My father was a professor, and he worked and retired under the TIAA-CREF retirement system. They required high contributions, 10 to 15 percent of pay. It was a condition of employment. You didn't have a choice. You couldn't withdraw the money along the way. When you retired, it was annuitized. He had a fabulous retirement, and my mother ended up being retired for 30 years—one-third of her life. This was in the 20th century, so we have a model of what can work.

I think what we have are behavioral issues. We have employers who don't want to adopt annuity programs. We have individuals that don't want to elect them. So I really would be interested in exploring what are the behavioral implications both for the employers that are making these decisions about designing retirement plans and then individuals. I think that's one area to focus on, because I do believe we have the financial solutions; the challenges really are more behavioral.

SUSANA HARDING: That's true. In Singapore, we're forced, it's mandatory for us to do the savings, but I'm very much okay with that, because I'm a compulsive spender. So by taking away 20 percent of my salary every month, I know—because my background is economics—I know what it means when I'm 62, and I can accumulate that. I didn't buy the house, I don't have any mortgage, so I'm not using anything of that, and it's gaining interest. So that one you can understand. So a lot of the schemes in Singapore, they call in the behavioral economics up kit, opt out. That means if you don't do anything, you're in, and you don't notice it, and it just accumulates and accumulates. So that's one that behavioral economics says. You don't let people have a choice. If they want to make a choice, they have to opt out, so that means they have to go to the government agency and say, "I'm opting out.". A lot of the schemes are like that in Singapore, so that's helping in terms of forced savings. And then recently, I learned from behavioral economies that actually the best age for us to make a rational decision when it comes to money is 53, something along that line, so evidence seems to say that that's the most rational. After that, we are going to be irrational again, so I guess if we make everything up in and then if we say, "After that, you cannot make," yeah, everything then becomes mandatory after that, so that then people could—. But how do you find a balance between, I think, people making individual choices and decisions as against making it mandatory?

BOB POWELL: I can tell you one I've written about. I went to visit England, and I came back and wrote a story that said that we ought to adopt what they did in the U.K. and have mandated employer-sponsored retirement plans. But, there was just no interest, it seems, here in the U.S. for that kind of mandate.

On the other hand, I might suggest that there is an appetite for prize-linked savings (PLS), which there's a company here in Massachusetts called D2D, which I think has done some work in the in the U.K., and they've had great success with PLS. Maybe there's an opportunity for behavioral finance in that regard.

FROM THE PANEL: Can you tell them what that is?

BOB POWELL: Prize-linked savings.

CINDY HOUNSELL: Right, they have drawings. They take some of the money. In the U.K., they do these drawings that I don't know where they get all the money from, but it's like a million-dollar savings—I mean million-dollar prize—like every month or so.

DAVID SINCLAIR: Yeah, yeah, it's every month.

CINDY HOUNSELL: They're enormous. I don't get it, but some people love it.

DAVID SINCLAIR: It's traditionally so younger people, used to be your grandparent would have given you a premium bond, and you don't get any interest on it, but every month you get entered into a drawing, and then once a year you'll win 25 pounds. So it works out to about a 2 percent interest rate. Generally it's worse rates than saving it somewhere, but if you're lucky, it's better than not saving anything at all, and some people are lucky and do win a million pounds—it's a million pounds, I think, every month.

CINDY HOUNSELL: The D2D program is with credit unions, and actually credit unions have been doing this for a long time; that's how they get people to join up. It's like the old days when you got the dish for going to the movies or whatever, back in the '50s, so this is a similar thing. You're in the credit union, and there's a drawing, there's a lottery. And as someone who has done financial literacy for 25 years, it makes me crazy, because it's like, yes, right, we have to have a lottery. If there isn't a lottery, we're not going to get people to save. Okay, whatever. I mean, whatever works.

DAVID SINCLAIR: I love the idea of the deferred annuity, particularly actually you would expect to be able to—by someone at 60 that you became 80—you should be able to offer actually quite a good annuity for people. So I think there's something about are we selling it right, and I think generally there's something about can we learn more about how to sell annuities as well, because interestingly [for] people in the U.K., it's very common to buy a funeral plan, and I don't know if there's anyone here who knows that, but they're not a very good value for money. You'd be better off paying 10 pounds a month into a bank account for most people, yet people buy these. And is there something about why people do this that we can learn in terms of convincing people to buy an annuity?

It's interesting, the point about sort of people saying, "Well, what if I died before I benefited properly from the annuity?" Of course, people don't say that in the U.K. for the state pension. You don't get people who have paid national insurance for 40 years and all of a sudden die at 66 and go back to government and say, "I want my 46 years of pension contributions back," so it's quite interesting that they do for this.

I think, just on the final point, when I first started in this area, I met a guy who was a trade union leader, who then was in his late 80s, and he said to me that when he started work—it must have been postwar, and he was an apprentice, and he had almost no income at all, it was about a pound a week—he said his line manager, he had given this money away, and his line manager came in and took a bit of it away and said, “That goes in your pension.” And there was no compulsion at the time, but it was actually a social norm that they created that actually: “Okay, you’re not earning anything, but actually I’m still going to force you to do this.” And there is a problem that we are, of course, much richer than we were in the 1960s and ’70s, yet we have a culture of consumption, and we do see, and of course people who managed to very successfully sell gadgets like this and things are very good at knowing how to manipulate us. And perhaps there’s something that the savings industry can learn from how we built this culture of consume, and clearly younger people have a tough time learning some of this now.

BOB POWELL: So from a behavioral planet’s perspective, the pickup on that, I had written a story a little bit ago. I’d interviewed a woman who is credited with saving Febreze from being scrapped at one point, and she in essence had created the habit of spraying a room or car or whatever with this nice-smelling aerosol. And I asked her whether you could cue the savings habit, instead of having the consumption industry win its battle. And her thought was, if you created the proper incentives, the bragging rights to have a savings account instead of a Mercedes-Benz in your parking lot, then you could do that. But it would be identifying what the appropriate incentive would be to cue the savings habit, and we haven’t quite figured that out yet, I don’t think, because Visa, MasterCard and Apple win the battle of the debt. And in a zero-interest-rate world, it makes even less sense.

DAVID SINCLAIR: And regulatorily, from a legal point of view, I see other adverts on my train. I could send a text from my train on the way home and have 1,000 pounds in my bank account by the time I got home. If I wanted to save money, I have to get my birth certificate, and you have to prove who you are. It’s this astonishing challenge with saving that you don’t have with getting into debt, certainly in the U.K.

BOB POWELL: No, it’s true. I just had to open up an I Bond for my daughter, and they wrote back to me and said, "You need more identification."

Any other questions, by chance? Are there any challenges that we didn't get to that we ought to discuss before?

DAVID SINCLAIR: Just very quick, I want to pick up on Susana's point about changing family structures, and it's common across the whole world, of course, and in the U.K. I think we've now got 2 million people who are aging without children—2 million older people. There will be more and more future people who haven't got children to help them with their care and help them manage, and we've got to look at how to support them.

STEVE VERNON: I have a question, I'm really intrigued with the idea of taking Madison Avenue, the advertising techniques, to sell acting responsibly, retirement and saving and all that, because I think if you look at the ad budgets for consumption versus savings—. So any thoughts on that? Has that been successful over, and I have seen a couple of ads from Fidelity and others, of trying to make it cool to save, and don't know how successful they are. But I'm just curious, either for the panel or—

BOB POWELL: So I'll just jump in quickly, Steve, with—and I know Cindy and I talked about this last night. This notion of what mutual fund companies have now done, which is to show people walking on a beach or on a sailboat, hasn't worked. It didn't move the savings rate at all. So whatever messaging was being used wasn't effective, and Carol Berman suggested that maybe what you need to do is the opposite tack, which is to show people eating cat food because they hadn't saved enough. But the truth of the matter is there's no one willing to write, to do that ad.

FROM THE FLOOR: I'm not going to be able to cite—two things, and I'm not going to be able to cite the source, but it's something that I watched, and in it, the person had created an ad that allowed someone who was facing a decision that had present consumption versus future savings, and they had to imagine themselves—like see themselves and what the impact would be on them and whether they were going to be happy in the future or not—and that actually had some impact on behavior.

But what I really had originally stood up to ask about is if we could have more about positive things that we could do—if there was more to add for that, because it's plenty depressing.

CINDY HOUNSELL: Well, I was going to say that there are lot of great technology products that help caregivers now that will help you monitor your parents, and I think those will get cheaper as time goes on and will help save money. But given what she just said, I find the younger people, when we do intergenerational programs, they love that they've just rounded up on their apps where you can save 17 cents and think that's wonderful. You think they go to Starbucks, and they save the 17 cents, and they think they are just God's children for saving.

DAVID SINCLAIR: I think there is some, actually—whether it be in old age or across all ages—we've had huge progress in ensuring in the U.K. certainly, but I think in lots of other places, the older age does not inevitably mean poverty, so we've actually made and done really, really well. And I think, actually, part of the reason for this sort of slightly skeptical discussion is a recognition that tomorrow's younger people are facing huge challenges, but the optimist in me thinks that actually they will sort it out. They probably will work a bit longer. They probably will engage a bit more with technology. We probably will find ways of the way we work, so I think there is some reason for optimism.

BOB POWELL: I might suggest, too, it's not something to do other than to watch and listen and read, but if you followed Joe Coughlin at the MIT Age Lab, he's doing some wonderful work there around many things: health, technology, transportation. And at least, if you want to see what the future holds, follow what they're doing there.

Q: What was his name?

BOB POWELL: Joe Coughlin at the MIT Age Lab. Anna.

ANNA RAPPAPORT: I have a different question. We talked earlier today about employment and some of the challenges older workers face in getting employment, but there are also some entities to help older workers deal with employment issues. They include RetirementJobs.com, Encore, YourEncore, and there are others. I wonder what you all think about such specialized entities—whether they can have much impact and what they can do.

DAVID SINCLAIR: In the U.K., there were a couple of agencies that specifically targeted older people—recruitment agencies. I'm also chair of a small charity that does face-to-face stuff with older workers who want to get back into work. One of the challenges that the agencies have had is actually, it's potentially illegal under our age discrimination law, so actually you can't necessarily—you can't run an agency that is just offering jobs for people aged over 50. And one of the problems that some of the HR professionals have found is that actually, what we know in old age is that we value different rewards in the workplace. We value actually being valued. We value money slightly less. We value experience slightly more. Actually, a workplace benefit, reward system that offers an 18-year-old the same reward as a 70-year-old probably doesn't work, and I think post the age discrimination legislation in the U.K., we've got to make sure that it's still possible to offer a 60-year-old a different in-work benefit to a 16-year-old without coming foul of the regulation, but we certainly have had challenges with age-specific initiatives because they are potentially discriminatory.

BOB POWELL: So, Anna, I have a couple of thoughts on that. One is I think those job boards are sort of at the end of the search and that there's something that precedes that that is missing in the discussion, so a lot of people that write to me say, "I don't know what to do next in life, right? I don't want to do what I'm doing forever, and I want to do something different." So they have no way of necessarily knowing how to assess their current skills, knowledge and experience to determine whether they have what's needed to do what's next, so there's that front end that says, "Okay, what's next? Do I have the skills, knowledge, experience? If I don't, where can I get that?" Is it a community college, a certification program? And then once I've done what's required to gain what's next is, well, then I can go to RetirementJobs.com or Encore or AARP or whatever it might be to do what's next. But I think some of those things are, if you haven't done the front end, all they are is it's Monster to do more of the same as what you did before.

SUSANA HARDING: Yeah, in Singapore, there's a government agency that looks into reskilling so if you want to kind of have a career shift or package yourself at some point, you've got the trench, could actually have additional training, and then they will be happy also to find a job. And aged care is one of the rising industries, so a lot of people are actually encouraged to get it, because on the other hand, as you have said earlier, also aged care is needing a lot of professionals to get into the system, so that is also where the change is coming to in terms of work for older people or older workers.

FROM THE FLOOR: I was just thinking, Cindy was saying, “Why does a lottery have to be here to get us to save?” Maybe we need to be better at explaining the risks in retirement and laying them out; maybe that will feel like a lottery in expenses. But just to comment—it’s not a very politically great comment, so I apologize—but perhaps annuities and longevity annuities won’t be popular until we begin to grow and speak out and talk about it as a fiduciary duty. And maybe we really have to say, “You’re not doing your client your fiduciary duty by keeping their entire amount in this retirement funding.” That would be very—that would be a very unpopular thing for me to say, and that’s what I think that is and so, but perhaps because I’m an actuary and a financial planner, I live on those facts, so perhaps it is time for us to begin to say, hey, it’s not due to fraud and targeted voluntary plan increasing. Perhaps this is something we need to say—you need a floor, we need a floor.

SUSANA HARDING: One of the things we teach women in Singapore as part of financial education is at every stage, once you change, you have to review where you are and be able to make sense, because what could make sense when you’re in your 20s might be different when your children are grown up. So that’s where the whole—that’s where the value-added financial education comes to a point, because when you’re 20 and when you’re 40 and when you’re 50, there’s a whole lot of difference, and you may need to let go of some of those financial products that don’t make sense to you now and then take up, start taking up something that would make sense to you later on in life.

It’s very easy to say so, but to do it—

FROM THE FLOOR: I want to clarify that I meant immediate-income annuities when I say annuity. I don’t mean the things that are—

TED GOLDMAN: I just wanted to make one point that I don’t think has been brought up. I think one of the barriers we have ~~is~~ in addressing the future of retirement is ~~in the future and~~ there’s no burning platform. That makes it harder to establish policy, because there’s nothing urgent—there’s nobody jumping out of windows, there’s nobody screaming, there’s nobody personally experiencing the problems. We can all just see they're headed down a cliff and going off the side, and the longer you wait, the fewer solutions exist. But until people start falling off the cliff, I'm afraid the best ideas are going to go left unheard.

BOB POWELL: Don't disagree.

DAVID SINCLAIR: I think you're right, and it links into the previous ones, and I think as humans we're terrible at unless we experience it, we just don't think it's going to happen to us. And it's really interesting if we do bits of work on adult vaccinations and attitudes toward vaccination. Because people don't see polio anymore, we see complacency coming back in, and I think it probably won't be until people in the U.K. see their parents have terrible social care and they think, "Oh, my God, we've got to sort this out." And I think the problem is it is going to take probably something to go wrong before we start to see change.

BOB POWELL: So we're bumping up against 3:05. I'd like you to join me in thanking Cindy and David and Susana. The next session starts soon; it starts after the refreshment break—3:05 to 3:25 is the refreshment break.

DAVID SINCLAIR: It's interesting.

BOB POWELL: And I'm sorry—adjust. All right, so some things we didn't get to.