

# 2023 Living to 100 Discussant Comments Retirement Factors and Stages

NOVEMBER | 2023







# 2023 Living to 100 Discussant Comments

## Retirement Factors and Stages

**AUTHOR** Anna Rappaport, FSA, MAAA  
President  
Anna Rappaport Consulting

**SPONSORS** Mortality and Longevity Strategic  
Research Program Steering  
Committee  
  
Aging and Retirement Strategic  
Research Program Steering  
Committee

 **Give us your feedback!**  
Take a short survey on this report. [Click Here](#) 

### Caveat and Disclaimer

The opinions expressed and conclusions reached by the authors are their own and do not represent any official position or opinion of the Society of Actuaries Research Institute, Society of Actuaries, or its members. The Society of Actuaries Research Institute makes no representation or warranty to the accuracy of the information.

Copyright © 2023 by the Society of Actuaries Research Institute. All rights reserved.

# 2023 Living to 100 Discussant Comments

## Retirement Factors and Stages

The papers in this session raise important issues with regard to personal well-being and financial security. I provide a combination of comments about the two papers and some perspectives on the issues raised.

### The Importance of Cognitive Health for Pandemic Survival and Future Longevity

The first paper is “The Importance of Cognitive Health for Pandemic Survival and Future Longevity” by Gordon Woo. This paper surveys the literature and brings together a wide variety of different issues. It is an important paper because cognitive decline reduces well-being and requires an increasing amount of support and care. The issues discussed include the following:

- Cognitive decline and cognitive reserve;
- Links to loneliness, social isolation and boredom;
- Resilience, mental fitness and functioning: ways to reduce and prevent cognitive decline;
- Parallels between cognitive reserve and physical fitness: the link to improving life;
- COVID, comorbidities and cognitive decline;
- Long-COVID and cognitive decline: brain fog is a part of long-COVID and it can go away;
- Frailty and clinical frailty scale;
- Specific health conditions.

Isolation and loneliness are major challenges for seniors. One consequence of COVID was that many seniors who were normally socially active found themselves isolated, increasing the chances of cognitive decline and making it worse. This paper makes us think about the trade-offs involved in responding to cognitive decline and the importance of dealing with cognitive decline.

This paper left me with the following questions:

- What should we do to address these issues?
- How can we minimize or reduce cognitive decline?
- Does COVID lead to increased cognitive decline, and if so, how much?
- What is the outlook for long-COVID and its impact on health, disability and retirement?
- In dealing with epidemics, how do we understand and evaluate the trade-offs?

Other Society of Actuaries work has focused on cognitive decline and related issues. The Society of Actuaries Aging and Retirement Strategic Research effort has focused on research with individuals age 85 and over and on individuals at all stages of retirement.<sup>1</sup>The Age 85+ research is summarized in a report.<sup>2</sup>The work summarized includes a report on cognitive decline.<sup>3</sup> The cognitive decline report is a summary of a conversation among experts.

---

<sup>1</sup> Three reports of interest are [Retirement Experiences of People Age 85 and Over](#), February 2019, [Family is Important for Retirement Security](#), February 2020; and [The Journey through Retirement](#), April 2021.

<sup>2</sup> <https://www.soa.org/492776/globalassets/assets/files/resources/research-report/2019/retirement-experiences-people-over-85.pdf>.

<sup>3</sup> <https://www.soa.org/resources/research-reports/2018/cognitive-conversation/>.

The Society of Actuaries also has been a supporter of the Sightlines research from the Stanford Institute on Longevity.<sup>4</sup> That research points to the importance of social interaction as a part of healthy aging. The Society of Actuaries has also focused some its work on Social Determinants of Health.

## Minimum Social Security Benefits and the Alone Stage of Retirement

The second paper is “Minimum Social Security Benefits and the Alone Stage of Retirement” by Lori J. Curtis and Douglas Andrews. This is a paper focused on the US. The authors are researchers from Canada, and they have previously done a paper on the alone stage of retirement in Canada. They are to be commended for their focus on this very important issue. Challenges related to the alone stage in retirement will grow in importance because of key demographic trends, including a major increase in the percentage of the population that is very old, patterns of fertility rates and patterns of marriage.

Their paper includes a literature review and a discussion of issues as well as a data analysis. The authors are to be commended for seeking a US data set and doing a data analysis to support their work. They used the National Health Interview Survey–US national database designed for studying health issues. Understanding any data analysis requires thinking through who is included in the data and what this represents. This data set has the following characteristics:

- Data collected through interviews: self-reporting subject to error, probably greater error for people with hearing and/or cognitive issues;
- Data set excluded individuals in nursing homes and hospitals and homeless people;
- The data set included group homes.

The data analysis focused on households with one person in them (but low-income individuals may seek alternatives such as renting a room, staying with family or living in a group home.). The recommendations focus on improving the situation of very low-income individuals.

The SOA has done other research on high-age individuals, and it has cited other research in its reports. Differences between the other SOA reports and this paper include the following:

- Both sets of work indicate that the majority of the individuals in the alone stage of retirement are female. The prior SOA work shows a greater percentage of females.
- The prior SOA work shows a larger difference in income by marital status and gender among the age 85+ population.
- The prior SOA work shows larger differences in living arrangements by gender among the age 85+ population.

It seems that clear differences exist in the underlying data used in the paper and analysis used in the prior SOA reports. There are frequently differences between databases, and it is challenging to get data on very high-age individuals and on very low-income individuals. When the SOA did survey research with over age 85 individuals, it used a combination of a telephone survey of that demographic and an online survey of adult children very familiar with their parents’ situation. The combination offered interesting results. Most databases have limitations. I have not studied the specific limitations of the database used in the paper, but it covers all ages. It is probably not an

---

<sup>4</sup> <https://longevity.stanford.edu/the-sightlines-project/>

ideal population for studying very low-income high-age seniors who may well be underrepresented. Also, the definitions used to screen data for the data analysis will miss some solo agers who are not in one-person households.

I have several ideas for consideration to extend the work in the paper:

- The paper focuses on increasing Social Security Supplemental income. This recommendation has been made before, and SSI has not been increased for a long time. However, only increasing SSI leaves out some issues that are important in thinking about the welfare and economic situation of people in the alone state of retirement.
- The paper uses the official US government definition of poverty. Others have focused on how much is needed for a minimum standard of living, which is considerably more than the poverty measure. For example, the Elder Economic Security Index<sup>5</sup> is an example of an alternative measure. This measure indicates that people need about two times the poverty measure overall, and there is considerable variation by household situation.
- It should also be noted that people with very low income and assets are eligible for a variety of other public supports. These public programs are discussed in the paper, but the discussion could be expanded including a focus on the interaction with cash benefits. Additional cash income can disqualify people for these other benefits so that improving the economic security of low-income seniors by increasing SSI would probably also require fine tuning these programs.
- People who have income just over the limits for the low-income benefits may be worse off than the group who are in the low-income category. Including a discussion of this group and the challenges of the missing middle would be helpful. An example of the difference between the two groups is the financing of long-term services and supports. Medicaid is a major financier of such supports for low-income and low-asset Americans. Very good options can be found for people with substantial financial resources. But people with resources above the cutoff for Medicaid have no government support for these benefits and will be in financial trouble if they need substantial paid long-term care. There is a specific link between this issue and being poor in the alone stage of retirement. If a couple is above the limit, and one becomes sick and needs such support, the survivor after the first death may be left poor and without any remaining resources or with a big reduction in resources.
- The analysis of health benefits is based on definitions of the database used for the analysis. The health benefit categories for the over age 65 population show considerable amounts of private health insurance coverage. It would be helpful to have more explanation of how health financing for over age 65 people works and exactly what the categories as defined in the database mean.
- The paper does not separate people in the alone stage of retirement between those with adult children or other family members who can provide support from those without any family members who can help. Many older individuals get considerable help from family members, whereas others do not have anyone to help or the family members are not helpful.

---

<sup>5</sup> <https://www.ncoa.org/article/elder-index-the-measure-of-economic-security>.

## Commentary and Conclusions

The SOA has focused on several issues that overlap the issues covered in the paper. As mentioned earlier, the SOA has conducted multiphased research on high-age individuals. That research points out the differences in situation by marital status and gender. Couples are better off than singles, and males are generally better off economically than females.

More recently, the SOA in partnership with Financial Finesse developed the *Late-in-Life Decision Guide*.<sup>6</sup> The guide points out some of the issues and concerns of solo agers. The guide covers four main topics: health and financing health care, finances, housing and transportation, and building a support system. The issues around support and who can provide it are different for people in the alone stage of retirement. Couples are generally a major support to each other, but those in the alone stage must rely on children or other family members, friends or outside support. Individuals who are very independent for many years and who manage well may need substantial support once they start to decline. Dementia is a very important issue in that regard, and it ties the themes of the two papers together.

The challenges facing solo agers are often greater, and the SOA is starting work in the spring of 2023 on a Decision Guide for Solo Agers.

Both papers discuss very important issues with regard to the well-being of late-in-life individuals. Both also relate to situations where there is change later in life and where there are commonly gaps in planning. The authors are to be commended for bringing forth these important issues. The SOA is encouraged to do further work on understanding the issues and developing ideas for solutions. Individuals and their families must take many actions and make decisions that contribute to their welfare in retirement. This work can help shape the supports they have and the decisions they make.

---

<sup>6</sup> <https://www.soa.org/497f1c/globalassets/assets/files/resources/research-report/2022/lil-decisions-guide.pdf>.

## About The Society of Actuaries Research Institute

Serving as the research arm of the Society of Actuaries (SOA), the SOA Research Institute provides objective, data-driven research bringing together tried and true practices and future-focused approaches to address societal challenges and your business needs. The Institute provides trusted knowledge, extensive experience and new technologies to help effectively identify, predict and manage risks.

Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The Institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors and non-governmental organizations, building an effective network which provides support, knowledge and expertise regarding the management of risk to benefit the industry and the public.

Managed by experienced actuaries and research experts from a broad range of industries, the SOA Research Institute creates, funds, develops and distributes research to elevate actuaries as leaders in measuring and managing risk. These efforts include studies, essay collections, webcasts, research papers, survey reports, and original research on topics impacting society.

Harnessing its peer-reviewed research, leading-edge technologies, new data tools and innovative practices, the Institute seeks to understand the underlying causes of risk and the possible outcomes. The Institute develops objective research spanning a variety of topics with its strategic research programs: aging and retirement; actuarial innovation and technology; mortality and longevity; diversity, equity and inclusion; health care cost trends; and catastrophe and climate risk. The Institute has a large volume of topical research available, including an expanding collection of international and market-specific research, experience studies, models and timely research.

Society of Actuaries Research Institute  
475 N. Martingale Road, Suite 600  
Schaumburg, Illinois 60173  
[www.SOA.org](http://www.SOA.org)