

Ep:13 MIT Age Lab's Top 3 Questions Anyone Over 45 Should Be Asking

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PATTI BRENNAN: Hi folks, welcome back to the “Patti Brennan Show.” Whether you have 20 dollars or 20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives. I am really, really, really excited about today’s podcast. Today I have with me John Diehl. John is Senior Vice President of Strategic Markets for the Hartford Funds.

John is working directly with the MIT AgeLab. He has come today to bring us the insights that MIT’s AgeLab has discovered, if you will, as it relates to retirement and the aging process. Thank you so much for joining us, John.

JOHN DIEHL: Thanks for having me, Patti.

PATTI: Absolutely. I think that this is such an amazing initiative that MIT has taken. Let’s talk a little bit about what they’re doing. It’s within the MIT School of Engineering Systems Division.

Basically, what I understand that they’re doing, John, is they’re really digging deep in learning about the challenges and the opportunities that come along with longevity. They’re trying to identify behavior, decision making, and the trends that are occurring in America as it relates to demographics, technology, and lifestyles.

JOHN: That’s right, Patti. In fact, there’s about 40 researchers that are part of the AgeLab. They’re not just all engineers. There’s sociologists, psychologists, a whole host of ologists, who are studying everything about longevity and how it’s impacting product design, delivery mechanism, and especially for us, advice and value, especially in the financial services world.

PATTI: It’s amazing. I love this quote from Dr. Joe Coughlin, who’s the director of the lab. He said, “We have a longevity paradox. Now that we’ve achieved what human kind has tried to achieve since it has walked, living longer, we don’t have a good idea of what to do with all that additional time.”



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JOHN: Patti, it's funny. Today, if I have two 65 year olds, a husband and wife, both again age 65, there's now a 43 percent chance that one of the two will live to age 95. I usually don't have to share with the ladies who the odds are in favor of there, right? When we think about extended longevity, that's what we're talking about in the study with the AgeLab.

How is the fact that we now may live into our mid 80s, upper 80s, 90s, and beyond influence the decisions, the circumstances, and the environments we may find ourselves in as we age?

PATTI: It's amazing because what I've learned from you and the AgeLab is that it's not just the financial decisions. It's the living decisions. Where am I going to live? Who am I going to be near? We see it every single day when clients come in to meet with us.

We're running projections. What if you stay in your home? What if you decide to downsize? What if you want to move to be near the kids? These are important decisions that people have to make at a vulnerable period of time.

JOHN: Well, what I usually share with folks, Patti, is forget about investing, planning, retiring, anything like that. Let's say, there's a jigsaw puzzle in front of you. Our job is to assemble that jigsaw puzzle. If that's the case, where should we start? What do most folks say? They'll say, "Find the corners. Find the straight edges."

Sometimes, they're like, "Ah, he's trying to trick us. Flip the pieces over." All important steps, not the most important first step, which is...?

PATTI: Looking at the picture on the top of the...

JOHN: Picture on the box, right?

PATTI: Exactly.

JOHN: Now some people say, "If you look at the picture, that's cheating." I say, "If you don't, it's insane." What MIT shares with us is that most people have no idea what the picture on their box looks like beyond the next 24 to 36 months. Time frames are becoming shorter all the time.

PATTI: They sure are. Life has a way of throwing some wicked curveballs. You've got to look at what's your ideal scene. Then, what if that doesn't quite work out the way that you had hoped?

JOHN: Absolutely. If we were dealing with the puzzle, the picture never changes. We know, as life goes on, things change, people change, goals change, ideas change.



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PATTI: What I have learned over time is that people don't always know the opportunities and the options that they might have. It's hard to know everything about everybody, and what's available out there. I think that it's fascinating to see what the AgeLab has identified as the important metrics, the important decisions, the important things to take into consideration.

Also, within the framework of what's happening to that person as they begin that aging process? There's a lot that goes on. I see it every day when people are thinking about retirement. They're in that zone of we call it the red zone the five years before retirement. They're just beginning to think about it.

We do that brainstorming activity to bubble up some of the issues that they may not have thought about.

JOHN: Absolutely.

PATTI: I'm curious. Dr. Coughlin is such a renowned expert throughout America, and that AgeLab is a fascinating...It's just amazing what they've discovered. Is there anything particular that stands out for you?

JOHN: Well, I just think that the unique way that they research. I'll just share with you one tidbit that, I think, is a lot fun. At the AgeLab, they have a suit that you can put on. The name of the suit is AGNES. Everything at MIT is an acronym. AGNES stands for Age Gain Now Empathy System.

I could take someone, regardless of their age, up to the AgeLab, dress them in the AGNES suit, and calibrate what it would feel like to be 80, 85, 90 years old.

Restrictive movements in the limbs, neuropathy, impaired vision. I know what you're thinking. Who in their right mind [laughs] would want to wear a suit like this, right?

PATTI: Wow.

JOHN: Imagine if you were the senior management team of a large American retailer, let's say, like CVS pharmacies, for example, which did this work with the AgeLab. You were concerned about whether your stores were laid out in a manner that would accommodate an aging US population.

What better way than to take the senior management team, dress them in the AGNES suit, dial them up to age 80, and go shopping in your own stores. If you go to visit a CVS pharmacy, you may notice some physical changes coming to the store.

One thing you'll notice is that shelf heights will be lower. Patti, who do you think the target consumer is for CVS pharmacies?



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PATTI: I would think that older people. I don't know. I'm going to come clean with you, John. I feel like I'm shrinking so that lower shelf is going to come in handy for me.

JOHN: It is the aging female consumer, Patti. As women age, they tend to lose an inch or two in stature. Now, for your listeners, they wouldn't be able to tell I'm only 5'3" tall, but let me tell you from experience, get me in a store where the products tower above my head. Difficulty accessing the top shelf, but also, I don't know where in the store I am. I don't know where I should be.

See, CVS was smart enough to know that your comfort in the store may actually impact your decision about whether you'll frequent that store in the future. So they worked some of this research into store design.

That's one of the unique things about working with the AgeLab, is that they're not just working in financial services, healthcare, retail, automotive. There's lessons that we can take from all of those industries.

PATTI: It is fascinating. It's such an important consideration as it relates to our population because more of us are going to be in that particular season of life. How do we all work and how do we all function as we get into that retirement and that aging process?

I think that is fantastic. I'm so grateful that Hartford and other companies are getting involved and learning about, gee, what can we do to make it easier for people as they go through this process?

One of the things, folks, that we're going to be doing because I think this is so important is we're going to do this as a series. In the next segment, we're going to do a deep dive into the four segments and the four phases that people go through.

The first stage that I see so much is that managing the ambiguity. I don't know what it's going to be like when I don't go to work every day. What's that going to feel like? How am I going to replace my income? What am I going to do all day with my time? By the way, is my husband, or wife, or my spouse going to want to divorce me because I'm driving them crazy?

JOHN: [laughs] Right.

PATTI: It happens all the time.

JOHN: Sure.

PATTI: Usually, the spouse is sitting next to them and they're nodding their head saying, "Yeah, I'm not so sure this is going to quite work out."



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JOHN: That's so true.

PATTI: I think that's fantastic. Now, one of the things that you've taught us is that there are three questions that they should be asking themselves. It's fascinating the way you frame it.

JOHN: The interesting part about the three questions, Patti, is that the MITH lab says, "There's three questions anyone age 45 or older ought to be asking yourself on a fairly regular basis, if not about yourself then about someone that you care about, a parent, a spouse, a sibling, or a friend."

The three questions, Patti, are going to overwhelm you with their simplicity coming from the rocket scientists up at MIT. They're unique and there's a reason for their uniqueness. The three questions are who's going to change your light bulbs, how are you going to get an ice cream cone, and who are you going to have lunch with?

Most folks that come to see financial advisors, they already anticipate questions about stocks, bonds, cash assets, liability, net worth. When I start asking about light bulbs, lunch, and ice cream, they may not even know what I'm talking about, let alone understanding whether they agree or disagree with the points I'm going to make.

If it's OK with you, I'll touch on each of the three questions, explain their significance.

PATTI: Let's go with it. I think it's fantastic and it's so relevant to people who are listening.

JOHN: Let's talk about who's going to change your light bulbs. 90 percent, that's 90 percent, of Americans state that they're going to age in their own homes. How many of us spend 30 or 40 minutes thinking about the changes, modifications, or services that may be needed to keep us in our homes until our 80s or 90s?

MIT says, "You may now move as many times after age 50 as you moved prior to age 50. You may downsize. You may move closer to family. You may move away from family. You may need to live with family.

You may need the care of a continuing care community, because, Patti, is it right to think that my wife at age 92 is going to be providing my care at age 92? We can all hope that, but, really, in this new age of longevity, it's a misplaced expectation.

PATTI: I see it all the time. We, literally, as we do the financial planning and we talk about those questions and where we're going to live, a lot of people have the ideal scene they're going to stay in their own home.

That's what we can go in with, but we also run those alternate scenarios, because I've been doing this long enough. I know that chances are we're going to hope for that. That will be



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the ideal scene, and we have to be prepared that. If they go plan B or plan C, that we're ready to go with that as well.

JOHN: It's not even necessarily a black or white decision anymore. Housing may be a continuum, right? If we look at the average age person entering into independent living in one of these continuing care communities, it's roughly age 83.

People are staying in their homes as long as they can, but, at some point, it may not be a tenable solution anymore. It may not be safe. Patti, I could share with you top 10 design changes for aging in place level entryways, kitchen and bath improvements, storage within easy reach but all 10 meant to prevent one thing in the home. What is it?

PATTI: It's falling.

JOHN: A fall can change the picture on the box in a heartbeat.

PATTI: Absolutely.

JOHN: Thinking about the homes we're going to live in, whether they'll be able to accommodate us, what it looks like for us needs to be part of the overall financial plan. The time to check out communities where eventually we may need to go to is not when we're in our mid 80s. Somebody gets a call and says, "Hey, dad just fell and broke a hip."

No. It's when we're in our 60s and 70s, when we can express to family members, "Hey, here's a place I could see myself in. I've done some of the digging on the financials. I know the services they provide. I could see myself here." That first question is all about the home we intend to live in.

PATTI: You know, John, I think it's fantastic. I know that you have shared with us what those 10 things are. It's so important, whether you are an individual listening to this podcast or you're a financial adviser, because I do hope that other financial advisers are listening to these podcasts.

This podcast is for everybody. We're all out here trying to do the best thing we can for our clients. I encourage anybody who's listening to understand what those 10 things are to advise and make clients aware of them/ Also, to share with our clients exactly what you've talked about.

I know in our area one of the things that we have done internally in our firm is to look around our geographic landscape and get all of the continuing care communities in the area and their packets and understand their pricing.

How it works, the services that they provide, so that, when clients begin to talk about this as



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being an option for them, we already know the communities that are out there, understand what the costs are associated between community A versus community B versus community C.

Then that can begin that filtering process to save them time and energy. Again, to your point, long before they actually need it.

JOHN: It's not just for the individuals. It may be for their parents. It may be for a brother or sister, so on, and so forth. Again, it's important to think about the social network.

PATTI: Let's go to the second question.

JOHN: The second question, "How will I get an ice cream cone?" involves the thing that most people overlook. It's when you think about the small things that, as you age, you want to maintain access to. What would those things be?

We're not asking, "How are you going to get to your doctor's appointment?" Somebody'll figure that out. Now that we're living to our 80s and 90s greatly increase the odds that at some point you may lose the ability to drive. If you do, how will you be able to access the things that make life worth living?

MIT tells us 70 percent of Americans live in suburban and rural communities, where, if they lost the ability to drive, their access to the things that make life worth living would be severely diminished.

As we think about this question, the question's really about the communities that we intend to live in and how accessible is everything.

Secondly, our use of technology. We may not be waiting for our driverless car to come by, but maybe there are driver services available on the Internet right now that could help us the Ubers, the Lyfts, and like services like that.

Patti, I do always share with our male clientele. For the men, if you want to be a Casanova of your senior living community, there's one skill that you want to keep sharp as you age, and it's not dancing.

PATTI: Oh, absolutely. I get that.

JOHN: [laughs] It's driving.

PATTI: You bet. Absolutely.

JOHN: If you can drive at night, rock star status, right?



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PATTI: [laughs]

JOHN: Who was the most popular kid in high school? He was the one that could borrow the keys to mom and dad's car. Everybody piled in, and they granted us access, where we wanted to go, when we wanted to get there.

Driving, mobility, transportation, and access is independence, and independence is quality of life.

PATTI: I think it is fascinating. It is a really important issue, because I've had a number of situations where we've noticed the changes in a client, got the kids involved, and the kids have shared that they are so worried about mom or dad continuing to drive. I could tell you stories of how difficult it was to take away the keys to the car.

I can tell you one family ratted on their mom to the doctor to say, "Look, mom cannot be driving anymore. Can you please make her go and take a driving test so that they take away her license, because she's a danger on the road?"

It's really hard, because you don't want to take away that independence. To your point, as long as we recognize that that's a possibility, what can we do? I think that, what Hartford has put together in terms of the resources...

You've got a guide that talks about the apps, the sites, and the devices that can change the way people age, and to continue to give people access to the things that are important to them.

JOHN: Patti, I use an example. My mom is soon to be 78 years old, got her first iPad a couple of year ago. If I told her, "Mom, I got a great idea. Why don't we download this Uber app, so you can load in all your personal credit card information, so you can get in a car with a guy you don't know to drive you to a place where you don't know where you're going?" What do you think she's going to say?

However, think about telling someone versus experiencing it with them. Get in the car with that loved one if you're a user of one of these services. Show them how it works. Show them how much it costs. Talk to the driver. Ask the driver how they rate you. Show your loved one how you rate them.

By giving them the experience, you may offer a liberating idea to them.

PATTI: I think it's phenomenal. There's a perfect example of taking an application and applying a practical approach to using the application until the person is comfortable with it, because, ultimately, there's a lot of stuff out there that people don't use because they don't know how to use it. They're not comfortable. They don't want to look dumb, and all of those



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things.

The idea of going in the car with mom or dad, and experiencing it with them makes all the difference in the world.

JOHN: Absolutely.

PATTI: One of the things that we do with our client events that we have scheduled is we're going to have a technology event where we bring all of our clients together in a big, big room. Everybody is going to bring their iPads and their phones.

We're going to go over these applications and do it together with our clients in the room, so that we all get to experience what it's all about. I think it's fantastic.

JOHN: What's great about that, Patti, is peer to peer learning takes place. It's not just led. People say, "How do I find out what these things are?" You know what, you don't Google them. You don't go to the app store. You talk to your friends and family.

PATTI: Exactly. It's amazing also because one of the things that I've learned with all of this, that MIT has also taught us, is the importance of social interaction and bringing people together. Loneliness is a very, very real problem for people as they age.

JOHN: We mentioned those three questions. The last of the three questions is, "Who will you have lunch with," and Patti, you brought that up. That's exactly what that question is referencing because, again, one of the most overlooked issues for people who age is the depth and breadth of your social network, your friends.

The AgeLab would tell us your friends do two really important things for you. They get you up off the couch, out the door, physically moving, giving you a place to go, and a reason to be there.

Secondly, mental stimulation a reason to circle the date on the calendar, things to look forward to.

PATTI: Exactly. Boy, it is amazing. Let's pull this together for this first episode. Can you give us a brief overview of what is the concept of 8,000 days?

JOHN: For 8,000 days? I'll just give you a brief intro. MIT says that your life today can be broken into four 8,000 day segments. It's about 8,000 days from birth to graduation from college. It's another 8,000 days 'til your first mid life crisis. I said first because now we're living longer. We may have multiples.

PATTI: [laughs]



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JOHN: It's another 8,000 days to the day you retire and another 8,000 days from retirement to experiment, on average. 8,000 days, just a little shy of 22 years, 22, 44, 66, and 88. The problem is the script has been written for the first three segments.

To that quote that you opened up with, nobody knows what that last segment is supposed to look like because it's so dramatically different.

PATTI: I can't tell you how amazing that is to break it down that simply and recognize that there's this outlier, that last 8,000 days, that the MIT AgeLab is really drilling down and learning more about so that we can make sure that people have the quality of life.

You work all of your life. You raise your family, etc., for this wonderful grand moment of retirement and, again, that ambiguity. What's out there? What's going to happen to me?

Taking a proactive approach to this last season of life is so, so very important, and people like you and MIT helping people to make that the life that they want to live.

JOHN: It's very rewarding.

PATTI: Isn't that what this is all about? Folks, that's it for today. Thank you so much for spending some time with us. Come back for the next episode. John's going to join us again.

We're going to expand on these topics even further. If you want to learn more about this, just go ahead and head over to our website, keyfinancialinc.com. You can schedule a call with me. We'll talk more about this and talk about the relevance of what we've learned in your personal situation or your parents, for example.

Please leave your comments. You go into the website, leave your comments. Let us know what you think about the show. What you liked or didn't like, and what you want to learn more about.

Until next time, I'm Patti Brennan, and I will see you in the next episode with John Diehl.



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