

Patti Brennan: Hi, everybody. Welcome to "The Patti Brennan Show." Whether you have \$20 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.

Today, I thought it would be interesting if I went over some of the notes that I wrote down from a meeting that I attended with MIT and Dr. Joseph Coughlin from the MIT Age Lab. I must tell you all, this is the coolest thing that I get to do every three months.

It's a group of us who come together collectively to learn about what the current trends are as it relates to the aging process, retirement, and the different phases that we all go through.

My very dear friend, Joseph Coughlin, (otherwise known as Dr. Joe) is the author of a book called "The Longevity Economy." He is so bright, always coming up with different angles, and always ahead of the curve.

His take on where we've been, where we are, and where we're headed is very interesting. This includes the importance of understanding how longevity is going to affect our economy, our markets, and our lives.

That's what we talk about every three months. This month, he talked a lot about demographics and the end of average. There is so much change happening in the world, and he boiled it down to five major areas.

Basically, he said the future is gray, delayed, small, female, and blended.

Let's take each one of those areas one by one. I'm going to be looking at my notes because we just had this meeting on Monday. Let's talk about gray.

According to the statistics and the math, it was originally thought by the year 2045 there would be more people over the age of 60 than under the age of 18. Recent studies have brought that forward by 11 years, and that's going to happen in the year 2034. Think about that for a minute, that's got amazing implications.

It's not just happening in Japan and in China, it's also happening in the United States. On a global basis, there are going to be more people over the age of 60. We must think about what that might mean for quality of life, caregiving, and how long people work.

What I also thought was interesting is this concept of artificial intelligence. And Joe brought up a very interesting point. It's one that we talk about a lot. He said, "The new AI for the graying of America and the world is not artificial intelligence. It's anticipatory intelligence."

We've worked with people for over 30 years, helped them to retire, and have security for the rest of their lives. We know the things that can happen and anticipate them, so make sure that you're ready.

We get to do this once and anticipatory intelligence is important. We must use that as we talk about the changes that are happening in the world and in our lives.

This is also important because as we think about it 30% of all global spending is done by people who are over the age of 60. So, from a caregiving and aging perspective, we're going to require more services. The people who are over age 60 represent a third of the spending and that's probably not going to change.

As Jimmy Buffett said, "We are the people our parents warned us about." Taking into consideration what Jimmy Buffett said, what are the implications?

There's a real need for longevity literacy well beyond just the area of finance. It's important for us to think through how living longer changes pretty much everything including housing, errands, and transportation. It's a really big factor and we've already seen it. So, what does it mean in your life?

I think there must be more information shared about these areas so that you can anticipate the implications in your own lives. And the final thing is, how are you going to pay for it all?

So, the future is gray and delayed. I was at a party with my daughters and my family this weekend, and my daughter Carrie said, "You know what? 30 is the new 20." And sure enough, according to Time magazine, 27 is the new 17. The future is delayed.

And boy, are we seeing that already. It's so apparent with our kids and they're waiting to get married. In fact, this was an interesting statistic that Joe shared with us. 51% of Americans ages 18 to 34 said that they didn't have a steady partner. That was an increase. In 2004, that was 33 percent so there is a delay in partnerships.

People are not getting married as early as maybe we all did. That also means that they're not having children as early. There's a delay across the board. In addition to that, from a financial perspective, they're not buying houses and they're not contributing to 401(k)s.

The young people don't realize their ability to accumulate compounding wealth is delayed. And that has tremendous implication for when they can retire and how much they're going to accumulate.

In addition to that, they're not having kids. The global birth rate has already dropped significantly. In the last 70 years, birth rates have fallen by 50%.

Again, as I think about the delay, they're just making different choices. There's a new term out there called the emerging adult. According to Dr. Joe, the new thinking is that this emerging adult occurs between the ages of 25 and 35. Young people today are not reaching the age of adulthood until the age of 36.

In fact, a couple of universities are offering classes on something called adulting. Can you imagine going to a class to learn how to be an adult? These kids need to know how to buy a home, how to fill out a tax return, and the implications of it.

So far, we've talked about the future being gray and delayed. The future is also small. By that I mean that a lot of people are choosing to live alone and that has

tremendous implications. People are living longer and choosing to live alone. That has important implications as it relates to financial affairs, caregiving and income taxes.

Right now, in the US, 32% of households are with one person. In fact, in four cities in Europe over 50% of people are living alone. Joe brought up a great map and it showed the number of households that were single households in each state. In Washington, DC, 48% of households are living by themselves.

Everything is getting smaller. Economically, it also has implications. He showed us pictures of shopping carts that are about half the size. A loaf of bread isn't even a loaf of bread anymore, it's a half a loaf of bread. The contents in the boxes of stuff at the food store are getting smaller.

There is something called the singles tax. For example, you go to a hotel, and they are priced for double occupancy. If it's just one person, you're paying the same price. Tax rates are higher for people who are single.

As far as the caregiving issue. People are living solo, they're not getting married, and they're not having children. Initially you think, well, they're not spending money raising children. As Joe pointed out, wait till they get into their 60s and 70s and they must pay for caregiving.

Ed and I had a flood in our house the other night. And water was coming down from the ceiling. Not that he knew what to do, but it was nice to have another person who could run up, turn off the water and we could figure it out together. If I were living solo, I wouldn't have had a partner to help fix it and figure out what to do.

So, you must pay for those services. That's going to be important as this new future evolves. We already know that men tend to die earlier, and women live longer by about 10 years. There's even talk of a second retirement. These are important implications on many levels.

For many individuals, managing uncertainty takes on a whole new meaning. We've got to think about future caregiving and the implications for couples and for women who are living longer.

The fourth area is the future being female, because eventually there will be more women in our society. Women already control two-thirds of all spending in a household.

A lot of women are now making their financial decisions. They are the key buyer of consumer electronics, 65% of cars are bought by women, and 90% of healthcare decisions. The fastest growing segment of new business owners are women.

It's important for us to consider the impact of caregiving. Whether it be young children or our parents, and who's doing the majority of that? In households, as Joe brought up, it's typically the oldest daughter.

Now, I will tell you a personal story. I'm the fifth out of seven children and my mom and dad lived locally. My other siblings lived out of town, and I tended to do most of

the caregiving. I helped my parents with those decisions as well as the financial decisions.

The thing that I brought up to Joe in our meeting is about the sandwich generation and the impact that it has on women's careers. I know one of the people who works here at Key Financial took time off from her career to take care of a parent. That has important implications.

What I brought up to Joe is that we have siblings who may or may not be able to pay for their own care as they get older. They may be single themselves and that will tend to fall on a sister.

So, the future of female is a very complicated one. It's got a lot of stress, and it doesn't tend to end with this wonderful image of retirement, being on a beach and riding bikes. Most of the time it's taking care of other people.

It is also complicated because women are making a lot of the financial decisions and doing a lot of the buying.

We've talked about the future, the future demographics and the implications. The future is gray, delayed, small, and female. And the fifth bullet point that Joe brought up is that the future is diverse. In America, we're already seeing it. I never realized how valuable it would be to have Sam Baez working here. He is from the Dominican Republic, and he speaks fluent Spanish. I can't believe how many times I hear Sam speaking Spanish on the phone. We are becoming a much more diverse nation, and that is not going to change.

It has important implications for those of us who are helping others, and it has important implications from an economic and demographic perspective.

As we think about these five bullet points, I think it's important to recognize that there is no such thing as average in America today. We are much more diverse in our preferences, lifestyles, and financial needs.

We need to approach these things with multidisciplinary teams. I think we want to rethink life stages. We are living longer, the stages are getting wider, and they are lasting longer. Again, that's the delay.

It's also important to recognize and discover those women who are in plain sight and realize that they've got very complicated future needs. We really need to take heritage into consideration. There are cultural norms and preferences that people have from all different areas of the world.

First and foremost, let me thank Dr. Joe for opening my mind and opening all our minds in terms of what the future could look like. We could have more of that AI, that anticipatory intelligence, and apply that thinking to everyday life. It's changing our approach to planning in all the different areas. So, let me end by saying thank you to Dr. Joe Coughlin from the MIT Age Lab.

Thank you so much, Joe, for opening my mind. Helping me to think about the future, the future lives of the people who work here, as well as our clients and in our

community. In addition to the things that we can do to make sure that they continue to live and have the quality of life that they imagined.

Thanks so much for joining me today. I'm Patti Brennan. We are Key Financial Wealth Management with wisdom and care. Have a great day, everybody.