



Retirement planning and your life expectancy

Don't get caught off guard by outliving your money because you thought you would never live to 80, 90 or 100!

When planning for your retirement, it is essential to think about how long you and your spouse or partner may live, even though this is a difficult concept to grasp. Your best starting point will be to look at family members' life expectancy and

medical history. From there, you can move on by considering your own health and lifestyle. Generally, you will find that if your family has a history of longevity – if your parents and grandparents lived long and healthy lives – there is a high probability that you may also live a long and healthy life.

Even though no one can plan exactly how long they will live, as many things in our lives are outside our control, people are generally living longer today than in the past. This fact can be attributed to continued advancements in technology and innovations in the field of medical treatment.

Over the past century, global life expectancy has increased by more than 25 years and continues to increase. The continued increase in life expectancy is captured in two recent statements. The first from the Stanford Centre on Longevity, *“By the middle of this century, living to the age of 100 will become commonplace, continuing a remarkable trend that saw human life expectancies double between 1900 and 2000, increasing more in a single century than across all prior millennia of human evolution combined”* and the second from Aubrey de Grey, Biomedical Gerontologist, *“The first person to live to 150 has already been born.”*

Even though these citations are from the so called 'developed' markets, this is a reality for me and you. The same is evidenced in the South African mortality statistics.

From the available South African mortality statistics (expectations on how long you will live) it is important to plan for living into your 90's and 100's. According to joint mortality data from retirement income and life annuity specialist, Just South Africa, the following are the facts; if you are a couple aged 65 there is a high probability that one of you will live into your mid 90' and

beyond.

Table 1.2 Life expectancy figures for South Africans age 65+

Life expectancy	Male	Female	Joint (4 years younger)
Currently 65	17	22	28
Currently 75	11	14	19
Currently 85	6	7	11

(Source: Just South Africa, 2021)

➔ 93
 ➔ 94
 ➔ 96

This continued increase in life expectancy is profound and has – or should have – a significant impact on how we think about life and retirement planning. It also challenges the conventional wisdom of retiring between the ages of 55 and 65.

We need to fundamentally rethink the traditional definition of retirement being a ‘line in the sand’ i.e., at between 55 and 65. We should rather reframe our thinking to starting our next life chapters at 55, 60 or 65, and plan for multiple chapters which will depend on our plan for our lives to 100.

The United Nations describes population ageing and increased longevity as a ‘human success story’ that gives us a reason to celebrate public health, medical advancements, and economic and social development over diseases, injuries and early deaths that limited human life spans throughout history. Population ageing has been recognised as one of the four global demographic megatrends, next to population growth, international migration, and urbanisation, which will all have a lasting impact on sustainable development”.

If the reality has not hit home yet; you may live a lot longer that you planned for! Financial security starts with your Life to 100 plan and should be supported by a sound financial plan.

Created by: Wynand Gouws, CFP® | MBA

Wealth Manager, Gradidge Mahura Investments, Author of To 100 & Beyond

Find a Financial Professional @ <https://fpimymoney123.co.za/find-a-financial-planner/>