

# **The 100-Year Life:**

*Living and Working in an Age of Longevity*

Written by Lynda Gratton & Andrew Scott

Executive Summary prepared by Mary Callihan | Last Updated August 12, 2019

## **Introduction**

People today are living longer than they ever have before, and because of this, life as we know it will change dramatically in the coming years. This fact demands but one question: how do we make the most out of the gift of a long life?

### **Some definitions:**

*Three-stage life:* the traditional life-cycle model with three phases--education, career and retirement. With people living longer and therefore needing to lengthen the second phase, it no longer works for the modern world.

*Multi-stage life:* a life-cycle in which people continually rotate through periods of education, work, and “retirement”. They get their basic education in their formative years before entering the workforce and continuing to gain knowledge and skills to help them adapt to the ever-changing landscape. They also take time to enjoy their life throughout their lives, taking time off to spend time with family, to travel, and to return to school. By shifting to the multi-stage lifestyle, one realizes the multitude of opportunities available to them and their ability to experience life in a series of seasons with breaks and transitions to new opportunities.

In order to make the most of a longer life, you need to realize some truths:

1. People will work into their 70s or even 80s
2. You will need to learn new skills in this rapidly changing world - never stop learning
3. Finances are important, but they're not everything
  - a. Family, friends, physical and mental health, and happiness are all crucial components to a 100-year life well lived.
  - b. Make wise financial decisions, but don't let work take over your entire life
4. Life will become multi-staged - no need to worry about picking just one career and sticking with it forever. When it's time for a change, follow a new passion.
5. Transitions will become the norm - embrace change and grow
6. Investing in your skills, health, and relationships during leisure time will become more important than recreation
7. People will stay younger longer by retaining adolescent characteristics into adulthood
8. Home and work relationships will transform
9. You will experiment *a lot*

10. Governments will need to support these changes to ensure that longevity is only accessible to those with the education and finances to afford it

### **1. Living: The gift of a long life**

- There is a myriad of causal factors involved in the lengthening of life expectancy
  - Better health
  - Better nutrition
  - Better medical care
  - Better education, especially better public education about things like smoking and sedentary lifestyles
  - Better technology
  - Better sanitation
  - Better income
- *Compression of Morbidity*: With greater longevity will come a shortening of the period of morbidity (the point at which your health declines due to old age).
  - Not only will you live longer, but you will live more healthily longer
  - Chronic illnesses associated with ageing (e.g. diabetes, cirrhosis, arthritis, etc.) will begin to start later.
  - With continually improving scientific and medical practices, we may be able to reduce or eradicate occurrences of age-related ailments, thereby further extending life expectancy and shortening the period of morbidity

### **2. Financing: Working for longer**

- Four key assumptions when envisioning your retirement
  - 1. How large a pension you are targeting
  - 2. The return on your savings (three components)
    - Risk-free rate of return (usually the interest rate on government bonds, assuming that the government doesn't default)
    - The risk premium (how much extra an investor earns from risky assets)
    - The balance of the portfolio between risk-free and risky assets
  - 3. How fast your income grows
  - 4. What age you want to retire
- Other considerations
  - How much you will earn
  - Income profile over your working career
  - How many children you have
  - Personal standard of living
  - How much you want to leave as an inheritance?

## Financing Retirement Based On Your Generation

	<b>Babyboomers</b> (born 1945-1964)	<b>Gen-X</b> (born 1965-1980)	<b>Millennials (born 1981-1996)</b> <b>Gen-Z (born 1997-2010)</b> <b>&amp; beyond</b>
<b>Life Expectancy*</b>	70 years	85 years	100 years
<b>About the Generation</b>	<p>You have been successful in pursuing the 3-stage life, which has set the precedent for the generations that have followed you as the structure for a life well-lived. During your career, you likely benefited from three sources of financing retirement (state pension, company pension, and private savings). You were likely able to finance your private contribution to your retirement fund by saving approximately 4.3% of salary each year over a 45 year career</p>	<p>You have used the 3-stage life as a model for structuring your own life, but now you are realizing that it will not last as the retired population outgrows the working population. It is now time to shift to a multi-stage life model to carry you through the remainder of your career and into your retirement years.</p>	<p>You are a younger adult or just entering adulthood and are realizing that the 3-stage life is no longer feasible. With the traditional means of financing a retirement unavailable to you, you would need to save over 25% of your salary every year over a 50-60 year career in order to save enough to retire for 20-30 years.</p>
<b>How they should proceed</b>	<p>You are retired or approaching retirement. Enjoy it and while you do so, be sure to find ways to stay creative, active, and social, so as to help you maintain good health for years to come. If you happen to enjoy working so much that you aren't ready to retire, consider applying aspects of the multi-stage life model and change things up by exploring new passions, going back to school, changing careers, and trying new things.</p>	<p>Determine your financial goals are for the rest of your life. What age do you want to retire? What standard of living do you want to enjoy during retirement and what do you need to do to get there? Apply aspects of the multi-stage life model to keep your career interesting, your health and relationships strong, and your mind always open to new educational opportunities that will keep you sharp and at the top of your game, even if you need to work a little longer than you originally anticipated.</p>	<p>Shift to the multi-stage life model. Come to terms with the fact that you will need to work longer than previous generations (probably into your 80s) because of your longer life expectancy. Focus on continuous education (changing technologies will mean that education can no longer be contained within the earlier portion of one's lifetime) and give your life balance by taking time off throughout your career for education, travel, sabbaticals, life events, family and relationship, etc. Take on new challenges, change careers, explore many interests, don't feel limited to one career choice for entire life and above all else, don't let your pursuit of money overshadow other important things in life.</p>

\*Since 1840, life expectancy has been growing by approximately 3 months every year

### 3. Working: The employment landscaping

- With a long life will come significant and on-going uncertainty
  - Modern centenarians have seen incredible change in the world over the course of their lives... there is no way to predict just how much the world will change in the next 100 years, however it is critical to have foresight.
  - So what do we do? Learn from the past and observe the trajectory of current forces, never stop learning and expanding our skill sets to adapt for the changing world, and explore the future landscape through the widest lens as we consider how the world may change in the years to come
- The new industries and ecosystems
  - Growing ageing population will demand growth in the sectors related to healthcare and services (especially those practices geared towards ageing and longevity)
  - Focus on sustainability - changes in the availability of resources will cause a shift in several sectors
  - **New ecosystems**
    - Significant changes in the average lifespan of a new company
      - 1920s, lifespan was 67 years
      - 2013, lifespan was only 15 years
      - This means that people will likely change companies multiple times throughout their careers
    - Large companies like Google, Pepsico, and Samsung will continue to exist with their large scale resources
      - However, they will turn to a surrounding *ecosystem* made up of smaller companies with more specialized workers for places of growth and development to deliver cutting-edge technology and sophisticated services
      - This model makes self-employment at certain stages a more viable option for people living the 100 year life
      - *Gig economy*: the rising number of people who earn their income not through full- or part-time work, but through the completion of specific tasks and commissions to multiple sequential buyers
  - **Smart Cities**
    - E.g. San Francisco, Seattle, Boston, and Washington D.C.
    - *Smart Cities*: A nexus of people who have ideas and high-level skills and who want to be close to other smart people to push and challenge one another.”
    - “At the centre of these creative clusters are often world-class universities.” (e.g. Silicon Valley has Stanford, Berkeley, and Cal Tech; Boston has MIT and Harvard)

- Every one “smart” job (those in science, technology, business, art, etc.) creates five others (consultants, gardeners, yoga instructors, baristas, etc.)
- *Assortative Mating*: marriage partners are more alike now in terms of education and income than they were in the past
  - Further drives the move to cities to increase the opportunities for finding interesting, fulfilling roles for both highly-skilled partners
- Increased flexibility, more working remotely to decrease energy consumption/carbon output and free up more time in the day for leisure, relationships, and education
- **The Changing Employment Landscape**
  - When we think of the future of the job market, we tend to fear that improvements in technology will mean a severe reduction in the available jobs.
  - There are two different kinds of *routine expertise*:
    - *Routine Expertise*: a precise set of instructions that describes how a task is to be completed
    - *Routine Cognitive Task*: a task that requires the expenditure of mental energy to complete a specific procedure (e.g. bank teller)
    - *Routine Manual Task*: a task that requires the expenditure of physical energy to complete a specific procedure (e.g. sorter on an assembly line)
    - Many of these routine expertise jobs are the ones being replaced by robots and automation, leaving a “hollowed out” job market in which only low-skilled and high-skilled positions remain
      - Technology has been a *substitute* for medium-skill workers, but a *complement* for highly-skilled workers
      - Because of this, the medium-skilled workers have been able to reach higher levels of efficiency and *become* highly-skilled workers
      - As technology has advanced, so has its ability to perform highly-skilled labor, such as medical diagnoses, therefore leaving 47% of jobs in the US (60 million jobs) vulnerable to these forces
  - So what kinds of skills *can't* be replaced by robots and AI? (at least not right now)
    - Complex problem solving that relies on expertise, inductive reasoning or communication skills (e.g. the invention of Apple products can't be replaced by AI yet, but the manufacturing can)

- *Polyani's Paradox*: 'we know more than we can tell'; a significant amount of human knowledge is implied and cannot be written down as instructions for robots
- Interpersonal communication and situational adaptability
  - *Moravec's Paradox*: 'It is comparatively easy to make computers exhibit adult-level performance on intelligence tests or playing checkers, and difficult or impossible to give them the skills of a one-year-old when it comes to perception or mobility'
- More vacancies will appear as people retire
- New technology could increase or maintain employment in at least three ways:
  - Complementary services (machine builders, maintenance, etc.)
  - Economic job creation (technology leads to greater productivity, leads to reduced need for human workers, leads to reduced production costs, leads to reduced prices, leads to higher demand, leads to increased production, leads to hiring more workers)
- Surviving the Rise of Technology
  - *Absolute Advantage*: humans are just plain better than robots or AI at completing the task
  - *Comparative Advantage*: robots and AI can complete the task well but humans are better at it
  - Anticipate unpredictability for what the future holds and prepare yourself to reinvest and reinvent yourself

#### 4. Intangibles: Focusing on the priceless

- *Intangible Assets*: things like family & friends, knowledge & skills, and good physical & mental health that make life more enjoyable and help you develop tangible assets (e.g. knowledge and skills lead to better job opportunities, which support better income and the ability to provide for your family)
  - Like tangible assets, intangible assets can depreciate if they are not maintained well...i.e. If you don't spend time supporting your relationships by spending time with family and friends or you don't take care of yourself with good nutrition and exercise, your intangible assets in the forms of relationships and health will depreciate and other aspects of your life will suffer.
- Three categories of intangible assets
  - **1. Productive Assets**: things that help individuals become successful at work (e.g. skills and knowledge)
    - Education has historically been positively correlated with income
    - Spend your time and resources gaining skills that are

- Valuable
- Rare
- Difficult to imitate
- Difficult to substitute
- There will likely be an increase in the importance of
  - Creativity and innovativeness
  - Human skills and judgement
  - Mental flexibility and agility
  - Experiential learning
  - Professional social capital - developing relationships with others who inspire you to grow and achieve
- **2. Vitality Assets:** mental and physical health and wellbeing (e.g. healthy relationships with friends, family, and partners and good mental and physical health)
  - Brain health is the most important
    - Support brain health with daily activity, community involvement, strong relationships, physical fitness and diet
    - Neuroplasticity - the brain is a muscle that can be developed and strengthened
  - *Emotional Spillover*
    - Positive: you leave home in the morning feeling well rested, supported, and content, so these feelings follow you through the day. By the time you return home in the evening, you feel like you have been productive and that you have learned something new and bringing the positive energy back into the home
    - Negative: you leave home in the morning feeling exhausted, guilty, and unhappy. The kids are unhappy and you feel like you aren't giving your spouse the support they need and deserve. These feelings carry over into your work day and you spend the day feeling stressed and unproductive. You then carry those feelings back home and continue to feed the cycle of negative energy.
    - It all comes down to how you manage your stress levels and how you take care of yourself
  - Build a posse of peers who will help keep you motivated and productive
    - *Regenerative friendships:* friendships that inspire you to be motivated and productive and introduce you to new ideas
- **3. Transformational Assets:** one's self-knowledge and openness to new experiences
  - *Liminality:* the uncomfortable phase in the middle of a transitional period where you can see your old self disappearing but your new self has not yet

fully formed (e.g. undergrad college years, anytime you see your skills start to become obsolete because of technological advances, changing careers, going back to school full-time, etc.)

- “Where the security of the past is left, but the success of the future remains unknown.” (pg. 138)
- “Transformation occurs... when people are able to step back and reflect on something and make decisions about it.” (pg. 141)
- *Possible selves*: future articulations of who we might be and what we might do; an alternative ideal of who we might become, who we want to become, and who we are afraid of becoming
  - Some are a symbol of hope, others are things we want to avoid
  - These possible selves will shape many of the decisions we make
  - Think in terms of...
    - Continuity - what is it about me that stays the same?
    - Causality - what is it that has happened to me that explains the change?
- Transitions will lead to changes in your relationships and networks
  - It’s the people who know you best who are going to be the greatest hindrance to your transformation - you will lose some friends, but you will gain new ones as you move into the new period of your life
- Your network will likely help you get employment - a friend of a friend might know of an opportunity for you
- Your openness to new experiences and willingness to challenge the norm will also impact your ability to make successful transitions

## 5. Scenarios: Possible selves

This chapter shows how one’s decisions can lead to a variety of ‘possible selves’. It walks through a series of scenarios and possible paths that one might follow given the choices they make along the way, and shows how the principles described in the preceding four chapters apply to the lifetimes of two characters, Jimmy and Jane, who are each representative of a different generation. Jimmy was born in 1971, representing Generation X, and Jane was born in 1998, representing Generation Z.

The point of this chapter is that the three-stage life is no longer feasible, and in making this point, the authors illustrate how much flexibility and openness to new experiences will be necessary for a long life well-lived. You will need to reevaluate things as you transition between seasons of



life, renegotiate household roles with your family as things change, take good care of your vitality assets, and find ways to continually develop your productive assets.

In Jane's case (Gen Z), she'll need to focus on investing her leisure time in 're-creation'. In other words, she, and all members of her generation, will need to spend a substantial time outside of work engaging in activities that will help her build knowledge and skills so that she can perform better in her career and keep her skills relevant for the changing employment climate. If Jane is part of a two-income household, she will also need to coordinate the development of her intangible assets with her partner a great deal more than any previous generation has had to. It is difficult to manage transitions and changes in a family when there is only one person's career to consider, and it is even more complex to do that when coordinating the careers of two. Striking a balance in this regard is extremely important, now more than ever before.

"It is up to each of us to let our imagination roam and to be creative about what is possible."  
(193)

- To read Jimmy's (Generation X) story, take a look at pages 149 - 172
- To read Jane's (Generation Z) story, take a look at pages 172 - 193

## 6. Stages: New building blocks

"If we operate with a belief in long sweeps of time, we build cathedrals; if we operate from fiscal quarter to fiscal quarter, we build ugly shopping malls." -Stephen Nachmanovitch

- Decoupling of age and stage - a person's age will no longer signify what stage of life they are in (returning to school, taking leadership in a company, taking time off, taking a job in a lower position than your previous one because you decided to change careers, etc.)
- *Juvenescence* - the state of being youthful - will last longer as life expectancy extends (elongation of adolescence)
  - *Neoteny*: the retention of adolescent features into adulthood
  - Juveniles tend to be more flexible and adaptable than adults; people may begin to retain some of these qualities longer as life expectancy increases
- *Galumphing*: 'the seemingly useless elaboration and ornamentation of activity'; the time you spend doing things that may not be the most efficient, but help free your mind to be creative and reconnect with who you are and what you want to accomplish. Costs and benefits are not a thought in your mind and you don't assign a price tag to the value you get out of it. You just allow yourself to be free and open to new experiences that will lead to self-discovery
  - "We galumph when we hop instead of walk, when we take the scenic route rather than the efficient one, when we are interested in means rather than ends. It is profligate, excessive, exaggerated, and uneconomical." -Stephen Nachmanovitch
  - Traveling, learning experientially, etc.

- ‘Routine art of self-observation’ - taking time to reflect on things that have happened in your life, decisions you have made, improvements you can make to how you handle yourself and challenges you encounter
- Becoming an explorer
  - Taking time to step out of your comfort zone to take on new experiences and enter a period of self-discovery
    - E.g. moving to a new city to meet new people and explore new ideas, traveling to a new country to learn about and experience their way of living
  - *Searchers*: set out on a journey explicitly to answer a question
  - *Adventurers*: set out with no goal other than experiencing the joy of discovery
- *Crucible experiences*: episodes in one’s lifetime where they viscerally experience the lives of others
  - E.g. visiting another city or country, visiting a refugee camp, serving people who are extremely poor
  - Spend the time asking meaningful questions and reflecting on one’s own beliefs and values
- These are what are called ‘*transformational assets*’. “At such times, people are able to glimpse the totality of human existence: the life that got these people to this place, the pressure they are under, and the opportunities they face.”
  - HOWEVER - jet-setting off to another country for a period of self-discovery isn’t the best option for everyone. Some people might find a greater sense of who they are and who they want to become by pouring themselves and their passion into meaningful work
- The independent producer stage - a period of building expertise, learning, and producing; emphasis on building credentials and reputation
  - Different forms of reputation:
    - Achievements
    - Experiences
    - Networks
    - Collaboration with others
- Balancing your portfolio
  - Three desires: have fun, contribute something back to society, and spend more time with friends. This is accomplished in three ways:
    - Earning enough money to match outgoings and boost savings
    - Taking a part-time role that links to the past and maintains a reputation, skills, and mental stimulation
    - Developing additional and new roles that broaden learning and provide a sense of purpose

## 7. Money: Financing a long life

- Financial efficacy and agency
  - *Efficacy*: I believe I am competent to perform this behavior
    - Ask questions like...
      - How much do I need to live on?
      - How long do I want to work for?
      - What is my knowledge of my financial situation?
      - How financially literate am I?
  - *Agency*: I have the self-control and will to make this happen
    - Ask questions like...
      - Would my 70- or 80-year old self approve of the decisions I am making today?
- How much do I need?
  - Consider how much you spend now and what you spend it on
    - Note: The more a person is locked into high levels of consumption during any period of their life, the harder it will be for them to adapt to lower levels of consumption during retirement.
  - How do you anticipate your spending behaviors to change when you retire?
    - Less work-related expenditures (clothing, commuting costs, etc.) and more free time to do things you had previously out-sourced (now you have more time to cook, DIY projects around the house, and utilize coupons when shopping)
    - You'll have more leisure time, so you can spend it on things that money can't buy (spending time with friends and family, watching the sunset, taking longer and less intensive trips, etc.)
- Betting on the house
  - Some people think that they will be able to sell their house and downsize while boosting their retirement pension. This plan is not likely to work because...
    - Many people have their house paid off by retirement, so downsizing to a new home will result in new mortgage or rent payments
    - A fall in living standards will occur when you downsize
    - Emotional attachment to your home, especially if it is the one you raised your family in
- Investing
  - *Rule of 70*: If you divide 70 by the return on investment, the resulting number is approximately how many years it will take to double your wealth
  - With the unpredictability of the stock market, investing copious amounts of money is not a reliable tactic for financing a retirement fund either.
- Financial efficacy

- Efficacy requires self-knowledge as well as general knowledge.
- Test your financial literacy by asking yourself the ‘Big 5’ questions (answers at the end of the paper):
  - 1. Suppose you had \$100 in a savings account and interest rates are 2% per year. After 5 years, how much do you think you would have in the account if you left it to grow?
  - 2. Imagine that the interest on your savings account was 1% per year and inflation was 2% per year. After one year, would you be able to buy more than today, exactly the same, or less than today?
  - 3. Do you think that the following statement is true or false: ‘Buying a single company stock usually produces a safer return than a stock mutual fund.’
  - 4. Do you think that the following statement is true or false: ‘A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage but the total interest on the life of the loan will be less.’
  - 5. If interest rates rise, what will happen to bond prices?
- Managing a portfolio
  - Understanding household finances will help you a great deal with managing your finances. Some common mistakes households make:
    - Households tend to be underinvested in the [equity market](#) (the market in which shares are issued and traded)
    - When households *do* invest, they tend to have ‘local bias’ (investing only in stocks that are familiar to them or close by)
    - Households tend to hold concentrated portfolios in the shares of their own employers (risky for both your job and your wealth)
    - When it comes to selling shares, households tend to sell the ones that are rising in price while holding onto the ones that have been declining
    - Households tend to rarely (if ever) revisit their portfolio to reallocate their funds
  - Overcoming these failings:
    - Diversify your risk (portfolio & pension providers)
    - Reduce the riskiness of your portfolio as you approach retirement
    - Seek a secure, low-risk income during retirement, rather than trying to maximize the value of your wealth
- Financial Agency
  - Given the lengthening of life expectancy, the cost of self-control issues also rises
  - Strike a balance between satisfying both current and future needs and desires
- *Hyperbolic Discounting*: suggests that, in general, people act impatiently in the short-term, but exhibit greater patience in long-term planning
  - Inability to properly account for a future self

- Ability to change plans through future decisions
- Short-term impatience vs long-term impatience
- Preparing for the future requires people, on occasion, to forego short-term pleasures in the interest of long-term commitments
  - Automate as many decisions as you can that tempt you to make choices that are unproductive towards your goals (i.e. set up your bank account so that it automatically moves some set amount of money to savings every month so that you aren't as tempted to spend it)
- Good financial decision-making is made up of two components
  - 1. Experience and knowledge
  - 2. Analytical functioning
  - You peak in both components around mid-life, so most of your financial planning should occur around 40-50 years of age
- Inheritances
  - Many people want to leave behind an inheritance for a variety of reasons, including
    - Ensuring financial stability for their children
    - Achieving some form of immortality through possessions they pass down
    - Having something to hold over their children to manipulate them into taking good care of them in old age

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## 8. Time: From recreation to re-creation

- *Quantitatively*, a 100 year life is longer than a 70 year life
- *Quantitative* measurement of the differences between 100 and 70 years is not so cut and dry. People will make different decisions about how they spend their time
  - E.g. more time spent working, spending time with family, taking care of one's health, building skills and knowledge, traveling, etc. and everyone is going to make different choices
- *Income effect*: as people grow richer, they want to consume more of most things, including leisure
- *The 'Downton Abbey' Effect*: as demonstrated in the popular television show of the same name, during the early 20th century, the working class began to work more and the wealthy worked less, becoming the *leisure class*
  - This trend flipped at the end of the century when, in the 1990s, those working for higher wages began working more hours, and those working for lower wages began working less
  - *Substitution Effect*: as wages increase, the cost of leisure time (working less) goes up

- However, money isn't the only motivator for working more - there is a sense of social status seemingly reaped from working more, as it makes you appear to be busy and in-demand
- The last 100 years have seen the development of the leisure industry that privatized public entertainment around *consuming time*
  - As people begin to *use time* for activities of re-creation, rather than recreation, we can expect to see growth in a leisure industry that is aimed at the individual and focused on self-improvement and leisure as an investment

## 9. Relationships: The transformation of personal lives

- *Production complementaries*: described in Gary Becker's 1981 'Treatise on the Family' as the way in which a husband specializes in duties related to the market, and the wife focuses on duties towards managing the household and the two are able to balance one another
  - Husband supports tangible assets
  - Wife supports intangible assets
  - In the multi-stage life, it is expected that these roles will shift between partners during different phases of their life to take the lead in managing different assets
- *Pure Relationship*: partners enter a relationship for the love, support, and companionship that a good relationship brings, rather than for the traditional contract between partners as seen in 'production complementaries'
  - Reflexively organized and open to constant refashioning
  - Depends on mutual trust between the partners, that their bonds can withstand future traumas
  - For each partner, self-identity is negotiated through self-exploration and the development of intimacy with the other, creating a shared history
  - Can be terminated at the will of either partner, so the ability to work through issues that arise over time is crucial
- *Consumption Complementaries*: the argument that relationships work because of economic reasons - it is easier to finance a house, car, holidays, and a household with two incomes instead of one
- Other advantages of relationships
  - Risk pooling
  - Assortative mating - partners are of similar age, education, and income
- Children
  - Thus far, it appears that women's window in which they can bear children remains static, leaving relatively little time for them to answer questions such as
    - Whether they want to have children
    - When they want to have children

- With whom do they want to have children (or if they want to go it alone)
  - With a multi-stage life, it becomes increasingly important to choose a partner who wants the same things as you do in this regard
  - People living a multi-stage life will need to carefully think through the life they want to have for themselves, their children, and their partner (should they choose to marry or cohabitate).
    - Additionally, once they have children, the couple will need to negotiate roles, deciding if one partner will be the primary caregiver while the other is the primary breadwinner or if they will both have careers and utilize a support system of family (the children's grandparents) to help care for them. The role negotiation may change over time, but as long as all parties are able to work together to develop solutions, things will work out.
- Work and home
  - Households will need to make critical decisions about who is responsible for what
  - Women are continuing to work throughout their lives at unprecedented rates
    - Gender pay gap has impacted the number of women working
      - The gap could be accounted for based on hours worked (women tend to spend more time tending to household duties while men spend an average of 11.5 hours per week more on work (however they often don't contribute to household duties nearly as much as their wives)), career breaks (e.g. time spent raising kids), and differences in employment paths
- Flexibility
  - 5 critical questions to answer when considering your desires around flexibility and your career:
    - 1. Are you willing to work in a job that involves significant time pressure?
    - 2. Are you willing to work in a job that gives little autonomy in terms of when you have to be there?
    - 3. Are you prepared to work in a job that requires you to be flexible in your scheduling?
    - 4. Do you want a job that requires you to be in touch with members of your team regularly?
    - 5. Will the job be something that only you can do or is it easy to find someone to substitute you? (like if you want to take time off can your employer easily find someone to fill the role while you are away)
- Marriage and Divorce
  - Divorce rates hit a peak with those married between 1970 and 1979 (a period that has experienced great transitions - they would have set out intending to live the traditional way, with the man as the breadwinner and the woman as the

homemaker, but as things changed over the past decades, this model limited the couples' abilities to allow both partners to pursue their own career dreams)

- Those married in the 2000s are less likely to get divorced because they are marrying later and therefore spending more time in self-exploration before committing to a partner, however, it is likely that people will continue to divorce as both life expectancy and dramatic changes occur that send people on different paths
- Multi-generational living
  - Multi-generational households in India and China are seen to offer many benefits
    - Children get to spend time with grandparents
    - Parents have child-rearing support from grandparents
    - Grandparents feel that they have a positive and impactful role
    - Increased longevity for everyone
  - The downsides: lack of privacy and potential for emotionally draining relationships between the generation
  - The multi-generational household could become a place where cross-generational interactions occur on a regular basis, thereby reducing generational stereotyping (e.g. Baby Boomers vs. Millennials)
- Friends
  - Cross-generational friendships are more likely to form as life expectancy and cross-generational interactions increase

### **Conclusion: Agenda for Change**

- A sense of self
  - A long life is, fundamentally, a single journey, comprised of a long series of decisions you make about who you are and what you value. Your decisions define and shape the sequence of stages, events, and transitions that together become your accumulated sense of self - your identity.
- Identity
  - Globalization allows us to communicate with and learn from people all over the world in an instant
  - The capabilities afforded to us through globalization, communication technologies, and social media allow us to have role models from all kinds of backgrounds, even if they are not physically with us
  - The result: as you think about who you are and who you want to become, you are able to view many possible selves
- Planning and experimentation



- Planning for a 100-year life requires a person to make many key choices about who they want to be and what they want to do, however the danger is in making the wrong decision because of unrealistic optimism about the future
- Take time to understand what works best for you, to understand what you enjoy and value, and to be insightful about what resonates with your own character and personality
- **Mastery**
  - Your willingness to commit to the hundreds, if not thousands, of hours of learning, rehearsal, and repetition it takes to master skills or knowledge says something about your motivation to learn
  - The keys for mastery, as argued earlier, are efficacy (knowledge & competence) and agency (the propensity to take action)
  - A long life well-lived means making tough decisions (to do things like save more than you spend, convert recreation time into re-creation, and have hard conversations with your partner about renegotiating household roles to make the best possible situation for the whole family) and committing to making changes that will benefit you in the long run.
  - A *growth mindset* allows individuals the ability to stick with and achieve their goals by pushing themselves out of their comfort zone and focusing on the path ahead
- **What does this mean for education?** - p.339 if you want to read the whole thing
  - The agenda for educational institutions in the future:
    - How to incorporate new learning technologies and experiential learning
    - How to break down boundaries between age groups
    - How to think more deeply about ways to teach creativity, innovation, humanity, and empathy
    - How to rapidly expand practical specialisms in order to ensure that education wins in its race against technology
  - “Technology makes education ripe for ‘disruptive innovation’ ... this will have a positive impact on lifelong learning.”
    - Investments in digital innovations will transform the classroom with online teaching, MOOCs [Massive Open Online Courses], digital degrees, and certifications with new providers and new entrants
    - People will begin to see an ever-increasing array of options for how, what and where they study, and at what price
  - Currently, most educational courses are ‘age stratified’, meaning that they are divided by age group (school, undergrad, postgrad, and ‘mature students’), creating boundaries between the ages and increasing homogeneity in the class makeup, thereby boosting stereotyping and prejudice

- Schools could become ‘places where young, middle-aged and older people from all walks of life can get to know each other enough to build mutual respect, develop cooperative relationships, and reignite the norm of human behavior’
    - Employers are reporting that new entrants into the workforce lack skills like creativity, innovation, humanity, and empathy and they want schools to take greater responsibility in teaching their students these things before graduation
  - What does this mean for corporations?
    - Six suggestions for what corporations must do to support those who will live for 100 years:
      - 1. Rebalance the corporate rhetoric between tangible and intangible assets
        - Right now, corporations primarily tend to tangible assets (e.g. how much to pay employees for work done, what pension to make available, etc.)
        - They need to understand the value that the strength of an employees’ intangible assets brings to their performance abilities at work and find ways to support them
      - 2. Support and acknowledge employee transitions and the profound requirements they will have to develop and protect their transformational skills
        - Transition support could take the form of..
          - Training to boost skills in transformation
          - Ensuring that people are able to develop dynamic and diverse networks
          - Helping employees develop self-knowledge through peer-based feedback
      - 3. Firms will have to re-frame the practices and processes of corporate careers from three stages to multi-stages
        - The three-stage model in which employees stay with the same company for the majority of their careers no longer works, so in order to have happy and productive employees, employers and employees will need to open a dialogue to allow for greater flexibility that allows employees the flexibility they need to take time off when they need to, ramp up or down during varying periods of their life, and take time to build skills or take sabbaticals, all in the interest of remaining productive and open to learning new skills and knowledge
      - 4. Firms will have to consider the evolving role of the family at work

- As more young men express desires for flexibility in order to be more involved parents than men in previous generations, flexibility will become a thing that many people want, not just mothers
  - 5. Change corporate attitudes to age and initiate a shift to age-agnosticism
    - Continuing to link age with ability will leave many corporations far behind, as they will be ignoring the potential to maximize on the opportunities that a cross-generational employee base can offer
  - 6. Be prepared to accept and appreciate experimentation, both in the working practices they are willing to accept and in the CVs of those they recruit
    - As they embark on a new way of life (multi-stage) people will have fewer role-models to look up to when designing their own lives, therefore experimentation will be necessary and the methods that work will quickly gain traction and help more people succeed.
    - They will also need to be more tolerant of ‘gaps’ in potential employees’ CVs, in which they may have taken time to tend to intangible assets
- The government agenda
  - The government will need to reconfigure the legal system, the tax and benefit systems, employment legislation, and the institutions that deal with education and marriage
  - Rather than fix the dates of key transitions (education to workforce to retirement), governments must provide a framework that allows people to choose their own milestones
- The inequality challenge
  - Two major challenges:
    - 1. Life expectancy is not increasing at the same rate for all
      - A sizeable difference is opening that is determined by income level with the rich outliving the poor
    - 2. Making a 100-year life a gift rather than a curse requires a great deal of self-knowledge, considerable skill and education, the financial resources required to support transitions, and a negotiating strength with employers
  - Governments will need to support lower-income people through transitions, as they build their intangible assets, and as they prepare for future stages

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**Final thoughts:** “Faced with frustration of government and corporate norms, people--both individually and collectively--will want to set out themselves to experiment with different ways of working and living. This will all be for the good. It is [the view of the authors] that this arc of

experimentation will create opportunities for many people to really explore what is important to them and that individuality and diversity will be encouraged and celebrated. There will be lots of variety out there - and from this variety will spring the gift of a 100-year life.”

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#### ANSWERS TO FINANCIAL LITERACY QUESTIONS (chapter 7)

Q1. Just over \$110

Q2. Less

Q3. False

Q4. True

Q5. Fall