



Roundtable: Financial Security in the Era of Longevity

SUMMARY

The Financial Security in the Era of Longevity Roundtable, an Australian first, held on 26 June 2024, and hosted by PrimeLife Partners was very highly rated by the participating CEOs, board directors and chairs, innovators and other thought leaders from sectors including finance, social impact, universities, retirement and innovation. The Roundtable achieved many of its objectives and forms a template for 3 forthcoming Roundtables on the other pillars of a successful Longevity Economy: Care, Home and Consumer

The invitation-only Roundtable had 7 specific objectives, including:

1. Endorsing the urgent need to focus on Australia's longevity economy, not just ageing
2. Highlighting the priority challenges to financial security for Australians living longer, including those currently left behind
3. Exploring convergent socioeconomic and demographic trends exacerbating the financial situation of those approaching or already in retirement
4. Introducing industry leaders to longevity and technology futurists and their perspectives
5. Accelerating innovative solutions to both opportunities and challenges
6. Illustrating a range of innovations ready to address challenges and opportunities presented by more Australians living longer, focusing on the need to develop innovative financial products, inclusive policies, and a holistic and life course approach to longevity.
7. Identifying potential sources of funding to address Australia's longevity economy.

Leading financial and longevity experts support the urgent need to develop and adopt innovative solutions. Participants appreciated the opportunity to hear insights from other perspectives.

PrimeLife Partners' leadership as Australia's first company focussed exclusively on the Longevity Economy and on bringing together innovators and leaders across sectors, was warmly received and supported.

A Financial Security reference group has been formed to advise and collaborate on the development of a paper on Financial Security in the Era of Longevity. Key challenges and opportunities emerging from the Roundtable follow.



Key Challenges and Opportunities

Challenges

Current Planning Tools *are no longer fit for purpose*

Financial planning tools and resources are outdated, based on decades-old assumptions that do not reflect the reality of today's economy or retirees. New tools can improve decision-making across the life course to secure Australians' financial futures.

Battlers Super Stream

The group recommended innovative financial products tailored to low-income earners, single individuals, and renters to support their financial security.

Disconnect between Work and Retire at 67

The Roundtable acknowledged the need to combat work-related/age-related biases and stereotypes to enable and support a mature age workforce.

Housing for Renters: Tackling Housing Affordability and Security for Renters

Addressing the specific housing needs of renters is recognised as crucial for ensuring their financial security and quality of life especially in their later years.

Silver Divorce: Supporting Single Older Individuals Going Through Divorce

With divorce, including "Grey Divorce", so common, new approaches and tools are needed to support older individuals going through divorce and its aftermath with financial planning resources.

Opportunities

New Financial Products to cover care, especially care at home

Over 90% of Australian seniors plan to age in place but Government-funded and subsidised services are already insufficient, compounded by a deficit of carers.

The Slow Uptake of existing products that provide income for asset-rich retirees

Problems and potential remedies and alternative new products were discussed at length

Minister for Longevity & Longevity Authority: Establishing Leadership and Coordination

Creating a dedicated Minister for Longevity and a Longevity Economy Authority was suggested to provide leadership and oversight for effective coordination across portfolios and sectors.

Life Course Approach: Adopting Holistic Strategies Across Different Life Stages

Integrating a life course approach into policies was discussed for its potential to ensure financial support and security from early childhood through aged care.



Healthy Ageing: Prioritise Mental, Physical, and Financial Well-Being

Prioritising the mental, physical, and financial well-being to enhance the quality of life for individuals throughout their extended lifespan.

Communities built or retrofitted to support healthy longevity

Including a cross-sector approach, coordinating efforts across sectors to fund innovation to address the challenges of ageing. Participants considered place-based approaches similar to those underway overseas.

Xprize \$101 Million: X Prize Healthspan a 7-Year, Global Competition to Revolutionise the way we approach human ageing.

Engaging in Xprize Healthspan fosters breakthroughs that can significantly improve the lives of older individuals and ensure Australia remains at the forefront of global ageing solutions.

Stanford Map of Life: Navigating Transitions Across the Life Course and Stages

Utilising tools like the Stanford Map of Life helps individuals navigate transitions across different life stages.

Key Discussion Areas

Pressures on Traditional Models

1. **Longevity Pressure:** Increasing life expectancy strains traditional retirement models and financial systems.
2. **Outdated Financial Models:** Current models for retirement financial security are inadequate and urgently need updating.
3. **Insufficient Retirement Means:** Many Australians lack the means to support themselves through retirement, increasing reliance on the age pension.
4. **Alternative Support for Baby Boomers:** Home-owning Baby Boomers need systems beyond the age pension for financial support.

Vulnerable Populations

5. **Low-Income Vulnerability:** The lowest income quintile is highly susceptible to poverty and homelessness in later years.
6. **Support for Women:** Women face systemic, cumulative disadvantages that can be mitigated by age-friendly, place-based communities with a whole-of-life perspective.
7. **Housing Challenges for Renters:** Renters, particularly single and female renters, struggle to find affordable, appropriate housing in their later years.

Housing Solutions

8. **Homeshare Options:** Homeshare models, combining support and income for seniors, are underutilised in Australia compared to other countries.
9. **Innovative Housing Models:** Cooperatives and intentional communities face funding barriers. Impact investing in these models can create sustainable living arrangements supporting financial and social wellbeing.



Government and Financial Systems

10. **Complex Government Processes:** Accessing the age pension and other benefits is overly complicated.
11. **Need for Diverse Financial Products:** Low uptake of annuities and reverse mortgages indicates a need for a broader range of financial products, especially for low-income individuals.
12. **Financial Literacy:** Early financial education is crucial for Australians' retirement security, but it remains challenging to motivate early planning.
13. **Super Fund Support:** Super funds are slow in providing the enhanced customer support and advice mandated by the government.
14. **Affordable Financial Advice:** Financial advice remains unaffordable for most people.
15. **Innovation and Barrier Removal:** Innovation and eliminating unnecessary barriers are key to financial security.

Insurance and Technological Innovation

16. **Aged Care Insurance Scheme:** An NDIS-style scheme could support older people lacking financial security.
17. **Savings Products for Aged Care:** Products encouraging savings for aged care could be popular among those with more means.
18. **Adapting Global Innovations:** Australia should explore and adapt successful fintech, wealthtech, and insurtech solutions from other countries.
19. **Advanced Ageing Technologies:** SOMPO Lab in Japan has developed advanced technologies to support ageing populations.

Data and Collaboration

20. **Data Access for Financial Institutions:** Financial institutions and superannuation funds need direct access to government data to better understand their clients.
21. **Global Competitions:** Engaging in competitions like the XPrize Healthspan drives innovation in addressing ageing challenges.
22. **Co-opetition for Innovation:** Collaboration across superannuation funds encourages the development of innovative financial products.
23. **Private-Government Collaboration:** Efficient resource utilisation for supporting the financial and social wellbeing of older people requires collaboration between the private sector and government.



Next Steps

Financial Security Reference Group : A Financial Security reference group has been formed to advise and collaborate on the development of a paper on Financial Security in the Era of Longevity.

Housing Security in the Era of Longevity Roundtable 31 July 9am-2pm

Securing Care and Living in the Era of Longevity TBC August

Consumers in the Era of Longevity TBC September

PrimeLife Partners, a company dedicated to enabling Australians to age, work, live, retire and care better, has been active for a year and a half. It is independent of any government or corporate sponsorship, and engages in a range of activities aimed at accelerating Australia's lagging response to longevity. With 2030 being the pivotal year in which Australia will be home to more people 65 and over than 18 and younger, we have an urgent longevity imperative. You can find out more about the company at: www.primelifepartners.com.

We are driving the discussion on the impact of longevity on people, community, society and the economy.

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