

Living to 100: The four keys to longevity

The BMO Wealth Institute provides insights and strategies around wealth planning and financial decisions to better prepare you for a confident financial future.

Famous comedian George Burns was once quoted as saying, **If you live to be one hundred, you've got it made. Very few people die past that age.** By 2061, it is estimated that there will be more than 78 thousand centenarians living in Canada¹. This is a huge increase from about six thousand reported in the 2011 Census. For most people, planning for retirement or their later years is focused mostly on finances and how they will spend their time. However, ensuring they spend those years in good health is something that many overlook. The times are certainly changing, with medical advances and technological breakthroughs, planning for retirement and living longer needs to be more holistic.

In 1970, average life expectancy at birth in Canada was 69 years for males and 76² for females. By 2011, it had increased to 79.3 years for males and 83.6 years for females.³ Today, according to Statistics Canada, there are over 5.3 million people in Canada aged 65 or older, accounting for about 15.3 percent of the total population⁴. Of the Canadian population that is over the age of 14, the number of those 65 and older will almost double from 21% currently to 37% by the year 2030.⁵

The vast majority of baby boomers—those born between 1946 and 1964—are on a quest to improve their odds of living longer than previous generations. They not only want to live longer, they want to live healthily, happily and more financially secure than ever before. Although there is no magic potion to ensure a long and healthy life, there are some notable accounts of individuals, families, and even whole communities that have defied the aging odds.

The holy grail of longevity

In one such amazing story, Stamatis Moraitis, a Greek veteran of World War II, narrates how he was diagnosed with lung cancer in the 1960s while living in the United States.⁶ He decided to forgo chemotherapy, and instead returned to his birthplace, Ikaria, the island where “people forget to die”. Moraitis abandoned his western diet and lifestyle and embraced the traditional island culture. His American doctors had told Moraitis he had only nine months to live, yet after moving to Ikaria he was still living – cancer free – 45 years after his original diagnosis. According to the story, he never had chemotherapy, took drugs or sought therapy of any sort. All he did was move home to Ikaria and embrace the local lifestyle. He claimed he even outlived his U.S. physicians who, decades earlier, had predicted his imminent death as the only plausible outcome of his devastating diagnosis.

Moraitis is not alone when it comes to longevity on the island of Ikaria. In fact, University of Athens researchers have concluded that people on Ikaria are reaching the age of 90 at two-and-a-half times the rate of their American counterparts.⁷

Stark differences in their lifestyle are apparent, even to a casual observer. Stress factors such as daily schedules don't exist on Ikaria. Although the average Ikarian regularly performs vigorous activities, it's never considered exercise. The island has a symbiotic attitude characterized by equal acceptance and accountability for everyone. Keeping up with the neighbors on the island of Ikaria translates into good health, happiness and well-being for all.

If you pay careful attention to the way Ikarians have **lived their lives**, it appears that a dozen subtly powerful, mutually enhancing and pervasive factors are at work.

Dan Buettner
Author of **Blue Zones**

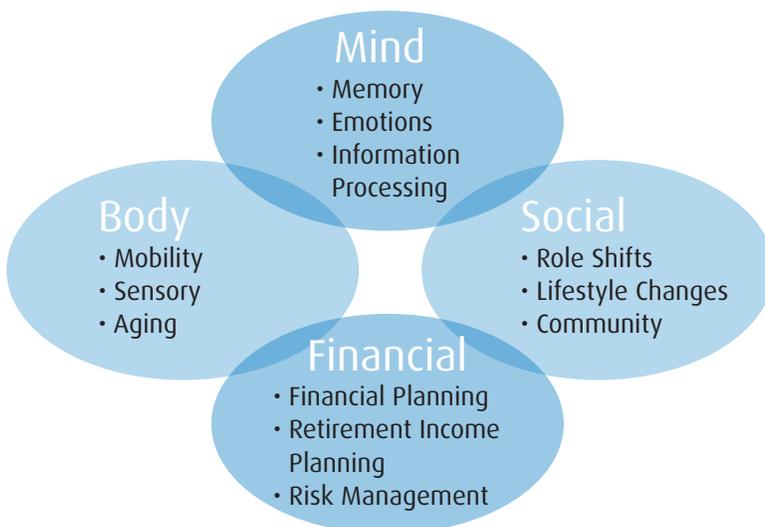
Many traditional cultures with a strong ethnic heritage like Ikaria embrace the simplicity of life. The Ikarian diet is also a factor. It features fresh vegetables, fruits, herbs, spices and local honey, which are all products of weekly harvests that every citizen contributes to and benefits from, thereby maintaining a social structure that literally nurtures the entire community. The legacy of an Ikarian lifestyle may be the closest we have come to discovering the holy grail of longevity.

Obviously, the fast-paced culture and appointment-driven lifestyles of most Canadians isn't conducive to tending to abundant gardens or taking daily naps, both of which provide health benefits and are common practices in Ikaria. However, by recognizing what works in other cultures, it may be possible to find an acceptable middle ground to tip the scales in favor of a long and healthy life—no matter where you live.

Unlocking the door to longevity

To try to further understand the keys to longevity, a survey was conducted to record and analyze the views of over 1,000 Canadians on various aspects of aging.⁸

The wide-ranging survey questions were focused around four aspects of life that many experts in the field of aging consider to be the keys to unlocking the mysterious door to longevity.



Keys to Longevity

Source: Alexis Abramson Ph.D.

Aging is an inescapable process – **aging well** is a conscious choice.

Alexis Abramson Ph.D.
Gerontologist

The four keys: body, mind, social and financial

Normal aging involves an ongoing physiological transformation. As your body and mind evolve and adapt, it's helpful to re-evaluate both your physical and your mental status, and to determine what changes in your diet, exercise regime and general lifestyle are required to promote 'healthy' longevity. In addition, by putting the necessary tools in place as soon as you can to ensure that you have a strong retirement and financial plan and a solid social structure, you are more likely to seamlessly adjust to your senior years.

Although it's never too late to make positive changes, keeping clear goals in sight is easier when good habits are formed and incorporated over a lifetime, rather than adopted as an afterthought. It's critical that you devise a strategy that will help you remain vigilant about all aspects of your health, well-being, personal life and financial assets. By consciously nurturing these four components, you can unlock your potential to achieve a long and rewarding life.

Key 1: The body

The master key that unlocks every other door

Good health is one of the basic elements required to achieve long life; without it, everything else is diminished. Now is the time to initiate the changes necessary to maximize your current and future health status.

Research conducted by Dr. Dean Ornish and his team at the University of California, San Francisco concluded that following a program of "healthy eating, exercise and stress reduction can not only reverse some diseases—it may actually slow down the aging process at the genetic level."⁹

In fact, longevity odds are greatly influenced by your personal lifestyle choices. Other aspects of good health should include:

Adequate sleep (7 to 8 hours per night, and naps as needed).

Regular stretching and deep breathing to keep your joints flexible and your body oxygenated.

Physical activity that includes both high- and low-impact exercise at least 3 times a week.

Drink at least 8 glasses of water daily.

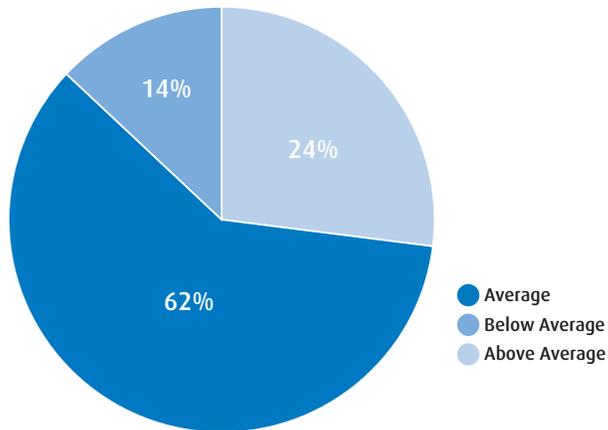
Generous amounts of dark leafy vegetables, fresh fruits and whole grains in your daily diet.

Eliminating or reducing the amount of unhealthy fats, processed sugars and preservatives in your diet.

Consuming a moderate amount of alcohol (e.g., just a glass of red wine with dinner).

Most Canadians (88%) have taken some steps to help them live a longer life.

BMO Wealth Institute survey



Current Level of Health

Source: BMO Wealth Institute survey by Pollara, March 2014

The survey noted that there is always room for improvement as we strive to increase our lifespan. The most common initiatives are eating healthily (55%), exercising (47%) and visiting their doctor regularly (43%).

When asked how they would rate their level of health based on their age, the majority of survey respondents considered themselves to be of average health for their age (62%), with approximately one-quarter saying their current level of health was above average (24%). Approximately one in ten (14%) considered their health was below the average for their age. Younger Canadians, those in the 18-29 age category, were more likely to consider their current level of health to be above average, as compared to older Canadians, aged 50-68.

Key 2: The mind

The fundamental key

Living your best life depends on a healthy brain. A recent article explores the best ways to improve your brain power for life.¹⁰ This article reveals that functioning to our fullest capacity is directly linked to the health of our brains. The article suggests that you incorporate these four fundamental lifestyle changes to boost your brain power.

Cognitive training Memory, reasoning, and speed-of-processing exercises create a winning combination for cognition.

Aerobic exercise People who exercise moderately to vigorously just once a week are 30 percent more likely to maintain their cognitive function than those who do not exercise at all.

Don't smoke Non-smokers are nearly twice as likely to stay sharp in old age as those who smoke.

Maintain social networks People who work, volunteer and maintain close-knit human bonds are 24 percent more likely to preserve cognitive function in late life.

Living your best life depends on a healthy brain.

The survey results revealed that loss of mental ability was the biggest concern that respondents had about living to 100 and beyond.

Below is a complete list of the feedback received when respondents were asked for their biggest concern about living to 100.

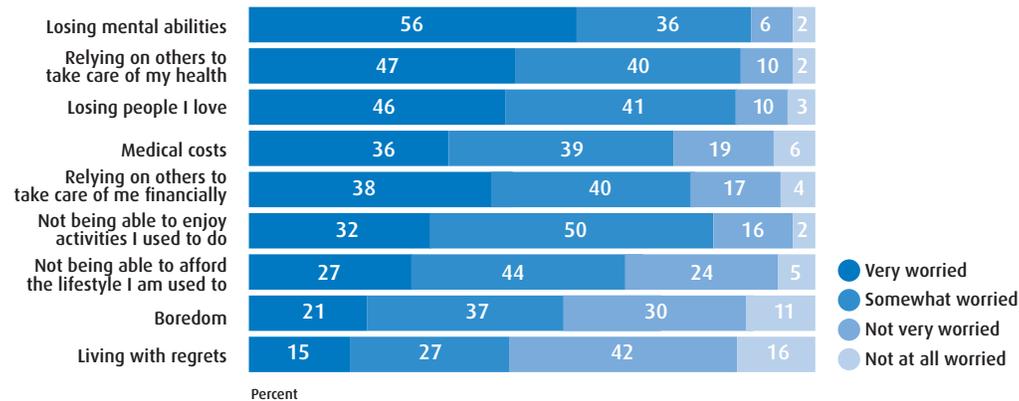
It's a common myth that an older brain is not as sharp as a young one. The good news is that research tells us that comparisons between the human brain and computers suggest otherwise.¹¹ We must take into consideration that an older mind has stored and processed much more information over the course of a lifetime than someone in, for instance, their 20s. Although the information is still accessible, at some point it begins to take longer to process, much like a well-used computer's hard drive.

The brain, just like the muscles of the body, requires regular exercise to keep the mind sharp. Mature adults are rising to the challenge by adapting to the technology wave and incorporating activities that challenge the thinking process, including surfing the web, online gaming, and using an electronic reader to catch up on the latest book. There is no doubt that all of these activities sharpen your cognitive skills – the key to optimal mental health.

Key 3: Social

The key to enjoying life

The popularity of personal bucket lists has ignited a passion in seniors to take up new hobbies, write their life stories, or develop new careers. Senior wanderlust knows no boundaries when it comes to fulfilling dreams after raising a family and retiring from a dedicated career. Survey results suggest there are a plethora of new activities respondents are interested in incorporating into their daily lives after retirement.



Biggest Concerns About Living to 100

Source: BMO Wealth Institute survey by Pollara, March 2014

The progressive increase of data may cause the older brain to process all the information a bit more slowly, but we ultimately continue to become **more intelligent with age.**

Christopher Bergland
Psychology Today

56% of Canadians were **very** worried about losing their mental abilities later in life, and an additional 36% were **somewhat** worried.

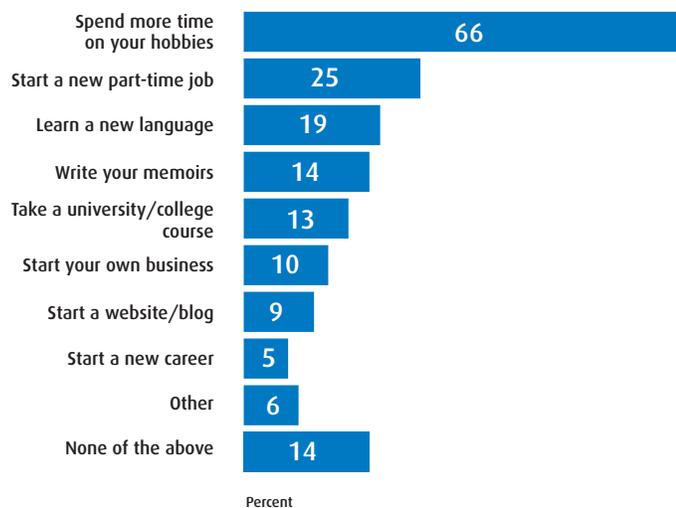
BMO Wealth Institute survey

Spending more time on hobbies and starting part-time jobs were both shown to be highly desirable new activities on the list for many survey respondents and this is widely seen as a positive outcome. Researchers at the Institute of Economic Affairs in the U.K. recently identified a range of substantially negative effects on health after retirement. Their study found retirement to be associated with a significant increase in clinical depression and a decline in self-assessed health. These effects were shown to grow as the number of years people spent in retirement increased.¹²

The encouraging link between continuing to work and longevity is exemplified in the Chianti region of Italy, located in Tuscany between the cities of Florence and Siena. In this wine region, the family-owned vineyards are often passed on from generation to generation. While the elders may leave the more taxing jobs to the youngsters, they never fully retire. The older members of the family continue to walk the rows of vines to make sure the grapes are in good condition and participate in tastings to ensure the quality of the wine, and they remain involved in important business decisions. Many locals claim it's their ongoing daily involvement that is responsible for their exceptionally long and healthy lives.

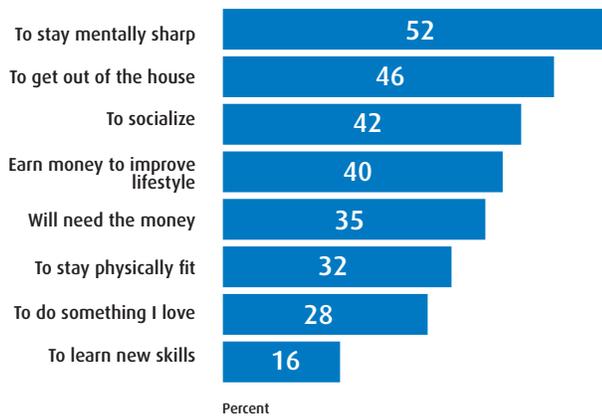
If you're looking to boost your level of social interaction, to supplement your income, or are seeking a productive way to fill your time, you may want to consider taking on a part-time job.

Besides the financial advantages, there are other compelling reasons to **consider returning to the workforce** after retirement.



New Activities During Old Age

Source: BMO Wealth Institute survey by Pollara, March 2014



Reasons for Working During Retirement

Source: BMO Wealth Institute survey by Pollara, March 2014

The survey results revealed additional motives respondents suggested would influence their desire to work part-time after retirement.

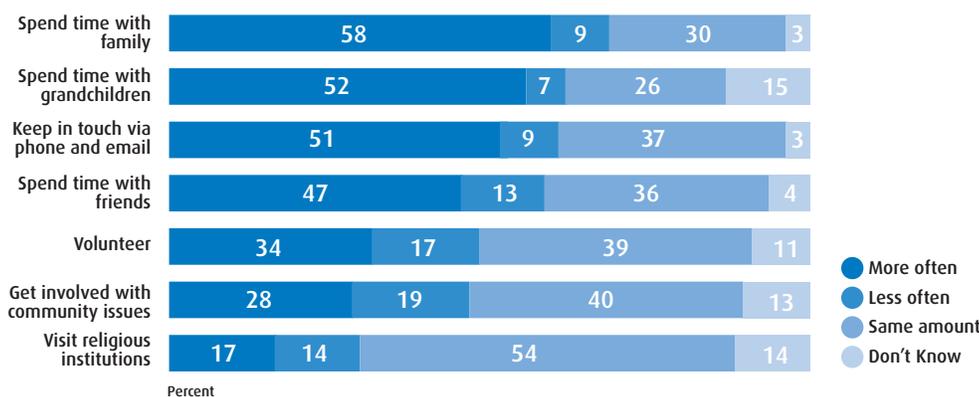
We are all social creatures at heart. The simple act of a good conversation with a close friend or family member can provide acceptance, understanding, compassion and even an occasional wake-up call when necessary.

John Cacioppo, a University of Chicago social psychologist and neuroscientist who studies the biological effects of social isolation, has found that a lack of social connectedness leads to loneliness and can be linked to dramatic increases in stress, hardening of the arteries and inflammation in the body. Cacioppo and his research team also found that social isolation can diminish the brain’s executive function, learning and memory. There is no doubt that we all require ongoing social connectivity to maintain optimal health and longevity.

Those who regularly interact with their friends and peers are often the **happiest** and the **healthiest**, especially when social connections are maintained and preserved over the course of a lifetime.

Alexis Abramson Ph.D.
Gerontologist

A strong social network and financial security are shown to be the **most important factors** associated with enjoying an ideal lifestyle in old age.

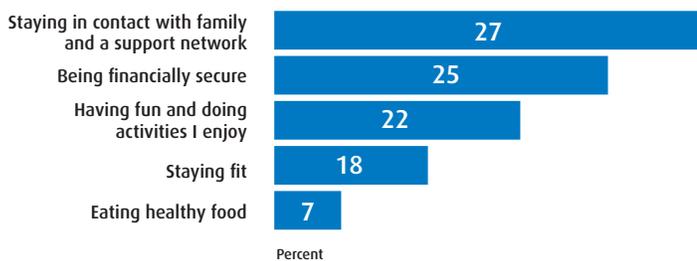


Expectation of Activities During Old Age

Source: BMO Wealth Institute survey by Pollara, March 2014

When contemplating expectations of increased involvement in current activities during old age, survey respondents cited social connectivity with family as their primary desire. In their golden years, those surveyed expected they will spend more time with family (58%), grandchildren (52%) and friends (47%), as well as keeping in close touch via phone or email (51%). A number of them (34%) also indicated that they would participate in volunteer activities in some capacity.

When asked what the most important factor was when it comes to enjoying an ideal lifestyle in old age more than one-quarter (27%) of respondents stated it was staying in contact with family and having a strong social support network. While financial security came in a close second, it was cited by 25% of the survey respondents as being the most important characteristic associated with an ideal lifestyle in old age—just above “having fun and doing activities I enjoy” (22%). Interestingly, financial security proved to be much more important to Canadians ages 50-68 (31%) than for younger Canadians ages 18-29 (15%).



Most Important Factors for Enjoying an Ideal Lifestyle in Old Age

Source: BMO Wealth Institute survey by Pollara, March 2014

Key 4: Financial

The key to success

Canadians clearly understand that an important component of successful longevity is having a sense of financial security. Although financial security was cited as a lower priority than maintaining a social network of family and friends for the majority of Canadians surveyed, financial security gains importance with age and as personal assets increase over a lifetime. The survey results showed that those with the highest income levels expressed the greatest concern over their finances after retirement. The wealthiest plan to preserve their financial security above enjoying personal pursuits, socializing, exercising and maintaining a healthy lifestyle.

Financial security gains importance with age and as personal assets increase over a lifetime.

Future health-care costs

While those surveyed acknowledged the potential impact of future health-care costs, few seemed to appreciate the extent of the health-care expenses that they will incur. Respondents also did not appear to fully understand that there are proactive measures that can be taken to help minimize their potentially spiraling medical expenditures. Long-term care insurance is one such measure that may be part of the strategy to help curtail these expenses in the future. It may seem like peace of mind at a price, but not when you consider that the likelihood of a retiree needing some type of long-term or in-home care increases with age. According to Statistics Canada, there is about a 10% chance of needing long-term care by age 55, about 30% chance by age 65, and about a 50% chance by age 75¹³. These costs can have a huge impact on a couple's retirement. As an example, the cost to live in a private nursing home in B.C. can range from about \$11,650 to over \$37,100 per year.¹⁴ The cost varies considerably from one province to the next.

Province	Retirement homes/ residences		Nursing homes	
	Minimum	Maximum	Minimum	Maximum
Alberta	12,000	65,000	18,100	22,100
BC	13,000	70,000	11,650	37,100
Manitoba	15,000	42,000	12,400	28,900
New Brunswick	9,600	54,000	N/A	41,250
Newfoundland	20,100	50,000		33,600
Nova Scotia	23,000	72,000	22,500	38,000
Ontario	14,000	132,000	20,800	29,300
Prince Edward Island	7,200	63,000	N/A	28,300
Quebec	6,000	42,000	13,100	21,100
Saskatchewan	16,600	60,000	12,600	23,900

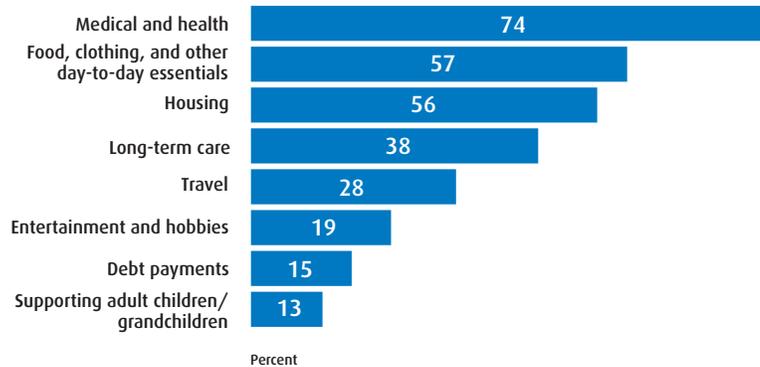
The Private Cost of Long-Term Care in Canada

Source: Senioropolis Inc., 2014

One way to help meet your future health-care expenses is to actively fund a Tax Free Savings Account (TFSA). These accounts provide the opportunity to deposit funds and grow them on a tax-free basis. However, the annual contribution is currently limited to \$5,500 for each person.

Below is a list of the expenses survey participants felt would most impact their senior years.

The state of health care and its associated costs are constantly evolving in Canada. Here are some steps you can take to keep pace with insurance industry developments and the changes in provincial health coverage.



Largest Expenses in Old Age

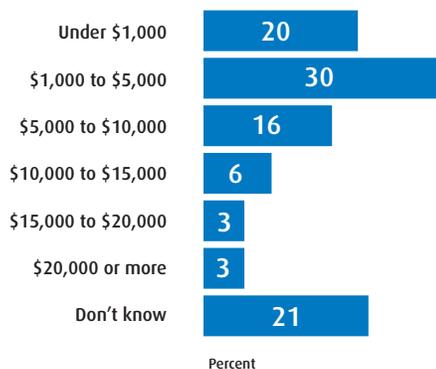
Source: BMO Wealth Institute survey by Pollara, March 2014

Review your insurance coverage to make sure you have the best coverage and access to health care available and that you aren't paying for features that you don't need.

Discuss your insurance coverage options with trusted professionals and compare costs to ensure you're enrolled in the plan that best suits your specific medical needs.

Overall, the majority of survey respondents anticipate the financial impact of health-care expenses to be significant as they age, even with government provided health care. In fact, the Canadians surveyed expected to spend an average of \$5,391 a year on out-of-pocket medical costs after the age of 65.

Surprisingly, even with provincial health care coverage – Canadians foresee medical and health costs to be the single largest expense for old age (74%). Other significant expenses include food, clothing and day-to-day essentials (57%) and housing (56%).



Estimated Annual Medical Costs After Age 65

Source: BMO Wealth Institute survey by Pollara, March 2014

Canadians expect to spend an average of **\$5,391 a year on out-of-pocket medical costs** after the age of 65.

BMO Wealth Institute survey

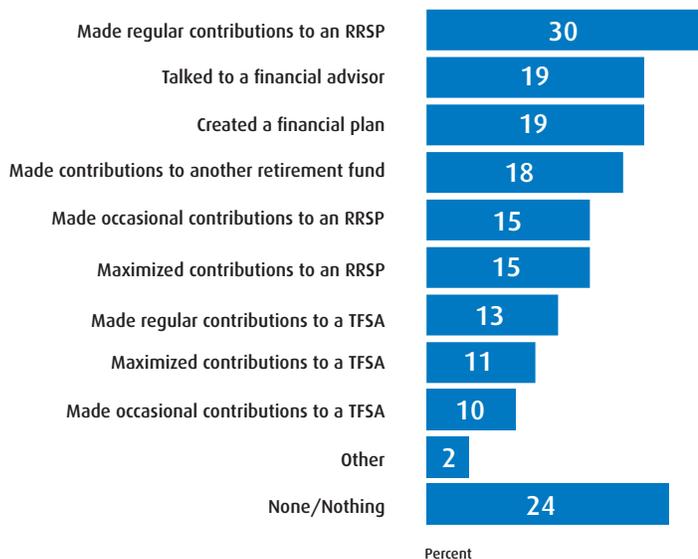
Fail to plan — plan to fail

One of the easiest ways to increase confidence in your financial security is to work with a financial advisor to develop a retirement plan. Yet, those who have taken this important step are still in the minority.

The survey results reflect a relatively low level of planning among pre-retirees, and at the same time demonstrate the comparative confidence that comes with a financial plan. Of those surveyed, only 19% actually have a financial plan. The survey also found that those who stated they were confident that they will be financially secure in their retirement, 25% have a financial plan, and 22% have discussed their situation with a financial advisor. For those that are not confident about a financially secure retirement, only 5% have a financial plan, and only 13% have consulted with a financial advisor. The survey appears to show that working with a financial advisor may increase your confidence in your ability to meet your financial goals in retirement.

Confidence comes with a plan.

bmo.com/confidence



Steps Taken to Prepare for Retirement

Source: BMO Wealth Institute survey by Pollara, March 2014

The majority of respondents have made contributions to a Registered Retirement Savings Plan (RRSP) or pension plan, often through employer-sponsored plans. But a large percentage of people (24%) have not yet put in place any steps to prepare for their retirement. The following table shows steps that respondents to the survey have taken towards preparing for their retirement.

The need for financial security becomes more apparent as we age. When regular employment income is no longer part of the equation, the wealth accumulated during your working years may help to fill the gaps. Uncertainty about future health care costs and the Canada Pension Plan (CPP) has forced us to become more resourceful and to seek out other long-term solutions.

An important first step is to talk with a financial advisor who will work with you to develop a financial plan that, among other things, looks at your retirement income needs and ways to meet these financial goals that are in line with your tolerance for risk. By working together with your BMO financial professional, you can discover new doorways to financial security that may help to sustain you in your golden years.

A final thought

The compelling findings of the survey speak to the need for all of us to have a better overall plan when it comes to the four key components of longevity; body, mind, social and financial. Many challenges that may arise in our later years can be both anticipated, and properly planned for, by making smart decisions focused on the ultimate goal of successful longevity.

Certainly, there are lessons to learn from the resiliency found in the people of Ikaria. With little else to sustain their culture, value is placed on the most simple, yet endearing aspects of living a satisfying life – like interacting with neighbors and enjoying a good meal with friends and family. If attitude and fortitude were the most-valued assets, Ikarians might possibly be the richest people on the planet.

Footnotes

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- ¹³ Canadians Ill-Prepared For Long-Term Care Costs. *Benefits Canada Website*. June 22, 2012. (accessed June 2014).
<http://www.benefitscanada.com/benefits/health-wellness/canadians-ill-prepared-for-long-term-care-costs-29917>
- ¹⁴ Senioropolis Inc., 2014. There is no Canada wide standardization with respect to either retirement or nursing homes. Each province uses slightly different terminology and may not include the same criteria in their pricing. These numbers are directional only and should not be used for planning or budgeting.