

Virtual Numbers Blog

The JetNumbers Inc. company blog. "Get local"

Monday, April 23, 2007

How old is old?

I heard a very interesting podcast this week. It was part of the "Motley Fool Profiles" series (unfortunately the series is no longer being aired). On this podcast, Dave Gardner interviewed Ken Dychtwald, author of the book *The Power Years: A User's Guide to the Rest of Your Life*.

Some very interesting facts:

Two thirds of all the people over 65 that ever lived are alive today. Put it another way: for every person in the history of mankind that died after the age of 65, there are two people over 65 alive today.

Life expectancy at birth increases by 2.5 years every decade. This means that chances are that my younger son will live 8 years longer than me.

Pensions were introduced in 1899 by Bismarck, and they benefited "old people", i.e. those older than 65. At that time, life expectancy at birth was 47 years. Today it is 77.8.

Today, if you live to the age of 65, you still have, on average, 18.7 years to live (US figures).

At the time of Bismarck's reform, a very small percentage of people received pensions. To maintain the same percentage today, retirement age should be 95!

The vast majority of over-65 people say that they do not want to retire. They want to keep active, although probably part-time.

What does all this mean? There are many consequences that we can foresee, and many more that will only become clear much later. Some of mine:

An obvious one: Pensions need to be reformed. If we now need to save (contribute to a pension scheme) for 30 years, and enjoy the fruits for 18.7 years, then, at the current rates, numbers do not add up. If, in 30 years time, the life expectancy at the age of 65 becomes 26.2, then the trouble is greater still.

Nobody should count too much on state pensions. We all should be saving ourselves.

Doctors can make us live longer, but we need prepare ourselves for living those 10 or 15 extra years. In what shape will our bodies be? What do we need to do to have our minds ready for 15 more years? By the way, I read once that people that play chess or bridge have two thirds less probability of developing Alzheimer's disease.

Our economies need to find ways to employ older people, even if it is part time.

There is a huge and exploiting market selling to people over 65. Expect them to be active, have some labor income and substantial investment income.

Us

We are the JetNumbers Inc. company blog. Here we will talk about virtual numbers, telephony and just about anything else we find interesting so that we can share ideas and point of views.

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