



**‘shades of grey ...’**

# LIFE EXPECTANCY



# LIFE EXPECTANCY



2014



2064

+6



spending muscle

social capital

voting power

# 1.1Bn

# GREY TSUNAMI



demographic shift

growing burden of the young

growing vulnerability of the old



# QUALITY OF LIFE



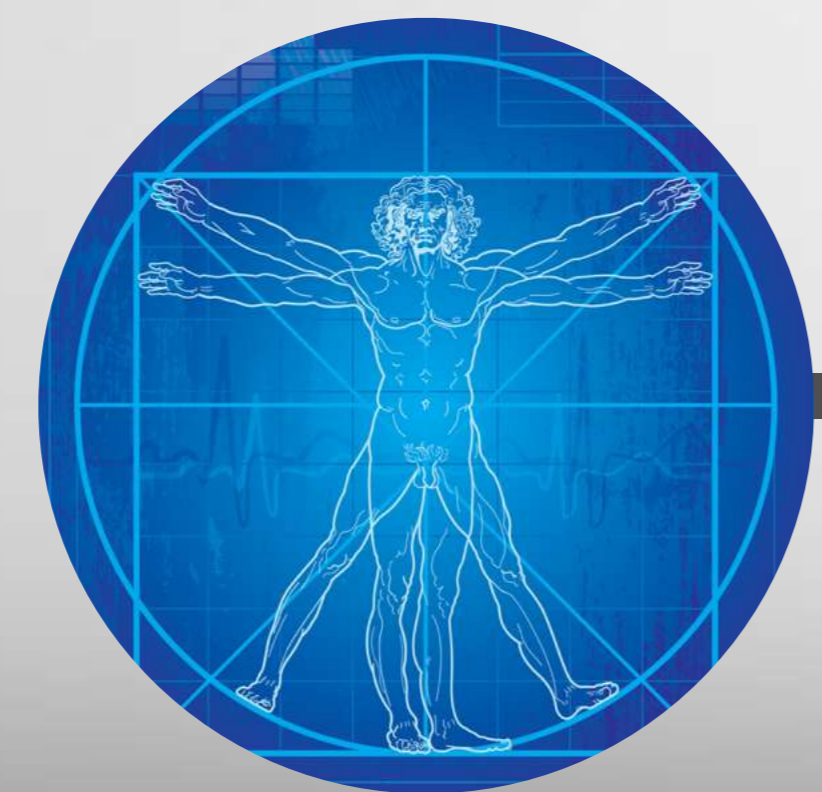
retire?

industry

- understand changes
- structure new system



# MANAGING LONGEVITY



- not intended to fail with age
- hadn't evolved for long term use

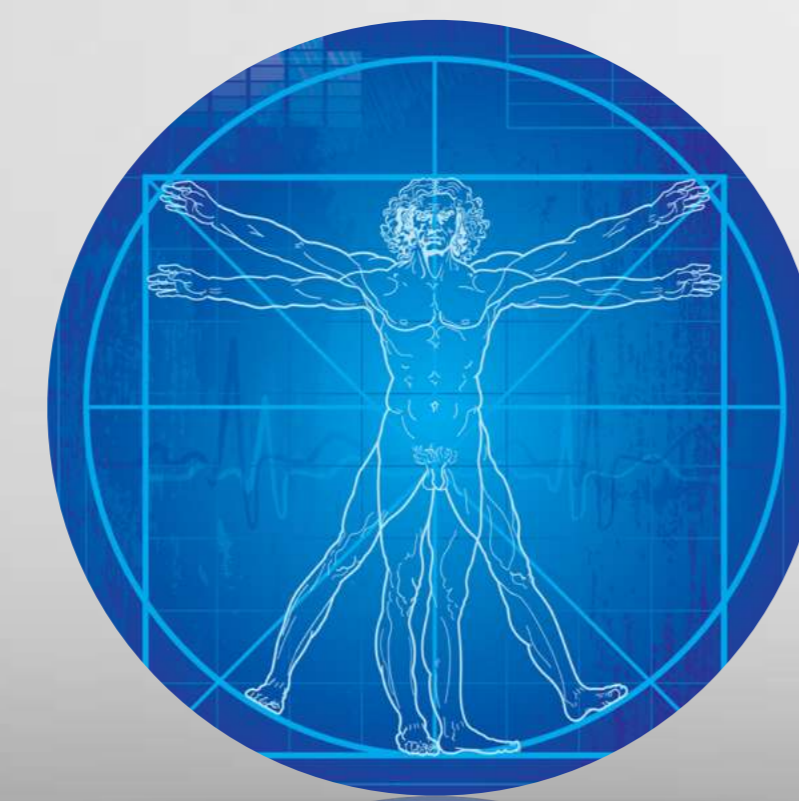
## AGEING

random  
uncontrolled

highly regulated development  
ability to manipulate

- ageing and health not hard-coded
- health / longevity are modifiable

# MANAGING LONGEVITY

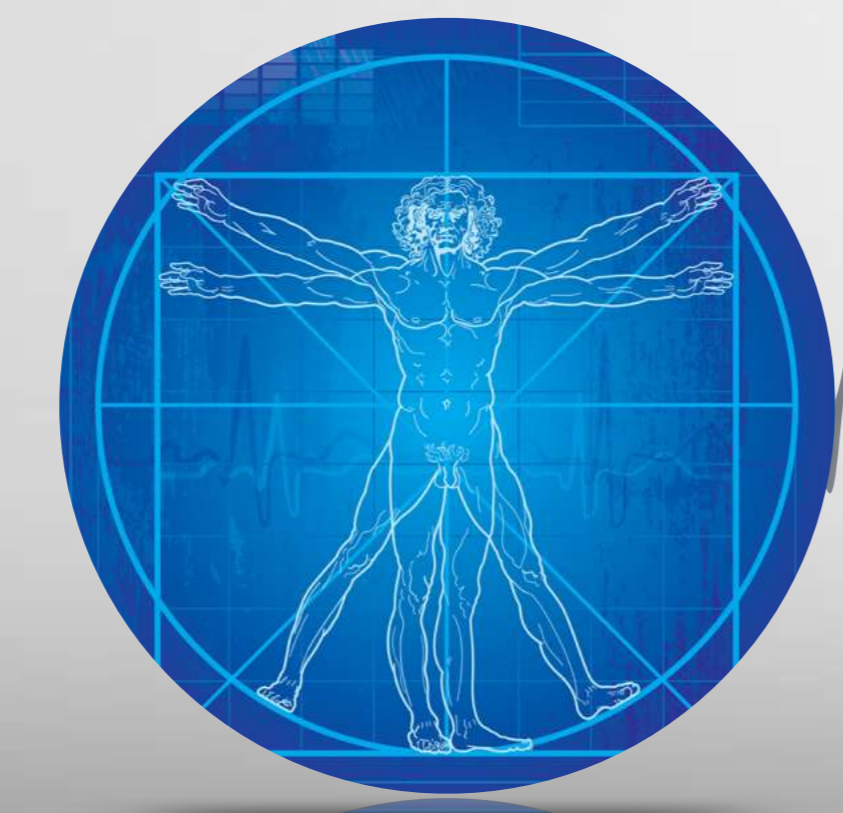


medical technology  
better pharmaceuticals  
medical practices  
healthier lifestyles



**\$2.5Bn**  
researching ageing per annum

# SCIENCE FICTION

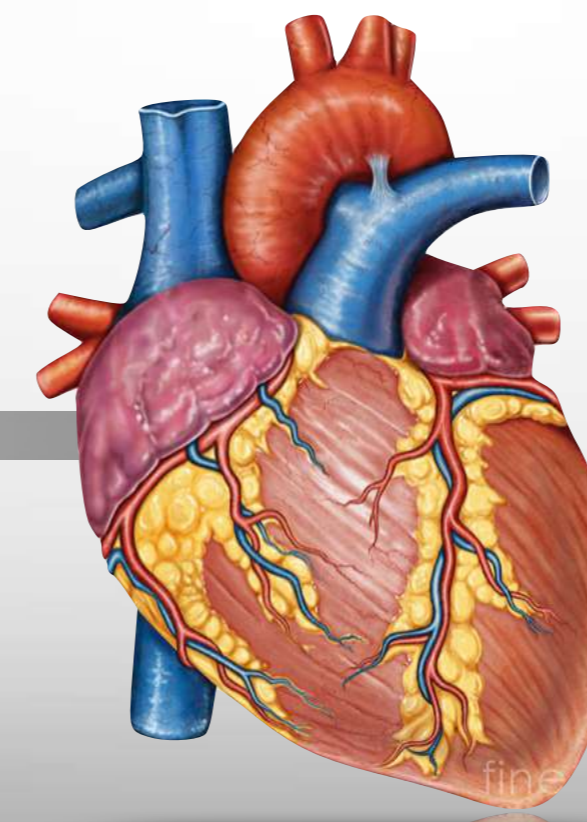
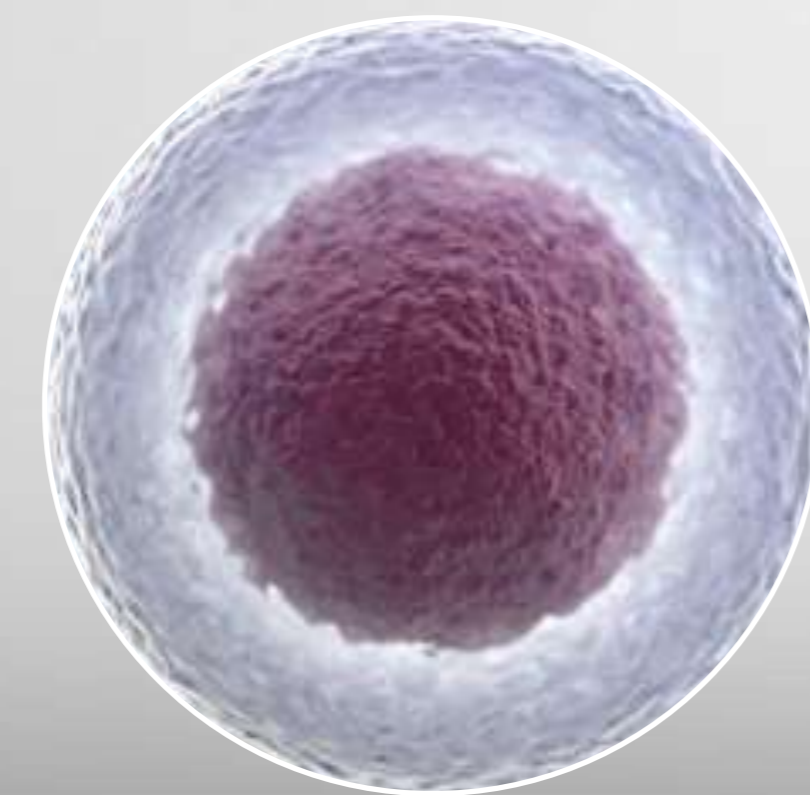


**FACT!**





# STEM CELL RESEARCH



**\$2.8Bn**

research investment per annum

Alzheimer's  
cancer  
spinal chord injury

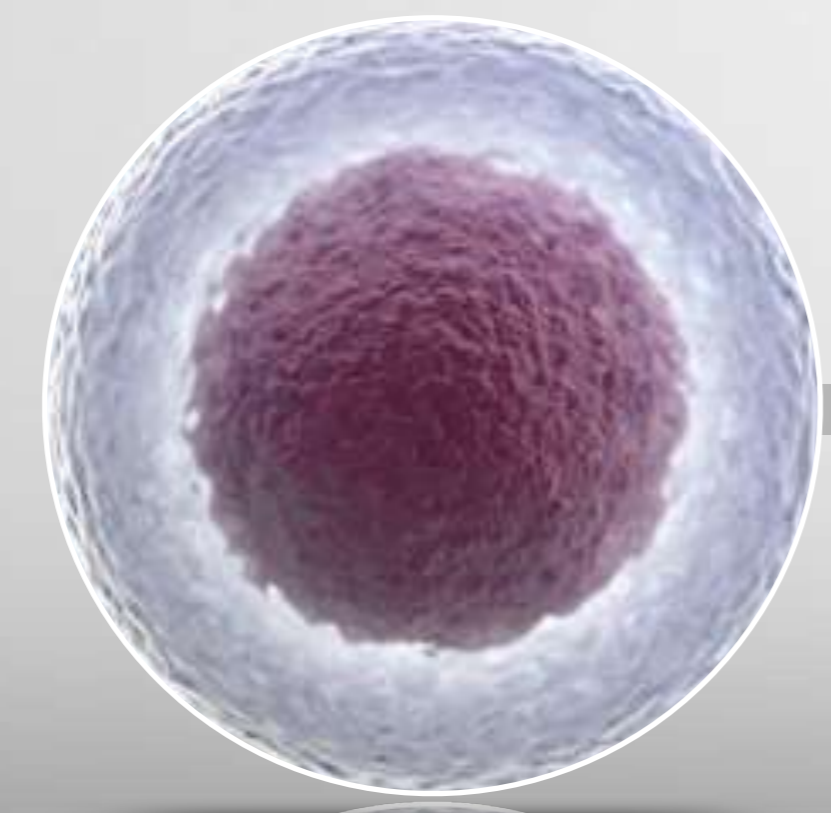
diabetes  
osteoarthritis

stroke  
burns  
heart disease

rheumatoid  
arthritis  
cardiac repair

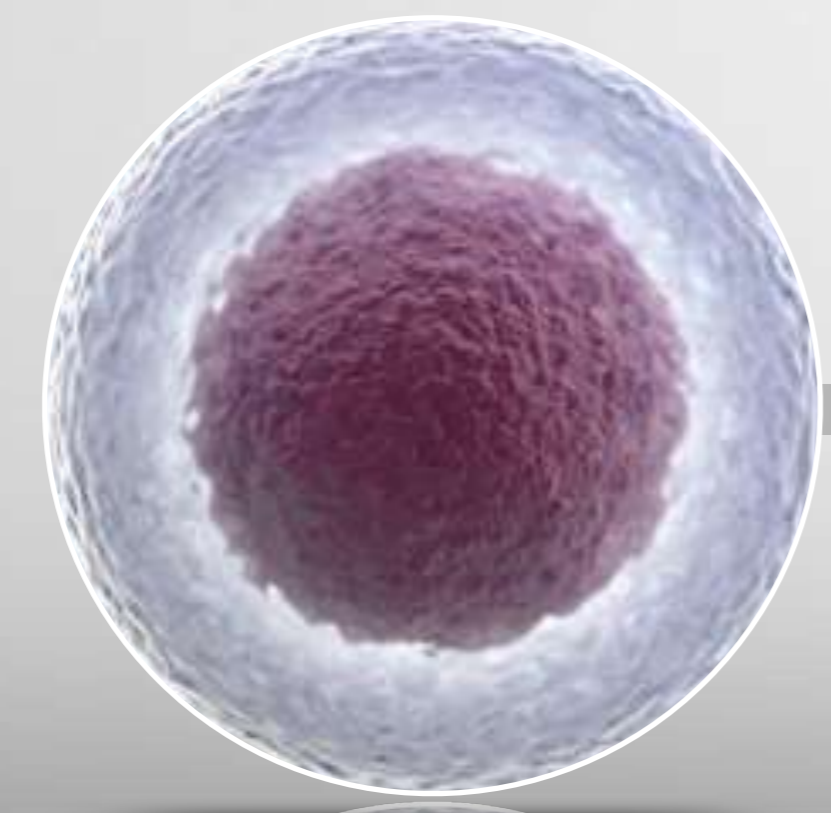
USA  
CVD death  
every 34  
seconds

# STEM CELL RESEARCH



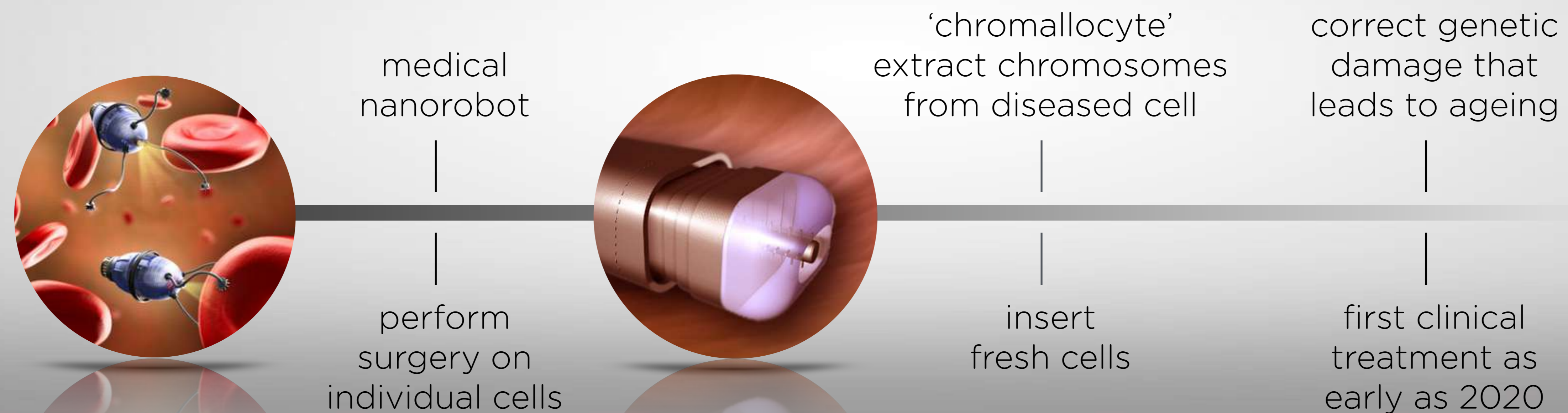
— **game changer**

# STEM CELL RESEARCH



— **not THE game changer**

# NANOTECHNOLOGY



## retirement?

people living longer than we can reliably predict

# SOUTH AFRICA?



historical assumptions no longer apply

living longer, healthier than predecessors

without re-think ... will run out of money



- bifurcated society
- longevity will not affect all ... only middle class and above



# SOUTH AFRICA?



- currently life expectancy +/- 50  
... would be 70 if not for HIV/Aids
- ARVs started early ... can prolong life  
to within 3 years of HIV negative person



# EFFECT ON PENSIONER SAVINGS



responsibility to deliver more relevant products

... better aligned to needs  
... improve quality of life

A large right-facing square bracket groups the text on the right side of the infographic.

# ‘WORK UNTIL YOU DROP ...’

**19th**  
century



Chancellor  
**Otto von Bismarck**

**1881**

introduction of world's  
first pension scheme

retirement age **65**  
life expectancy **45**

**20th**  
century

**increasingly obsolete?**

**21st**  
century



# PRAGMATIC SOLUTIONS NEEDED



# PRAGMATIC SOLUTIONS NEEDED

**salary R300 000**  
**contribution 13%**  
**return 8%**  
**fund at 60 R1m**  
**salary inflation 7%**

delay **6** years



retirement nest egg  
**DOUBLES**

# PRAGMATIC SOLUTIONS NEEDED

**salary R300 000**  
**contribution 13%**  
**return 8%**  
**fund at 60 R1m**  
**salary inflation 7%**

delay **10** years

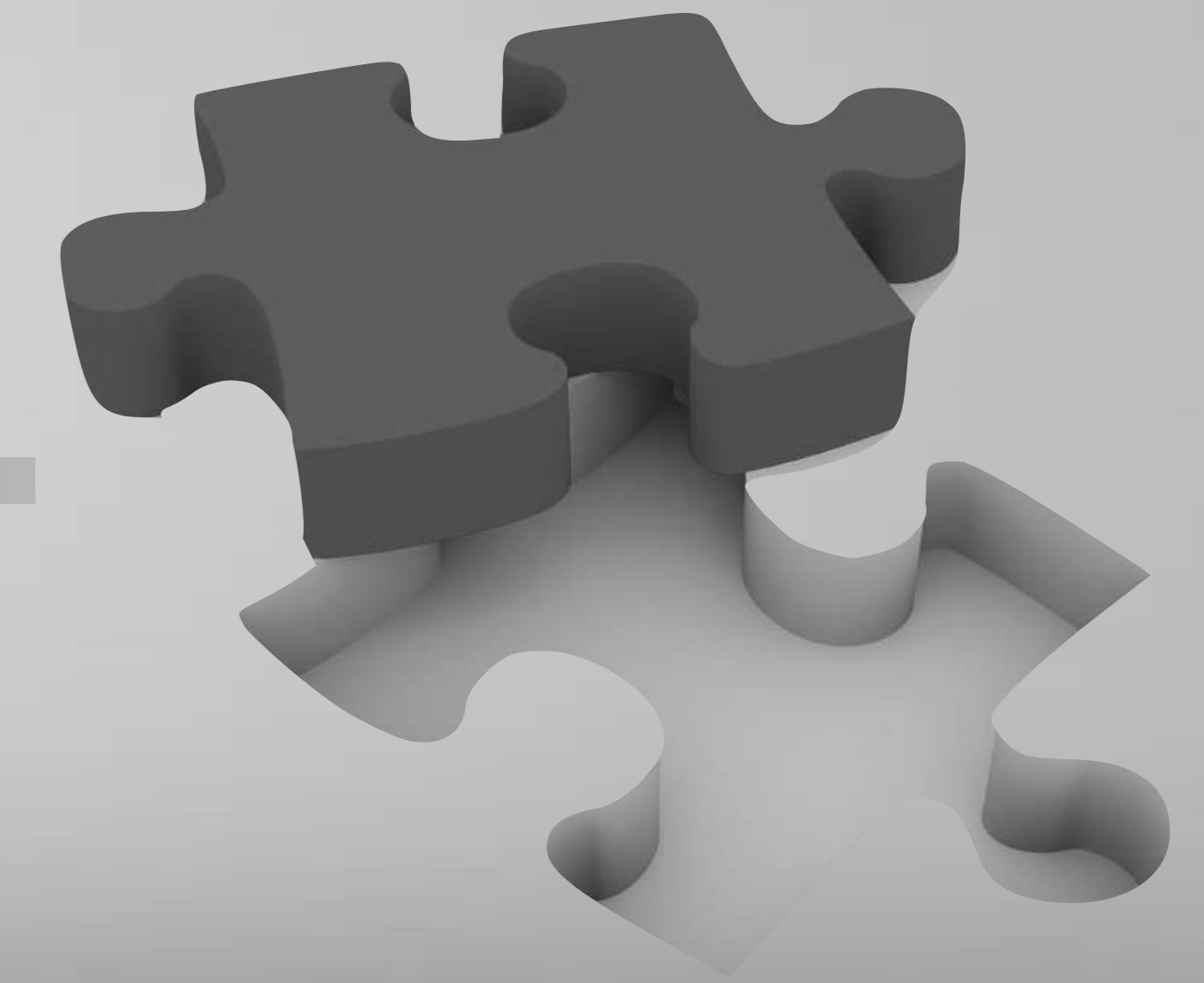


retirement nest egg  
**TRIPLES**

# INCREASING RETIREMENT AGE



mentorship

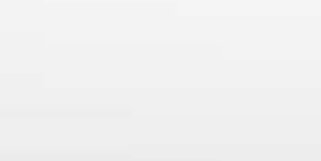


# REDEFINING RETIREMENT AGE



**REVIEW**  
by government

effect of early  
retirement?



age and  
conditions

encourage post  
retirement  
alternative income



eliminate compulsion  
to withdraw  
retirement savings

continue in interest  
bearing tax efficient  
savings vehicle



delay need to create  
and draw annuity

# PROTECTING THE 'OLD' OLD



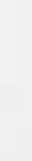
**REVIEW**  
by government

strategy to  
mitigate poverty  
in old age



target 80-years  
and above

consider  
restructuring  
state pensions



'longevity backstop'  
... greater benefits  
at older ages

# DESIGNING RELEVANT SOLUTIONS



# COUNTERING LONGEVITY RISK



phased  
retirement



2nd career



reconsider  
guaranteed  
annuities



advice

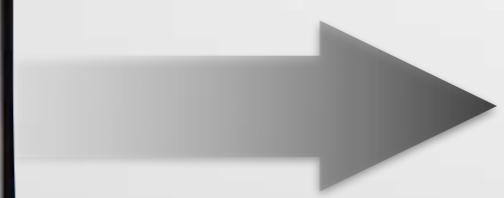
can be  
addressed on  
structural and  
professional  
levels



# DESIGNING RELEVANT SOLUTIONS



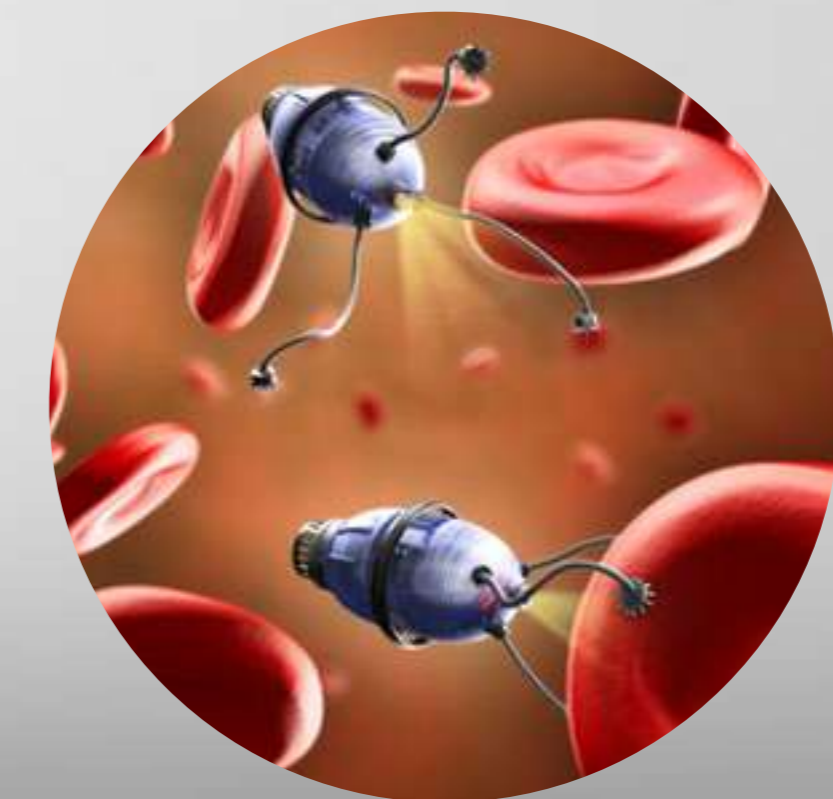
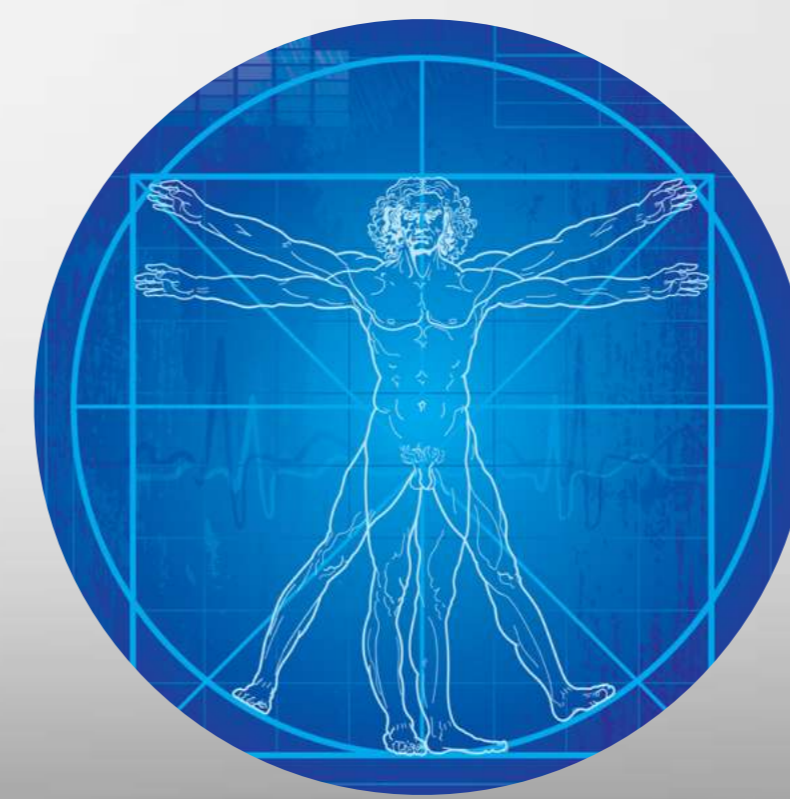
**Elderly people**  
(but who cares?)



**pressure** to provide relevant products  
... lowest sustainable cost



responsibility to influence **real change**



# CUSTODIANS OF FINANCIAL WELL-BEING

