LIFE ISN'T TOO SHORT AFTER ALL



"WE ARE GREAT AT ADAPTING TO NEW TECHNOLOGY, BUT NOT LIFE EXPECTANCY."

PROFESSOR ANDREW SCOTT

SPEED

ARE YOU READY TO LIVE TO 100 YEARS OLD?

Have you ever thought what living to 100 years old would be like? Does a long life fill you with a dread of working for longer or excitement at more time to achieve your dreams? How will longevity affect the way you work, plan for your future, manage your relationships and live?

A child born in the developed world today has a more than 50 per cent chance of living to be over 100*, say Andrew Scott and Lynda Gratton, professors at London Business School and authors of The 100-Year Life: Living and Working in an Age of Longevity. Centenarians are the fastest growing age group in the UK, according to figures from the Office of National Statistics and in the past 30 years the number of people reaching 100 has quadrupled.

But has society kept up with this huge demographic change? Our lives have traditionally been predicated by the three-stage life: education, employment and retirement. But with advances in technology, healthcare, and social care this well-established pathway is outdated and already beginning to collapse.

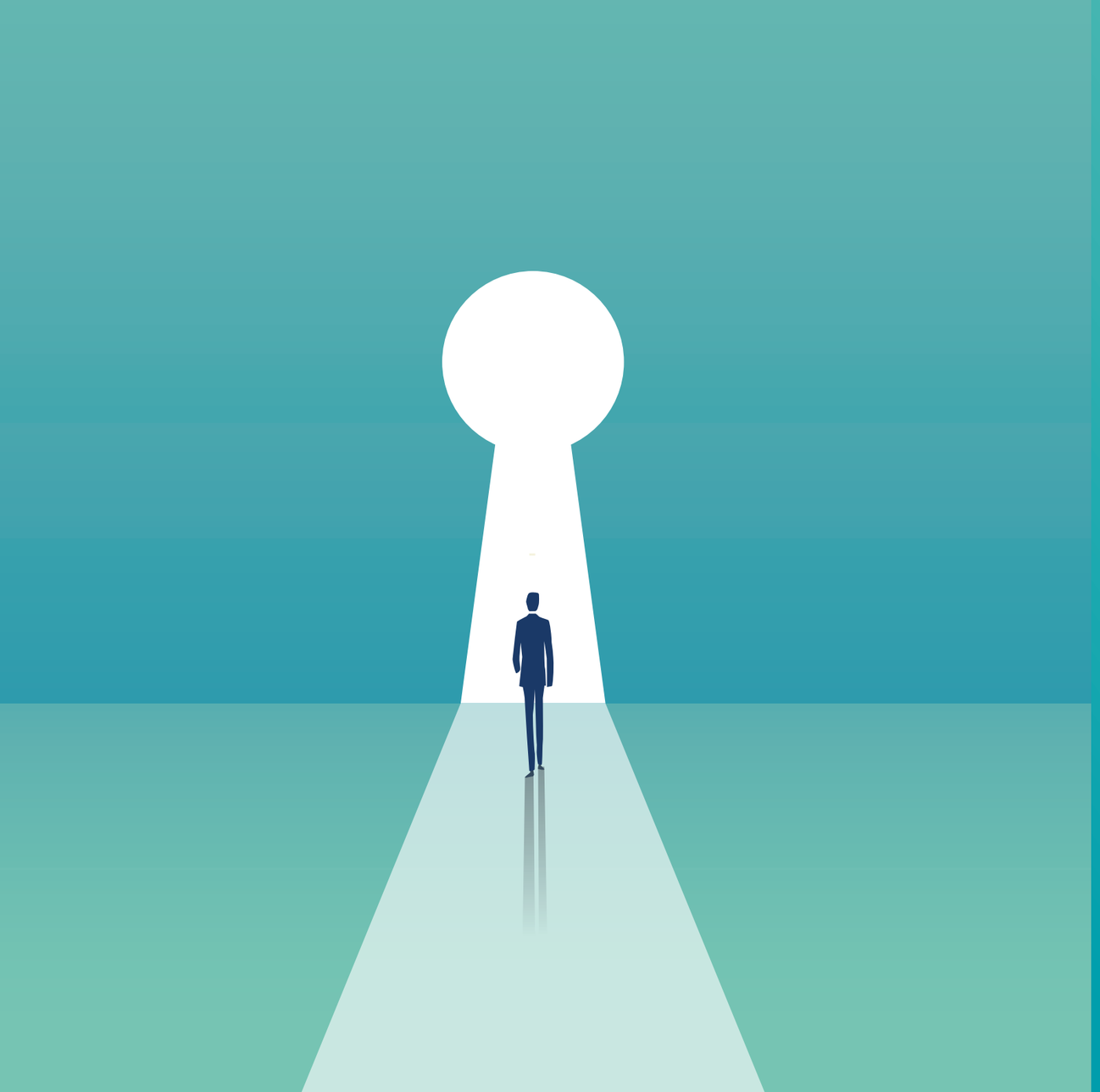
This will affect not only how we work but how business are run and how they communicate to ensure they are contextually aligned to an ageing and changing society.

Marketers have an important role to play in this by supporting businesses and brands through this journey to ensure relevancy and engagement.
Professor Andrew Scott, co-author of the must-read new book, The 100-Year Life, joined Speed Communications and panellists for a thought-provoking and optimistically insightful talk at the Wellcome Collection.

Discussion circled a key question: if we are all living longer than ever before, what does this mean for our finances, career, education and relationships and how will this impact on brands and businesses?

“A CHILD BORN IN THE DEVELOPED WORLD TODAY HAS A MORE THAN 50 PER CENT CHANCE OF LIVING TO BE OVER 100*”.

* Study in 2018 by the Max Planck Institute for Demographic Research in Germany



THE DEATH OF AGE-OLD CONCEPTS

Not only are we living longer, but we are healthier for longer, meaning that the 'old' concept of age, dictating which stage of life you're at and its traditional associated activities you should be engaging in, is becoming increasingly irrelevant. Our chronological age has become less of a guide as to who we are than ever before. If you are 21, we might previously presume you are starting out on a career, going to festivals, enjoying some disposable income or caring for the planet, but in the world of the 100-year life, this could be true of anyone, no matter what age they are.

Instead biological age (how healthy we are), subjective age (how old do we feel) and sociological age (how old does society view you) will be a much truer indication of people's stage in life. Essentially, 'age equals stage', will no longer exist. Instead we'll be living a multi-staged life with multiple careers, breaks and transitions. As technology takes over more jobs, new ones will be created. We'll be required to be flexible, responsive and experimental.

"The three-stage life that involves education, career and retirement will no longer apply for people with an increased life expectancy," Professor Scott says. "When reaching their 40s or 50s, people will consider changing careers or becoming entrepreneurs, because they will spend more years in work than their parents."

"NOT ONLY ARE WE LIVING LONGER, BUT WE ARE HEALTHIER FOR LONGER."

THE VALUE OF TANGIBLE AND INTANGIBLE ASSETS

Key is how our long life will be funded. Can we rely on investing in traditional financial safety nets such as savings, property and pension – the tangible assets of security? Well, yes, and also no. "The simple truth is that if you live for longer then you need more money," explains Professor Scott. For some this means investing more in pensions and for others (possibly the majority), this means working for longer. Many countries are in the painful process of raising retirement age – from 2019 the UK State Pension age will increase for both men and women to reach 66 by 2020 with further increases planned – but retirement age is not moving as fast as life expectancy is growing.

But it's not all about money. It's also important to understand how a life lived over 100 will impact on intangible assets that are grouped under productivity, vitality and transformation. "For most people, a good life would be one with a supportive family, great friends, strong skills and knowledge and good physical and mental health," asserts Professor Scott. "These are all intangible assets and it is not surprising they are as important as financial assets when it comes to building a productive long life"

Being productive at work (productive assets) due to skills and experience accrued within a career has a direct link to earning potential. Vitality assets include mental and physical health, relationships, friendships and family and are often equated to feelings of having a good life. Our transformational assets, the ability and confidence to face many transitions, are currently under-utilised in the traditional three-stage life but will be "crucial" in a multi-stage life.

All these intangible assets need to be invested in as diligently as tangible assets such as pensions and savings, say the authors. Due to their very nature, however, intangible assets are difficult to measure and so quantify in the marketplace. They are also long-term, irreversible transactions – you can buy or sell a house, for example, but you can't buy or sell a friendship or a career. One solution, explained Professor Scott, is to invest carefully at the outset.

Businesses and brands will eventually respond to the rising importance of intangible assets and this may prompt a rise of new services in helping us re-educate, re-evaluate and re-establish ourselves.



"THE SIMPLE TRUTH IS THAT IF YOU LIVE FOR LONGER THEN YOU NEED MORE MONEY."



IT'S TIME TO THINK ABOUT TIME

Living longer means we have more time – a lot more time. "In countries doing well, life expectancy has been increased by 2.5 years per decade, 3 months per year, 6 hours per day," says Professor James Vampel of Max Planck Institute for Demographic Research, Germany.

Life isn't too short after all. In fact, those extra six hours a day could mean we live a 30-hour day, which would disrupt our daily routines. It could prompt a shift from three meals a day to five meals a day as our day elongates and working hours shift. These extra meals will have a huge impact on food service industries and leisure businesses who might need to disrupt their current commercial model to cope. Longevity is not necessarily about ageing in this context, but about having more time.

The 100-year life also throws a spotlight on what we will do with our productive hours; those hours that aren't weekends or down-time. If we live to 70 we have 120,000 productive hours, but living to 100 means we have over 200,000 productive hours. We may have to question how much we love our jobs and careers – do we want to work for nearly double the amount of time? Life isn't too short after all.

"LIFE ISN'T TOO SHORT AFTER ALL. IN FACT, THOSE EXTRA SIX HOURS A DAY COULD MEAN WE LIVE A 30-HOUR DAY."

RECREATION BECOMES RE-CREATION

So far, we have learned that the 100-year life will break down the long-held concept that age equals stage, that we will need to invest in intangible assets to nurture ourselves over the increased longevity and that, quite simply, we will have more time. The final focus then is, if we have more time and will live a multi-stage life, how will we adapt and recreate ourselves?

It's likely that the education we have in our teens will not serve us through our career. "Nothing you learn at 20 will see you through a 60-year career," explains Professor Scott. Business HR processes and recruiting will require greater flexibility and a new approach to accommodate new working practices and how they view age in terms of employability. Age will no longer be a measure of seniority. Career breaks and new careers will be the norm. Older people do tend to get paid more, which makes them an expensive resource and will require them to be more imaginative in their career choices half-way through their lives.

Brands, especially those in personal finance, health and wellbeing and leisure sectors, will have to adapt to a changing customer base – beauty brands are showing themselves ahead of the curve by ditching the anti-ageing approach in favour of pro-ageing campaigns.

The 100-year life will not only impact careers and working life, but also down-time and the leisure industry, whose focus to date has been on satisfying a population focused on a three-stage life.

"As people live longer and need to make investments in their intangible assets, we expect to see a shift in how leisure is used. Rather than consuming time, we expect more time to be spent investing in intangibles. In other words, more re-creation than recreation," says Professor Scott.

The implications for leisure brands of all descriptions is huge. "If the last 100 years saw the development of a leisure industry that privatised public entertainment based around consumption, then we can expect a growing leisure industry aimed at the individual," he says. We are already starting to see this with a shift from hundreds of people in a cinema watching the same film at the same time, to the rise of the individualistic Netflix and personal on-demand TV.



"NOTHING YOU LEARN AT 20 WILL SEE YOU THROUGH A 60-YEAR CAREER."

SO HOW DO YOU GET READY FOR A LONG LIFE?

PROFESSOR ANDREW SCOTT'S TIPS TO ENSURING A LONG LIFE IS A GIFT RATHER THAN A CURSE



Audit your tangible and intangible assets



Use your free time to invest in fitness, skills and relationships



Think about the experiences you want to have and plan for



Experiment. There are no role models or plans to follow



Be flexible and open to change



Longevity is not about getting older – it's about being younger for longer

THE IMPORTANCE OF EXPERIMENTATION

This huge shift in society is unprecedented in our lifetimes. We will see the rise in new jobs and skills, the shift from the three-stage life to a multi-stage life, where chronological age will no longer dictate behaviour and ageing will be diverse. We currently talk about the sandwich generation, where three generations are living under one roof and holidaying together, but we could soon see the rise of the club-sandwich generation, where four or more generations live together.

The biggest shift, however, will be the importance placed on experimentation – we simply don't know yet what will work and what won't work in our 100-year life. For generation after generation, those who came before were role models for our own futures. This will no longer be the case, our parents' lives will not set the precedent for our long lives. Instead, we will find new role models, whether that is companies, governments, brands or individuals.

While the future is uncertain, what is not is that the change – for people, businesses and governments – will be seismic.

Marketers need to understand these changes and help businesses and brands to navigate the new ways of managing their employees and also how they position themselves to support this shift in thinking. From recruitment and skills for all businesses, through to financial planning and health and wellness. We all need to shift they way we look at out lives and make changes for the future.

Andrew Scott is Professor of Economics at London Business School and a Fellow of the Centre for Economic Policy Research. He previously held positions at Harvard University, London School of Economics and All Souls, Oxford University. He has been an advisor to the House of Commons, the Bank of England, HM Treasury and Economic Advisor to the Prime Minister of Mauritius. He is currently on the advisory board of the UK's Office for Budget Responsibility and a member of the Cabinet Office Honours Committee (Science and Technology).

THANK YOU

For support on how your brand can navigate the changing environment and opportunities created by increased life expectancy contact Speed

Published by Speed Communications
www.speedcommunications.com

For more visit **www.100yearlife.com**