

## WILL YOU OUTLIVE YOUR MONEY?

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You may well live into your late 90s. You may also be aware of actuarial tables with lower average life expectancies. But “average” means there’s a 50% chance you will outlast that expectancy. When planning for your later years, we do not consider these “odds” favorable. Much better not to outlive your money.

### Historical life expectancies

The first half of the 20th century saw a dramatic increase in life expectancy. Females born in 1900 lived to an average age of 48 and males 46. By 1950, the life expectancy of females rocketed to 71 and males to 65.

During the first half of the century, much of the increase in life expectancy reflected improvements in public sanitation, personal hygiene, and food safety. During the second half, medical breakthroughs such as antibiotics, vaccines and disease fighting drugs contributed to longevity.

Throughout most of the 20th century the disparity between female and male life expectancy increased. But the gap began to decline about a decade ago.

### Today

Non-gender issues influence life expectancy. The wealthier segments of the population usually live longer than the poorer segments. White-collar workers often live longer than blue-collar workers.

According to Mike Heller, vice president in TIAA-CREF’s Actuarial Pension Services, “Life expectancy will continue to improve and mostly at the later ages. Up to about age 50, death rates are very, very low and so there’s not much room for improvement.”

The current gain in life expectancy is for older people. As of 2000, a 65-year-old woman can expect to live, on average to 84 years; a man to 81 years.

### Probabilities of living beyond the average

Current Age	Surviving to 80		Surviving to 85		Surviving to 90		Surviving to 95	
	Male	Female	Male	Female	Male	Female	Male	Female
60	73%	83%	58%	70%	39%	52%	22%	30%
65	75%	84%	60%	71%	41%	53%	22%	31%
70	79%	87%	63%	74%	43%	54%	23%	32%

Basis: A2000 Set Back Two Years

Or, according to the table, a 70 year-old woman has a 54% chance of living to age 90 and a 32% chance of living to 95.

Sources: Vanguard Lifetime Income Program online, “Demographic Profile” by MetLife Mature Market Institute and “Trends in Longevity: So Far, There’s No Cure for the Aging Process,” TIAA-CREF Advisor Forum Fall 2003.