

## Seizing Longevity's Competitive Advantages

### The aging megatrend could generate massive opportunities

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#### FEATURED EXPERT

*This article is the 19th in a weekly Next Avenue series, [The Future of Aging: Realizing the Potential of Longevity](#), published by the [Milken Institute Center for the Future of Aging](#). [Links to the rest of the series appear at the end of this article.](#)*

By [Andrew Sieg](#)

We are at the beginning of a [longevity revolution](#). The aging megatrend — caused by increased life expectancies and plummeting birthrates — will disrupt traditional working norms, challenge virtually all businesses and transform society's structure.

Conventional thinking holds that this upheaval will trigger an economic calamity. The workforce will wither, savings will disappear and markets will collapse.

To the contrary, I believe aging could generate the most significant economic opportunity of our lifetimes. If we can successfully encourage individuals, employers and national leaders to think and act in new ways, we have an opportunity to seize the advantages of longevity and drive unprecedented growth.

To realize this competitive advantage, corporations will need to experiment with different policies to retain and empower their older employees.

#### **Longevity Revolution Means Retiring Retirement**

First, the baby boomer generation will "[retire retirement](#)."

The concept of formally ending work at age 65 applies to a previous century. Today, people in their 60s are taking on new leadership roles, starting businesses, even competing in triathlons.

Many consumer companies are gearing their businesses toward a growing "active aging" market.

This shedding of outdated stereotypes should be recognized in the workplace as well. Seventy-two percent of pre-retirees want to work past 65, and nearly half of current retirees either have worked in retirement or plan to, according to the Bank of America Merrill Lynch/Age Wave 2015 report, [Work in Retirement: Myths and Motivations](#).

The baby boomers are taking the lead in creating an entirely new life stage. They're using flexible work arrangements, part-time responsibilities, entrepreneurship and the growing digital economy to transform later-life work into an engine for financial sustainability and personal fulfillment.

#### **An Immense, Untapped Pool of Talent**

As this new approach to work gains momentum, savvy corporate leaders will discover that older employees represent an immense, untapped pool of talent and knowledge.



Andrew Sieg, managing director and head of global wealth & retirement solutions, Bank of America Merrill Lynch

Older workers are their organizations' pillars: more loyal, better collaborators and more effective mentors, according to the Stanford Center on Longevity's 2014 report, *Adapting to an Aging Workforce*. They also often form the core of intergenerational teams that combine varied strengths for higher productivity, Stanford says.

To realize this competitive advantage, corporations will need to experiment with different policies to retain and empower their older employees. The latter will want to work in new capacities and learn additional skills, even as they juggle a changing mix of personal responsibilities, including the looming challenge of elder care.

So, I see us embracing an approach that incorporates flexible scheduling, telecommuting and realigned responsibilities, as well as a commitment to age-friendly workplaces and investments in the technological skills of all employees.

### **Navigating the Changing Financial Landscape**

As the workplace adapts, we must also ask how employees will navigate the changing financial landscape.

At Bank of America Merrill Lynch, we've launched a [longevity training program](#) for our financial advisers and our corporate clients' HR and benefits professionals. This program, developed with the Leonard Davis School of Gerontology at the University of Southern California, is designed to help companies address their employees' financial needs and aspirations regarding work, health, family and retirement. We also understand how important it is to accommodate employees who care for aging loved ones — as they represent a growing population in our aging world.

Together, these individual, social and corporate changes could propel the U.S. into a global leadership position in regard to longevity, especially if we encourage the kind of national policies I've outlined.

In East Asia and Europe, according to a [report](#) by the National Institute on Aging, National Institutes of Health, U.S. Department of Health and Human Services and U.S. Department of State, we're already seeing the dangers of national responses that try to preserve the status quo despite their aging populations. For instance, some have inflexible labor markets and social support systems that assume an age at which people are no longer productive.

### **Benefits of Aging for the Workforce**

Now is the time to move in a new and better direction and to reap the benefits of aging for our workforce.

Contrary to popular belief, countries with lower levels of early retirement actually have lower overall unemployment rates and higher rates of employment of the young, according to Axel Börsch-Supan's *Silver Economy: Pipe Dream or Realistic Possibility?* Further, increasing the number of 65+

workers in the UK by just 2.6 percent a year could increase GDP per capita by as much as 6 percent, according to the International Longevity Centre-UK's *The Missing Million: Illuminating the Employment Challenges of the Over 50s*.

Economic and tax policies must also become vehicles to foster these net benefits. We will need to build greater flexibility into labor markets to include all ages and provide tax incentives for older workers and their employers — including older entrepreneurs — to fit with longer, healthier lives.

The longevity revolution is creating exciting opportunities unlike any we've seen before. By understanding their true potential and empowering our older citizens to become dynamic contributors to productivity and growth, we can open a new frontier for individuals, businesses and countries to compete and prosper in the future.

The first article in this series was [A New Model for the Future of Aging](#). The second was [Personalized Aging: Extending Lifespans and Healthspans](#). The third was [Boomers: Less Tied to Friends and Family Than Others Are](#). The fourth was [What It Will Take for the U.S. to Profit From the Longevity Dividend](#). The fifth was [Work, Retirement and Financial Security in the 21st Century](#). The sixth was [Technology, Aging and the Coming Fifth Wave](#). The seventh was [5 Course Corrections Needed for a Better Future of Aging](#). The eighth was [Let's Make the Most of the Intergenerational Opportunity](#). The ninth was [How We Can Use Our Longer Lives to Do Good](#). The 10<sup>th</sup> was [Building Cityscapes for Healthy Aging](#). The 11<sup>th</sup> was [Aging in the 'Right' Place](#). The 12<sup>th</sup> was [How to Make Longer Working Lives Work](#). The 13<sup>th</sup> was [Four Freedoms That Will Define the Future of Aging](#). The 14<sup>th</sup> was [The Future of Healthy Aging... Is Yesterday](#). The 15<sup>th</sup> was [You're Going to Get Old, So Think About It Now](#). The 16<sup>th</sup> was [Does Purpose Only Benefit the Young?](#) The 17<sup>th</sup> was [How to Help Achieve Optimal Health for the Elderly](#). The 18<sup>th</sup> was [How Higher Education Can Aid Life Transitions](#).

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