

The Gift of Time[®]

The Allianz Longevity Project

How Americans are approaching
the prospect of a longer life



Allianz Life Insurance Company of North America
Allianz Life Insurance Company of New York

For all that's ahead.SM

Allianz 

Methodology

Allianz Life Insurance Company of North America (Allianz) contracted Larson Research Strategy Consulting to field a nationwide online quantitative survey of 3,006 U.S. adults ages 20-70 with a minimum household income of \$30,000. The broad parameters were designed to be inclusive and paint a broad representative picture of the U.S. population for millennials, Generation X, and baby boomers.

We surveyed three consumer groups:

Millennials

Born between
1980-1996

AGE 20-36

Generation X

Born between
1965-1979

AGE 37-51

Baby boomers

Born between
1946-1964

AGE 52-70

The survey indicates that most Americans are inspired by the possibilities associated with extended longevity, but have yet to take advantage of the benefits themselves. Based on the findings, each generation has their own reasons for holding back – from societal expectations to risk of failure and, especially, monetary barriers.

The Allianz Gift of Time® Longevity Study offers new insights on how the current population feels about aging; their attitudes and perceptions about traditional life stages versus alternative ones; the passions, dreams, and goals across each generation; and how financial professionals can serve a variety of clients – especially those who choose to approach the prospect of a longer life by design.

How can we make the best of **an extra 30 years?**

Year after year, lifespans continue to stretch – and more and more Americans face an increased need for long-term financial planning strategies so as not to outlive their money.

To learn more about the relationships between a long life, the paths we choose, and long-term financial planning, Allianz Life Insurance Company of North America (Allianz) developed



Dr. Laura Carstensen
Founding Director, Stanford Center on Longevity

the Allianz Longevity Project in collaboration with The Stanford Center on Longevity (Stanford). To gain a deeper understanding of the topic and examine how perceptions of aging compare among millennials, Generation X, and baby boomers, Allianz commissioned The Gift of Time®: Allianz Longevity Study.

According to Dr. Laura Carstensen, founding director of the Center on Longevity and author of *A Long Bright Future*, those of us living today could outlive our 20th-century ancestors by as many as 30 years. And while an extended life expectancy may call for additional savings, it can also provide the opportunity to trade traditional life stages for the ones we design for ourselves.



Irv Williams

Jazz saxophonist, Irv Williams Trio

As one of the oldest living jazz musicians in the world, Irv has retired several times – unsuccessfully. His love for playing the saxophone began at the age of 14 and continued to be a part of his life while he worked in dry cleaning. Several decades since that career ended, Irv plays a weekly gig at a local jazz club with his bandmates and has no intention of giving it up.

POSITIVITY
FOR LONGEVITY
IS **FOCUSED ON**
FLEXIBILITY.

Most people are positive about living longer.

Most Americans are remarkably upbeat about living 30 years longer, particularly in regard to the flexibility it could provide in their lives. 93% of our survey respondents view it favorably – driven by the fact that 50% believe it could offer new possibilities for the future.

Reacting to the prediction that the population of senior citizens will reach 100 million by 2050, 72% find this to be a positive advance – outweighing the 25% who fear it could be the biggest threat to their financial security yet.

Assuming they'd be in relatively good health, 34% of respondents want to live past age 95 – and 11% believe they will do so. Younger generations are even more enthusiastic, with almost one in five wanting to live past age 100 and about one in 10 hoping to live past age 125.

Certainly, there are those who are hesitant about the impact of living longer. 49% believe it will present huge challenges for the human race – but they are outweighed by the 52% who believe it could make the world a better place. Overall, a key measure of the positive feelings about longevity focuses on new and flexible options for people's lives.

Consumer attitudes toward longevity

IT COULD OPEN UP A LOT OF INTERESTING POSSIBILITIES

50%

IT'S A WONDERFUL DEVELOPMENT

26%

IT CREATES A LOT OF QUESTIONS AND DOUBTS

21%

IT REALLY TERRIFIES ME

5%

Total respondents surveyed

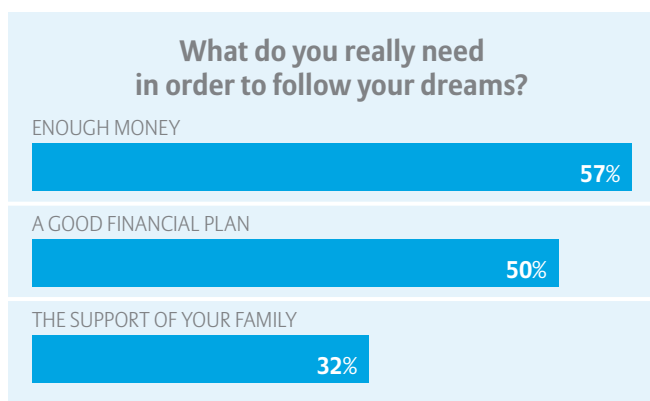
Excitement for longevity is grounded in realism.

While consumer awareness and understanding of longevity is a bit scattered, about one-quarter of respondents are attuned to the fact that humans are living an average 30 years longer than they did 100 years ago.

The future looks bright for those who intend to embrace the potential for elongated models of living. Respondents seem capable of a heightened sense of empathy for their future selves. When asked to picture themselves in retirement and estimate their monthly costs, respondents increased their expense estimate by 13% when visualizing themselves as living life in their 90s. What's more, 43% of Gen Xers and millennials predict they will be happier when they're older, perhaps in response to their current social and financial challenges often reported in the media.

Americans possess a clear understanding about what they'd need to maintain a happy and fulfilling longer life – and there's general agreement on what matters most.

In the interest of pursuing an alternative life path, people accept the pragmatic need for budgeting, good planning, and self-discipline. When asked what they'd need to follow their dreams, money was the top choice for 57% of the total survey respondents.



Total respondents surveyed

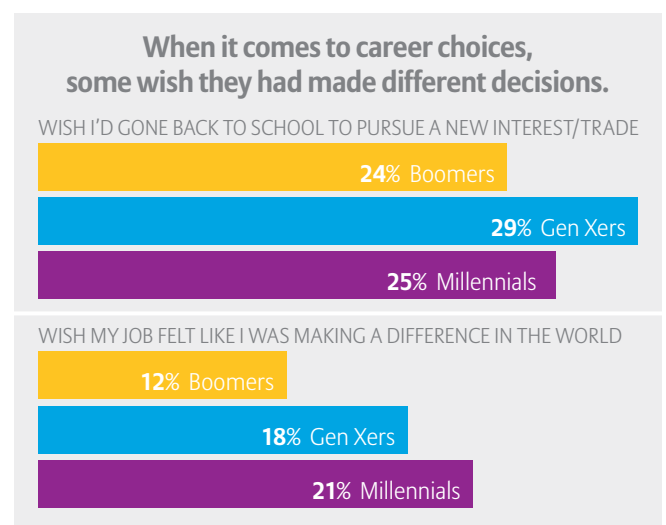
A third of Americans regret their major life choices.

Despite their positive outlook for the future, Americans in general are widely discontent with the past and present. Nearly a third (32%) are unhappy with their major life choices.

Specifically, 52% of boomers, 55% of Gen Xers, and 50% of millennials rank not saving enough money as their number-one regret. And, when considering their past life choices, some wish they had made different decisions in their career.

Perhaps that's why about one-quarter of Americans want to reexamine how happy they are in their careers (26%) and the opportunity to follow their dreams (27%). If given the chance to begin again, a change in profession is the top choice: 32% of boomers, 35% of Gen Xers, and 33% of millennials. Interestingly, those who have a financial professional are significantly happier about their past life choices than those who do not have one.

Of all three generations, boomers make up the highest percentage of those who, looking back, "wouldn't change a thing" at a rate of 30% more than the average. Gen Xers, on the other hand, far surpass all other generations when it comes to regrets about life.





Tom and Connie Betts

Owners, Cascade Alpacas of Oregon

Tom and Connie were ready for a lifestyle change. When a customer at Tom's marine outfitter mentioned a recent trend in alpaca farming, he began to research on his own. After leaving his job, the Bettises sold their home in the city for a farm of their own. What began as a small herd of alpacas has grown to more than 50 and has led to the profitability of their woven wares.

MORE TIME TO LIVE CREATES **MORE POSSIBILITIES AND OPPORTUNITIES.**

There's plenty of acceptance for alternative approaches.

It's not surprising that most generations are open to nontraditional life paths – ones that foster creativity for new possibilities. 49% of Americans would choose an alternative model that fits their interests, instead of a traditional one.

So, what would change? 21% of boomers and 21% of Gen Xers want to spend more time with their kids, while millennials want to go back to school (30%) and want more time to support causes they care about (7%).

What's more, 46% of our audience is open to working longer and retiring a little later if it means fewer hours and generous breaks – so that they can devote more time to other things, such as raising their children and pursuing other interests.

These attitudes could lead to the liberation of retirement as we know it. 65% of Americans don't think you should wait until retirement to explore, experiment, and travel. The same is felt by 69% of millennials.

When asked what currently appeals most to them, each age group has differing short-term life goals.

What short-term or life goals sound most appealing right now?

GOING BACK TO SCHOOL

6% Boomers

19% Gen Xers

23% Millennials

STARTING A NEW BUSINESS

7% Boomers

18% Gen Xers

19% Millennials

The barrier to bold choices is not fear – it's money.

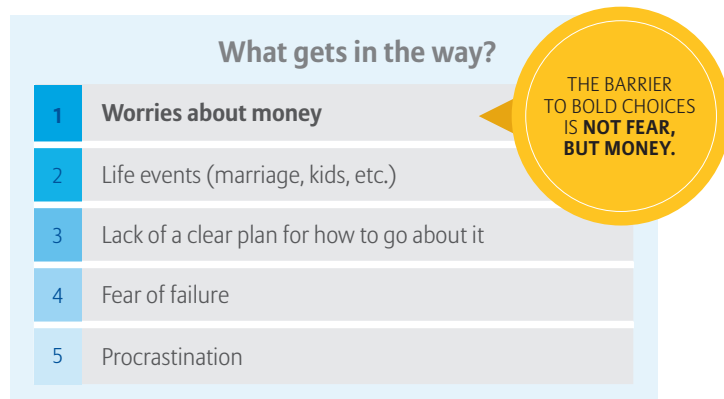
Today, 53% of the respondents feel unprepared to fund their desired activities and passions over the course of their lives. No wonder, then, that financial security is the highest concern across all generations when it comes to longevity. Along with paying for health care, the key challenge is finding sources for guaranteed lifetime income – an annuity, for example.

70% of our sample does not feel financially prepared to live to age 100. 30% of millennials are particularly overwhelmed with the thought of living that long, and claim they would try to save a lot more money if they'd known sooner. The sense of unpreparedness is felt by Gen Xers, too, at 24%.

The main barriers identified to choosing an alternative life path – the nontraditional kind coveted by 65% of Americans – are all overshadowed by money issues.

What else gets in the way? Second to financial concerns, 51% of boomers, 45% of Gen Xers, and 41% of millennials point to life events – such as marriage and children – followed by a lack of a clear plan (41% boomers, 35% Gen Xers, 32% millennials). Fear of failure ranks fourth on the list, and health is near last.

Overall, it's clear that uncertainty prevails as people contemplate the prospect of a long future.



Top five responses, ranked high to low, total sample

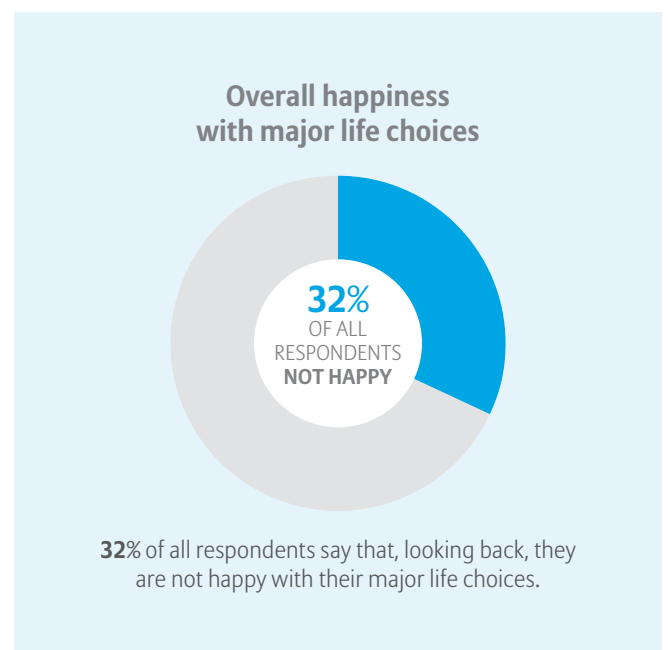
People long to be gutsier and follow their dreams.

As people contemplate longer lives, they realize that taking more risks could have made them happier, and that extra time and freedom would let them do things differently. 35% of respondents wish they'd been more gutsy in their choices and done things they really wanted to do.

This appears to be especially true for millennials, the most restless, idealistic, and experimental of all the surveyed generations. Ironically, those with the most time to be gutsy in their life decisions are the ones who wish they could be gutsier.

Allowing for more time and room to choose boldly, 35% of Americans agree: A longer life could persuade them to make bolder life choices.

Offered the gift of 30 more years, 56% of respondents would travel extensively, 35% would live in a different place, and 29% would pursue a dream or start their own business.





Mark Christy and Nives Riddles
Owners, CampTrend.com

Ten years into their respective careers, Mark quit his dream job at NFL Films and Nives left behind her career as a professional makeup artist and stylist. The plan? To live life on the road while exploring American's national parks – and generate sustainable income while doing it. With their professional skills, the pair launched CampTrend.com – an outdoor lifestyle website that features their reviews of campsites and gear.

MILLENNIALS
ARE THE MOST LIKELY
TO **WANT TO MAKE
BOLD CHOICES** – BUT
THE LEAST LIKELY TO
MAKE THEM.

Millennials have the most to gain and lose.

Compared to boomers and Gen Xers, millennials stand to face both the greatest rewards and challenges when it comes to living an extra 30 years. They generally emerged as wanting to follow their dreams, pursue ideals, change the world, and take the road less traveled while they do it.

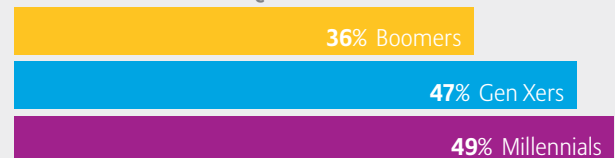
With their willingness for experimentation and their desire for alternatives, millennials could be the ones to lead the way on innovative approaches for longevity. As those exceeding the total sample in alternative ways to spend their longer life, they have an interest in a free-range life by design.

Their emphasis on values makes them stand out from other generations. If given 30 extra years, 23% would choose to be active in volunteer work and causes they believe in. 19% would take a job where they could feel they were making a difference.

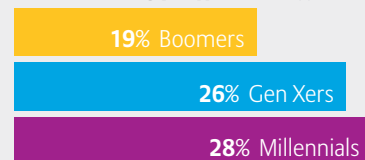
The caveat to these altruistic qualities? Millennials tend to be one of the least financially prepared to live to age 100, and say they can't see planning for retirement in general. If they learned today they'd live to be age 100, 44% say they'd start saving more money, and 41% would pledge to get serious about financial planning. But with the least savings and the most debt, the good intentions of millennials could be unrealistic.

Thinking about money and living 30 years longer, what's true for you?

I'D PROBABLY TRY TO **SAVE QUITE A BIT MORE MONEY**



I'D BE **PRETTY OVERWHELMED** WITH THAT THOUGHT



These trends call for employers and institutions to adapt.

As extended lifespans continue to become more prominent, they could influence the acceptance of new models for work in our society. Many Americans seem to understand that a new paradigm is critical when thinking about, planning for, and funding a longer life. By taking short- and mid-term goals into consideration while saving for retirement, people will have more freedom to try different things, pursue their passions, and explore alternate life paths.

Americans are clear about what could stand to change in the workplace – including greater support for individualized lives and choices. 49% of all respondents would be likely to take advantage of flex time between work and home. On a similar note, 47% of the total sample believe older people should be allowed to remain in the workforce if they choose, and 42% call for options and full benefits for permanent part-time jobs.

Money is the primary barrier to alternative choices in work – and so is the belief that employers would be unlikely to offer such options. 21% of millennials fear the judgment of their life and career choices, compared to a meager 9% of boomers. However, total freedom from judgment is only enjoyed by 35% of the total sample.

How employers must adapt

ALLOWING OLDER PEOPLE TO ENTER (OR RETURN TO) THE WORKFORCE

49%

OFFERING FLEX TIME FOR HOME/WORK

49%

ALLOWING WORKERS TO REMAIN IN THEIR POSITIONS IF THEY CHOOSE

47%

OFFERING OPTIONS TO RETIRE LATER WITH FEWER HOURS

44%

Total respondents surveyed



**LONGER LIVES
CALL FOR GREATER
FLEXIBILITY AND
SUPPORT FOR ATYPICAL
LIFE AND CAREER
MODELS.**

The financial services industry, too, will need to follow suit.

As Americans begin to create more flexibility in their longer lives, financial professionals will need to shift their practices, too. Along with the need for imaginative planning, extended lifespans may call for additional emphasis on both short- and long-term goal planning. Above all, creating a way to guarantee income for life is the number-one reason across all generations – 58% of boomers, 50% of Gen Xers, and 40% of millennials – to work with a financial professional.

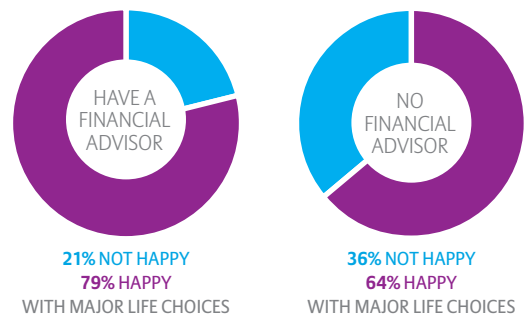
But for many, the conversation has yet to happen. 41% of respondents say their financial professional has never talked to them about planning for a longer life. What's more, 78% of Gen Xers and 80% of millennials don't even have a financial professional.

Given the uncertain future of Social Security, self-funded retirements are on the rise. Yet, one in five of all respondents are not putting away anything for retirement, and only 18% of boomers, 6% of Gen Xers, and 6% of millennials recognize an annuity as a source of funding they'd choose. 19% of boomers plan to fund retirement with individual stocks, and 12% of millennials don't know where to begin.

Of those without a financial professional, 32% of the survey audience would prefer advice on short-term planning and saving – not retirement. But, when it comes to short-term goals, a remarkable one in five are not saving anything (26% of whom are Gen Xers).

In pursuit of their passions, 28% of millennials are open to working with a financial professional if that advisor is recommended by a peer. 28% of this generation desires the ability to pay hourly, and 24% look to positive online reviews.

Correlation of having a financial advisor with overall happiness



Remember: Saving for retirement is not enough without a regular savings plan for short- and mid-term goals. So how can financial professionals help consumers create a plan for their longer life? The following talking points are a good place to start.

- 1 It's important to maintain a strategic financial plan through all stages of life.
- 2 Don't let debt issues go undiscussed. Develop everyday habits of saving and understand the effects compounding has on savings and on debt as well.

Should there be a shift to online advising in the future, surprisingly, 72% of younger generations are not interested in a "robo advisor" – whereas 65% of boomers do not find this appealing.

For more information

about the study and
to see examples of
people embracing
longevity and choosing
their own life path, visit
[www.allianzlife.com/
TheGiftOfTime](http://www.allianzlife.com/TheGiftOfTime).



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Through a line of innovative products and a network of trusted financial professionals, Allianz and Allianz Life of NY together help people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz, together with Allianz Life of NY, is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises we believe we make a real difference for our clients. It's why so many people rely on Allianz and Allianz Life of NY today and count on us for tomorrow – when they need us most.

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