

## THE LONGEVITY CONNECTION: PRUDENTIAL'S PERSPECTIVE ON THE STANFORD SIGHTLINES PROJECT

Over the last century, the life span of the average American has increased by nearly 30 years.<sup>1</sup> This remarkable progress presents both opportunities and challenges, as individuals seek to be happy, healthy, and financially secure over the course of a longer lifetime. The Stanford Center on Longevity recently initiated The Sightlines Project, in which research was conducted on three domains—financial security, healthy living, and social engagement—that are key to a successful long life. The resulting report, “The Sightlines Project: Seeing Our Way to Living Long, Living Well in 21st Century America,” investigates how well Americans are doing in these domains.

The Sightlines Project findings are based on analyses of eight nationally representative, multi-year studies involving more than 1.2 million Americans over two decades. Sightlines looks at how many Americans in each of six age groups are doing “well” in each area, rather than how well the “average” American is doing.

In this paper, Prudential provides perspectives on the interdependencies of these three domains, and how an improvement in even one domain can help Americans live longer, healthier lives.

### KEY FINDINGS FROM STANFORD SIGHTLINES PROJECT

The Sightlines research found that living long and living well is most realistic for those who are able to build financial security, adopt a healthy lifestyle, and engage socially with friends, family, or as part of a community.

**Financial Security** is defined by three primary activities: healthy cash flow, asset investments, and protection against loss. Financial security has deteriorated from 2000 to 2014, particularly among the least educated, with decreased cash flow, lower earnings, and increasing debt all contributing to the decline.

**Healthy Living** is defined as avoiding risky behaviors (e.g., smoking, excessive drinking, drug use) and making healthy choices (e.g., eating well, exercising). Overall, the progress that Americans have made in several behaviors, such as smoking less and exercising more, continues to be offset by negative behaviors and trends, such as maintaining poor diet and sleep habits, sitting too long each day, and increasing obesity levels.

**Social Engagement** includes both meaningful relationships and participation in communities. Social engagement is declining; however, more research needs to be done on how new forms of technology-mediated social engagement will complement declining face-to-face engagement.

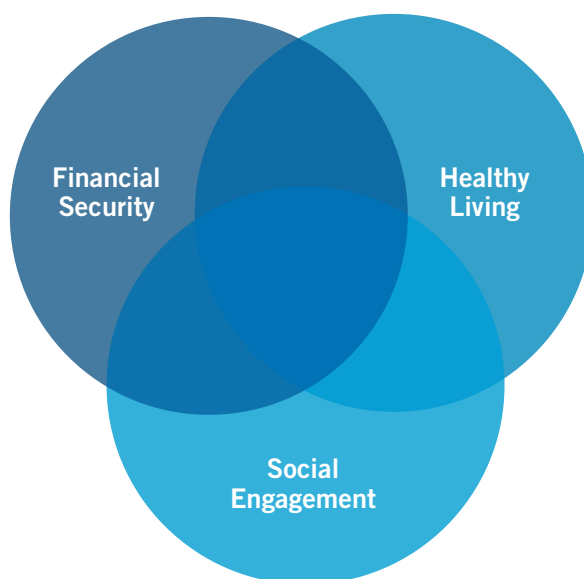
DOMAIN	GOOD NEWS	BAD NEWS
<b>FINANCIAL SECURITY</b>	<p>Since the implementation of the Affordable Care Act, a 15-year decline in health insurance coverage among the least educated has reversed, decreasing the likelihood that a health event may jeopardize their financial security.</p>	<p>Millennials at all educational levels are facing overwhelming challenges. The incomes of the less educated are often at or near poverty levels, while those who went to college are 50% more likely to carry debt at a level five times higher than their predecessors 15 years ago.</p> <p>Fewer Americans open a retirement savings plan before age 55. Among those who are ineligible for employer-based plans, only one in three has a retirement account.</p>
<b>HEALTHY LIVING</b>	<p>Smoking—the top preventable cause of morbidity and early mortality—is declining in every age group.</p> <p>For the first time in decades, more Americans are exercising regularly; more than half of Millennials are getting the recommended amount of exercise.</p>	<p>The level of obesity is rising, and problems with diet and sleep are widespread and show no signs of abating.</p> <p>Despite the increase in exercise, Americans are sitting for long stretches of time, an emergent health risk which is steeply increasing.</p>
<b>SOCIAL ENGAGEMENT</b>	<p>More marriages survive during the later years, likely due to increases in life expectancy; 53% of Americans over 75 are married, up from 42% in 2003.</p> <p>Seven in 10 Americans interact with family multiple times per week, and 60% interact regularly with friends in person/ via phone/by email.</p>	<p>With the exception of 35-44 year olds, community engagement has declined; interactions with neighbors—who represent physically-accessible and often helpful relationships—are becoming less common.</p> <p>Compared to their counterparts 20 years ago, members of the Baby Boom generation are less likely to be married, have weaker ties to family, friends, and neighbors, and are less likely to engage in religious or community activities.</p>

Source: Stanford Sightlines Project (citing Survey of Consumer Finances, Current Population Survey, National Health and Nutrition Examination Survey, and Midlife in the United States)

## PRUDENTIAL'S PERSPECTIVE

Financial security, healthy living, and social engagement are interdependent, such that positive behavior changes in one domain may have a multiplier effect that enhances the quality of life in all domains. In essence, a rising tide lifts all boats. On the flip side, the ecosystem is vulnerable should individuals experience a downturn in one of the domains. This suggests Americans should take a holistic view towards the financial, health, and social aspects of their lives. The following examples illustrate these interdependencies.

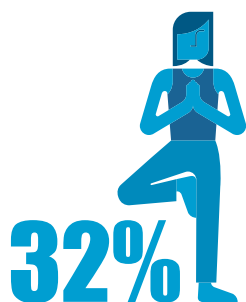
### Sightlines Interdependency Ecosystem



#### FINANCIAL SECURITY AND HEALTHY LIVING

**Financial security has a significant impact on health**, as it provides individuals with resources to support healthy living. When health issues arise, financially secure individuals may be more likely to have access to the best doctors, cover their out-of-pocket medical expenses, and take sufficient time off from work to heal when sick. On a preventative basis, those who are financially secure may be able to afford a healthy diet, gym memberships, and active hobbies, such as skiing or golfing.

Discouragingly, nearly one-third of Americans (32%) say that their finances or lack of money prevent them from living a healthy lifestyle.<sup>2</sup> One in five say that they have either skipped, or considered skipping, going to the doctor in the past year when they needed health care due to financial concerns.<sup>3</sup> Lack of financial wellness may lead to worries and cause stress, and, in turn, negatively impact health. Forty-five percent of employees say that financial matters cause them the most stress in their lives—nearly as many as employees whose top stress is their job, health, or relationships combined.<sup>4</sup> Individuals who experience stress related to their debt levels have more ulcers and digestive tract problems, migraines and other headaches, severe anxiety and depression, heart attacks, and muscle tension.<sup>5</sup> Individuals may also find that the stress caused by lack of financial wellness impacts their productivity at work. For employers, the resulting decreased productivity may also have implications for workforce and cost management.



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of Americans say that their finances or lack of money prevent them from living a healthy lifestyle.<sup>2</sup>



**Conversely, healthy living can have a significant impact on financial security.** Poor health may result in increased healthcare costs, negatively impacting financial security. Overall health expenditures are expected to continue to outpace inflation between 2013 and 2023, increasing at an annual rate of 5.7%<sup>6</sup> versus 2.0% for inflation.<sup>7</sup> Because employers have shifted more responsibility for healthcare costs to employees, employees are increasingly absorbing a significant portion of this increase. Today, 42% of medical plan participants have out-of-pocket family maximums of \$7,000 or more.<sup>8</sup>

In addition to increased out-of-pocket healthcare costs, poor health may impact an individual's ability to work and earn income. In the event of a disability, employees with disability insurance coverage may collect, on average, only 60% of their salary for a specified period of time<sup>9</sup> — and many employees are not even covered by disability insurance. This may create financial hardships for the 55% of households who report they do not have enough liquid savings to replace one month of their income.<sup>10</sup> Moreover, individuals who do not have adequate financial protection in the event of a health event may need to dip into their retirement savings to cover any shortfall, compromising their financial security in retirement.

ALMOST

9 in 10

Americans with strong financial well-being agree that their relationship with their spouse, partner, or closest friend is strong,



VERSUS

6 in 10

among those who are suffering in financial well-being.<sup>11</sup>



## FINANCIAL SECURITY AND SOCIAL ENGAGEMENT

**Financial security may positively influence social engagement** by providing individuals with resources to engage in leisure and entertainment activities, travel, and higher education, which provide opportunities to meet more people and expand networks. Further, financial security can help to strengthen close personal relationships. Almost nine in 10 Americans with strong financial well-being agree that their relationship with their spouse, partner, or closest friend is strong, versus six in 10 among those who are suffering in financial well-being. The link between financial well-being and social relationships holds across income levels; Americans' perceptions of their social relationships improve as their financial well-being improves, regardless of their income level. One possibility is that strong financial well-being may strengthen relationships, as the absence of worrying about finances removes a significant potential source of conflict.<sup>11</sup>



**Conversely, social relationships may also influence financial security.** For example, several studies have linked divorce and financial instability.<sup>12</sup> While financial struggles may place stress on couples and potentially lead to conflict and divorce, divorce may also have adverse effects on financial security. In general, divorce cuts accumulated wealth in half while increasing expenses significantly per person.<sup>13</sup> A study over a 40-year period found that divorced women who did not remarry lost significant financial ground, even for those women who worked until retirement.<sup>14</sup>

Social relationships may also impact individuals' careers and success in landing jobs. A recent survey revealed that 85% of jobs are filled through networking. Many job openings are filled internally or through a referral from a trusted source, rather than being posted.<sup>15</sup>

## HEALTHY LIVING AND SOCIAL ENGAGEMENT

**Healthy living can positively impact social engagement.** Many physical activities are conducted in groups or social settings, such as running in races or even going to the gym. Living a healthy lifestyle may also provide the opportunity to share interests with others, such as through a gardening club or a team sport.



In addition, physical activity may produce physiological outcomes that help individuals feel more sociable. For example, exercise stimulates various brain chemicals that may make individuals feel happier, more relaxed, and more confident. Exercise and physical activity deliver oxygen and

nutrients to body tissues and help the cardiovascular system work more efficiently, resulting in higher energy levels.<sup>16</sup>

**Conversely, social relationships, or lack thereof, have been associated with specific health conditions.** Several studies provide evidence linking a low quantity or quality of social ties with health conditions, such as cardiovascular disease, atherosclerosis, high blood pressure, cancer and delayed cancer recovery, and slower wound healing.<sup>17</sup> Moreover, one study showed that the risk of death among adults with the fewest social ties was more than twice as high as the risk for adults with the most social ties—even after taking into account socioeconomic status, health behaviors, and other variables that might influence mortality.<sup>18</sup> Another study found that, among adults with coronary artery disease, the risk of subsequent cardiac death was 2.4 times greater for the socially isolated than for those more socially connected.<sup>19</sup>

The “invisible epidemic” of loneliness affects about 60 million Americans.<sup>20</sup> One study found that loneliness is associated with accelerated cognitive decline in older adults. The loneliest individuals in the study experienced cognitive decline at a rate approximately 20% faster over a 12-year period than individuals who were not lonely.<sup>21</sup>

In addition to affecting thinking abilities and behaviors, a sense of isolation also shows up in measurements of stress hormones, immune function, and cardiovascular function.<sup>22</sup> Simply put, one study equated the effects of low social interaction to the following common health risks:

- **As bad as smoking 15 cigarettes a day**
- **As dangerous as being an alcoholic**
- **As harmful as never exercising**
- **Twice as dangerous as being obese<sup>23</sup>**

## TAKEAWAYS

Individuals, their financial advisors, and their employers can each play a role in encouraging more positive behaviors throughout adulthood to help Americans live long and fulfilling lives. The Sightlines Project framework based on the three domains underscores the importance of taking a holistic approach to improve well-being. This is even more important when taking into account the interdependencies of the three domains, and how a boost in one domain may help boost the other two. The following are suggestions on how to take action.

### Individuals

- Consider working with a financial advisor to make short- and long-term plans to attain financial security, and take the time to understand financial offerings at the workplace.
- Maintain a healthy lifestyle that includes a healthy diet, exercise, and adequate sleep. Engage in physical activities in a social setting to help improve both the healthy living and social engagement domains.
- Make a concerted effort to engage frequently with family, friends, neighbors, and co-workers; apply talents and interests to volunteer activities.
- Take advantage of any health wellness programs, financial wellness programs, and social activities offered at the workplace.

One study showed that the **RISK of DEATH** among adults with the fewest social ties was more than twice as high as the risk for adults with the most social ties.<sup>18</sup>



## Financial Advisors

- Take a holistic approach to clients' well-being, starting the conversation early, and including the individuals' family members to jointly plan how to protect for the unexpected and how to fund a long life.
- Ensure that clients are adequately protected against loss of income due to a health event during their working years, so that they do not need to withdraw retirement savings and unnecessarily jeopardize their financial security.
- Include a healthcare component in the financial plan, emphasizing the importance of healthy living in preparation for a long life, and discuss potential long-term care strategies.
- Discuss volunteer work alongside making charitable contributions and leaving a legacy to encourage social interaction and to celebrate living longer. Consider organizing client networking events to provide the opportunity for clients to expand their networks.

## Employers

- Adopt a holistic approach to improving employees' financial wellness. As long-standing providers of employee benefits, employers are viewed by employees as trusted partners who can help employees achieve financial wellness.
  - Offer benefits to help employees maintain adequate financial protection during the working years, so that they may stay on track for a secure retirement in the event of a disability, critical illness, or accident.
  - Complement traditional protection, savings, and retirement benefits with financial wellness programs that help employees gain control over day-to-day finances, achieve key financial goals, and prepare for the unexpected.
  - Empower employees to make the right financial decisions by providing financial guidance, such as education and counseling.
  - Ensure that the financial tools and solutions offered as part of financial wellness programs address employees' needs and make it easy for them to take actions to improve their financial security.
- Provide adequate healthcare insurance to help employees obtain the health care they need. Adopt health wellness programs that advocate healthy lifestyles and provide education and motivation for the right health behaviors.
- Encourage social activities, such as organizing volunteer events and forming networking groups for employees with common interests or backgrounds.

## ENDNOTES

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- <sup>5</sup> Associated Press, “Debt Stress Causing Health Problems, Poll Finds,” June 2008.
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- <sup>8</sup> The Kaiser Family Foundation, “Employer Health Benefits 2014 Annual Survey.”
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- <sup>19</sup> Ibid., cited: Brummett et al., “Characteristics of Socially Isolated Patients With Coronary Artery Disease Who Are at Elevated Risk for Mortality,” 2001.
- <sup>20</sup> John T. Cacioppo and William Patrick, “Human Nature and the Need for Social Connection,” 2008.
- <sup>21</sup> Nancy Donovan (Brigham and Women’s Hospital, Harvard Medical School) study presented at the Alzheimer’s Association International Conference, 2015.
- <sup>22</sup> John T. Cacioppo and William Patrick, “Human Nature and the Need for Social Connection,” 2008.
- <sup>23</sup> Meghan Casserly, “Friends With Health Benefits,” *Forbes*, 2010. Cited study by researchers at Brigham Young University, Julianne Holt-Lunstad, Ph.D.

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