

Club Vita's Top Charts

August 2020

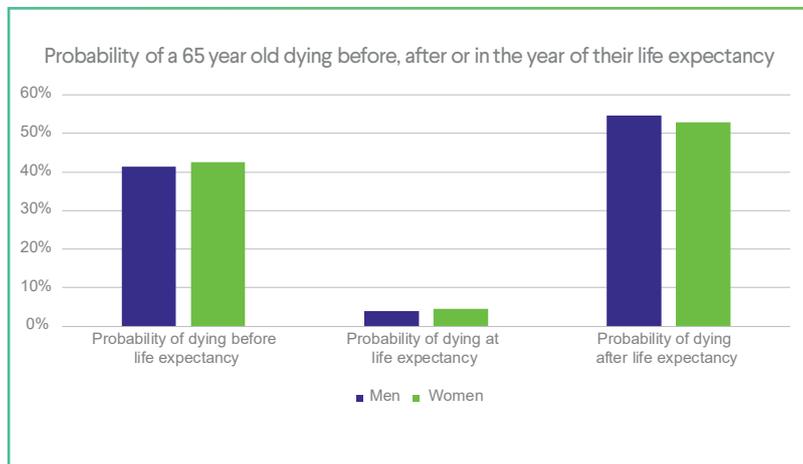
Issue 21: Life expectancy doesn't tell the whole story

Question:

How likely is a 65 year old to die at the exact age of their life expectancy?

Answer:

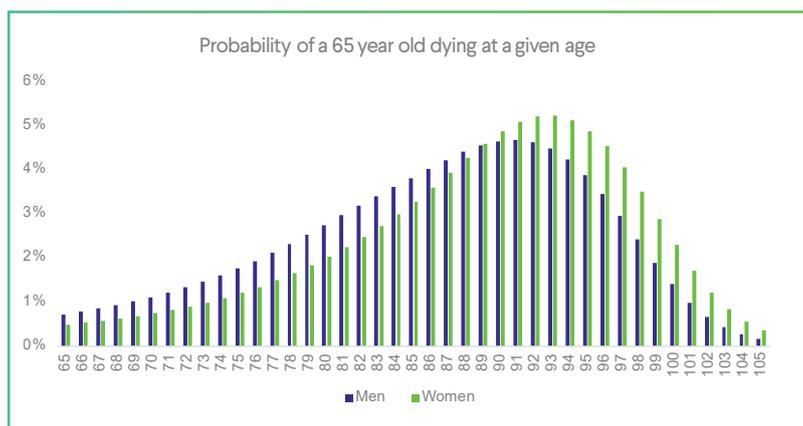
Fairly low. The chances of a 65 year old dying in the same year predicted by their life expectancy is less than 1 in 20 (around 4%). They are much more likely to die at a different age. In particular, there is over a 50% chance they will die later than their life expectancy.



Source: Club Vita analysis for a 65 year old in 2020 assuming S3PXA base mortality with CMI_2018_[1.5%] improvements

Key takeaways:

- There is only around a 4% chance that a 65 year old will die at the age of their life expectancy
- There is over a 50% chance they will live longer than their life expectancy.
- Life expectancy does not tell the whole story.



Source: Club Vita analysis for a 65 year old in 2020 assuming S3PXA base mortality with CMI_2018_[1.5%] improvements

Over-reliance on life expectancy figures has the danger of over simplifying the challenges of financial planning for the future. Even if we ignore different factors that influence how long someone is expected to live, such as affluence, lifestyle and health, there is still a whole range of possible outcomes (shown to the left).

The key questions is:

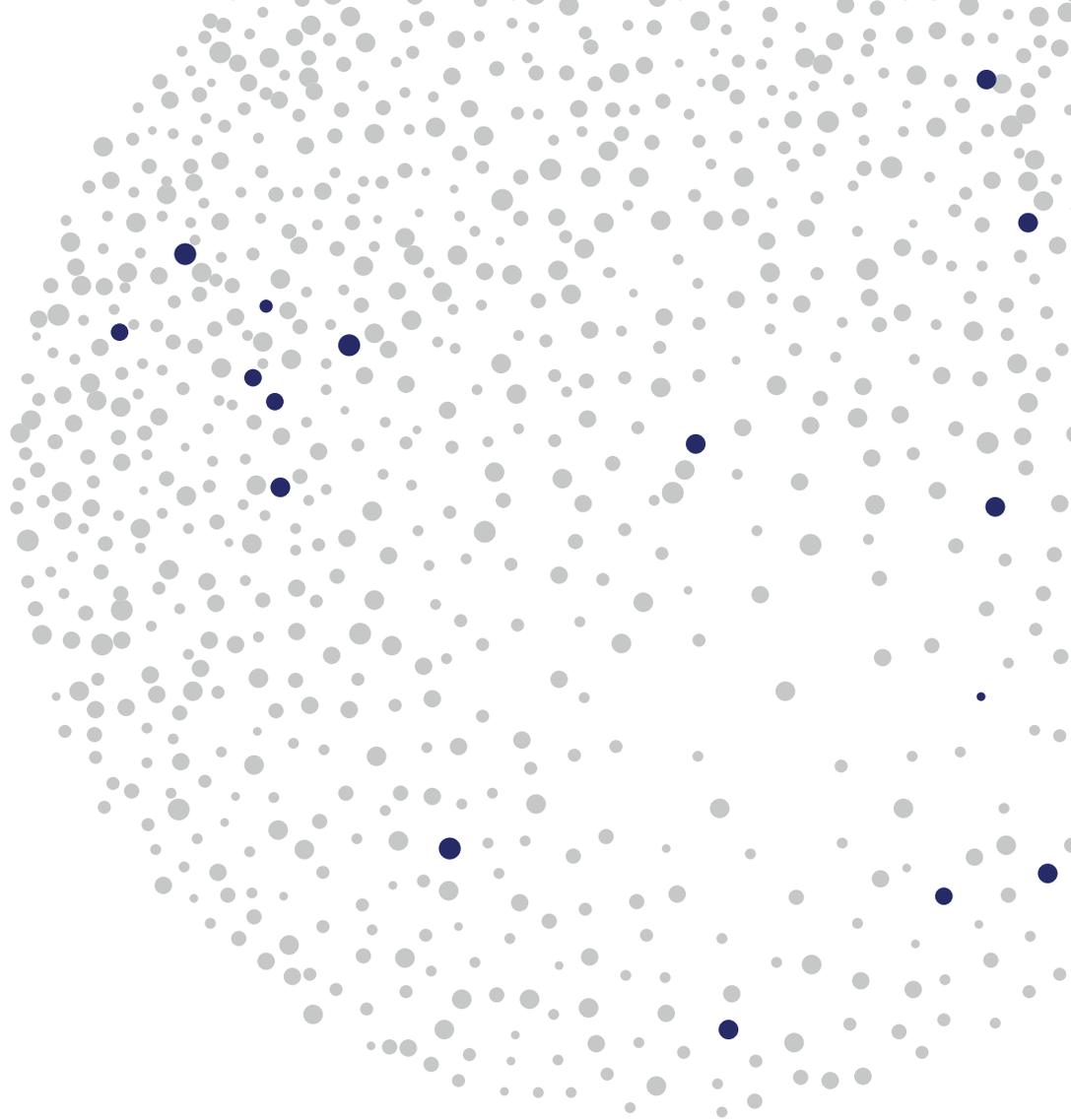
- How can individuals plan for such an uncertain future?

What do you think?

Please post your questions in our **Friends of Club Vita** discussion group on LinkedIn.



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