

The four longevity risks to manage for a fit 100-year life

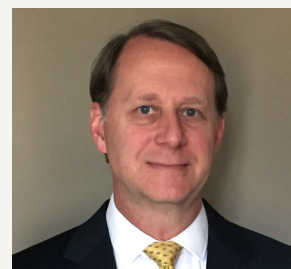
Nearly every conversation about retirement today begins with one central fact: more people are living longer. This expected increase in lifespan is one of the most profound shifts of our time, altering the arc of careers, caregiving, housing, and financial planning. For many, a 100-year life is no longer a rare possibility but an increasingly realistic scenario. A question that follows is equally profound: how do we prepare not only to live longer, but to live well?

At the TIAA Institute, we study the drivers and implications of longevity through economic, behavioral, and demographic lenses. What we consistently find is that longer lives bring both promise and complexity. While public attention often centers on rising healthcare costs or retirement savings gaps, these are just two parts of a larger shift. Longer lives requires a deep rethinking of what it means to age with resilience and grace.

We frame this challenge through the lens of longevity fitness—the ability to sustain well-being across an extended lifespan, not just financially, but also physically, cognitively, and socially. To build longevity fitness, we must manage four interconnected risks that increase with age: financial risk, cognitive decline, physical deterioration, and social disconnection. No one tool or product can manage all four risks. Indeed, achieving longevity fitness requires having at least one tool for each risk.



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The four risks that shape a longer life

Financial risk is the most familiar of the four, but also the most complex and underestimated. Retirement planning often relies on averages: average life expectancy, average market returns, average expenses. But longevity does not work in averages. According to the UK Office for National Statistics, one in three babies born today will live to age 100. Women have even higher odds. Yet most individuals, especially men, expect to live far fewer years than actuarial tables suggest. This gap in subjective perception versus objective reality can lead to serious consequences: savings may fall short, investment strategies may fail to account for longevity, and the need for income that lasts across an extended retired lifespan may be underestimated.

Effectively managing financial risk requires a shift from focusing solely on wealth accumulation during working life to emphasizing having adequate income throughout retirement. Research indicates that, for most households, finding a role for lifetime income solutions complements Social Security income and helps manage financial uncertainty. While often misunderstood or underused, these solutions manage financial risk by preventing premature depletion of savings, stabilizing spending behavior during market downturns, and potentially providing peace of mind.

Managing **cognitive risk** is just as critical but typically less discussed. As life expectancy increases, more people risk experiencing diminished late life mental acuity. Cognitive decline has both health and financial consequences. In 2023, older Americans reported nearly 1.9 billion dollars in fraud losses. The average loss for someone over 80 was three times that of younger victims. Scams have evolved to become more personalized, more persistent, and more damaging. Beyond fraud, even moderate cognitive decline can impair decision-making and lead to missed bills, mismanaged portfolios, or inappropriate withdrawals.

Protecting against this risk involves both personal and institutional safeguards. Individuals should consider assigning trusted financial proxies, consolidating accounts for simplicity, and automating critical payments. Securing lifetime income can simplify financial management and protect against fraud. Advisors and institutions must be equipped to recognize cognitive red flags, initiate supportive conversations, and build tools that reduce decision complexity over time.

Physical risk grows steadily with age and is often overlooked in financial planning. Nine out of ten injuries among older adults result from falls. One major health event, whether orthopedic, cardiac, or metabolic, can disrupt carefully laid retirement plans. The costs of care, home modifications, or extended convalescence are not always covered by traditional insurance or anticipated in retirement projections.

Managing physical risk requires planning for health as an integral part of financial strategy. This includes ensuring appropriate medical coverage, encouraging the use of health savings accounts, considering long-term care insurance, and designing living environments that support mobility. It also means investing in prevention, staying active, maintaining nutrition, and addressing chronic conditions early. These are not just health choices; they are protective financial decisions.

Social risk relates to the negative effects of isolation and loneliness. According to former U.S. Surgeon General Vivek Murthy, loneliness has become a public health epidemic, with effects comparable to smoking or obesity. As people retire, relocate, or lose loved ones, their networks often shrink just as their need for support increases. Social disconnection has cascading consequences. It increases the likelihood of depression, reduces physical activity, and weakens cognitive resilience. It also leaves individuals more exposed to fraud and poor financial decision-making.

Managing social risk requires facilitating continued connections throughout later life. Strategies include fostering community involvement, encouraging intergenerational engagement, supporting family caregivers, and preserving independence wherever possible. Research highlights that continued work, in the form of phased retirement or bridge jobs, are an increasingly popular strategy for staying connected. For employers, it means extending support for caregiving responsibilities and creating off-ramps into retirement that allow for continued participation and mentorship.

These four risks do not operate in isolation. They are interdependent and often compound one another. A fall can reduce mobility and increase social isolation. Loneliness can lead to depression and cognitive decline. Cognitive decline can lead to financial vulnerability. These interactions create a cycle of vulnerability that must be addressed with systems-level thinking, not isolated fixes. Effective retirement planning requires using multiple tools and strategies for managing the four risks and ensuring a happy, healthy older life.

FOUR INTERCONNECTED RISKS THAT INCREASE WITH AGE:

- 1 Financial risk
- 2 Cognitive decline
- 3 Physical deterioration
- 4 Social disconnection

Longevity literacy: the first step toward readiness

Preparing for these risks requires not just education, but awareness. That is the idea behind longevity literacy, a concept we introduced at the TIAA Institute to describe a person's understanding of how long they are likely to live, and how that impacts their financial and lifestyle decisions.

We like to share this story. During a recent ride to the airport, the driver whose name is León, a 49-year-old Navy veteran, shared his plans to retire by 52, assuming a life expectancy of 75. When it was gently pointed out that if he reaches 65, actuarial data suggests he is more likely to live to 85, there was a pause. Then he said, "You've just added ten years to my planning." That simple exchange captured the essence of longevity literacy. It is not about charts or statistics. It is about resetting expectations so that planning reflects actual likelihoods rather than assumptions anchored in the past.

Our research shows that individuals with high longevity literacy are significantly more confident in their retirement readiness and more likely to engage in behaviors like estimating income needs, budgeting for health costs, and evaluating withdrawal strategies. Longevity literacy bridges the gap between knowledge and action. It connects financial principles to the real human timeline they are meant to serve.

A more complete view of retirement readiness

Today's concept of retirement readiness is too often reduced to a savings target or a replacement ratio. But the future of retirement will not be defined solely by balances. It will be measured by whether people can sustain dignity, purpose, and security over multiple decades of post-work life.

For employers and policymakers, this means recognizing that wellness benefits should not stop at retirement. For financial professionals, it means reframing the conversation, from "what is your number?" to "what will your income be each month, and for how long?" For individuals, it means planning not just for leisure or legacy, but for adaptability, protection, and belonging.

Longevity fitness is not a slogan. It is a systems-level imperative for a society where 90 may become the new 70. The four risks: financial, cognitive, physical, and social, cannot just be ignored or avoided. They are realities to prepare for with clarity and compassion.

We cannot control how long we live. But we can shape how prepared we are to live well. That is the real work ahead.

About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies, and maximize opportunities for success.

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