



Book

## The 100-Year Life

Living and Working in an Age of Longevity

Lynda Gratton and Andrew Scott

Bloomsbury, 2016

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A longer life can be a blessing if you know how to prepare for your future.

## Recommendation

Celebrating a 100th birthday used to be a rare occurrence. But as of 2016, half the children born in the West have a life expectancy of 105 years. These extra years will likely be healthy, as morbidity rates are predicted to decrease in many parts of the world. Yet, the gift of a long life brings unexpected complications. In this well-researched, comprehensive if academic overview, London Business School professors Lynda Gratton and Andrew Scott address some of these issues, including supporting yourself during an extended retirement, maintaining beneficial relationships, staying healthy, and periodically updating your skills and knowledge. While end-of-chapter summaries or bullet points might have been helpful, *getAbstract* finds that this in-depth analysis will help everyone hoping to spend an extra decade or two on Earth and anyone seeking to hire them, invest in them or sell to them.

## In this summary, you will learn

- How increased longevity will change how you plan your life
- Why the usual “three-stage life plan” of school, work and retirement is becoming obsolete
- How to rethink your relationships, career, education and finances so you can enjoy a long life

## Take-Aways

- As of 2016, children born in the West have a 50% chance of living to age 105.
- The “compression of morbidity” means people stay healthier later into their life spans.
- To create the necessary options for longer lives, people must replace the model of a “three-stage” life – education, work and retirement – with a “multistage” life.
- New life stages will emerge, including “the Explorer, the Independent Producer and the Portfolio.”
- Making a multistage life work will require flexibility and a changed use of time.

- Careers using “uniquely human skills” are less vulnerable to technological substitution.
- Foresighted companies will redesign policies to promote increased employee longevity.
- A rich, fulfilling life requires intangible assets like relationships, happiness and health.
- These intangible advantages can be “productive assets, vitality assets” or “transformational assets.”
- Long-range financial planning requires both “efficacy” – belief in your assessment abilities – and “agency” – the self-control to follow a savings plan.

## Summary

*“Millions of people can look forward to a long life, and this will create pressure on how they live and how society and businesses operate.”*

*“The value of finding an optimal match – either over lifestyle, career or marriage – is greater with a long life and, of course, the costs of a bad match or a wrong early commitment are also greater.”*

*“There are real opportunities to move...to a way of living that is more flexible and more responsive.”*

### Live Long and Prosper

Children born in the US in 2016 can anticipate reaching their 100th birthdays. The last two centuries have seen an increase in life expectancy of two years per decade. Unforeseen or unfortunate circumstances aside, you will live longer than your parents and grandparents, and your children will live longer than you. For some, a long life is a burden. Others see it as a gift of endless possibility. In the future, people will continue to work into their eighth and ninth decades. The job market will change and evolve, requiring new skills and knowledge. While finances will play an obviously crucial role, nonfinancial assets such as relationships, health and happiness are equally important. People will move away from the traditional “three-stage” life of education, career and retirement toward a life of multiple stages. In such a “multistage” life, people may have several careers, undergo various transitions, and take breaks to recharge or learn new skills. These life transitions evoke flexibility, discovery, new perspectives, wider networks and new relationships.

“Re-creation will be more important than recreation,” as people invest in learning and skill development throughout their lives. A longer life journey will come with more forks in the road: times to choose among various options and take different directions. Rather than feeling elderly for a longer time, those enjoying a healthier 100-year life should extend their youthful mind-set, explore new options throughout their lives, stay flexible in their thinking and interact with people of all ages.

Clearly, having a working partner eases the financial burden of a longer life, but making relationships work over decades takes commitment, mutual trust and planning. Both genders will need to modify their attitudes and behaviors. Partners must synchronize their transitions and stages. Different types of partnerships and family units will continue to gain popularity, including cohabitation and single parenting. Greater longevity will compel people to forge new paths and develop new ways of living.

### Aging Gracefully

Beginning in the 1920s, child and infant mortality rates fell as science tackled the main infectious diseases, namely smallpox, tuberculosis and typhoid. The medical community turned its attention to afflictions of middle age, such as cardiovascular disease and cancer. Early diagnosis, new treatments, public education and government health care lessened the effects of these chronic issues. The next significant improvement will come from tackling diseases found in the elderly.

Many people fear of living longer with Alzheimer’s disease or dementia, but research shows that most people can anticipate being healthier longer into their life spans. The “compression of morbidity” – the “health-related quality of life before death” – helps maintain good health. Already people are beginning to experience some diseases of aging, such as diabetes and arthritis, later in life. Today’s elderly people enjoy a higher quality of continued participation in the “activities of daily living” or ADL, which include such self-care as bathing, dressing and eating. Healthier aging does depend on location. In some countries, morbidity rates have increased or remained the same.

*“Identity will be based more on what you do than on where you started, and the more roles you take, the less useful any one role will be in determining your identity.”*

### **Paying the Bills**

The longer you live, the more money you’ll need, either by boosting your savings or working longer. This presents substantial challenges. The usual three-stage life of education, work and retirement worked for “Jack,” who was born in 1945 and died at age 70. Jack’s state and company pensions, supplemented by his 4.3% annual savings rate, paid for his short retirement. “Jimmy,” born in 1971, faces a life expectancy of 85. He has no pension, and his necessary projected savings rate is an unrealistic 17.2% per year. For “Jane,” born in 1998 with a life expectancy of 100, the necessary annual savings rate jumps to 31%, even if she works into her 80s. Viewing greater longevity through the lens of the three-stage life feels overwhelming, unrealistic and exhausting. An elongated work stage is grueling and depletes your nonfinancial assets, including health and relationships. Longevity is more appealing for a life of multiple stages.

*“Periods of work become more extensive, savings more central and, across the passage of time, major transformations occur in industries and jobs.”*

### **Technology’s Effects**

Tech advances render some jobs obsolete while creating new ones. Since 1979, the labor market has “hollowed out,” meaning that the number of high- and low-skill level jobs have increased, but the number of middle-range positions has dwindled. Technology replaced many medium-skill jobs and carved out more roles for skilled workers. The hollowing out of the middle will increase as computers take on more routine tasks, like driving or diagnosing medical conditions. However, technological progress and productivity will raise the overall standard of living, boosting consumerism and generating new industries. The future will feature entirely new sectors and jobs.

Jobs that require “uniquely human skills” are less vulnerable to technological replacement. David Autor’s article “Why Are There Still so Many Jobs?” identifies two sets of uniquely human traits. The first is complex problem solving built on experience and inductive reasoning. The second refers to roles based on interpersonal interactions. People born at the turn of the century should choose career paths with an “absolute advantage” – as in a job humans will always perform better than robots – or a “comparative advantage” – a job in which people and machines work together.

*“A good life would be one with a supportive family, great friends, strong skills and knowledge, and good physical and mental health.”*

### **“Vitality Assets”**

Family, friends, health and learning are the intangible but necessary ingredients of a rich, fulfilling life. These intangibles strengthen your tangible assets. For example, learning and acquiring skills boosts your earning potential. Intangible advantages can be “productive assets, vitality assets” or “transformational assets.” Productive assets like education and skill development build capabilities and career growth. Periods of learning may take place throughout a 100-year lifetime due either to the obsolescence of existing skills or the desire for new knowledge. Developing your “professional social capital” through collaborative relationships boosts your long-term creativity and productivity. Building your personal brand – that is, a good reputation – grows increasingly valuable as you fulfill your responsibilities, seek opportunities or enter new fields.

*“The great advantage of increasing life expectancy is it is happening slowly and is*

vitality assets include your mental and physical well-being, which you should proactively maintain and improve. Healthy eating habits, regular exercise, stress management and nurturing relationships are crucial for a long, happy life. The

*predictable from afar. We need to seize this advantage and make sure we prepare appropriately.”*

*“When life extends, most people will have no choice but to work a great deal longer.”*

*“The acquisition of new skills and new specialisms will become a lifelong endeavor.”*

*“The gift of a longer life is ultimately the gift of time. In this long sweep of time, there is a chance to craft a purposeful and meaningful life.”*

*“As globalization and technology changed how people lived and worked... increasing*

outdated three-stage life model creates many imbalances for people such as Jack who focus on work and career development for long periods of time and put their vitality assets on the back burner. For a more workable arrangement, look toward the multistage life with a longer education stage and a fragmented work stage as people shift between working and taking time to renew themselves and build fresh skills.

These transitions require transformational assets that build your ability to change throughout your life. Pursue three interrelated characteristics of transformation, starting with attaining self-knowledge through a frank assessment of your present self and what you might be like in the future. The second element is the ability to create diverse networks of people drawn from a wide social circle. The third is openness to new experiences and ideas plus the willingness to experiment and change your behaviors.

### **The Multistage Life**

For most of history, people lived only two life stages: child and adult. The 20th century saw the emergence of two “age-located” stages: teenagers and retirees. As the three-stage life becomes unworkable, three new life stages will materialize: “the Explorer, the Independent Producer and the Portfolio.” A particular mind-set determines these stages, more than a particular age. Stanford literature professor Robert Pogue Harrison describes this mind-set as “juvenescence, the state of being youthful or growing young.” Maintaining a youthful mind-set enables people to experiment, play, change and grow.

Explorers observe their surroundings, figure out their likes and dislikes through trial and error, and discover their natural talents. Throughout their lives, they examine their values and develop their identities. Amassing a range of experiences prepares Explorers to make choices that align with their values, interests and skill sets. Picking a suitable educational direction, finding a fulfilling job, working for a company that mirrors your values and falling in love with the right person affect the course of your life. Making the right choices takes on greater significance if you live a century or longer; the impact of poor choices lasts longer, too.

People may choose to become Independent Producers at various times in their 100-year life. New forms of entrepreneurship will emerge as people leave traditional careers to engage in independent work such as producing a product, providing a service or pursuing an idea. Rather than trying to build a company to run or sell, independent producers exploit the opportunities of the moment. The Portfolio stage is not age-dependent, although people in their later years may find it an attractive option. People in the Portfolio stage engage in a combination of activities, such as working, volunteering, and pursuing their hobbies and interests.

### **The Language of Finance**

Most people don’t understand the language and basics of finance. If you fail to provide for your future, you run the risk of depleting your resources too early. Adequate financial planning relies on “efficacy” – the belief in your ability to accurately assess your finances – and “agency” – the self-control to follow a savings plan. People face three common financial planning pitfalls: the belief that you can live on less than a 50% pension plus savings, assuming the equity you build in your home will support you in retirement and trying to outsmart market averages with a superior investment strategy. Develop financial literacy through research and study. Manage your portfolio by diversifying your risk instead of investing heavily in a few specific companies or your employer. Reduce risk as you near retirement age, and safeguard your income during retirement.

Time is either the gift or the curse of living a longer life. In 1930, economist John Maynard Keynes predicted that equally distributed prosperity would create greater leisure time for more and more people. Keynes was correct that prosperity

*longevity will do the same.”*

*“The 100-year life...is not science fiction or some wild guess about the future, nor is it an upper limit only for a lucky few.”*

*“Following best-practice advice on healthy living is a cornerstone of making the most of the gift of longevity.”*

begets leisure, but he miscalculated the massive increase of consumerism in the 20th century. People want more material possessions and will work longer hours to get them. Keynes failed to foresee that lower-skilled workers would gain a shorter work week, while higher-income earners would work longer than ever before.

Yet, even people working fewer hours feel “time-poor.” Outside work, they rush from one activity, chore or obligation to another. People may have more discretionary time but they feel they have less spare time. A multistage life requires flexibility and restructuring your time so you can work. The current three-stage life model makes it impossible to take time to retrain or renew. The Industrial Revolution standardized the work week and led to changes in government and society. Increased longevity will challenge existing societal constructs even more.

### **Redesigning Corporations**

Some companies will resist meeting the demands of the longer-lived workforce, but businesses will need to redesign their policies in six areas:

1. Expand the employer-employee relationship beyond tangible assets, and design jobs to enhance people’s intangible assets such as productivity or vitality.
2. Support personal transitions by providing training, helping employees develop diverse networks and offering constructive feedback.
3. Shift practices built on the perspective of a three-stage life to a multistage life model.
4. Consider men’s and women’s varying needs at different stages in their lives, and provide flexibility in their hours, scheduling and deadlines.
5. Shed policies, both written and unwritten, that promote ageism.
6. To encourage people to take time for experimentation and renewal, stop penalizing applicants for time gaps in their résumés.

## About the Authors

Management practice professor **Lynda Gratton** received the 2015 award for best teacher at the London Business School, where **Andrew Scott** is an economics professor. He previously taught at Harvard University and the London School of Economics.

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