

## **The Wisdom of Questions**

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Someone once said that truly wise persons are better known for their questions than for their answers. Recently I heard some provocative questions about the economics of aging that we will need to answer. They were posed by Debra Whitman, a professional economist who is Executive Vice President for Policy at the national AARP.

**Question 1: “How can we encourage more people to save for retirement?”** Half of those who are age 55 and above have saved less than \$50,000 for their retirement. Half of all current workers lack any retirement savings plan (such as a 401(k)) at their workplaces. She suggested that increasing tax incentives for retirement savings could help encourage lower-income workers to save more.

**Question 2: “How do we make sure people’s nest eggs will last for the rest of their lives?”** As an example, Debra noted that because we can’t predict future interest rates and inflation, annuities are not always the best choice. Retirees who lock in an annuity during a period of very low interest rates, such as we are experiencing now, will receive fixed payments calculated by projecting these low rates into the future. I would add a related question: “Where can we find sound financial advice from sources that are not trying to sell us something?”

**Question 3: “How do we encourage people to work longer, while taking better care of those who cannot do so?”** I don’t think anyone has figured that out yet.

**Question 4: “How can we as consumers play a bigger role in managing our own health and wellness?”** Debra suggested that consumers need more basic information about the costs and benefits of various healthcare services, as well as to learn how to talk to their doctors about costs. She also said we should do more to encourage older consumers to seek appropriate screening for potential health problems.

**Question 5: “How will we pay for long-term services and supports (LTSS) for seniors and disabled persons?”** It’s estimated that seventy percent of “baby boomers” who began turning 65 in 2011 will need some form of LTSS during their lifetime. She suggested we can achieve cost savings by better supporting volunteer family and friend caregivers. AARP estimated that such caregivers’ services save us \$450 billion annually as a nation.

**Question 6: “How can society best deal with the growing number of people whose mental capacity diminishes with age?”** These persons are particularly vulnerable to scams and abuse, and provide greater challenges for volunteer family and friend caregivers.

**Question 7: “How do we get politicians to look at the needs of an aging society?”** Debra previously served as staff director for the Senate Special Committee on Aging. She noted that programs and funding affecting aging were located in “silos” across multiple Congressional Committees. She said we need an open public discussion about retirement security. We sure didn’t hear that during the Presidential Debates in 2012.

I invite our readers to send in their answers to any of these questions by e-mail to [senioragendari@yahoo.com](mailto:senioragendari@yahoo.com). I would like to discuss them in a future column.