What is Your Life Expectancy?
Last update: March 8, 2006

Summary

There is no way to know when anyone will die, of course, but we can estimate the likelihood of a longer or shorter lifespan, and that can be a big help in your financial planning. This paper explains the basic concepts and provides charts that will help you understand your own prospects a little better.

Who wants to know?

Perhaps fortunately, none of us (except those on their deathbeds already) can know just when death will come. Yet when we are making financial plans, it is important to have some idea what the timeframe is. A single man who smokes and is in poor health may not need to prepare for more than a decade or so of life in retirement, while a married couple who don't smoke and are in excellent health are likely to have at least one of them live into their nineties or beyond.

What we don't know, and what we do know

Many of us are misinformed about life expectancy. We have been hearing all our lives that women are expected to live into their upper 70s, and men a few years less than that. So we naturally think that this applies to us and that we, too, will live only into our 70s. But this is wrong, and here's why:

The life expectancy numbers you hear on the news or read in the paper are life expectancy *at birth*. But unless you are currently very unhealthy, your life expectancy is higher than a baby's. Why? Because the baby still has to face the perils of childhood diseases, teenage accidents, death in the military, middle-age heart attacks, and a host of other dangers that you – if you are in your 50s or 60s or older – have already survived. The rule of thumb: the older you get, the more your future life expectancy stretches out. For most people who retire in their 50s or 60s, life expectancy is in the 80s, not the 70s.

That's good news if you like the idea of living longer, as most of us do. But it can be bad news financially, because it means you need more money to make it that long.

What we do know is that certain factors affect your likely lifespan. The importance of these differs from one person to another, but all of the following items usually matter:

- Your current age: the older you get, the higher your life expectancy.
- Your sex: at every age, women are expected to live longer than men.
- Whether you smoke: except at very advanced ages, non-smokers have a considerably longer life expectancy.

- Your overall health: some people are in great shape, others have already been diagnosed with a fatal disease.
- Genetics: people tend to live a long time in some families, or die young in others. Still, you are neither guaranteed to live as long as a parent or grandparent who lasted well into old age, nor doomed to die as soon as one who went prematurely.
- Your lifestyle: how you eat, how much you exercise, your marital status, whether you are active and enthusiastic about life, whether you take unnecessary risks, and other such factors all affect your probable lifespan.

A game of chance

The factors listed above affect your odds, but it's still a game of chance. When we speak of õlife expectancy,ö we are talking about *average* life expectancy. This means that half the people in the group are expected to die before the specified age, and half are expected to die later. *Very few will die exactly at that age*!

But just as we can calculate life expectancy at the 50% level of probability, we can calculate it at any level of probability. This is important, because when you are doing your financial planning, you don't want to plan to have your money run out at life expectancy, since that means you have a 50% chance of lasting longer than your money does. You would probably be smarter to plan for your money to last to the point where you have only a 10% or 5% or 1% chance of outliving your funds.

Furthermore, if you are married, you need to look at your combined (õjointö) life expectancy. You need to provide financially for whoever lives longer. When there are two of you, there are twice as many chances that one of you will live longer than average. So the õjointö life expectancy of two people is higher than for either of them individually.

What about the õriskö that medical science will make big improvements in life expectancy? There are two answers to this. The first part concerns expected, ongoing medical progress, which is already taken into account in the charts provided on the following pages. The second part involves the chance that a radical breakthrough will occur, and suddenly people will be living to be 120 or 150 or even older. Although this is indeed a possibility, if it were to happen, it would result in overwhelming changes in our nation's economy and in our own finances ó beyond the point where we can really plan for it.

And the answer is…

If you have a report from the RetirementWorks[®] II system, the first page of the Explanatory Notes will give the life expectancy for each relevant person, based on whatever data has been provided concerning age, sex, smoking status, and overall health. The ages given in that report reflect õaverageö life expectancy, i.e., the age at which there is a 50% chance of dying sooner and a 50% chance of living longer.

The charts on the following pages show life expectancy in terms of age at death, using a wide range of possible situations.

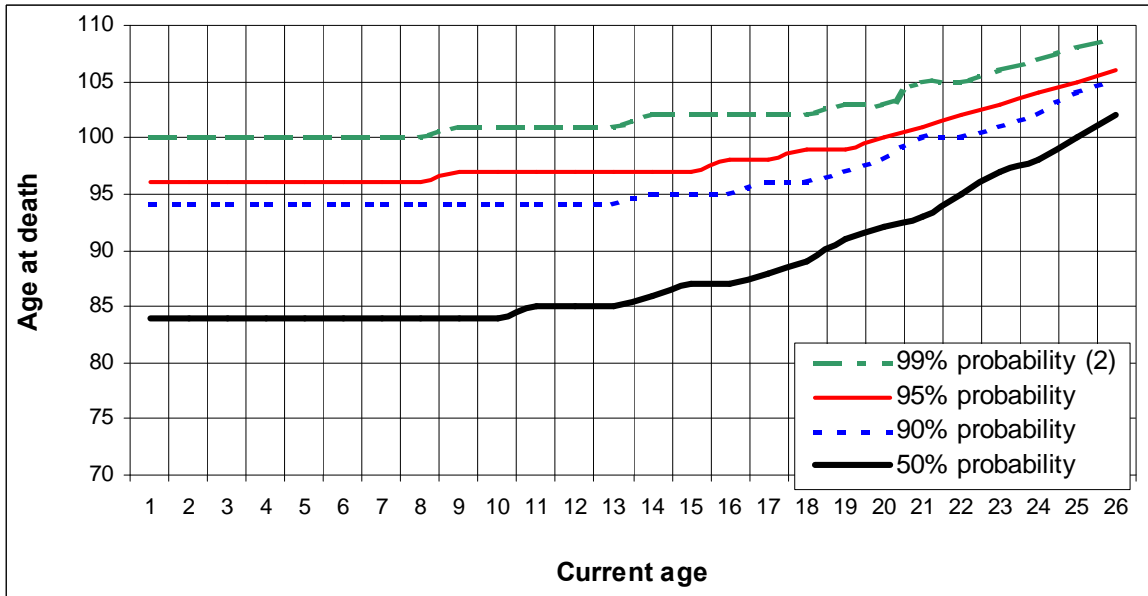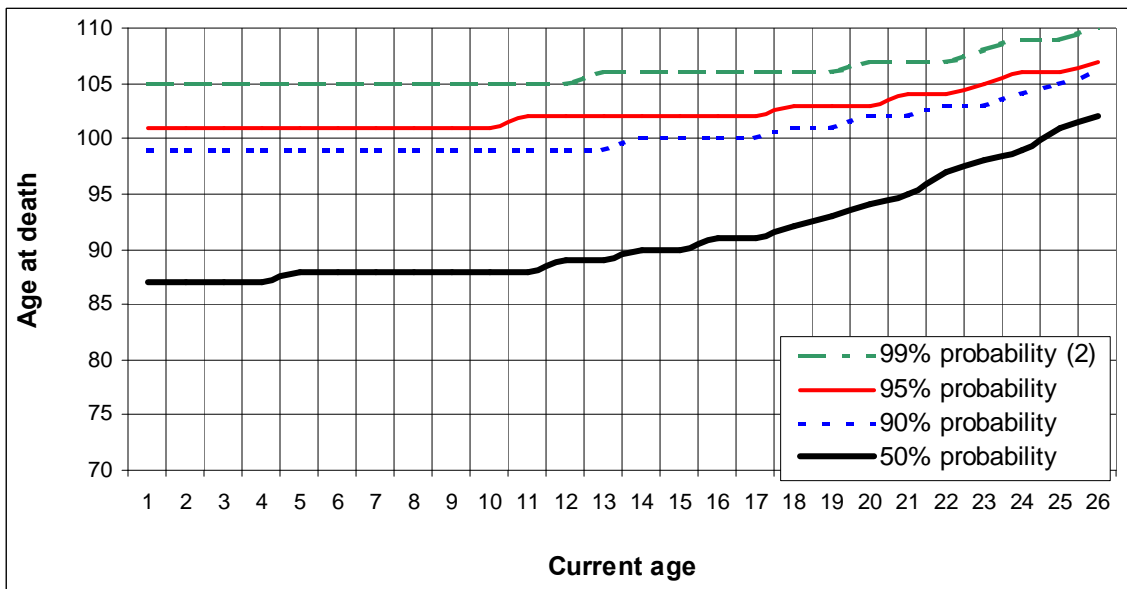# Chart 1: Life expectancy for Men . Non-smokers[1] . Average health

Legend:
- 99% probability (2)
- 95% probability
- 90% probability
- 50% probability

Y-axis: Age at death
X-axis: Current age

Chart 2: Life expectancy for Women . Non-smokers[1] . Average health

Legend:
- 99% probability (2)
- 95% probability
- 90% probability
- 50% probability

Y-axis: Age at death
X-axis: Current age

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on the following page.

Chart 3: Life expectancy for Men . Smokers[1] . Average health

Age at death (y-axis: 70–110)
Current age (x-axis: 1–26)

- — · — 99% probability (2)
- —— 95% probability
- - - - 90% probability
- —— 50% probability
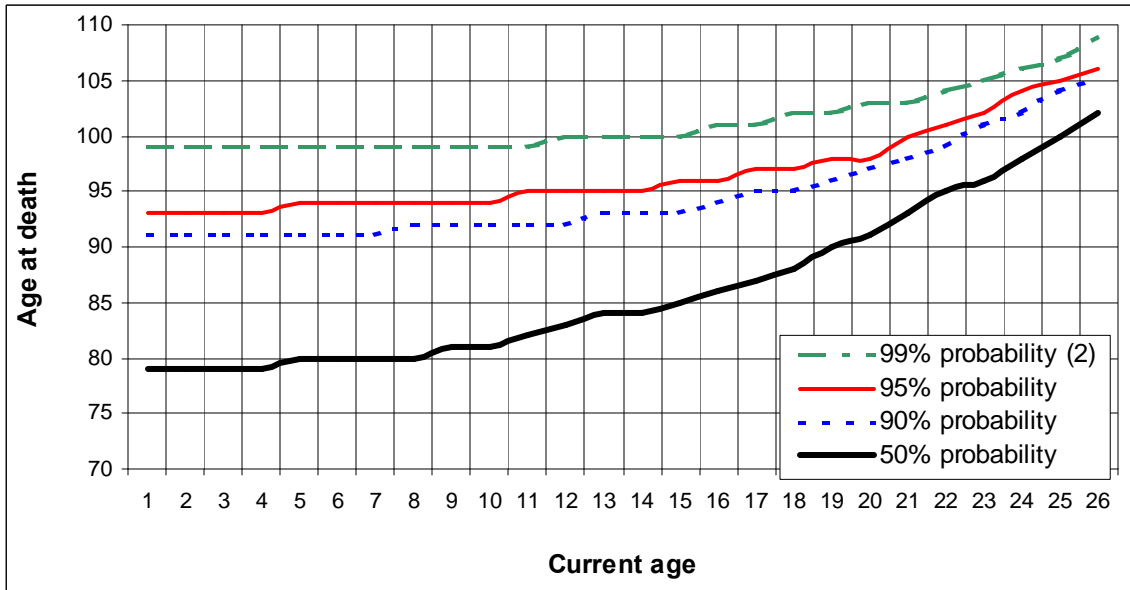
Chart 4: Life expectancy for Women . Smokers[1] . Average health
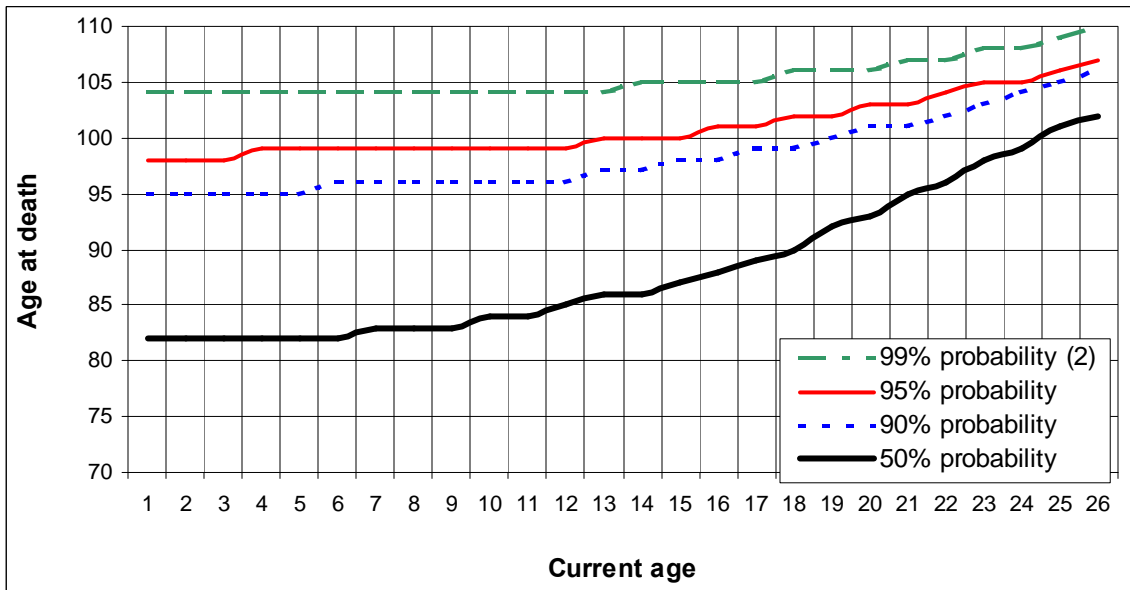
Age at death (y-axis: 70–110)
Current age (x-axis: 1–26)

- — · — 99% probability (2)
- —— 95% probability
- - - - 90% probability
- —— 50% probability

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on this page.

[2] **"Probability" means the likelihood of your surviving to the age listed. The "50%" probability is "normal life expectancy." The "90%" probability column shows the age at which 90% of people in this group will have died. And so on.**

Chart 5: Life expectancy for Men . Non-smokers[1] . with Significant Health Issues[2]
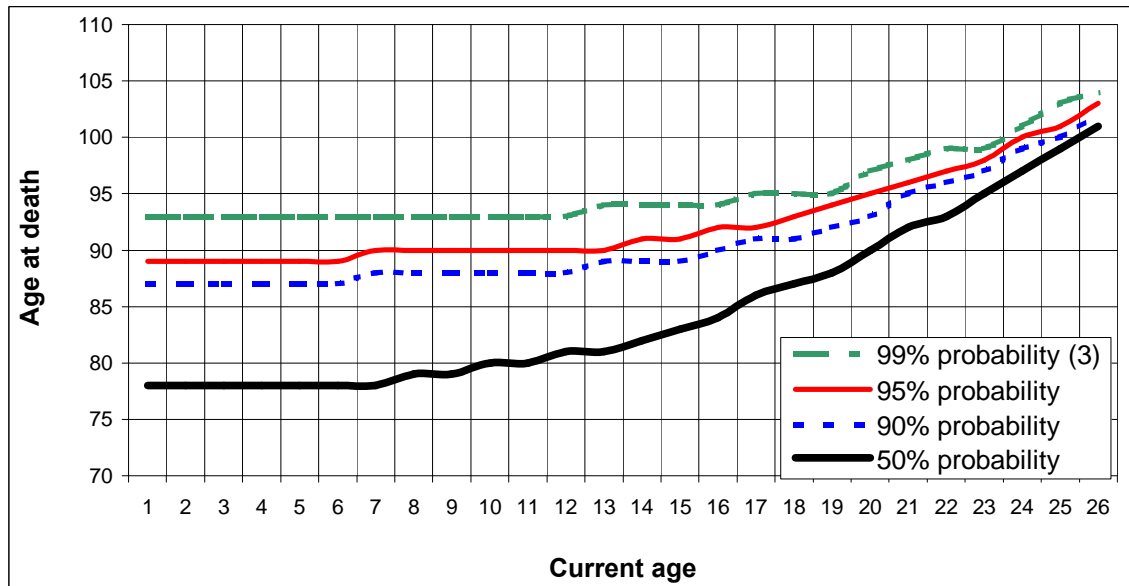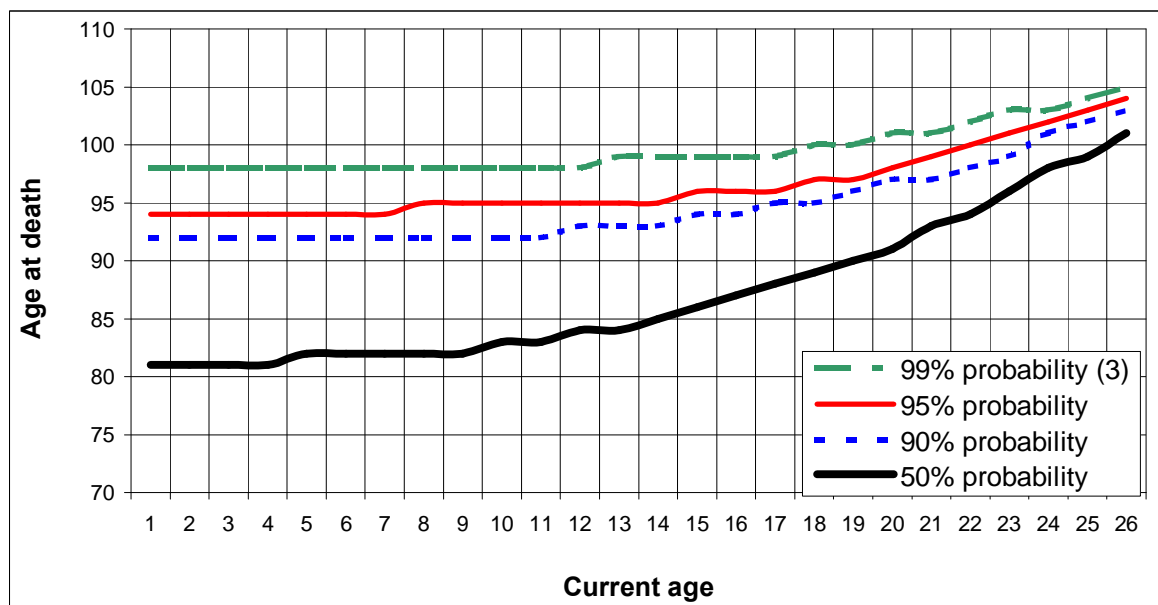

Chart 6: Life expectancy for Women . Non-smokers[1] . with Significant Health Issues[2]

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on the following page.

[2] This chart assumes that the risk of death in each year is 2 times normal. These ages might roughly apply, for example, if you were cured of lung, breast, or prostate cancer 2-5 years ago, have an enlarged heart, or suffer from grand mal epilepsy.

[3] "Probability" means the likelihood of your surviving to the age listed. The "50%" probability is "normal life expectancy." The "90%" probability column shows the age at which 90% of people in this group will have died. And so on.

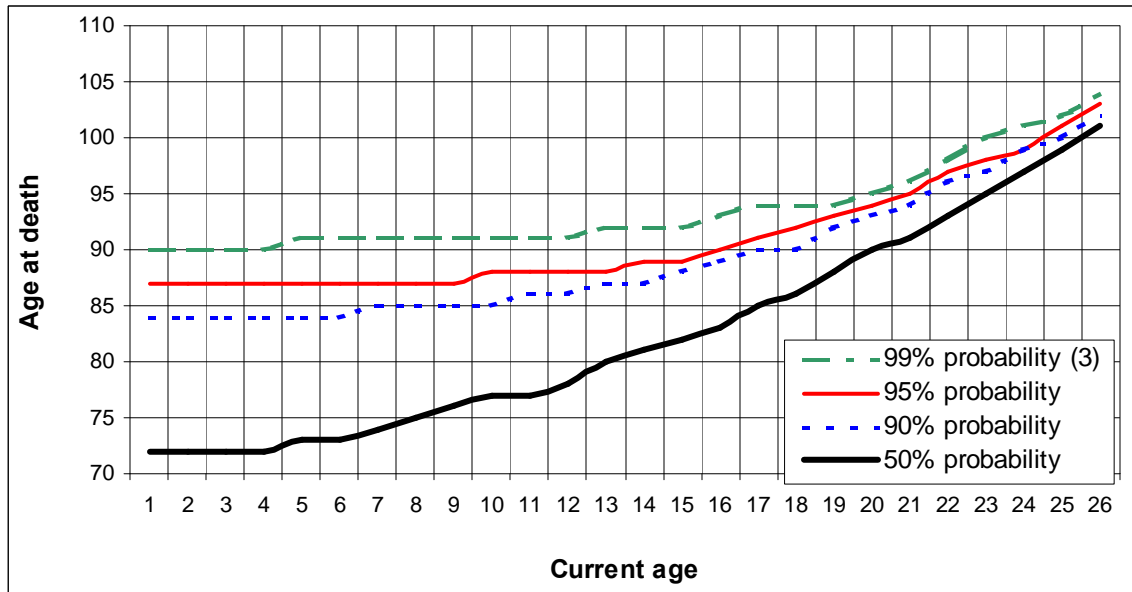# Chart 7: Life expectancy for Men . Smokers[1] . with Significant Health Issues[2]
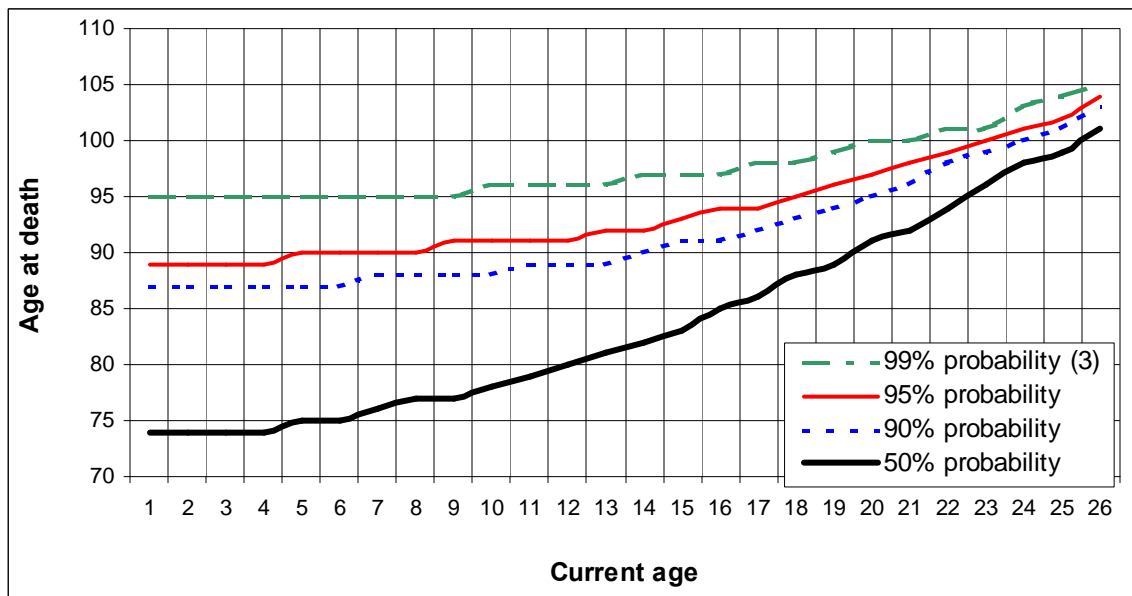

Chart 8: Life expectancy for Women . Smokers[1] . with Significant Health Issues[2]

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on this page.

[2] This chart assumes that the risk of death in each year is 2 times normal. These ages might roughly apply, for example, if you were cured of lung, breast, or prostate cancer 2-5 years ago, have an enlarged heart, or suffer from grand mal epilepsy.

[3] "Probability" means the likelihood of your surviving to the age listed. The "50%" probability is "normal life expectancy." The "90%" probability column shows the age at which 90% of people in this group will have died. And so on.

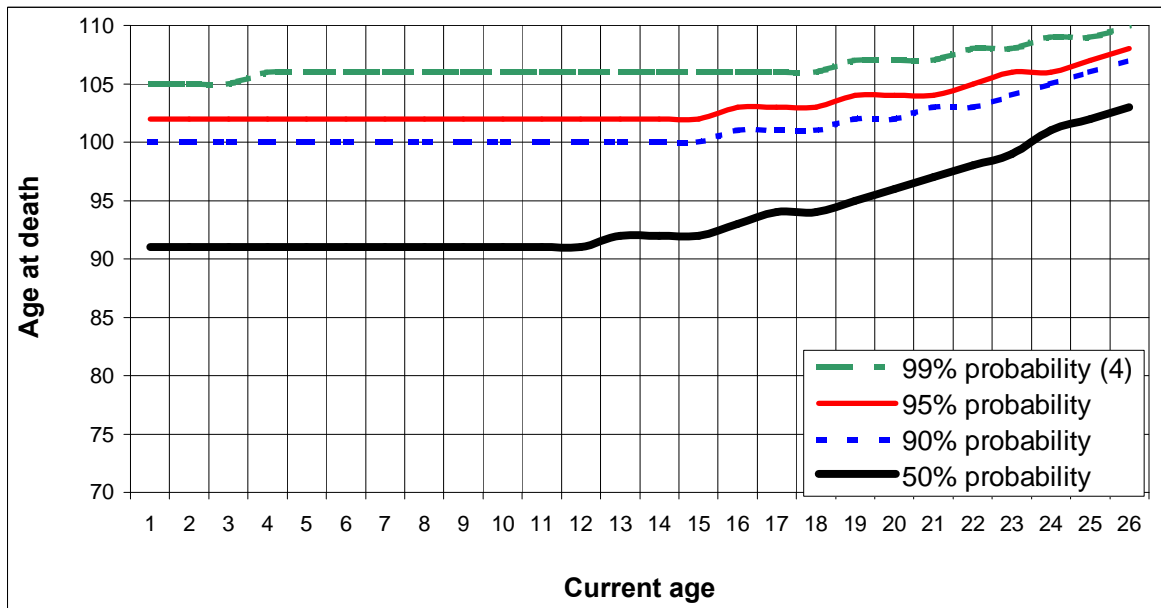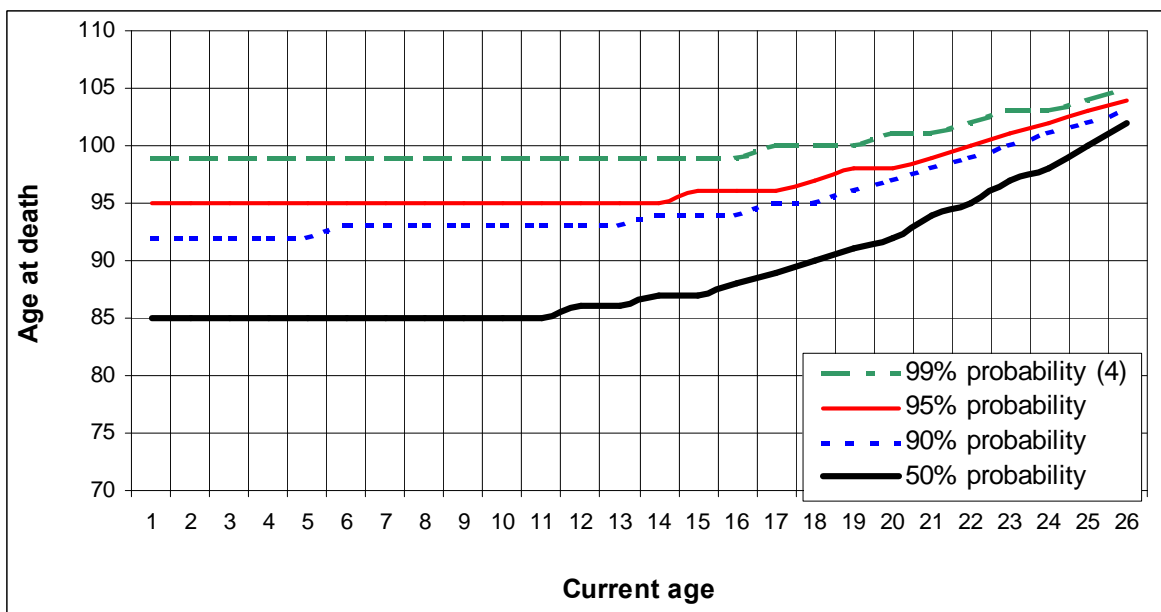## Chart 9: Age at 2nd death for Couples[1] . Non-smokers[2] . Average Health

Chart 10: Age at 2nd death for Couples[1] . Non-smokers[2] . with Significant Health Issues[3]

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] Assumes a male and a female of the same age, health, and smoking status.

[2] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on the following page.

[3] This chart assumes that the risk of death in each year is 2 times normal. These ages might roughly apply, for example, if you were cured of lung, breast, or prostate cancer 2-5 years ago, have an enlarged heart, or suffer from grand mal epilepsy.

[4] õProbabilityö means the likelihood of your surviving to the age listed. The õ50%ö probability is õnormal life expectancy.ö The õ90%ö probability column shows the age at which 90% of people in this group will have died. And so on.

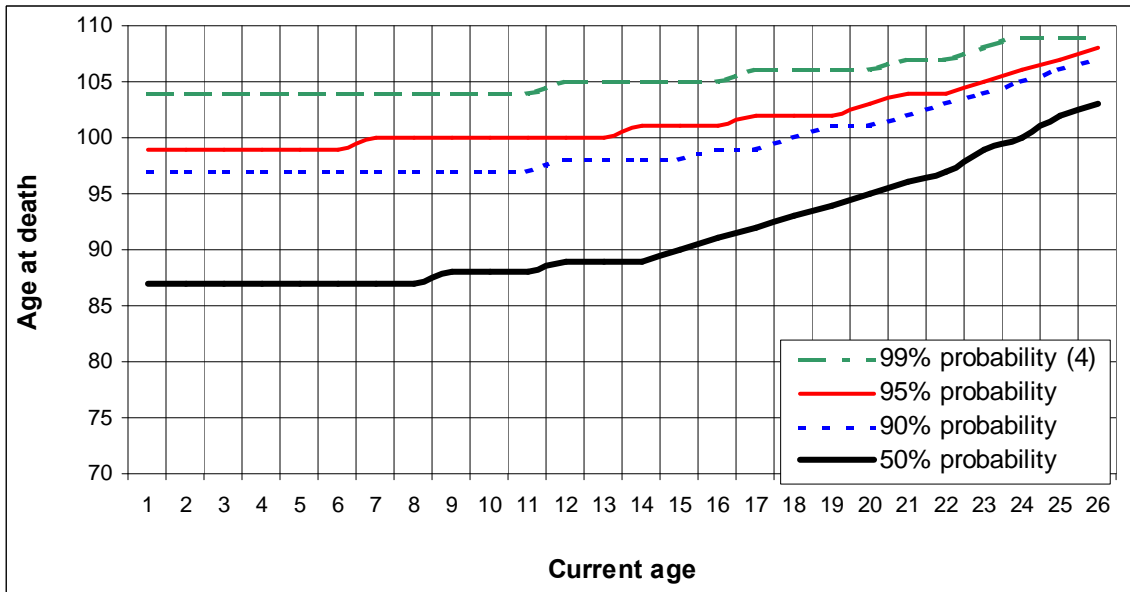# Chart 11: Age at 2nd death for Couples[1] . Smokers[2] . Average Health
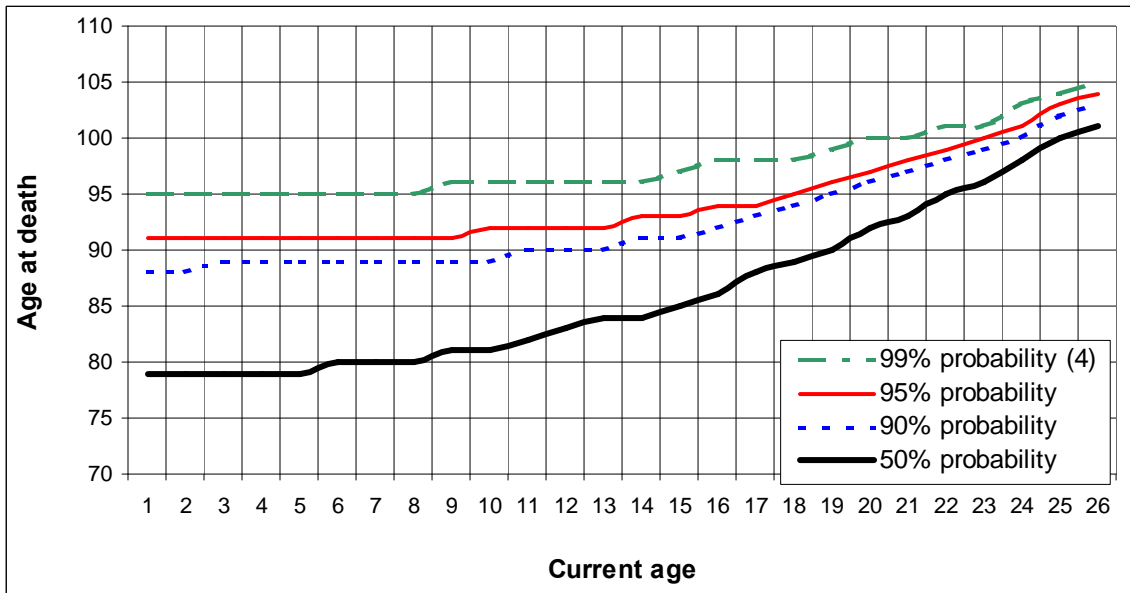
Chart 11: Age at 2nd death for Couples[1] . Smokers[2] . Average Health

Chart 12: Age at 2nd death for Couples[1] . Smokers[2] . with Significant Health Issues[3]

Note: Calculations are based the 1990-1995 Individual Mortality Tables, adjusted for decreases in mortality over time.

[1] Assumes a male and a female of the same age, health, and smoking status.

[2] õNon-smokingö means that you have not smoked in the last several years. If you have just quit, use the õSmokersö table on this page.

[3] This chart assumes that the risk of death in each year is 2 times normal. These ages might roughly apply, for example, if you were cured of lung, breast, or prostate cancer 2-5 years ago, have an enlarged heart, or suffer from grand mal epilepsy.

[4] õProbabilityö means the likelihood of your surviving to the age listed. The õ50%ö probability is õnormal life expectancy.ö The õ90%ö probability column shows the age at which 90% of people in this group will have died. And so on.