



SUMMARY

Planning ahead is hard because you never know how your needs might change. When think about retirement and older age, the focus has always been on financial aspects i.e savings, investments and ultimately distributing money to sustain oneself during the old days. But is saving money the only effective strategy to prepare for it? If not, then what is? Indeed, the basic rule of aging preparation is to invest resources in preparing for the challenges that are expected to occur as we age.

This article by the author provides an interesting perspective on the strategy to prepare for aging that should not rely too heavily on the individual's financial aspect but instead focus on preserving and enhancing biological assets and changing overall thinking about aging.

RETHINKING HOW TO PREPARE FOR YOUR OLD AGE

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Introduction

Preparing for one's silver years can feel daunting and too far down the road ahead, especially for young adults in their 20s. On top of that, the area of focus has always been centred around financial aspects of preparing for old age – “you need to buy an insurance now while you are young”, or “you need to save for your retirement”. For young adults who have just started their career and are building up their own savings, income never feels enough. To roughly illustrate, average monthly salary of Malaysians in 2021 is RM3,037 (2022e: RM3,119; based on 2.71% 5-year CAGR increase) [1] while the estimated cost of living for a single person is RM2,031 excluding rent [2]. That leaves around RM1,000 for everything else including rent and savings for old age (via insurance, pension scheme, or any other investment instruments).

Although I do agree and personally advocate readying for one's old age, I also feel that focusing only on the financial aspect of aging is not the most sustainable solution. In this piece, I will argue (1) with a list of reasons why building one's financial asset as the only strategy to prepare for aging is not sustainable, and (2) argue instead to focus on preserving and enhancing one's physiological assets and change our overall thinking about aging.

Planning for aging should be based on when you will need care and support, and not when one reaches a certain age

By United Nations and WHO convention, individuals are only categorised as “aged” in national population statistics when they are 65 years old or older. But with better healthcare, this group of 65 year-olds can live for another 10 to 15 years before needing care and support. Inversely, if we think of “aged persons” as persons with very high risk of handicap and disability, that is, if the rate at which one’s risk of becoming handicapped and disabled instead becomes proportionate to the rate at which you are progressively considered as “aged” as an individual, then many who are not yet in the age category of “65 or older” would already require some type of care and geriatric support. Therefore, technically speaking, an individual preparing for his or her own old age would do best by assessing at which point in his or her life would he or she start needing care and support. The strategy would then be about delaying these needs, rather than just about being financially ready by a certain age.

To evaluate and strategise around an individual’s risk to requiring care and support, two important vulnerability factors can be introduced: (1) handicap and (2) disability. Handicap can be defined as reduced or loss of ability to participate economically and socially, while disability, or becoming “differently-abled” is defined as reduced or loss of ability to perform sets of Activities of Daily Living (ADLs) [3]. For example, preparing financially for old age would help mitigate the handicap risk directly as seniors will still be able to purchase goods or services like e-hailing rides for them to travel and meet friends at senior community centers, restaurants, or parks. Being financially healthy also means seniors can afford to buy assistive technology like motored wheelchairs, or hire human or robot caretakers to assist in their daily life e.g., cooking, delivering food etc.

Financial readiness is a good strategy, but being healthy is a better plan

At this point, one must have thought that having ample savings for old age expenses is the go-to strategy but allow this author to list down five reasons why it is not good enough a plan.

1. The solution is heavily reliant on the assumption that older individuals will completely lost the ability to make money (while they may still earn, a term now increasingly coined as the ‘silver economy’). This loss of ability to make money can result from either loss of bodily and cognitive function, becoming isolated or made redundant, and finally having lack of passion or drive to work.
2. Focusing only on financial readiness is myopic, as one should have a longer-term plan to delay or even diminish the age-related risk factors during their early years.
3. Focusing only on financial readiness promotes the “old age is a burden” mindset, whereas the value of age is significant in preserving culture and nurturing inter-generational knowledge transfers. Experience and procedural knowledge can be better leveraged if the seniors are healthy and able to actively be involved in volunteerism and family interactions.
4. Focusing on financial readiness of aging also puts stress on young adults to save more through working more jobs or ride on the hustle culture, just to afford old age, not realising that the physical and mental stress probably hastens the aging process and experience in themselves.
5. There is a lack of control over the result. Inflation, precarious returns on pension funds in recent years, and economic recessions are all external factors that can easily impact how much an individual would have accumulated, by the time they need it.

But if savings for old age is not the best way to plan for old age, then what is?

The World Health Organisation (“WHO”) defines Healthy Aging as “the process of developing and maintaining the functional ability that enables wellbeing in older age”, where “functional ability comprises the health-related attributes that enable people to be and to do what they have reason to value”. In simpler terms, it promotes the preservation of one’s ability to grow, to make relationships, and to learn new things into the later parts of their lives. The WHO in 2002 defined Active Aging as “the process of optimising opportunities for health, participation, and security in order to enhance quality of life as people age” allowing people to “realise their potential for physical, social and mental wellbeing throughout their life course”. I believe the key words here are (1) Preserving ability; (2) Maintaining quality of life, and; (3) Realising potential. **By shifting the mindset about aging given these higher goals beyond money, the call to action has escalated from just “to prepare for when I need care” and towards “to prepare so I don’t need care and can live however I want”.**

It is timely to begin to consider that good financial conditions, although a factor, is just not big enough of a determinant to achieve this purpose. One can be wealthy, but hospitalised and bedridden. One may afford the medical bills on his or her own but lose the ability to be independent in performing daily tasks. As such, I would argue that health is the biggest catalyst to allow seniors to live a dignified life.

The following data suggests that we Malaysians don’t have these three proposed key ingredients to healthy and active aging as of today:

- According to DOSM, heart diseases remain as the principal cause of mortality (17% of death in 2020) in the age group of both 41-59 years old (20% of death caused by heart disease) and 60 years and above (18% of death caused by heart disease).
- The 2019 National Cardiovascular Disease Database (NCVD) – Acute Coronary Syndrome (ACS) registry reported the average age of patients suffering from heart disease is 58.7 years while one is officially only considered old at 65 (UN).
- National Diabetes Registry Report 2013-2019 recorded 897,421 active diabetes patients, with the average age at diagnosis of Type 2 Diabetes is 53 years.
- The Dementia Society of Perak chairwoman, Dr Esther Gunaseli found that the 2020 number of dementia patients is 269,000 and expected to be 560,000 in the next eight years.
- One of the key findings in a three-decade observational study done in New Zealand highlighted that dementia is overrepresented among individuals with mental disorder, and 2015 National Health and Morbidity Survey found one in three Malaysian adults aged 16 and above (prevalence of 29.2%) have a mental health condition.

The fact is, most Malaysians would probably contract at least one of these diseases (heart disease, diabetes, dementia) usually associated with aging before they even consider themselves old. In fact, during the National Conference on Aging which I attended in late 2022, I chanced upon a study from USIM that highlighted how most older persons perceived themselves as “healthy” despite having at least 10 years of medical history in diabetes.

What you do today impacts how you age

So, what next? The obvious recommendation would be to improve one's lifestyle, through better nutrition, better sleep, more physical activities, and healthy social engagement, among many others. But do also consider how external factors can impact your physical and mental health and how you can start to control the environment in which you conduct your daily life such that you would decrease the intensity in how these external factors can affect your late life experiences.

For example, consider the physical and social infrastructure in your living vicinity. Is the environment you live in potentially harmful, with smoke and dust? Is the community you live in more disruptive than helpful? Are there products in the market that are better for your health e.g., square-toe shoes, barrier-free housing, ergonomic furniture? Can schools introduce "no-tech" breaks in between hours for students to take a break from using their devices to study in school? Is there curriculum to teach about early signs of abuse or mental illness in school? Is your current job promoting or deteriorating the state of your psychosocial and mental health? Which companies have better health policies for their employees?

All these questions demand answers that can ensure better protection of an individual's wellbeing, beginning with putting health at the forefront. Really, the end goal would be to prepare for aging as part of one's life course development because whatever happens during old age is directly influenced and determined by what he or she did in the early years.

To summarise, preparing for aging is something any individual can do immediately; firstly by (1) understanding your own risk of getting handicapped or disabled – either through injuries or physical/ mental illnesses; secondly by (2) establishing your own senior life goals and lastly, by (3) building a plan around minimising your risk while achieving set goals. This could involve saving some portion of your monthly salary towards health goals such as nutrition plans or the gymnasium, signing up for courses ahead of retirement, joining community activities (charities, religious gatherings, morning tai-chi), growing your support network (families and friends), and as simply as living a healthy lifestyle.

[1] "Salaries & Wages Survey Report, Malaysia, 2021." Department of Statistics Malaysia, October 4, 2022.

[2] "Cost of Living in Malaysia." Numbeo, 2022. https://www.numbeo.com/cost-of-living/country_result.jsp?country=Malaysia

[3] Cheah, Wee Kooi. "Age-friendly City". Symposium B, The Everly Hotel, Putrajaya, Malaysia, October 17, 2022.