

# ILC Policy Report

*Longevity News and Trends in the U.S. and abroad*

November 2007



## The International Longevity Center-USA

60 East 86<sup>th</sup> Street  
New York, NY 10028  
Phone: 212-288-1468  
Fax: 212-288-3132  
[www.ilcusa.org](http://www.ilcusa.org)  
[info@ilcusa.org](mailto:info@ilcusa.org)

An Affiliate of Mount Sinai  
School of Medicine

### Inside this issue:

<i>News from the U.S. Government</i>	1
<i>International News</i>	3
<i>Special Interest to the ILC</i>	4
<i>News from the Not-for-Profit Sector and Beyond</i>	5

ILC Policy Report prepared by  
James P. Nyberg, MPA

## ILC Issues Provocative Report on Longevity and Neurological Disease

The ILC-USA has published a report, “Health, Science, and Wealth,” which presents the perspectives of two Nobel Prize winners and ILC Board members on longevity’s impact on neurodegenerative diseases, drug development, and health care as a driver of economic growth in the years ahead. Dr. Robert Fogel, PhD, Nobel Laureate in Economic Sciences, puts forth that health care, rather than a burden, is the leading sector of the U.S. economy; and will be the engine that will drive the entire

economy forward in the twenty-first century just as the railroads did in the nineteenth. Dr. Stanley Prusiner, MD, Nobel Laureate in Physiology and Medicine, who discovered the infectious particle that causes mad cow disease, discusses the pressing need for blood tests to diagnose Alzheimer’s Disease and Parkinson’s Disease long before their debilitating symptoms develop, and argues that in order to do so, a fertile economy for research is key. The report can be found on the ILC’s newly redesigned website at [www.ilcusa.org/](http://www.ilcusa.org/).

## News from the U.S. Government

**Congress:** Congress has approved the Labor-HHS-Education appropriations bill, which includes \$31.5 million for geriatrics education and training, but President Bush has vetoed the measure citing excessive overall spending. It is not yet clear what will happen next, as the House and Senate may not have enough votes to override the veto. The ILC and other advocates will continue to draw attention to the need for geriatrics funding until this issue is resolved.

**Government Accountability Office (GAO):** The GAO has released the following reports and testimonies: “State and Local Government Retiree Benefits: Current Status of Benefit Structures, Protections, and Fiscal Outlook for Funding Future Costs”; “Long-Term Fiscal Challenge Comments on the Bipartisan Task Force for Responsible Fiscal Action Act”; “Medicare Advantage: Required Audits of Limited Value”; “Social Security: Issues Regarding the Coverage of Public

## News from the U.S. Government (cont'd)

Employees”; “Private Pensions: Information That Sponsors and Participants Need to Understand 401(k) Plan Fees”; and “Private Pensions: 401(k) Plan Participants and Sponsors Need Better Information on Fees.” These are at [www.gao.gov](http://www.gao.gov).

**Hearings:** The Senate Aging Committee held a hearing on “Hidden 401(k) Fees: How Disclosure Can Increase Retirement Security” on October 24th. Hearing information is at [http://aging.senate.gov/hearing\\_detail.cfm?id=285919&](http://aging.senate.gov/hearing_detail.cfm?id=285919&). The Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy held a hearing, “GPO and WEP: Policies Affecting Pensions from Work Not Covered by Social Security,” on November 6<sup>th</sup>. Hearing information is at <http://finance.senate.gov/sitepages/hearing110607.htm>. The Senate Budget Committee held a hearing on the nation’s long-term fiscal challenges on October 31st. Hearing information is at <http://budget.senate.gov/democratic/hearingstate.html>. The House Committee on Ways and Means held a hearing on “The Appropriateness of Retirement Plan Fees” on October 30<sup>th</sup>. Hearing information is at <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=596>. The Ways and Means Subcommittees on Health and Oversight held a joint hearing on “Statutorily Required Audits of Medicare Advantage Plan Bids,” on October 16<sup>th</sup>. Hearing information is at <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=593>. The House Committee on Education and Labor, Subcommittee on Health, Employment, Labor and Pensions held a hearing, “Securing Retirement Coverage for Future Generations,” on November 8<sup>th</sup>. Hearing information is at <http://edworkforce.house.gov/hearings/help110807.shtml>.

**Social Security Administration (SSA):** The SSA has released a policy brief “Considerations for Potential Proposals to Change the Earliest Eligibility Age for Retirement” which presents a hypothetical scenario in

which the early retirement age of 62 is raised to 65. It notes that such a change would have 2 effects: it would reduce the number of individuals receiving benefits at any point in time, because those individuals affected by the increased age would not be eligible for retirement benefits as early as before; and average monthly benefits would tend to increase, primarily because benefit reductions for early retirement would be smaller. It further discusses how the effects of these changes on lifetime benefits and Social Security financing depends in part on how they interact with other parts of the Social Security benefit program, such as the benefit formula and insured status requirements. The brief is at [www.ssa.gov/policy/docs/policybriefs/pb2007-01.html](http://www.ssa.gov/policy/docs/policybriefs/pb2007-01.html). Another brief “Portfolio Theory, Life-Cycle Investing, and Retirement Income” examines the growing use of life cycle funds for retirement income. Such funds gradually shift account assets from broad-based stock funds to bond funds as a participant ages. The brief notes that such funds have some advantages by reducing risk of market losses as an individual approaches retirement, but that there is some question whether the protection they provide against downturns is worth the lower rate of returns they generally produce. The brief is at [www.socialsecurity.gov/policy/docs/policybriefs/pb2007-02.html](http://www.socialsecurity.gov/policy/docs/policybriefs/pb2007-02.html).

**Treasury Department:** The U.S. Treasury Department has launched a new series of issue briefs on Social Security. One is entitled “Social Security Reform: The Nature of the Problem” which highlights that Social Security faces a shortfall over the indefinite future of \$13.6 trillion in present-value terms, an amount equal to 3.5 percent of future taxable payrolls. As such, it can be made permanently solvent only by reducing the present value of scheduled benefits and/or increasing the present value of scheduled tax revenues. Other changes to the program might be desirable, but only these changes can restore solvency permanently. Moreover, faster economic growth will not solve Social Security’s financial imbalance. It concludes that delaying changes to Social Security reduces the number

## News from the U.S. Government (cont'd)

of cohorts over which the burden of reform can be spread, so not taking action is thus unfair to future generations. The second brief, “Social Security Reform: A Framework for Analysis,” focuses on four key areas to be addressed in any reform initiative. The areas are fairness across generations, fairness

within generations, the size of the safety net, and pre-funding of future benefits. The underlying message of the brief is that the ability to safeguard any Social Security surpluses is an essential element in making Social Security fair to future generations. The briefs are at [www.ustreas.gov/offices/economic-policy/briefs/](http://www.ustreas.gov/offices/economic-policy/briefs/).

## International News

**European Foundation for the Improvement of Living and Working Conditions:** The Foundation has published several national overview reports entitled “Employment and labour market policies for an ageing workforce and initiatives at the workplace”. Each report is focused on a specific nation in the EU, reviewing the situation of older workers, the role of public institutions and government initiatives to promote active aging, and measures and initiatives implemented at the company/organization level, including case studies to highlight best practices. The reports, and more information about the Foundation’s effort to improve employment of older workers throughout the EU can be found at [www.eurofound.europa.eu/research/0296.htm](http://www.eurofound.europa.eu/research/0296.htm).

**International Longevity Center – UK (ILC-UK):** The ILC-UK, with the support of BT, has published a report, “Human Rights in an Ageing World,” which presents the perspectives of the ILC Global Alliance on the challenges for human rights posed by aging societies around the world, and the evolution of policies and initiatives to address this critical issue. It includes reports from ILCs in the UK, South Africa, France, Dominican Republic, Israel, India, Japan, the Netherlands, Argentina, and the U.S. Each national report discusses specific issues facing its older population and the ways in which each nation is trying to promote the needs and interests of older people in a way that benefits all members of society. The report is at [www.ilcuk.org.uk/record.jsp?type=publication&ID=21](http://www.ilcuk.org.uk/record.jsp?type=publication&ID=21).

**Ireland:** The Irish government has issued a Green Paper on Pensions, which provides a background of the Irish pension system, including issues in relation to its Social Welfare pensions, occupational and public sector pensions, and incentives for supplementary pension saving. The Paper outlines the demographic and sustainability challenges facing Ireland in the decades ahead, given the growing older population, and presents a number of scenarios and options to develop an affordable, sustainable and modern pension system to meet the needs of those currently in retirement as well as for younger generations. The goal of the Paper is to promote debate and facilitate feedback from all stakeholders to help adapt the Irish pension system to its aging society. More information is at [www.pensionsgreenpaper.ie](http://www.pensionsgreenpaper.ie).

**Social Security Administration (SSA):** The U.S. SSA has issued its latest International Update, which covers recent developments in foreign private and public pensions, social security, and retirement. This issue includes news from Bulgaria, Finland, Germany, Switzerland, Georgia, and New Zealand, as well as UN reports on Vietnamese social security and old age poverty. This issue is at [www.socialsecurity.gov/policy/docs/progdesc/intl\\_update/2007-10/index.html](http://www.socialsecurity.gov/policy/docs/progdesc/intl_update/2007-10/index.html).

**United Kingdom (UK):** The UK Statistics Office has released its latest forecast of the UK population, finding that the total population will increase from 60.6 million in 2006 to 71 million by 2031. The population will also

## International News (cont'd)

grow older, with the average age expected to rise from 39.6 years in 2006 to 40.6 years in 2016 and to 42.6 years by 2031. It also finds that in 2007, for the first time ever, the population of state pension age (currently 65 for men and 60 for women) is projected to exceed the number of children, and will continue to do so, with a difference of over 2 million by 2031 even with planned increases in the state pension age to 66 for both genders by 2026. More information is at [www.statistics.gov.uk/pdfdir/pproj1007.pdf](http://www.statistics.gov.uk/pdfdir/pproj1007.pdf).

**United Nations (UN):** The UN Economic and Social Commission for Asia and the Pacific (ESCAP) recently held a 'High-Level Meeting on the Regional Review of the Madrid International Plan of Action on Aging' to review the developments in the area of ageing in Asia and the Pacific; review and appraise the implementation of MIPAA in the region by considering the findings of national reviews, sharing experiences

and good practices; and identify priorities for further actions in implementation of MIPAA. According to the Meeting's output report, it was recognized that many countries in the region had made significant progress in developing long-term plans and policies for the elderly and institutional mechanisms to prepare for an aging society. It also found that while only a few countries in the region had universal social security systems, whose sustainability is uncertain, many countries had strengthened existing systems or put in place a combination of schemes to improve the social security situation of older persons. The Meeting concluded with 35 recommendations for governments, NGOs, and other stakeholders as they continue to implement the MIPAA. The Meeting also included review papers from 11 nations attending the meeting, including Russia, China, and Kyrgyzstan. These documents and other materials are at [www.unescap.org/esid/psis/meetings/ AgeingMipaa2007/index.asp](http://www.unescap.org/esid/psis/meetings/AgeingMipaa2007/index.asp).

## Special Interest to the ILC

### **AGING RESEARCH**

**Alzheimer's Disease:** A study published in the journal Neuroepidemiology, indicates that about 14% of Americans age 71 and older have dementia, totaling 3.4 million people. Of this, roughly 2.4 million (70%) of these individuals suffer from Alzheimer's disease (AD). The next most common form of dementia is vascular dementia. The study is the first to estimate rates of dementia and Alzheimer's using a nationally representative sample of older adults across the United States. The study is supported by the National Institutes of Health (NIH) and more information can be found at [www.nih.gov/news/pr/oct2007/nia-30.htm](http://www.nih.gov/news/pr/oct2007/nia-30.htm).

**Healthy Aging:** A study in Circulation: The Journal of the American Heart Association finds that 40 percent of men and 30 percent of women in the world are overweight, while 24 percent of men and 27 percent of women are obese. The study reviewed over 160,000 people age 18 to 80 (average age 48) in 63 countries. The study notes that the higher weight levels are associated with a significant increase in the frequency of heart disease and diabetes. It finds that the overall frequency of heart disease was 16 percent in men and 13 percent in women, and diabetes was present in 13 percent of men and 11 percent of women. More information is at [www.americanheart.org/presenter.jhtml?identifier=3051347](http://www.americanheart.org/presenter.jhtml?identifier=3051347).

## News from the Not-for-Profit Sector and Beyond

**American Automobile Association (AAA):** The AAA Foundation for Traffic Safety has issued a report “Enhancement of Driving Performance Among Older Drivers,” which evaluates the effects of an education intervention for older drivers, consisting of classroom and on-road training, focused on commonly encountered problem areas among the older population. It finds that such an intervention did improve the performance of older drivers in both written and on-road tests, and notes that such interventions may allow older drivers to continue driving safely for longer and maintain their out-of-home mobility. The report is at [www.aaafoundation.org/pdf/EnhancingSeniorDrivingPerfReport.pdf](http://www.aaafoundation.org/pdf/EnhancingSeniorDrivingPerfReport.pdf).

**AARP:** The AARP has published a report “Comparing Long-Term Care in Germany and the United States: What Can We Learn from Each Other?” which examines developments in the long-term care (LTC) systems in Germany and the United States to understand their impact on financing and coverage, consumer options and choice, family caregivers, the LTC workforce, and the quality of services. It notes the progress each nation has made in various areas, while also noting that neither country will be able to meet the future demand for services without recruiting and retaining more professional and paraprofessional workers. Both nations face the problem of low wages, low prestige, and dangerous working conditions for long term care workers, and will have to expand the pool of workers willing to do the difficult tasks associated with long term care. The report is at [www.aarp.org/research/longtermcare/trends/2007\\_19\\_usgerman\\_ltc.html](http://www.aarp.org/research/longtermcare/trends/2007_19_usgerman_ltc.html).

**Center for Retirement Research at Boston College:** The Center has issued several new issue briefs. The brief, “A Gradual Exit May Not Make For a Happier Retirement”, discusses how ‘phased

retirement is generally viewed as a more desirable way to exit the labor force, but notes that government data indicates that such a retirement process ultimately has no effect on retiree happiness. Rather, other factors such as the individual’s control over the retirement decision, health, and the loss of a spouse significantly affect happiness in retirement. The brief is at [http://crr.bc.edu/images/stories/Briefs/ib\\_7-16.pdf](http://crr.bc.edu/images/stories/Briefs/ib_7-16.pdf). Another brief “Working Wives Reduce Social Security Replacement Rates” focuses on the Social Security replacement rates for married couples, and finds that the rising labor force participation of married women has reduced Social Security replacement rates for such couples. It notes that wives who do not work are entitled to a spousal benefit equal to 50 percent of their husband’s benefit, but that wives who do work have earnings that add to household income but often do not produce a Social Security benefit greater than the spousal benefit. As a result, from 1961-2005, the average couple’s replacement rate fell from 50 percent to 45 percent and is expected to drop further in the future. The brief is at [http://crr.bc.edu/images/stories/Briefs/ib\\_7-15.pdf](http://crr.bc.edu/images/stories/Briefs/ib_7-15.pdf).

**Population Reference Bureau (PRB):** The PRB has issued an e-newsletter, funded by the University of Michigan Demography Center entitled “Underweight, Undernutrition, and the Elderly,” which examines the importance of nutrition to the elderly and the prevalence of underweight and undernutrition among this group; and it suggests measures to address this issue at the individual and population levels. The document notes that much attention is given to obesity among older people, but that a significant share of the older population around the world is underweight and does not get appropriate nutrition. This places them at higher risk of illness and other risks including falls, hospitalizations, and perhaps declines in cognitive ability. The report is at [www.prb.org/Topics/Aging.aspx](http://www.prb.org/Topics/Aging.aspx).

## Learn More About the ILC's International Partnerships!

### **ILC-Japan**

<http://www.ilcjapan.org>

### **ILC-France**

<http://www.ilcfrance.org>

### **ILC-UK**

<http://www.ilcuk.org.uk>

### **ILC-Dominican Republic**

[rosy.pereyra@verizon.net.do](mailto:rosy.pereyra@verizon.net.do)

### **ILC-India**

[www.ilcindia.org](http://www.ilcindia.org)

### **ILC-South Africa**

[mf@cormack.uct.ac.za](mailto:mf@cormack.uct.ac.za)

### **ILC-Argentina**

[liadaichman@fibertel.com.ar](mailto:liadaichman@fibertel.com.ar)

### **ILC-Netherlands**

[www.ilczorgvoorlater.com](http://www.ilczorgvoorlater.com)

More information and reports available on the ILC website!

Check out the ILC Update for news about the ILC, as well as past issues of the ILC Policy Report at [www.ilcusa.org/pages/newsroom/newsletters.php](http://www.ilcusa.org/pages/newsroom/newsletters.php)

See the wide range of ILC reports and other documents at [www.ilcusa.org/pages/publications.php](http://www.ilcusa.org/pages/publications.php).

See the ILC in the news at [www.ilcusa.org/pages/newsroom/ilc-in-the-news.php](http://www.ilcusa.org/pages/newsroom/ilc-in-the-news.php)

## Check Out the ILC's Step Counter!!! Only \$19.99



### **Features:**

1. Counts the number of steps while walking or jogging up to 100,000 steps
2. Large easy to read display
3. Strong, reliable alligator clip
4. Bulk purchases at a reduced rate available

**\*\*Featured in Good Housekeeping magazine!!**

See the website at [www.ilcusa.org/pages/get-involved/ilc-shop.php](http://www.ilcusa.org/pages/get-involved/ilc-shop.php).