The Quality of Life
Agenda

Unengaged

3 Questions

Intentional Investing
Unengaged
Many Workers Haven’t Done a Retirement Calculation

- 54% Have not done calculation
- 46% Have done calculation

Why *Don’t We Plan*?

- Not important?
- Too many assumptions?
- Too analytical?
- Too far in the future?
- Volume, Velocity, Complexity
Velocity
Technology increases productivity, but decreases time to think

- Information overload
- Impact of technology
- Changing standards & expectations
Complexity

- More choices, more difficult decisions
- Clear and unclear tradeoffs and risks
- Changing standards and information
Reality Check
Many Who Expect a Pension Don’t Have One

57% Expect a Pension
32% Have a pension

### Increased Longevity Increases Danger of Not Planning

At age 65, your probability of living to various ages

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>One Member of a Couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>71%</td>
<td>81%</td>
<td>94%</td>
</tr>
<tr>
<td>85</td>
<td>53%</td>
<td>65%</td>
<td>84%</td>
</tr>
<tr>
<td>90</td>
<td>34%</td>
<td>44%</td>
<td>63%</td>
</tr>
<tr>
<td>95</td>
<td>17%</td>
<td>23%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Data source: Society of Actuaries Annuity 2000 Mortality tables

Longevity data presented does not reflect mortality from birth statistics available from U.S. Census Bureau.
March 1, 2010 – June 20, 2012
3 Questions
1. Who will change my light bulbs?
2. How will I get an ice cream cone?
3. Who will I have lunch with?
Who will change my light bulbs?
Who will change my light bulbs?

Largest Expense: Housing
Consumer Expenditures—65 Years and older

- Housing, 34%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

Who will change my light bulbs?

Aging in home

- Home maintenance
- Home services
- Average home maintenance over $300 monthly
- “Shock” repair costs
- Home modifications
3 Questions

Who will change my light bulbs?

Top 10 Design Trends for Aging in Place

1. Level entry way
2. Live on one floor
3. Kitchen and the bath improvements
4. Storage within easy reach
5. Appliances at comfortable heights
6. More drawers
7. Doors that go away
8. Lavatory designs invite an open knee space
9. Comfort- or right-height toilet seats
10. No-threshold showers

Source: http://aginginplace.com/home-modification/test-page/
Who will change my light bulbs?

- “Village” movement
- Continuing care retirement community

Beacon Hill “Village”
Who will change my light bulbs?

Action Step:
• Identify costs, services, and trusted providers necessary to maintain your home

<table>
<thead>
<tr>
<th>Activity</th>
<th>Service Provider</th>
<th>Cost (monthly)</th>
</tr>
</thead>
<tbody>
<tr>
<td>House cleaning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and basic repairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawn care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery delivery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laundry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home modifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How will I get an ice cream cone?
3 Questions
“College graduates ought to prepare for having multiple careers and—yikes—60 or more years of work.”

—Dr. Joe Coughlin, MIT AgeLab
How will I get an ice cream cone?

“...working through retirement and developing new pursuits is about maintaining a sense of purpose.”

“A man has to have a reason to get up in the morning." For some that means continuing to work full- or part-time, while others believe that volunteering in causes they care about brings joy and meaning.

—The Cardinal & Gray Society
How will I get an ice cream cone?

Your Priorities
How will I get an ice cream cone?

**Action Step:**
- Identify your priorities
- Couples: prepare individually, exchange answers

List examples in each category.

- Hobbies
- Volunteer
- Home Improvement
- Travel
- Time with Family
- Other
How will I get an ice cream cone?

Largest Expense: Housing
Consumer Expenditures—65 Years and older

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

How will I get an ice cream cone?

Food expense
Consumer Expenditures—65 Years and older

- Food, 13%
- Housing, 34%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

How will I get an ice cream cone?

How will I get an ice cream cone?

Cash Contribution Expense
Consumer Expenditures—65 Years and older

- Housing, 34%
- Food, 13%
- Entertainment, 5%
- Cash contributions, 6%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

How will I get an ice cream cone?
How will I get an ice cream cone?

Second Largest Expense: Transportation
Consumer Expenditures—65 Years and older

- Housing, 34%
- Transportation, 15%
- Food, 13%
- Entertainment, 5%
- Cash contributions, 6%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

How will I get an ice cream cone?

- Engagement
- Quality
- Transportation = Freedom
Who will I have lunch with?
Who will I have lunch with?

Boomers Demographics: A Different Retirement

- More likely to live alone
- Have fewer children
- Live in suburban and rural locations
Who will I have lunch with?

**Fewer 40–54 Caregivers**
Average Age Distribution Projections for 2010 by Five-Year Age Segment

% Growth in by Age Cohort 2010 - 2020

Source: MIT AgeLab
3 Questions

Who will I have lunch with?

Maintaining Your Social Network

Women
• Quickly rebuild social networks
• Friends and family quote
• More educated = more opportunities
• Live longer

Men
• Social network largely centered on work or activity-based
• Network will naturally dissipate sooner due to mortality
• Self-focused
Women overwhelmingly advise investing in friends and family as critical elements of a happy and healthy retirement. In fact, some even suggest that friends and family are as important as financial security, requiring active investment in maintaining your existing circle and developing new social connections.
“Establishing relationships with younger people becomes even more important to remain active and to replace friends lost as the years pass.”

— Cardinal & Gray Society spouse
Create a Strong Social Network

1. Attend a senior center.
2. Do volunteer work.
3. Enroll in a college course.
4. Frequent your neighborhood coffee shop.
5. Use online social networking to meet other retirees.
6. Join a travel club.
7. Enroll in an exercise class.
8. Ask family and friends to introduce you to others.

Source: http://everydaylife.globalpost.com/develop-friendships-retirement-10942.html
3 Questions

Who will I have lunch with?

Online Opportunities
www.meetup.com
# Social Interaction in Older Adults

<table>
<thead>
<tr>
<th>Potential health benefits</th>
<th>Risks of Isolation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lower risk for cardiovascular problems, some cancers,</td>
<td>• Loneliness and depression</td>
</tr>
<tr>
<td>osteoporosis, and rheumatoid arthritis</td>
<td>• Low physical activity</td>
</tr>
<tr>
<td>• Lower risk for Alzheimer's disease</td>
<td>• High blood pressure</td>
</tr>
<tr>
<td>• Lower blood pressure</td>
<td>• Greater risk of death</td>
</tr>
<tr>
<td>• Lower risk for mental health issues</td>
<td></td>
</tr>
</tbody>
</table>

Who will I have lunch with?

**Action Step:**
- Choose ways to strengthen your social network
- Identify key members of your social network

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### List those connections here.

<table>
<thead>
<tr>
<th>Name:</th>
<th>How/why I depend on them:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
<td>2.</td>
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<tr>
<td>3.</td>
<td>3.</td>
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<tr>
<td>4.</td>
<td>4.</td>
</tr>
<tr>
<td>5.</td>
<td>5.</td>
</tr>
</tbody>
</table>

To age well, you need to engage well. Here are some ways people create and maintain strong social networks. Choose items that may satisfy your interests.

- [ ] Attend a senior center
- [ ] Use online social networking to meet other retirees
- [ ] Do volunteer work
- [ ] Join a travel club
- [ ] Enroll in a college course
- [ ] Enroll in an exercise class
- [ ] Frequent your neighborhood coffee shop
- [ ] Ask family and friends to introduce you to others
Who will I have lunch with?

Consumer Expenditures—65 Years and older

- Housing, 34%
- Transportation, 15%
- Cash contributions, 6%
- Entertainment, 5%
- Food, 13%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

Who will I have lunch with?

Health care expense
Consumer Expenditures—65 Years and older

- Housing, 34%
- Transportation, 15%
- Food, 13%
- Cash contributions, 6%
- Entertainment, 5%
- Health care, 12%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

Who will I have lunch with?

Other expenses
Consumer Expenditures—65 Years and older

- Housing, 34%
- Transportation, 15%
- Health care, 12%
- Entertainment, 5%
- Cash contributions, 6%
- Other, 14%
- Food, 13%

Avg. Income: $43,232
Avg. Age: 74.8
Household size: 1.7

Intentional Investing
Intentional Investing

**Quantity**
- Stocks
- Bonds
- Cash

**Quality**
- Light bulb
- Ice cream
Intentional Investing

Align Investments with Needs
Summary

Unengaged
Overwhelmed

3 Questions
Quality of Life

Intentional
Investing
Align Assets
“Effective planning must be about more than financial security. The new face of retirement planning must go beyond money, and adopt an integrated and holistic approach to helping people prepare to live longer and well.”

— Dr. Joe Coughlin, MIT AgeLab
Next Steps

• Schedule a follow-up meeting with your advisor

• Within 2 weeks, complete Quality of Life worksheet

• Bring the completed worksheet to the follow-up meeting
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