

Why your clients should invest in their social portfolios

Strong social connections can help preserve brain health — and financial acuity

A sound mind is an important element for success in retirement, allowing aging adults to retain control of their finances, make informed investment decisions and avoid potential scams.

Research from the Stanford Center on Longevity shows that as people age, changes in their social networks can affect their overall brain health.

In particular, a rich social network that includes supportive friendships helps guard against feelings of loneliness, which are linked to cognitive declines, shorter lives and chronic illness.

Understand these dynamics so you can support your clients as they prepare for and live in retirement.¹

Older people have small social portfolios

More than **one-third** of older adults say they feel lonely. Those who are single feel lonely at a higher rate than those who have partners.²

35%
of adults ages **45+** (42.6 million³) suffer from chronic loneliness

51%
of never-married older adults feel lonely

29%
of married older adults feel lonely

Smaller social portfolios are problematic because they are associated with health problems.⁴



of older adults in **poor** health reported feeling lonely



of older adults in **excellent** health reported feeling lonely

There are three ways that people can maintain and build social portfolios:

1. Maintain friendships

Maintaining friendships is an important tool in staving off social isolation.⁵



56%
of lonely people report having fewer friends today than they did in the past



2. Participate in social activities

Participating in social activities helps people feel less isolated and more connected to others.⁶ These activities may include:



Participating in community groups



Going to religious services



Getting together with friends

3. Volunteer

In particular, volunteering can produce psychological and physical benefits for older volunteers.



Almost **2/3** of senior volunteers reported a decrease in isolation⁷

Among senior volunteers who had initially reported five or more symptoms of depression,

70%
reported fewer symptoms at the end of a year of volunteering

Hearing loss

Hearing loss can contribute significantly to social isolation as it makes communication and enjoying social interaction more difficult.⁸

One-third of adults 60 or older experience "life-diminishing hearing loss"

1/3

Older adults who experience hearing loss typically wait 5 to 15 years before seeking help

5-15 yrs.

Hearing aids can greatly improve a person's social experience. However, many retirees aren't prepared for the ongoing medical costs of hearing aids, which are typically not covered by insurance.⁹

The price of hearing aids can range from \$1,000 to more than \$4,000

\$1,000

\$4,000



Hearing aids should be replaced every **5** years

Staying mentally sharp can have a big impact on one's ability to enjoy retirement. A healthy social portfolio — consisting of social engagement, volunteering and plans to deal with potential hearing loss — provides emotional support and can help keep brain function stronger for longer.

¹ Amy Yotopoulos, Stanford Center on Longevity Toolkit Series, "Social Portfolios are Just as Important as Financial Portfolios," 2017.

² AARP, Loneliness Among Older Adults: A National Survey of Adults 45+, September 2010. assets.aarp.org/rgcenter/general/loneliness_2010.pdf

³ AARP, Loneliness Among Older Adults Fact Sheet, September 2010. aarp.org/content/dam/aarp/research/surveys_statistics/general/2012/loneliness-fact-sheet.doi.10.26419%252Fres.00064.002.pdf

⁴ AARP, Loneliness Among Older Adults: A National Survey of Adults 45+.

⁵ Ibid.

⁶ Ibid.

⁷ Kim Hayes, "Senior Volunteers Report Health Benefits," AARP, July 27, 2017.

⁸ Debbie Clason, "Emotional effects linked to untreated hearing loss," Healthy Hearing, September 2012.

⁹ Paul Dybala, "Hearing Aid Prices," Healthy Hearing, October 2016.

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