

# Leveraging the Benefits of Longevity in an Age When People Live to 100: Toward a Lifestyle of Continued Work in Health & Happiness



Author Tadashi Waki

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## What Becomes of Individual Lives in an Age of 100-year Lifespans?

According to United Nations statistics, by 2050 more than a million Japanese will be age 100 or over. Furthermore, according to the Human Mortality Database, half of the children born in Japan in 2007 are expected to live to at least the age of 107. With the highest average life expectancy in the world, Japan leads the world as a nation where centenarians are not uncommon.

Merely extending today's typical life stages, however, fails to reveal a happy century-long life. The model life of today is clearly divided into three stages, passing from one to the next in an orderly fashion: student life, working life, and retirement. Nearly all Japanese transition from one stage to the next at the same time and in the same way. Extending today's three life stages out to a lifespan of 100 years, however, means a student life that leads through the age of 18 or 25, a working life that leads through age 65 or 70, and a retirement that leads to the age of 100. This means roughly 40 to 50 years of work and a total of 50 to 60 years supported by either family (while studying) or a pension (while retired). Retirement alone lasts more than 30 years. It is simply too wasteful — both in societal terms and in terms of an individual's happiness and sense of purpose — for these 30 years or more to be spent as merely twilight years.

The healthy lifespan is getting longer and longer. Advances in techniques for treating cancer are being made with each passing day, and people now die of cancer at dramatically lower rates than before. Progress is also being made in regenerative medicine. In addition, rehabilitation techniques that utilize robots are reducing the likelihood of becoming bedridden after a fall in old age. Together with preventative medicine, further dramatic extensions of the healthy lifespan are anticipated. Dementia is a concern but advances are also being made in its prevention and treatment. If so, it will become commonplace for people to remain healthy and active even at the age of 80, 90 or 100.

As long as one remains healthy, a lifestyle that offers the opportunity to choose to continue to work flexibly and of one's own volition also promotes greater happiness, sense of purpose, and physical and emotional health. Someone who remains healthy and active through the age of 90, then, gains 25 years of active life after the age of 65. This is comparable to a new employee who enters the workforce at age 23 working through age 48, a period during which a

healthy, active individual can accomplish quite a bit. Taking such an opportunity, of one's own volition, to continue to choose to flexibly pursue an active lifestyle and way of working enables additional discovery experiences, learning experiences, contribution experiences, and social experiences that lead to a greatly increased sense of happiness and purpose in life.

Driven primarily by an aging society, Japan has become a developed nation with issues. Driven also by its healthy lifespan, Japan may hold the clues to solving them. The first step to such solutions is identifying active, multifaceted lifestyles and ways of using time that enable a more flexible balance of work, learning, and enjoying free time — that is, a more flexible balance between work and time spent with family and friends — during the 25 years after age 65. To achieve this, individuals, companies, and society must further innovate the way people work, with each moving in the direction of leveraging the benefits of longevity.

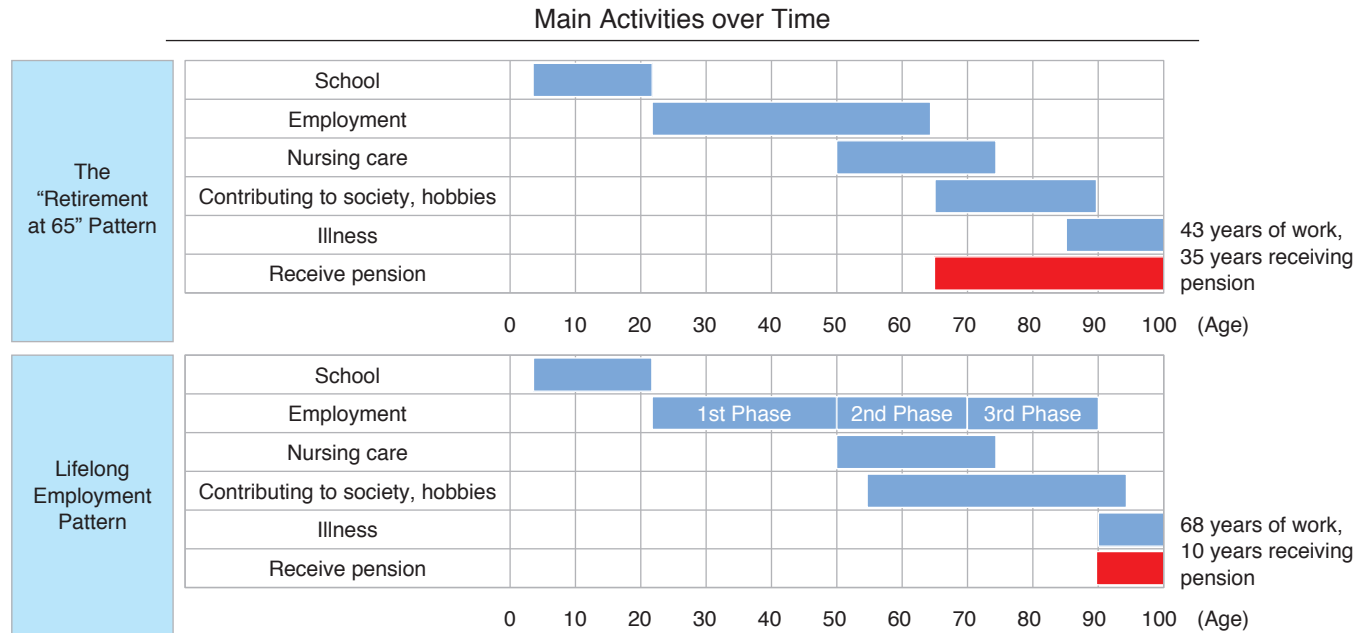
## Multifaceted Sense of Purpose & Life Planning: What Way of Working Leads to Happiness?

People who are healthy and active through the age of 90 have a potential working life of about 70 years. These 70 years can be understood as composed of at least three phases. In the first phase, lasting through the 40s, people gain work experience and acquire their own core skills and core experiences. In the second phase, lasting through the 60s, people act more flexibly, freely, and resourcefully based on their core skills and experiences. In the third phase, lasting through age 90, people freely apply more time to family or to their own leisure, hobbies, or social contributions, pacing work to enjoy life in more varied ways (*Chart 1*).

The first phase marks the beginning of people's working life as professionals, forming the foundation for their subsequent working life — sometimes through trial and error — as they learn their own strong and weak points and those things for which they are well or ill suited. Developing outstanding skills and a personal network during this phase, which lasts roughly two decades, makes for broader flexibility and aggressiveness during the second phase that follows. Rather than Japan's conventional culture of "company employment", often described as a membership system in which the individual essentially gives over a portion of his or her life to the company, individuals are placed at the core, have confidence in their own particular skills, and work to build broad networks both within and

CHART 1

**Individuals: lifelong experiences to live happily for 100 years - the 3 phases of working life**



Source: Compiled by the author

outside their companies.

In the second phase, people rely on the particular skills and personal networks they cultivated during the first phase to build the more flexible ways of working that they desire. Some may continue to work at a company as before while others may move to a different company, take on side jobs while remaining at their company, or become sole proprietors who use their core skills as a foundation for contributing to multiple companies. In doing so, they may flexibly organize the nature of their work and the time they devote to it according to the demands of family such as childrearing, nursing care, or illness. Specifically, the energies devoted to work can be adjusted to 30%, 50%, 80%, or 100% of their time depending on the demands of family. Greater participation in hobbies or contributing to society is also possible. Such possibilities can make planning for life from the 40s through the 60s richer and more manageable than before while also promoting family happiness and greatly reducing stress for workers. In addition, an increase in the number of people with broad individual experiences and diverse values will also have a positive effect on the teamwork employed in various group and community activities. In order to greatly increase flexibility during

this second phase, it is important for individuals to enhance their transformational skills, for companies to evolve their forms of employment and teamwork, and for society to evolve its systems and support infrastructure.

In the third phase, each individual applies the bold flexibility put into practice during the second phase according to their wishes for life after 70. Rather than emphasizing profit and loss in deciding whether to begin receiving a pension, the idea is to elevate the value of healthy, active, positive life experiences while also increasing lifetime earnings. For most, the proportion of time devoted to work mode will decrease while that devoted to family, hobbies, and contributing to society will increase. Still, continuing to work to some degree enables a multifaceted life that continues to be active without a loss of discovery experiences, learning experiences, contribution experiences, or social experiences. Gaining a measure of income also results in increased lifetime earnings.

To enjoy such a healthy, active working life over a 70-year period requires taking care to ensure that mental and cognitive health is maintained from a young age. Freely enjoying a healthy, active life through the third phase requires, beginning from the first phase of

one's 70-year working life, experiencing and practicing a lifestyle that stimulates the mind and brain, ensuring their rich development while avoiding any harm to them. The importance of pursuing a healthy, stimulating lifestyle and way of working from a young age becomes increasingly clear, requiring innovation in working lives that will last 70 years.

### Individuals Are Changing: What Will Companies & Society Do?

As individual lives evolve in diverse ways following at least three phases, companies will adapt to this changing environment in order to continue to secure the manpower they need. Society will need systems and infrastructure that make it easier for individuals to work flexibly and in multifaceted ways. As a result, companies will become organizations that combine human resources who have more varied values, experiences, and ages as they evolve to be richer in diversity and better able to generate and facilitate innovation. Society will shift from the traditional working environment in which people work for a little more than 40 years and then spend about 35 in retirement to one in which people work for about 70 years and then spend about 10 in retirement. Healthy and active individuals will increase their lifetime earnings, restoring the sustainability of the pension system at one stroke.

Needless to say, companies cannot be responsible for the lives of individuals, but until now people joining a Japanese company have expected a family-like membership culture that offered long-term employment lasting a few decades as a reward. In the business environment of the digital age, in which the pace of innovation has increased and there is a need for combinations and fusions that transcend traditional industry boundaries, this system of fixed membership no longer functions well and there is instead a demand for diversity aimed toward innovation, originality, and ingenuity. Furthermore, with the rise of M&A and other dynamic transformations in corporate organization, it is more difficult to achieve cross-the-board long-term employment. Accordingly, even as

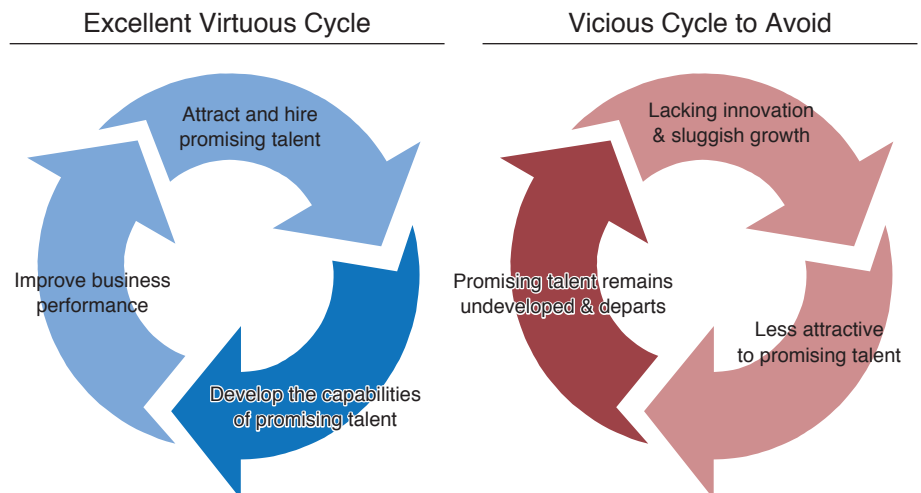
companies seek to form virtuous cycles by attracting and developing promising talent who will grow their businesses, they also seek, from a management perspective, to avoid taking on the responsibility for the working lives of individuals by instead creating an environment that facilitates options for self-developed individuals to work flexibly, including side jobs or moving outside the company. Such companies will draw promising talent by providing opportunities for people to grow dynamically during the course of their 70-year working lives (Chart 2).

In accordance with enlightened individuals' desire for a flexible choice of lifestyles and ways of work, society will shift to a sustainable structure appropriate for the coming age of 100-year lifespans. Specifically, it will arrange social security systems and business support infrastructure that encourage both continuing to work and the choice to work flexibly through side jobs, multiple jobs, and sole proprietorships. The result will be a resolution of the issue of the long-term sustainability of the pension and health insurance systems and a shift to a sustainable socio-economic model.

Advances in IT and digital technologies and their spread have greatly accelerated this shift in social structure. Working environments that are place- and time-independent make it easier to choose flexible ways of working. The new sharing economy, too, generates increased opportunities for person-to-person (P2P) work by sole proprietors and those doing side jobs. AI will free people from simple deskwork, and working methods in which people are

CHART 2

### Companies: talent development in an age of creative disruption & innovation



Source: Compiled by the author

assisted by AI will enable higher base performance while placing lower demands on people. People freed from simple deskwork will have greater opportunities for consumption activities during their free time. If people are then able to engage in ways of working that are not limited to full-time employment but flexibly combine multiple jobs or part-time work, then opportunities for people to work will change but not disappear. In other words, even if AI results in fewer full-time work opportunities at large corporations, the potential for individuals to choose flexible work opportunities means that work for people will not disappear.

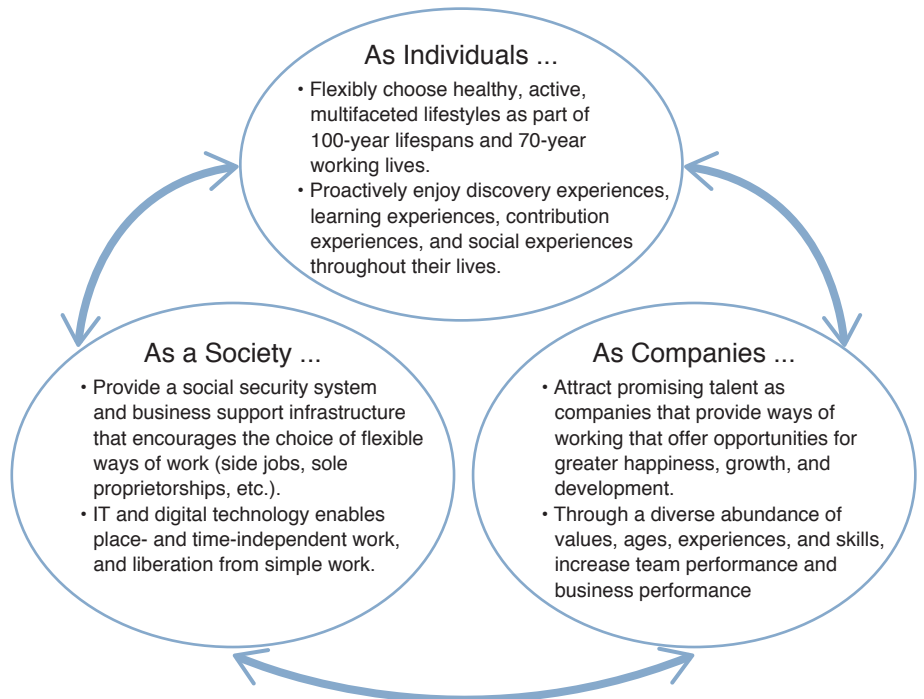
### Triangle for Leveraging the Benefits of Longevity

An ideal triangle for leveraging the benefits of longevity can be formed through a mechanism, triggered by the flexible combination and selection of work opportunities by enlightened individuals, by which companies change in ways that are supported and encouraged by social systems.

Realizing this triangle requires that individuals enlighten themselves to take personal responsibility for securing their own happiness. The trigger for this triangle that leverages the benefits of longevity is an increase in young, middle-aged, and senior individuals who strongly hope to boldly and freely elevate the experiential value of their own lives. This results in more diverse companies offering expanded opportunities for personal growth and a social security system based not on the concept of everyone beginning to receive a pension all at once when they reach a certain age but on the idea of enabling individuals to flexibly and proactively choose their own lifestyle and way of working — that is, one that gradually shifts toward operating under the notion of a national safety net that comes into play when people find themselves without adequate income to live. If this can be achieved, it will secure the permanence of the pension system and, in terms of the allocation of total annual pension distributions, even enable an increase in the

CHART 3

## The ideal triangle of individuals, companies & society



Source: Compiled by the author

amount of pension monies received by those individuals who require them (Chart 3).

### Creating a Bright Future

The formation of a triangle that leverages the benefits of longevity and the popularization of a lifestyle of continued work in health and happiness throughout life is an effective clue for solving the issues of an aging society. Rather than seeing an aging society as a source of problems, it is certainly possible to create a bright future that takes advantage of an aging society, one in which people, in the course of their long, healthy, active lives, enjoy broader and deeper life experiences while continuing to improve the performance of corporate, group, and community activities. **JS**

*Tadashi Waki is CEO of Career Development and Creation, Inc. After 21 years of management consulting experience, he recently founded the company which envisions future career development and work styles under a 100-year lifespan.*