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NEWS RELEASE

FOR RELEASE

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Actuaries Call for State of the Union to Include Public Policy Focus on Aging of America

WASHINGTON – The American Academy of Actuaries is calling on the president and the 114th Congress to commit to a focus in the next two years on addressing the needs of an aging America. A concerted national strategy on policies to support systems such as retirement security and lifetime income, health care and long-term care for the elderly, and public programs such as Social Security and Medicare, is long overdue. 2015 is a year of significant milestone anniversaries for several important programs in this area, including Social Security, which will turn 80, and Medicare, which will turn 50. These programs arose out of the pressing needs of their time to forestall the circumstances that too often resulted in the elderly living in poverty or having no access to quality health care. Today's needs in aging policy require no less of a commitment to action.

As President Obama prepares to address Congress and the American people this evening, the Academy (which celebrates its own 50th anniversary this year) would point out that the state of our union is inextricably linked to the demographic transition of proportionately greater numbers of Americans entering retirement, coupled with increased longevity, or life expectancies, that will compound the fiscal challenges to both private systems and public programs in the years to come.

“The aging of America calls for a new shared commitment to raise awareness of the needs of the aging population and to seek creative solutions to address those needs, whether through new approaches, additional efforts to make existing approaches sustainable, or a combination of both,” said Academy President Mary D. Miller. “The Academy, as the public policy and professionalism organization of the U.S. actuarial profession, commits to do its part to step up to this national challenge.”

The average age of the U.S. population is rising, caused by a significant decline in birth rates

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beginning in the mid-1960s, and a long-term, continuous trend of life expectancy increases. According to one set of estimates and projections from the U.S. Census Bureau, the U.S. median age in 2015 will be 37.8, up from 28.1 in 1970, and will rise to 42 in 2045.

“While the Academy will continue to offer objective, actuarial analysis on many of the broader issues anticipated in President Obama’s address and the congressional responses to it—such as climate change, cybersecurity, and financial systems reforms—we believe more needs to be done to immediately address the challenges of aging, including an examination of major public programs and policies,” said Miller.

To address the needs created by an aging population, the administration and Congress should:

- Take immediate steps to address solvency concerns of key public programs like Social Security and Medicare to ensure that they are sustainable in light of changing demographics. The Academy also urges action to allow the disability trust fund to continue to pay full scheduled disability benefits during and beyond 2016.
- Evaluate and address the risk of retirement-income systems not providing expected income into old age, especially in light of increasing longevity. The Academy’s [Retirement for the AGES](#) initiative provides a framework for evaluating both private and public retirement systems, as well as public policy proposals.
- Encourage the use of lifetime-income solutions for people living longer in retirement. The Academy’s [Lifetime Income](#) initiative supports more widespread use of lifetime-income options.
- Improve the governance and disclosures regarding the measurements of the value of public-sector (state/municipal) employee pension plans. The Academy’s [Public Pension Plans Actuarial E-Guide](#) provides information on the nature of the risks and the complex issues surrounding these plans.
- Evaluate the relative health level of older Americans and those with disabilities, and assess the ability of Medicare and other public and private programs to meet those needs. The Academy is conducting an examination of the drivers of health care costs; Medicare, Medicaid, and private-sector payment and delivery system reform; quality of care metrics; and other issues through its [Health Care Cost/Quality of Care](#) initiative.
- Explore solutions to provide for affordable long-term care financing, and address caregiver needs and concerns through public and/or private programs.

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- Address the impact of delayed retirement, either voluntary or through future retirement age changes, on benefit programs, as well as the needs it may create with increased demand for early retirement hardship considerations and disability income programs.

Learn more by clicking on the “Public Policy” tab at www.actuary.org.

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The American Academy of Actuaries is an 18,000+ member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Media Only: To set up an interview with an Academy subject matter expert on any of these topics, contact Assistant Director of Communications, Public Affairs, David Mendes at mendes@actuary.org or 202.384.2075.