

Closing Remarks

Speaker: Joseph Firschein, Deputy Associate Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System

Wrapping up the event, Joseph Firschein noted the role forums like *Financial Experiences of Older Adults* play in helping the Federal Reserve Board keep abreast of the impact of macro-level decisions on different groups of people in different life stages. Firschein went on to cite some important themes that resonated throughout the day's panels.

The discussions highlighted the enormous diversity that characterizes the population of older adults, he said. Demographic diversity is evident in the growing population of immigrants, particularly older parents of people who came to the United States for either education or work. One of the challenges is to provide social services for those who may not speak English as their primary language. Meanwhile, multigenerational households are a growing segment of all U.S. households. Diversity also is apparent when looking across generations. Research presented at the forum revealed that younger older adults, including later-generation baby boomers, appear to be losing financial ground, while those born closer to World War II do not. In addition, diversity is reflected in the varying cognitive abilities among individuals as they age. Crystallized cognition, which reflects one's knowledge and experience gained over time, may compensate for loss of other fluid, problem-solving abilities. But, for some people, this advantage diminishes after the age of 60 while, for others, it remains largely intact. Finally, the ability of individuals to work or retire late in life also varies a great deal depending upon their choices, physical health, and necessities.

Another theme that flowed throughout the day, Firschein suggested, is that practitioners have begun to identify a set of age-friendly principles that can serve older adults as consumers, financial decisionmakers, employees, and residents. Financial services can be customized to meet the needs of older consumers, for example, by providing low-cost accounts or by putting strong protections in place against fraud. Financial education for individuals, their families, and employees of financial institutions is critical, as a number of speakers noted. Programs such as reverse mortgage counseling are helping older adults make better financial decisions, and programs like NCOA's BenefitsCheckUp help them access resources for which they may be eligible. Employers, especially those with older workforces, have begun to adopt practices that better serve their workers, such as more flexible scheduling, although the practice is not widespread across all types of employers and all industries and sectors. As for housing and communities, recent surveys show that older adults have expressed preferences for more housing choices and better access to services—characteristics often found in areas of denser development and with better transportation systems. This is a trend already noted by some developers in the industry.

Echoing Ted Fishman, the forum's keynote speaker, Firschein noted that although aging can be fraught with difficulties, we would not trade off all the scientific advances, including progress against infectious diseases, that have made longevity possible. In summary, he said, we should be fundamentally optimistic when confronting issues affecting the financial stress, stability, and security of older adults. Toward this end we should remember the importance of networks, as highlighted by Federal Reserve

Board Governor Jeremy Stein in his opening remarks. Networks can be used to reach out to older adults to provide them with information, resources, and assistance and with protection against fraud. Networks also can help advance various research agendas. We need to learn more about how cognition affects financial decisionmaking and labor productivity among individuals, Firschein stated. We also need to better understand how economic progress in various age cohorts is moved forward or stalled. He urged participants to stay in touch and to share resources with each other and through the Division of Consumer and Community Affairs as the Federal Reserve continues to monitor issues affecting older adults.