

Why Your ZIP Code May Predict Your Quality of Life in Retirement

Retirement planning is all about numbers. Yet, there's one number most of us take for granted or don't even consider.

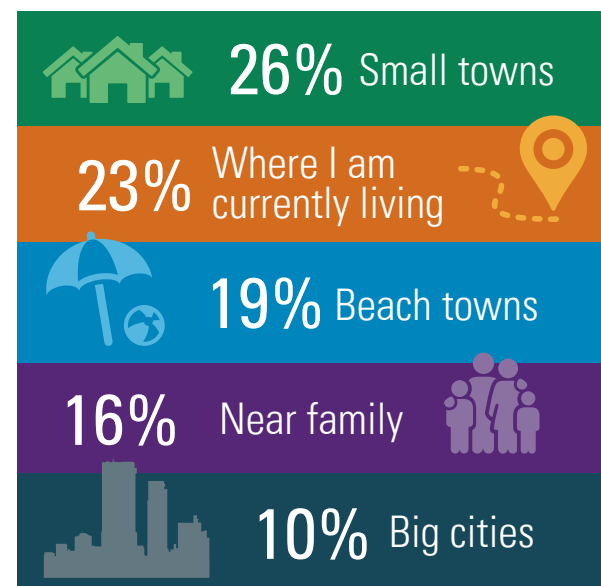
By Dr. Joseph Coughlin, Director of the MIT AgeLab

We're told that retirement is all about dollars and cents. How much money do we need to have to ensure our financial security? One financial firm even had an advertising campaign where people asked, "What's my number?" The ad portrayed people walking down the street with images of large amounts of money over their heads.

Other numbers become part of our retirement life as well. Blood pressure, good and bad cholesterol, body mass index, and other measures of physical health become part of our everyday concerns or at least conversations with our doctor. One health insurer ran ads stressing that you should "know your numbers." In many ways, the numbers reflecting our health and wealth become the equivalent of SAT scores in older age. And like SAT scores, they are, at best, an incomplete approximation of our future.

Another number may be even more indicative of how you will live in older age: your zip code. Thanks to students in my MIT Global Aging & Built Environment class, we've been thinking a lot about the role of "place" in retirement. Where you live has an incredible impact and predictive power on how well you'll live.

Where Do Americans Want to Retire?



Source: Big City or Small Town? The Surprising Stats on Where Americans Want To Retire, GOBankingRates, 10/21/22
GOBankingRates surveyed 997 Americans aged 18 and older from across the country between Aug. 9 and Aug. 11, 2022.



Place and well-being are a topic for many researchers, especially those who examine health disparities between income, race, and other groups. One study's title poignantly frames the issue best with respect to health outcomes of mothers and children: "Why Your ZIP Code Matters More Than Your Genetic Code."

A recent study conducted by researchers at New York University's Grossman School of Medicine provides new insights into how place affects life expectancy. Factors such as access to quality food; the density of alcohol and tobacco outlets; walkability; parks and green space; housing characteristics; and air pollution all have some impact on life expectancy. This study, and many others, indicate that within the same metropolitan area, or even the same city or town, life expectancy and quality of life can differ widely. Sometimes only a few blocks can mean many more years of life.

Longevity Planning And Assessing The "Where" To Live In Older Age

While retirement planning remains focused on money, longevity planning requires thinking about financial security as well as overall quality of life across the lifespan—particularly in older age. How might we think about the "where" factor in older age?

Most of us think where we live now is where we'll live in retirement. That is, we'll age in place and stay put. However, as we age, our needs, desires, health conditions, social connections, and more will change. This can often create a disconnect between what's working now and what will work later.

Others plan to move but have visions of retirement brochures dancing in their heads. These images portray retirement living as an endless vacation—a life stage filled with beaches, bicycles, and yes, pickleball. Retirement is likely to last a long time: For many people, it can be one-third of their adult life. Choosing where to live based on recreational interests or vacation memories alone may not support living well in older age for decades.

Here Are Some Questions to Consider and Discuss When Assessing the “Where” in Your Longevity Planning



Do you have friends or family nearby?

Consider locations that offer places and spaces that provide chances to meet new people, continue investing in your friendships, and introduce you to other people that simply make you smile.



Where might you access the healthcare you need?

The presence of an emergency room or doctor’s office nearby doesn’t ensure that you’ll be able to get the care you need. Assess your unique health conditions, those of your family, and the specialists that are nearby.



Are there places to play, to experience, and to join others in something new?

No, you might not go to the museum, theater, stadium, college class, or any other fun distraction every day, but it’s nice to have the option to do so.



How many places are there to work or to volunteer?

Find out if there are options to volunteer or work full-time, part-time, or even just some of the time.



How will you get to the places you need and want?

Even if you walk, drive, or bike today, there’s no guarantee you’ll be willing and able to do that in the future. Are there transportation alternatives to make the required trips, such as for grocery shopping and doctor’s appointments, as well as just-for-fun trips such as going out to get an ice cream cone on a hot summer night?

These are just a few questions to get you started. There are many others. The AARP Livability Index offers a great tool to begin your planning, your discussions, and your ultimate choice of what your “where” will be. And yes, it begins by asking for the Zip Code.



Joseph F. Coughlin, PhD is Director of the MIT AgeLab. His research examines how the disruptive demographics of an aging society, social trends, and technology will shape future innovations in business and government. Dr. Coughlin teaches in MIT's Department of Urban Studies and Planning as well as Sloan School of Management Advanced Management Program. Dr. Coughlin advises a wide variety of global firms in financial services, healthcare, leisure and travel, luxury goods, real estate, retail, technology, and transportation. He's also a Senior Contributor to Forbes and writes regularly for MarketWatch and the Wall Street Journal.

Talk to your financial professional about how your zip code could impact your finances and quality of life in retirement

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