

The Social Portfolio

Why friendships are so important to aging well



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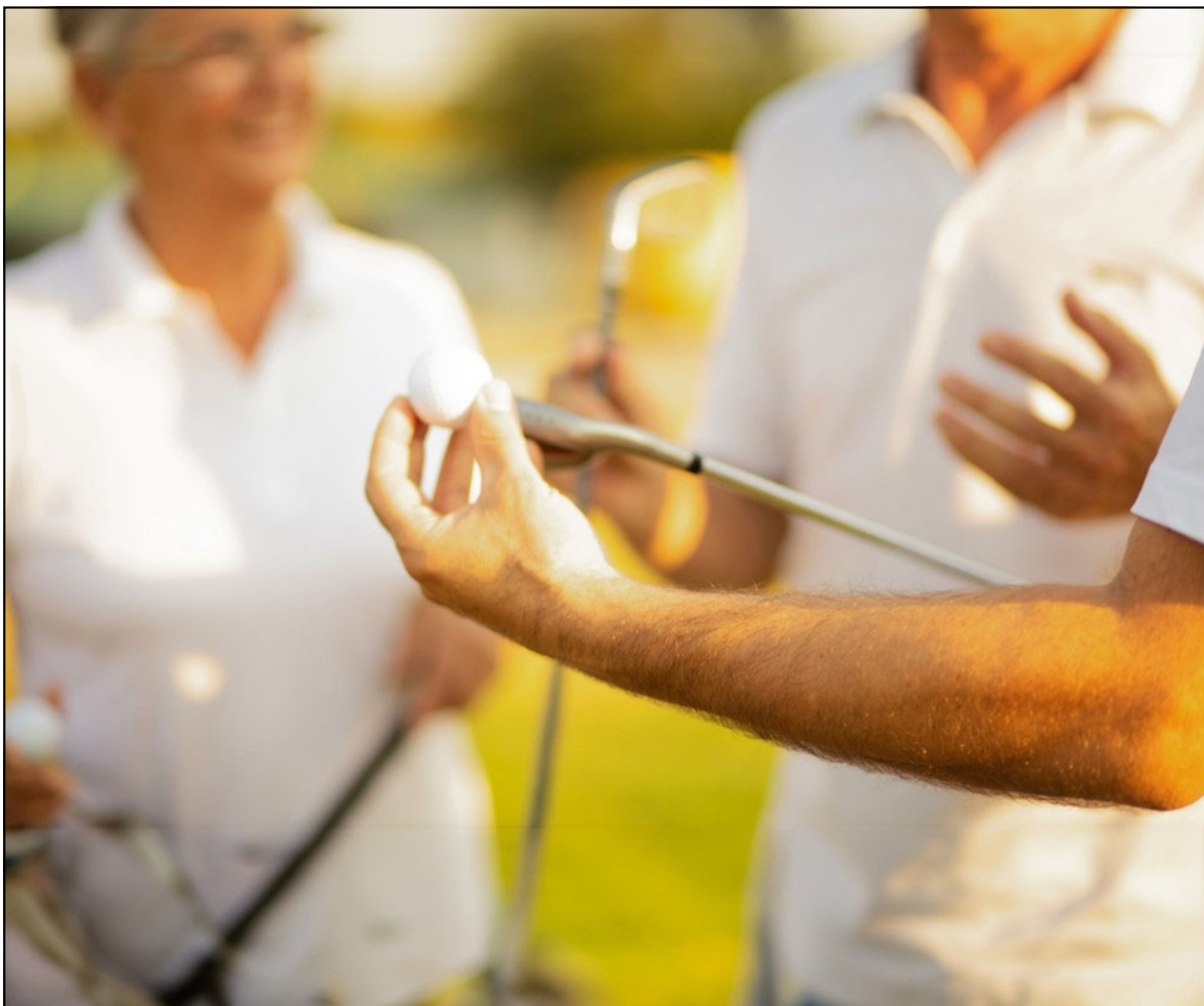
Most people age well not because of what they've saved, or because they follow their doctor's orders, but because of a strong social network of support.

—Dr. Joe Coughlin,
Director of the MIT AgeLab



- Multidisciplinary research program that works with business, government, and non-government organizations
- Seeks to understand longevity challenges and opportunities
- Invents solutions enabling people to do more throughout their lives
- Aims to improve quality of life for older people and those who care for them





Agenda

- Friend Trends
- What's a Social Portfolio?
- Investing in Your Social Portfolio



Friend Trends

Why We Need Friends as We Age



Benefits of friends¹

- Fun
- Learning new things
- Better health
- Emotional support
- Sounding board



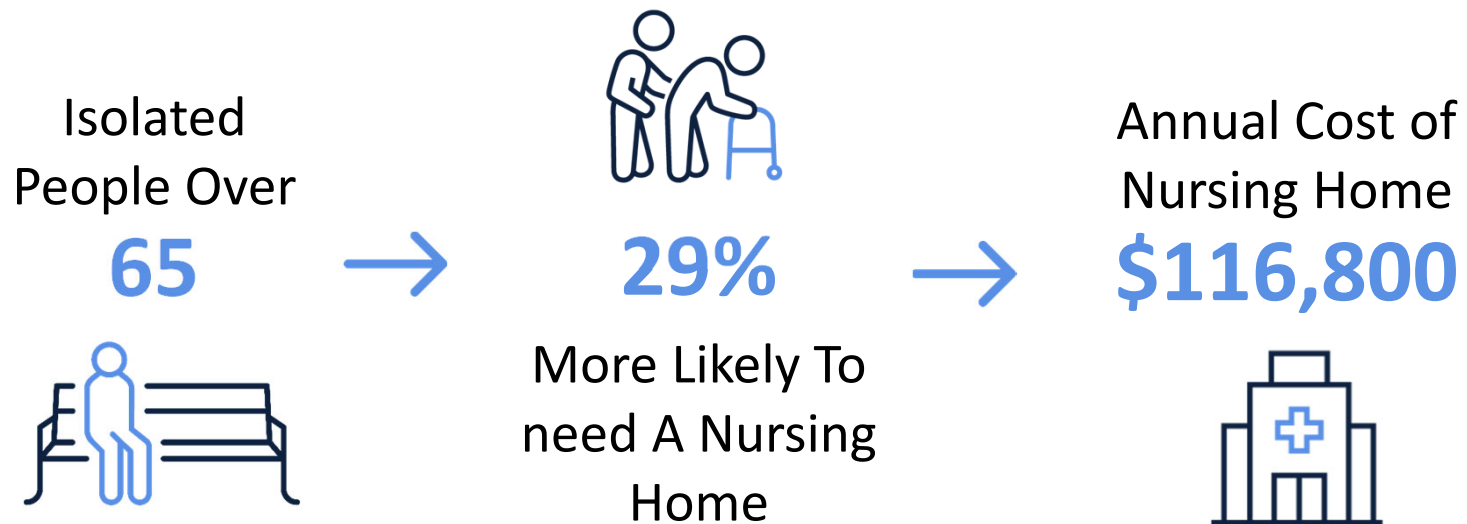
Risks of not having friends²

- Cardiovascular disease & stroke
- Cognitive decline
- Depression, anxiety, addiction
- Increased mortality
- Financial fraud

¹Why Friendships Are So Important for Health and Well-Being, Everyday Health, 8/25/21

²Loneliness: Causes and Health Consequences, Verywell Mind, 9/1/21

Isolation Can Lead to Expensive Care

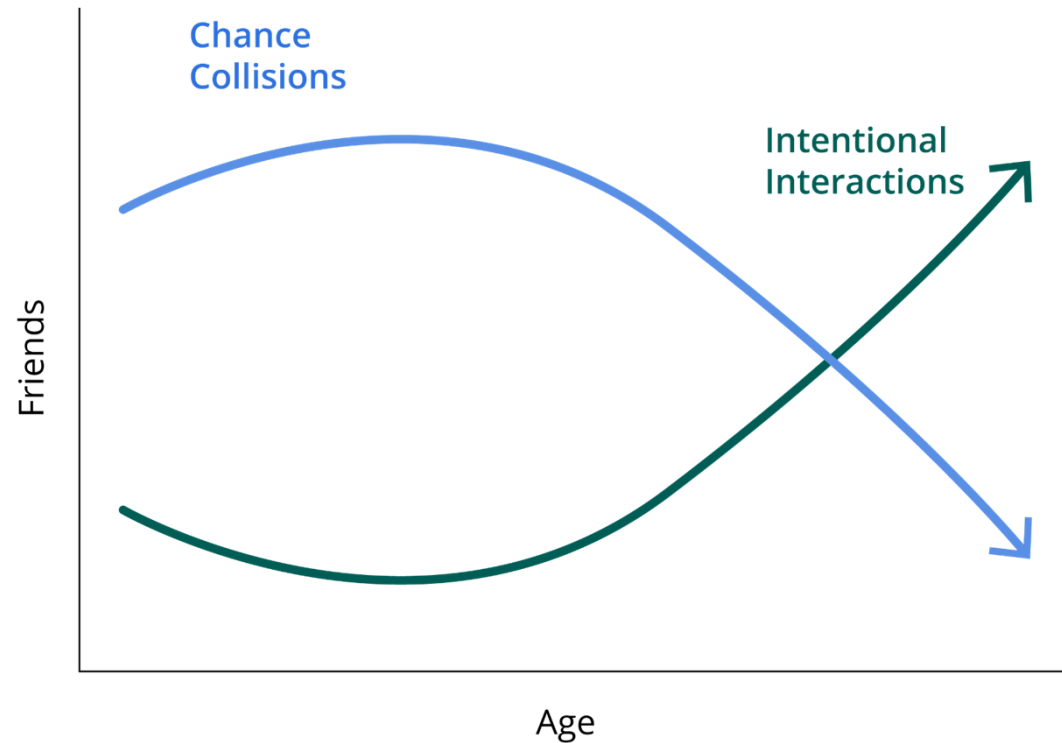


Source: Medicare Spends More on Socially Isolated Older Adults, AARP, Nov. 2017

Source: Cost of Care Survey, Genworth, 2024

FRIEND TRENDS

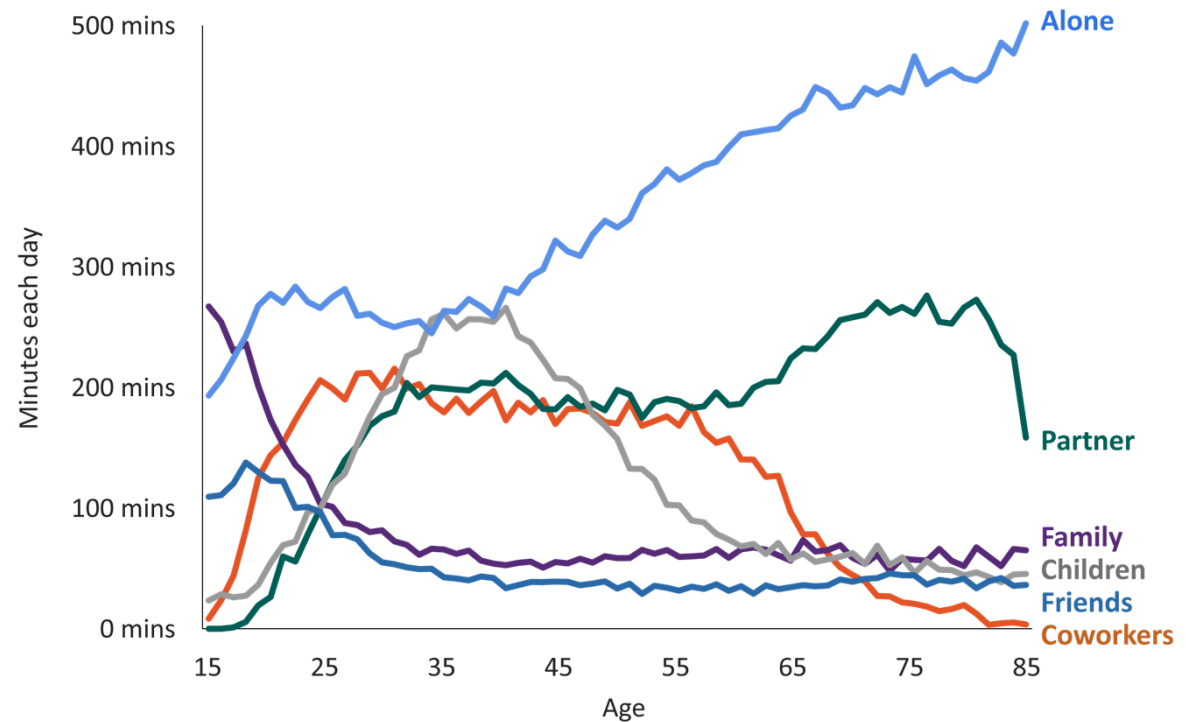
As We Age,
Friendships
Require
More Effort



Source: MIT AgeLab, 2022

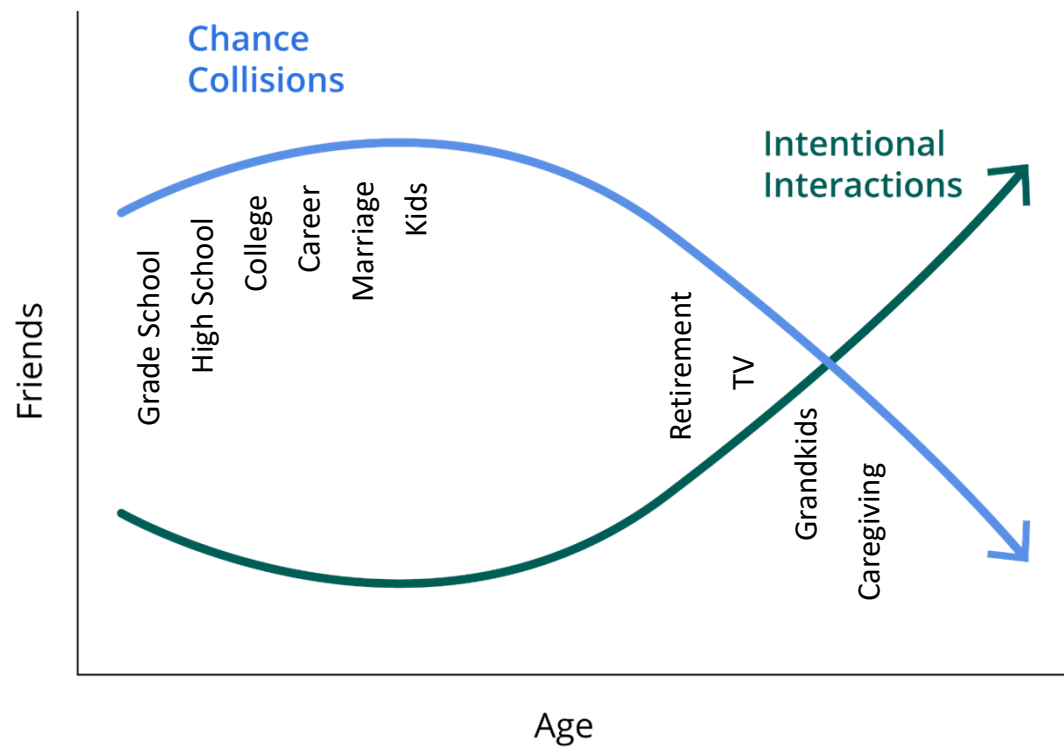
As We Age,
Many Spend
More Time
Alone

Who Americans Spend Their Time With by Age



Source: Visualized: Who Americans Spend Their Time With, Visual Capitalist, 10/28/22. Most recent data available.

As We Age,
Friendships
Require
More Effort

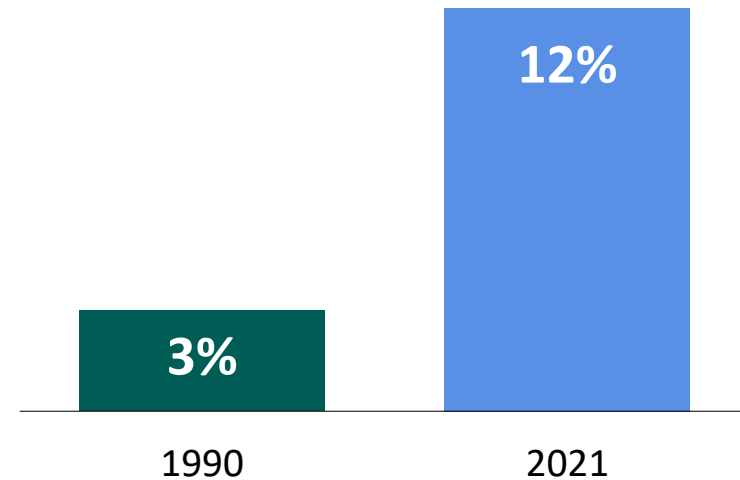


Source: MIT AgeLab, 2022

What Happened to Our Close Friends?



% of Americans who say they have **no close friends**



Source: Source: The state of American friendship: Change, challenges, and loss, Survey Center on American Life, 6/8/21. Most recent data available.

We're Making Fewer New Friends

56%

of young adults
(18–29) made a
new friend in the
past 12 months

41%

of older adults
(65+) made a new
friend in the past
12 months

31%

of older adults (65+)
say it's been
5+ years since they
made a new friend

Source: The State of American Friendship: Change, challenges, and loss, Survey Center on American Life, 6/8/21. Most recent data available.



Dr. Vivek Murthy
US Surgeon General

US Surgeon General Dr. Vivek Murthy released an advisory addressing the “epidemic of loneliness and isolation” affecting the country and laying out a framework for a “National Strategy to Advance Social Connection.”

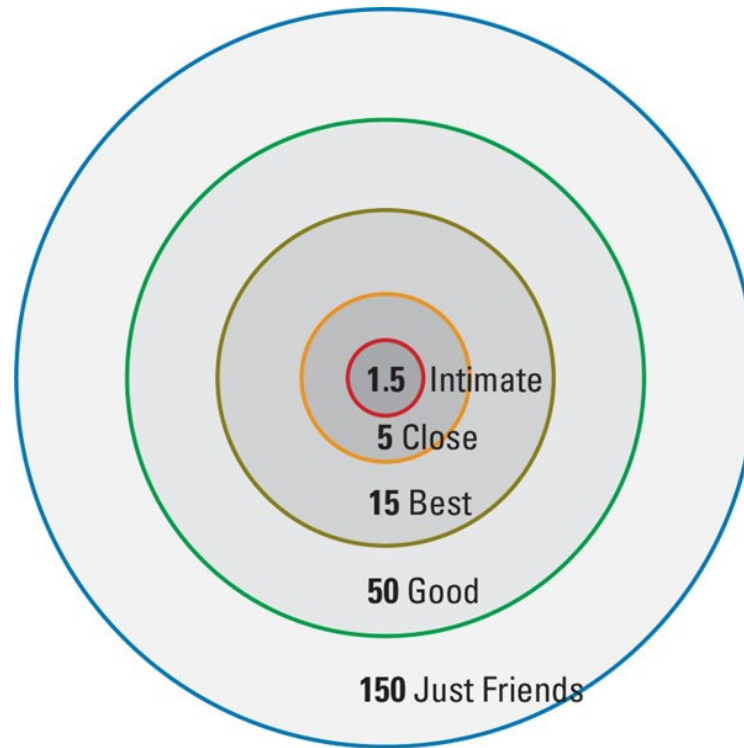
CNN, May 3, 2023



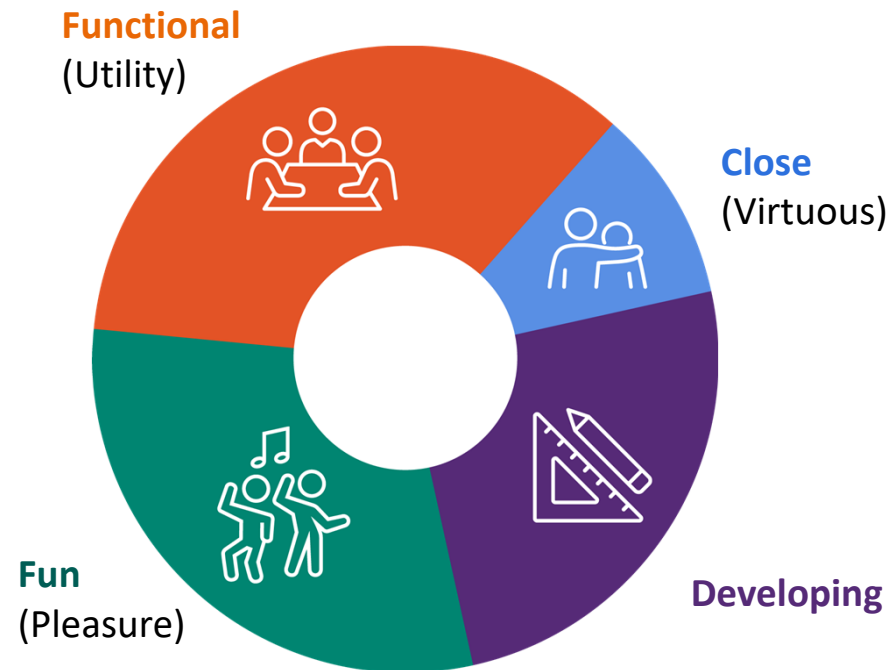
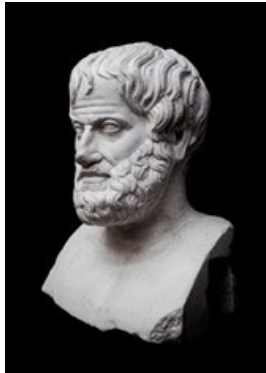
What's a Social Portfolio?

Dunbar's Circles of Friendship

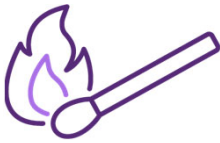
Source: *You Can Only Maintain So Many
Close Friendships*, The Atlantic, 5/20/21



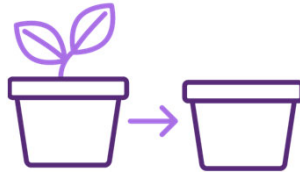
A Social Portfolio



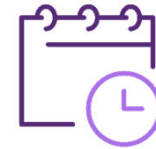
Methods of Developing Friendships



Rekindle



Repotting



Ritual

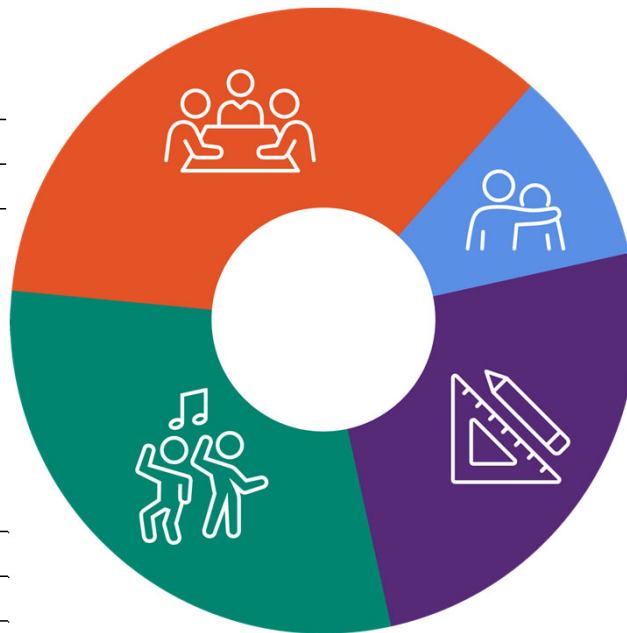
A low-angle, close-up photograph of people on bicycles on a pebbly beach at sunset. The sun is low on the horizon, creating a warm, golden glow and lens flare. The foreground shows the wheels and lower legs of the cyclists. In the background, the ocean and a distant shoreline are visible.

Investing in Your Social Portfolio

Assess Your Social Portfolio

Functional

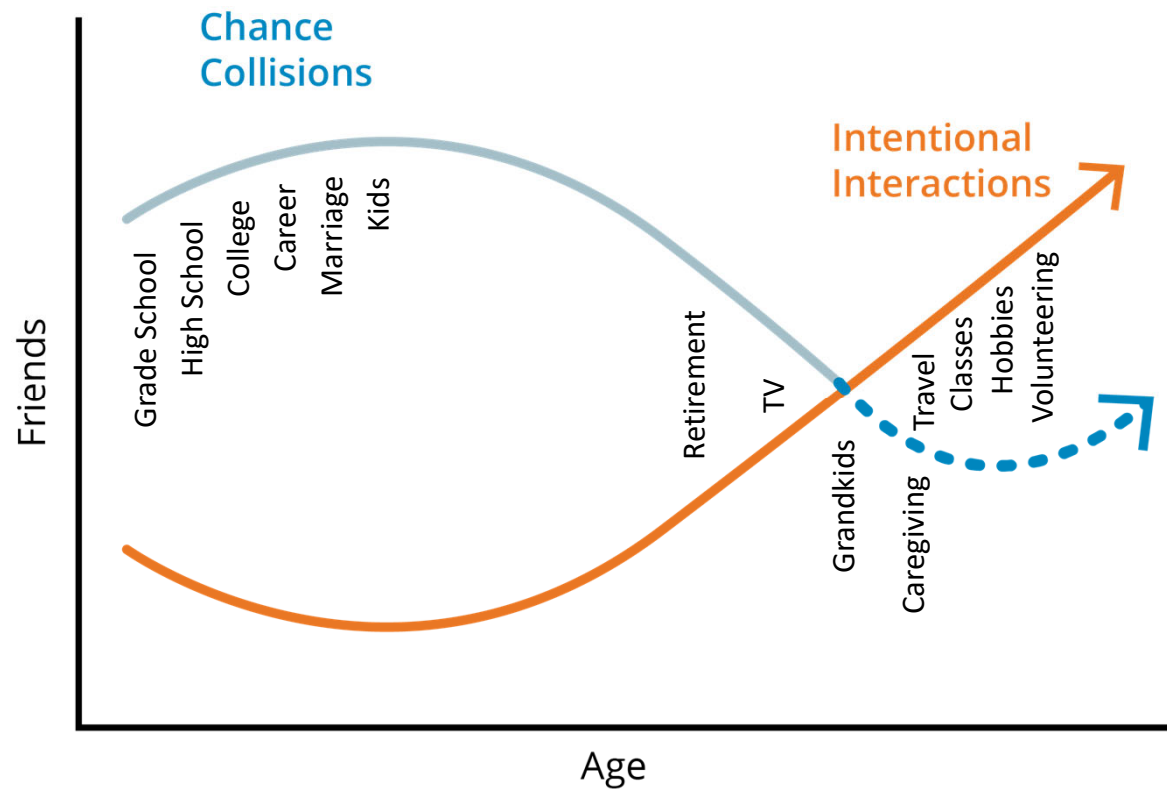
Fun



Close

Developing

Increase Chances of Making Friends



Investment Fundamentals

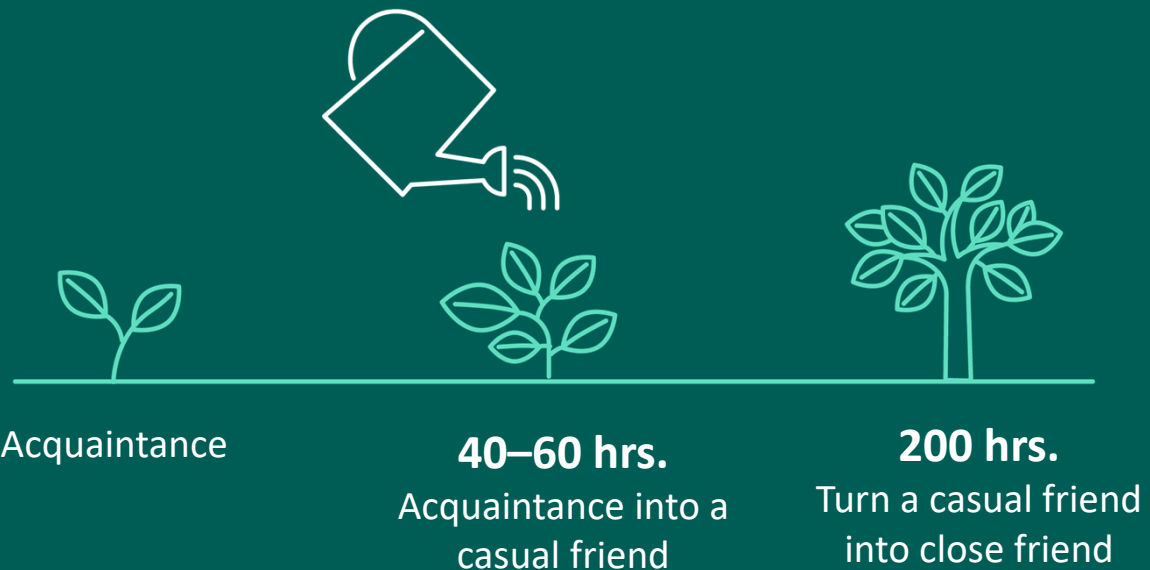
- Systematic Investing
- Diversification
- Monitoring



Systematic Investing

Consistent
investments over a
period of time

Time It Takes to Make a Friend



Source: *It Takes at Least 200 Hours to Make a Close Friendship, and More to Maintain It*,
The Wall Street Journal, 1/2/24

Finding Time to Make Friends

Top weekday activities, in average minutes per day, of full-time workers and retirees

Full-time workers

Sleeping	496
Working	471
Watching TV	103
Eating and drinking	65
Grooming	29

Retirees

Sleeping	526
Watching TV	259
Eating and drinking	73
Food preparation and cleanup	49
Grooming	37



Source: 2022 American Time Use Survey, Bureau of Labor Statistics, Most recent data available.

Finding Time to Make Friends

Weekly Report Available Sun 9:16 AM



Your screen time was down 6% last week, for an average of 5 hours, 25 minutes a day.

$325 \text{ min} \times 365 \text{ days} = \mathbf{82 \text{ days}}$

Diversification

Mixing a wide variety of investments within a portfolio



Forming New Connections

The Seven Pillars of Friendship

- Language/dialect
- Place of origin
- Educational trajectory
- Hobbies/interests
- Values
- Musical tastes
- Sense of humor

Source: Curry & Dunbar (2013a, b, Human Nature; Evol. Human Behav.) Launay & Dunbar (2016 PLoS One)



Monitoring

Things are
changing all the time



Investing Comes With Risks

- Vulnerability
- Uncomfortable situations
- Unmet expectations
- Unplanned expenses



You May Be Thinking:

“I’ll always have
my family.”



Having supportive friendships as we age was found to be a stronger predictor of wellbeing than having strong family connections.

Source: Why Friends May Be More Important Than Family, Time Magazine, 6/7/17. Most recent data available.



Summary

■ Friend Trends

Be intentional

■ What's a Social Portfolio?

Four categories

■ Investing in Your Social Portfolio

Time, place, and activity

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Our real social security, in fact, is not an income stream provided by the government, but our social relationships—our friends.

— Dr. Joe Coughlin,
Director of the MIT AgeLab



Next Steps

1. Assess your social portfolio
2. Think about places and activities that could help you make or maintain friendships
3. Add them to your calendar this month and commit to doing them

MIT **HARTFORDFUNDS**
Life Technology Our benchmark is the investor?

The Social Portfolio Worksheet

Why friendships are so important to aging well

Most people age well not because of what they've saved, not necessarily because they follow doctor's orders, but because of a strong social network of support—our social portfolio. Actively seeking novel places and activities to meet new people can strengthen our social portfolio and increase our wellbeing as we age.

1 Evaluate Your Social Portfolio

Similar to how a well-diversified financial portfolio includes different types of investments, your social portfolio should include different types of friends. On the right is a list of categories from the MIT AgeLab.

Category	Description
UTILITY	People you see during routine activities. Friends in this category could include co-workers, a local store employee, barber or hairstylist, barista, etc.
FUN	Friends you enjoy hanging out with. When you're together, it's all about having fun.
VIRTUOUS	Close friends you're most comfortable with. They have our permission to nudge us in the right direction or provide support when it's needed most.
DEVELOPING	People you may not consider friends yet, but you'd like them to be. With effort, a friendship may be possible.

Action Steps

1. Think about your friends and write their names in the category that best describes your relationship.
2. Are there any gaps? Do you have most of your friends in one category? There aren't hard and fast rules about how many friends you should have in each category, but it's good to have at least a few. If you feel like you're coming up short, we'll cover what to do in the next section.

MAI353 Worksheet

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