

## Personal Capital

When the Stages of Longevity were added to the SHAPE Analyser results, it revealed that many people can look to more Able years than expected. How can we seek to make the best of this bonus? Personal Capital is useful way of looking more positively at ‘whole of life’ productiveness.

### What is Personal Capital?

Personal Capital can be expressed as the sum of our experience and our capabilities. When we start being productive, we have little experience and are still developing our capabilities. Over time this changes. For a while, our capabilities and experience both increase and this has been typically maintained until our fifties.

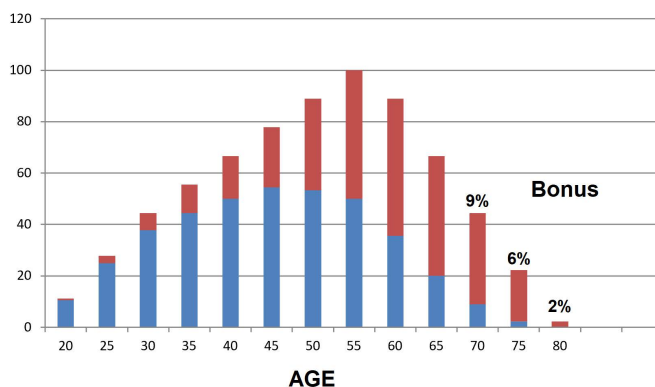
### What happens then?

Between 20 and 50 the average life expectancy only increases by about one year. After 50 it increases about one year over the decade to 60, a further two years 60-70 and a further three years 70 - 80. The longer we live the longer we’re likely to live.

How might our personal capital change over the same period – from 50 to 80? How things change will reflect both our personal differences and our planning to make the best of them.

Our experience grows while we stay engaged, and some of our capabilities may begin to diminish. As an example, the diagram shows how things could evolve.

**Personal Capital = Capability + Experience**



In this example, experience grows even while capabilities decline. This person’s capital at 65 equals what it was at 40 – but with a different mix.

Ceasing productive activity at 65 means this person loses the bonus of the personal capital discarded. Staying until 70 adds 9% to their ‘lifetime personal capital’ at 65. Five years extra add another 6%.

This concept helps focus on what each of us can do to maximize our lifetime value. What this extra personal capital represents in money terms varies from person to person, but it could be substantial. It could also encourage us to 'invest' more of ourselves in our community and family, adding value to both and acknowledging the bonus we receive from longer and healthier lives.

### So what?

This concept can motivate us to stay productive longer. Reviewing and acting on the Immediate Steps highlighted in our longevity planning can help our focus. Acknowledging how our capabilities could change over time informs our decisions about what we will do and where we will live. This supports our intentions to address the remaining Longer Term Steps in our planning, giving us and our families greater peace of mind and enjoyment.

Longevity planning empowers us to make the best of our Personal Capital.

*It's a good idea to update your SHAPE Analyser results regularly - why not do one now?*

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**SHAPE Analyser** now