

# **Planning for Events That You Don't Want to Happen**

## **How to Encourage Individuals to Plan for their Older-Age Transportation Needs**

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## Introduction: The Challenge at the Individual Level of Analysis

An increasing number of reports address social and community responses to one of the key questions of the transportation needs of an aging society: what to do when an older driver is no longer able or qualified to drive his or her car. These responses include public transportation systems; purchase of private transportation van and taxi services; and non-financial or quasi-financial share, exchange, coupon, and “service bank” solutions.

In addition to systemic or community response to this looming transportation challenge, it is critical to consider the individual-level response to the future need for transportation. Given that recent research estimates a substantial number of “mandatory former-drivers” within the older population, the public policy challenge focuses on how we can, now, encourage middle-agers to plan for their future older-age transportation needs. At a more policy analytic level of analysis, what kinds of models can we use to formulate the right questions, so as to develop successful practical answers and strategies?

## Issue Statement: Planning for Personal Events That You Don't Want to Happen

Planning for the day when you becomes physically or mentally incapable of driving your own car is, obviously, planning for something that you don't want to happen. But if the situation is likely to develop, then rationally we should plan to have the resources to facilitate substitute transportation service. One efficient approach to understanding this kind of planning (or resistance to it) is to look at analogous situations. Here we examine briefly four kinds of events that we don't want to happen, and assess the degree to which they might offer lessons for planning for older-age transportation needs.

Planning for a “likely” negative event, and for the resources needed to respond adequately to the event, is an exercise in risk management. One cluster of variables focuses on the *probability* that event will in fact take place. Another cluster focuses on the *cost* of responding to the risk (should it actually take place), and the motivation to plan for those costs. A third cluster is *information*: the more complete (and credible) the information, the more rational the assessment of the risk probabilities and the response costs can be. The following comments are meant to be suggestive, rather than empirical, as we consider fire, auto, life, and long-term care insurance.

No one wants their house to burn down, or be involved in a devastating automobile crash. The personal probabilities of either of these negative events may be relatively small, but we typically insure against these risks. We plan for these events that we don't want to happen in the form of homeowners insurance and automobile (medical payments and casualty) insurance. Of course, in both of these cases there is an

element of external coercion. We buy homeowners insurance because the mortgage holder demands it – although we typically keep the policies in force after the mortgage is paid off. And we buy auto insurance because the state demands it. Still, despite or because of such “coercion,” we become socialized to plan for, to insure against, the financial costs of unwanted events.

Life insurance offers a different view of planning for unwanted events. Here we have more decision latitude. We can choose from many different kinds of products, with different levels of financial cost and benefit, with a bewildering array of investment and tax arrangements. Despite death as an unwanted event, the probability issue is neutralized: the risk of dying is 100%, so payoff is guaranteed. As with fire and auto insurance, in planning financially for these risks we become socialized to contemplate the unwanted events in personal and family (as well as financial) terms.

Perhaps the closest analogy to planning for future transportation costs is long-term care (LTC) insurance, a relatively new insurance product. Like the impending need for older-age transportation planning, the expansion of long-term care services into a continuum that includes nursing homes, assisted living, and home care services and agencies, is a response to trends in both population aging and individual aging.

Consider at least two characteristics of the LTC insurance situation that may be similar to planning for the risk of driving loss. In response to information (or a sales pitch) about LTC insurance, many middle-agers are heard to say such things as: I will never need a nursing home. I will be healthy ‘til the end. If I can’t do it alone, my daughter will help me out. Middle-agers today are likely to say similar things about driving: I will be able to drive as long as I need to. I can always call a taxi. If I can’t drive, my grandson will take me wherever I need to go. I don’t have to do any planning.

There is yet another objection that is beginning to be heard about LTC insurance. With millions of elderly boomers, “What if I have LTC insurance benefits, but there aren’t enough assisted living rooms or home care workers to provide the care I need and can afford to purchase?” Typically we assume that “the market” will work it all out: if there are buyers with financial resources, then surely there will be products and services to be purchased. Or so we assume, and of course LTC insurance sellers assure us that 30 years from now there will be plenty of products and sellers; but the customer needs to be educated and persuaded.

These kinds of questions are relevant to the challenge of planning for an unwanted transportation future. “I don’t need to plan; but even if I do, how do I know that the van services and other community transport will be there when I need it?” As research on consumer resistance to long-term care insurance becomes available,

transportation specialists should re-examine the data for clues about parallel response to older-age transportation planning.

### Policy Recommendations

A Simple Model of Behavior Change. There are many complex models that describe the motivations for and mechanics of retirement preparation, risk management, and related financial planning. To raise the public salience of older-age transportation planning, however, we suggest a relatively simple three-component model – on which we can build recommendations for the 2005 White House Conference on Aging. In some places it is known as the C-A-B model: Cognitive-Affective-Behavioral model. In more everyday language it is the K-A-P model: Knowledge-Attitudes-Practice.

In this pristine form the model suggests a developmental or causal sequence, **K→A→P**:

- Increases in knowledge or information will change attitudes.
- In turn, changes in attitudes will create (or, more likely, create the basis for...) changes in practice (i.e., the practice of planning).

In other words, to encourage people to plan for the unwanted event of personal transportation loss, we first have to change attitudes to show that such later-life transportation needs are indeed likely to arise in the future, and that it is possible to plan for these needs. In turn, to influence such attitudes – especially attitudes of denial toward personal events that we don't want to happen – requires the input of new and persuasive knowledge and information.

To be sure, the unadorned version of the **K→A→P** model presented here is a substantial simplification of reality. People with different personality characteristics, for example, will respond differently to information; the credibility of the source and content of the knowledge will also affect the pattern of attitude change. Attitudes are of substantially varying strength, ranging from deeply-felt values to transient opinions. The degree to which attitudes predict behavior is dependent on a complex congeries of personal and situational factors. Nonetheless, the KAP model is a reasonable starting point for assessing the process and, ultimately, encouraging individuals both to understand their risks for older-age transportation needs, and to begin to plan for those risks.

### Three Recommendations for the White House Conference on Aging

Toward this end, we suggest three recommendations, each reflecting an element of the Knowledge→Attitudes→Practice model.

1. Knowledge. We recommend that education modules be developed to describe the circumstances under which, over the next 25 years, older people will need alternative transportation plans. Just as knowledge about the risks of needing long-term care enhance the likelihood that a consumer will more positively consider long-term care insurance, so too will fuller and realistic knowledge about age and driving help to make middle-agers aware of this risk of an unwanted future. Further, we recommend strongly that these education modules be developed so as to be used by those groups of professionals who are typically already involved in the gerontological planning activities of their clients: financial planners, attorneys, and accountants. Recently each of these three professions has developed sub-specialties in the area of gerontological planning:

- Through its Registered Financial Gerontologist designation, the American Institute of Financial Gerontology (AIFG) provides targeted gerontology education to financial professionals. [[www.aifg.org](http://www.aifg.org)]
- The American Institute of Certified Public Accountants (AICPA) has created a division of ElderCare Services. [[www.aicpa.org](http://www.aicpa.org)]
- The National Academy of Elder Law Attorneys includes lawyers who specialize in working with older clients and their families. [[www.naela.org](http://www.naela.org)]

Each of these groups is an appropriate vehicle for transmitting knowledge about older age transportation challenges to clients who are already involved in various kinds of older-age planning.

2. Attitudes. To understand how public knowledge is improving and how attitudes are changing, we recommend that the Department of Transportation fund a pilot project to develop a set of attitude measurement instruments – questions and scales – that reliably and validly measure public attitudes toward transportation and aging risks. The development of these instruments, which should include a measure of “transportation literacy,” would then be leveraged into substantial national and local data describing attitudes toward transportation risk. Once the validated questions and attitudes scales become publicly available, they will be used by academic as well as commercial pollsters in a broad range of analytic and descriptive surveys. Private firms as well as public policy interest groups could include the measures in their larger studies. Graduate students could use them in a broad range of gerontological, social, planning, financial, and transportation studies. Over the next few years, the simple existence and public availability of the measures will generate a body of data the analysis of which will describe the changing nature of attitudes toward age-related transportation risk – and how the continuing Knowledge efforts should be crafted.

3. Practice. When the potential customer for long-term care insurance ponders the decision to purchase, she typically tries to think of what that insurance benefit will pay for or buy in the future. By analogy, when a middle-age consumer is encouraged to plan for future older-age transportation, he should be able to envision an array of specific services. Other than mass transportation or vans/taxis, what are the transportation services that should come to mind? A public policy whose aim is to encourage the practice of planning for future transportation services must also publicly provide information about such transportation services. In short, about what are we being asked to plan? We recommend, therefore, that the Department of Transportation create a “best practices” inventory of transportation services projects around the country that are illustrative of the future of older-age transportation services (e.g., including ride sharing, coupons, service banks, volunteer systems, and others). A second phase such a demonstration would be the design and field testing of model projects that combine the best service, financial, and gerontological features identified in the best practices inventory.