TONTINE

Meaning: A tontine is a financial scheme in which participants invest in a pool and receive payouts that decrease as members pass away, rewarding longevity.

1. A tontine is a financial arrangement where participants contribute to a pool, receiving payments based on their longevity.

2. In the early 18th century, tontines were popular among investors seeking both profit and a measure of social engagement.

3. The concept of a tontine raises interesting questions about risk-sharing and the value of life expectancy.

4. As more members of a tontine die, the remaining participants receive larger payouts, creating a unique incentive structure.

5. Today, while less common, tontines are still discussed in the context of retirement planning and risk management.
