



Health Care Costs In Retirement

By: Dee Lee | June 20, 2014 10:28 AM



BOSTON (CBS) – If you were to ask me about retirees' concerns I would have told you that the #1 worry would be not having enough money to cover all of the costs of a comfortable retirement.

Not so according to a survey, [Americans' Perspectives on New Retirement Realities and the Longevity Bonus](#), funded by Merrill Lynch in partnership with [Age Wave](#), a think tank on aging. It ranks #3.

With being a burden to one's family as #2 and the number one concern is the prospect of serious health problems which tops the list. I believe that #2 and possibly #1 can be alleviated by having enough money saved and good insurance. But some health problems can't be fixed with money.

According to [Ken Dychtwald](#) of Age Wave, a health problem is a triple whammy. First, it's unpredictable. No one knows exactly when they might become ill, how bad the problem will be, or how long it might last.

Second, health disruptions can be very expensive. You might be forced to miss work, or you might need long-term care or be challenged by other health-related costs.

And third, illness turns out to be the number one reason that people retire earlier than they planned. In the survey, they asked retirees whether they had retired on schedule, later than they had planned, or earlier than they had planned. Almost 60% (57%) of today's retirees say they retired earlier than they expected.

According to a Fidelity survey they warn us that that out-of-pocket health care cost in retirement for a couple will add up to almost a quarter of \$1 million (\$220,000).

Unanticipated medical expenses can derail years of retirement preparation. Sixty percent of bankruptcies in the U.S. today are related to medical bills, and retirees who are struggling with health issues are twice as likely to say they are in a financial crisis.

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