



Health: The (Expensive) Secret to a Happy Retirement

By: Beth Braverman | September 12, 2014

The vast majority of retirees (81 percent) cite health as the most important ingredient to a happy retirement, [according to a study released today](#) by Merrill Lynch and Age Wave, putting it ahead of financial security or having loving family and friends.

Those surveyed also cite health care costs as their greatest financial concern, regardless of their wealth level, even though most have not factored health care costs into their retirement planning. A couple retiring this year would need an average \$220,000 to cover their medical expenses, [according to Fidelity](#).

“As Boomers move into their later years,” health will be the ultimate retirement wild card,” Andy Sieg, head of Global Wealth and Retirement Solutions for Bank of America said in a statement. “For many, health can be the difference between a retirement of opportunity and independence or one of worry and financial challenges.”

The study found that seven in 10 couples over age 50 have not discussed how much they need to save to pay for health care during retirement. That could be because they don’t know how much they’ll need: More than half of pre-retirees said that information about health care costs and insurance information is overwhelming, and only 11 percent said they know where to turn to figure out how to cover their health care costs in retirement.

More than half of retirees retired earlier than expected, with health being the number one factor driving the move. Cutting short one’s working years for health reasons can mean both increased expenses and a smaller-than-expected nest egg.

People are more concerned about the financial impact of a spouse’s serious illness (66 percent) than they are about their own illness, and women are even more concerned than men.

Original URL: <http://www.thefiscaltimes.com/Articles/2014/09/12/Health-Expensive-Secret-Happy-Retirement#sthash.KG1QFIdG.dpuf>