



## Health And Wealth Entwined Retirement Issues, Study Says

By: Karen Demasters | September 12, 2014

Health care and wealth are inextricably entwined for baby boomers, who are changing the health care industry just as they have put their mark on other sectors, according to researchers at Bank of America Merrill Lynch.

Because of these links, financial advisors need to do a better job of informing their clients about the intricacies of health care, medical insurance and Medicare, which can be overwhelming for near retirees and retirees, said David Tyrie, head of retirement and personal wealth solutions for Bank of America Merrill Lynch.

Tyrie warned advisors about the confusing nature of [health issues and paying for them](#) in retirement during a webinar on the latest Bank of America Merrill Lynch survey, “Health and Retirement: Planning for the Great Unknown,” which was released Friday.

Only 21 percent of pre-retirees age 50 and over who have a financial advisor have talked to the advisor about health care issues, the survey says.

Baby boomers are more likely to research medical issues and less likely to look to doctors as authorities than the previous generation, said Ken Dychtwald, founding president of Age Wave, a research and education organization focusing on aging issues. Age Wave partnered with Merrill Lynch on the survey.

Health is valued at a higher level than any other factor in determining a happy retirement, according to the survey, which shows that 81 percent of the 3,300 people surveyed value health even above financial security (58 percent) and a loving family and friends (36 percent).

Yet seven out of 10 couples age 50 and over have not discussed with their spouses how much they may need to save to pay for health care during retirement.

At the same time, only 19 percent of current Medicare recipients feel they have a strong grasp of what Medicare covers.

In a result Dychtwald described as startling, survey respondents, including younger people, now cite Alzheimer’s disease as the most frightening disease in old age, with 54 percent fearing it the most—more than cancer, strokes, heart disease, diabetes and arthritis combined. This calls for everyone to demand that more research and more money go to finding a cure for this disease, he said.

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

“Financial advisors need to educate themselves on these topics and they have to be the ones to raise the conversation to make sure their clients are informed. There’s a reason we call this the great unknown,” he added.

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