

Healthy or Wealthy: Best Way to the Second Is Via the First

By Daniel Solin | September 17, 2014



Two non-consecutive days a week, I limit my food intake to about 600 calories. The other five days, I eat normally. I changed my diet based upon a PBS series and a related book titled "The Fast Diet: Lose Weight, Stay Healthy and Live Longer with the Simple Secret of Intermittent Fasting" by Dr. Michael Mosley.

I am not suggesting you consider following this food regimen. It can be dangerous if you are pregnant, underweight or have certain medical conditions. Nor should you consider making any major change to your diet without medical advice. But while I'm not competent to endorse this specific diet, or any other diet plan, it has become part of my focus on maintaining good health, along with regular exercise and daily meditation.

In my experience, many investors have their eye on the wrong ball. They are concerned about beating the market through stock picking, market timing or finding outperforming fund managers. Often these efforts fail. I don't want to downplay the importance of financial security. However, you would be well advised to spend at least as much (if not more) time focusing on your health as you do on the returns of your portfolio.

Retired and Healthy

Retirees, for instance, are deeply concerned about their health. A recent Merrill Lynch study found that [81 percent of retirees indicated the most important ingredient for a happy retirement was having good health](#). Only 58 percent listed being financially secure at the top of their list.

Given the importance of health to a good retirement, it's surprising that only 29 percent of those polled described themselves as "healthy and proactive," actively engaging in pursuits such as exercising and eating well. For those retirees, staying healthy was a source of pride.

Unfortunately 32 percent of those polled had chronic conditions that kept them from doing things they enjoyed. Only about 20 percent engaged in "key health behaviors."

The study noted the double whammy that health challenges can have on a financial plan. First, health-related expenses can drain retirement savings. Second, if you are compelled to retire early because of health issues, you will have fewer years to work and save, and thus less to live on, during your retirement.

High Cost of Health Care

The cost of health care in your post-career years can be staggering, depending on the length of your retirement. Estimated out-of-pocket health care costs for a retirement lasting 10 years are \$50,900. However, if your retirement lasts 30 years, you can expect to pay \$318,800 in health care costs.

Just taking care of yourself doesn't immunize you from the adverse consequences of unexpected health care costs. Women are likely to outlive their spouses. If one spouse develops serious health issues, the couple may spend down retirement savings and risk running out of money during the life of the surviving spouse.

Your financial adviser should be working with you to prepare for health care costs. It's a critical part of holistic financial planning. The study noted that less than 15 percent of pre-retirees have made any effort to estimate how much money they might need for health care, including long-term care.

Your financial adviser also should be educating you on your choices regarding Medicare, supplemental insurance plans and long-term care.

Maintaining good health is your responsibility. It can't be outsourced. There is ample evidence (some of it referenced in the study) that exercising, eating right, maintaining a healthy weight, staying socially connected and maintaining other healthy lifestyle habits can materially increase your chances of avoiding significant health issues.

Wealth without health is not a worthy goal. Maybe it's time to shift your attention from squeezing another percentage point out of your portfolio to squeezing some fresh fruit or vegetables in your juicer.

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