

## YOUR HEALTH NOW & ITS IMPACT ON YOUR FUTURE RETIREMENT

Having trouble seeing how the two are linked? Have you done well saving and contributing to your 401K, building up your retirement and diversifying your portfolio to keep your investment safe?

A few things to consider are:

### LIFE EXPECTANCY

The good news is that over the past two decades Americans have extended life expectancy by 5 years. The bad news is that Americans are living longer with chronic illnesses, both physical and mental, which is an added health care cost in retirement.

### HEALTH CARE COSTS

Insurance premiums are increasing, medical technologies are advancing and health care utilization is going up. From 2000 to 2011 the older American population health care expenditures rose 46%, that averages to out of pocket expenses of \$4,769.

### SOCIAL SECURITY ADJUSTMENTS

In 2014 Social Security benefits only rose 1.5%, which is about \$19 per month on average for retired and disabled workers. This increase in Social Security does not keep up with the rise in inflation.

### GAPS IN MEDICARE

Employee Benefit Research Institute (EBRI) estimated that married couples retiring at 65 would need \$317,000, in 2012, and only have a 75% chance of covering expenses that are not paid by Medicare.

### WHAT CAN YOU DO NOW?

- a. Connect with a Financial Planner early on in your career and retirement savings to create a strong game plan.
  - Potential Added Costs: insurance premiums, medical services, prescriptions, medical supplies, and long term care
- b. Start being a good healthcare consumer now, to help build the habit for the future. One potential resource to assist you is the Health Care Consumer app that HealthFinder.gov has created (MyFamily)
- c. Start investing into your future today! A dollar saved and invested today is worth more than a dollar saved tomorrow
  - Retirement Plan Options: 401K; Roth IRA
- d. Be proactive with your health. Change the mindset from being reactive and treating health conditions as they arise to being proactive, living a healthy lifestyle and avoiding many of the preventable chronic conditions from the onset!