

# Good health keeps wealth in old age

May 8 2012, By Donna Gehrke-White

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Ruth H. Clark of Pompano Beach, Fla., is a 95-year-old aerobic wonder, working out seven days a week.

But Clark is not just flexing her muscles, she's protecting her retirement nest egg by staying healthy.

Economists say [health](#) care will become more crucial in retirement planning as medical expenses climb for the elderly.

People on Medicare already spend three times more as a percent of income out-of-pocket for health care compared to non-Medicare households - 14.7 percent vs. 4.9 percent, according to the National Council on Aging.

"The [financial burden](#) is highest for beneficiaries who are older, in relatively poor health, and have low or modest incomes," said council spokesman Ken Schwartz.

Medicare recipients 85 and older spend an average of 30 percent of their income for out-of-pocket medical expenses, or \$4,615 a year, according to an analysis on the website NewRetirement.com.

Many seniors who have higher [retirement savings](#) and income pay even more: Older clients of Boca Raton financial planner Mari Adam spend about \$10,000 to \$20,000 per year for medical expenses, she estimated.

"High dental bills are not uncommon," Adam said.

The nonprofit Employee Benefit Research Institute estimates a 65-year-old couple will need \$271,000 to give themselves a 90 percent chance of having enough savings to cover their out-of-pocket medical expenses during retirement.

Clark said she has managed to stay out of the hospital since the mid-1970s, except for a nasty bout with a nose bleed a few years ago. She has saved tens of thousands of dollars in medical costs, from hospital bills to paying for home healthcare nurses.

Clark, for example, "treats" arthritis by bending, stretching and moving about during her daily 30-minute workouts in her apartment at the John Knox Village. She adds two-pound weights to her regimen every other day.

"Every single joint gets moved," Clark said.

To keep her good health, Clark stopped bad habits early. She quit smoking in 1960, four years before the U.S. Surgeon General issued a warning about the dangers of cigarettes.

The former Connecticut state senator also sticks to mostly fruits and vegetables. She has avoided diabetes, heart problems and other chronic ailments, partly thanks to such a healthy diet. Indeed, Clark thinks her parents' meat-and-potatoes diet may have contributed to their relatively early deaths.

Clark attributes her health to staying active, whether it is walking or researching about Florida's water.

"It gives me energy," Clark said.

"The best thing to do is keep your health," said Jorge Salazar-Carrillo, an

economics professor who directs the Center of Economic Research at Florida International University.

Seniors might end up paying more of their [medical expenses](#), especially higher income retirees, Salazar-Carrillo said. The Medicare Trustees Report predicted this week that the program's hospital portion will go broke in 12 years, although some experts say it could be as soon as 2016.

Edith Lederberg, 82, said she is trying to stay healthy so she can continue working full time as executive director of the Aging and Disability Resource Center of Broward County.

"I don't smoke, I drink sensibly and I exercise so I don't have to run to doctors," said Lederberg.

Others, especially Baby Boomers, will need to stay healthy so they can work longer and avoid retiring to allow their nest egg to keep growing, added Tony Villamil, dean of the School of Business at St. Thomas University.

"Your health is critical to postponing your retirement," Villamil said.

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