

# Money Wise

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Colin Bloodworth explains the connection between physical and financial well-being

## A Big Payoff For Healthy Life Choices

**“E**arly to bed, early to rise, makes a man healthy, wealthy and wise.” So the saying goes. I certainly am early to bed and early to rise, if only, like so many others, to beat the Jakarta traffic. I suspect this habit is not sufficient on its own to make us healthy, wealthy and wise, but there is definitely a connection between lifestyle and those three desirable qualities.

But first let's look at some of the issues we face.

### The rising cost of health care

It has been estimated that a 65-year-old couple in the United States will need to spend \$200,000 on health care during retirement, assuming the man lives to the age of 80 and the woman to 85. Medical care in the United States is very expensive, but costs are escalating everywhere.

Medical insurance is highly advisable and can prevent major financial shocks should a serious illness or accident occur. But as we get older, the cost of insurance escalates rapidly, to a point where it is no longer affordable. Perhaps you come from a European country that will take care of you for free should you return there, though unfortunately, such generous welfare systems are partly responsible for the sorry plight of many European economies. As a result, we are likely to see a reduction in those benefits.

### Poor lifestyle and insurance

When Gordon Brown was the British prime minister, he raised a few eyebrows when he told health care staff in a New Year message that people might have to fulfill “new responsibilities” in order to establish their right to care. While no one is likely to be refused treatment in an emergency, patients who smoke, drink heavily or become seriously overweight are increasingly being refused spots on waiting lists for elective treatments and even non-urgent heart surgery. As with anywhere in the world, if you're wealthy you can jump the line and opt for private treatment, but at a cost that may significantly reduce your wealth.

### The benefits of a healthy lifestyle

A growing body of evidence suggests



**Some health insurers have slashed premiums for those who allow their diet and exercise regimes to be monitored. Others are offering discounted gym memberships.**

moderate exercise for at least 30 minutes a day on most days of the week can substantially reduce the risk of developing costly and debilitating conditions, including heart disease, cancer, stroke and dementia. If you can stave off dementia and live independently in old age, you can avoid the huge expense of long-term care.

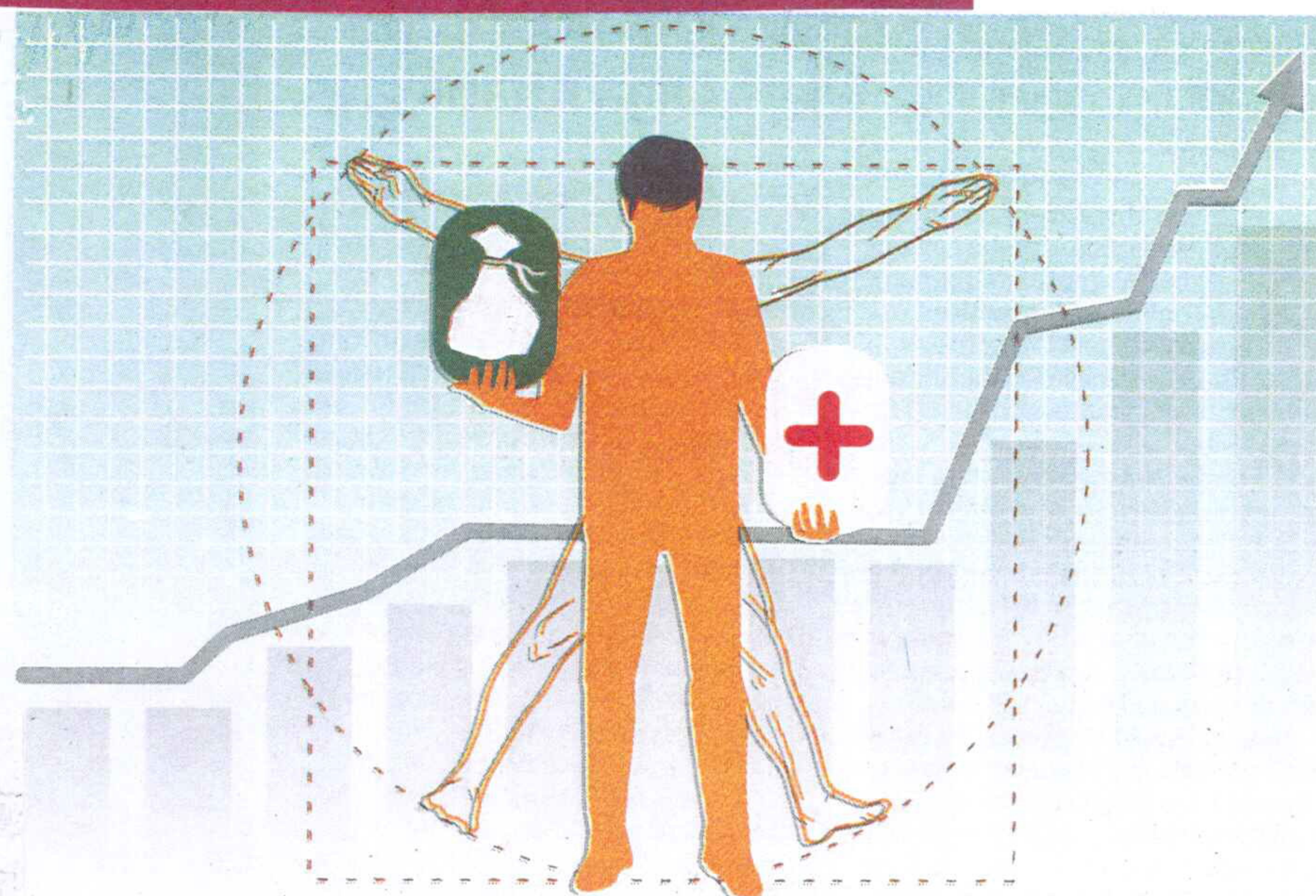
But there are also immediate cost benefits. Being in good health means you will pay the lowest premiums for life insurance, critical illness insurance or income protection insurance. Some health insurers have slashed premiums for those who allow their diet and exercise regimes to be monitored. Others are offering discounted gym memberships.

And with a healthy lifestyle, you don't need to take time off from work for illness, you're more alert and you're more likely to advance your career with the accompanying financial benefits.

### Smoking can burn a hole in your wallet

How many times have you heard someone say: “My father smoked like a chimney and lived to his 90s”? How many great world leaders have survived to old age even though they were smokers? Such cases can occur, but for every case there are dozens of others who have met an early death or suffered from an expensive illness.

Another factor to consider is that in the past, our lungs were not bombarded with the high levels of pollution surrounding us today, particularly in Jakarta. If you're a smoker and you apply for life insurance or critical illness insurance, you might find that your premium is at least 50 percent higher than that for non-



smokers. So not only does part of your hard-earned income go up in smoke, but you must also dig even deeper into your pocket to insure yourself.

### Is it possible to change lifestyle?

It's never easy to break away from habits, but if you think your lifestyle is affecting your health and threatening to hurt your wallet, then it could be worth making a supreme effort to change things. Perhaps downtown Jakarta does not present an obvious environment for exercise, but you don't have to go too far out of town to enjoy walking, running or biking in the surrounding hills. Golf enthusiasts are spoiled for choice. Many urbanites now live in apartment complexes, and most offer facilities such as tennis courts and a gym. Don't let age be an excuse; there is no age limit to fitness.

### Is there a downside to all this healthy living?

The benefits in quality of life and the likely financial rewards are indisputable. Longevity can, however, raise the concern of whether sufficient provisions have been made to generate a large enough income in retirement. This is an issue all retirees have to face, but if you live to the age of 90 and are still in good health, you want to make sure you have enough money to go out partying and enjoy yourself.

This is perhaps where becoming wealthy is not enough on its own; you also need to be wise enough to tuck a large portion of that wealth away for your later years.

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