



Nationwide
Better HealthSM

On Your Side[®]

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Rising Cost of Health Care Causes a Sharp Decrease in Retirement Preparedness

61 percent of households won't have enough retirement income when health care costs are factored into equation; American employers in a key position to help

Columbus, Ohio — A dramatic rise in the number of working Americans who will be at risk of not being financially prepared to retire was triggered by the escalating cost of health care in retirement, according to the most recent findings by the Center for Retirement Research (CRR) at Boston College. The National Retirement Risk Index (NRRI), released today by the CRR and with exclusive support from Nationwide[®], shows that, when health costs are factored in, the number of American households at risk for not maintaining their current standard of living in retirement jumps from 44 percent to 61 percent. This large increase – 17 percentage points – underscores the significant effect health care costs have on retirement savings.

“Factors like declining Social Security replacement rates, rising cost of insurance and medical care, and increasing life expectancy all lead to the need for more retirement income,” said Alicia H. Munnell, Director of the Center for Retirement Research. “When we saw how much health care impacted retirement readiness, it became even clearer that the retirement crisis is very real. There is no denying that fiscal fitness is linked to physical fitness.”

Americans know what they face, but are unsure how to take action

In a recent survey conducted by Nationwide Better HealthSM, a health and productivity management company and subsidiary of Nationwide, 90 percent of employed Americans believe their level of health before retirement impacts the cost of health care expenses during retirement. They also feel that health care costs will have the biggest impact on their retirement. And, almost 40 percent struggle with how they can help mitigate these concerns, stating that adequate resources and guidance to help plan for health care costs in retirement are unavailable.

The NRRI and Nationwide Better Health both stress prevention and planning. Simple steps, such as working longer, investing in retirement saving plans such as a 401(k) or IRA, and exercising more often, can increase the number of households that are able to maintain their current standards of living later in life.

“The bottom line is that a little more work, a little more saving, and a little more exercise could go a long way to strengthening retirement security,” said Munnell.

What can employers do to help the health care crisis?

Employers are in the unique position to help their employees tackle rising health care costs while also reducing the strain health care has on their bottom lines. By offering customized health and wellness

programs to their employees, in addition to providing education about savings and investment options, employers can mitigate the strain on America's retirement system. By investing in services like a high deductible health plan option in benefits packages, a health savings account (HSA), and participating in programs such as chronic care coaching, obesity, maternity and oncology management along with lifestyle coaching, such as smoking cessation, nutrition and weight management, employees and employers can partner to keep financially and physically fit today – and help reduce costs later in life.

“Good health is one of the most valuable assets that we have for retirement. It's easy to see how better health can lead to increased wealth for American workers, both today and when entering retirement,” said Holly Snyder, president of Nationwide Better Health. “By assisting employees in managing existing conditions and preventing new conditions from developing, employers can reduce the likelihood that health care costs will drain their employees' retirement savings and hurt their own bottom lines.”

To learn more about leveraging a healthy lifestyle for a wealthy retirement, visit <http://www.nwbetterhealth.com/docs/media-kit/healthy-lives.pdf>.

About the National Retirement Risk Index (NRRI)

The National Retirement Risk Index, developed by the Center for Retirement Research at Boston College, is updated twice each year. The Index is a percentage measurement of how many working Americans are 'at risk' of being unable to maintain their standard of living in retirement.

'At risk' means a household would be unable to maintain its pre-retirement standard of living in retirement. The amount of money people need while retired compared to pre-retirement varies, but is estimated to be from 65 to 85 percent, depending on household income and marital status. For example, most retirees need less than 100 percent of pre-retirement income because they tend to pay less in taxes and no longer need to save for retirement. The full report is available at the [Center for Retirement Research at Boston College](http://www.crr.bostoncollege.edu/).

Nationwide Better Health “Health to Wealth” Survey Methodology

Nationwide Better Health survey results are based upon telephone interviews conducted among a national probability sample of 2,037 adults comprised of 1,014 men and 1,023 women, 18 years of age and older and employed full-time. Interviews were conducted by Opinion Research Corporation December 6-10, 2007. The margin of error is approximately plus or minus 5 percent. A “Health to Wealth” survey fact sheet can be found online at <http://www.nwbetterhealth.com/docs/media-kit/health-to-wealth.pdf>. A copy of the survey questionnaire and full results are available upon request.

About Nationwide Better Health

Nationwide Better HealthSM, a subsidiary of Nationwide[®], is a leading provider of health and productivity management solutions aimed at lowering health care costs, increasing productivity and improving the quality of life for employers and their employees. Nationwide Better Health is the first company to truly integrate the best collection of health and productivity services available today, including health and wellness, and obesity, disease, disability, absence, medical and maternity management, while utilizing health assessments, work-site screenings, lifestyle health coaching services, online tools and customized communications and incentive management strategies to obtain best-in-class results for improving health and productivity in the workplace. The company's offerings work together and independently to address both sides of the cost equation: increased efficiency of health and productivity programs and better employee health and well-being to reduce health care-related costs. For more information, call 866.404.6924 or visit: www.nwbetterhealth.com.

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