

HEALTH & WEALTH



Ahead of a presentation by renowned cardiologist and published author of *The South Beach Diet*, Dr. Arthur Agatston, on the value of health, we look at the connection between health and wealth.

When the poet Ralph Waldo Emerson used the phrase 'The first wealth is health' in 1860 the link between financial prosperity and physical condition was poorly understood. More than 150 years later, this connection is widely recognized, largely because loss of financial wellbeing and ill health are often intertwined. The American Journal of Medicine published a study in 2012 which found that more than 60% of bankruptcies could be linked to medical conditions.

A report published by Merrill Lynch earlier this year found that although Americans are becoming more conscientious about money and mindful of their spending, managing their finances causes stress. The majority of the respondents to the survey said the state of their finances was impacting their mental and physical health.

Financial stress can cause 'toxic stress,' which can have lifelong negative effects on mental health. Even wealthy individuals can suffer if their wealth is disorganized. This is why we encourage clients to communicate any concerns they may have and maintain a proactive dialogue with these clients to flag up any potential issues.

In an article written in the aftermath of the global financial crisis, a research associate at the Federal Reserve Bank of San Francisco suggested empowering people to make lasting changes in the way they manage their finances was a vital component of the collective recovery to physical health. The value of a holistic view of health and wealth was underlined in a recent study by HSA Bank designed to measure how engaged Americans were in their health and wealth.

The conclusion drawn from the data was that while respondents were typically 'highly engaged' in thinking about both their health and their wealth, they often did not have a holistic view of their standing in these important parts of their lives. The study also suggested that the average person has an inflated sense of their current health and their ability to maintain good health.

Of the 2,000 adults surveyed, 94% were confident in their ability to manage their health needs and 89% expressed confidence in their physical health.

Anne Aldrich, founding partner of marketing research firm Artemis Strategy Group reckons there is opportunity to explore solutions that will help Americans become more at peace with their health and wealth. When her company conducted an online survey to determine how people assess their financial and physical wellness, it asked respondents to what degree they had a sense of peace of mind - meaning most things are in good shape regarding their health - and asked the same question about their financial situation. Eight in ten respondents said they had a 'great deal' or 'some' peace of mind about their health. However, the proportion who felt the same way about their financial situation was only just over two thirds (68%).

Those with the highest peace of mind tend to feel relaxed, confident and in control of both their health and wealth. They have the lowest reported levels of financial anxiety and are highly engaged and motivated to take care of their health and wealth. In contrast, those with lowest peace of mind about both health and wealth tend to feel high levels of insecurity and a sense of being out of control in both dimensions, which is compounded by high levels of anxiety.

It is tempting to assume that having wealth relieves any stress a person might feel about their financial situation. The reality is that individuals require guidance in all aspects of their financial lives so they can enjoy the peace of mind that comes from knowing their wealth is properly organized now and in the future.

Worries about financial security, or about your children's ability to be financially secure can cause even the calmest individuals to experience a little agita. We'd suggest that the more thought and preparation that goes into a financial strategy, and then when it's time, a succession plan, can help relieve stress and add to overall health and wellness in general. One rule we've seen hold true, without fail, regardless of wealth level, age or circumstance is that it's never too early to plan and the only true failure is failure to plan at all.

