

# Participant Corner

## Good Health is the Best Wealth

### The Month in Brief

In May, investors were left to interpret mixed geopolitical and financial signals. The historic U.S.-North Korea summit was on, then off, then possibly on again. An apparent truce emerged in the U.S.-China tariffs battle, but it did not last. Oil rallied, but then prices fell. Federal Reserve policy meeting minutes indicated central bank officials would accept above-target inflation for a while. Other economic signals were clear: new and existing home sales were down, consumer confidence was back up, and consumer spending was strong. In the end, the markets took all this in stride – the S&P 500 rose 2.16% for the month.<sup>1</sup>

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-1.23	+16.22	+12.31	+9.32
NASDAQ	+7.80	+20.06	+23.07	+19.50
S&P 500	+1.18	+12.17	+13.18	+9.32
REAL YIELD	8/31 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.76%	0.40%	-0.05%	1.58%

Sources: barchart.com, bigcharts.com, treasury.gov – 5/31/18<sup>1,20,21,21</sup>  
 Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends. 10-year TIPS real yield = projected return at maturity given expected inflation.

### MONTHLY QUOTE

“Never put off ‘til tomorrow what you can do today.”

- Lord Chesterfield

### MONTHLY TIP

The best time to save for retirement may be right after college graduation. Small, regular monthly contributions to retirement accounts have the potential to grow into large retirement funds, thanks to compound interest. An early start to saving means more compounding.

### MONTHLY RIDDLE

This word has six letters; the first and last letters are Es. Take away either the first or last letter, and you can pronounce the five letters left to sound the same as the six-letter word. What word is this?

### Last month’s riddle:

Suzanne, a hair stylist, says that given the choice, she would prefer to cut and style the hair of two redheads instead of one brunette. She says there is a logical reason why. What is it?

### Last month’s answer:

She can make more money from two haircuts than she can from one.

Believe it or not, staying healthy just might make you wealthy. With small lifestyle changes and healthy choices, you may reduce your annual healthcare costs and increase your income. These lifestyle changes can be as simple as limiting your salt intake or taking your prescribed medication regularly.

By adopting healthy habits you can mitigate future healthcare costs. Data from HealthyCapital reveals that by simply making a few minor changes to daily routines, and reducing the risk factors leading to chronic disease, individuals could potentially add years to their lives and save thousands of dollars in lifetime medical expenses.

**For example:**



**Alisha**  
*The average managed patient*

- Blood pressure of 150/95
- Sometimes forgets medications
- Sometimes doesn't follow her suggested diet
- Occasional smoker and drinker



**Jasmine**  
*The well managed patient*

- Takes prescribed medication
- Exercises 30 minutes/day, 5 days/week
- Moderate alcohol intake
- Chooses healthy fats
- Limits dietary salt
- Quit smoking

*For purpose of the case study, Alisha and Jasmine are compared in two levels of care: average managed (loosely follows physician recommendations) and well managed (fully complies with physician recommendations).*

Alisha and Jasmine are both 45 years old and both sought medical treatment for high blood pressure. Alisha doesn't follow the lifestyle changes her doctor suggested, whereas Jasmine diligently follows her doctor's recommendations. With Jasmine's small changes she saves more than \$1,000 in out-of-pocket healthcare costs. Additionally, Jasmine's combined pre-retirement and in-retirement savings will be \$89,456 more than Alisha, as shown in the table below.

**Annual Out-of-Pocket Healthcare Costs:**

	Alisha	Jasmine	Jasmine's Savings in Health Expenditures
Age 45	\$2,477	\$1,286	\$1,192
Age 64	\$13,936	\$7,343	\$6,592
Total Pre-Retirement	\$138,288	\$72,591	\$65,697
Total In Retirement	\$51,790	\$28,031	\$23,759
<b>Grand Total</b>	<b>\$190,078</b>	<b>\$100,622</b>	<b>\$89,456</b>

*For illustrative purposes only.*

**If you have questions or seek assistance, please call our plan's advisor at 703-884-2061 or email at [twall@capstonerg.com](mailto:twall@capstonerg.com).**

**Disclosures:**

In addition to the options listed here, there may be other options available. You should also consider your other options before rolling over retirement savings. Consider the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment. This material is not intended to replace the advice of a qualified attorney, tax advisor, investment professional or insurance agent. This is a hypothetical illustration and does not represent an actual investment. There is no guarantee similar results can be achieved. If fees had been reflected, the return would have been less.

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**Citations Economic Section:**

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## About Capstone Retirement Group

Capstone Retirement Group is a professional retirement plan consulting firm. We partner with plan fiduciaries to identify and implement the optimal retirement plan for their organization.

7777 Leesburg Pike, Suite 301N  
Falls Church, VA 22043  
Tel: 703.291.8200  
Fax: 202.747.5267  
Email: [twall@capstoneRG.com](mailto:twall@capstoneRG.com)

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