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A Healthy Retirement – 401(k)s Aren't Enough **New National Survey Shows Lack of Planning for Health Care or Health Benefits in Retirement**

*Aetna, the Financial Planning Association and Women's Policy, Inc.
Encourage Women to Plan for a Healthy and Financially Secure Retirement*

WASHINGTON, October 20, 2005 — Today at a Capitol Hill briefing, Aetna (NYSE: [AET](#)), the Financial Planning Association (FPA) and Women's Policy, Inc. delivered a call to action about the importance of considering health *and* benefits needs in retirement, in response to findings from a new national survey of Americans ages 45 to 75. Of pre-retirees surveyed, nearly 20 percent have spent “no time” in the past year actively planning for retirement, more than 30 percent don't know what to anticipate for health care needs, and nearly 40 percent have spent less than an hour in the past year planning for health benefits in retirement.

In light of these findings, Aetna and FPA have expanded the *Plan for Your Health* (www.PlanforYourHealth.com) public education campaign by launching a “Planning for a Healthy Retirement” section with tools, tips and content that provides a framework for planning a healthy and financially secure retirement.

“Retirees who responded to the survey sent a very clear message to pre-retirees – save more than you think you'll need for living expenses in retirement. Health care expenses are clearly a big part of that picture, since about a third of retirees are spending more than they thought they would for health care,” said Aetna President Ronald A. Williams.

“Good health is one of the most important investments for a secure retirement, and those who responded to our survey agreed. Aetna and FPA are in a unique position to put our knowledge to work for consumers, providing tools and information via the *Plan for Your Health* Web site that can help improve understanding of benefits and focus retirement planning on two important issues – health and finances,” added Williams.

The survey findings were released today at a Capitol Hill briefing hosted in cooperation

with Reps. Shelley Moore Capito (R-W.Va.) and Tammy Baldwin (D-Wis.), Co-Chairs, Women's Health Task Force; Reps. Ginny Brown-Waite (R-Fla.) and Hilda L. Solis (D-Calif.), Co-Chairs, Congressional Caucus for Women's Issues; and Reps. Ileana Ros-Lehtinen (R-Fla.) and Lois Capps (D-Calif.), Vice Chairs, Congressional Caucus for Women's Issues. Throughout the briefing, speakers underscored the need for greater health benefits literacy and tools to help consumers plan for a healthy and financially sound retirement.

The survey included more than 1,000 adults ages 45 to 75. Respondents were asked to identify whether or not they were retired, and the opinions of retirees were contrasted with those of pre-retirees. Responses from men and women also were compared.

According to the survey, when Americans plan for retirement they concentrate on finances, spending virtually no time on health benefits. This lack of attention may be because Americans are vastly underestimating health care expenses in retirement. Fifty-two percent of those surveyed expect to spend less than \$300 a month on out-of-pocket costs and health care-related expenses – less than half of the \$640 a month the average retiree actually spends.

In a sign of changing times, the survey also revealed that the balance of responsibility for financial planning is shifting. Among those who were already retired, 65 percent of men took the lead in retirement planning, compared to 39 percent of women. In contrast, pre-retired men and women are equally responsible for planning, with 54 percent of men and 48 percent of women leading the charge.

“While we were not surprised to hear that retirement planning falls below competing priorities such as planning for a child's education, we are concerned that 63 percent of survey respondents say that ‘people they know’ are confused about health benefits,” said Dexanne B. Clohan, M.D., medical director, National Accounts, Aetna.

Aetna and FPA created the *Plan for Your Health* public education program in 2004 to help consumers make smart financial and health benefits decisions during life's pivotal moments. Now, the site has been enhanced with a section focused on retirement that features personalized tips, tools and articles developed to change the way consumers approach retirement planning:

- The *Healthy Retirement Readiness Tool* assesses where pre-retirees and retirees stand in the planning process, matching advice to their current level of retirement planning and offering realistic next steps. Users are directed to vignettes about people in similar life-stages, adding personal perspective to all levels of retirement planning.

- New content covering long term care, Medicare changes, retirement Q&A and tips for a healthy retirement have been added to the site.

“Men and women who are not yet retired agree that the most challenging thing about planning for retirement is their uncertainty about how much money they will need,” said Jonathan Guyton, CERTIFIED FINANCIAL PLANNER™ professional, FPA member and a specialist in retirement planning. “This uncertainty may be paralyzing pre-retirees from planning because 48 percent say they have not started or have planned minimally. Whether you're 30 or 60 years old, and whether you've planned a little or a lot, the ‘Healthy Retirement Readiness Tool’ will help guide you through the process.”

Additional Survey Findings

- A large majority of pre-retirees and retirees expect to pay for prescription drugs (80 percent) and doctor's visits (84 percent) in retirement. Some even anticipate costs related to alternative medicine (29 percent) and cosmetic surgery (five percent), a snapshot of consumers' health care preferences today.

- Although 74 percent of respondents said they factored Social Security and Medicare benefits in their retirement plan, 77 percent are concerned about the financial issues facing these programs. Women are more concerned than men about the financial issues facing Medicare and Social Security.

-Thirty-one percent of pre-retirees would rather clean their bathrooms or pay bills than plan for retirement.

- Thirty-six percent of pre-retirees say they spent more time on home improvements than they did planning for retirement in the past year.

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- Eighty-three percent of those surveyed could not correctly identify Medicare Part D, which provides Medicare beneficiaries with coverage for their prescription drug costs beginning January 1, 2006.

-Fifty-three percent of Americans surveyed would choose health benefits, if they had a choice between receiving health benefits (paid for to supplement Medicare) or a pension in retirement.

About Aetna

As one of the nation's leading providers of health care, dental, pharmacy, group life, disability and long-term care benefits, Aetna puts information and helpful resources to work for its approximately 14.435 million medical members, 12.976 million dental members, 9.117 million pharmacy members and 13.662 million group insurance members to help them make better informed decisions about their health care and protect their finances against health-related risks. Aetna provides easy access to cost-effective health care through a nationwide network of more than 684,000 health care professionals, including over 405,000 primary care and specialist doctors and 4,135 hospitals. For more information, please visit www.aetna.com. (Figures as of June 30, 2005)

About the Financial Planning Association

The Financial Planning Association is the membership organization for the financial planning community. Its members are dedicated to supporting the financial planning process in order to help people achieve their goals and dreams. FPA believes that everyone needs objective advice to make smart financial decisions and that when seeking the advice of a financial planner, the planner should be a CFP[®] professional. To learn more about FPA, please visit www.fpanet.org/public.

About Plan for Your Health

Plan for Your Health, a public education campaign from Aetna and the Financial Planning Association, gives consumers the information they need to make health benefits and financial choices that meet their needs now and in the future. The site focuses on five life events when women need to re-examine their health benefits – career, marriage, family, living single and retirement – and offers consumer friendly tools, tips and content that support well-informed decision-making. Nearly 200,000 Americans have visited PlanforYourHealth.com since the campaign was launched in September 2004. For more information, please visit www.PlanforYourHealth.com.

About the Survey

Aetna and FPA, with Ipsos Public Affairs, conducted a telephone survey from September 6-20, 2005, of 1,016 adults with health insurance, ages 45 to 75. To assure a nationally representative sample, the survey results are weighted for gender, age, household income and region. These are matched to targets from the most recent Current Population Survey provided by the U.S. Census. The margin of error is +/- 3.1 percentage points.

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