

Financial Insights

from Quinn+Cardy Wealth Management
of BMO Nesbitt Burns



Spring Training? The Health & Wealth Connection

The keys to a long and more prosperous life may be rooted in both health and wealth.

It likely comes as no surprise, but physical, mental and financial well-being are interconnected. One of the most direct links between health and wealth is the financial impact of maintaining unhealthy habits. In Canada, while we are fortunate that our social system helps cover many healthcare costs, there are still tangible financial effects. For instance, quitting a \$5-per-day smoking habit could save \$1,825 annually, an amount that could grow to around \$150,000 over 30 years with a 6 percent annual return.

Yet, the link between health and wealth extends beyond the cost of poor habits. Numerous studies highlight a strong correlation between physical and financial fitness.¹ To some extent this is because greater wealth provides access to better resources to support health. However, the connection may run even deeper. The principles of accumulating wealth and improving health share common ground: both require consistency and discipline. Whether it's saving and investing to build a nest egg or adopting healthier habits through regular exercise and a balanced diet, consistency can pay dividends down the road. The benefits of both investments can compound over time. Many people falter in their health or financial goals by giving in to immediate temptations and losing sight of their long-term objectives. As one expert notes, "*dollar-cost average your energy into healthful activities and the returns might surprise you.*" The same can be said about investing.

The first 20 or 30 years of our careers are often focused on building wealth, and less time may be put towards health. The good news is that it's never too late to shift priorities. While starting to save for retirement at age 70 is far from ideal, a focus on health can begin at any age. Consider Richard Morgan, a 93-year-old, four-time rowing champion with the fitness level of a 40-year-old. Feeling "*somewhat at loose ends*" in retirement, he began training at age 73 after attending his grandson's rowing practice.² Similarly, the world's oldest marathoner, who ran a marathon at age 100, took up running at 89 to cope with grief.³

Better lifestyle choices are also linked to greater longevity. With the rising prevalence of diseases like obesity, Alzheimer's and early-onset cancer, many studies suggest that basic lifestyle changes including exercise,



a healthy diet and adequate sleep may be keys to addressing their disproportionate growth.

Indeed, adopting consistent and disciplined approaches in both health and wealth management can yield profound and far-reaching returns. It's good food for thought in the pursuit of living long and prospering.

1. <https://internationalservices.hsbc.com/content/dam/hsbc/hsbcis/docs/reports/asia-wealth/hsbc-life-factor-study.pdf>; 2. <https://washingtonpost.com/wellness/2024/01/16/fitness-aging-richard-morgan/>; 3. <https://www.cbc.ca/news/world/world-s-oldest-marathon-runner-completes-last-race-1.1379478>

Health, Wealth & Investing: An Expanding Ozempic Effect

The healthcare industry has been in the spotlight as a result of weight-loss drugs that mimic the hormone GLP-1. An article in *The Economist* last year went as far as to suggest: "*Few drugs, if any, have promised to have such a revolutionary impact on human health, longevity and happiness.*"⁴

Indeed, the impact of GLP-1 drugs may extend beyond weight loss, with clinical trials showing they hinder the progression of certain cardiovascular, kidney and liver diseases, potentially even slowing Alzheimer's development and reducing addictive behaviours around alcohol and nicotine.

Goldman Sachs projects the global market for anti-obesity drugs alone could reach US\$100 billion by 2030, not including these other applications.⁵ Moreover, we may be at a pivotal moment, marking the early stages of a revolutionary period in the development and commercialization of drugs to cure a wide range of afflictions. Driven by advances in biotechnology, AI and information technology, this transformative period may present compelling opportunities for investors.

4. <https://www.economist.com/briefing/2024/10/24/glp-1s-like-ozempic-are-among-the-most-important-drug-breakthroughs-ever>; 5. <https://goldmansachs.com/intelligence/pages/anti-obesity-drug-market.html>



Quinn+Cardy Wealth Management of BMO Nesbitt Burns

1 First Canadian Place
38th Floor, P.O. Box 150
Toronto, Ontario M5X 1H3

Toll Free: 1-800-263-2286
Fax: 416-359-5346
www.quinncardy.com



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