
DEFINED CONTRIBUTION PLAN & FINANCIAL WELLNESS

TYPES OF CONTRIBUTIONS

- Employer
 - Basic
 - Match
- Employee
 - Pre-tax
 - Roth
 - After-tax

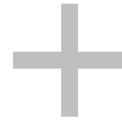
CONTRIBUTIONS

- What percentage should I contribute to retire conformably?

Just for you



AdventistRetirement
Seventh-day Adventist Church
NORTH AMERICAN DIVISION



**2 full-time Certified Financial Planners (CFP's)
at no additional cost to participants**



College Savings

Cash Reserves

Investing

Estate Plan Trusts & Wills

Taxes

My Financial Plan

Insurance

Real Estate

Debt Management

Retirement

Let a CERTIFIED FINANCIAL PLANNER™ professional create a plan for your future

There is not cost and no minimum balance for this service. The service is CONFIDENTIAL!

- Identifying and prioritizing your financial goals
- Organizing your finances
- Retirement savings and income strategies
- Insurance and estate planning
- Saving for education
- Debt management



Make an appointment
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Online: seventhdayadventist.empowermytime.com



What is financial well-being?



Having control over day-to-day, month-to-month finances



Having the capacity to absorb a financial shock



Being on track to meet financial goals



Having the financial freedom to make choices that allow one to enjoy life

What is the difference between saving and investing?



Saving

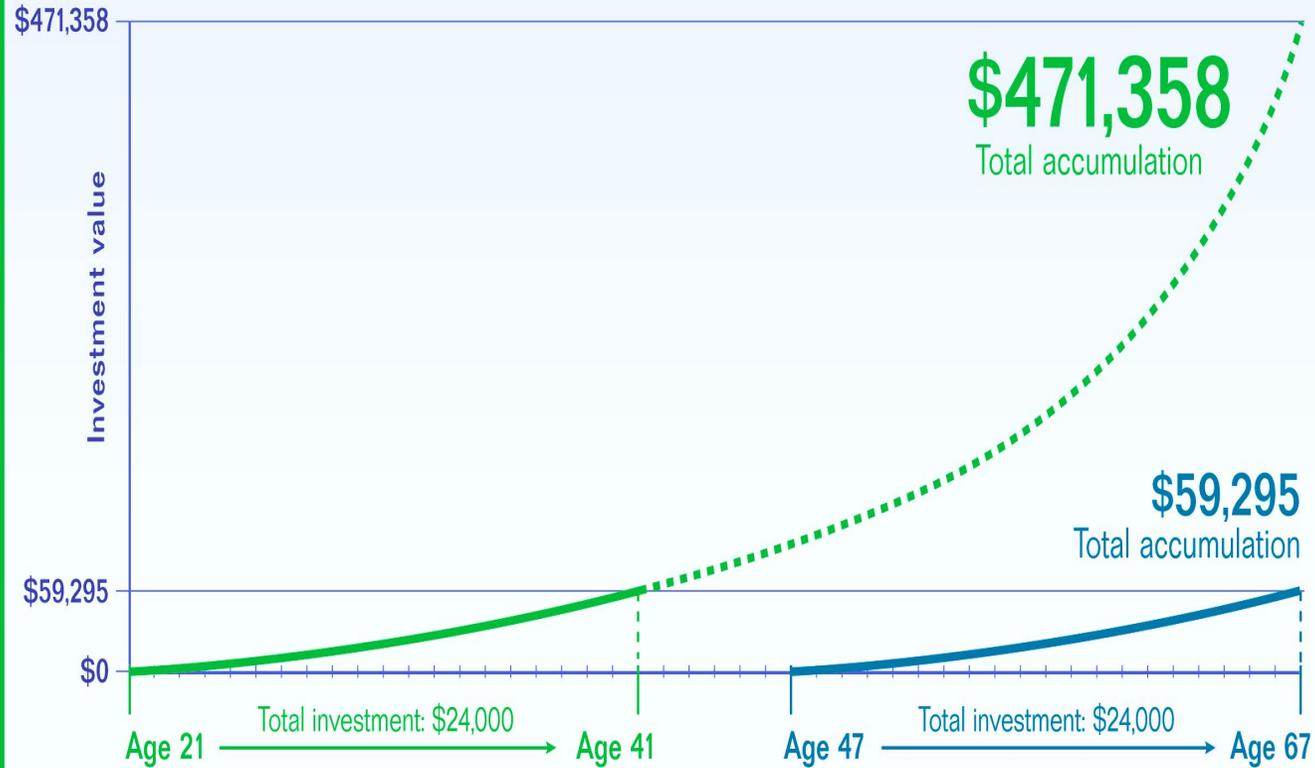
Putting money aside in a safe place (bank account or a money market fund) for short-term needs



Investing

Putting money aside in an effort to realize higher returns

COMPOUND IT: Why it doesn't pay to wait.



Assuming an 8% annual return, compounded monthly. Results are hypothetical and do not represent the performance of any actual investment. They do not take into account fees, expenses or taxes.

Inflation in action

What will today's \$1 be worth in 10 years?

Purchasing power diminishes

Two views of the same effect

Prices rise

A \$1 expense today may look like in 10 years



Note: These illustrations assume 4% inflation and monthly compounding from beginning of period.

KEY TOPICS

- Building a budget
- Emergency funds
- Retirement readiness
- Savings / Investing

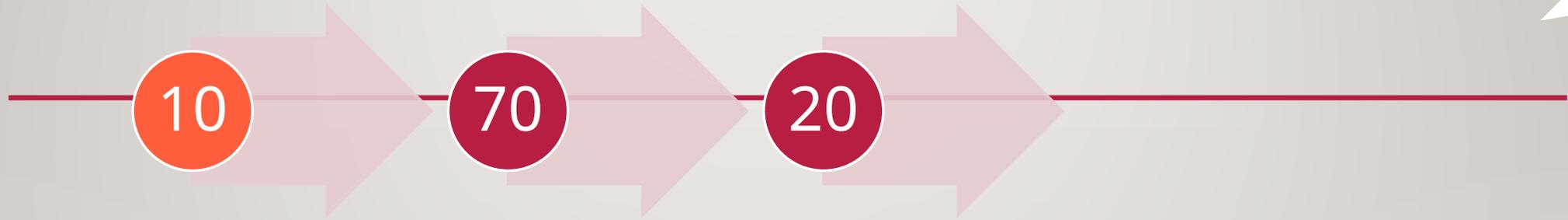
BUILDING A BUDGET

- Budget definition
 - A budget is a framework to strategically assist you in managing your money to best meet your financial goals

BUILDING A BUDGET

- Quotes
 - “A budget is telling your money where to go instead of wondering where it went.”—Dave Ramsey
 - “A mathematical confirmation of your suspicions.”
—A.A Latimer

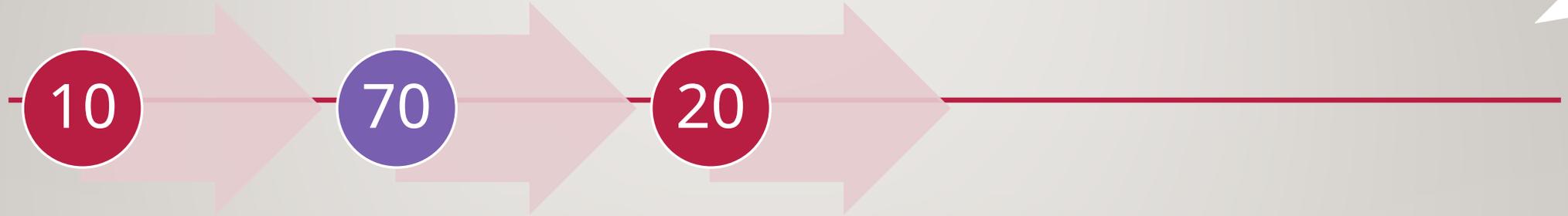
THE 10-70-20 PLAN



Use 10% of the working income to set up two funds.

- 1) An emergency fund equal to 3-6 times your monthly expenses
- 2) A cash-buying fund to avoid future problems with overextended debts

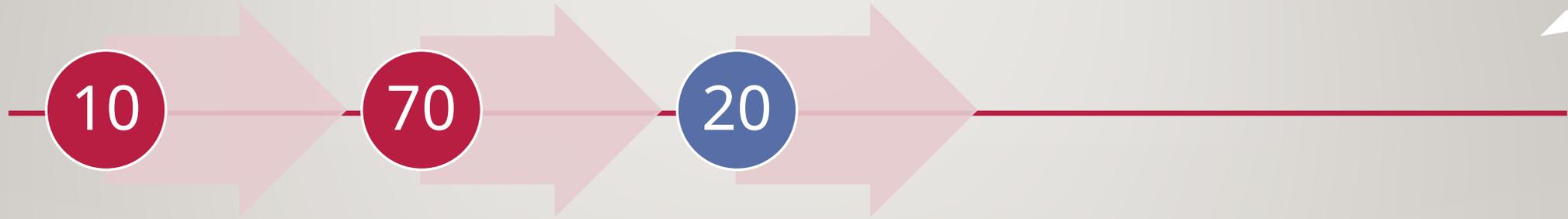
THE 10-70-20 PLAN



Use 70% of the working income to be faithful to God (tithes and offerings) and take care of family expenses.

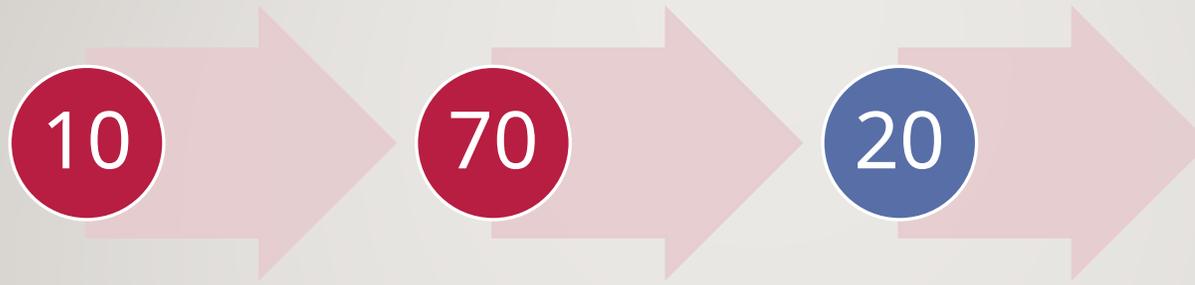
Both your house payments and car payment, including all other living expenses, should come from this category.

THE 10-70-20 PLAN



Use the 20% category for two things:

- 1) Eliminate all debts with the exception of your house and car.
- 2) Use the 20% to pay off credit cards and other debts. Use any extra money you have each month to pay above the minimum payments.



Don't add to these debts. Work diligently at paying off each debt as quickly as possible.

After debts are paid off, stay with the 10-70-20 plan. The last 20% can be used in various ways. Consider the following suggestions:

- Mission projects and needs
- Children's education
- Retirement savings
- Pay off house
- Investments
- Pay cash for cars
- Trips, gifts, etc..

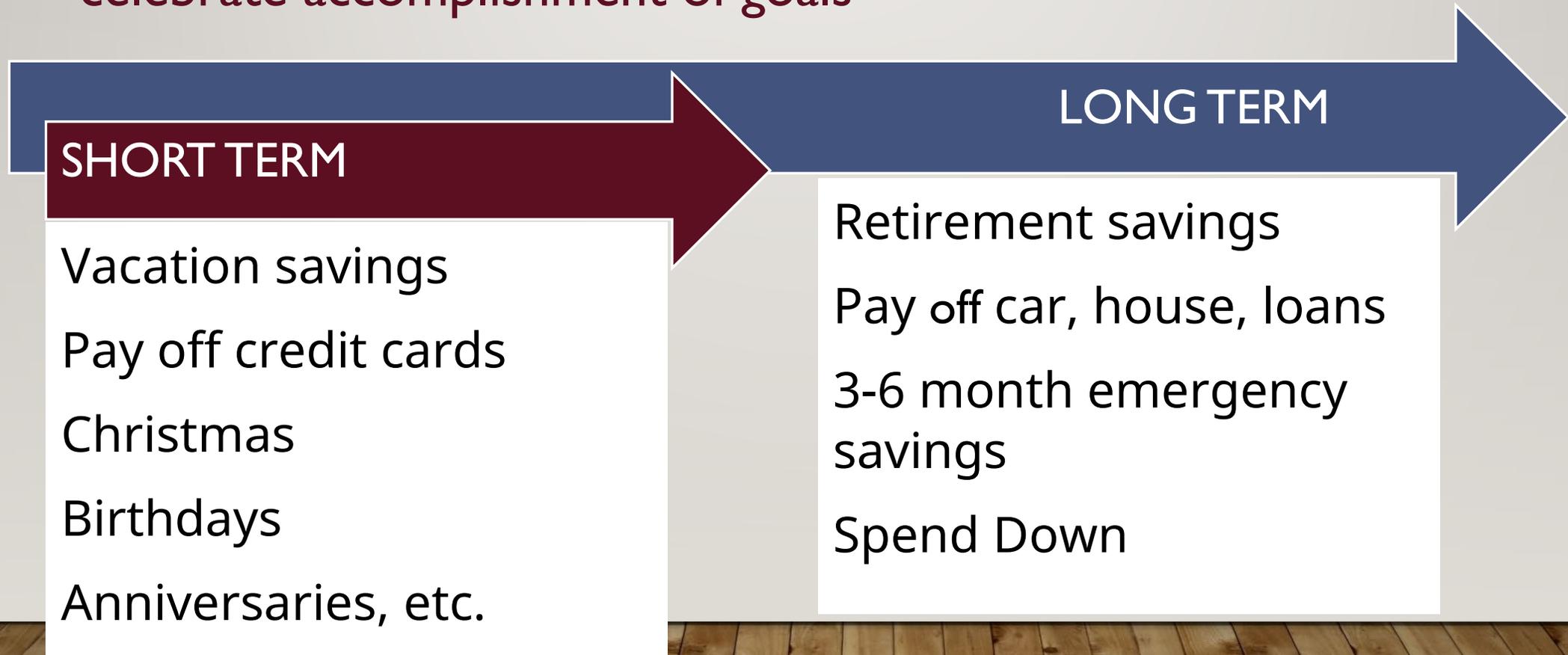


In successful budgets YOU WILL constantly review (monthly), evaluate, and:

- Reconcile budgeted vs. actual
- Adjust as necessary
- Always record ALL expenditures
- 3-6 months emergency fund
- Include long-term (including retirement savings) and short-term savings
- Realistic and flexible
- **ALWAYS** balance

IN SUCCESSFUL BUDGETS, YOU...

- write down budget goals
- celebrate accomplishment of goals



BENEFITS OF AUTOMATIC BILL PAYMENTS

- Ontime
- Avoid fees
- Improve your credit score
- Convenience

EMERGENCY FUNDS

- **Prepare for emergencies.** Consider creating an emergency fund with three to six months' worth of essential living expenses set aside in a savings account. The emergency fund can help you cover unexpected but necessary expenses without having to sell more volatile investments.

EMERGENCY FUNDS

- Life happens, and you should plan for the unexpected. Otherwise, you might find yourself relying on your credit card or retirement savings during a financial setback. To give yourself a buffer, we recommend saving at least three to six months of living expenses.

EMERGENCY FUNDS

- Keep the money in a high-interest savings or money market account where it can grow and where you can easily access it should you need to make a withdrawal. Even if you put away only a minimal amount each month, every little bit helps.

UNEXPECTED CRISIS

- Protect against large medical expenses with health insurance
- Purchase life insurance if you have dependents or other obligations
- Protect your earning power with long-term disability insurance

UNEXPECTED CRISIS

- Protect your physical assets with property-casualty insurance
- Obtain additional liability coverage, if needed
- Create a disaster plan for your safety and peace of mind

- Retirement Readiness

RETIREMENT READINESS

What to do 10 years before retirement

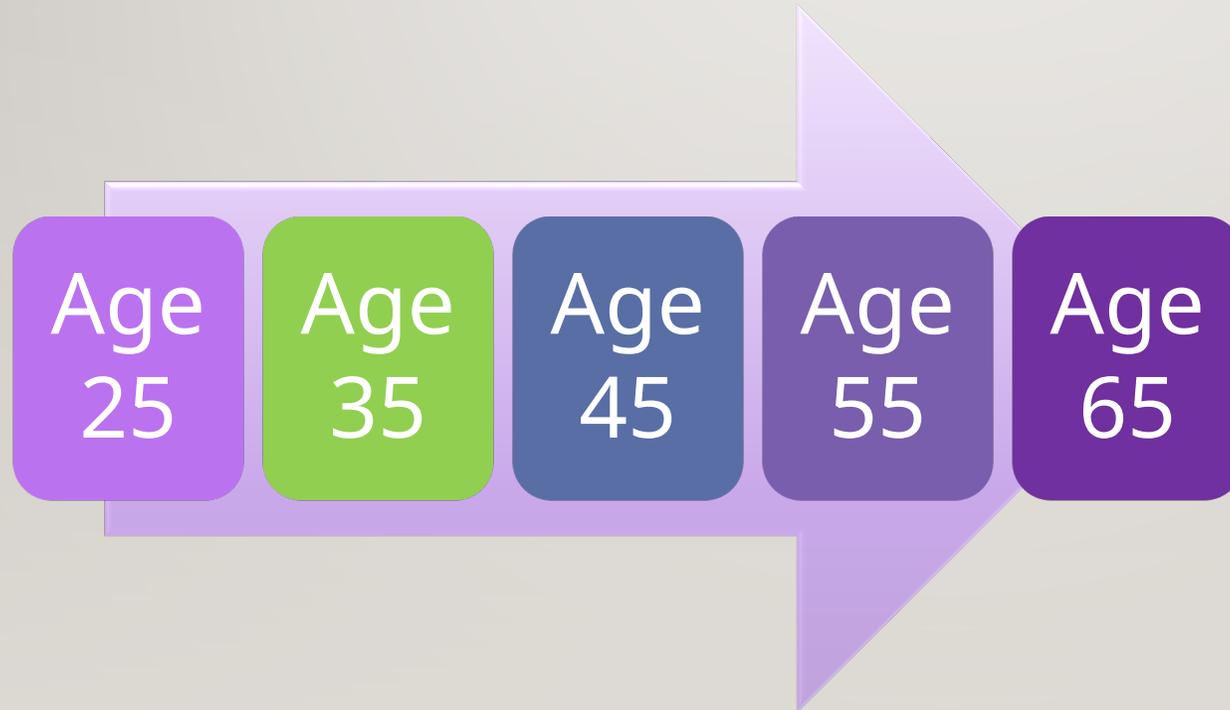
- Financial plan
- Fine tune asset allocation (calibration) “Target Date Funds”
- Hedge your health
- Prepare for emergencies
- Set realistic expectations
- Place to live

RETIREMENT READINESS

What to do more than 10 years to retirement

- Financial plan
- Adequate contributions (COLA increase)
- Maintain focus on long-term goals
- Consider adding more conservative fixed income investments to your portfolio
- Supplement retirement accounts (e.g. IRA)

Interim Financial Wellness Targets

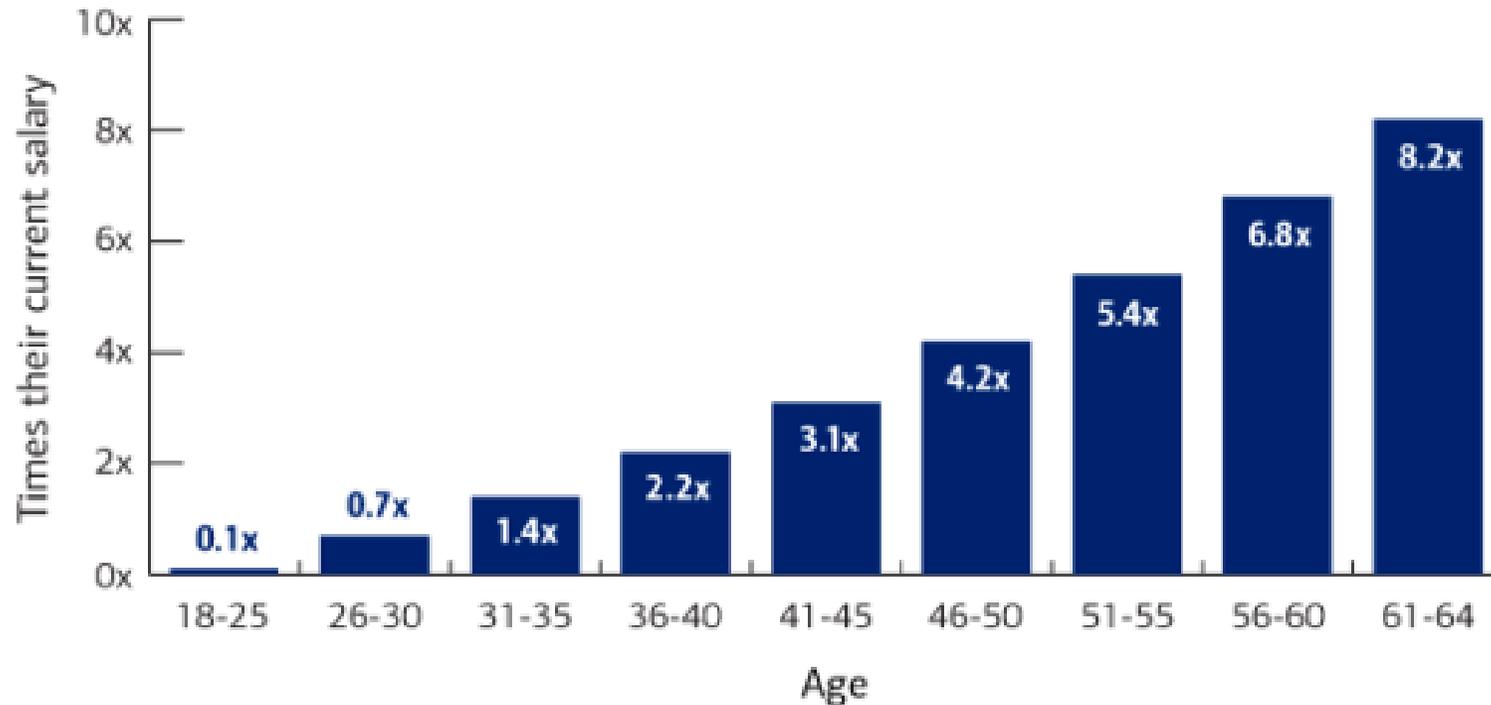


Interim Target



How much should you be saving for retirement?

With findings based on the Financial Wellness Tracker, consider using the following savings multiples as guidance for confidently replacing your income in retirement:



Source: Bank of America

SAVING / INVESTING

Investment basics



Cash Equivalents



Bonds



Stocks

SAVING / INVESTING

Stay invested

“Time in” the market, not “timing” the market



Value Hypothetical \$10,000 Investment over 20-year period

S&P 500® Composite Index. 1/1/2001-12/31/2021

This example is hypothetical and for illustrative purposes only. It does not represent the past, present or future performance of any actual investment nor is it a guarantee of any kind.

Source: ChartSource®, DST Retirement Solutions, LLC, an SS&C company. For the period from January 1, 2002, through December 31, 2021. Based on total returns of the S&P 500 index, an unmanaged index that is generally considered representative of the U.S. It is not possible to invest directly in an index. Index performance does not reflect the effects of investing costs and taxes. Actual results would vary from benchmarks and would likely have been lower. Past performance is not a guarantee of future results. © 2022 SS&C. Reproduction in whole or in part prohibited, except by permission. All rights reserved. Not responsible for any errors or omissions.

YOUR OPTIONS AT RETIREMENT

- Installments
- Lump-sum
- Rollover
- Leave it alone until RMD

HELPFUL REMINDERS

- Need to connect with Empower? Call (866) 467-7756
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