With You on the Journey

Defined Contribution Plan &
Financial Wellness

AdventistRetirement

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

*Consumer Financial Protection Bureau, Financial well-being: The goal of financial education., January 2015

- How small changes to your personal contributions can have a big impact on your retirement

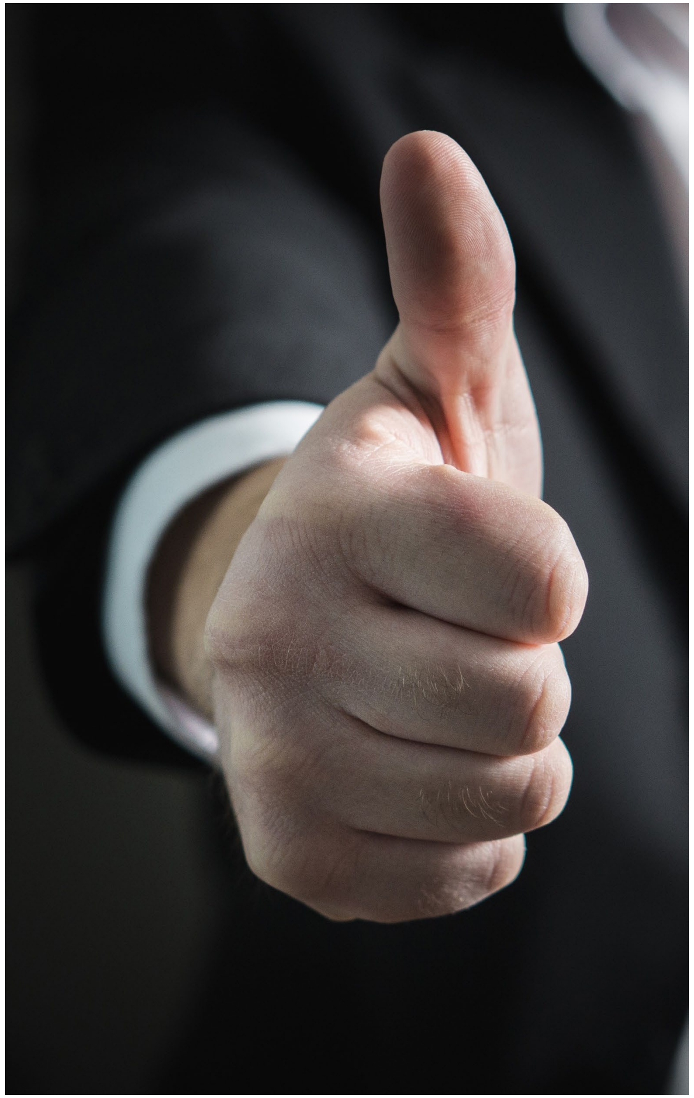
Types of Contributions

Employer

- Basic
- Match

Employee

- Pre-Tax
- Roth
- After-Tax



How Much Income Do I Need?

Rules of Thumb

- You should have 70%-80% of your employment income in retirement.
- For the 70-80% Rule to work, housing should be free and clear.
- Vehicle(s) free and clear—newer model

Contributions

- What percentage should I contribute to retire comfortably?

Enrollment

- Eligible employees are automatically enrolled in the Plan for basic employer contributions (5%).
- In addition, you will be automatically enrolled in the plan at a 3% employee contribution rate.
- Your employee contribution rate will increase 1% annually each July until you reach 15%.

Contributions

15%

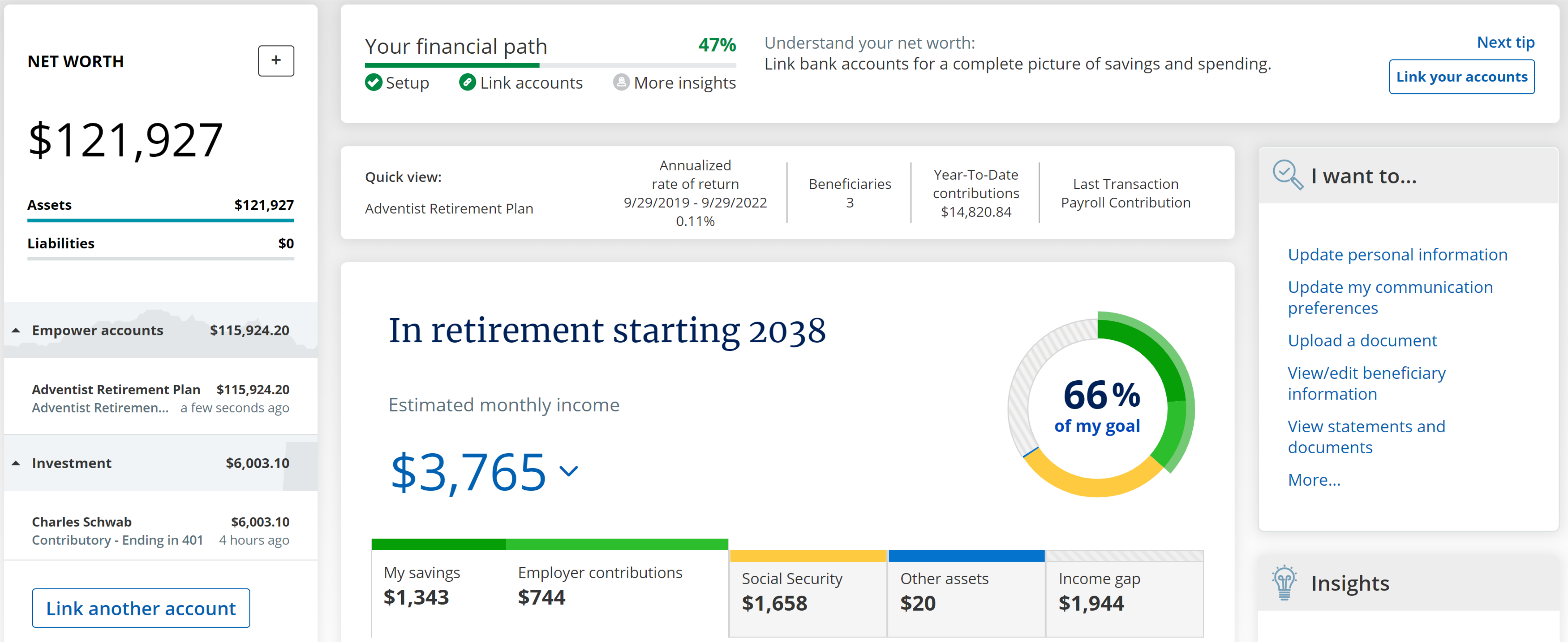
Auto-Escalation-1% each year until 15% **Employee**

5%
3%

5% Basic & 3% Match = 8%
Employer

23%

Total Contributions (Basic + Match **Employee + Employer**)


NET WORTH
+
$121,927
Assets $121,927
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Link another account
Your financial path 47%
Setup
Link accounts
More insights
Understand your net worth:
Link bank accounts for a complete picture of savings and spending.
Next tip
Link your accounts
Quick view:
Adventist Retirement Plan
Annualized rate of return 9/29/2019 - 9/29/2022 0.11%
Beneficiaries 3
Year-To-Date contributions $14,820.84
Last Transaction Payroll Contribution
In retirement starting 2038
Estimated monthly income
$3,765
66% of my goal
My savings $1,343
Employer contributions $744
Social Security $1,658
Other assets $20
Income gap $1,944
I want to...
Update personal information
Update my communication preferences
Upload a document
View/edit beneficiary information
View statements and documents
More...
Insights

My savings	Employer contributions	Social Security	Other assets	Income gap
$1,343	**$744**	**$1,658**	**$20**	**$1,944**

Retirement income Healthcare costs How do I compare

Contributions: 25%

[+] Add a new contribution

Edit

Retirement Age: 59

59

Investment Style: Aggressive 85/15

Conservative Aggressive

403(b) - Employer Contribution

$7,084.72 Annually (Estimated)

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

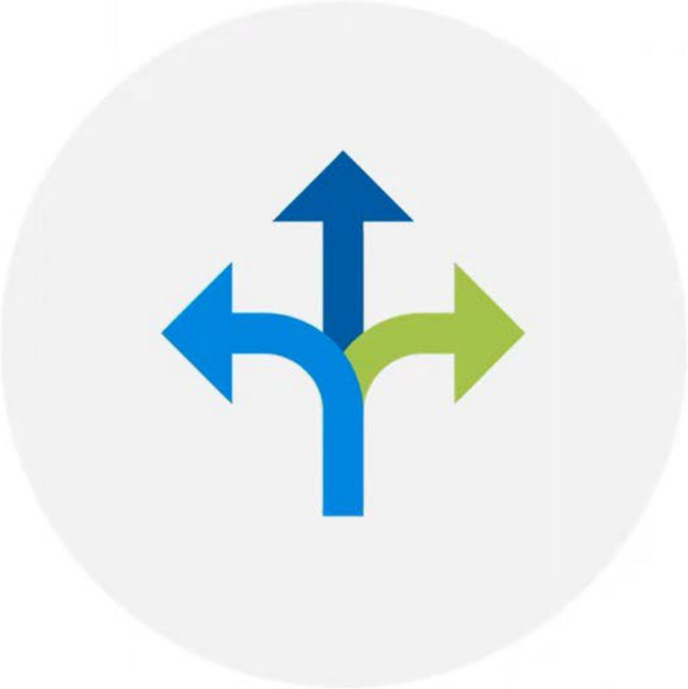
Investment basics

Cash Equivalents

Bonds

Stocks

How asset allocation helps investors

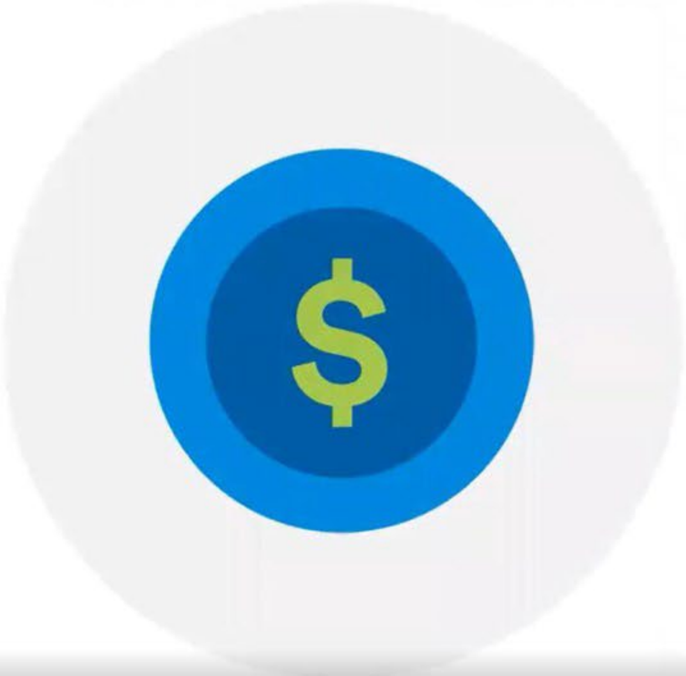


- Reduce risks
- Achieve more consistent returns
- Decrease volatility

20x1080 fication through an asset allocation strategy is a useful technique that can help manage overall portfolio risk and volatility, there is no certainty or assurance that a diversified portfolio will enhance overall return or outperform one that is not diversified. An investment made according to an asset allocation model neither guarantees a profit nor prevents the possibility of a loss.

Investopedia, March 2022

Cash equivalents



Easy access to your money

- Investment that typically earns a fixed interest rate
  - Savings accounts
  - Certificates of Deposit (CDs)
  - Treasury bills
- Preservation of principal
- Subject to inflation risk

Investment products are not...			
• Not FDIC / NCUSIF insured	• Not a deposit product	• May lose value	• No bank / credit union / affiliate guarantee
• Not a condition of any bank / credit union service		• No guarantee of insurance underwriter performance	

20x1080

Investopedia, March 2022

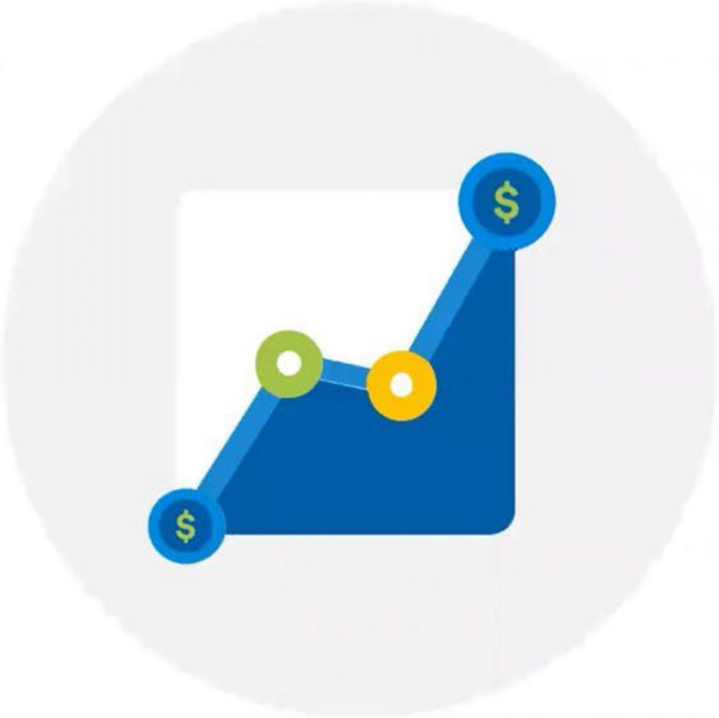
Bonds

Investor loans money in exchange for principal plus interest

- Income is fixed, value is not
- Prices usually decrease as interest rates rise
- Prices usually increase as interest rates decline
- Lower volatility than stocks
- Moderate income opportunities

Investopedia, March 2022

Stocks



- Represent ownership in a company
- Small-cap, mid-cap or large-cap and international stocks
- Subject to market risk
- Growth potential

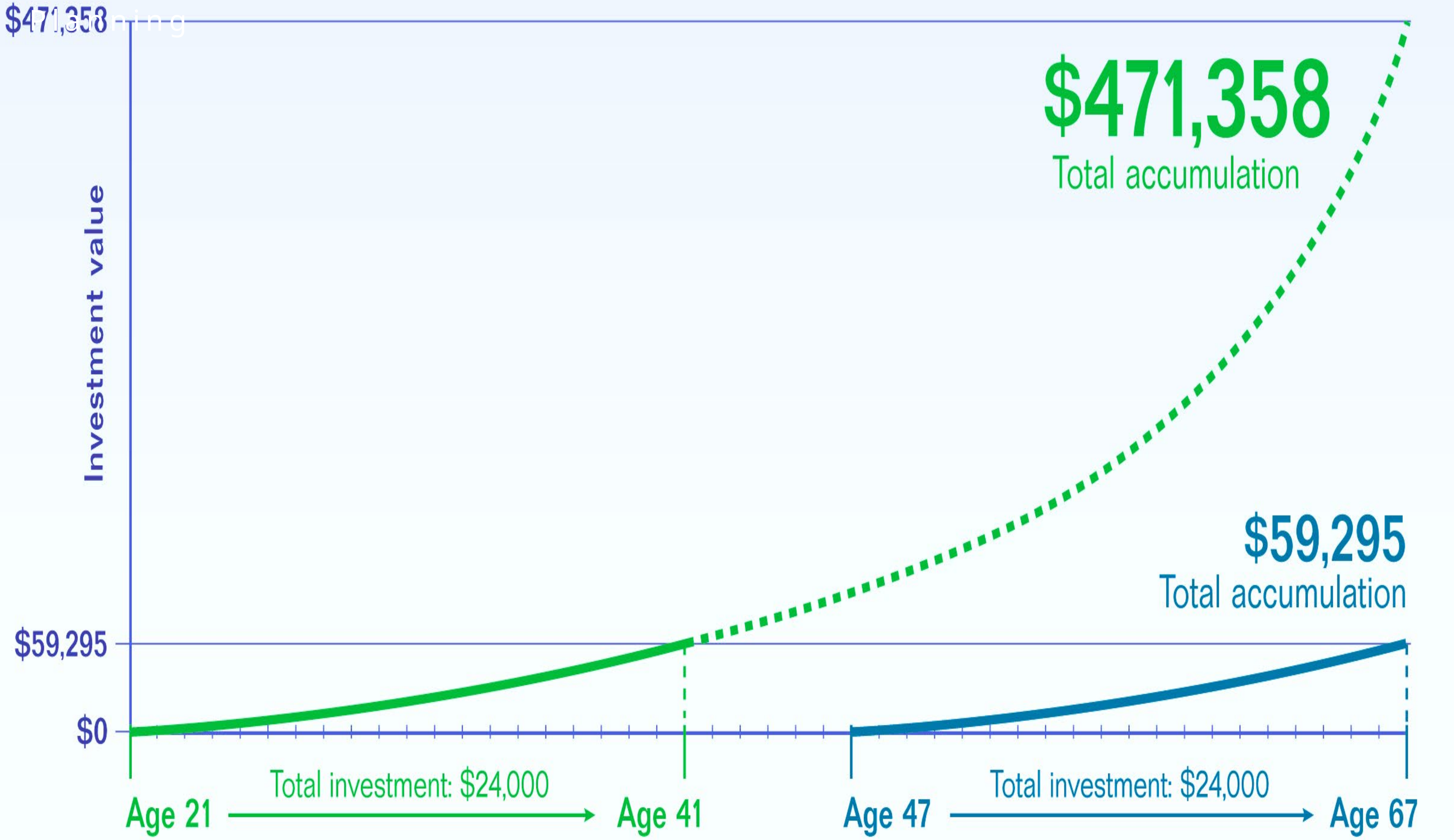
Stock prices mostly reflect expectations for the future, and not so much what's happening now or what's happened in the past.

The Truth
Two Best Friends

Investments

- TIME
- COMPOUND INTEREST

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.

Invest Properly

Rule of 72:

72 / annual rate of return = # of years $ doubles

Example:

72 / 9 = 8 years

On average, every 8 years your invested $ doubles.

Inflation in action

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

Types of market downturns

Correction

Sudden drop of 10%

Speculative bubble

Prices at unsustainable high levels

Crash

Sudden drop of 20% or more

Investopedia, March 2022

Investing Mistake

- Confusing risk tolerance for risk capacity
  - Investors focus too much on the latest market moves or other developments, when market conditions get tough.
  - What matters more to investing success is how your decisions align with your "risk capacity" – the amount of risk you can take given your investing time horizon and overall financial situation and resources.
  - By cashing out or otherwise trying to time the market, people introduce the risk that they'll miss some or all of the market's recovery, as well as the compounded interest from those gains.

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. [illegible]t. 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.

What should you do if the stock market drops?

Tips for responding to stock market volatility

- Don't panic
- Carefully consider choices before shifting investments because moving at a low point can lock in losses
- Remember that saving for retirement is long-term, designed to weather the market's ups and downs

How to stay focused when your stock drops

11 years or more until retirement

- Maintain focus on long-term growth
- Consider adding more conservative fixed income investments to your portfolio
- Supplement retirement accounts with IRAs

10 years or less until retirement

- Adjust your strategy to provide a larger degree of stability
- Estimate retirement income needs
- Analyze retirement distribution options

Your Options at Retirement

- Monthly installments
- Occasional withdrawals
- Lump-sum distribution
- Rollover
- Leave it alone until RMD


College Savings
Cash Reserves
Investing
Taxes
My Financial Plan
Estate Plan Trusts & Wills
Insurance
Real Estate
Debt Management
Retirement

Just for you

AdventistRetirement

Seventh-day Adventist Church
NORTH AMERICAN DIVISION

+

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- Debt management

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Online: seventhdayadventist.empowermytime.com

Empower Financial Planners

Wendy Knott, CFP®
and Diana Law, CFP®

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New Website/Same URL:

adventistretirement.org

Have a question?

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