



401(k) Plan Participant Monthly Newsletter

November 2021

RETIREMENT READINESS TIPS/DISTRIBUTION STRATEGIES

Your retirement is unique, just like you. **One size does not fit all.** The most important step to Retirement Readiness is **Establishing Your Timeline** so you know about how long you have to keep saving. If you haven't already, meet with a member of our team and do a **Retirement Profile** so you can determine how much you will need to save for retirement. Today only 53% of Americans have actively saved for retirement. Everyone's fear is outliving their retirement saving and if you haven't planned for things such as inflation or volatility of the market, this could be a real problem. We test all of our financial plans for a 90% probability for success so you can feel confident that you will be successful in retirement.

Things to consider when planning for retirement:

- What expenses will you have in retirement that do you not have now? (**For example, increased health expenses as you age are a highly overlooked expense by many when planning for retirement**)
- What current expenses do you have now that you will not have in retirement?

Saving as much as you can over your lifetime is especially important because over time that money will continue to grow due to compounded interest.

If your employer offers a match for participating, look into whether it is feasible for you to take full advantage of this additional savings towards your retirement. **Who doesn't want free money?**

Do gradual increases to your deferral whenever possible.

Make adjustments to your risk level as you get closer to retirement.

Investments with greater risk have greater potential for growth *over time* but as you approach retirement, greater losses become harder to recoup.

This month's seminar focuses on establishing a distribution strategy for your retirement assets as well as the importance of having a comprehensive financial plan in place.

The 3 bucket system was engineered, tested and designed to reduce the potential damage from sequence risk (timing of distributions), longevity risk (your lifetime) and market risk and - in theory at least - provide predictable income streams for a financially respectable retirement.

YOU DON'T HAVE TO PLAN FOR RETIREMENT ALONE - LET US HELP YOU CUSTOMIZE YOUR RETIREMENT PLAN TO FIT YOUR GOALS AND NEEDS - GIVE US A CALL TODAY TO START YOUR FREE FINANCIAL PLANNING!

Upcoming Seminars

Financial Planning/ Distribution Strategies

November 2021

As you near retirement, financial planning and determining your distribution strategy for your retirement assets is more important than ever. Join us as we talk through some strategies and financial planning items that you should keep in mind as your retirement deadline approaches.

Budgeting & Healthy Habits

December 2021

One of the first steps in financial planning and preparing for retirement is getting a clear picture of your full financial situation. It's a fact of life: most of us take on debt at some point. It may not be possible to avoid, but it is possible to manage. Setting up a budget and having a sound plan in place can not only reduce stress, but can increase your overall wellness. Join us for some budgeting strategies and tips on how to get your budget started so you can feel strong and confident about your ability to retire successfully.

Onward Money Tips and Tricks

January 2022

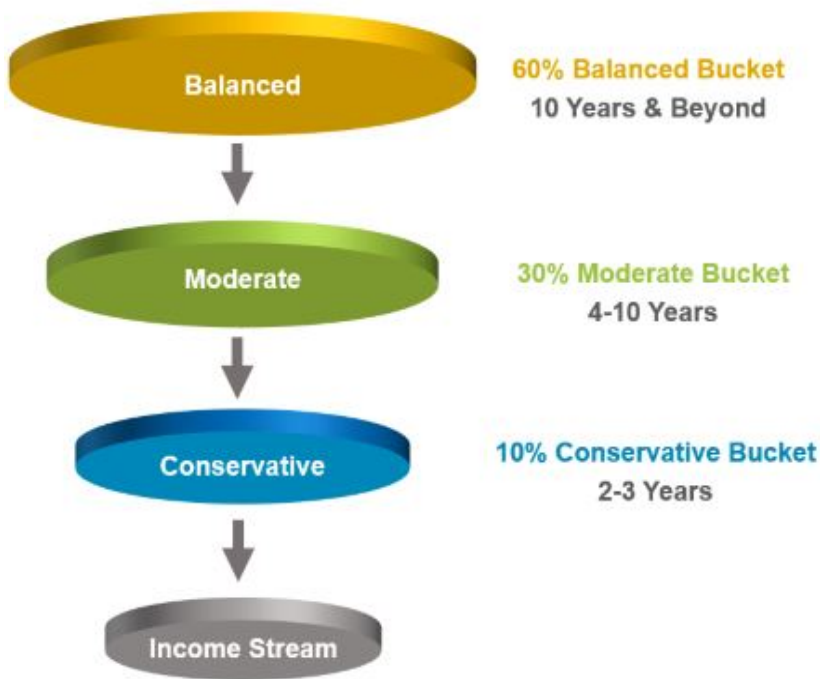
You are invited to use Onward Money, our completely free financial planning tool where you can budget and track spending as well as set up and view your entire consolidated financial picture.

We understand it can be a daunting task learning to use new software and we don't want you to go it alone! Join one of the virtual seminars that we will be holding and you'll learn some tips and tricks to utilizing the software.

Voluntary Auto Increase

February 2022

Most people need to save quite a bit to reach the amount they will need in retirement - often much more than they are currently saving. The first step to successful retirement planning is knowing what you need to save for retirement - and that's where having a financial plan will come in handy. The second (and often-times most overlooked) step is establishing how you will get there - and that's where VAI can help. Once you know how much you need to save, could utilizing Voluntary Auto Increase help you to achieve those goals?



SOCIAL SECURITY

Social Security was never intended to be the sole source of retirement income for workers, and that is especially clear in the average retirement benefit paid. So it's definitely worth putting in the time now to make sure you will have enough income saved up to get you through your retirement years. Don't wait until you plan to retire to figure out your retirement plan!

Not all employers offer the benefit of a retirement savings plan to their employees, but yours does, so take advantage of it!

Financial planning is a process, not an event and we are here every step of the way to help you not only achieve your financial goals in preparing for retirement but also to help empower you to make strong and confident financial decisions. All of our services are free of charge and we are available whenever you need us. Give us a call today!

MEET OUR TEAM: MICHELLE OLDHAM



Michelle is the lead in client communication and follow-up in the Wealth Management Division. Michelle lives in West Bend with her husband Issac and their 2 children - Braydon and Zoe. Her hobbies include hiking and spending time with her family.

FUND LINE UP

Your 401(k) plan fund line up offers 56-59 different funds from conservative investments to very aggressive - including:

- ~1 target risk suite
- ~1 target date suite
- ~index suite of funds
- ~active manager in all categories

You can change your investments any time - call our office if you would like to discuss the funds your account is currently invested in and/or make any changes to those investments.

A LITTLE CAN MEAN A LOT

To see the power of auto increase in action, let's look at Marie and Maxine - twin sisters who work for the same company, earn the same salary (\$30,000 a year) and start participating in the same retirement plan at age 35. They both start out contributing 2% of their pay with 3% salary increases each year.

Let's look at the key difference between Marie and Maxine - their savings approach.

Marie continues to contribute 2% of her pay each year and her investments earn six percent a year on average. So, after 30 years of diligent saving, Marie will reach retirement with an account balance worth **\$68,461**.

Now let's take a look at Maxine's strategy. Maxine gets the same pay raises, and has the same investments as her sister - except for one thing: Maxine starts by contributing 2% of her pay, but raises her rate by 1 percent each year on her birthday until she reaches a deferral of 10%. She will then keep saving that 10 percent for the next 22 years, until she retires at the same age as Marie.

Maxine never really noticed the difference in take home pay as she increased her deferral amount, but that difference in deferral amount now awards her an account balance at retirement of **\$285,725** - and that doesn't even take into account any increased employer matching contributions!

If you'd like to see what Voluntary Auto Increase could do for you, please let us know!



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