
## Tools for Staying on Track for Retirement

October is National Retirement Security Month. This is a national effort to raise public awareness about the importance of saving for retirement. National Retirement Security Month got its start in 2006, when Senators Gordon Smith (R-OR) and Kent Conrad (D-ND) introduced a resolution establishing National Save for Retirement Week. In 2020, the U.S. Senate approved Resolution 743, dedicating a full month to "the importance of saving adequately for retirement."[1]

We want to help you feel confident that your retirement plan will meet your needs. An important first step in creating your retirement readiness recipe is determining a contribution amount that feels comfortable. Our **My Interactive Retirement Planner℠ (MIRP) tool** can help illustrate where you are now in relation to your desired retirement income needs. MIRP combines your estimated pension, Social Security estimates, and current Savings Plus account balance to project your estimated monthly retirement income. You can also use MIRP to explore different contribution options to see how they change this projection.

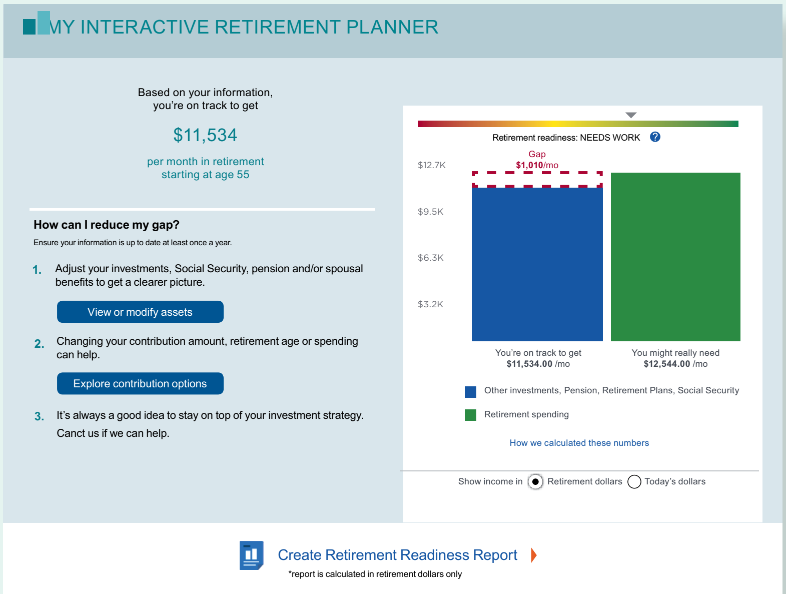
Once you get used to your new contribution amount, making a small increase to that amount each year can help your plan stay on track. Our **Auto Increase feature** allows you to select the amount and timing of your annual increase. You can choose a dollar amount or a percentage of your salary for your annual increase.

We're here to support you in creating a balanced recipe for a retirement that suits your specific needs. Approach your retirement readiness step by step at a pace that feels right for you. If you have any questions, our Solutions Center and Retirement Specialists are available to help make preparing for retirement feel like preparing your favorite recipe.

[1] https://www.nagdca.org/national-retirement-security-month-receives-unanimous-bipartisan-resolution-from-u-s-senate/

## Find your retirement savings sweet spot using My Interactive Retirement Planner on **savingsplusnow.com**.

With this interactive tool, you can discover the difference changing your contribution amount now could have on your bottom line in retirement. Select ***Explore contribution options***, as shown to the right, to modify your retirement readiness ingredients to help you achieve your retirement goals.



# What to do during a down market

If managing your retirement savings in a down market feels like a challenge, you're not alone. You may be tempted to make immediate changes hoping to protect your investments. Acting too quickly, though, may lead to choices that don't align with your goals — and may even keep you from reaching them. Keep the following information in mind before making any moves.

**What a volatile market means:** Market volatility refers to when groups of stocks or bonds rapidly change price—up or down—over a relatively short time span. Rapid price changes like these can impact the value of your retirement portfolio.

**What a bear market means:** A bear market is when the stock market experiences a sustained period of price declines. In fact, typically it describes a condition in which securities prices fall 20% or more from their most recent all-time high. A bear market does not guarantee a recession will occur, and market corrections have always been temporary. A recession occurs when the U.S. economy has six consecutive months of negative growth.

**How the market can affect your account:** Whether you're in the midst of a volatile market, a bear market, or a recession, the value of your retirement portfolio could be significantly affected. Watching your account total go up and down, or continue to go down temporarily for a period of time, isn't easy, **but it's a normal part of investing in the markets.** In fact, there have been periods of increased market volatility throughout the long history of the U.S. stock and bond exchanges.

You may be wondering "But how bad are my losses going to be in this current market?" As the chart below illustrates, the 2nd Quarter of 2022 may be the ninth-worst quarter for the S&P 500 Index since World War II. However, in the 12-month periods following down quarters in the past, the benchmark stock index rose by an average of 26%. This illustrates why investors should ignore short-term market noise and stay focused on their long-term investment strategy.

**Resist the urge to do "something" right away.** Don't let market fluctuations alone make you change investments. And remember that bad years are generally balanced by good years, also known as bull markets. Bear markets cycle with bull markets, so even if the market's down now, it'll recover in the future.

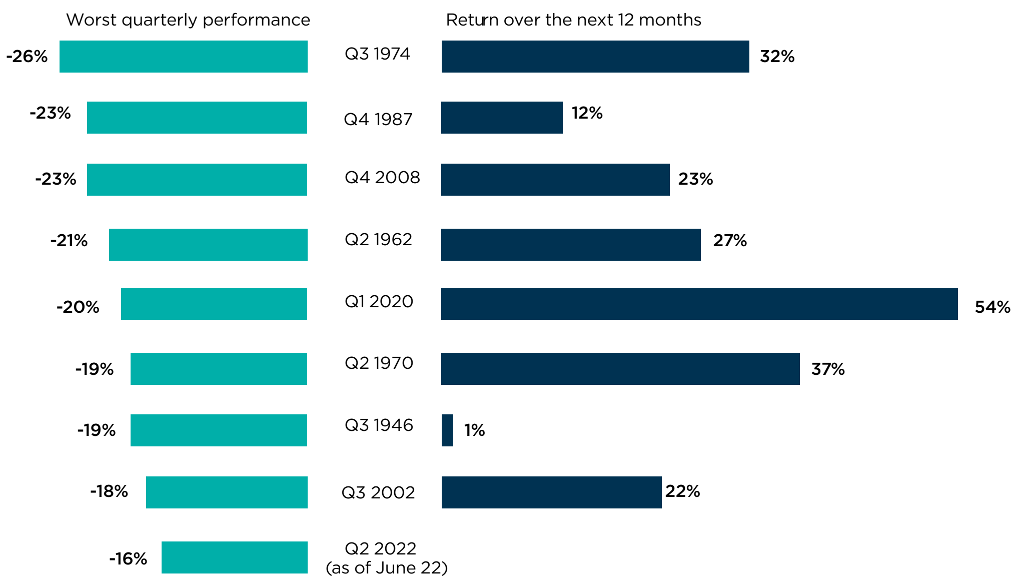
**Stay calm through the ups and especially the downs.** Make sure you temper your expectations for growth. Your asset allocation should be based on return expectations needed to meet certain goals and objectives. If your portfolio includes stocks, down markets are already factored into your long-term return expectations.

**See the opportunity with market losses.** By continuing to invest regularly during a down market, you'll often be able to buy more of your chosen investments with the same amount of money as before. Riding out the down market so you can participate in the rebound should be the goal.

**Don't check your portfolio too often.** Reviewing your allocations and making necessary changes periodically is smart, but checking too often may lead to hasty decisions that negatively impact your returns.

**Forget short-term losses in the past.** Don't dwell on how much more your portfolio was worth at the time of its most recent high. Unless you sell investments or withdraw funds, the "losses" are not permanent. Long-term investing historically leaves plenty of time for the market to recover.

*S&P 500® performance after severe quarterly losses 1945 to present*




Source for chart data: FactSet Research Services, Nationwide IMG Competitive Intelligence Team

# 5 tips for fighting inflation

Inflation is putting financial pressure on U.S. households. Consumers are paying 8.5% more for goods and services than they were in 2021, according to the U.S. Bureau of Labor Statistics—the highest rate of inflation over a 12-month period since 1981.

Adjusting your budget to cut expenses anywhere you're able can help you weather higher costs. You may also consider your overall financial wellness plan to feel prepared for the future. Here are some actions you can take to minimize the impact of inflation:

**1. Review your overall financial plan.** Review your overall plan often to assess changing needs. With rising costs, do you have enough in savings to cover unexpected expenses? If you don't already have an emergency savings fund, now is the time to create one. Saving even a small amount each month can help when facing expenses such as car repairs or medical bills.

Remember that market fluctuation is normal and proper asset allocation can help minimize risk and keep pace with the impacts of inflation on your retirement savings. It's important even for retirees to ensure that your investments combined with your pension and Social Security will keep pace and you won't outlive your assets. Reach out to your local Retirement Specialists for an account review or visit **savingsplusnow.com** for additional resources on market volatility.

**2. Check your budget.** It's wise to audit your budget periodically since goals and spending habits can change over time. And when price increases squeeze your budget tighter, evaluating your spending and building savings into your budget become more critical.

**3. Cut costs at the grocery store.** Consider these tips to save money on groceries:

- **Opt for cost-effective foods.** Meat prices are among the most elevated due to inflation, so eating more meatless meals is one way to cut back on grocery costs. Try building meals around low-cost staples such as pasta, rice, beans, potatoes, and eggs. Swapping name-brand products for generic versions can help you save money without noticing a major difference.
- **Comparison shop.** Compare the price of grocery products by weight to determine which option is the best value. You may also be able to save by buying staples such as pasta, canned goods, pancake mix, or toilet paper in bulk.

**4. Save money on gas.** If surging gas prices are blowing your budget, your first course of action could be limiting your driving as much as possible. If your work allows it, ask to work from home more often. You can also save money by consolidating errands into fewer trips, carpooling, or using green transportation options such as public transportation, biking, or walking.

You may be able to save at the gas pump by taking advantage of fuel savings programs at your local gas station. Many gas station chains offer discounts for signing up for text messaging, for example. A gas rewards credit card could also help you earn points or cash back on gasoline.

**5. Look for areas to cut back.** Are you paying for a gym membership you don't use? Burning up cash on multiple subscription services you don't need? Spending more than your budget allows on unplanned splurges? Spending less on these discretionary items could give you an instant cash flow boost.

You can also try lowering your regular expenses by negotiating your subscriptions, memberships, cable, phone, and internet bills.

Inflation makes basic housing, energy, food, and transportation costs more expensive. If your budget is under pressure, create a strategy to cut costs wherever you can.

Source: Experian.com, accessed June 29, 2022.

# You heard it here: A lot is happening at Savings Plus

## The advantage of dollar-cost averaging

Dollar-cost averaging is an investment strategy that aims to reduce the impact of volatility on the purchase of assets. It involves buying equal amounts of the asset at regular intervals regardless of the price. Since the amount invested is constant, you buy fewer assets when the price is high and more assets when prices are low. Over the long-term, this strategy can help you develop good investing habits and minimize the stress associated with market volatility. The example below illustrates dollar cost averaging.

| Trade date | Trade amount | Stock price | Shares bought |
|---|---|---|---|
| January 15 | $1,000 | $20 | 50 |
| February 15 | $1,000 | $21 | 47.61 |
| March 15 | $1,000 | $18 | 55.55 |
| April 15 | $1,000 | $19 | 52.63 |
| May 15 | $1,000 | $21 | 47.62 |

Source: Dollar cost averaging | Fidelity

## Upcoming Virtual Benefit Fair

Celebrate National Retirement Security Month by attending the Savings Plus Virtual Benefit Fair. We designed the fair to connect you to free tips, tools, presentations, and more. Get all the information at your own pace during the month of October. Join us by registering at **savingsplusnow.com**.

## Help your co-workers prepare for the future

Let your co-workers know that it's easier than ever to enroll. Text the keyword "savingsplus" to 877697. A link to online enrollment will be sent to your mobile device. Message & data rates may apply.

## Attend our webinars

Our free webinars can be a great way to keep on track with your retirement goals.

Go to our website for a list of webinars including but not limited to:

- Budget Like a Champ
- Build Your Dynamic Retirement Plan
- Engineering Your Tax-Free Retirement
- Own Your Financial Future
- Save Like a Millionaire
- Finance 101

Select the ***Workshops and Videos*** pane on our home page at **savingsplusnow.com**

## Lump Sum contributions

If you cash out accumulated, unused leave time (Lump Sum Separation Pay), the full amount is taxable in the year you take it. But if you contribute this pay to your Savings Plus account on a pre-tax basis, you can:

- Defer income taxes
- Spread taxation across future withdrawals
- Maximize contributions for 2022 and 2023 if you separate on or after Nov 1

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CALIFORNIA STATE EMPLOYEE 401(k) & 457(b) PLANS

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(855) 616-4776
(800) 848-0833 (TTY)
5 a.m. - 8 p.m. PT

**Walk-in Center** — now open, by appointment only.

## Nationwide Account Pledge is our commitment to help protect you if fraud happens.

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