

HORIZONS



— IN THIS EDITION —

Pay down debt and invest simultaneously

Invest in your social connections

Five tips to improve your financial health this summer



Pay down debt and invest simultaneously

When the market is uncertain or inflation is high, it can be difficult to balance everyday expenses, debt, and saving for the future. While everyone's financial situation is unique, you can take small steps today to pay down debt and start working toward your retirement goals.

Here are five steps you can take to get started:

1 Find money in your budget.

Look for expenses to reduce or eliminate to make room for saving and paying off debt. Consider optional costs you can cut back on, from streaming services to dining out. If you shave \$200 from your monthly expenses, that's \$200 you can apply toward your savings and debt. Use our **[budgeting tips and worksheet](#)** to get started.

Pay down debt and invest simultaneously (continued)

- ### 2 Build an emergency savings fund.

Consider building an emergency fund **before** paying extra money toward debt. That way, you can better avoid going into further debt if unexpected expenses occur. Initially, you might put most of your savings into an emergency fund. Keep going until you have enough to cover three to six months of expenses.
- ### 3 Start contributing to a retirement plan.

Contribute to your employer-sponsored retirement plan while building your emergency fund, **even if you start small**. The sooner you begin, the more you can benefit from compounding — your earnings being reinvested to generate more earnings — which boosts your savings with less out-of-pocket money.
- ### 4 Tackle debt sources methodically.

Once you've established your emergency fund and started your retirement contributions, focus on paying down debts. Instead of looking at debt as one balance, try looking at individual sources of debt. Prioritize debt sources with the highest interest rates to pay off debt fastest and save the most on borrowing fees. Tackle smaller balances first if you're motivated by seeing quick results. While you'll still need to make payments to all sources, this can help you pay down debt faster.
- ### 5 Re-evaluate your plan.

As you pay off each debt source, re-evaluate how much you're saving and putting toward debt. You may be able to funnel more money into paying down debt and saving for retirement. Use our **My Interactive Retirement Planner**SM tool to visualize how a contribution increase can affect your retirement savings.



Once you're out of debt, you can decide what to do with the extra cash — and face the future with more confidence in your finances.

Register for a webinar to learn more.

RETIREE CORNER

Invest in your social connections

There's a sweet sense of freedom that comes with retirement. No more work pressures, stress, or deadlines to meet. But when you leave all that behind, you're also missing out on daily interaction with your coworkers. You may even learn that maintaining socialization and staying active in retirement is vital to your general health.



Here are four ways to stay socially active and prevent loneliness:

- **Take a class** — Retirement can be a great time to explore your hobbies and interests. Community centers, local organizations, and nearby or online colleges can teach you a new skill and help keep you active and healthy.
- **Stay connected** — Once you retire, it's easy to fall into the routine of staying home and not leaving the house. But doing it all day, every day isn't a good habit to start. Stay in communication with friends daily. Consider inviting your friends over for lunch, dinner, or game night. Have everyone bring their favorite dish and enjoy each other's culinary creations.
- **Get involved** — Retirement is the perfect time to volunteer in your community, especially if it's something you've wanted to do for years but just haven't had the time. Check with your local food pantry, soup kitchen, pet shelter, or hospital to learn about the opportunities they have available.
- **Join or organize a club** — Do you like to read, travel, or try diverse types of food and wine? You may have something in common with other people in your community. Spending time together, engaging in conversation, and enjoying life together is good for the mind and soul.

Schedule a one-on-one with your Retirement Specialist to stay connected to your plan in retirement.

Source: "Social Isolation and Loneliness in Older Adults: Opportunities for the Health Care System." National Academies of Sciences, Engineering, and Medicine, Washington, DC: The National Academies Press, doi.org/10.17226/25663 (2020).



Five tips to improve your financial health this summer

Spring fever is over, and summer is here. This is the time of year we take vacations, enjoy family picnics and barbeques, and hopefully build in a little time for relaxation. Summer is also the perfect time to take care of important tasks we keep putting off.

Use this helpful checklist to ensure that your financials are up to date and in order:

1

Review your tax withholdings.

If you need to update your W-4 form, this is a good time to do it. And there's still time to make adjustments that can positively impact your 2023 tax season. The IRS website has helpful calculators where you input information from your paystub, investment accounts, and bank statements and receive recommendations on how to adjust your withholdings to help improve your tax situation.

2

Review your Savings Plus account and investments.

We recommend reviewing your Savings Plus account information at least once a year to ensure your information is up to date. This summer could also be a great time to review your current investments. Are you still on track for your retirement goals, or do you need to make adjustments? [Review your account](#) now.

3

Update your budget for inflation.

A clear and detailed budget is one of the best tools for your finances. Keep track of your daily, weekly, and monthly expenses to ensure that your family's needs are met and that you're able to save for the future. If you already have a budget, have you adjusted it for inflation? The rising cost of goods and services can sneak up on you and quickly begin chipping away at your income. To learn more about budgeting both before and after retirement, [attend one of our budgeting webinars](#).

4

Shop off-season.

Once July rolls around, products released in the spring for summer will go on sale. Consider waiting until this time to buy items such as gas grills, patio furniture, beach gear, and other household appliances. Some larger online stores and shopping sites advertise Christmas in July. Mid-summer is also one of the best times to shop for a new vehicle. You can find deals this time of year when the previous year's models begin to drop in price.

5

Conduct a financial goals checkup.

You've probably spent time thinking about what you want your retirement future to look like. Ensuring that becomes a reality is dependent on the short-term and long-term goals you have in place. Take some time to review those goals and the progress that you're making. Use our [My Interactive Retirement Planner](#) tool to check your progress toward your retirement goals.



MARK YOUR CALENDAR

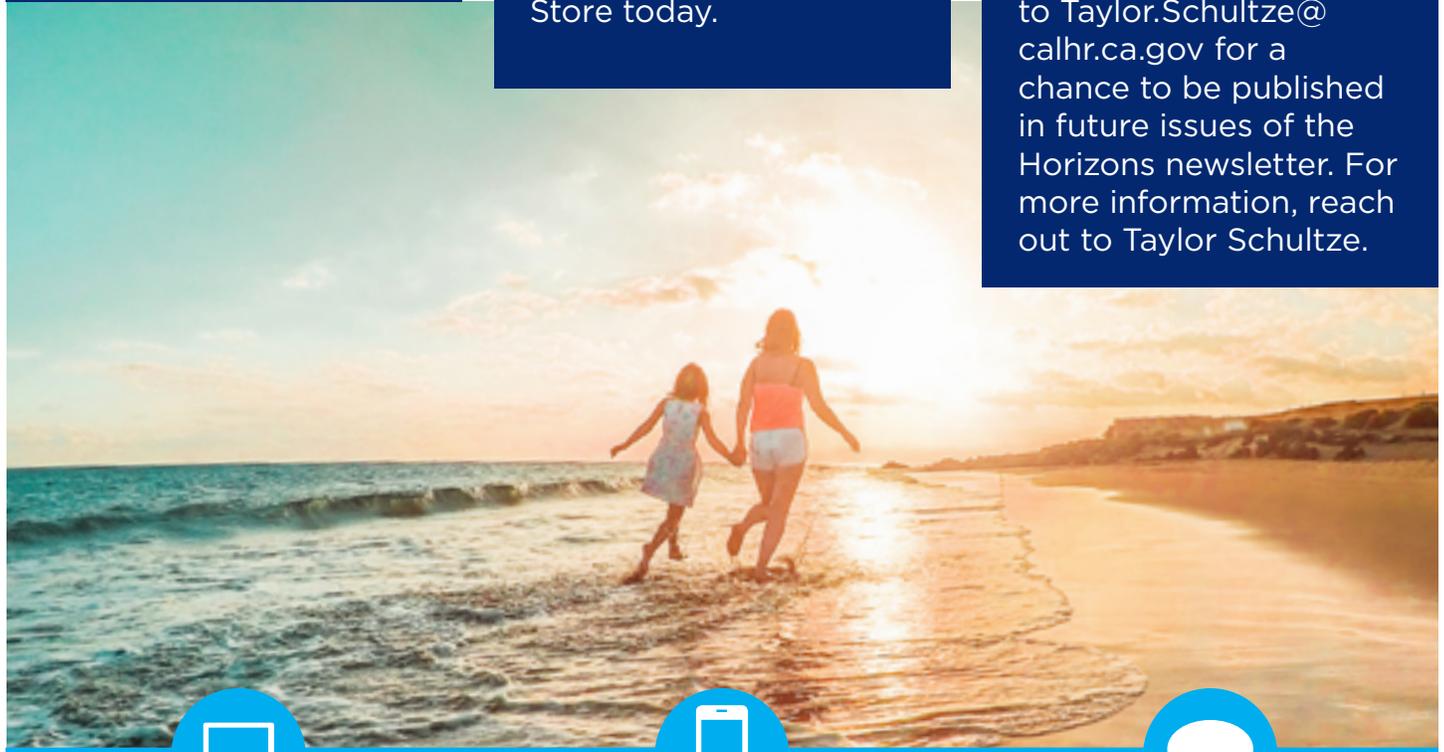
Join us for our virtual benefit fair in August! Check back at savingsplusnow.com for more information.

MOBILE APP AVAILABLE

Manage your account on the go with our mobile app. Download the My Retirement® app from the Google Play Store and Apple App Store today.

WHAT'S YOUR ADVENTURE?

Both your definition of adventure and your retirement goals are unique. Send photos, videos, and stories that define your adventure to Taylor.Schultze@calhr.ca.gov for a chance to be published in future issues of the Horizons newsletter. For more information, reach out to Taylor Schultze.



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