

With You On The Journey



Investing For Retirement

Presented by EDWIN G. ROMERO, MBA, Administrator/CEO

Adventist Retirement



North American
Division of
Seventh-day
Adventists



This material has been prepared for informational and educational purposes only. It is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice.

Adventist *Retirement*

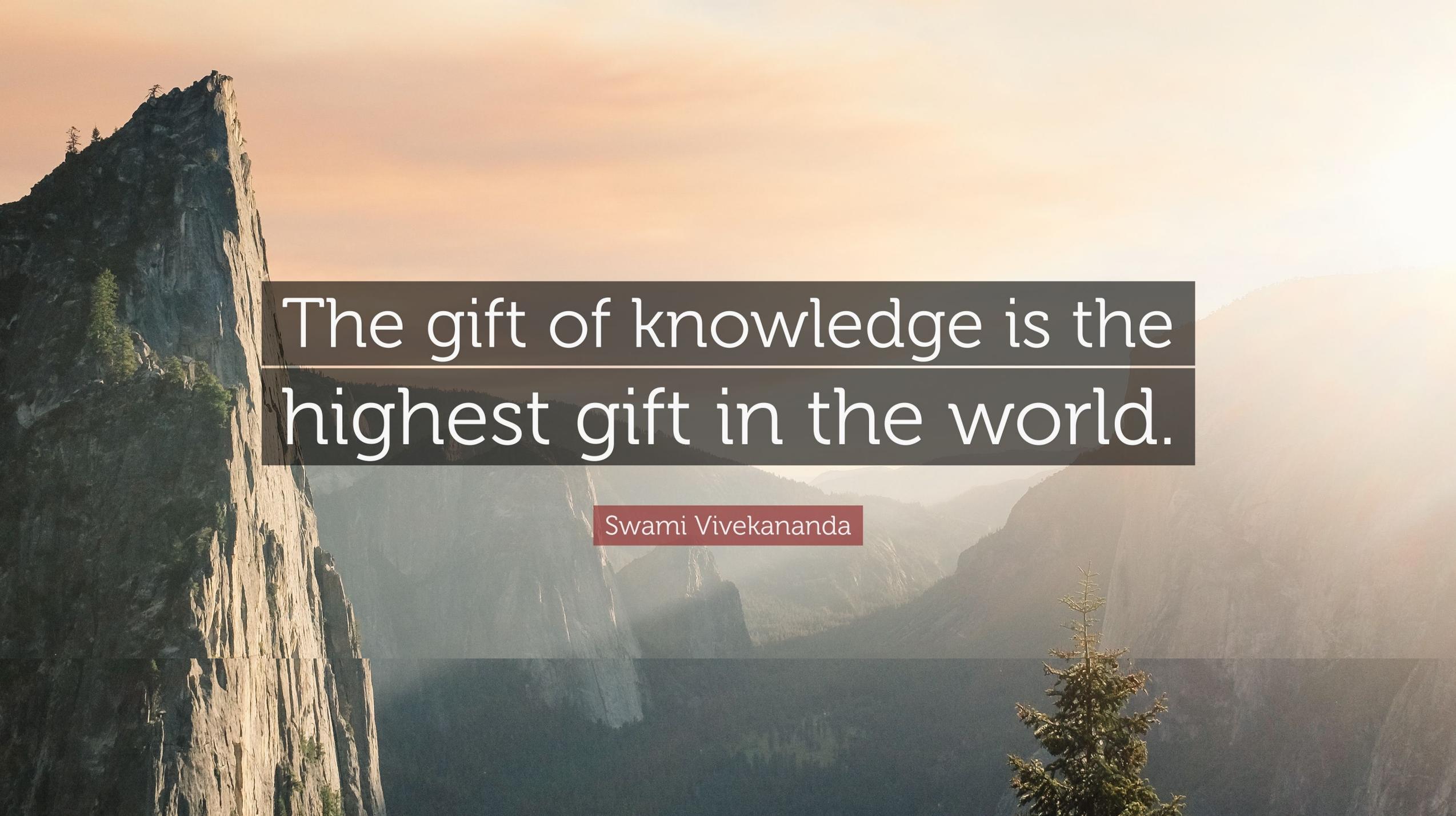
About US



Goals & Objectives

- To gain knowledge & execute
- To tell your employees and share the knowledge
- Three ways to measure retirement savings
- Income, Longevity & Place to Live
- Accumulation (saving) & Decumulation (spending)
- Withdrawals (opportunity cost)
- Commit to implementing a financial plan
- Use the tools and resources available (Empower-e.g., My Financial Path)





The gift of knowledge is the
highest gift in the world.

Swami Vivekananda

A hand is shown in silhouette, reaching upwards with fingers spread. The background is dark and textured, resembling a night sky or a deep space environment, with several out-of-focus light sources (bokeh) in shades of blue and white. The overall mood is contemplative and aspirational.

**KNOWLEDGE WITHOUT
ACTION IS MEANINGLESS**

Abu Bakr

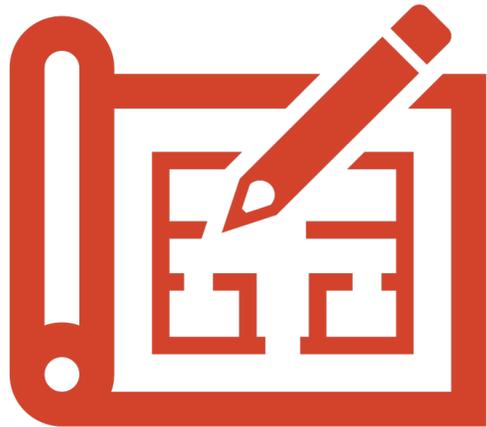


The Truth

“Hope is not a Strategy”



Successful Financial Planning



- 
- Other
 - Debt Elimination
 - Retirement
 - Emergency Fund
 - Income Protection (Foundation)
 - Plans (Blueprints)

Meet the average American family...

\$16,883 credit card balance and only 1/3 pay the minimum payment

Their house is worth \$200,000, but owe \$137K

31% have less than \$500 saved and 19% have \$0 to cover emergencies

They make \$59,039 a year



59% of households do not have a budget.

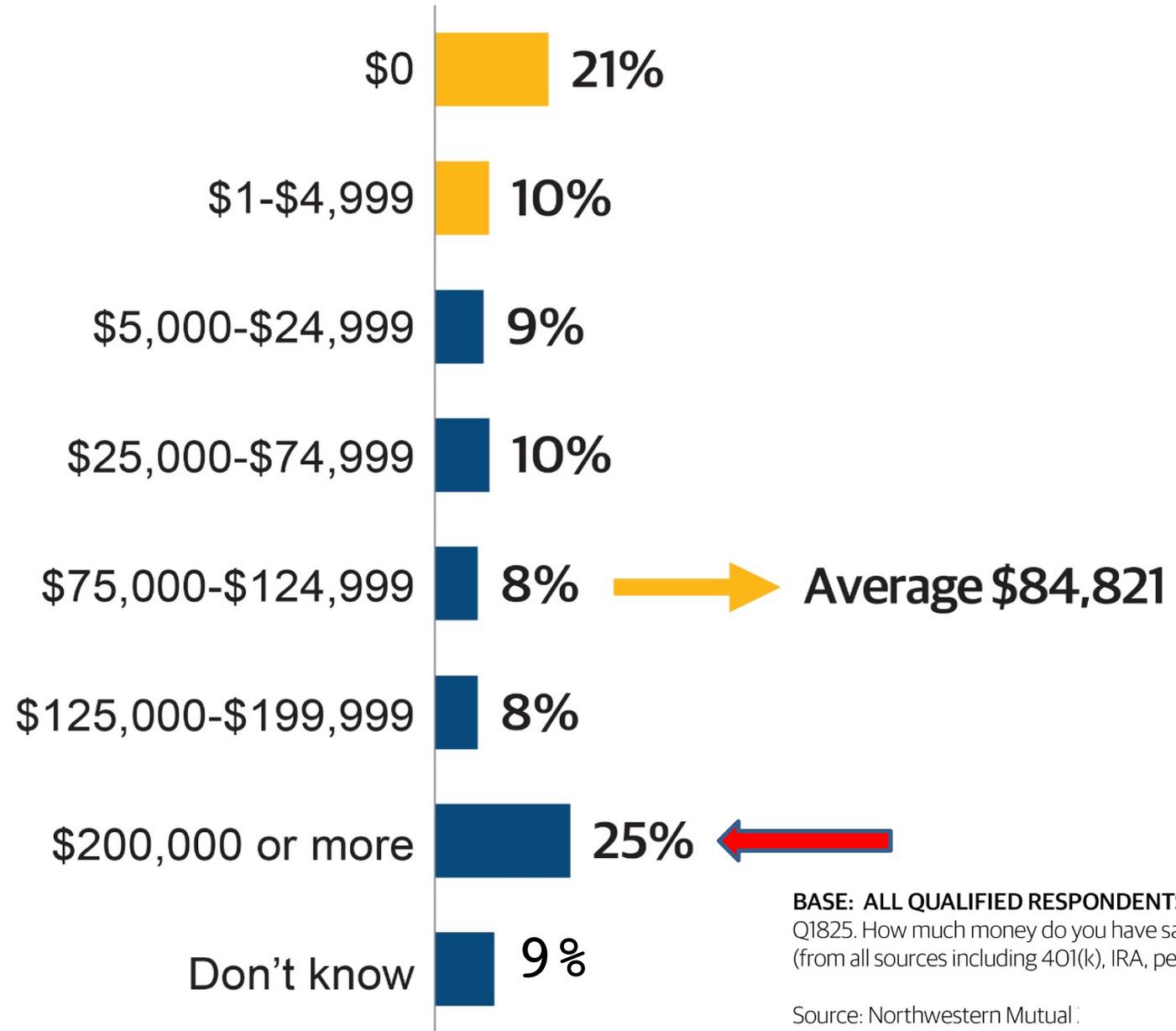
The Facts

- 65% of Americans are living paycheck to paycheck.
- More than one in five of those earning \$100K or more still live paycheck to paycheck.



Planning

Saved for Retirement

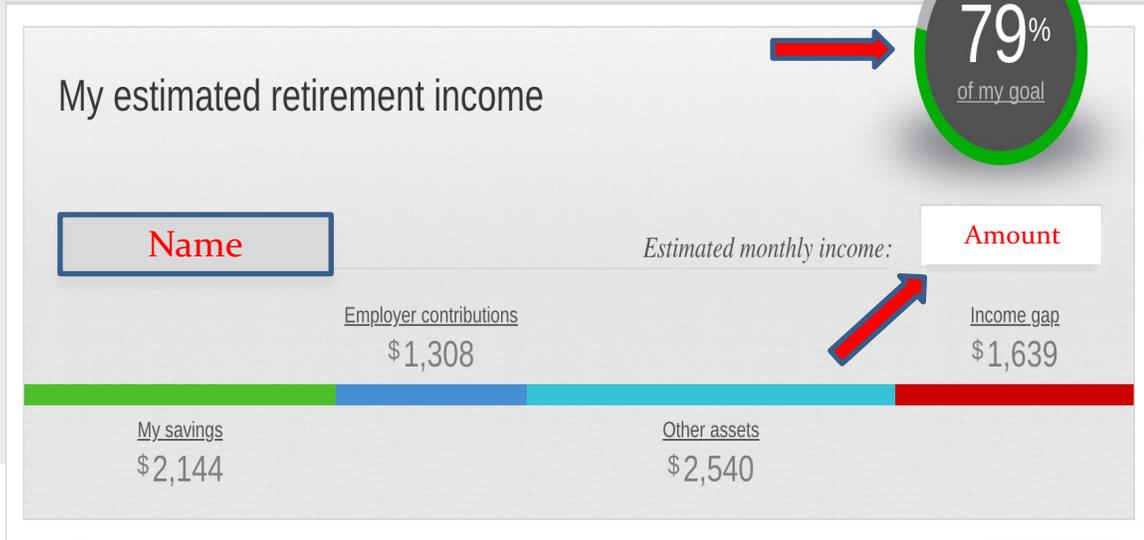




Investing for Retirement

- How much income do I need?
- Longevity
- Where to live

Tip: Review & Understand your Dashboard



\$143,758.19
Total account balance

Adventist Retirement Plan
\$143,758.19

DB Estimate
(If applicable)



Adventist Retirement Plan
BEFORE TAX CONTRIBUTION: **7%** to 100% [+ Add a new contribution]



51%

RETIREMENT AGE: **67**

67

403(b) - Employer Contribution

\$6,674.56 Annually (Estimated)

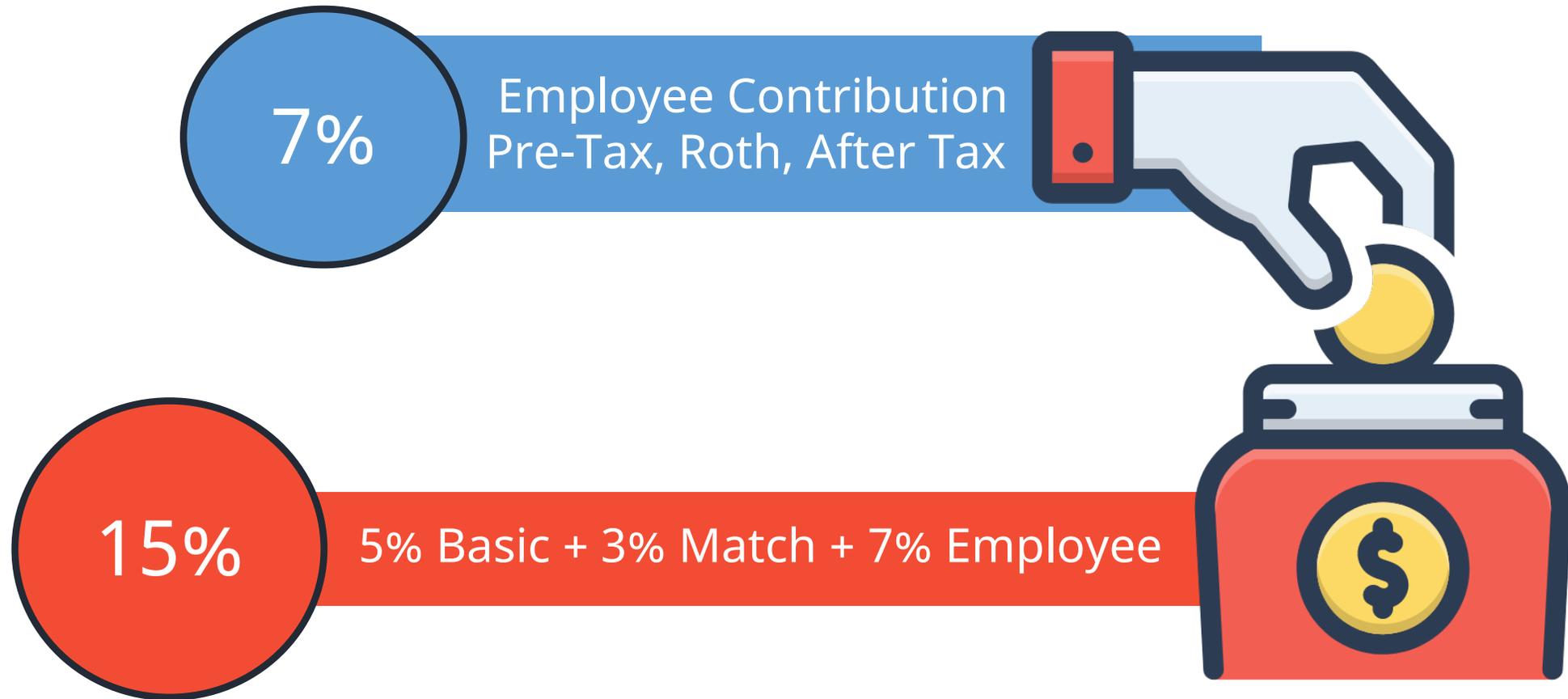
Plan Messaging

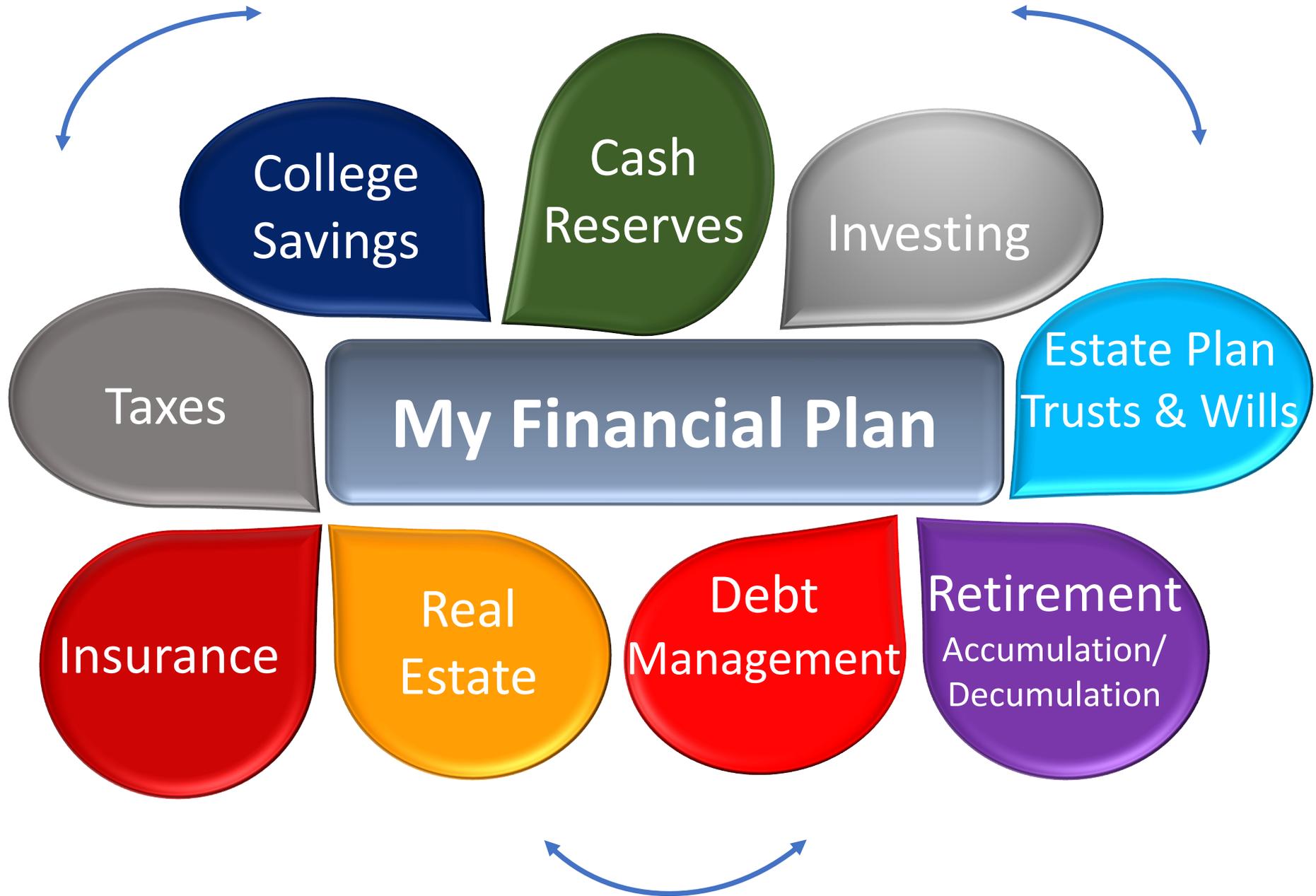
September 17, 2018

Adventist Retirement Plan

We will conduct scheduled website maintenance on Saturday, September 22nd at approximately 3:00 p.m. Eastern Time through Sunday, September 23rd, 2:00 p.m. Eastern Time. You may experience intermittent access to the

Tip: Review Your Savings Rate (contributions)





New Just for you



AdventistRetirement

Seventh-day Adventist Church
NORTH AMERICAN DIVISION



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

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
By phone: 833-301-9355

Online: seventhdayadventist.empowermytime.com

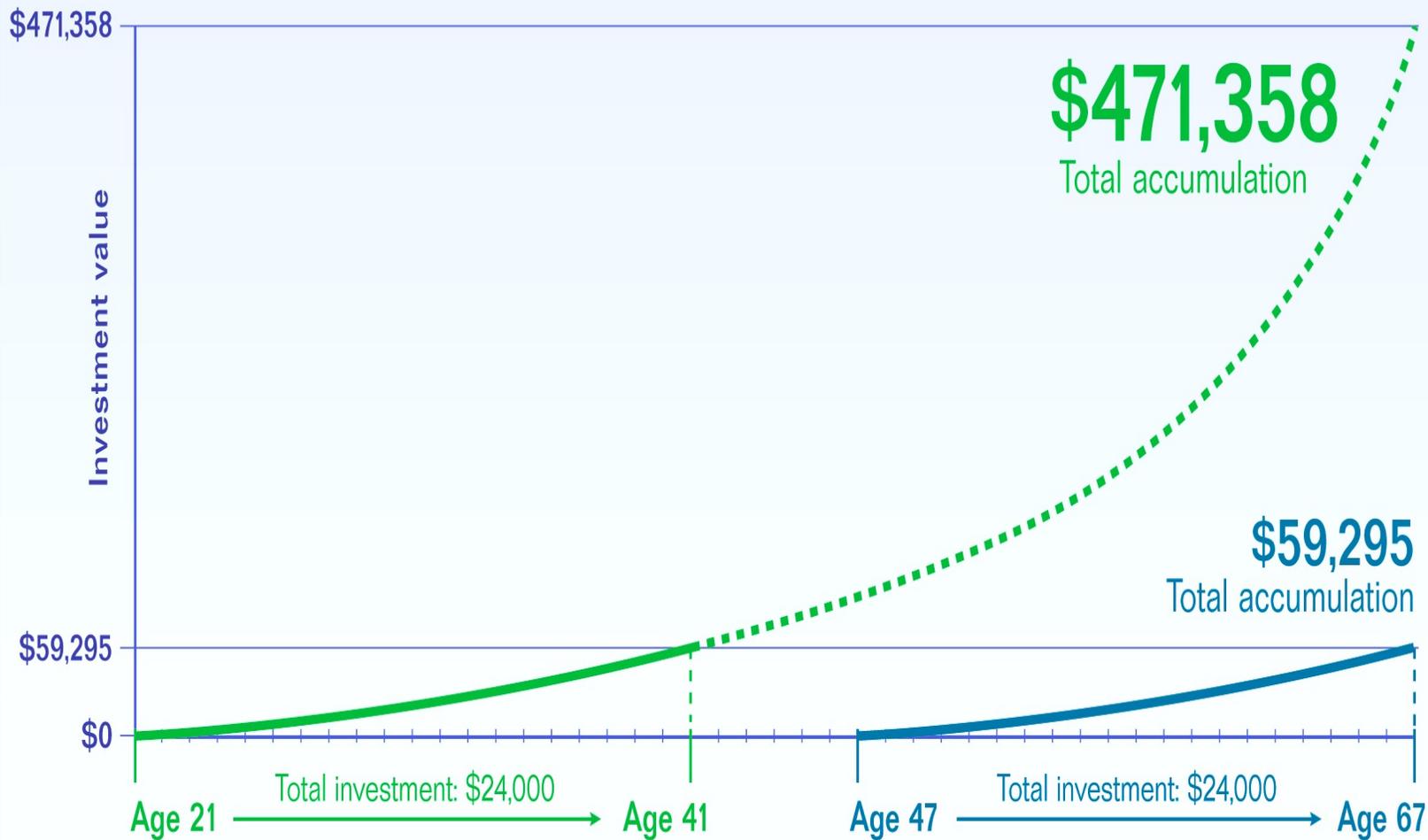


The Truth Two Best Friends

Investments

- TIME
- COMPOUND INTEREST

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



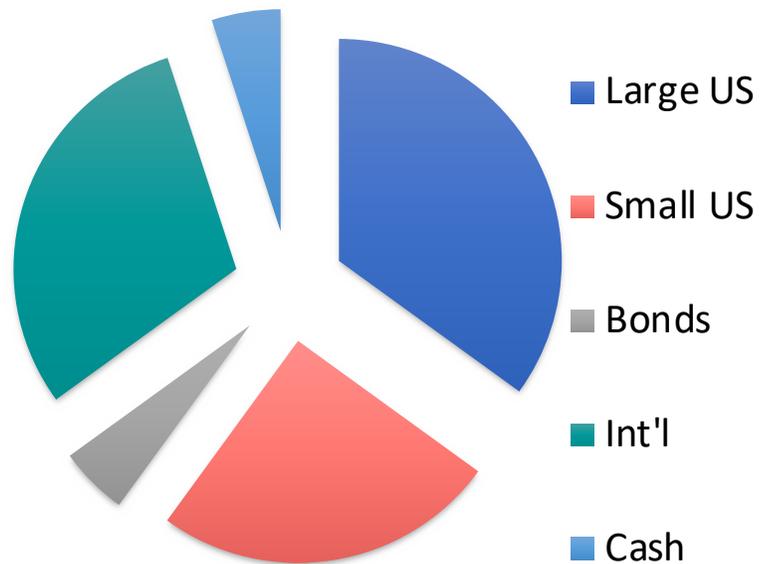
Assuming an 8% annual return, compounded monthly. Results are hypothetical and do not represent the performance of any actual investment. They do not take into account fees, expenses or taxes.

The Power
of Time &
Compound
Interest

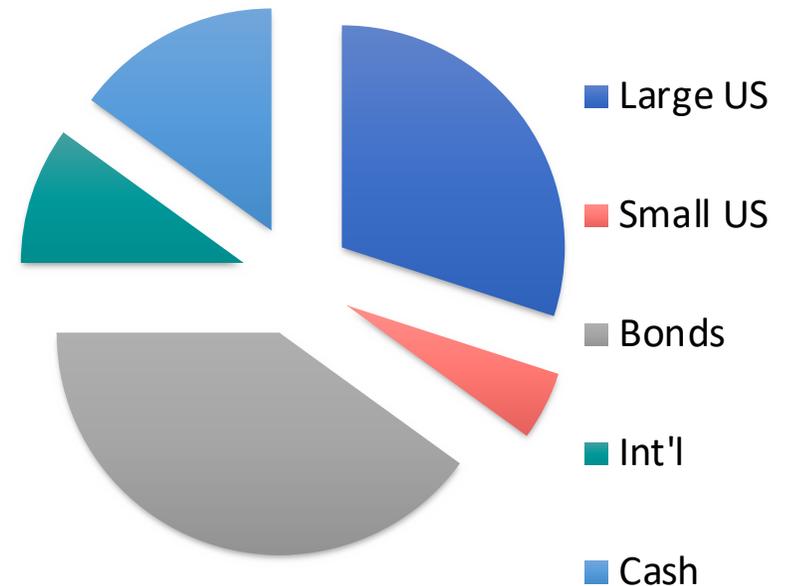
Tip: Review your Asset Allocation

Hold a percentage of stocks equal to 100 minus your age. So, for a typical 60-year-old, 40% of the portfolio should be equities. Give an example

Young Employee



Seasoned Employee





Historical Risk/Return (1926-2020)

Average annual return: **9.4%**
Best year (1982): **41.1%**
Worst year (1931): **-30.7%**
Years with a loss: **23 of 95**

100% stocks



Historical Risk/Return (1926-2020)

Average annual return: **10.3%**
Best year (1982): **54.2%**
Worst year (1931): **-43.1%**
Years with a loss: **25 of 95**

80% stocks / 20% bonds



Historical Risk/Return (1926-2020)

Average annual return: **9.8%**
Best year (1982): **45.4%**
Worst year (1931): **-34.9%**
Years with a loss: **24 of 95**

North American Division of the Seventh Day Adventist Church - 403(b) Plan

Summary of Investment Performance as of December 31, 2021



Fund Name	403(b) Assets	Total Return (Rank in Category)						Key Fund Statistics		
		1 Month	3 Month	YTD	1 Year	3 Year	5 Year	Std Dev 5 Yr	Prospectus Net Expense Ratio	Net Assets Share Class
Target Date Funds										
GC SSGA TDF Retirement Income	\$99,924,967	1.8 (-)	3.2 (-)	8.1 (-)	8.1 (-)	--	--	--	0.11	-
<i>US Fund Target-Date Retirement</i>		1.3	2.1	5.5	5.5	9.1	6.5	5.5	0.69	
GC SSGA TDF 2020	\$116,251,009	2.3 (-)	4.2 (-)	10.6 (-)	10.6 (-)	--	--	--	0.12	-
<i>US Fund Target-Date 2020</i>		1.8	2.9	8.5	8.5	12.1	8.7	7.8	0.64	
GC SSGA TDF 2025	\$157,460,228	2.6 (-)	4.8 (-)	12.1 (-)	12.1 (-)	--	--	--	0.12	-
<i>US Fund Target-Date 2025</i>		2.1	3.4	9.7	9.7	13.4	9.6	9.0	0.67	
GC SSGA TDF 2030	\$130,159,387	2.7 (-)	5.1 (-)	12.9 (-)	12.9 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2030</i>		2.5	4.1	11.7	11.7	15.1	10.8	10.4	0.69	
GC SSGA TDF 2035	\$121,744,588	2.9 (-)	5.4 (-)	13.8 (-)	13.8 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2035</i>		2.9	4.7	13.8	13.8	16.7	11.8	11.8	0.70	
GC SSGA TDF 2040	\$123,761,386	3.1 (-)	5.6 (-)	14.7 (-)	14.7 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2040</i>		3.3	5.2	15.5	15.5	17.9	12.6	12.8	0.71	
GC SSGA TDF 2045	\$116,231,846	3.3 (-)	5.8 (-)	15.4 (-)	15.4 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2045</i>		3.5	5.6	16.6	16.6	18.7	13.1	13.6	0.71	
GC SSGA TDF 2050	\$76,463,190	3.4 (-)	5.9 (-)	15.8 (-)	15.8 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2050</i>		3.6	5.7	17.1	17.1	19.0	13.3	13.9	0.72	
GC SSGA TDF 2055	\$41,728,523	3.4 (-)	5.9 (-)	15.8 (-)	15.8 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2055</i>		3.6	5.8	17.3	17.3	19.2	13.4	14.0	0.71	
GC SSGA TDF 2060	\$14,646,888	3.8 (-)	6.1 (-)	17.7 (-)	17.7 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2060</i>		3.7	5.8	17.5	17.5	19.3	13.5	14.0	0.72	
GC SSGA TDF 2065	\$293,267	3.4 (-)	6.0 (-)	15.7 (-)	15.7 (-)	--	--	--	0.13	-
<i>US Fund Target-Date 2060</i>		3.7	5.8	17.5	17.5	19.3	13.5	14.0	0.72	

North American Division of the Seventh Day Adventist Church - 403(b) Plan

Summary of Investment Performance as of December 31, 2021



Fund Name	403(b) Assets	Total Return (%)			1 Year	Year	5 Year	Key Fund Statistics		
		1 Month	3 Month	YTD	1 Year			Std Dev 5 Yr	Prospectus Net Expense Ratio	Net Assets Share Class
		2025-Age 64 →			8.1 (-)					
					5.5					
					10.6 (-)					
					8.5					
					12.1 (-)					
					9.7					
Target Date Funds										
GC SSGA TDF Retirement Income <i>US Fund Target-Date Retirement</i>	\$99,924,967	1.8 (-)	3.2 (-)	8.1 (-)	12.9 (-)	--	--	--	0.11	-
GC SSGA TDF 2020 <i>US Fund Target-Date 2020</i>	\$116,251,009	2.3 (-)	4.2 (-)	10.6 (-)	11.7	9.1	6.5	5.5	0.69	-
GC SSGA TDF 2025 <i>US Fund Target-Date 2025</i>	\$157,460,228	2.6 (-)	4.8 (-)	12.1 (-)	13.8 (-)	12.1	8.7	7.8	0.64	-
GC SSGA TDF 2030 <i>US Fund Target-Date 2030</i>	\$130,159,387	2.1 (-)	3.4 (-)	9.7 (-)	14.7 (-)	3.4	9.6	9.0	0.67	-
GC SSGA TDF 2035 <i>US Fund Target-Date 2035</i>	\$121,744,588	2.5 (-)	4.1 (-)	11.7 (-)	15.5	5.1	10.8	10.4	0.69	-
GC SSGA TDF 2040 <i>US Fund Target-Date 2040</i>	\$123,761,386	3.1 (-)	5.6 (-)	14.7 (-)	16.6	--	--	--	0.13	-
GC SSGA TDF 2045 <i>US Fund Target-Date 2045</i>	\$116,231,846	3.3 (-)	5.8 (-)	15.4 (-)	17.1	7.9	12.6	12.8	0.71	-
GC SSGA TDF 2050 <i>US Fund Target-Date 2050</i>	\$76,463,190	3.4 (-)	5.9 (-)	15.8 (-)	15.8 (-)	8.7	13.1	13.6	0.71	-
GC SSGA TDF 2055 <i>US Fund Target-Date 2055</i>	\$41,728,523	3.4 (-)	5.9 (-)	15.8 (-)	17.7 (-)	9.0	13.3	13.9	0.72	-
GC SSGA TDF 2060 <i>US Fund Target-Date 2060</i>	\$14,646,888	3.8 (-)	6.1 (-)	17.7 (-)	17.5	9.2	13.4	14.0	0.71	-
GC SSGA TDF 2065 <i>US Fund Target-Date 2060</i>	\$293,267	3.4 (-)	6.0 (-)	15.7 (-)	17.5	9.3	13.5	14.0	0.72	-



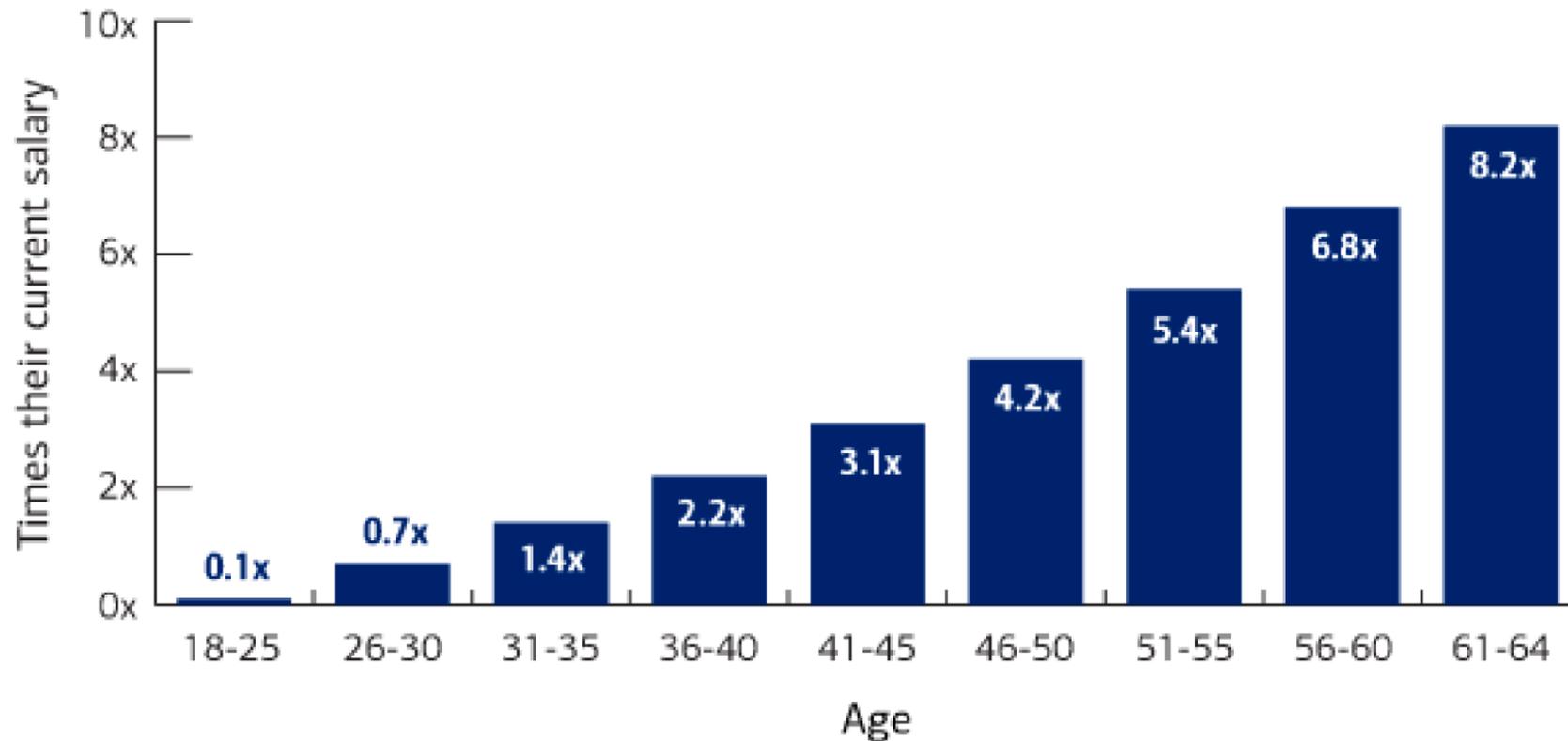
How much income do I need?

Rules of Thumb

- You should have 70-80% of your employment income in retirement.
- Housing free and clear
- Vehicle(s) free and clear—newer model
- High cost of living area, not likely

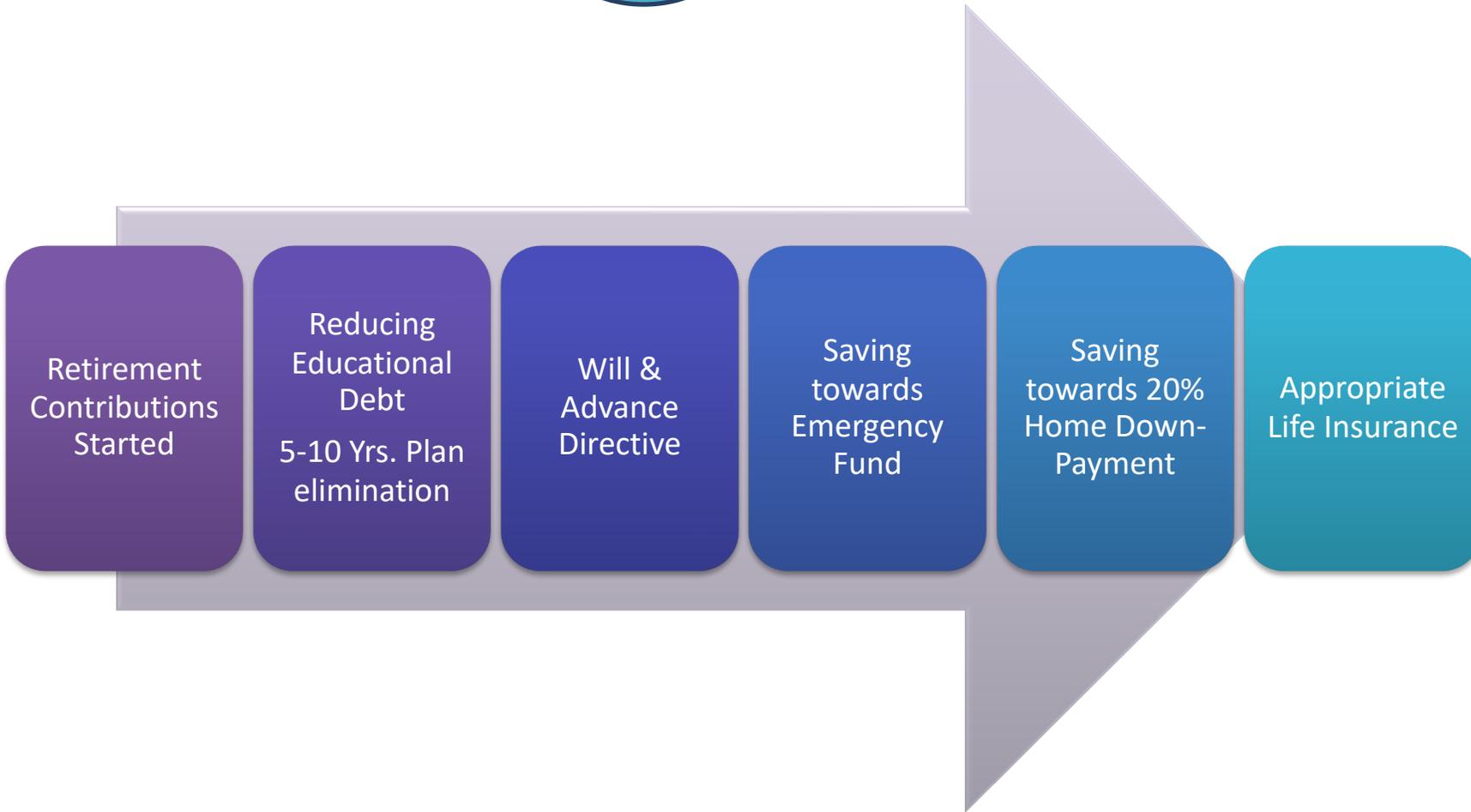
How much should you be saving for retirement?

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



Sample Target

25



Sample Target

35

Retirement
Asset 1.3 x
Annual
Wages

Will &
Advance
Directive

Three Month
Emergency
Fund

Purchase
home or
Saving
towards 20%
Home Down
Payment

Appropriate
Life
Insurance

Sample Target

45

Retirement
Asset 3 x
Annual
Wages

Will &
Advance
Directive

Six Month
Emergency
Fund

Home
35%
Owned

Appropriate
Life
Insurance

Sample Target

55

Retirement
Assets 5 x
Annual
Wages

Will &
Advance
Directive

Six Month
Emergency
Fund

Home 60%
Owned

Appropriate
Life
Insurance

Sample Target

65

Retirement
Assets 8 x
Annual
Wages

Will &
Advance
Directive

Six Month
Emergency
Fund

Home
100%
Owned

Medicare
Part A

Sample of Retirement Income Sources

- Defined contribution plans (403 b, 401 k, TRA)
- Defined benefit plans (pre-2000 church, others)
- Investment retirement accounts (IRA's)
- Social Security (www.ssa.gov)
- Rental properties
- Annuities (e.g., Secure Foundation)
- Investments (stocks, bonds, mutual funds, commodities)
- Cryptocurrency
- Personal savings
- Continued Employment



Sample of Retirement Expenses

- Mortgage (if any)
- Rent (if any)
- Property taxes (real estate)
- Income tax (federal, state, sales)
- Credit card payments (if any)
- Personal loans (if any)
- Homeowner's/renter's insurance
- Homeowners' association dues (HOA)
- Home maintenance (repairs, cleaning, yard, etc.)
- Utilities (electricity, gas, water, sewer, trash, recycling, cable TV, internet)
- Health care costs (prescriptions, copays, deductibles)
- Transportation (loan, insurance, gasoline, repairs, maintenance, tags, inspection)
- Personal care (clothes, toiletries, haircuts, etc.)
- Vacations
- Entertainment (restaurants, museums, etc.)
- Charitable contributions (tithe, offerings, etc.)



How will you spend your retirement dollars?

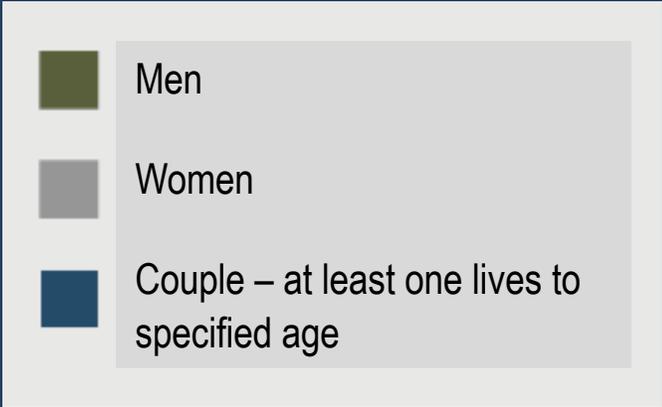
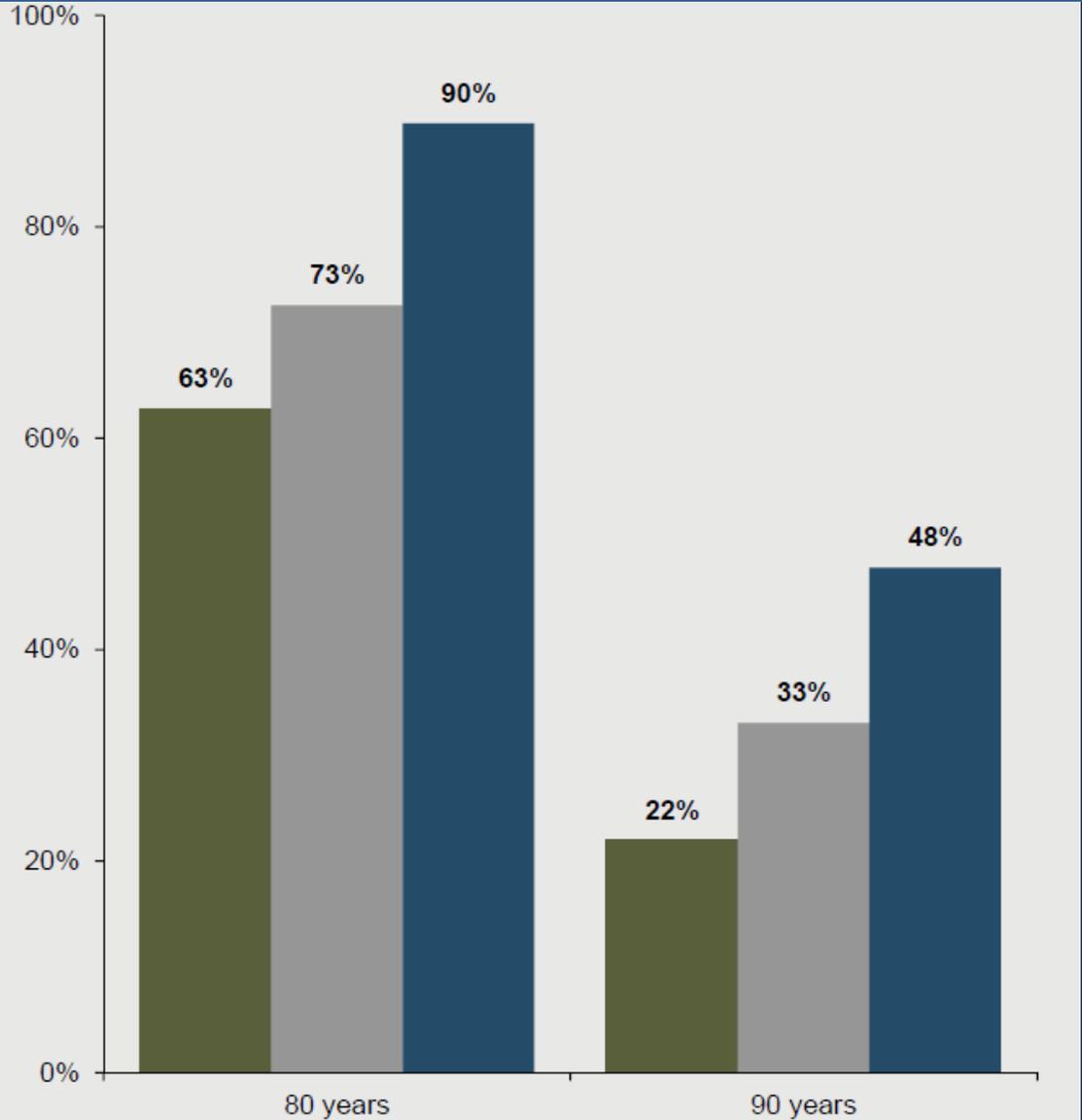
Here's how older Americans today spend their money.

	Ages 50-64	Ages 65-74	Ages 75 and older	
Housing	47.3%	45.8%	48.84%	
Food	12.6%	13.2%	11.9%	
Health	7.6%	10.8%	10.4%	
Clothing	3.2%	3.1%	2.9%	
Transportation	13.3%	12%	9.5%	
Entertainment	8.4%	8%	6.5%	
Other	3%	3.9%	5%	

Consider Inflation

Source: Zahra Ebrahimi

Probability of reaching *80 or 90 years*



Life Expectancy Calculator



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Retirement & Survivors Benefits: Life Expectancy Calculator

[Office of the Chief Actuary](#)

[Retirement Planner](#)

[Retirement Estimator](#)

[Survivors Planner](#)

[Other Things to Consider](#)

[Apply for Benefits Online](#)

This calculator will show you the **average number** of additional years a person can expect to live, based only on the gender and date of birth you enter.

Gender

Select ▾

Date of Birth

Month ▾

Day ▾

Year ▾

Submit

<https://www.ssa.gov/oact/population/longevity.html>

Simple Math

Retirement Age: 67 • Longevity, Age 90 = 23 Yrs.

\$200,000 Empower Account Balance

$\$200,000 / 23 \text{ years} = \$8,696 \text{ per year}$

$\$8,696 / 12 \text{ months} = \725 monthly

\$1,500	Social Security (no reduction)
\$ 725	DC- Empower (\$0 inflation, \$0 interest)
\$ 600	Defined Benefit (Pre-2000)
\$2,825	Monthly Income Sources

For illustrative purposes only.

Where to live?

- Cost of living
- Medicare
- Real estate taxes
- Homeowner's insurance
- Hospitals
- Shopping
- Population
- Utilities
- Repairs
- Grandkids
- Church final move



See: www.city-data.com

How does the cost of living in your area compare?

MY DETAILS

I currently live in

Dallas, TX

I want to move to

New York, NY

Household Income

\$ 60,000

Adults in Household

1 2

Children in Household

0 1 2 3

The cost of living in

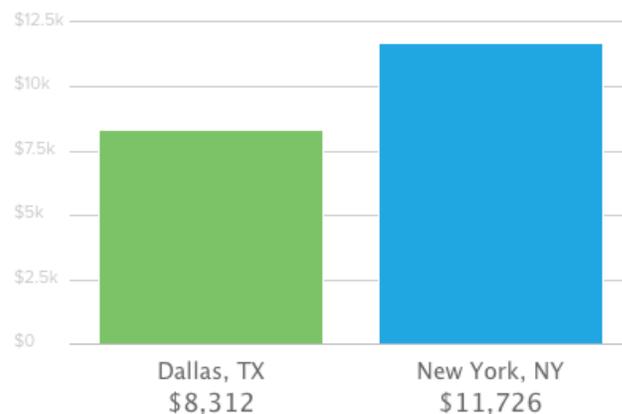
New York, NY is

34% HIGHER ↑

You need to earn **\$80,397** in New York, NY to have the same standard of living that **\$60,000** provides in Dallas, TX.



Tax Cost Difference in New York, NY is 41% higher



SHARE



MORE FROM SMARTASSET

> [How much house can you afford?](#)

> [Calculate your Income Taxes](#)

> [Calculate your property taxes](#)

> [Calculate your monthly mortgage payment](#)

MORE ABOUT THIS PAGE

> [About this answer](#)

> [How do we calculate this answer](#)

[HTTPS://SMARTASSET.COM/MORTGAGE/COST-OF-LIVING-CALCULATOR](https://smartasset.com/mortgage/cost-of-living-calculator)

Will your savings be enough for the retirement income you'll need?

You may be surprised how much — or how little — even generously-sized accounts could potentially provide over the course of a retirement. The examples below illustrate how much a 65-year-old might safely withdraw in the first year of retirement.

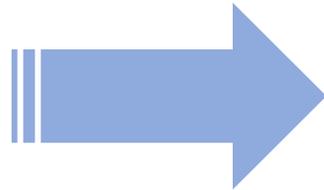
Savings value at age 65		Annual income from savings*
\$300,000		\$12,270/year
\$1,000,000		\$40,900/year
\$1,500,000		\$61,350/year

* The accumulated investment savings by age 65 could provide an annual retirement income, adjusted for future inflation (in today's dollars), of this amount for a life expectancy of 91 years, if withdrawn at a sustained spending rate of 4.09%.

Source: Chief Investment Office, Portfolio Analytics, "Beyond the 4% rule: Determining sustainable retiree spending rates," January 2020.

Spend Down/Withdrawal Sample

Spend down/
withdrawal



A plan or a strategy
to spend, decumulate
or withdraw assets
during retirement.

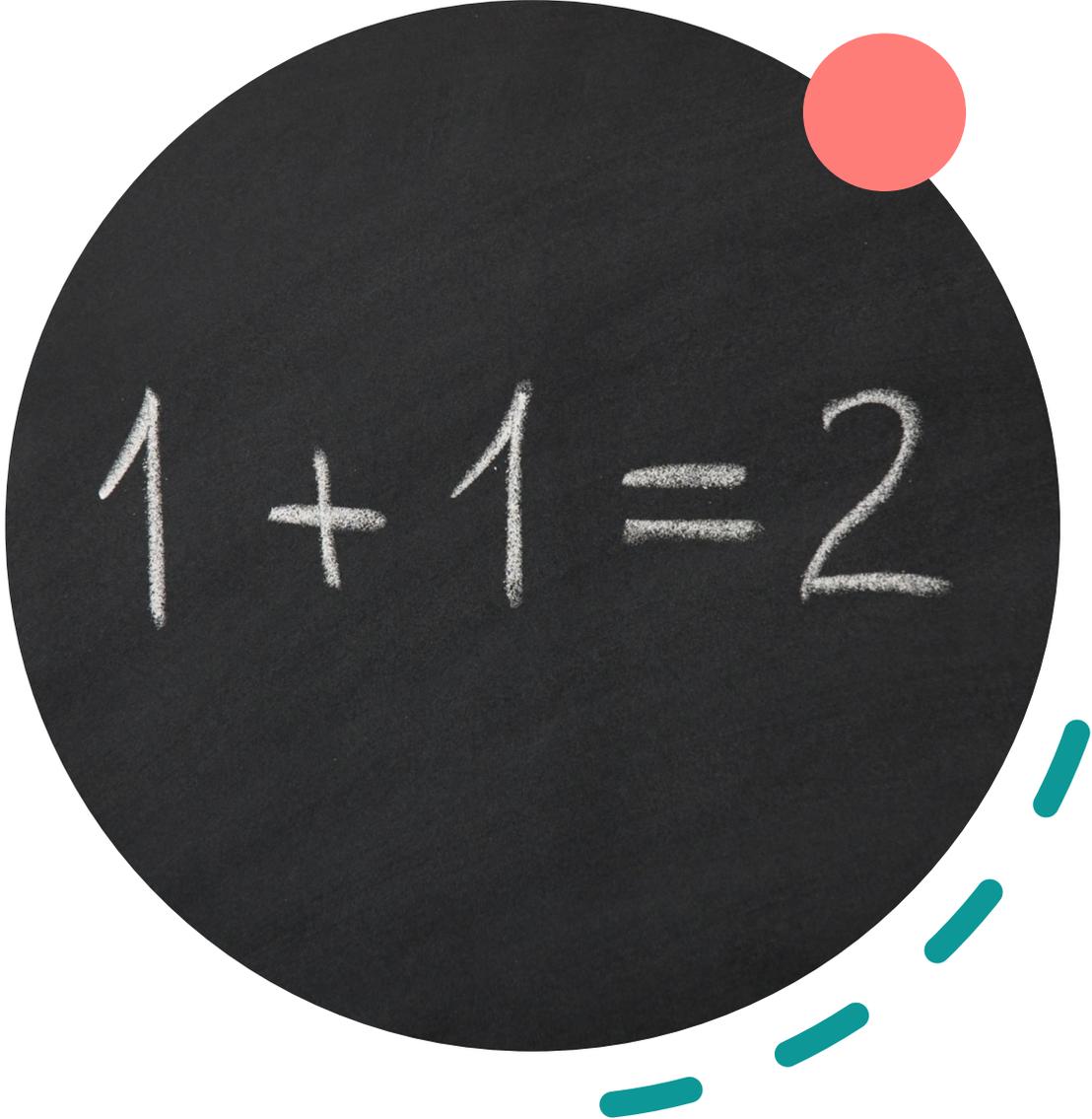
Important Considerations

- Early Retirement (penalties, liquidity, health care)
- Retirement Activities (traveling, shopping, etc.)
- Eliminate all debt (including mortgage)



"Keep this truth in mind: No investment is as safe as a paid debt, putting your desire to invest in something before paying off your debts is usually a sign of immaturity, not financial sophistication."

Austin Pryor


$$1 + 1 = 2$$

Withdrawals

Opportunity Cost (compound annually)

Distribution	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Yrs. of growth	10 Years	20 Years	30 Years	40 Years
ROR (CI)	6%	6%	6%	6%
Investment balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Investment Earnings (OC)	\$ 79,084	\$ 220,713	\$ 474,349	\$ 928,571
End Balance	\$ 179,084	\$ 320,713	\$ 574,349	\$ 1,028,571
Taxes & Penalties				
24% federal tax rate	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)
6% state taxes	\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ (6,000)
10% penalties (waived)	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)
Net estimated distribution	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
Total Potential Loss \$	\$ (109,084)	\$ (250,713)	\$ (504,349)	\$ (958,571)



Important Considerations

- Taxation (strategic withdraws)
- Retirement or Semi-Retirement (are you planning on working?)
- Reverse Mortgage?
- Insurance (health, life, long-term care)

Important Considerations

Health Care Cost—Medicare will be your primary (Social Security trust fund), supplemental plan (15 yrs. Minimum qualification by June 30, 2020), SHARP (HRA).



A photograph of an elderly couple sitting at a desk. The woman, on the left, has curly brown hair and is wearing a light pink shirt. She is holding a white mug and has her hand on the man's shoulder. The man, on the right, has white hair and is wearing glasses and a light blue polo shirt. They are both smiling and looking at a white laptop in front of them. The background is a bright, modern living room with a grey sofa and a wooden coffee table.

Important Considerations

- Parsonage-(clergy)
- Required Minimum Distributions (RMD) at age 72
- Are you contributing enough (DC) 2022 \$20,500 maximum contribution \$6,500 additional age 50 plus?
- Social Security Benefits-(estimated pension, age 70 optimizing) www.ssa.gov



Social Security

Easier to read than ever.

We have redesigned the *Social Security Statement* to provide you the most useful information up front and at a glance.

Check your *Statement* every year



Review Your Earnings Record



Get Personalized Benefit Estimates



More Info Based on Age/Earnings

[Access Your Statement Now](#)

Now that you can access your Statement instantly and from any device, we will not automatically send one by mail.

Now that you can access your Statement instantly and from any device, we will not automatically send one by mail.

my Social Security

Plan for the future, manage the present!

With your free and secure *my Social Security* account, you can receive personal estimates of future benefits based on your real earnings, see your latest *Social Security Statement*, and review your earnings history. It even makes it easy to request a replacement Social Security Card, check the status of an application online, and much more, from anywhere!

[Login Now](#)

[Learn More](#)

How else can we help you?



Calculators



Apply for Retirement



Check Application or Appeal Status



COVID



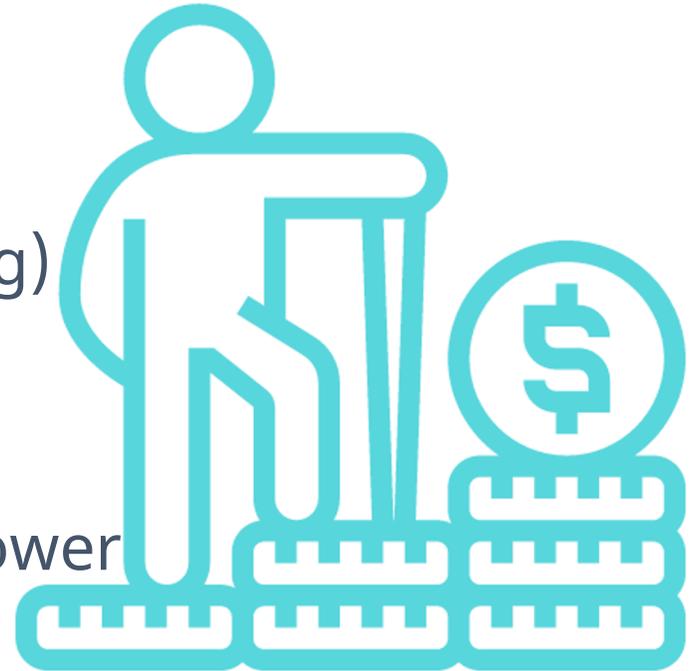
Publications



FAQs

What we've covered

- To gain knowledge & execute
- To tell your employees and share the knowledge
- Three ways to measure retirement savings
- Income, Longevity & Place to Live
- Accumulation (saving) & Decumulation (spending)
- Withdrawals (opportunity cost)
- Commit to implementing a financial plan
- Use the tools and resources available (e.g., Empower My Financial Path)





WWW's to remember:

Defined Benefit Plan Estimate (The Church Pension Annuities Tables 2022)

<https://www.adventistretirement.org/employer/defined-benefit-plan/>

"Where Am I?"

<https://www.adventistretirement.org/employee/defined-benefit-plan/>

Secure Foundation

https://fascore.com/PDF/IRA/Great-West_SecureFoundation.pdf

Social Security Administration

<https://www.ssa.gov/>

My Financial Path

New URL <http://www.empowermyarp.com>





Q & A

Edwin G. Romero

Administrador

edwinromero@nadadventist.org

443.391.7300

adventistretirement.org

