myHealth CONNECTIONS
PROMOTING HEALTH AND WELL-BEING
ignites
WELLNESS WEDNESDAYS
APRIL 2022
WEEK 1

Finance: Live For Now, Plan For The Future

The Roadmap to your Financial Destination

If you plan to have enough to live on now and in the future, investment is critical. Investment is when you allocate resources strategically to generate an income, profit, or incrementally grow your savings for long-term use. It's an effective way to put your money to work, potentially build wealth, and secure your lifestyle and financial well-being once you've retired.

Investment Strategies by Age

In Your 20s

Set Clear Financial Goals
Identify your short, medium and long-term goals. This can include setting a budget, starting an emergency fund, reducing debt, and considering how you may include insurance and retirement funds into your financial plans.

Start Early
Compound interest can be a powerful financial tool in your 20s because the money you save now can snowball and grow at a multiplied rate. How it works: you earn interest on both the money you save and the interest you earn. Time is the critical component.

Enroll in Your Employer-Sponsored 457(b) Deferred Compensation Plan
The 457 deferred compensation plan is a tax deferred voluntary retirement plan that can help supplement your retirement income. Contributions are done through payroll deductions. A little can go a long way. Employees can contribute up to $20,500 per year. If over the age of 50, employees are eligible to contribute an additional $6,500 annually. You can enroll at any time at www.cookcounty-dc.com or reach out to Nationwide at 1-855-457-2665.

In Your 30s

Consider Buying a Home
A home can be an excellent investment, especially in your 30s when marriage and family might be top of mind. Investing in your own home builds equity. The Internal Revenue Service also provides tax breaks, including deductions for mortgage interest, mortgage points and private mortgage insurance.

Get Life Insurance or Boost Your Plan
Life insurance protects your family if something happens to you. It acts as a financial buffer, paying for living expenses, debts, and medical expenses. If you want even more protection for your family's financial future, you can consider your employer-based group supplemental coverage plan or universal life insurance plan. You can enroll in these plans during the annual open enrollment period.

Build an Emergency Fund
Emergency funds can keep you afloat in times of need without relying on credit cards or high-interest loans. A good place to keep emergency funds are in high-yield savings accounts where they're federally insured and safe up to $250,000 per depositor. Here your funds earn interest and it's quick and easy to access through withdrawal or fund transfer.

In Your 40s

Get Serious About Saving
Max out contributions to your employer's retirement saving plan. Aggressively build your funds by selecting those with a track record of producing returns.

Build up Your Portfolio
Now's the time to do some serious portfolio building. A portfolio is made up of financial investments like stocks, bonds, commodities and cash. Your tolerance for risk, your objectives, and how much time you have are critical to the approach you use to assemble and adjust your investment portfolio.

Talk to a Financial Adviser
Speak with a financial adviser. They can guide you to investments that give you the best chance to beat inflation, which is the pace of rising prices in the economy.

In Your 50s & 60s

Focus on Stable Investment Options
You don't want to risk losing what you've earned and saved when nearing retirement. Switch some of your investments to more stable, low-earning funds like bonds.

Check-in Annually with your Financial adviser
Get professional advice and decide how to increase your retirement fund and when would be the best time to retire.

Get Caught Up
If you discover your retirement fund is coming up short, you have several options to get on track. Make sure you are contributing the maximum amount of money to your 457(b) deferred compensation plan. Speak with a certified public accountant about itemizing your tax deductions because it could increase your yearly return and allow you to boost your contributions. Pay off large, recurring debts that might follow you into retirement. The fewer your expenses, the farther the money you have saved can go.

(Sources: investopedia.com, investopedia.com, consumerfinance.gov, nerdwallet.com, investopedia.com, newyorklife.com, nerdwallet.com, investopedia.com, investopedia.com, marketwatch.com, forbes.com, investopedia.com, ramseysolutions.com)