

WINNING PRACTICES
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Holistic Retirement: Money, Purpose, Health



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Innovest Portfolio Solutions, LLC
Moderator

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“Top 5 Retirement Statistics that will Scare the **** Out of You”

1. Nothing Saved

More than **half** of Americans have **less than \$10,000** saved for retirement.



Source: Adopted from 15 Retirement Statistics that will Scare the Crap out of You by Eric McWinnie, Money and Career Cheat Sheet, April 2018. www.gobankingrates.com

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Top 5 Retirement Statistics that will Scare the **** Out of You

2. A Forced Retirement Doesn't Just Happen to Professional Athletes.

55% of retirees actually retire earlier than expected. **Health** is cited as the number 1 reason.



Source: Adopted from 15 Retirement Statistics that will Scare the Crap out of You by Eric McWinnie, Money and Career Cheat Sheet, April 2018. Gallup

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3

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Top 5 Retirement Statistics that will Scare the **** Out of You

3. Health = Wealth

A 65-year-old couple that retired in 2015 will spend **\$245,000** on healthcare in retirement.



Source: Adopted from 15 Retirement Statistics that will Scare the Crap out of You by Eric McWinnie, Money and Career Cheat Sheet, April 2018. Fidelity

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Top 5 Retirement Statistics that will Scare the **** Out of You

4. Women Save Less

The gap between men and women's retirement savings is as much as **26%**.



NAGDCA 2018 ANNUAL CONFERENCE Source: Adopted from 15 Retirement Statistics that will Scare the Crap out of You by Eric McWinnie, Money and Career Cheat Sheet, April 2018. www.gobankingrates.com

5

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Top 5 Retirement Statistics that will Scare the **** Out of You

5. Financial Wellness is Sick

S&P Interviewed 150,000 adults in 140 countries. Only **33%** worldwide could answer **3 out of 4** financial concept questions correctly. These concepts included inflation, compound interest, risk, and diversification.



NAGDCA 2018 ANNUAL CONFERENCE Source: Adopted from 15 Retirement Statistics that will Scare the Crap out of You by Eric McWinnie, Money and Career Cheat Sheet, April 2018. Standard & Poors

6

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Holistic Retirement: Money, Purpose, Health

Panelists:

Jonathan Viscounte – Prudential – *Achieving Financial Security can Improve Well-Being*

Andrea Cockrell – City of Plano, Texas – *Early Retirement and Retiree Education and Engagement*

Brayton Connard – Monroe County, New York – *Asset Retention, Phased Retirement and Retiree Engagement*

Carl Steinhilber – *Taking Care of Your Money, and Mental and Physical Health*

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Jonathan Viscounte
Prudential

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Financial Wellness in the Public Sector



Current public sector workers account for almost 1 in 5 employed persons in the U.S.

Source: Gallup, 2010

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Financial Wellness Impacts Overall Wellness



47%
fear not being
ready for
retirement

Source: Prudential consumer financial wellness study, August 2016. Percentage represents the number of respondents who selected this as one of their biggest money concerns.

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Financial Wellness Impacts Overall Wellness

44% fear not having enough money for daily living expenses

38% fear not being able to cover unexpected expenses

29% fear a lack of life and career opportunities

29% fear not being able to treat family and friends

Source: Prudential consumer financial wellness study, August 2016. Percentages represent the number of respondents who selected these as one of their biggest money concerns.

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Employers Have an Opportunity to Help

Financial education programs explain benefits and promote behaviors that improve well-being. Employers are rewarded with workers who are less stressed and less distracted.

Personal financial troubles result in distractions at work.



Only **37%** of millennials are comfortable with their progress toward their financial retirement goals.



62% of millennials say their loyalty to employers is influenced by how much they care for their financial well-being.

Source: Data based on an Economist Intelligence Unit survey conducted in September 2016.

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What Do Public Sector Employees Identify As Top Financial Goals?



Note: Data based on an Economist Intelligence Unit survey conducted in March 2017. The research, sponsored by Prudential, surveyed 1,877 U.S. public sector employees.

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1 to 1.5%
higher employer costs if employees delay retirement by one year*

How Can Employees Address These Challenges?

- Put goals on paper
- Automate a savings plan
- Cut back on social media

*Prudential, "Benefits Optimization: Insights into Benefit Plan and Portfolio Design," 2016. With supporting research and analysis conducted by the University of Connecticut's Goldenson Center for Actuarial Research.

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14

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Andrea Cockrell
Administrative Services Manager
City of Plano, Texas

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Holistic Retirement –More than Just Financial



8 DIMENSIONS OF WELLNESS

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17

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Steps to Holistic Retirement

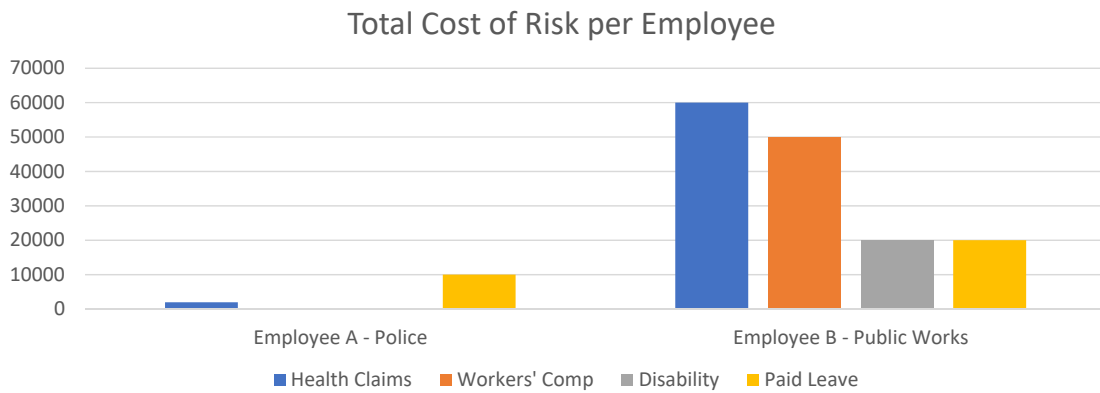
1. Analyze data
2. Determine areas of risk/focus
3. Develop a communication strategy based upon your outcomes
4. Take action!
5. Hands on approach
6. What do you want your retirement to look like?

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Poor Health Impacts All Areas, Including Retirement



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Taking Action – Microtargeting Messages

Example for those employees needing a scheduled orthopedic procedures email template:

Hello,

Hospital bills from surgery can be financially burdensome. And, the cost of procedures can vary widely even within the same city. Therefore, if your doctor told you that you need surgery, please know that I can find you blue-ribbon facilities that can perform the surgery for less. Please contact me for a cost estimate so you know what you can expect and make the choice that works best for you. For your convenience, my email address and phone number are listed below.

Kind regards,
Jordan

Jordan White, your dedicated Health Pro
855-777-0533
Jordan.white@compassphs.com

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Taking Action – What is Your Purpose?

Citywide campaign to engage employees

- Every person matters
- Every job has a purpose
- Together we make a difference



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Training for the Whole Person

- Include more than technical and policy driven trainings
- Personal enrichment series – offered on Friday afternoons
 - Gardening
 - Meditation
 - Personal finance
 - Cooking classes
 - Personal safety



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Keep Retirees Engaged and Prevent Isolation

- Social isolation is associated with defective immune functioning and higher blood pressure
- Loneliness and social isolation is a growing epidemic
 - Linkage to Alzheimer’s
 - Worse with those under 65
- City hosts a quarterly retiree luncheon at a recreation center and there is an educational topic (personal safety, skin health, dealing with the death of a loved one, etc.)
- City has two retiree places on its 457 deferred compensation committee



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Brayton Connard
Plan Chairman
Monroe County, New York

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Holistic Retirement?

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3 Examples of Holistic Retirement

- Remain financially fit by staying invested in your plan.
- Purchase health insurance on the Medicare individual market
- Consider phased retirement to stay engaged with a purpose

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VIP Retiree Dinner



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Medicare Individual Market with Retiree HRA

- Individual market better than group market
- HRA gives flexibility to retirees
- Partner with a broker
- Have a Change Management plan



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Phased Retirement

- Lock-in benefits
- Recharge batteries
- Preserve knowledge
- Improve financial condition



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Carl Steinhilber

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How Not To Run Out Of Money In Retirement

4% Rule

Calculate

\$500,000 in savings; inflation rate 3%
\$500,000 X 4% - \$20,000 year 1
\$20,000 X 1.03% - \$20,600 year 2, etc.

Also can use the 4% Rule to estimate the amount of savings needed

Need \$60,000 annually
Expect \$40,000 annually from Pension and/or Social Security
Gap = \$20,000
\$20,000 X 25 = \$500,000 in estimated savings at retirement (1 divided by 4%, equals 25)

** Flaws with the 4% Rule – Just a guideline*

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How Not To Run Out Of Money In Retirement

- Start planning and stop stressing
- Choose the right time to start Social Security and/or pension payments
- Annuities (including in plan retirement income and annuity solutions)
- If early enough, purchase of long-term care insurance
- Working in Retirement



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Maintaining Mental and Physical Health In Retirement

- Visualize your future thinking long-term and big picture
- Take care of your finances
- Make sure that your retirement plan is both financial as well as a holistic lifestyle plan
- Find meaning and purpose



“Happiness cannot be pursued, it must ensue. One must have a reason to be happy.”

“Man’s Search for Meaning” - Viktor Frankl

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Maintaining Mental and Physical Health In Retirement

- Exercise - Just 15 minutes – 45 optimum
- Engage in games – cards, Bingo, Bunco
- Furry Friendship
- Be Social
- Keep a schedule and structure
- Vacations
- Growing technology
- Learn a new skill



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Lessons of Healthy 90-year olds

- Exercise
- Non-physical activities – clubs, friends, crosswords
- 1-3 cups of coffee a day
- Up to 2 alcoholic drinks a day
- Gain a little weight

Great Online Resource: www.NewRetirement.com
*Want to Have a Good Retirement? 50 Tips for a
Healthy, Wealthy and Happy Retirement*
– Kathleen Coxwell – Apr 4, 2018



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Questions?



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Holistic Retirement:

- Health and wellness
- Emotional
- Financial

Can't focus on just one



<https://youtu.be/2kCxmVgDUug>

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37