

PERSONAL SAGE

Strategic Advice Guidance and Empowerment

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VIRGINIA BANKERS
ASSOCIATION
Benefits Corporation

Participant Education Enhancement

Virginia Bankers Association

May 21, 2024

SAGE
VIEW

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Dedicated Financial Coach for VBA Participants

Patrick Abelon, CRPS®, CRC®

Financial Wellness Consultant

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Patrick is Financial Wellness Consultant, based out of our Virginia office. Patrick has over 25 years of experience working with plan participants and serves as a dedicated resource to the VBA.



Individual Meetings Summary

Financial Coaching



Conversations with Financial Coach

Topics include:

- Retirement planning
- Social Security
- Medicare
- Contributions
- Distribution Options
- Asset Allocation

2024 FINANCIAL WELLNESS WORKSHOP CALENDAR

Each themed workshop will be available three times during that quarter to allow more participants the opportunity to attend.

Download the 2024 Wellness Workshop Registration Flyer

Q1
Healthy Habits

JAN 24 | FEB 21 | MAR 20

11am PT / 2pm ET

Automating Healthy Financial Habits
Save more for emergencies, retirement, and other financial goals

Debt Management & Prioritizing Your Savings
What comes first: retirement savings, emergency savings or paying off debt?

Credit: Understand it, Build it, Secure it
Protect your assets

Q2
Investment Insights

APR 17 | MAY 22 | JUNE 26

11am PT / 2pm ET

Target-Date Funds
Do it myself or do it for me? A deep dive into understanding TDFs and all the investment options in your retirement plan

The Power of 1%
Small changes make a big impact in retirement

Inflation and Interest Rates
Maximizing your money: navigating major purchases, financial planning and market fluctuations

Q3
Retirement Readiness

JULY 24 | AUG 21 | SEPT 18

11am PT / 2pm ET

Taxes in Retirement
Strategies for drawing down assets in retirement

Healthcare in Retirement
Medicare options and long-term care

Your Financial Legacy
Preparing for the unexpected: Trusts, wills and estate planning

Q4
Financial Fitness

OCT 23 | NOV 13 | DEC 11

11am PT / 2pm ET

College Savings 529 Plans
Understanding the tax and other benefits

HSAs and FSAs
Tax-advantaged savings for your healthcare needs

Roth vs. Traditional 401(k)/403(b)/457
What's similar, what's different, what's right for you?

PRE-RETIREMENT BOOTCAMP

Are you on track to achieve the retirement of your dreams?

Whether retirement is 10-15 years away, or you're planning to retire soon, our team is here to guide you every step of the way.

Join us for a two-part workshop covering essential topics to understand when planning for your retirement.

Part I

Wednesday, May 8, 2024

11am PT / 2pm ET

Navigating Your Financial Future:

*Unraveling Social Security, Medicare,
and Tax Essentials*



Nick Lamb, CFA®
Financial Advisor

Derrick Byrd, CFP®
Financial Advisor

Part II

Wednesday, May 15, 2024

11am PT / 2pm ET

Mapping Your Financial Journey:

How to Make Your Money Last in Retirement

Chad Olson
Financial Advisor

Kyle Thompson, AIF®
Financial Advisor



Click [here](#) or scan to register

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No Regrets Retirement

Addressing Retirement Risks and Planning for Tomorrow

May 21, 2024

Patrick Abelon CRPS®. CRC®
Financial Coach

SageView Advisory Group

SageView Advisory Group | 800.814.8742 | sageviewadvisory.com

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**You may be retired for
longer than you think**

A few questions you
may be considering:

Can I retire now,
or should I wait?

Will my
money last?

Will I be able
to maintain
my lifestyle?

Will I be able
to meet all
my expenses?

How should
my assets
be allocated?



Where will retirement income come from?

67%

Your own sources

49.9% EARNED INCOME

14.8% INVESTMENTS

2.2% OTHER

15.9% PENSION

17.2% SOCIAL SECURITY

33%

From outside sources



Five risks in retirement



1 | ➡ Longevity

2 | ❤️ Healthcare Expenses

3 | ⬆️ Inflation

4 | 📁 Asset Allocation

5 | 💵 Excess Withdrawal

Ask yourself: when should I retire?

The answer will be different for everyone

It might be when...

You know you can **afford** to

You're **not enjoying work** as much as you used to

Your **family** needs you

The **date** you set finally arrives

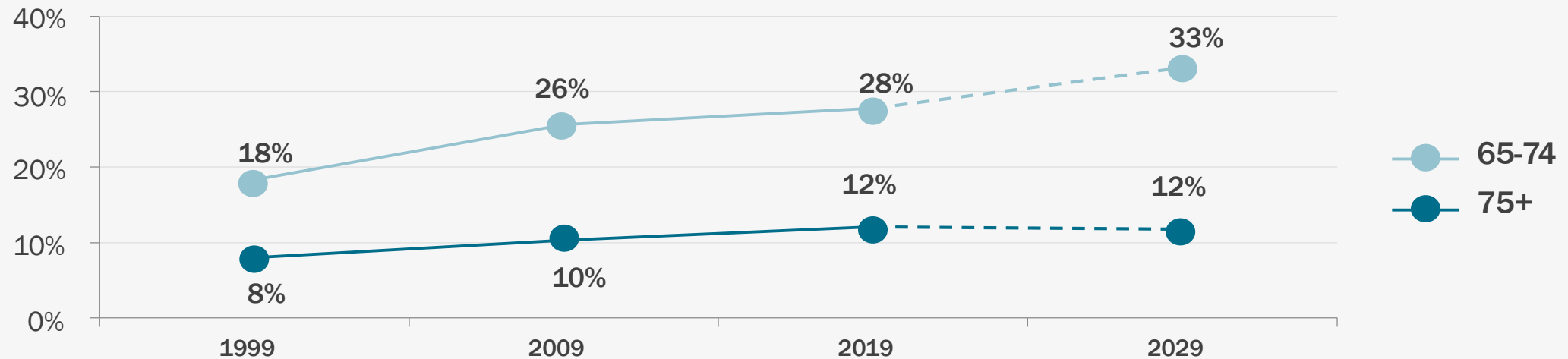
The **unexpected** happens



Many people are working longer

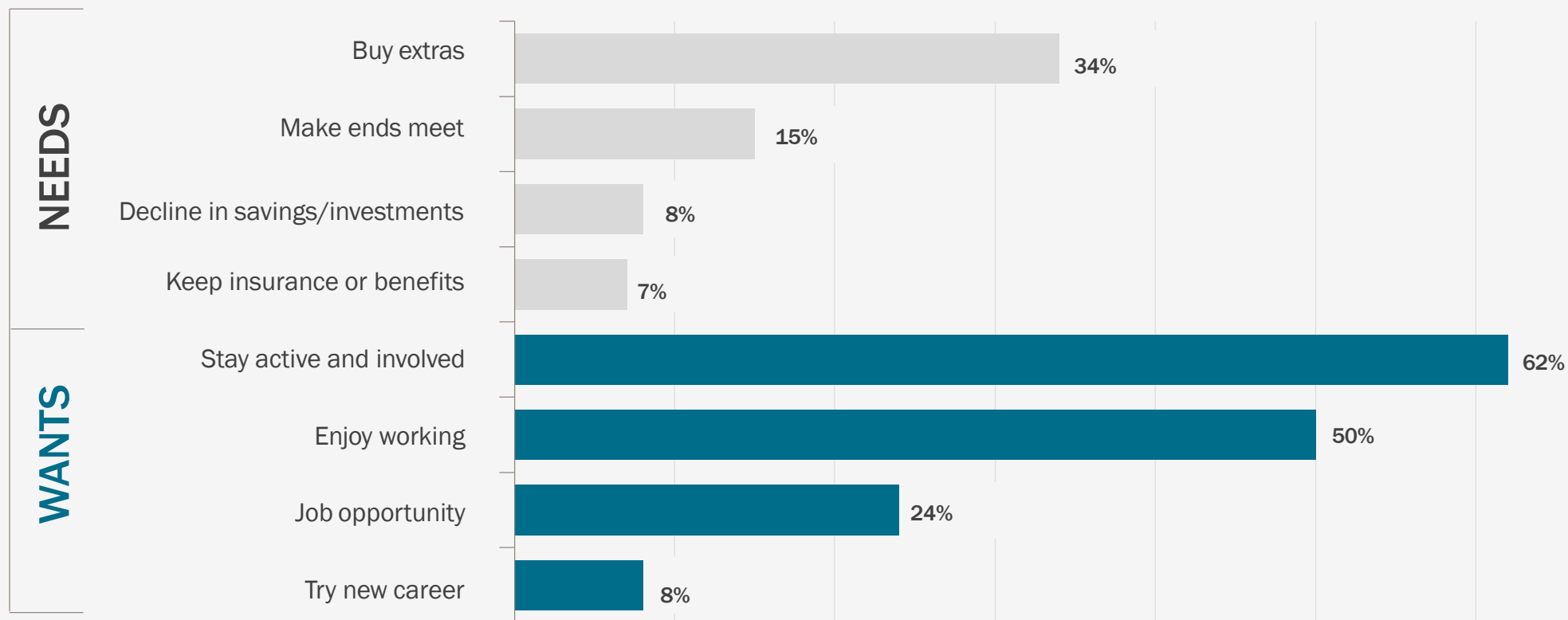
- Age 65 seemed like the magic retirement age for so many years, and was the age set for retirement in 1935 when Social Security was established. It may even be the age you are still aiming for. However, it's best to be realistic.
- Working longer gives you more time to save and may help you get the best benefit from Social Security.

Percentage of people in the civilian labor force 1999-2029



Source: Bureau of Labor Statistics, Employment Projections, Table 3.2 and Table 3.3. Actual data to 2019 and projection to 2029.
Civilian population age 65+ is non-institutionalized population.

Major reasons people work in retirement

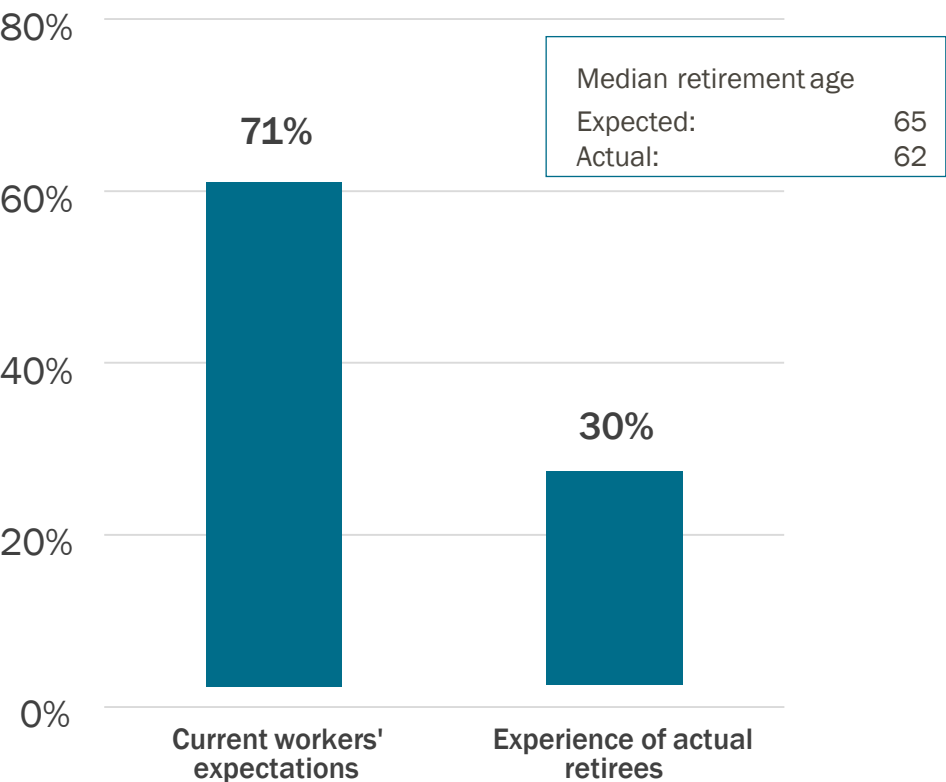


Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., 2019 Retirement Confidence Survey. Latest available data as of December 31, 2020. People may have given more than one answer.

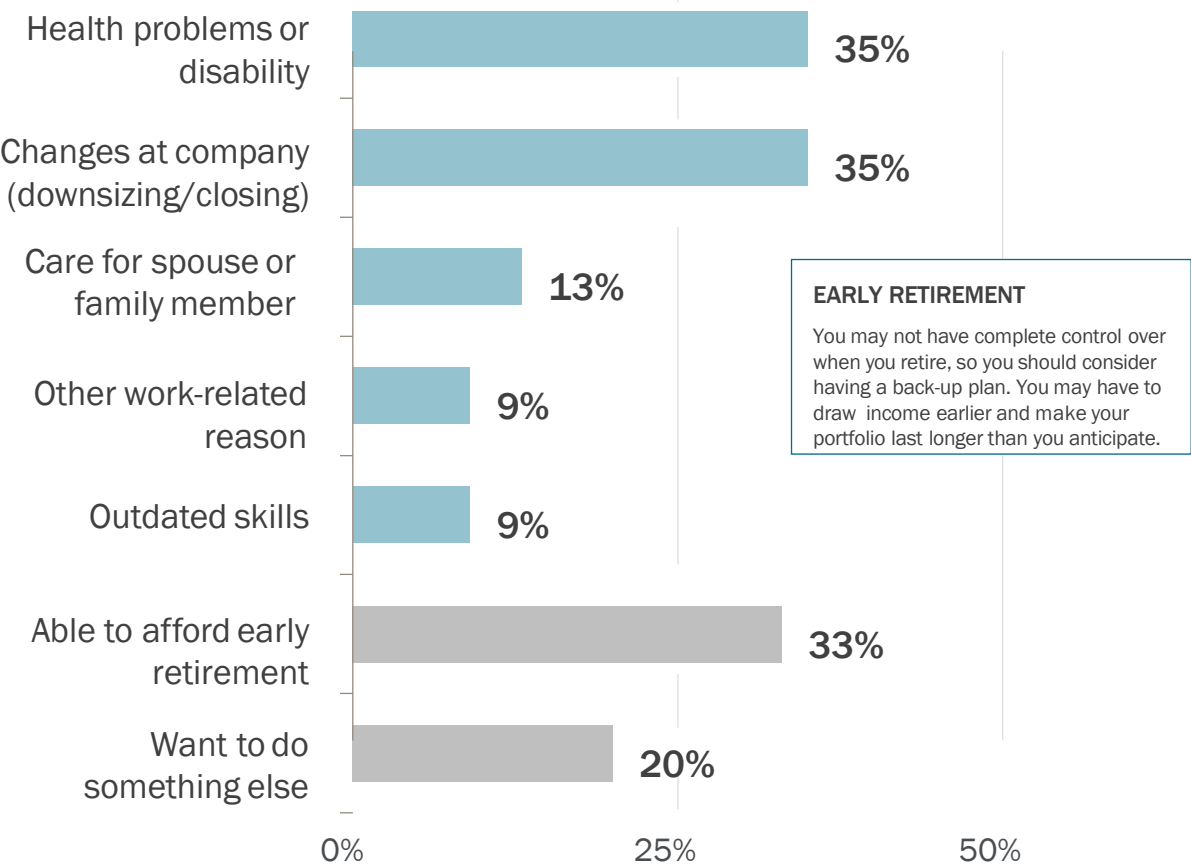
Managing expectations of your ability to work

Expectations of workers vs. retirees

To retire at age 65 or older



Reasons cited for retiring earlier than planned



Plan to make your money last:

The biggest risk that retirees can face is running out of money

65-Year-Old Male

61% Probability of Reaching Age **80**

41% **85**

22% **90**

8% **95**

Average life expectancy =
17.6 more years

65-Year-Old Female

71% Probability of Reaching Age **80**

54% **85**

34% **90**

16% **95**

Average life expectancy =
20.4 more years

65-Year-Old Survivor*

88% Probability of Reaching Age **80**

73% **85**

49% **90**

23% **95**

Average life expectancy =
24.4 more years

How much should you withdraw from your retirement account annually?

Old Rule: The 4% Rule

As long as you withdraw 4% of your balance from your retirement accounts each year – no more, no less – your money should last 30 years.

New Rule: 3-4%

A more conservative approach to adjust for market volatility. Review periodically to make sure you're on track.

Be mindful of healthcare costs in retirement

Planning is critical. Healthcare costs are forecast to grow faster than Social Security's cost of living adjustment.

Healthcare costs in retirement

An average 65-year-old married couple retiring today may pay:

\$404k

For retirement health
care costs*



Women may spend more on health care in retirement



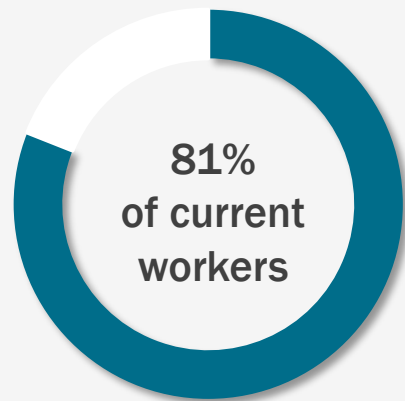
$$\begin{array}{r} 2 \\ + 2 \\ \hline = 4 \end{array}$$

Husbands are **2** years older than their wives, on average.

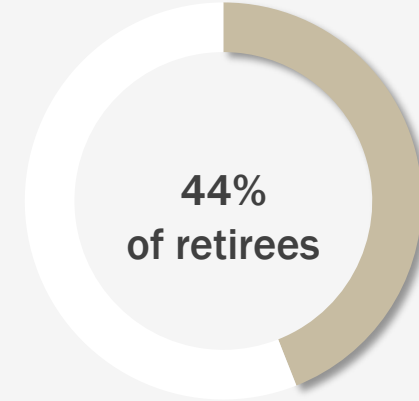
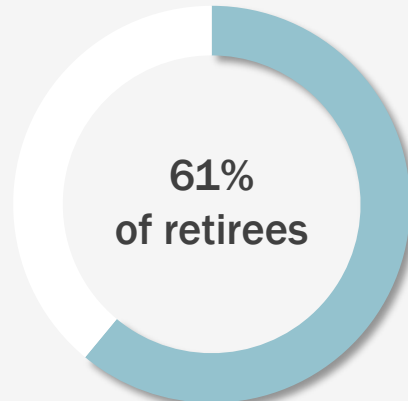
Life expectancy for women is **2** years longer than men.

The surviving female spouse may live an additional **4** years in retirement.

Be mindful of healthcare costs in retirement



haven't calculated how much they'll need to pay for health care in retirement



say that they've already spent more on health care than they expected

Source: 2018 Retirement Confidence Survey. Employee Benefit Research Institute

Medicare won't pay for everything

What's not covered by Medicare Part A and Part B?

- Long-term care
- Most dental care
- Eye exams related to prescribing glasses
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitting them
- Routine foot care

Determine what's right for you



1 | SHOP

Do an annual comparison.



2 | EVALUATE

Your health by staying on top of preventative care.

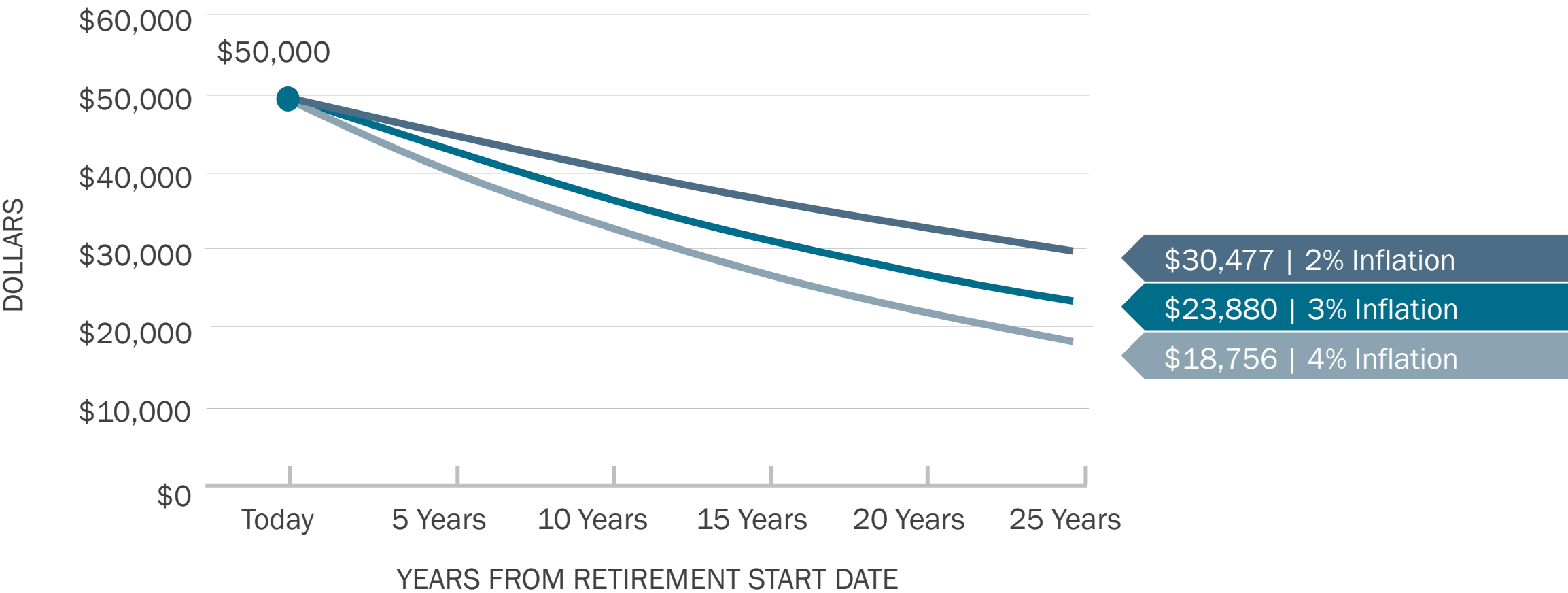


3 | MANAGE

Compare coverage and cost.
Confirm your doctor/hospital
are in the network.

Premiums
Deductibles
Co-Pays

Inflation



All numbers were calculated based on hypothetical rates of inflation of 2%, 3%, and 4% (historical average from 1926 to 2012 was 3%) to show the effects of inflation over time; actual inflation rates may be more or less and will vary.

Position your portfolio appropriately

1. Match spending to risk

Align investment risk to cover the types of expenses you have.

Lower-Risk Investments

- Short-term government
- Intermediate-term government
- Corporate bonds

Use lower risk / lower volatility investments for essential expenses, especially in the first three to five years.

Stock Investments

- Growth
- Value
- International

Use stocks for discretionary expenses, to address longevity and inflation risks, and fund legacy wishes

2. Choose the right asset allocation

Having the appropriate mix of stocks, bonds and cash may improve your odds of retirement success.

You may want more stock exposure when:

- Your retirement time frame is longer
- Inflation is higher
- Your withdrawal rate is higher
- You have a higher risk tolerance

You can have lower stock exposure when:

Market risk is high

Your retirement is well-funded and conservative investments will sustain your retirement income

3. Enhance diversification

- Spreading your money across different asset types has historically been successful for managing volatility
- Diversification may also help increase the probability that your money will last

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THANK YOU



Schedule your
complimentary
1:1 consultation

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