



Postcards from the Future:

A woman's guide to
financially ever after

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May 26, 2016



Today's agenda

- Challenges most women face in planning for retirement
- Retirement visioning
- Exercise: Retirement readiness—are you on track?
- Foundations for saving & investing
- Game: Advisor Think Tank

Three challenges most women face in planning for retirement



1. May need to save more money due to longevity
2. May have fewer years to save the necessary amount
3. May not be able to save as much from year to year

Envisioning your retirement



What are you saving for?



Envisioning your retirement



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Get organized and stay organized

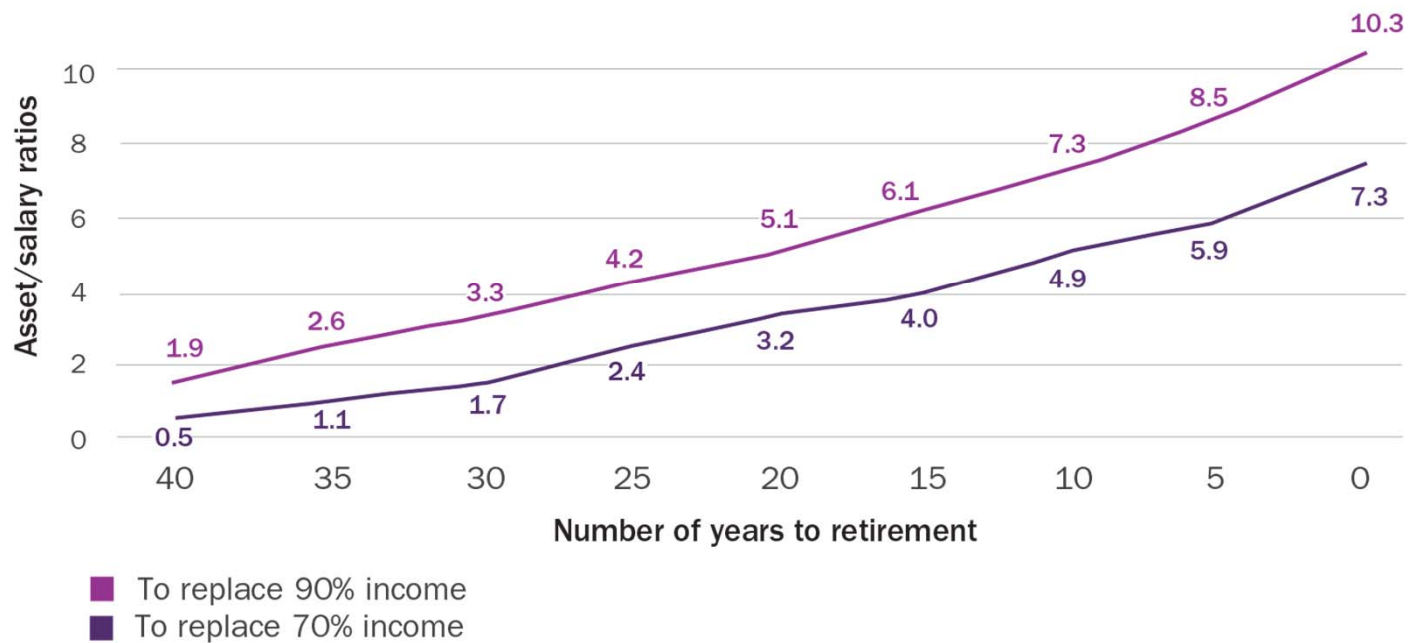
Are you planning smart?

- Organize your financial records
- Check your credit rating
- Review your cash flow
- Review your net worth
- Keep your living will updated, including your Healthcare Directive
- Keep your final will updated

Calculate your retirement readiness

Are you on track?

Asset/salary ratios: By number of years to retirement and income replacement goal



Assumes 4% salary growth, 6% preretirement interest rate, 10% annual contributions (including any employer match), and Social Security payment equivalent to 20% of preretirement income. At retirement (age 65), the income stream is based on a single life annuity with a postretirement interest rate of 4% annually and current TIAA mortality rates.

Your employer's core retirement plan

Defined Benefit plan

- Understand the benefit formula and vesting
- Understand distribution options

Defined Contribution plan

- Take advantage of employer's plan
- Plan contributions consist of:
 - Employer: 8.9% of the first \$59,750 of salary and 13.2% of annual salary in excess of \$59,750
 - Employee: Up to 80% (up to IRS limits)



Your employer's supplemental retirement plan(s)

Tax-deferred accounts 403(b), 401(k), 457, etc.

- Pretax contributions
- Tax-deferred growth opportunity
- Current year limit: \$18,000
- Current year limit, if over age 50: \$24,000

Roth 403(b)

- Income limits not applicable
- After-tax contributions
- Tax-free growth opportunity

Social Security retirement benefits



- Visit www.ssa.gov
- Understand your choices for income

Year of birth	Full retirement age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Which IRA is right for you?

Traditional IRA

- Tax-deductible contributions, if under income limits
- Tax-deferred growth opportunity
- Withdrawals are taxable as ordinary income
- Balance is subject to IRS minimum required distribution
- 10% income tax penalty if withdrawals are made prior to age 59½

Roth IRA

- After-tax contributions
- Eligible if within income limits
- Tax-free growth opportunity
- Withdrawals are tax free under certain conditions
- Balance is not subject to IRS minimum
- If you are over income limits, consider conversion to Roth

Which IRA is right for you?

Important items to consider:

- Your tax bracket now
- Your projected tax bracket in retirement
- Deferred income option beyond age 70½
- Access to funds in the event of an emergency

Risk and reward

Which asset classes should you choose?

The short answer is all of them —what we call diversification.

A rule of thumb in investing is to try to spread your money across many asset classes. This keeps you from putting all your eggs in one basket, and serves to help reduce risk and provide a variety of opportunities for reward. We'll get into diversification with asset allocation next. The long answer is to buy whatever you're comfortable owning based on the aspects of risk and reward. Remember, no method of investing can ensure a profit or protect against loss.

What if you need your money now?

Different asset classes have different rules about when and how you can access your money.

It's important to be careful with retirement accounts, especially when you need your money earlier than planned. Consult a financial consultant when you need to make a sudden withdrawal. There may be fees or penalties associated with early withdrawal.

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

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Now where did I leave my assets? Asset classes are in session.

An asset class is simply a broad classification of different types of investments. Every asset class has strengths and weaknesses, risks and rewards. Here's how TIAA defines asset classes.

Guaranteed

A guaranteed asset is one with a fixed rate and is backed by the claims-paying ability of the issuing insurer. Guaranteed assets preserve your principal amount invested, and they provide a specified minimum return.

Money Market

Money market investments are relatively safe, liquid, short-term investments, such as government issued securities, CDs, banker's acceptances, euros and commercial paper. While they are less volatile than stocks and bonds and offer a great place for short-term investments, they have a lower potential growth than other options.*

Fixed Income

Fixed income, or bond investments, generally pay a set rate of interest over a given period, then return the investor's principal. They're more stable than stocks, but their value may fluctuate due to current interest and inflation rates.

Real Estate

Your first thought may be your home or investment property. But look at it as shares of funds that invest in commercial real estate. It is always important to keep in mind that the real estate sector is subject to various risks, including fluctuation in underlying property values, expenses and income, and potential environmental liabilities.

Stocks (Equities)

Equities, also called stocks, represent shares of ownership in publicly held companies. They have historically outperformed other investments, but keep in mind that past performance does not guarantee future results. Stocks are the most volatile in the short term than any other asset class, which gives you the potential for big gains and big losses. Returns and principal will fluctuate, and, when redeemed, may be worth more or less than original cost. Timing is important.

What's your risk tolerance? Risk and reward

Investments almost always come with some amount of risk that you could lose money. Assuming some risk is simply part of the process, but some investments carry more risk than others. Being too conservative can be inherently risky as well, thanks to inflation.

With your goal in mind, choose the available investments based on their potential ability to reach the goal balanced against the amount of risk you're willing to assume. If you have a lower risk tolerance or a short-term goal, low-risk accounts like money markets or fixed income investments are likely your best option. If you have a higher risk tolerance and a long-term goal, you may opt for higher risk investments like stocks.

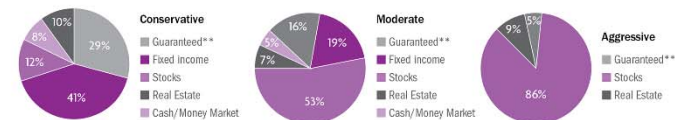


Retirement investing can involve a variety of investment classes, which will depend on how far away retirement is. It is important to take enough risk so that your potential investment gains will outpace inflation. When investing for the long term, it's also important to accept that the market will fluctuate. Stay the course and don't panic.

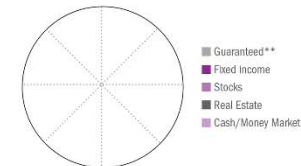
Although past performance doesn't guarantee future results, stocks have historically outpaced inflation and outperformed interest-bearing securities, such as bonds over the long term.

Lastly, factor in fees, taxes and other expenses that can wither your returns. At TIAA, for example, you'll find our fees are relatively low compared to the industry at large.*

Sample portfolio allocations



Allocate your own percentages here:



*The expense ratio on all mutual fund products and variable annuity accounts managed by TIAA-CREF is generally less than half the mutual fund industry average. (67% are less than half their respective Morningstar Universe average and 61% are less than half their Morningstar Universe median). Source: Morningstar Direct, September 30, 2015. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative, and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

**Based on the claims-paying ability of TIAA. The specific asset allocations shown in the model portfolios were generated by Ibbotson Associates, one of the nation's leading financial advisors. The model portfolios presented here were not created specifically for you and may not take into account your particular retirement goals or investment preferences. The ultimate allocation decision is up to you after you have considered investment information that pertains to your own personal circumstances.

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Financial well-being for you and your family



- Life insurance
- Healthcare
- Disability income insurance
- Long-term care insurance

Income strategies at retirement

- Customize an income stream
- When a lifetime annuity makes sense
- The flexibility of cash withdrawals
- 70½ IRS required minimum distribution rules
- Meet with a TIAA representative at least one year prior to retirement to review options



Early career: Starting out

Sarah Braverman

- Age: 38
- Divorced
- Two children
- Occupation: Bartender
- Retirement age goal: 70 (A girl can dream.)
- Annual salary: \$24,000
- Retirement savings to date: \$3,000
 - 100% cash
- Healthy



Early career: Starting out

Sarah Braverman

- Asset/salary ratio
 - $2.8 \times \$24,000 = \$67,200$
- Make saving a priority
- If you have debt, begin paying it down. It's the most important thing you can do to help achieve financial freedom.
- You moved back home, but where else can you save? Start with a budget.
- Do you have a will? Have you thought about what will happen to your kids if something happens to you?



Mid career: In gear!

Liz Lemon

- Age: 43
- Single
- No children
- Occupation: Writer on TGS
- Retirement age goal: 68
- Annual salary: \$125,000
- Retirement savings to date: \$60,000
 - 90% equities
 - 10% fixed income
- Healthy



Mid career: In gear!

Liz Lemon

- Asset/salary ratio
 - $3.6 \times \$125,000 = \$450,000$
- Consider individual options to supplement savings
 - Use cash flow analysis to “find money”
- Review asset allocation
- Consider future life events
 - Is there enough in the emergency fund?
- Keep beneficiaries up-to-date
- Plan how to address long-term care needs



Elaine Benes

- Age: 50
- Single
- No children
- Occupation: Editor at J. Peterman Catalog
- Retirement age goal: 70
- Annual salary: \$65,000
- Retirement savings to date: \$175,000
 - 90% equities
 - 10% fixed income
- Healthy



Mid/late career: On your way!

Elaine Benes

- Asset/salary ratio
 - $4.5 \times \$65,000 = \$292,500$
- Consider individual options to supplement savings
 - Use cash flow analysis to “find money”
- Review asset allocation
- Consider future life events
 - Is there enough in the emergency fund?
- Keep beneficiaries up-to-date
- Plan how to address long-term care needs



Questions?



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Action steps

- Know your asset/salary ratio
- Maximize employer-based benefits
- Utilize strategies for individuals (e.g., IRAs)
- Use online services
- Don't be afraid to "ask for directions"
...schedule an appointment



Help make your vision a reality!

Additional Women's Resource: The women's community



Woman2Woman: Financial Living at tiaa.org/woman2woman

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Conversations and insights to help you achieve financial well-being


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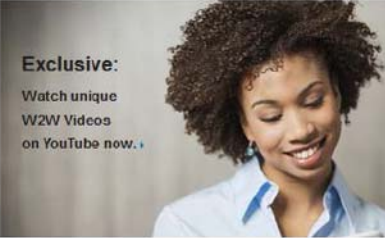


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OR

Visit



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