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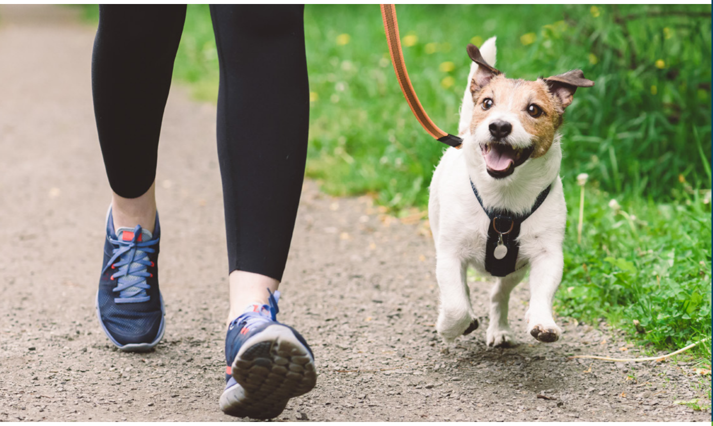


EMPLOYEE FINANCIAL EDUCATION

What Does It Take to Be Financially Healthy?

Commitment, good savings habits, goal-setting, and professional help are four keys to improving financial fitness.

Getting financially healthy is much like improving your physical health. Both take dedication, lifestyle changes, a willing mindset, and, often, professional guidance.

Just like building muscle or losing weight, achieving financial health doesn't happen overnight—it takes time and persistence. It often involves small yet impactful changes that foster healthy habits to reach your long-term goals.

If you want to get financially healthy, you must have patience while you develop new habits. Dedicate time to monitoring your spending and saving behaviors. A good place to start is scheduling weekly or monthly check-ins. Keeping tabs on your finances will help you start to see the benefits paying off.

Here are three tips for better financial health:

Make Saving a Part of Your Regular Routine

Better physical health starts with lifestyle changes, like meal planning or getting regular exercise. Similarly, good habits like budgeting, automating savings, and creating an emergency fund all go a long way toward improving your financial health.

Set Realistic Goals

It can take months to see the results of a new routine—physical, mental, or financial. Shift your mindset to focus on staying on track, and remember, financial health is a journey, not a destination.

Get Help From a Professional

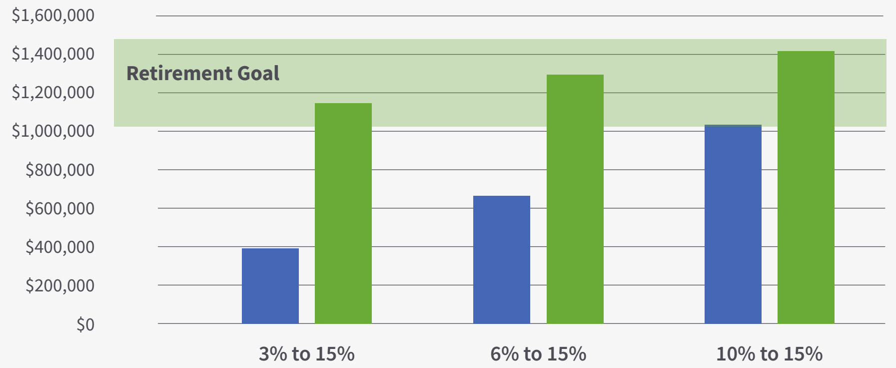
Working with a financial advisor to help boost your financial health is like hiring a fitness coach to guide you in making healthy changes. Having a professional in your corner can help you gain knowledge, discipline, and confidence in order to make progress toward your financial goals.

Small Changes Add Up Over Time

The average deferral rate is 7.4%,[1] but 10-15% is recommended for a healthy retirement. Let's see how raising deferral rates affects a 30-year-old employee earning $50,000 annually with a $10,000 401(k) balance.

As you can see, increasing the contribution rate can make a big difference toward reaching retirement goals!

Retirement Projections by Contribution Rate



	3% to 15%	6% to 15%	10% to 15%
No Increases	$385,283	$663,804	$1,035,156
1% Annual Increase Up to 15%	$1,146,669	$1,286,767	$1,424,115

*Chart Source: *Dinky Town Calculator. Hypothetical example for illustration purposes only. Illustration projects savings at 65 using a 7% rate of return, a 2% annual salary increase, assumes the return is compounded annually and deposits are made monthly. The actual rate of return is largely dependent on the types of investments selected. Retirement Goal based upon industry recommendation of 10-12 times salary at retirement age.*

Could You Save More?

Increasing your contribution rate by 1% might not seem like much, but it can make a big difference. You can manually raise it yearly or, if your plan allows, opt for **automatic escalation**, gradually increasing your savings rate until you reach the limit.

What Does a Small Increase Look Like?

<< Click to enter your annual salary

8%	10%	12%	14%	15%
$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

← How much you'll save each week →

Does your current savings rate fall short of your retirement goal?

Here's what to do next:

- Review your current 401(k) statement to see your current contribution rate.
- Use a retirement calculator to see if your savings are on track.
- Explore increasing your savings rate.

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1 Vanguard. "How America Saves." 2023.