


Get Started Today!

In today's presentation, we'll cover:

- Why you need to save for retirement
- How your plan makes it easy to save
- How to invest with confidence
- How to track


Enrollment Presentation



Get Started Today!

For today's presentation, you will need:

- Your enrollment booklet
- A pen or pencil

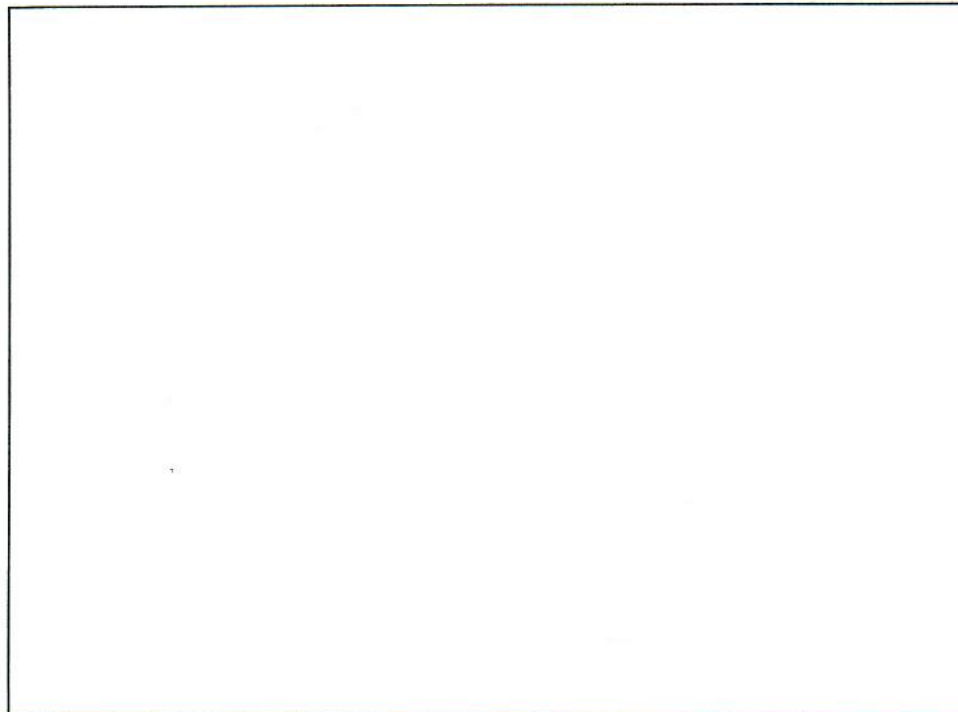


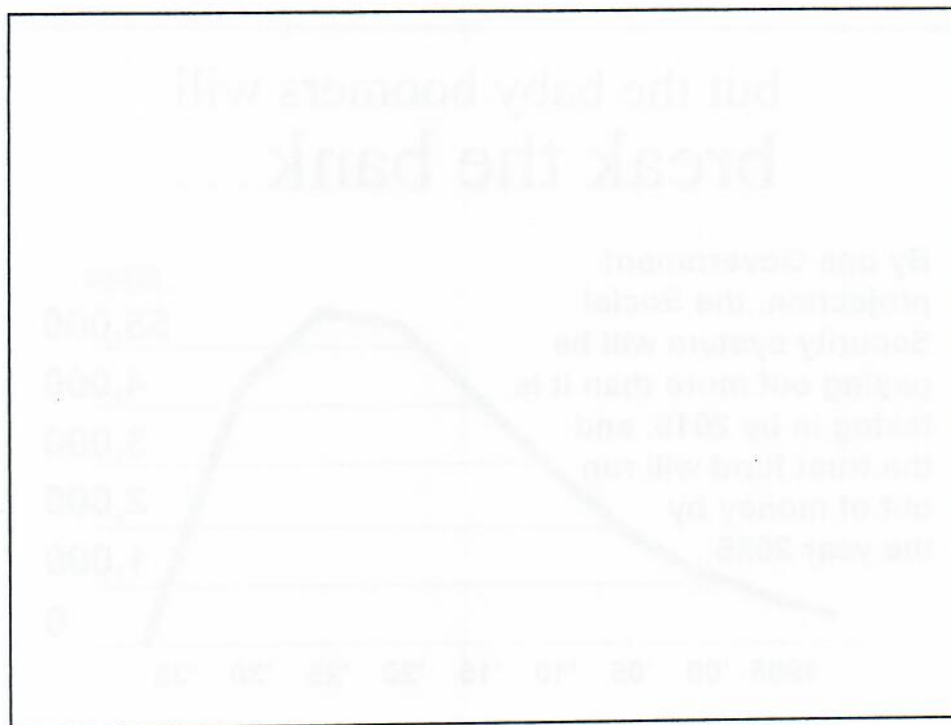


Get Started Today!

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Why Save?

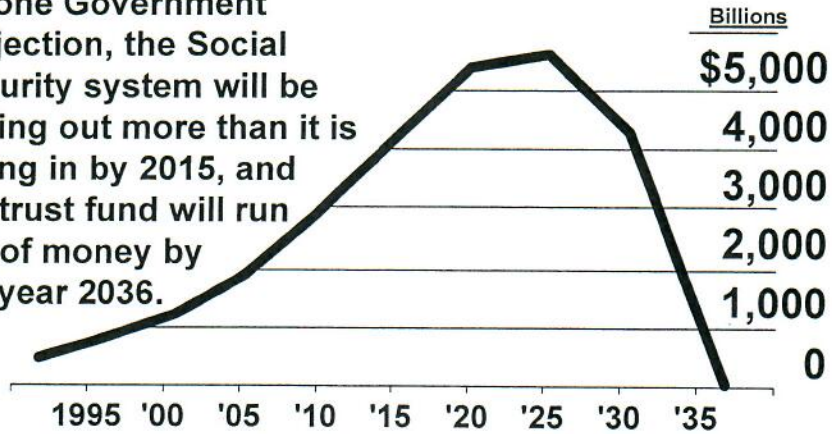
People are living longer and healthier lives

- You could spend 15, 20, 25 years or more in retirement
- Most experts suggest you will need 70% – 90% of working income
- You want work to be a choice



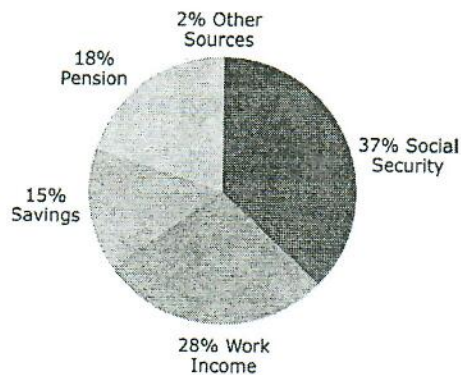
but the baby boomers will break the bank...

By one Government projection, the Social Security system will be paying out more than it is taking in by 2015, and the trust fund will run out of money by the year 2036.



Why Save?

Sources of Retirement Income*



* Age 65 and older
Source: Social Security Administration, 2008



Why Save?

The Effects of Inflation

	Cost Today	Cost in 20 Years
Fast food for 4	\$21.16	\$46.36
2 movie tickets	\$20.00	\$43.80
New home	\$220,400.00	\$482,924.00

Fast food: 4 extra value meals, Jan. 2009.
 Movie tickets: Assumes median movie ticket price of \$10.00.
 Home: U.S. Census Bureau, New Single Family Home, median price, Nov. 2008.

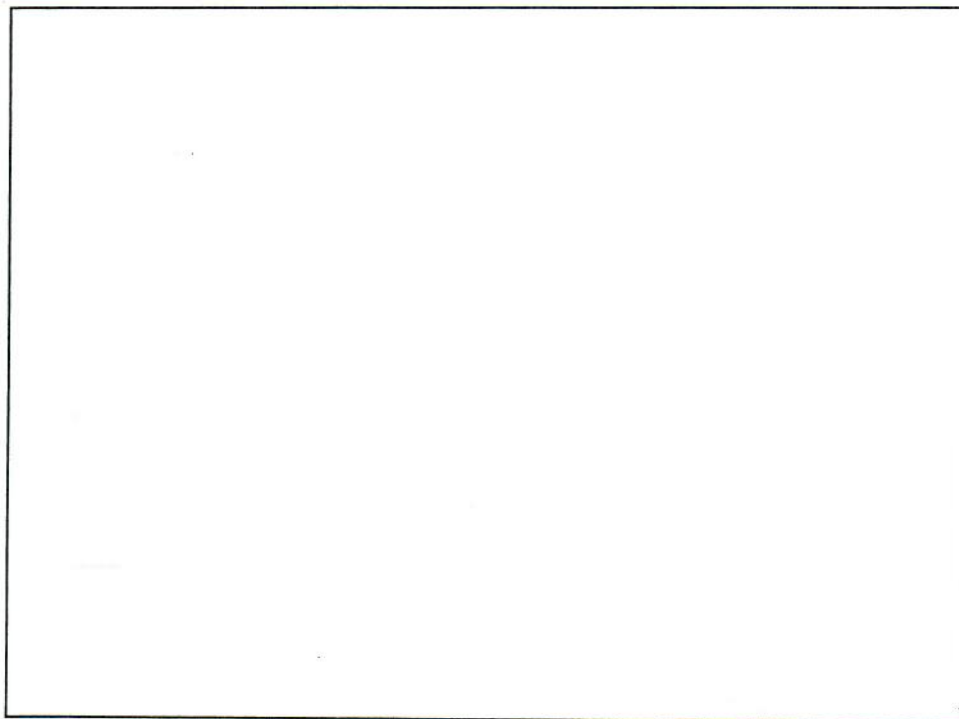


Why Save?

The most important reason to save?

- You want a great retirement!
- Your financial independence is a necessity





Your Plan Brings It Together

The convenience of automatic deductions

- Pretax savings
- Tax-deferred compounding



Your Plan Brings It Together

The Benefit of Pretax Savings

When you contribute	It equals this dollar amount	Your net pay is reduced by	And your annual tax savings is
5%	\$57.69	\$49.04	\$225
8%	\$92.31	\$78.46	\$360
10%	\$115.38	\$98.08	\$450
15%	\$173.08	\$147.12	\$675

Assumes a single taxpayer with \$30,000 annual income, paychecks every two weeks, and 2009 IRS tax regulations, standard deduction, and exemption amount.



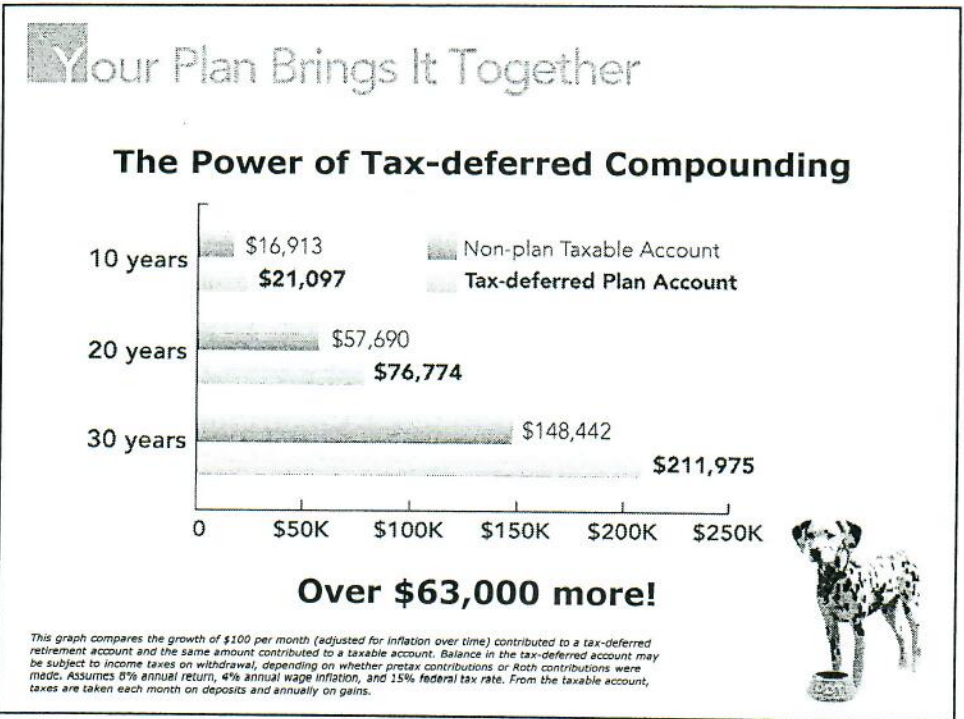
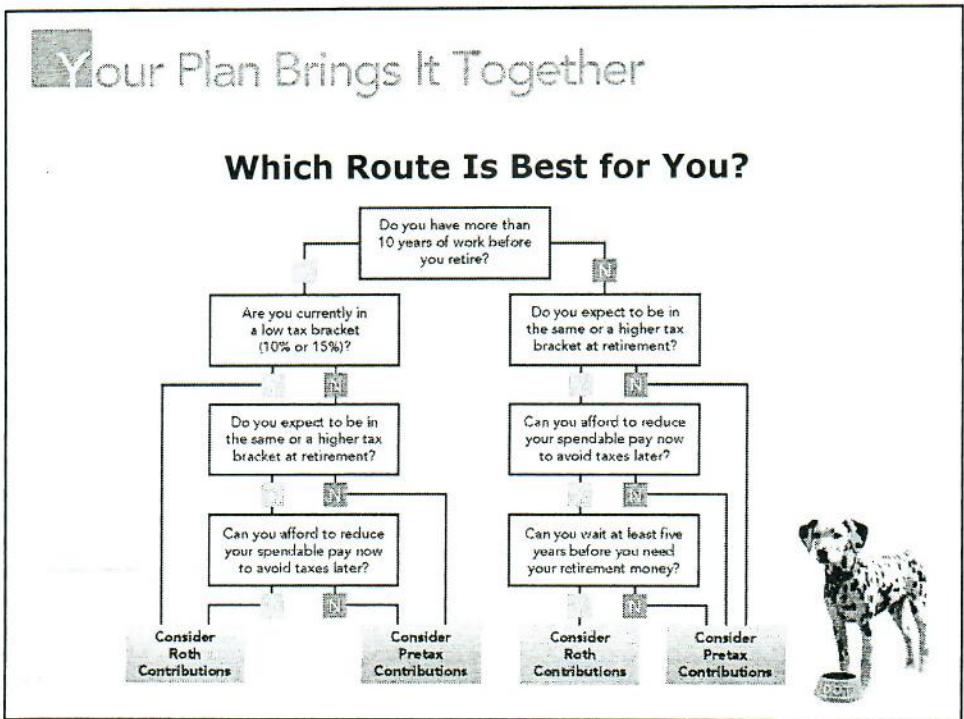
Your Plan Brings It Together

Traditional Pretax vs. Roth Contributions

Benefit	Traditional Pretax	Roth Contributions
Tax-deferred Contributions?	Yes	No
Treatment of Plan Earnings?	Tax Deferred	Tax Free*
Tax-free Distributions?	No	Yes*

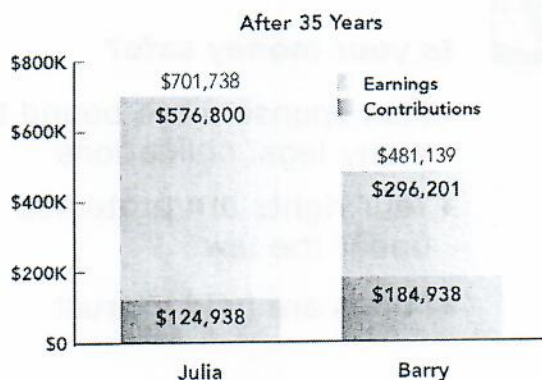
* Tax law requirements must be met.





Your Plan Brings It Together

Don't Delay, Start Today!



End balances after 35 years. Assumes \$30,000 annual wage, 10% contributions for 25 years, 4% average annual wage inflation, 8% average annual return, and Barry starts 10 years after Julia. Deposits to the plan at the end of each month.




Your Plan Brings It Together

Your match makes the difference!

- Your company offers a match of ___ cents on each dollar, up to ___% of pay
- It's like "free money"






Your Plan Brings It Together

Is your money safe?

- Plan sponsors are bound by many legal obligations
- Your rights are protected under the law
- Funds are held in trust





Your Plan Brings It Together

Digging for Dollars

Small Sacrifice	Annual Savings	30 Years in Your Plan
1 specialty coffee per day	\$912.50	\$161,189
1 movie per week	\$520.00	\$91,855
1 candy bar per day	\$200.75	\$35,462

Assumes an 8% annual return and monthly compounding.
Assumed prices: Specialty coffee, \$2.50; movie ticket, \$10.00; candy bar, \$0.55. Prices increase 4% annually.
Source: Newkirk Products, Inc., 2009






Your Plan Brings It Together



How much should you contribute?

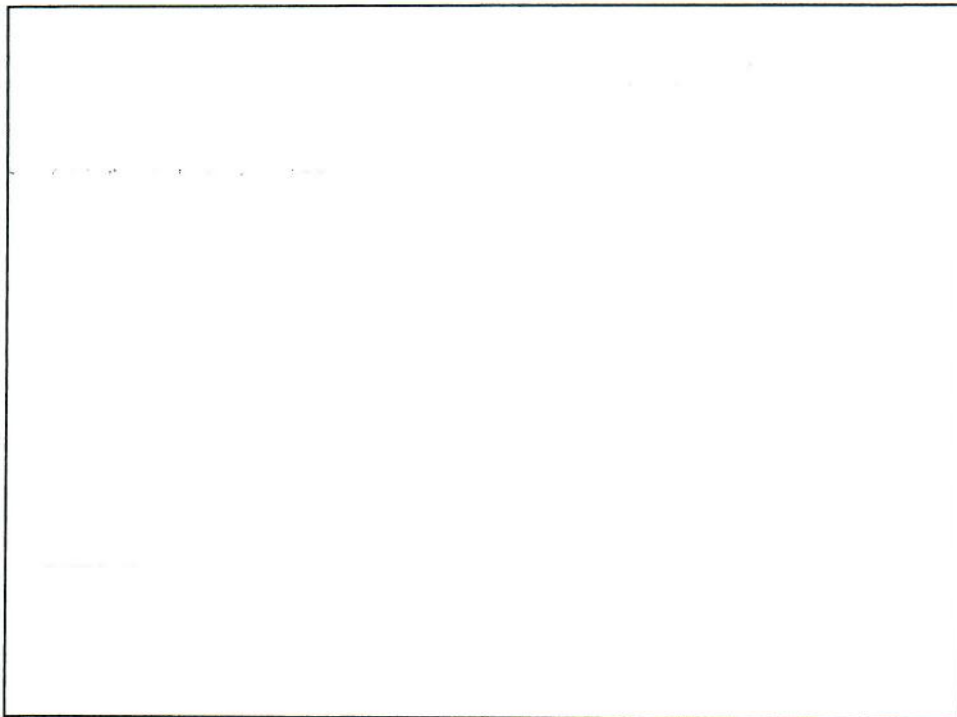
- You can try a percentage and change it if necessary
- Many people start with 5% and increase it over time



Your Plan Brings It Together

Your plan highlights






Invest in Your Future

The difference between saving and investing

- Saving is putting something aside for later
- Investing is putting something in with the hope of getting something better out







Invest in Your Future

Types of investments


- Stocks
- Bonds
- Cash equivalents




Invest in Your Future

Stocks, or equities

- Represent shares of ownership in a company
- Make you money by growing in value or by paying dividends
- Are called "growth" investments
- Are volatile







Invest in Your Future

Bonds


- Are loans to a government or corporate entity
- Pay a fixed amount of interest
- Go up and down in value




Invest in Your Future

Cash equivalents

- Can include CDs, U.S. Treasury bills, or money market funds
- Are called "stable value" investments







Invest in Your Future

What is a mutual fund?


- Pools the money of investors
- Managed by a professional fund manager
- Invests in stocks, bonds, and/or cash equivalents to meet fund's objective

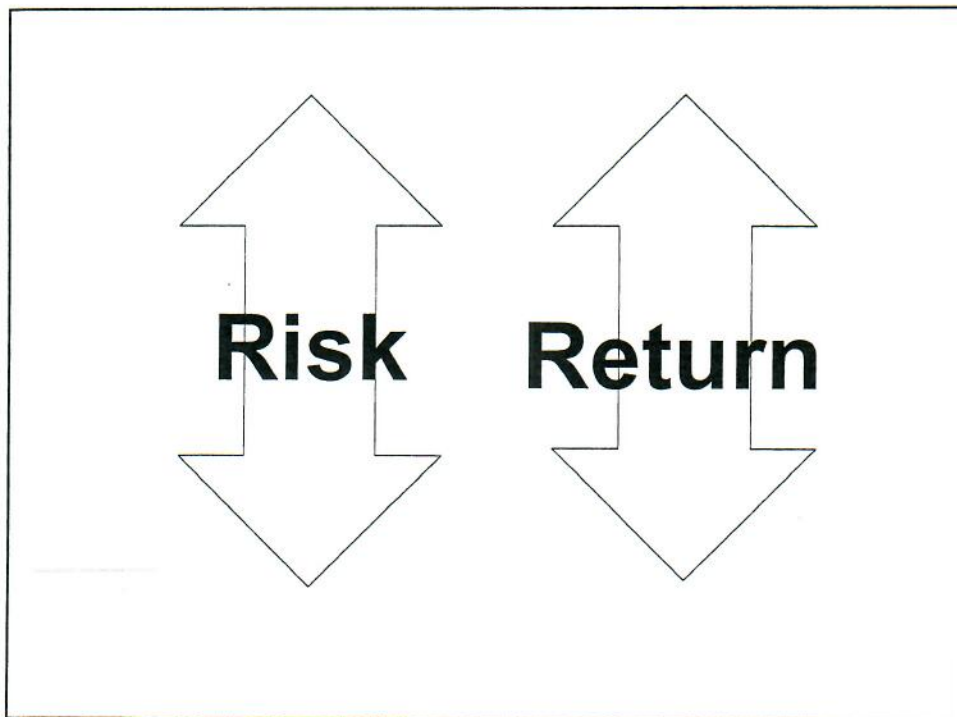


Invest in Your Future

Managing risk through diversification

- Diversification is the process of spreading your money around within an investment type
- Mutual funds are automatically diversified





Invest in Your Future

Historical Performance of Different Investment Types

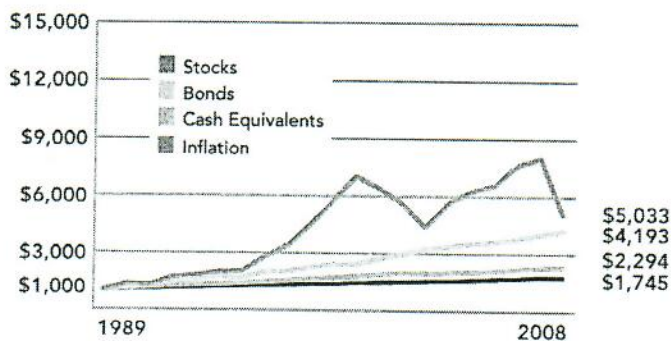
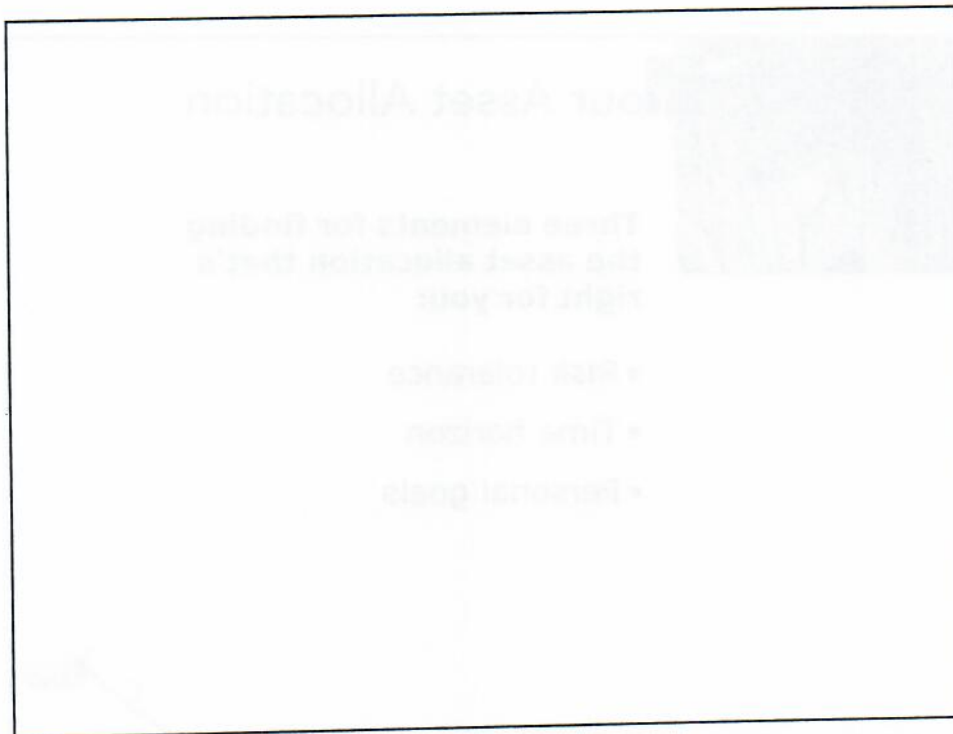


Chart assumes \$1,000 invested in different investment types on 01/01/1989 through 12/31/2008. Stocks are represented by the Standard & Poor's 500 Index (covers 500 large U.S. industrial, utility, transportation, and financial companies). Bonds are represented by the Barclays Capital U.S. Aggregate Bond Index (composed of securities from Barclays Capital government/corporate bond index mortgage backed securities index, and asset backed securities index). Cash equivalents are represented by 3-month Treasury bills. Inflation is represented by the Consumer Price Index (a government index measuring the increase in inflation). Indexes are unmanaged and do not include fees and expenses an investor would normally incur. You cannot invest directly in an index. Past performance does not guarantee future results. Source: Newkirk Products, Inc., 2009






Your Asset Allocation

Asset allocation helps you manage risk

- It is how you spread your money among the different asset classes
- It is a proven investment strategy
- It may account for up to 90% of investment returns*


* "Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?" by Roger G. Ibbotson and Paul D. Kaplan, Financial Analysts Journal, vol. 56, no. 1 (January/February 2000):26-33.



Your Asset Allocation


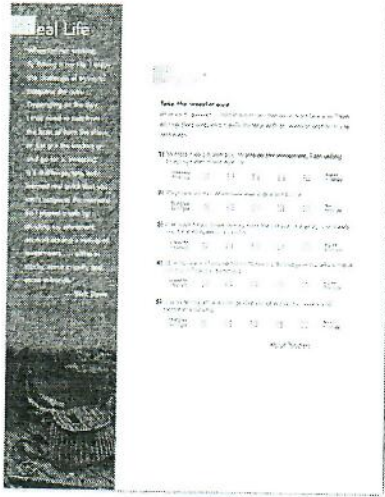
Three elements for finding the asset allocation that's right for you:

- Risk tolerance
- Time horizon
- Personal goals



Your Asset Allocation

Step 1: What's your investor type?



Your Asset Allocation

1) To obtain above-average returns on my investment, I am willing to accept above-average risk.

Disagree
Strongly

Agree
Strongly

2) Staying ahead of inflation is very important to me.

Disagree
Strongly

Agree
Strongly

3) If an investment loses money over the course of a year, I can easily resist the temptation to sell it.

Disagree
Strongly

Agree
Strongly

4) This money is intended for retirement. I do not plan on taking it out for major financial expenses.

Disagree
Strongly

Agree
Strongly

5) I consider myself knowledgeable about economic issues and personal investing.

Disagree
Strongly

Agree
Strongly

Your Asset Allocation

Step 2: Find your investor profile

Score *Investor profile*

5-11 **Conservative investor**


You may not be comfortable with ups and downs in your account value and may wish to seek more stability.

12-18 **Moderate investor**

You may be able to tolerate moderate ups and downs in your account value.

19-25 **Aggressive investor**

You may be able to tolerate significant ups and downs in your account value to enjoy potentially higher returns.









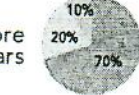


Your Asset Allocation

Step 3: Find your time horizon


- Your time horizon is the number of years you have before you need to begin withdrawing money from your retirement account

Your Asset Allocation

Step 4: Select a sample asset allocation

	Conservative	Moderate	Aggressive
0 to 5 years			
6 to 14 years			
15 or more years			



Legend: ● Stocks, ● Bonds, ● Cash



Your Asset Allocation

Check your asset allocation each year


- Make sure your account is in balance
- Time can change the elements of your asset allocation
- The strategy you selected earlier may not be right for you today

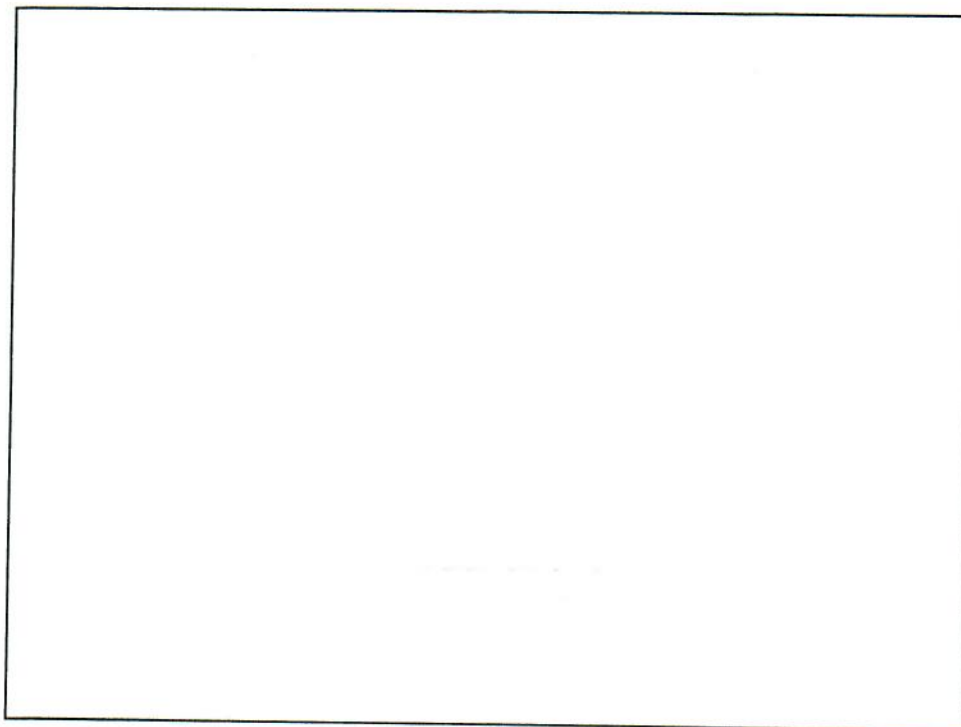


Your Asset Allocation

You may be able to roll over money from other plans

- Easier asset allocation
- One statement





Selecting Your Investments

Step 5: Select your investments

Faculty Salary Overview Form (2)

NAME	DATE	AMOUNT	STATUS

Faculty Description:

Faculty Salary:

Faculty Status:

Faculty Title:

Faculty Department:

Faculty Location:

Faculty Contact Information:

Faculty Notes:



Selecting Your Investments

Step 5: Select your investments

Investment Performance Summary
Performance as of March 31, 2009

Category	1 Year	3 Year	5 Year	10 Year	Since Inception
Equity	15.2%	38.5%	52.1%	78.3%	112.4%
Domestic Equity	12.1%	35.2%	48.9%	74.5%	108.7%
International Equity	18.3%	41.8%	55.3%	81.1%	116.1%
Bond	4.8%	12.3%	18.7%	25.2%	32.1%
Domestic Bond	3.2%	9.1%	14.5%	21.3%	28.4%
International Bond	6.4%	15.5%	22.9%	29.1%	35.8%
Money Market	1.2%	2.8%	3.5%	4.1%	4.9%
Fixed Income	3.0%	7.5%	11.1%	14.7%	18.6%
Domestic Fixed Income	2.1%	6.2%	9.3%	12.8%	16.5%
International Fixed Income	3.9%	8.8%	12.9%	16.6%	20.5%
Capital Gain	2.5%	6.1%	9.8%	13.2%	16.8%
Domestic Capital Gain	1.8%	5.3%	8.9%	12.1%	15.4%
International Capital Gain	3.2%	6.5%	10.7%	14.3%	18.0%

Investment Objectives: The Fund seeks long-term growth of capital. The Fund invests primarily in foreign common stocks, allocating investments across countries or regions, considering the size of the market in each country and region relative to the size of the international market as a whole. The Fund may be appropriate for investors with a long-term investment horizon who are willing to accept the risks of investing in stocks and the additional risks associated with foreign investments.



Selecting Your Investments


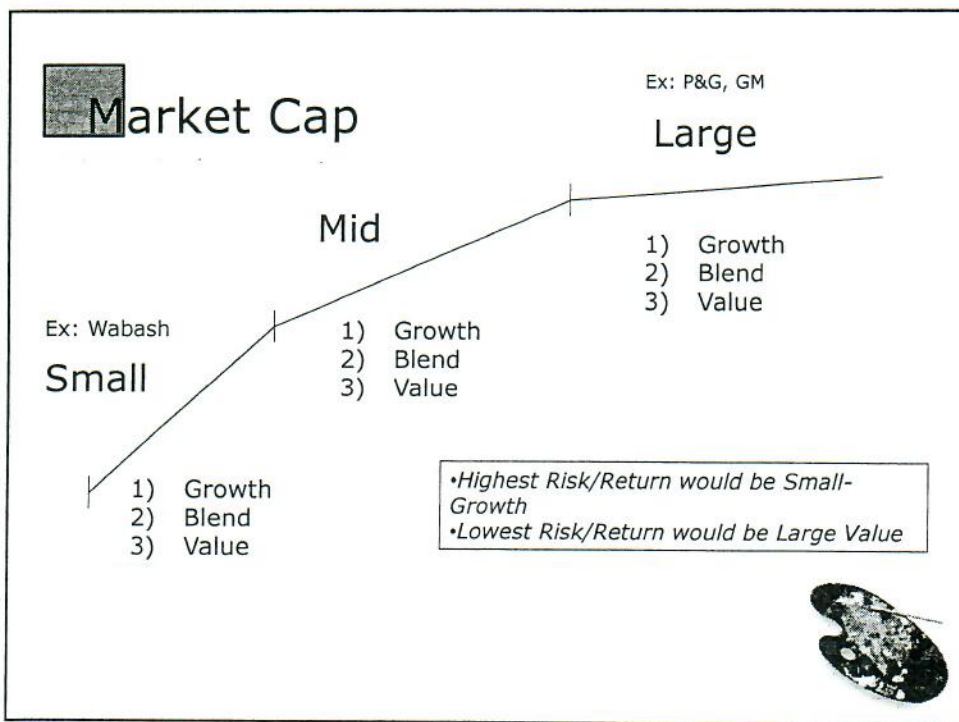
Step 5: Select your investments

Fidelity Advisor Overseas Fund (C) March 31, 2009

STYLE	DESCRIPTION
INTERNATIONAL	OVERSEAS
FIXED INCOME	OVERSEAS
MONEY MARKET	OVERSEAS

Description: The Fund seeks long-term growth of capital. The Fund invests primarily in foreign common stocks, allocating investments across countries or regions, considering the size of the market in each country and region relative to the size of the international market as a whole. The Fund may be appropriate for investors with a long-term investment horizon who are willing to accept the risks of investing in stocks and the additional risks associated with foreign investments.





Selecting Your Investments

Blended funds: Another way to manage risk


- Called lifestyle, asset allocation, or balanced funds
- They spread the money among classes



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- How your plan makes it easy to save
- How to invest with confidence



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Get more information and advice if you need it

- Call 111.111.1111
- Visit the web:
www.website.com



1/26/2020

