

# Reinventing RETIREMENT

Your Retirement Planning Newsletter

4th Quarter 2025

## The Secret Sauce

### Why Your Workplace Retirement Plan Is More Powerful Than You Think

When it comes to your workplace retirement plan, what's not to love? It provides you with an automatic savings plan, tax advantages, an employer match, a diverse menu of well-researched investment options and comprehensive online retirement planning tools. However, there's one ingredient that makes your plan so powerful that it almost feels like cheating — compound interest. It's the secret sauce that has the potential to turn even modest savings into something much bigger over time.

#### What's in the Secret Sauce?

Compound interest means your money earns interest not only on what you save, but also on the interest it already earned. It's like a snowball rolling downhill — small at first, but gaining speed and size as it goes. Here's a simple example: If you invest \$100 a month into a workplace retirement plan such as a 401(k), and it earns an average 7% return annually, in 30 years you could have over \$113,000. Even better? Your investment growth isn't taxed each year. That means more of your money stays invested and keeps working for you, year after year. That's called tax-deferred compounding, and it's what gives your savings real power over time.

#### Traditional or Roth? The Sauce Still Shines

Whether you're saving in a traditional (pretax) account or a Roth (after tax) account — or a mix of both — compound interest works the same. The key difference is when you pay taxes: either now (Roth) or later (traditional). But the growth engine behind the scenes? That's the sauce.



#### Start Early, Let It Simmer

The real magic happens over time. The earlier you start saving, the more time compound interest has to work. Even small contributions can potentially grow into something significant. And don't forget: matching contributions from your employer also benefit from the secret sauce. So keep stirring the pot and commit to increasing your savings rate each year (even if it's just 1%). Your future self will be very glad you did.

# Baby on Board

Starting a Family? Consider Life Insurance To Protect What's Most Important



Starting a family brings joy, responsibility — and the need to plan for the unexpected. Life insurance may not be the first thing on your to-do list, but it plays a crucial role in protecting your family's future. If something were to happen to you or your spouse/partner, a life insurance policy can help cover the mortgage, childcare, education costs and daily living expenses — giving your loved ones financial security during a difficult time.

So, how much coverage do you need? A very general rule of thumb is to buy a policy worth 10 times an individual's annual income. For example, if your annual salary is \$75,000, it makes sense to consider a policy with a \$750,000 death benefit. But also factor in other things, such as your total debt, number of dependents and long-term goals (like college tuition or buying a bigger home). Online calculators can help, or you can consult with a financial advisor to get a more tailored recommendation.

In general, there are three basic types of life insurance to consider:

- **Term life insurance.** This type of insurance is the most affordable and straightforward option. It provides coverage for a specific period — typically 10, 20 or 30 years. If you pass away during the term, your beneficiaries receive the death benefit. It's a great choice for young families who want maximum coverage at a low cost.
- **Whole life insurance.** Whole life is permanent insurance that lasts your entire life, as long as premiums are paid. It also builds cash value over time, which you can borrow against. It's more expensive than term life insurance, but offers lifetime protection and a savings component.
- **Universal life insurance.** This type of insurance is a flexible, permanent policy that combines a death benefit with a cash value account. As a result, you can adjust your premiums and death benefit as your needs change, but the policy also depends on investment performance, which can affect the value over time.

As your family grows, so does your need to plan for the unexpected. Life insurance isn't just for you — it's for the people who depend on you.

# Nature Calls

## Boost Your Mind and Body With a Stroll Through Flora and Fauna

If you're feeling stressed, sluggish or simply stuck in your head, it might be time to lace up your shoes and head outdoors. Taking a walk through nature isn't just a pleasant escape — it's a proven way to boost both mental and physical well-being.

### Clear Your Head

One of the most immediate benefits of walking in nature is the mental clarity it brings. Studies have shown that time spent in green spaces lowers cortisol (the stress hormone) and reduces symptoms of anxiety and depression. Unlike city streets filled with noise and distractions, natural settings give your brain a break from constant stimulation. Even a 20-minute walk in a park can improve focus, reduce mental fatigue and lift your mood.

### Move Your Body

Let's not forget the physical perks. Walking is a low-impact form of exercise that improves cardiovascular health, supports joint health and helps maintain a healthy weight. Add in varied terrain — like trails, inclines or even sand — and your muscles and balance get an extra boost. Unlike a treadmill, nature gives you a more dynamic, engaging workout.

### Boost Creativity and Problem-Solving

Ever notice how your best ideas come when you're walking? There's science behind that. A 2014 pioneering study by Stanford University found that walking increases creative output by up to 60%. Nature adds another layer by encouraging mind-wandering and a relaxed focus — the sweet spot for creativity and problem-solving.

### Disconnect To Reconnect

In our hyperconnected world, walking in nature offers something rare: quiet. Turning off your phone, tuning into the sound of birds and wind through the trees or running water can ground you in the present moment. This kind of mindful walking has been linked to improved emotional regulation and even a stronger sense of purpose.

### Happy Trails!

You don't need to climb a mountain to see the benefits. Whether it's a forest trail, beach path or your local greenbelt, walking in nature can reset your brain, recharge your body and restore your sense of balance — all without a membership fee.



# Retirement in Motion

## TIPS AND RESOURCES THAT EVERYONE CAN USE

### Knowledge Is Retirement Power

According to a [new survey](#) from the TIAA Institute and the Global Financial Literacy Excellence Center, retirement is a traditional financial goal for most Americans. However, many may not have the knowledge to deal with the potential challenges it brings. Survey respondents were asked six questions in total, ranging in topic from long-term care needs to lifetime income. On average, respondents answered just 2.2 questions correctly (37%). You can assess your own knowledge by taking the test at: <https://tinyurl.com/54x4etr7> (free registration required).

### Q&A

#### Can I contribute to both my workplace retirement plan and an Individual Retirement Account (IRA)?

You can contribute to both a workplace retirement plan, such as a 401(k) or 403(b), and an IRA (traditional or Roth), but there are some rules to watch for. If you or your spouse are covered by a workplace plan like a 401(k), your IRA contribution may not be fully tax-deductible depending on your income. Roth IRAs also have income limits. Still, using both accounts can be a smart strategy to boost retirement savings and diversify tax treatment.

### Quarterly Reminder

Regarding your workplace retirement account, your recordkeeper likely prompts you to change your

password every quarter. But is it as strong as it should be? Check out the [U.S. Cybersecurity & Infrastructure Security Agency](#) (cisa.gov) for tips on choosing a strong password.

### Tools & Techniques

Healthcare costs for a family of four covered through a workplace health insurance plan have nearly tripled in 20 years. The annual cost has grown to more than \$35,000 per year, according to the recent [2025 Milliman Medical Index](#). According to the report, employers provide about \$20,000 of this amount on average, compared to \$15,000 paid by employees. Much of the increase has been driven by higher outpatient facility and pharmacy costs, as well as new technologies. If you are enrolled in a health savings account (HSA)-eligible workplace health plan, consider opening an HSA. It's a triple-tax-advantaged way to save and invest for qualified medical expenses. For more information on HSAs, check out: <https://tinyurl.com/y2yhsh3>.

### Corner on the Market

#### Basic Financial Terms To Know

**Behavioral Risk.** The risk that investor emotions — like fear or greed — will lead to poor decision-making. Examples include panic-selling during a market drop or chasing a hot stock after it's already surged.

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