

PENTEGRA Your AdvantEDGE

First Quarter 2021

America Saves Week is an annual celebration as well as a call to action for everyday Americans to commit to saving successfully. To highlight America Saves Week, we're sharing our new Financial Planning and Wellness Tools, designed to educate and inform participants on key financial health and wellness topics that form the foundation for smart financial planning.



Monday, February 22, 2021

Save Automatically

As your rate of pay increases, so should your contributions to your retirement savings plan. If you are currently putting 5% of your salary into a retirement savings plan, increase to 6% or 7%; if you are at the 6% level, increase it to 7% or 8%. Most of

us receive salary increases at the end of the calendar year; this is often the perfect time for taking some of that increase and putting it directly into your retirement savings plan.

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Tuesday, February 23, 2021

Save for the Unexpected

Probably the most important rule of budgeting is to have an emergency fund to help when something unexpected comes up, such as a car, refrigerator or dishwasher breaking down.

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Wednesday, February 24, 2021

Save to Retire

When it comes to retirement planning, there are a number of savings vehicles to choose from as well as investment options to understand and consider. Not to mention assumptions you need to make about inflation, Social Security benefits, your longevity and health care expenses during retirement. There are also

lifestyle decisions to consider, such as where you'll live, or whether or not you'll continue to work at some level during part or all of your retirement. It's a lot to think about, especially if you don't know where or how to start.

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Thursday, February 25, 2021

Save by Reducing Debt

It's practically impossible not to have some debt during your lifetime. Most Americans have loans and many college students typically graduate owing tens of thousands of dollars in student debt. According to a 2018 report from NerdWallet (updated in mid-2019), the aggregate level of U.S. household debt has

never been higher.

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Friday, February 26, 2021

Save as a Family

The importance of saving money is the first lesson kids should learn, so think about opening savings accounts for your children. Explain that their money earns more money just by remaining in the account. Find out if your child's school has an arrangement with a local bank that allows students to open savings accounts and deposit money at school each week on "banking day." Then, when kids are old enough to learn about investing, they can use any extra money they've saved to buy their first investments.

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The Pandemic's Impact on Savings Behaviors: Comparing Past and Present

One year ago, there was already troubling news about how little Americans had saved for retirement. Then the pandemic descended, multiplying those concerns.

Local and national governments attempted to help with the immediate needs of citizens who, on a grand scale, suffered sudden job losses. The CARES Act paved the way for people to take money from a source intended only for retirement; with a stroke of the pen, they could borrow and receive distributions from their retirement accounts without the carefully crafted penalties that had previously discouraged early withdrawals. Industry professionals and plan sponsors held their collective breath, worried about a flood of cash leaving plans — which, along with the anticipated suspension of contributions, could leave future retirees financially decimated.

As time passed, everyone began to breathe again, realizing that the vast majority of plan participants did not withdraw retirement funds. Nor was there a wholesale move to suspend contributions, either on the part of companies or participants. Still, the virus leaves some big questions, like what will be the long-term impact on participant saving behaviors?

The answer is unclear, according to a new paper from T. Rowe Price, *How the Coronavirus Pandemic is Affecting Retirement Saving*. However, there may be insights to gain from looking backward. Armed with data stemming from the 2007–2009 global recession, plan

sponsors and financial professionals may be better prepared to help participants navigate their way ahead toward financial wellness — and therefore a better retirement. T. Rowe Price asserts that, although the percentage of participants who took advantage of CARES Act provisions was small, the impact of their actions will be far-reaching. Of those who took a coronavirus-related distribution, 21% took the maximum allowed, the lesser of \$100,000 or 100% of their vested account balance.

As they analyzed data from the earlier financial crisis, T. Rowe Price found that people who were then working tended to retire at a different time than they had planned, due to factors outside their control such as health, job loss or unexpected financial need. Concerns about affording retirement continue to plague all generations; one-third of today's workers surveyed report concern they will have to reduce their standard of living in retirement.

The pandemic highlights the need to continue educating employees about financial wellness. People who have emergency savings are better able to ride out even the kind of significant disruption wrought by COVID-19. Employers are in a unique position to help, by working with their financial professionals to provide the needed education. Between 40% and 60% of those surveyed by T. Rowe Price said they are interested in learning from their employer or plan professionals how to set and meet financial goals. And 62% of 401(k) plan participants said they look to the company that manages their plan to help them achieve financial goals, including debt reduction, college education and day-to-day expense management along with saving for retirement.

The T. Rowe Price Insights on Retirement contains more information that may help you set a strategy to improve plan results. Read it here: <https://tinyurl.com/TRP-Insights>.



The All New Pentegra Online Participant Portal

Last month we launched the all new Pentegra OnLine Participant Portal. The new site delivers features and functionality designed to engage your participants in an exciting new Pentegra experience.

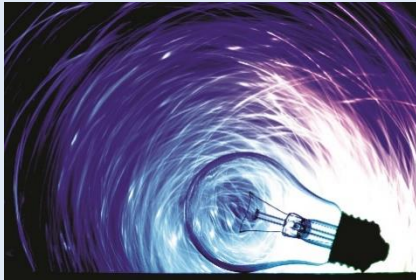
- Simple to navigate, streamlined information
- Easy to use menus
- Works on any device—PC, Android or Apple iOS
- A new Retirement Income Optimizer Tool, allowing participants to see how 1%, 2% or 3% increases can boost retirement income

We're pleased to share that your participants have had a very favorable response to these enhancements.



Pentegra In The News

- [What We're Wishing for in 2021 401kWire](#)
- [A Different Kind of GoP \(Group of Plans\) 401kSpecialist](#)
- [A 3\(16\) Perspective: Putting Clients First Plansponsor](#)
- [The SECURE Act Inserted a Tax Time Bomb Into Your Retirement Plan Dentistry Today](#)
- [Retirement Industry People Moves Plansponsor](#)
- [How Does The DOL's Lifetime Income Illustration Work? Plan Consultant Magazine](#)
- [A Chi-Town DC I-O Vet Joins Pentegra 401kWire](#)



More Ways To Save

Looking for more ways to save? Check out some additional resources below

- [The Basics of Social Security](#)
- [The Basics of Estate Planning](#)

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