Getting the Most Out of Your Retirement Income

Video Transcript

Welcome to our monthly, educational lunch and Learn.

We're glad to see you all here today, as we still have individuals, filing in.

I'm going to go ahead and do introductions.

We are really fortunate to have our representative from TIAA here today to talk about, to talk about your retirement.

So we've got Ivana in here with us today. She's a senior financial consultant at TIAA.

And in her role as a senior financial consultant, she's focused on helping participants plan for their financial well-being and retirement readiness.

She meets with employees one on one and provides professionalized counseling, education and advice, including specific asset allocation and fund selection recommendation, using an advice methodology for an independent third party based on the plan's investment options.

Ivana began her financial services career in 2003 and has been with TIAA since 2007.

She serves our institutional clients in West Region, from local Boulder to, Colorado in that TIAA office.

She holds a Bachelor of Science in foreign politics and diplomacy from the University of Belgrade.

She's registered representative.

She holds a series seven and 63 license while maintaining life health and variable annuity licenses for the states of Colorado,

Arkansas, Arizona, California. And there's a whole list of them so I'm not going to go on with all of that.

She can, um, talk about all those, but she is very well qualified.

I have met with her personally, and she's wonderful to talk with and to work with.

Additionally, she has obtained a certified employee benefits specialist and Accredited Asset Management Specialist designations.

So please give her a warm welcome here today.

She is going to, again, talk about securing your retirement finances and talk about what TIAA has to offer.

We did send her some of the questions you all submitted prior to the talk, and she will save some time for question and answers as well at the end of her talk today.

So again, welcome. I wanna hear for her our lunch and learn this month.

Thank you, Ivana, for being here. Thank you so much. Thank you so much for having me here today.

I really appreciated and thank you for attending today's TIAA's essential presentation steps to Help Secure your Income in Retirement.

Again, Ivana Stanisic from Boulder office. I have been serving University of Colorado plan since 2014, and I really appreciate the opportunity to assist my clients with planning and taking actions towards their financially secure future.

TIAA was established back in 1918 with a mission to help those who help others, such as you, throughout their retirement planning journey and throughout retirement.

TIAA has been serving the University of Colorado Plan since 1924 and we are very, very proud of their long standing relationship.

Today, I'm going to be going over steps that you can take to make sure that you have enough income in retirement.

I'm also going to provide an overview of your very, very generous retirement plan.

And then you turn the volume up just a little bit.

I'm really struggling to hear. How that.

It's better than. Thank you so much. So this is today's agenda.

We are going to cover these five steps that you have here that will actually be extremely valuable for you and will increase your chances, when it comes to saving enough to have comfortable retirement. Of course, also, I'm going to provide an overview of University of Colorado plan.

And at the end of this presentation we're going to have a Q&A session.

Of course, I also would advise you to schedule a one on one meeting, because today we are going to touch upon a lot of high points.

But we want to concentrate on you, on your journey, on your hopes and dreams.

And every situation is different. Meeting with a TIAA consultant comes at no additional cost.

So why not check in? Learn. We are here to educate and inform.

I'm here at Anschutz twice a month. And we have a lot of virtual financial consultants that can provide virtual meetings for your convenience.

Every vision of retirement is different.

Everybody's unique. You might be traveling, spending time with family, taking up new skills, new hobbies, uh, maybe starting a new business, consulting, volunteering, or all the above in some, some, variation.

Also, you whatever your retirement, vision is, you should balance it with your future income sources and your future expenses.

And when you do, you can retire with confidence.

When the retirement is quite a way off,

it's really difficult to know if you're doing the all, and taking all the right steps to get you where you need to be.

So it's very important to know where you stand now and to actually envision what your possible

income sources are going to be in retirement and what expenses you're going to be facing and paying throughout your retirement.

Well, how much will you need when you retire?

That's a big question, and I got a lot of questions such as those that I got yesterday through an email from you guys.

So general rule of thumb that in order to maintain the same quality of living when you retire, that you would need to have enough saved to replace anywhere between 70 to 100% of your pre-retirement income.

Let's say that your pre-retirement income is $100,000.

In order for you to be able to maintain the same quality of living, you need to save enough to be able to replace anywhere between 70,000 to $100,000 each year in retirement.

Well, but every situation is different. Every individual is different.

Majority of my clients can live with less. How come?

Well, they're not saving any more for retirement.

71% of Americans will have their house paid off, but, uh, the rest will not.

They will have some type of house payment, whether it's a mortgage or a rent.

Well, if you have children, hopefully by the time you retire, they're on their own and self-sufficient.

So those bills are also not there anymore.

But some clients will need the same amount they were earning while they were working, or they will maybe even need more.

Well, you're still paying some type of debt. They're taking care of disabled member of a family or an older member of a family.

Also, some of my clients, they have this amazing, amazing, grandiose plans and they cost a lot of money.

So they will have to save more to be able to live their dream when they retire.

And that is actually think that it's very often being looked over is longevity.

Today's generation of Americans is living longer than the previous generation.

Men live actually on average, to be 82 and women 85.

And there is more and more people living into their 90s and their hundreds.

There is an interesting fact.

There is approximately around 35,000 retirees currently receiving income, monthly income from retirement, a retirement income from TIAA.

And they're over 90.

So if there are no apparent health issues, I would suggest everybody to plan as if you're going to live for a very long period of time.

Because if that happens, we want to make sure you have enough money.

And God forbid, if something happens and we die prematurely, I highly,

I highly recommend for you to review all your accounts and to make sure that you have beneficiaries on file.

There's so many times when I meet with my clients and their accounts are defaulted to the estate.

I mean, that's fine, but God forbid something happens to you, money will go through probate court and that costs money and time to for your beneficiaries.

So make sure to review all your accounts, whether here at TIAA or somewhere else.

You should have primary beneficiaries or beneficiary first in line and contingent beneficiaries.

Second in line. Our checking and savings accounts notoriously do not have any beneficiaries on file, so please review those when you are opening those accounts.

Nobody else before beneficiaries. So if you think that you did select beneficiaries at TIAA, well, maybe you did, maybe you didn't.

Many of my clients say they did, but they did through your employee services.

That does not translate to TIAA.

So where will our retirement income come from?

Well, generally well, if you are a not classified employee here, you are investing in Social Security.

Social security on average is replacing I have to underline on average is replacing around covers around 40% of our needed income.

While that's on average, when I meet some of your colleagues whose income needs are very high and they need $20,000 a month, well,

Social Security is not going to cover 40% of their needed income, so the rest will come from your for401As, 403Bs, 401Ks.

Also it will come from cash, other savings, maybe rental income and other investments.

Social Security statement can be found on ssa.gov.

Please take your time. It's not an easy website to navigate.

Many of my clients, they have issues with login.gov or id.me on ssa.gov social security administration.

Please take your time, have patience and generate your Social security statements.

So when you meet with any financial consultant, whether it's here at TIAA or somewhere else, you will have every document ready.

So when we are running projections, we are going to run projections with more accuracy.

If you are a classified employee, meaning if you are with Para, you're not investing in Social Security fund, you might still qualify for it because before working for CU or Para affiliated institution, you might have invested in Social Security.

So it's good to create that profile anyways.

Many of my clients come to our meetings and they say, oh, this is my projected Social Security.

I did not log in, I just enter my previous year income.

That's not enough. That's an arbitrary number.

Social security income is calculated by when you start, the later you start, the more you're going to get.

So you can start earliest at 62 and you can defer it until 70.

Each year you wait, you will get almost 8% more.

Your Social Security income also depends on your work and income history.

So just not logging in and going to Social Security website, entering your last year's salary will not give you an accurate projection.

So if you're wondering, can you actually forecast your income in retirement?

Well, if you have accounts at TIAA, you can actually run a retirement advisor software, which is a very, very a sophisticated analytical software that can give you answers on following questions.

Are you on the right track? Are you investing enough?

Are you allocated properly? It will give you fund advice so you don't have to pick.

You don't have to choose. So it will take into consideration the software, your balance at TIAA and your saving history, how much you're contributing.

For more accurate projection, please add your outside accounts that you earmarked for retirement or for one case from previous employers.

Your pension, your social security. I also advise you to run this projection with my colleagues or with somebody like me, because there's a lot of small print out there that not many people read.

This software has an inflation adjustment assumption and also the life expectancy assumption.

And it's asking you for after tax money to enter in this box pre tax money here.

So by taking advantage of no cost meetings with consultants you can run these projections with us but also on your own.

It's going to give you fund level advice.

So at the end of that projection it's going to say implement.

Do not implement if you do not want to change your investments.

So be careful about that. If you want to make changes and make investment changes then click implement.

After running retirement advisor software that can actually tell you if you're the right track for retirement and you realize that you are not on track, well don't panic. The first step that you can take is to review your expenses.

That's an extremely important part to see actually which type of expenses you and see spending.

Actually, you can prioritize and see what you can cut off to free up some money that you can invest towards retirement, or paying off your debt, or for any other financial goal.

This is what I usually say to my clients. And actually this is what you are already doing.

Instead of spending first and seeing what you have left to invest, see first and see what you have left to spend.

You're already doing this because your employer actually made your retirement plan mandatory.

So even before you get your paycheck, you are investing 5% in your mandatory plan for retirement or with para

if you are a classified employee. And then you get the rest to actually budget for your monthly expenses.

So this is extremely important.

I would do this with your other retirement goals, not just retirement goals, but also emergency funds or paying off your debt.

Make sure that you actually take care of those things first and again whatever you have left, you will have to spend for other things.

Easier said than done, I know, but it needs to be done. There are many budgeting tools out there.

Budgeting, budgeting, budgeting. It's extremely important.

Doesn't matter how old we are, because you can realize that you're spending money on certain things that maybe you shouldn't.

So, you can use a lot of apps out there. There is a mint app.

I'm not endorsing it, but it's out there. Also on TIAA website, there is a 360 tool you where you can add your outside investment, your credit cards.

You can create a budget. So it can be a budgeting tool as well.

Also you can use this budgeting worksheet that you can find at tiaa.org/budget.

And you will actually separate your expenses between essential expenses and discretionary.

And you will first enter what you're currently spending.

What are essential expenses? Well, mortgage, rent, insurance, transportation, utilities, groceries.

And also, discretionary spending such as lifestyle, travel, entertainment, electronics.

And then after you actually enter what you're currently spending, then you will enter your target spending because you can shave some things off.

Several months ago, I shaved my entire internet bills bill by $40.

I mean, that's not a lot, but it will add up and I can add that $40 towards some something else.

So it but this is actually, it's a work in progress because your expenses are going to be changing how you can easily not easily pay more easier.

How to do this is to actually generate six months of statements from your credit cards and debit cards, and usually those banks or credit unions do categorize your spending when it comes to utilities, when you come to, uh, entertainment or travel or other categories.

So it can actually make this easier. So I would suggest that you revisit your budget every six months or so and see what you can adjust, what you can cut off, and maybe you will realize that you need to introduce some expenses to this as well.

Not just not just removing. Maybe something needs to be added as well.

If you are struggling with high interest credit cards, I cannot emphasize how important it is to pay it as soon as possible.

This example here is very powerful, I think.

Well, let's say you charge and buy something and pay for it $5,000, and you don't charge a penny more on that card at all.

And the annual percentage rate is 17%, which is not unusual at all.

And you end up paying $100 a month.

Well, it will take you seven and a half years to pay that card.

Even if you don't put a penny more on that card.

So for one thing, that you thought that you paid $5,000.

No, you did not. You paid $8,759 for it.

And the interest that you paid is $3759.

So this is a powerful example that we should only put on credit cards what we can pay off immediately.

Well, many of my clients, even in their 40s or 50s or even 60s, they still have student loans.

Some of grandparents, they cosign of student loans in their 60s.

So they're actually carrying that balance under their name, actually, they're are liable for those, student loans as well.

So if you have direct student loans, you can take advantage of public student loan forgiveness program, which is a ten year program where you're paying your student loans.

And after the 10th year, you're if certain conditions are met, your the rest of your student loan, uh, balance is forgiven.

But let's not forget that student loan forgiveness was created back in 2007, and the first generation graduated in 2017.

Do you know how many of applicants got approved?

1%. Because they were paying slightly more.

They were late, they paid the less, they paid more.

They will get you. So that's why there is a company.

Social impact technology company SAVI. It's call.

It's spelled S as in Sam a V is in Victor, I.

And this company actually is partnered with CU and TIAA and it will help you explain your choices, hopefully lower your monthly payment and be your ad advocate through this process of ten years.

So if you enroll in this program after the 10th year with a yearly fee of $74, this is yearly fee, not monthly.

So you can make sure that your student loan actually gets forgiven.

So I highly recommend checking Savi out.

And you can find this information on your benefits page at CU Employee Services.

If you have commercial student loans, try to consolidate them into one that has the lowest annual percentage rate.

Also, read the small print before you sign on the dotted line.

Also, try to pay as soon as possible because like with credit cards, this compounds daily.

And, when it comes to compound interest, that works for us when it comes to our investments when it comes to our debt, compound interest actually grows not just on the original balance, but also on the interest that got applied yesterday.

So it's like a snowball effect with our debt. Compound interest is our enemy when it comes to our savings.

It's our friend. Also.

See if your employer offers tuition reimbursement.

You can talk to Employee Services to get more information about this.

So let's talk about some other tips that can avoid you handle actually debt pitfalls.

So if you are a renter try that.

Your overall debt does not go over 20% of your gross income.

And this does not include your rent.

If you are a homeowner, try that your overall debt, including mortgage, does not go over 36% of your gross income, pretax income. If you have medical bills, well, you can talk to Colorado Medicine here and make sure that they actually give you some good, payment plan that usually comes with low variable interest here.

I don't think they're charging any interest at University of Colorado. Also, you can map all your debt by going to tiaa.org/debttool. That illustrative tool can map out your debt, and it can actually provide you with a roadmap how to pay that debt sooner than later if you're still experiencing, actually issues with handling your debt, you can actually talk to our debt counselor.

And some of my clients are asking me, well, I have this credit card that should I prioritize paying that off versus investing for a time.

And generally, the answer is no. But every situation is different.

We should try to do both.

And here at University of Colorado, you don't even have a choice because your employer sponsored plan retirement plans are mandatory, which I love.

I used to consult back in Ann Arbor at University of Michigan.

That's not a mandatory plan. University of Denver.

It's not a mandatory plan, but University of Colorado it is, which I think it's great because sometimes we need to be nudged to do what is good for us.

Well, experts suggest that we should have.

Well, approximately around six months of necessary living expenses saved in some type of a high yield savings account.

Optimally, that savings account should be out of sight, out of mind.

It should not be where your checking account is.

Mine was always with Bank of America checking account, but my savings account was never with Bank of America.

First of all, they don't pay much. And second of all, I did not want to see my savings account at all.

So while I was building my six months, I provided my payroll with two bank information.

General guideline that if we don't have that savings account, where it should be, that approximately 9 to 10% of our take home should go towards that account.

So I have 10% of my check going towards an online high yield savings account and 90% to my checking.

So that's a strategy that you can take. Since you're paid only once a month, you can actually have your check, uh, go into checking account.

And then on the third or fourth of the month, you can have a certain amount to automatically to go to your savings account.

So why do we need an emergency account? Well, we have all these anticipated, actual expenses that can come out of nowhere losing our job, tax bills. Let's say home repairs, medical expenses, car repairs, emergency pet care, and unanticipated travel.

If we don't have enough to tackle this and pay for these expenses, what will happen?

Well, clients, they start looking towards their retirement accounts for emergency funds.

And that should. That should be a last resort. And also, they put money on their credit cards and they cannot pay it off immediately.

So if your foundation of your financial portfolio is not there, everything else above for retirement or other, expenses can crumble.

So this should be one of your priorities. So let's talk about optimizing your savings.

Well, you have a very, very generous employer.

If you are a non classified employee, your mandatory plan is with TIAA and it's a 401A as an apple.

You're required to invest 5% from your income and get a wonderful, generous match of 10%.

Industry average is approximately 3% in the corporate world.

So whenever you're feeling like, oh, I hate this job, well, think about 10% that you're getting from your employer.

Or if you are classified employee, you are with Para.

That's a good old pension plan. And if you have any questions about your Para plan, please contact your Para representatives.

So in your mandatory plan, you're investing what you have to invest.

But regardless, if you are a para, no classified or classified employee, there are three voluntary plans and you qualify for them all above and beyond your mandatory plan.

Whether whether that's 401A or para, you can invest additional amounts in three voluntary plans.

TIAA is managing 403B and Empower Retirement is managing 401K and 457B.

You can invest, let's say in the 403B if you are below 50, you can invest $23,500 per year.

If you're 50 and older, your contribution limit jumps up to 31,000. 403B and 401K limits go against each other, but if you max out your 403B or 401K, you can invest an additional 23,000 or 31,000 if you're 50 and older in a 457B account.

If you have questions about 401Ks and 457B with Empower Retirement, please contact your Empower Retirement representative.

I can assist you with a 403B and 401A accounts.

If you max out all these amazing plans that you have and to try and empower retirement, and you say, I want to invest more.

Well, you can open a traditional IRA or a Roth IRA or both.

Well, traditional IRA, you're contributing with pretax dollars.

And if your income is below the certain limit, you can deduct those contributions.

But if it's above certain limits you cannot deducted.

So talk to your tax advisor before you open traditional IRA.

Above and beyond your University of Colorado plans. Also money grows tax deferred.

And when you take the money out from a traditional IRA, you're going to pay federal, state tax.

And if you're below 59.5 and you take the money out from that account, you're going to pay 10% penalty. After you obtain 59.

and you take money from a traditional IRA, you're going to be paying federal and state taxes, but not no 10% penalty.

If you open a Roth IRA. Well, you're contributing with after tax dollars.

Your contributions are always tax free, but any growth above that, those contributions that you made will not be tax free until two triggering events are met.

You open that account five plus years in the past and you're over 59.5.

To go back to a Voluntary Plans at CU, they can receive pretax money or Roth.

Why would one invest pretax money? Well, they have a luxury problem of earning too much and they need to lower their taxable income and they expand their income needs when they retire will be lower.

So if your income is now here and it will be lower when you retire, well, you do pretax.

You don't want to pay taxes now. You pay taxes when you retire.

And the other way around, if you are income is now here and you expect to be higher when you retire, well, you want to do Roth now because you don't want to pay taxes later.

And we can talk about this strategy when we meet one on one.

Or you meet one of my colleagues virtually, or you talk to your taxes adviser.

TIAA group of companies do not. We don't we do not provide tax advice, but we can actually provide you with education but not tax advice.

Contribution limits, just to go back up when it comes to traditional IRA and Roth lets you have both.

If you are below 50, your contribution limit is 7000, and if you're above 50 or 50, it's 8000.

But you cannot put, let's say, $7,000 in traditional and 7000 in Roth.

It's aggregated. You can if you invest $4,000 in your traditional, you will only be able to invest 3000 in your Roth.

Let's talk about college savings.

Let's say if you have children, if you, your grandchildren or somebody that you love that you want to help with college and tuition expenses. you can take advantage of 529 college, college tuition plans.

There are four here, companies, including TIAA and Vanguard and two banks.

They're offering 529 plans. And you will invest after tax money and money will grow tax deferred.

And if it's used for qualified purchases when it comes to education, everything will be tax free.

And you can also, you can deduct your contributions from state taxes so there are some tax benefits when you open and fund the 529 plans.

Also, if your children want to listen and if they are, on the same level like you, then they will actually, be open to schools that offer a low tuition and also, look for scholarships and grants and work study and part time work arrangements.

And also student loans should be the last resort.

So you can you can actually call College Invest and find out more about 529 plans and how they can benefit you and, your beneficiary who will get benefit from those savings.

Let's now talk about another way how you can lower your taxable income and include this product when it comes to your tax advantageous strategies.

And that's, health savings accounts where you get actually a triple tax break, but you have to be enrolled in high deductible health insurance.

If you are not, you can not take advantage of this product.

You can actually open a flexible spending account, but that one is use it or lose it.

This one you can roll over to the next year and to the next year. If you don't spend it. With health savings account,

if you are enrolled in high deductible health insurance, you're investing pretax money, which will lower your taxable income.

Money grows tax free. And if money is used for qualified medical expenses, it's tax free.

How wonderful is that? But again, you have to be enrolled in high deductible health insurance plan.

So let's talk about optimizing investments.

And that's where we can help you when you meet with one of my colleagues to have your one on one session.

Let's now talk about compound interest.

Debt is our enemy when it comes to our debt. But it's our friend when it comes to our investments.

So let's say that you invested $1,000 and $1,000 only, and that particular account is earning, investment is earning 6% per year.

If you did not invest a penny more after the 10th year, your balance would be $1,781.

But imagine how much this balance would be if you are continuously contributing like you are contributing in your retirement savings plan, it can magnify.

It's like a snowball effect, like Einstein said, compound interest is one of the biggest forces of the universe.

It's the eighth wonder of the world because not only your contributions earn interest, but yesterday's interest that got reinvested now earns interest.

So it's a powerful force. Start as early as you can.

And if you don't have a voluntary plan, open it up with $10.

You don't have to max it out $23,500. No, not many people can do that.

Just do something. Just don't do nothing.

So some of my clients, when I meet, they want to actually employ tactical investing, meaning they want to time the market.

Timing the market is extremely, extremely difficult.

Even the algorithms cannot actually beat the market all the time.

With time timing the market, you have to be right every time, and nobody's right every time.

Some of my clients in declining markets, they want to stop their contributions.

They want to pull out money from the market.

They want to put money back when the market is going up, meaning you're buying high instead of buying low.

So, this is actually the actual example of the performance of an S&P 500 index fund.

And S&P 500 index funds, represents U.S. market represents companies score at any point in time on the forefront of U.S. economy.

Xerox used to be part of that club in 1950s, but not anymore because not many companies or people are using Xerox products anymore.

So now there is this new 449 companies that are representing U.S. market.

So this example here shows that somebody who invested $10,000 in 1994, in an S&P 500 index fund and never took it out until 2023.

So, it shows actually the actual returns over that period of time.

And if one got fully invested, never took the money out, never played the game of buying and selling, your balance would be around $181,000.

But if one was actually timing the market and lost ten best days, then the balance would be 83,000 and so forth and so on, 20 best days.

So the balance would be 48,000. And if they lost 30 best days because they were keeping money out of the market.

I met a lot of clients in 2020. They took the money out in March because I mean, world was falling apart.

So, and then they contact and they sold low and they contacted me in 2021 when the market was at its peak.

And they wanted to put that money from cash in. So you sold low and you're buying high.

So if possible, have, you know, think about the long game.

It's easier said than done when the market goes down,

it's a great buying opportunity. So we can be very emotional when it comes to our money.

I understand that. But also we need to be logical if possible.

So when the market goes down. Your mutual fund shares are cheaper to buy.

So instead of selling, we should be buying. Easier said than done because we are very emotionally connected to our money.

But it's logical to not react.

So when it comes to investments. You are, if you are in one of the default funds, you invested in stocks, in bonds, in cash, and also there are other asset classes that actually are offered through your plan, such as real estate and the guaranteed account.

Asset allocation is how you spread your money across different types of securities to manage your risk better and to take opportunities of growth of certain investments.

Because stocks and bonds dance differently at the same time.

And also, real estate has a neutral correlation you won't have.

You want to have different type of securities dancing differently at the same time.

Because if this type of securities like stocks are down, maybe bonds are up.

So that's what diversification is all about. And when we are younger, usually it's suggested to our clients to take more risk.

Why? Because risk and reward goes together, at least historically, not guarantees for the future.

So when we are younger we take more risk because we are employing that money.

And when the money's done, we have enough time for that money to recuperate.

As we are getting older, our exposure to stocks is being lowered gradually, and you can do that on your own or with meeting with somebody like me or my colleagues.

That algorithm that I mentioned, retirement advisor can do that for you as well.

So usually clients, when they're about to retire, they actually tend to be less aggressive.

But I meet some clients where 70s they have 100% in stocks.

That's their choice. Usually we would not recommend that type of a strategy.

But after all, you're the boss. My job is to educate and inform, but the end of the day, you are going to make your own decisions.

To suggest that based on circumstances, one should have approximately 65% of our retirement income coming from fixed lifelong income sources.

So if you do will have actually Social Security when you retire, you will have 40% already, approximately on average coming from Social Security.

Where will we find that 25% that it's missing?

Well, if you have pensions from somewhere else, that's great.

But also annuities.

And we have in your plan one annuity that's called TIAA traditional that it can also create something that can insulate a pension.

So it can bridge that gap to 65% of needed fixed income.

So your baseline is covered. The rest it can be still invested in more aggressive investments to fight the good fight against inflation, because conservative investments usually do not actually outpace inflation.

Sometimes they do, sometimes they don't. But stocks that they take more risk, they usually have more potential for growth, at least historically.

Stocks when it comes to that certain asset class, at least historically did outpaced inflation quite significantly.

And what is inflation? Well, in 1950 gallon of milk was $0.50.

Now it's almost $9. That's inflation.

So we need to have you can you can run a risk on being too conservative.

So we can never be too old for stocks. Remember that.

But I understand if the client is very risk averse then they will have to understand that inflation will aid the purchasing power of their money.

So with traditional investment, which can create that additional 25% that you need above and beyond 40%, that's coming from Social Security.

Well it can that's a guaranteed investment.

It can never lose money. It's called TIAA traditional.

And it's been the only investment we offer to our clientele from 1918 until 1952, because of its ability to create a lifelong income stream that you cannot outlive.

It's perpetual as long as you live, and you can also protect your loved ones.

There is a misconception with annuities that you established one, and if, God forbid, something happens to you four years later, that money will stay with the issuing company.

Well, life temporarily functions like para if you don't protect others, yeah, that will happen. But if you protect others, your loved ones and there are many ways how you can protect them, your income will be lower.

But if you die prematurely, money will keep on going to your beneficiaries.

For how many years? Or for life?

Well, we can talk about it when you meet with TIAA representatives or with Para representative to talk about your para defined benefit plan.

So one year before you retire, I will connect you with the retirement income consultant.

You guys are going to go into a deep dive of annuities.

It's a structured product, but it can be extremely beneficial to provide a peace of mind that you don't always have income as long as you live.

So confidence comes from having a plan.

So what we cover today is knowing where you stand.

Knowing where your money is going to come from when you retire, and what your expenses are going to be.

That's a work in progress, because when I meet with a 30 or 40, even 50 year old, they're like, I don't know where I'm going to live.

But when you're closer to retirement, you might be, by meeting with somebody from TIAA once or twice a year.

You will slowly get to the point of knowing. Right now, we're just going to be assuming if you're younger and if you're in a mid or early career.

Also checking your expenses. Budgeting. Budgeting, budgeting.

You can use our budgeting worksheet or our 360 view when you log into your TIAA account or any apps out there, your spreadsheets or your notebook, use whatever works for you.

Also, optimize your savings. Invest as much as possible.

I know, that's easier said than done, but you have to put yourself first.

Your children. If you have children, they will be happy. If you can take care of yourself instead of them taking care of you.

I think maybe they would probably be very happy to be taking care of you.

But why not be self-sufficient? You have a very generous employer.

Invest, if you can, even more in a voluntary plan or in any traditional a Roth IRAs.

Put little bit, just don't put nothing.

I meet with clients who say, well, I will invest more in a voluntary plan after I pay this and this and this off in three years from now.

I was like, sure, that's great. You need to prioritize your that should be here, but put $10 here.

At least you're not doing nothing. Also optimize your investments when it comes to asset allocation.

Not many of my clients actually would like to pick and choose on their own.

So that's why I highly recommend.

Schedule an appointment with a TIAA financial consultant or advisor, or any outside advisor that you feel comfortable working with.

We're going to help you with pick and choosing your investments, but use it utilizing the third party algorithm so there are no conflict of interest.

Retirement advisor software tools available for you to use online or with me, or anybody who works for TIAA who is a consultant, is going to pick and choose investments for you unless you want to do that on your own.

Also, plan for income that lasts. We're living longer and longer, and Social Security announced reduction of benefits in a year 2033 by 23%.

Well, I certainly hope it's not going to happen, because this is not the first time that Social Security announced reduction of benefits.

Well, they announced it many times. They never did it because it's in the it's actually Congress has the power to fund it.

And they always wait until the last millisecond. So if our Social Security is going to be impacted, you can bridge that gap by to traditional investment that can create a perpetual income, that it will last as long as you live.

So when was the last time you reviewed your asset allocation?

Do you need assistance with budgeting with actually going over your bills and expenses and how to handle debt?

You want to learn more about TIAA traditional and ability to create a lifelong income stream, please?

This is the first on, facing your left arm.

You can scan that QR code or go to TIAA.org schedule now and schedule a virtual meeting or in person.

You're kind of stuck with me for in-person, but virtual meetings are available with my colleagues.

And also you can use the spending worksheet tiaa.org/budget.

And if you want to map out your debt and to actually get a roadmap, how to pay it or faster, you can use the debt tool when you scan that code or go to the link on the screen.

So thank you so much for coming here today.

I hope this was that we scratched the surface today with covering these various topics, but I cannot emphasize enough.

You are a unique person with your unique vision of retirement.

So in order to address what you are planning for, please schedule one on one meetings that do not cost you anything, even after you leave University of Colorado at some point.

And you can actually get more information on financial topics if you go to tiaa.org/learn or on demand, on demand library and also webinars when you go to the link on the screen as well.

Thank you so much for allowing me to present today.

And if any questions, please let me know. Thank you.