Foundations of Financial Wellness

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Hi. I'm…

Bredawn Riley
Financial Advisor

We’re Voya Financial®

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Agenda

Understand the principles of Financial Wellness

Identify your own personal priorities

Learn how to access Voya resources to support your progress

Gain insights on key retirement planning questions

Identify your best next steps to Financial Wellness

Important Disclosures

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Let’s talk about Financial Wellness

What is financial wellness?

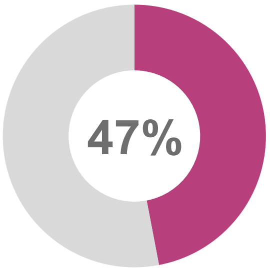
Living within your means

Feeling confident in your future

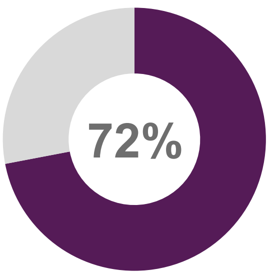
Being prepared for the unexpected

Feeling free to indulge a little and embrace life

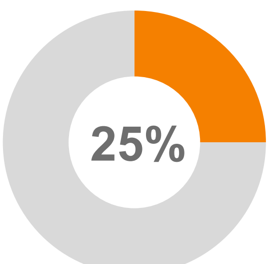
Why financial wellness matters



Are stressed about their finances[1]



feel stressed about money at least some of the time[2]



Report that issues with personal finances have been a distraction at work[1]

1. PWC Employee Financial Wellness Survey, 2018.
2. American Psychological Association, STRESS IN AMERICA™ Paying With Our Health, 2015.
3. Federal Reserve study, 2010.

Let’s talk about Financial Wellness

What is financial wellness?

← Short Term →

← Long Term →

Protection

Retirement

Spending & Saving

Debt Management

Emergency Savings

Other Savings Goals

Pillar 1: Understand your **protection** needs

We all want to protect ourselves and our families. Help strengthen the financial security of those you love. When it comes to getting the protection you need, a simple plan to help you make informed decisions is essential.

Protect yourself

- Health Insurance
- Disability
- Critical Illness
- Consider contributing to a health savings account (HSA) if you're in a high deductible health plan
- Consider taking advantage of disability buy-up option through work to increase your protection

Protect your future

- Life insurance
- LTC
- Make sure you have a will

Pillar 2: Focus on **spending and saving**

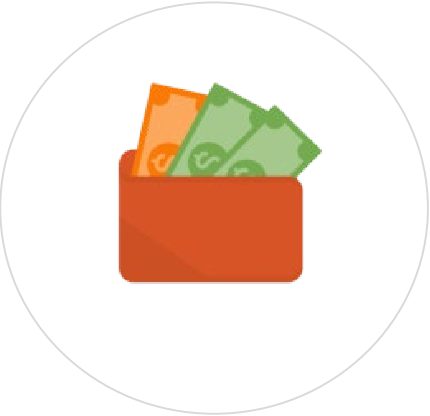
You work hard for your money. Your income is precious and what you do with it counts. Live within your means today and save for tomorrow.

Establish good money habits by:

- Getting organized
- Building a budget that is realistic
- Setting it in motion
- Making adjustments as you go

Tip: Save time and simplify your life by taking advantage of automated options for paying bills and saving money

Setting your goals

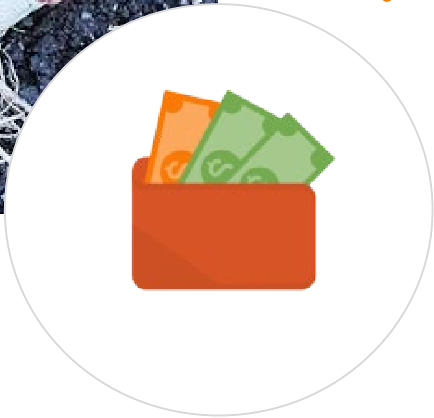


Short-term	Medium-term	Long-term
<1 Years	1-5 Years	5+Years
• Reduce monthly spending by $100 • Pay off credit card balance	• Save $10k toward a down payment for a house • Start a family • Start a business	• Make retirement plans • Become completely debt free

Budgeting to achieve your goals

Find the balance between the money you have and the lifestyle you desire. Let's consider a "spending plan" to help you prioritize so that you can spend money on the things that you want most.

- What are your fixed and variable expenses?
- Detail all of your expenses, but don't forget to detail income sources as well.
- Plan on having a good time – include the cost of things that you want. This will give you more freedom to spend without breaking the bank.



Budgeting to achieve your goals

1
Add up all of your income sources

- **Salary**
- **Interest earnings**
  Savings and brokerage accounts
- **Supplemental income**
  Selling goods online

2
Add up all of your monthly expenses

- **Essential expenses**
  Mortgage
- **Savings expenses**
  IRAs
- **Discretionary expenses**
  Restaurants

3
Income – Monthly Expenses =

OR

Deficit **Surplus**

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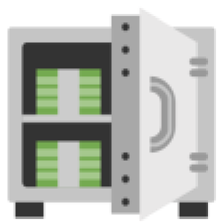
Pillar 3: Create an **emergency fund**

Saving for the unexpected involves making sure you have enough money set aside in an emergency fund to cover expenses and protect yourself when life hands you a few surprises.

FACT:
46% of Americans could not meet $400 expense without borrowing (May 2016 Fed Study)



Build a 3-6 month "financial cushion" or emergency savings

- This protects against having to raid retirement and college savings in the event of an unexpected emergency.

How to accelerate?

- Consider using part of your tax refund
- Pay yourself first
- Build into your monthly budget

Pillar 4: Save for **retirement**

Maintaining your current lifestyle is one of the most important factors when it comes to an ideal retirement. Good things take time, so when saving, make sure you keep in mind that the money you save has to last, so save consistently as much as you can.

Early Career: Capital accumulation is more relevant for younger individuals who can reap the potential benefits of longer-term compounding

Mid-Career: As age increases, individuals may prioritize capital preservation and transition to safer investments. It is especially important for people who are focused on mitigating risk to protect against unexpected market volatility.

Late Career: Retirement income generation is primary focus for individuals in pre-retirement and retirement, particularly if they are at risk of outliving their assets.

Tip: Save for healthcare in retirement

The average 65-year-old couple who retired in 2015 can expect to spend nearly

$395,000

on healthcare expenses throughout their retirement[1]

Know the difference between FSAs and HSAs

FSA: Saving for expenses in current year / "Use or Lose"

HSA: Carry-over contributions allow you to save for future expenses

Take advantage of the HSA "**triple tax treatment**"…

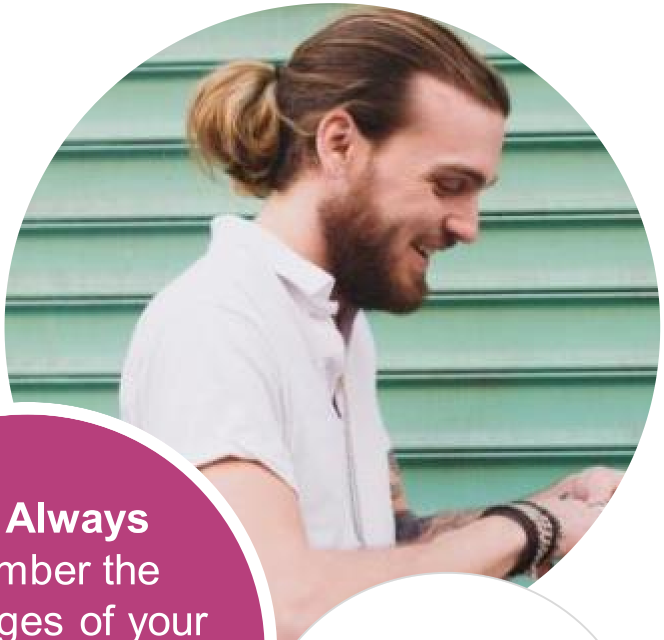
- Pre-tax contributions
- Tax free interest and potential investment earnings
- Tax free withdrawals for qualified expenses

[1] HealthView Services: 2015 RETIREMENT HEALTH CARE COSTS DATA REPORT

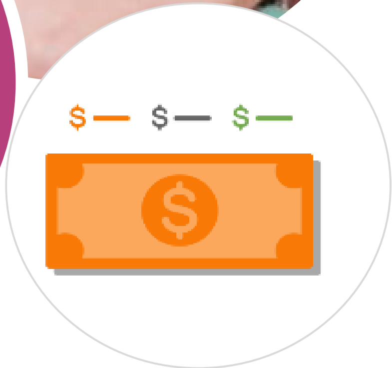
Tips for investing

Investing tips to live by:

- Start Early…it is **never** too late
- Invest at your own pace
- Invest only what you do not currently need
- Do not time the market
- Diversify
- Do not obsess over day-to-day performance



Tip: Always remember the advantages of your company match, and its impact on your savings!

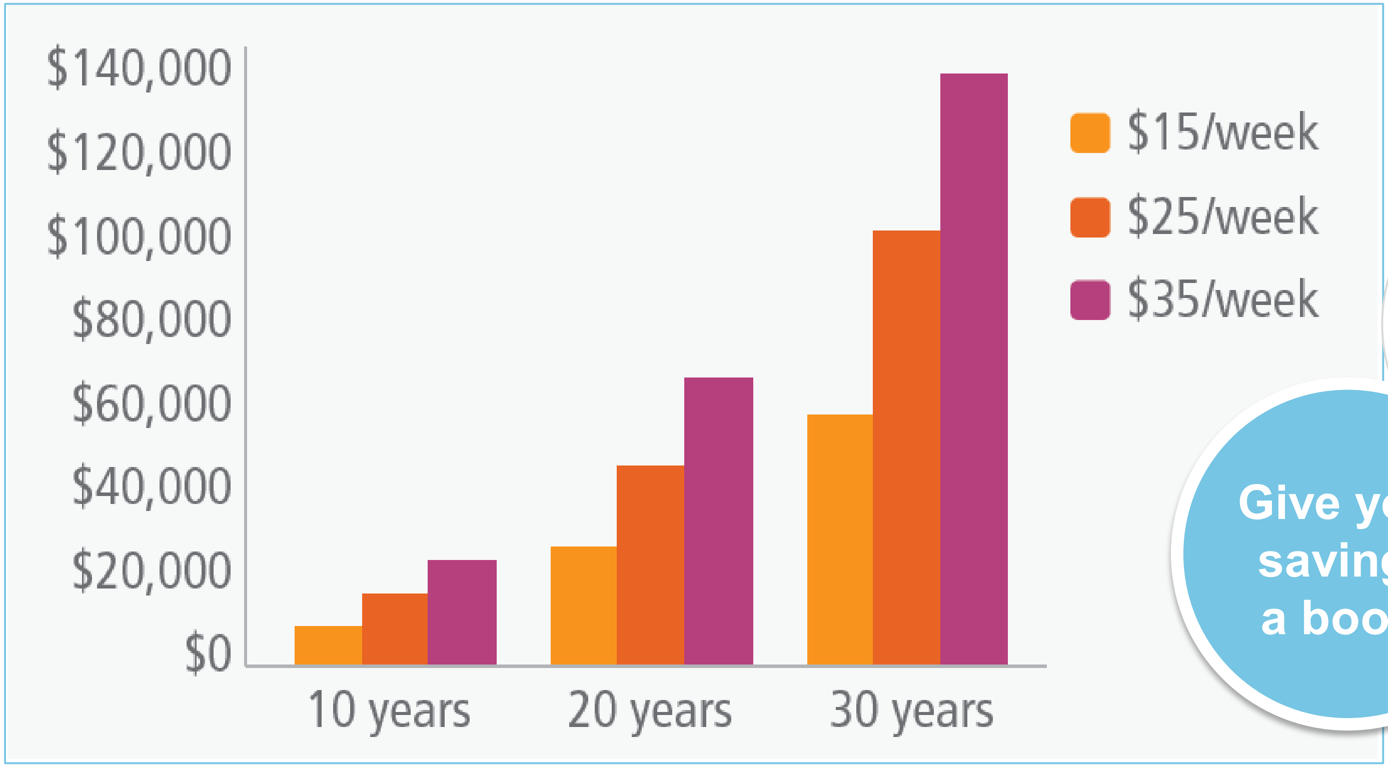


Using diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.

The earlier, the better

Assumes each account earns an annual tax-deferred rate of return of 6.00% compounded monthly. This illustration is hypothetical, is not guaranteed and is not intended to reflect the performance of any specific investment or security. You should consider your financial ability to continue investing consistently in up as well as down markets. In addition, these figures do not reflect taxes or any fees, expenses or charges of any investment product. Taxes are generally due upon withdrawal and early withdrawal penalties may apply to withdrawals taken prior to age 59½. You should consult with a tax professional or tax attorney prior to implementing tax based decisions. Legal and tax advice are not offered by Voya Financial and its representatives.

How much should you save?



Assumes 6 percent hypothetical rate of return and contributions made at the beginning of each month. This illustration is hypothetical, is not guaranteed, and is not intended to reflect the performance of any specific investment. There is on assurance that increasing contributions will generate investment success. In addition, these figures do not reflect taxes or any fees or charges that may be assessed by the investments. The tax-deferred investment will be subject to taxes on withdrawal. Systematic retirement plan contributions does not ensure a profit nor guarantee against loss.

Savings options

Pre-tax Contributions

- Contributions are before-tax and will reduce taxable income
- Growth on contributions are tax-deferred
- Taxes are paid on your contributions and any earnings at distribution

Roth 401(k) Contributions

- Contributions are after-tax and will not reduce taxable income
- Growth on contributions are tax-deferred
- Potential tax-free distribution[1] on contributions and related earnings

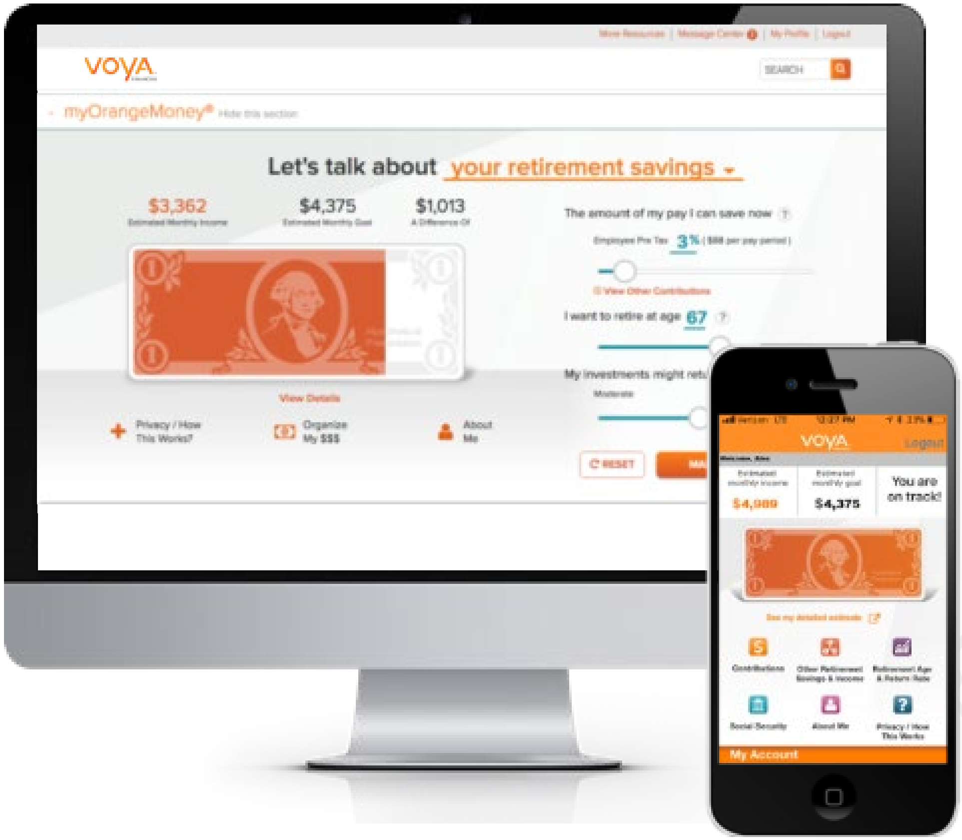
[1] Qualified tax-free distributions on the earnings from a Roth 401(k) occur after the participant reaches age 59½ OR on account of the participant’s death or disability AND after the participant has held the account for at least five years

Calculating your contribution

	Pre-tax	Roth 401k
Annual Income	$40,000	$40,000
Before-tax contribution (6%)	-2,400	N/A
Income subject to tax	37,600	40,000
Federal taxes*	– 9,400	– 10,000
Net income	28,200	30,000
After-tax contributions (6%)	N/A	– 2,400
Spendable income	**$28,200**	**$27,600**

Based on hypothetical $40,000 annual income. For illustration purposes only. Assumes a flat 25% tax bracket without the standard deduction. Contribution rate is 6% and we are illustrating an annual total deposit. Does not include state and local taxes. Systematic investing does not ensure a profit nor guarantee against loss. Investors should consider their financial ability to continue their purchases in up as well as down markets.

How much should you save?



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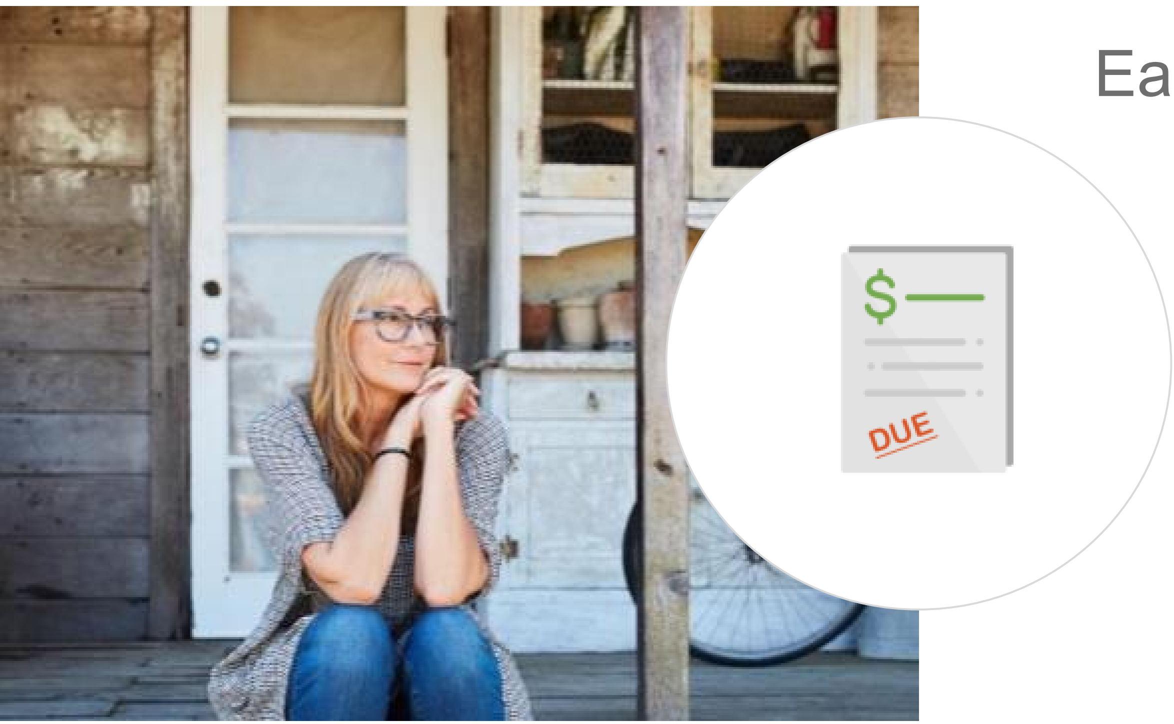
Shows how your savings percentage affects your projected monthly retirement income.

IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

Pillar 5: Manage your **debt**

How would life change for you if you were debt-free? Knowing where to start is important to reducing and eliminating debt.

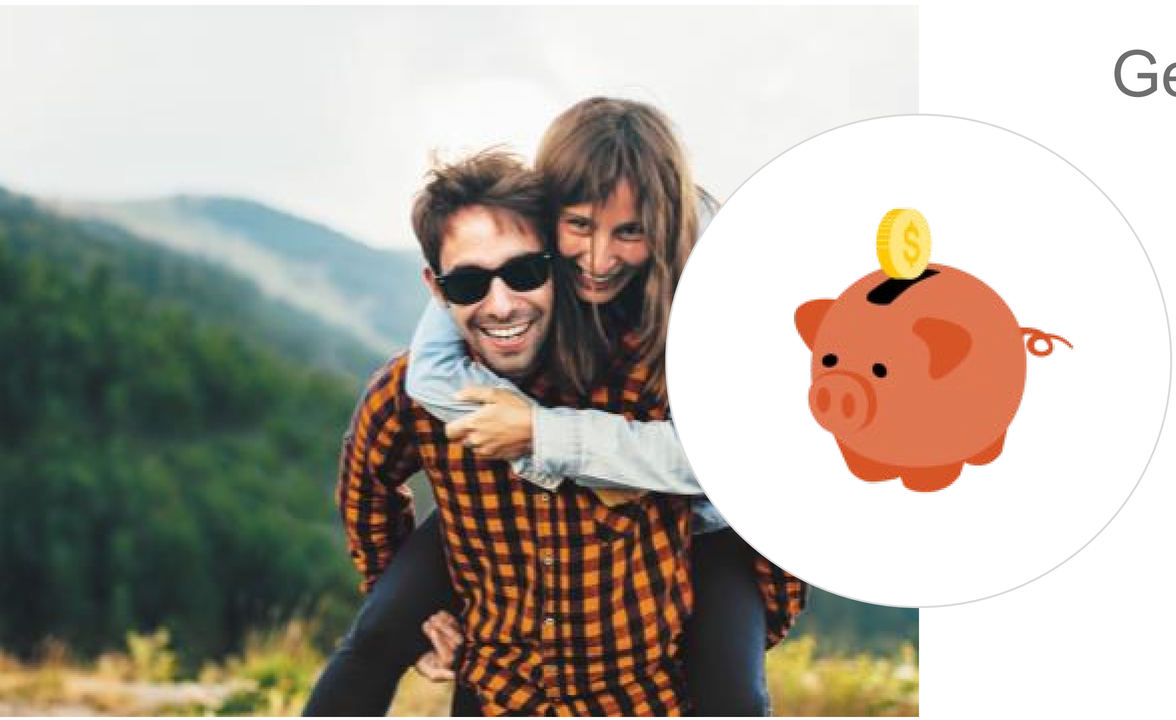


Easy steps to get started:

- Pay down highest interest debt first
- Keep saving for retirement and don’t dip into that savings to pay off your debt
- Use cash for everyday purchases
- Be disciplined with credit cards
- Use good debt but stay away from bad debt

Pillar 6: Save for **other financial goals**

Think of everything you'd ever want to do if you could. Does it seem like it's a dream? Having a sound budget in place will help keep your dreams come alive.



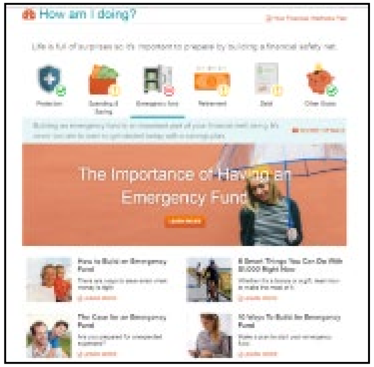
Get started:

- Write down your needs, wants, and wishes.
- Understand the costs of your goals
- Select the right accounts and investments
- Start saving towards your goals

Your journey to Financial Wellness begins now

Personalized Dashboard

Assessment



Resource Center

Life stage guidance

Starting Out

Are you still trying to figure out how to pay down school debt, pay rent, save a little and still get out with your friends on the weekend? Although challenging — it is possible.

Gaining Momentum

Now that you are a little older and likely married, are you trying to be more responsible like planning for your first home or adding to your family with a little one? Although all are exciting moments, they may take a little planning.

Balancing

By now, you are probably feeling a little more stable in many areas in your life. With so many people depending on you, are you still figuring out how to balance your family, your future and your finances?

Transition

In this time of transition, you may be nearing retirement and feeling more rooted in your life. You’ve also been sensible about saving. Are you thinking more about when to retire? Before you make the shift, make sure you have a plan.

Retirement

All those years of saving have paid off. Now, in retirement, it's time to cash in - one withdrawal at a time. So how do you make the most of what you have and make it last? Savor the moment then stretch your savings.

Get help

Action steps:

Ask if you need help

Get help

Retirement income advice:
Work **one-on-one** with
a financial professional

Holistic financial planning

Be ready

You **can** do it

Make the Most of the Plan

- **Enroll** in the plan today!
- Set a **goal**
- Evaluate your **risk and reward** tolerance
- Consider **maximizing the match**
- Review your **investment options** carefully
- Create a **diversified portfolio***
- Review your **portfolio** regularly

**Using diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.*

Questions?

•Set up your **complimentary appointment** with me today:

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- Financial Adviser
- 713 881-8743
- Briley@voyafa.com

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