

# HORIZONS



## Budgeting is Key to Establishing Financial Wellness

A recent survey discovered that due to the pandemic, 60% of Americans realized how little money they have saved.<sup>1</sup> Of those who report that they are now saving for future needs, 54% of Gen Z, 51% of millennials, and 40% overall said it's because they have a better understanding of how to set up a budget.<sup>1</sup> Take the first step toward establishing long-term financial wellness. Sign up for a budgeting workshop and others on [savingsplusnow.com](https://savingsplusnow.com).

<sup>1</sup>Source: "60% of Americans Say the Pandemic Has Made Them Realize How Little They Have Saved," press release, Discover (July 2021).

# Five Steps to Financial Wellness

It's the time of year where we set resolutions — and while setting goals around your physical health and mindfulness practices are beneficial, financial health shouldn't be overlooked. Money is the #1 cause of stress — more than job, health, and relationship stress combined.<sup>2</sup> Here are a few best practices for improving financial wellness:

## 1 Pinpoint your purpose

Think about why you want to create better money habits. What are you trying to achieve?

- Building an emergency fund for unexpected expenses
- Buying a new car or home
- Striving for financial freedom by eliminating debt

Knowing your goals can motivate you to set aside time and money to achieve them. Consider writing them down and putting them somewhere you can see them.

## 2 Create a budget

Having a budget is one of the best ways to track your finances. A budget will allow you to:

- See where your money goes each month so you can prioritize how to spend and invest it
- Find ways to cut back on optional expenses to make room for things that matter more to you. For instance, you could make coffee instead of buying it, cancel a streaming service you don't use, or set up auto pay to avoid late fees on recurring bills
- Set aside money for long-term goals and big purchases like an emergency fund, retirement, and vacations

## 3 Start investing early

The earlier you begin saving for a long-term goal such as retirement, the better off you'll be. That's because the sooner you start regularly adding to your account, the longer your money has the potential to grow, thanks to a concept called compounding.

Figure 1 shows what it would look like if you saved \$250 a month, earning an average annualized 7% rate of return on your investments.

As you can see, waiting just 5 years could make a tremendous difference in the amount you have available when you retire.

<sup>2</sup>"2019 Global Investor Pulse Survey," BlackRock

Figure 1. Impact of Investing Early: Potential Account Value at Age 67



## 4 Pay yourself first

Pay yourself first by contributing to a retirement account, an emergency fund, or another saving account before spending money on non-essentials. An easy way to do this is to make saving automatic. You're less likely to miss the money if you don't see it in your checking account in the first place. You could:

- Make regular contributions to your retirement account that are taken out of your paychecks
- Sign up for direct deposit (if your employer offers it) and request that a certain amount go into your savings account
- Use mobile apps that save and invest your spare change when you make purchases

## 5 Focus on debt

By eliminating what you owe, you can take the money you're putting toward debt and use it for savings instead. When you make only minimum payments, it can take years to wipe out loan and credit card balances. To get rid of debt faster, pay more than the minimum amounts due.

## Remember, small steps have a big impact

Though it may seem slow at first, making financial wellness a priority will create benefits over time. You may find that you're less stressed because you know where your money is going. You may even find you can afford things you couldn't before as you keep an eye on your spending.

To learn more about investing concepts and investing through your plan, visit our educational videos on [savingsplusnow.com](https://savingsplusnow.com) and select the **Workshops and Videos** tile.

# Take Your Account Security to the Next Level

We collaborate with Nationwide to protect your information as our commitment to you and your hard-earned dollars. We're vigilant about ensuring our processes and practices include checks and balances with a focus on fraud prevention practices. But protection on your account gets even stronger when you take an active role. In fact, when you use **complex passwords with 12 characters or more**, you can make it 62 trillion times more difficult for hackers to access your account.<sup>3</sup>

Here are a few ways you can take your account security to the next level:

- ✔ Create your online account at **savingsplusnow.com** and review it frequently
  - Use your personal email address, not your work email address, with your Savings Plus account.
  - Creating a user ID and password prevents an unauthorized user from creating one and taking over your account without your knowledge.
  - This allows Savings Plus to contact you with important information if you change jobs.

- ✔ Use strong and unique passwords and change them regularly
  - Mix uppercase and lowercase letters, numerals, and special characters
  - Use unique passwords for each online site you use
  - Hide passwords so they cannot be copied or misused by others
  - Change passwords regularly
  - Keep your username and password confidential



- ✔ Stay vigilant against scam or phishing attempts
    - Phishing emails often have poor spelling, incorrect grammar, wrong phone numbers, suspicious email addresses, or bad links; however, as phishing emails become more sophisticated, they are less likely to have obvious errors.
    - Don't download attachments or select links from unknown senders
    - If in doubt, delete the email
- 
- ✔ Don't ignore updates
    - Install updates on your computer, devices, and apps regularly
    - Updates often contain enhancements to online security
    - Avoid installing any applications from unknown sources
    - Use the app store link from financial institution websites
    - Always carefully review the privacy information on the apps you use
    - Monitor accounts at least once a month for unwanted activity

- ✔ Contact Savings Plus immediately if you suspect fraudulent activity

Learn more on keeping your account safe by visiting the **Resources and Announcements** tile on **savingsplusnow.com**.

<sup>3</sup>Source: The Mathematics of (Hacking) Passwords, Scientific American, 2019.

# Increased Contribution Limits for 2023

	Maximum contribution limit	Contribution limit plus Age-Based Catch-Up	Traditional 457(b) Catch-Up contribution limit
This year, if you are...	...less than age 50	...at least age 50	...3 years prior to your normal retirement age
401(k) Pre-tax/ 401(k) Roth	\$22,500	\$30,000	\$30,000 (use Age-Based Catch-Up)
457(b) Pre-tax/ 457(b) Roth	\$22,500	\$30,000	\$45,000
<b>TOTAL</b>	<b>\$45,000</b>	<b>\$60,000</b>	<b>\$75,000</b>

## Only 19% of women say they're on track to retire without running out of money

Results from a recent Nationwide Retirement Institute® study found that women are being more proactive about their financial wellness than they were in 2020.<sup>4</sup> However, only 19% of women say they're on track to retire without running out of money.<sup>5</sup> Attend our upcoming **Women in Retirement** webinar to learn how you can be more proactive about your financial future. Invite a friend! To register, go to [savingsplusnow.com](https://savingsplusnow.com) and select the **Workshops and Videos** tile.

## A little increase can go a long way

If you cut back on expenses, you may be able to increase contributions to your retirement account. Log into your account and use **My Interactive Retirement Planner<sup>SM</sup>** to help gauge your retirement readiness. To increase your contribution amount, log into your account on [savingsplusnow.com](https://savingsplusnow.com) or contact your Retirement Specialist. A little increase can go a long way.

<sup>4</sup>"2021 Advisor Authority Study," Nationwide Retirement Institute

<sup>5</sup>"2022 Financial Wellness Survey," TIAA (January 2022)



# You Heard it Here A Lot is Happening at Savings Plus



## Account Lock—Coming soon

When you request this extra level of account security, you proactively “lock” your account from distributions until you’re ready to take withdrawals. This service is available at no extra charge and provides:

- Enhanced security that’s under your control
- Options to lock and unlock when you’re ready
- Notifications anytime a withdrawal is requested

To learn more about Account Lock, contact the Solutions Center at (855) 616-4776 or (800) 848-0833 (TTY) between 5 a.m. – 8 p.m. PT.



## Thank you for attending the Savings Plus Virtual Fair!

We hope you learned valuable information about the plans and tools available to help you retire more comfortably. We heard from you that you’re interested in taking a deeper dive into retirement preparation, financial planning, and investment education, and we’re looking forward to sharing more information on these topics in 2023. We hope to see you at next year’s virtual fair.



## Text or email transaction alerts

Stay informed on your account activity by signing up for alerts via text or email. Alerts are available for transactions such as:

- Withdrawals
- Contributions
- Loan repayments

To sign up for transaction alerts, log in to your account, select your **name** in the upper right corner, and then choose your **communication preferences**. By setting up alerts on your account, you have easy access to verify account activity anytime and anywhere.

## Brand refresh

We’ve refreshed our Savings Plus materials and logo with a new look and feel! Visit [savingsplusnow.com](https://savingsplusnow.com) to check it out!

## Notice

Please be advised that the Loan Initiation fee will be \$75 and the Qualified Domestic Relations Order fee will be \$400 effective January 1, 2023.

# Find Your Licensed Retirement Specialist

Schedule today



**Johnny Chang**  
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**Schedule today!**



**Justin Bailey**  
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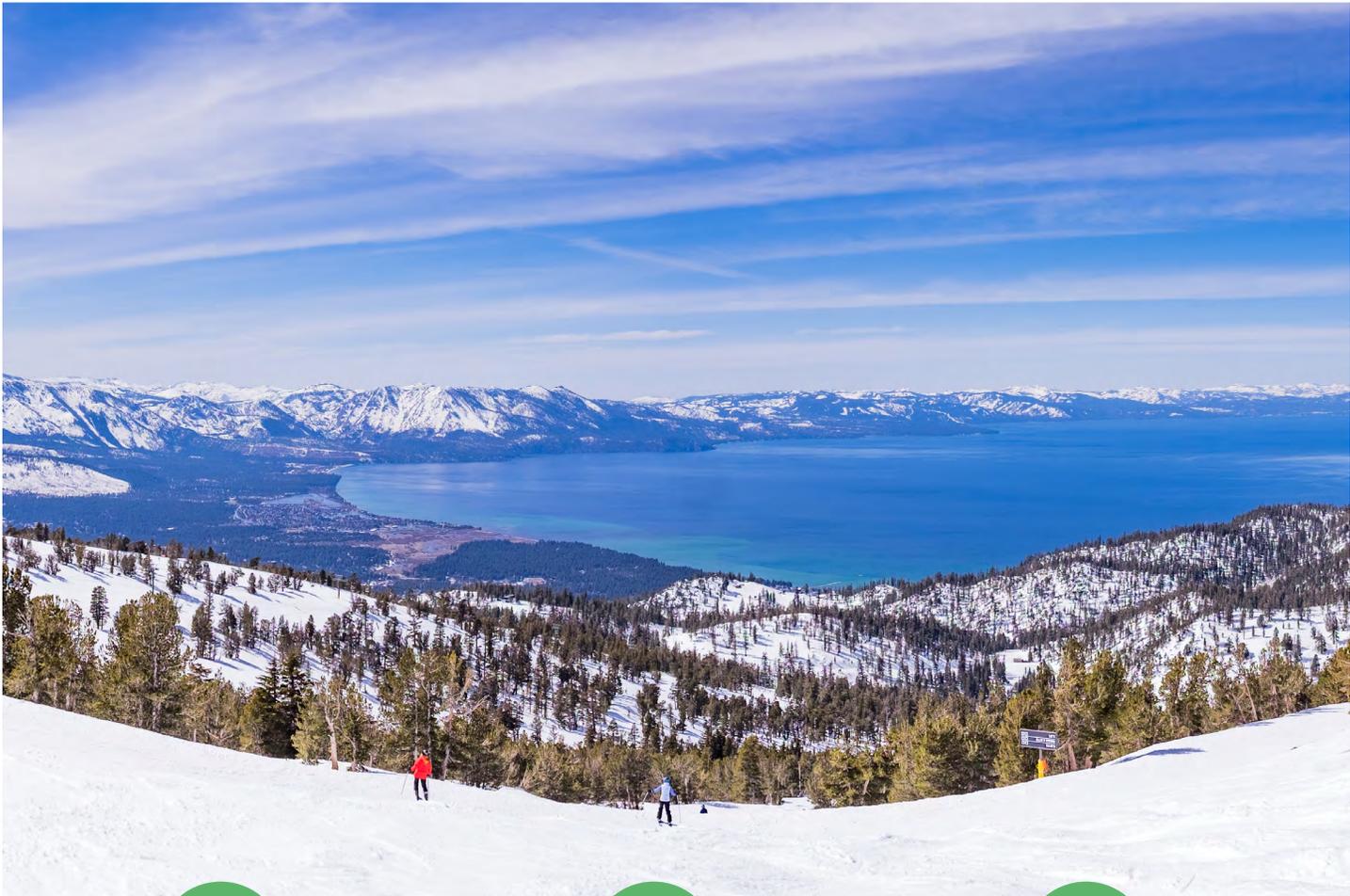
## Your Retirement Specialist can help :

- Provide on-site workshops and departmental financial education
- Attend an educational webinar
- Review your Savings Plus account(s)
- Discuss your retirement goals and objectives



## Retired/within 5 years of retirement?

**Ralph Hoskins, CFP Personal Retirement Consultant (PRC)**  
(916) 538-7442  
ralph.hoskins@nationwide.com  
**Schedule today!**



**savingsplusnow.com**



**Savings Plus  
Solutions Center**  
(855) 616-4776  
(800) 848-0833 (TTY)  
5 a.m. - 8 p.m. PT



**Savings Plus  
Walk-in Center**  
1810 16th Street,  
Room 108  
Sacramento, CA 95811  
8 a.m. - 5 p.m. PT



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