

# SIMPLY PUT

Second Quarter 2014

www.modeferredcomp.org | 800-392-0925

## Survey Highlights

# 72%

Percentage of participants setting aside some money for emergencies, carrying very little to no debt, and saving at least some money for retirement.

# 28%

Percentage of participants who “always” utilize a monthly or weekly budget.

# 1 in 3

participants rely on a friend, co-worker, spouse, or parent for trusted financial advice.

## Calendar

The New York Stock Exchange is closed:

Friday, July 4, 2014

Monday, September 1, 2014

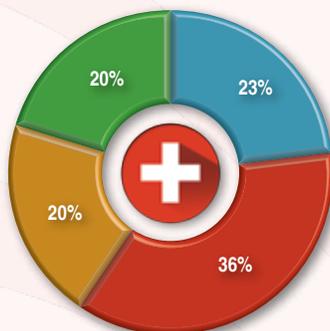


## Survey Sheds Light on Financial Habits

This past March more than 4,300 participants responded to the Plan’s Financial Status Survey. This anonymous, online questionnaire explored the personal saving and spending habits of Plan participants. The feedback is instrumental in helping the Plan develop custom education and communication materials for its diverse participant base. The charts below show a few of the key findings; view the full report at [www.modeferredcomp.org](http://www.modeferredcomp.org). A special thanks to those who took the time to provide open and honest feedback.

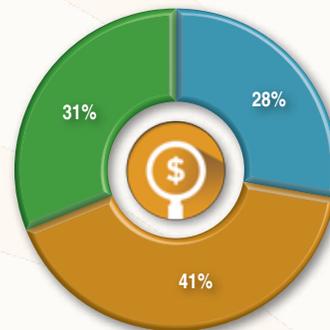
### Financial Status Survey Key Findings

#### Do you prepare for financial emergencies?



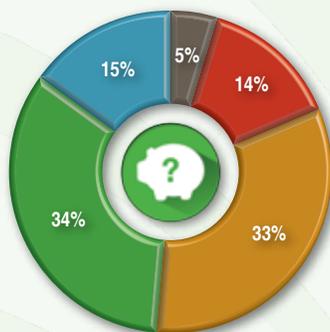
- Yes, I contribute to an emergency fund each month
- *I occasionally set aside money for an emergency*
- I rarely set aside money for an emergency
- I do NOT have an emergency fund

#### Do you utilize a budget to track income and expenses?



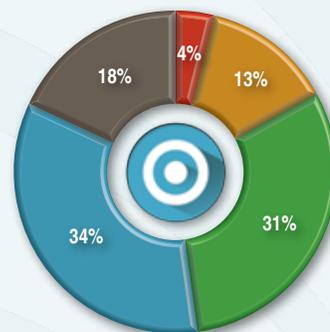
- Always
- *Sometimes*
- Never

#### How confident are you in deciding how much to save for retirement?



- Extremely confident
- Very confident
- Somewhat confident
- *Not too confident*
- Not confident at all

#### How confident are you in choosing investments when saving for retirement?



- Extremely confident
- Very confident
- Somewhat confident
- *Not too confident*
- Not confident at all

The following page explores ways to improve your financial status



David Gibson has joined the deferred compensation plan team as an education specialist serving the northwest portion of the state. David replaces Dan Wagner, who retired in August 2013. Mr. Gibson has more than 20 years of experience in retirement planning and investing. He has been awarded the Chartered Retirement Planning Counselor designation, granted from the College for Financial Planning, and holds both insurance and securities licenses. Contact David directly at 800-392-0925 Opt. 3, Ext. 6 or by email at DGibson@icmarc.org.

## Next Steps: Ways to Improve Your Financial Status

The survey results highlighted on the previous page point to a few key financial strategies and topics that may be causing participants confusion. Fortunately there are simple steps and valuable Plan tools that can help everyone make strides in these areas.

### Set up an Emergency Fund



An emergency fund is designed to pay for things like unexpected car or home appliance repairs, unplanned medical costs, or, in extreme cases, the living costs associated with unpaid leave. Setting up an emergency fund is as easy as setting up an automatic transfer to your savings account or stashing some cash at home after each paycheck. Some financial experts recommend you save up to a certain percentage of your annual pay, but each person's situation is different. The most important thing to do is set aside cash with each paycheck, even if it's a little at a time, to be used only when you're in a pinch.

### Use RetirementTrack to Track Savings Progress



The Plan's custom **RetirementTrack calculator** is built specifically for state of Missouri employees and can help you decide if your current savings balance and contribution amounts will be enough to supplement pension and social security in retirement. If the projection says you're

not saving enough, then adjust some of the factors you can control, like contribution amounts and years of service, to find a strategy that works for you. Find the calculator online at [www.modeferrredcomp.org](http://www.modeferrredcomp.org).

### Budgeting 101: Watch What You Spend



Budgeting doesn't have to be complicated. To get started, use a simple spreadsheet and track your spending for one week. Do you notice any trends? Are there items you can eliminate? Now, expand your tracking to an entire month and compare your expenditures to your monthly income. **Are you spending more than you earn?** Sometimes finding extra money to save is as easy as tracking your spending habits and cutting out the things you don't need. You'll be surprised by how simply monitoring your spending will make you think twice before your next purchase.

### Consider Target Date Funds



If choosing investment options intimidates you, don't worry — you're not alone. That's why the Plan offers the Missouri Target Date Funds, which are designed to be an all-in-one, custom investment solution. Professional managers pick and choose your asset mix and automatically rebalance your portfolio as your career approaches retirement.

## Participants Connect, Save and Share



The Plan pushed employee appreciation festivities into overdrive this May with the 4-Week Savings Spree Challenge. This interactive contest encouraged state employees to connect with the Plan on one of its social media channels and then share a savings story of their own. Employees who connected with the Plan or "liked," "shared," or "favorited" a Plan post were entered in the employee

appreciation day random prize drawing, while those who contributed a savings tip or story were awarded a free T-shirt. There were more than 1,000 entries in the prize drawing, while 115 employees scored a free T-shirt. Visit [www.modeferrredcomp.org](http://www.modeferrredcomp.org) for a recap of the month's events, and be sure to join fellow state employees by connecting with the Plan on Facebook, Twitter, YouTube, or LinkedIn.



For important news, savings tips, and more:



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