

# SIMPLY PUT

Retirement Savings Education, Simplified

Fourth Quarter 2020

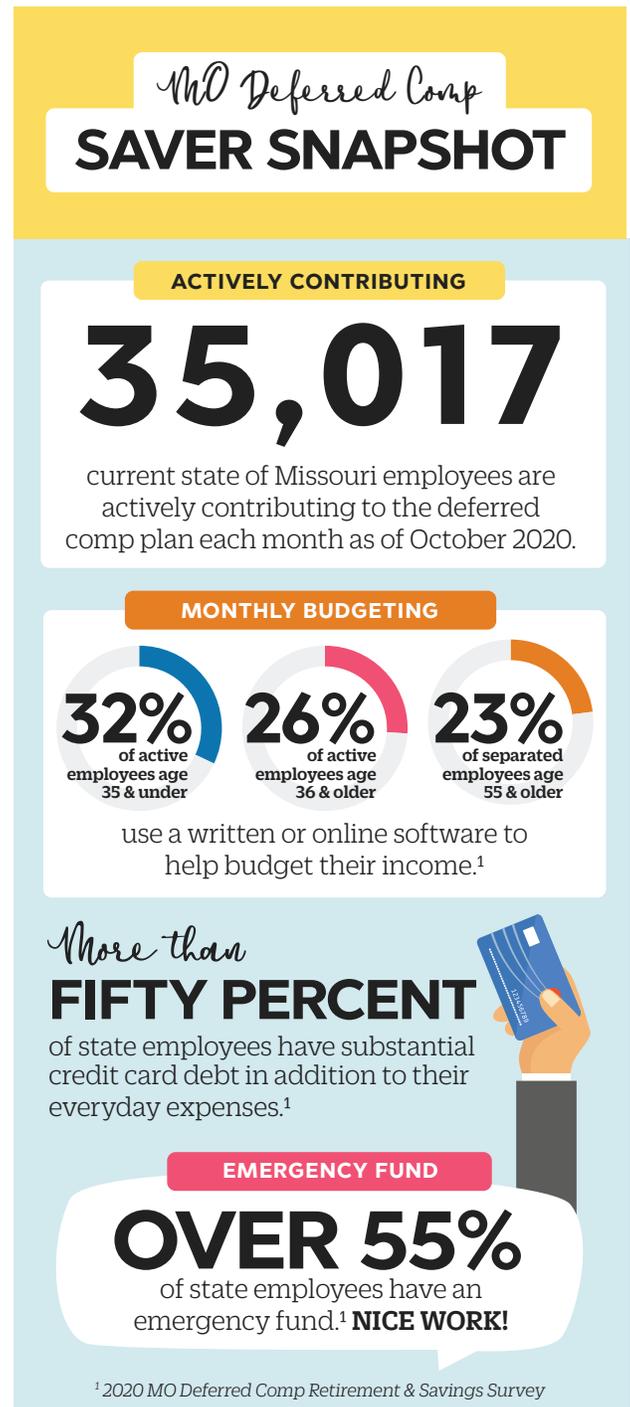
## Check-in on Your Financial Wellness

The phrase “financial wellness” sounds a bit cliché, but it's an extremely important concept that can affect both your mental and physical health. Financial wellness refers to your ability to live without financial stress and be in complete control of your money. This ultimately means your debts are manageable, you have ample emergency savings, and you have a financial plan for the future. It's the total picture of your finances. Being financially “well” is typically not something that comes easy or by chance. It requires action, dedication, and minor adjustments over time in order to modify your habits for the better.

### Taking Control of Your Finances

Simply put, financial wellness is about planning and discipline. It involves efficiently managing your money so you can pay your bills, save for the future, and enjoy life to the fullest. Attaining a healthy financial lifestyle requires you to work on four areas: budgeting, debt management, emergency savings, and retirement planning.

- Budgeting** is about telling your money where to go and what to do instead of wondering where it went. A budget doesn't have to be complicated. You can find a simple budgeting worksheet on [www.moderferredcomp.org](http://www.moderferredcomp.org) or download an app to your phone or tablet to get started.
- Having **debt** isn't always a bad thing, and it doesn't always hinder your financial wellness. Problems arise when you let debt get out of control. If you have debt troubles, you may want to consider different payoff strategies — like the snowball or avalanche method — or even paying a fee for a debt management plan to negotiate lower interest rates and new monthly payments on your behalf.



### How much should be in your emergency fund?

Many financial experts recommend having at least three months of income saved for emergencies. This suggested amount allows you to cover routine expenses for a period of time, adjust your budget, and find a new job.

## Taking Control of Your Finances (Continued)

3. An **emergency savings fund** is a pot of money set aside to cover your monthly expenses in case of job loss or unexpected expenses like a new car transmission or home heating/cooling system. Starting your emergency fund can be tackled one step at a time. Simply open a savings account and begin stashing away a little amount every pay period.
4. What the majority of people don't realize, is that **retirement planning** should start in your 20s and 30s and continue throughout your working career. Whether you're just starting out or are a seasoned state employee, the MO Deferred Comp Plan can help you create a retirement savings plan that fits into your budget and helps you attain the retirement lifestyle you've already dreamed of.

### Financial Wellness and Your Health

Besides the obvious — healthy finances — your financial wellness can affect your mental and physical state too. Seventy-two percent of Americans reported feeling stressed about their finances,<sup>2</sup> and seventy-eight percent of adults admit to losing sleep due to worrying about everyday expenses, retirement savings, and healthcare costs.<sup>3</sup> Over time, this stress and lack of sleep can contribute to chronic physical conditions, such as heart disease, diabetes, headaches/migraines, high blood pressure, compromised immune systems, and so on. Financial stress is also linked to depression and anxiety. An unhealthy relationship with your money affects much more than just your spending habits, it affects your entire well-being. Making your financial wellness a priority can boost your self-confidence and have positive, lasting effects on your overall health.



For more information and resources on how to improve your financial wellness, visit [www.modeferredcomp.org](http://www.modeferredcomp.org) or contact your local education specialist.

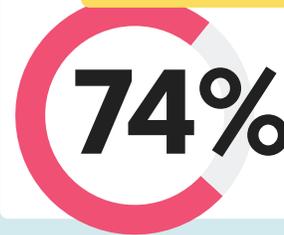
### MO Pocket Change A Financial Wellness Presentation

A large portion of state of Missouri employees struggle with understanding the state's benefits, which only adds to their financial issues. That's why deferred comp created the presentation called **Pocket Change** to teach state employees about saving and spending their money, and to summarize their benefits. After attending, you'll have a better understanding of your financial situation and ways you can improve your overall financial wellness. Visit [www.mopocketchange.org](http://www.mopocketchange.org) for more information or to register for a presentation.



<sup>1</sup> 2020 MO Deferred Comp Retirement & Savings Survey; <sup>2</sup> American Psychological Association Stress in America 2020 Survey; <sup>3</sup> Bankrate Losing Sleep 2020 Survey

#### SAVING FOR RETIREMENT



of state employees are saving for retirement with the MO Deferred Comp Plan as of October 2020.

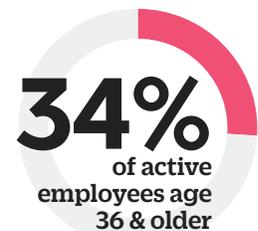
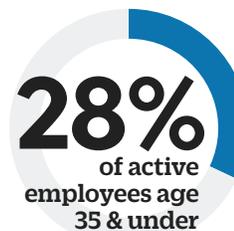
Roughly  
**THIRTY-THREE PERCENT**  
of state employees reported the number one reason they are NOT saving more for retirement is debt repayment.<sup>1</sup>

#### AUTOMATIC INCREASE

**2,576**

employees are saving with the Automatic Increase tool as of October 2020.

#### UNDERSTANDING STATE BENEFITS



completely understand the state of Missouri's benefit package.<sup>1</sup>



Learn more at  
[www.modeferredcomp.org](http://www.modeferredcomp.org)  
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