

THE MONEY COACHES



“Yesterday ended last night.
Today is a brand-new day.”

Zig Ziglar

Open Enrollment Is Nearly Upon Us!

It's that time...
Benefits
OPEN
ENROLLMENT



Very soon it will be time to review all things associated with open enrollment. That includes things like health insurance, insurance beneficiaries, and 401(k) contributions. Let's take a look at what *could* be with regard to your 401(k). We would all love to be able to retire with enough money to live comfortably. One example we like to use with new hires in their 20s is how to become a millionaire by the time they reach retirement. Here is one *ideal* example that we wish someone would have shown us when we were just starting our careers:

A 24-year-old starts their 401(k) at the full 8% employee contribution and that generates 4% from the company's matching fund. They have a projected salary of \$40,000 per year and anticipate working until age 67.

If their investments average a conservative return of 6% and they receive a conservative 2% annual cost of living raise, when they retire they will have contributed \$219,209. For their part, the company matched \$.50 on the dollar, so the company's total contribution is \$109,813. That puts the total amount of retirement funds available after interest at \$1,227,167.

If you'd like to input your own numbers, you can use the page we did for calculations, <https://www.bankrate.com/retirement/calculators/401-k-retirement-calculator/>.

We asked Nyhart's Eric Roberts and Kristie Ertel to confirm this example. Nyhart's 401(k) guru's only comment after affirming our numbers was, "you did not include the 3% Safe Harbor contribution that Ceres add each year." The Safe Harbor is icing on the cake, and yes we did leave it out for the sake of simplicity.

It would definitely be prudent to do your own calculations that match your specific circumstances.

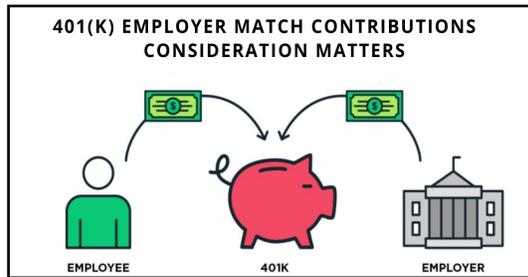
Obviously, if you chose to

contribute just 4%, you'd only get about half of what you would if you maxed out the free money from your company match. It is always the advice of The Money Coaches that you should *never* pass up free money!

If you can't immediately take advantage of all the free money when getting started out due to other financial obligations, that any time you receive a pay increase, you put half of it into your 401(k) contribution. For example: you may receive a 2% pay increase. In that case, you'd add 1% of the increase to your budget and 1% to your 401(k). Grow your 401(k) contributions until you get *all* of the free money that you can from the company.

In the first example of how to save and invest and enter retirement with a million dollars, if the company match was left out, you would suffer a loss of \$300,000. *Never* pass up free money!

The Value of the Employer Match



Let's look at some of the ways you can grow your contributions and what they mean to you in retirement using the same information from our earlier example:

- A 24-year-old works and contributes to 401(k) until age 67
- They receive a 2% annual cost of living raise
- They have a base annual salary of \$40,000.00.
- Their employer matches .50 cents on every employee dollar
- They receive a 6% average rate of return from the invested 401(k)

2% with 1% company match → At age 67

\$306,792.00

3% with 1.5% company match → At 67

\$460,187.00

4% with 2% company match → At 67

\$613,585.00

5% with 2.5% company match → At 67

\$766,980.00

6% with 3% company match → At 67

\$920,378.00

7% with 3.5% company match → At 67

\$1,073,772.00

8% with 4% company match → At 67

\$1,227,167.00

10% with 4% company match → At 67

\$1,431,693.00

These figures do not include the 3% Safe Harbor company contributions.

We've illustrated it clearly and enough has been said. Take a look at your 401(k) contributions during your annual enrollment time. It is clearly an important part of planning for your and your family's future, and one you should take seriously.

We would also encourage you to take a look at your credit score annually to determine if there are any anomalies or inaccurate information that might be damaging your credit. The best way to do that is via www.creditkarma.com or www.annualcreditreport.com.

Credit Karma will give you a credit score, but not a FICO score. Annual Credit Report won't include your credit score, but will give you a look at your report and does not cost anything. If you want to view your score, you will need to pay when you request the report.

Additionally, you should consider getting a will on file as you review your financial plans. It is never comfortable or enjoyable to talk about, but your loved ones will be better for your foresight, so don't put it off.

Finally, consider your life insurance needs. Along with wills they are not enjoyable topics to dig into, but insuring that your family will be taken care of even if you are gone is an important step and one that can give peace of mind.

Thank you for allowing The Money Coaches to assist you! Ceres pays for everything we do on your behalf and every conversation with you or your family is confidential. We are looking forward to a great 2022.

For more, check us out at www.themoneycoaches.com!

Carrot Cake

Ingredients

Cake

- 1 ½ cups granulated sugar
- 1 cup vegetable oil
- 3 eggs
- 2 cups Gold Medal™ All-Purpose Flour
- 2 teaspoons ground cinnamon
- 1 teaspoon baking soda
- 1 teaspoon vanilla
- ½ teaspoon salt
- 3 cups shredded carrots (5 medium)
- 1 cup coarsely chopped walnuts

Frosting

- 1 package (8 oz) cream cheese, softened
- ¼ cup butter or margarine, softened
- 2 to 3 teaspoons milk
- 1 teaspoon vanilla
- 4 cups powdered sugar
- Nutmeg, if desired

Directions

1. Heat oven to 350°F. Grease bottom and sides of one 13x9-inch pan or two 8-inch or 9-inch round pans with shortening; lightly flour. In large bowl, beat granulated sugar, oil and eggs with electric mixer on low speed about 30 seconds or until blended. Add flour, cinnamon, baking soda, 1 teaspoon vanilla and the salt; beat on low speed 1 minute. Stir in carrots and nuts. Pour into pan(s).
2. Bake 13x9-inch pan 40 to 45 minutes, round pans 30 to 35 minutes, or until toothpick inserted in center comes out clean. Cool rectangle in pan on cooling rack. Cool rounds 10 minutes; remove from pans to cooling rack. Cool completely, about 1 hour.
3. In medium bowl, beat cream cheese, butter, milk and vanilla with electric mixer on low speed until smooth. Gradually beat in powdered sugar, 1 cup at a time, on low speed until smooth and spreadable. Frost 13x9-inch cake or fill and frost round layers with frosting. Sprinkle nutmeg on frosted cake, if desired. Store in refrigerator.

THE MONEY COACHES

Rich Keller
Cell: (765)592-0027
rich@themoneycoaches.com

Kathy Keller
Cell: (765) 592-0285
kathy@themoneycoaches.com

Allen Cobb
(765) 731-1107
allen@themoneycoaches.com