

5 easy steps to grow your green

Presented by:
 Timothy M. Shirk CFP®
 timothy.shirk@francisinvc.com

Cardinal at Work Retirement Savings Benefits

Money Advisors

- Independent Investment Advisor
- Fiduciary Education and Advice Services
- No Sales, No Hidden Fees
- Service Provided as a Cardinal At Work Retirement Savings Benefit

We Want To Hear From You!

Join by Web

- 1 Go to PollEv.com
- 2 Enter **TIMOTHYSHIRK857**
- 3 Respond to activity

Join by Text

- 1 Text **TIMOTHYSHIRK857** to 22333
- 2 Text in your message

When poll is active, respond at pollev.com/timothyshirk857
Text **TIMOTHYSHIRK857** to 22333 once to join

How confident are you with your understanding of how best to use your retirement savings accounts?

Totally Confident
Very Confident
Moderately Confident
Not Very Confident
Not At All Confident

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

1. Lay the Groundwork
2. Trim Taxes
3. Plant Well
4. Cultivate Growth
5. Prepare for Drought



lay the groundwork **1**



Lay the Groundwork

- Capture all the “free” money*
- Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)



*See the plan's Summary Plan Description for details on qualifying for company contributions.

Lay the Groundwork

- Capture all the “free” money*
- Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
- At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)



*See the plan's Summary Plan Description for details on qualifying for company contributions.

Lay the Groundwork

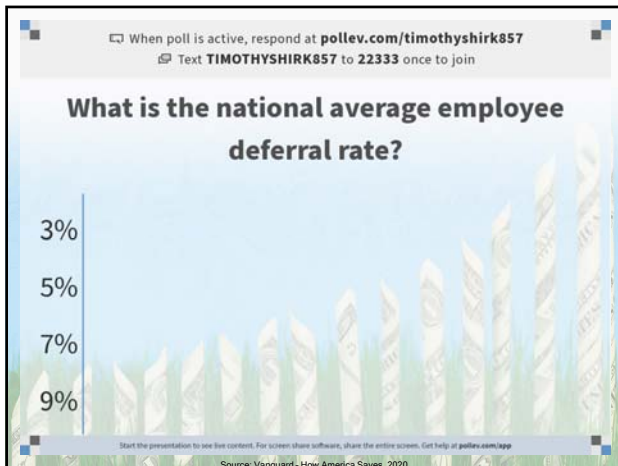
- Capture all the “free” money*
- Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
- At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)
 - Save 1%, get a 1.5% match
 - Save 2%, get a 3% match
 - Save 3%, get a 4% match
 - Save 4%, get a 5% match

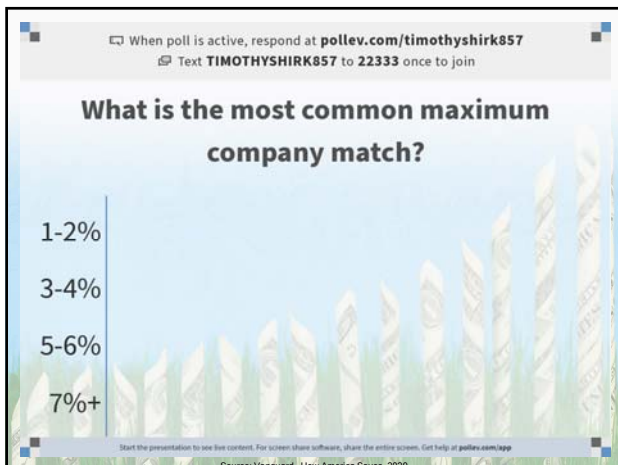
*See the plan's Summary Plan Description for details on qualifying for company contributions.

Lay the Groundwork

- Capture all the “free” money*
 - Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
 - At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)
 - After 1 year receive the basic company contribution
 - 1 year of service, receive 1% of pay
 - 2 years of service, receive 2% of pay
 - 3 years of service, receive 3% of pay
 - 4 years of service, receive 4% of pay
 - 5 years of service, receive 5% of pay

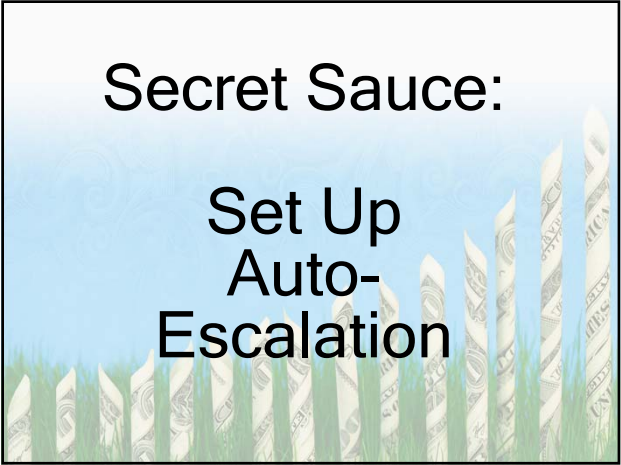
*See the plan's Summary Plan Description for details on qualifying for company contributions.





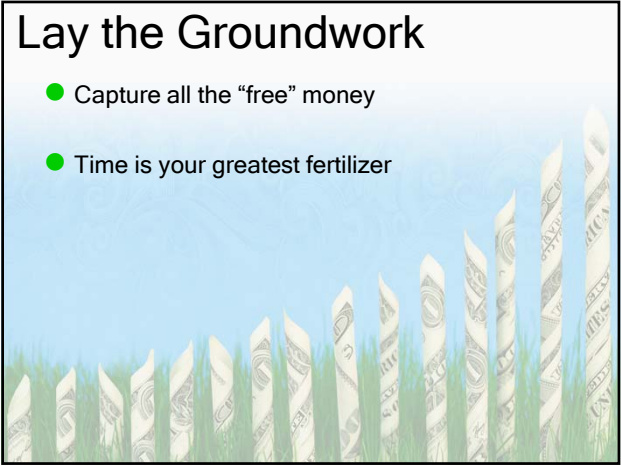
Secret Sauce:

Set Up Auto- Escalation



Lay the Groundwork

- Capture all the “free” money
- Time is your greatest fertilizer

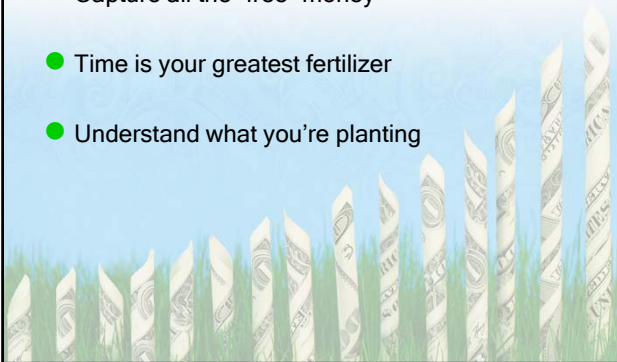


Twin Tale



Lay the Groundwork

- Capture all the “free” money
- Time is your greatest fertilizer
- Understand what you’re planting



There’s No Cash in There

Your stock portfolio is...

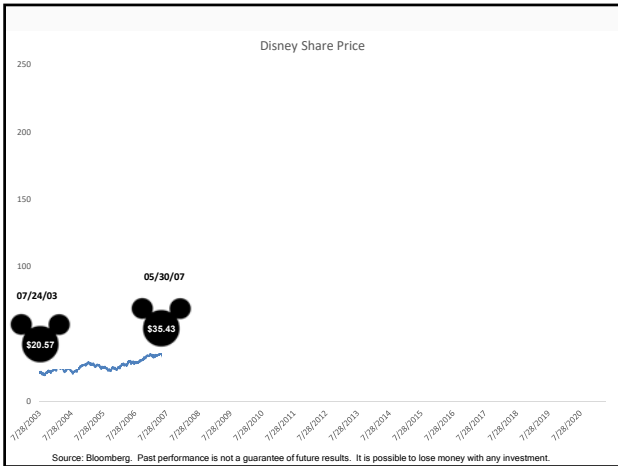
*A collection of **assets** purchased today with the expectation of selling them in the future for a profit.*

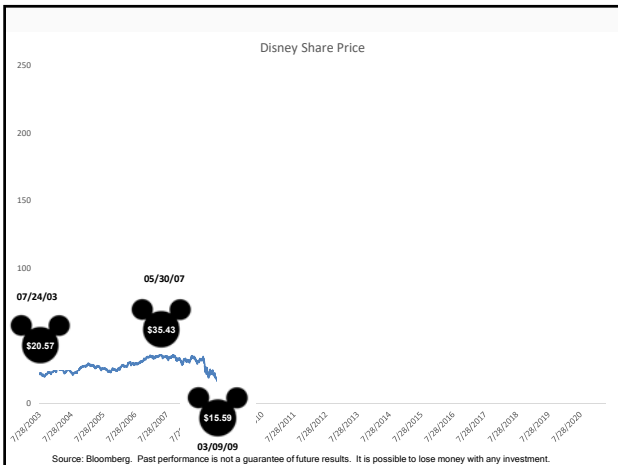


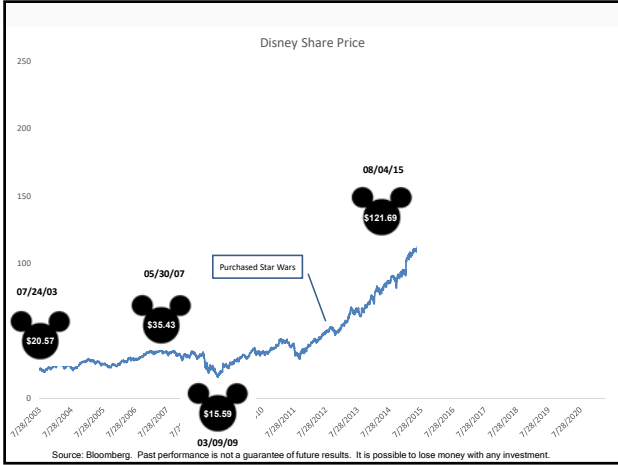
Past performance is not a guarantee of future results. It is possible to lose money with any investment.

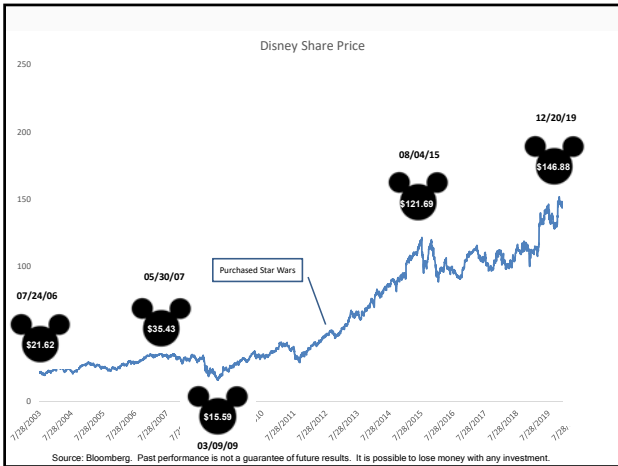


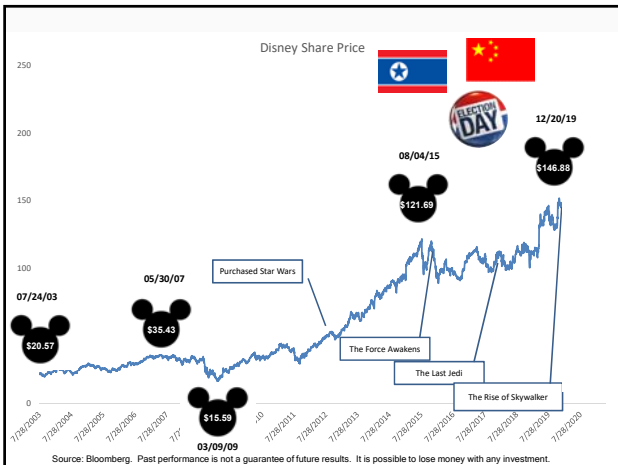


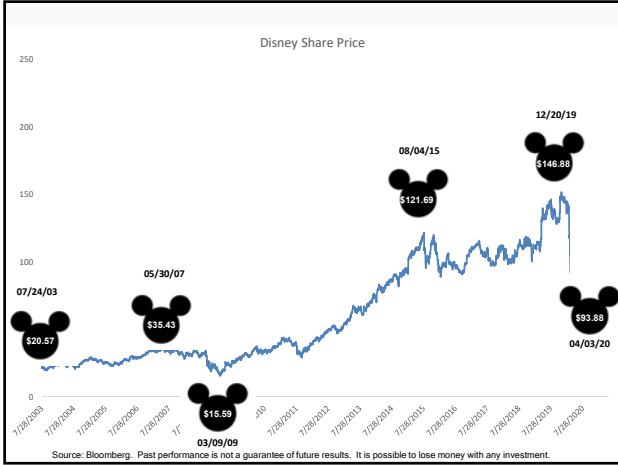


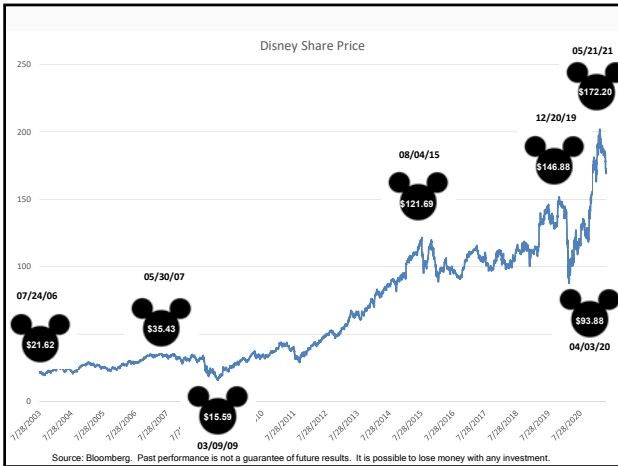












Mutual Funds

- Your money is combined with other investors
- Mutual fund managers pick the stocks and bonds

When poll is active, respond at pollev.com/timothyshirk857
 Text **TIMOTHYSHIRK857** to 22333 once to join

How many companies are owned by the average large-cap blend mutual fund?

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Source: Morningstar, analysis by the author and active funds

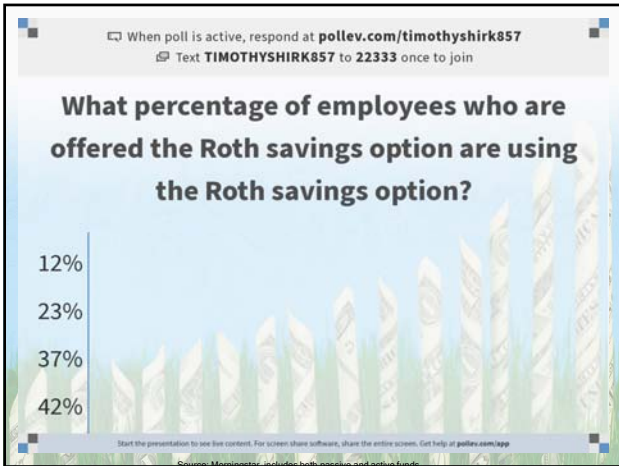
Retirement plan investors aren't just buying US stock funds

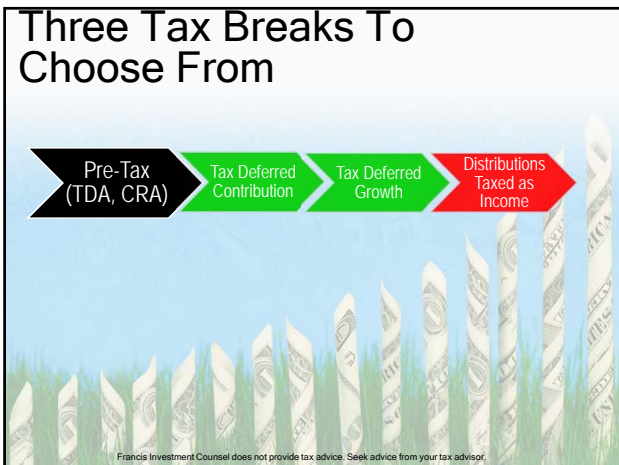
Asset Class
Int'l - Emerging Mkts
Int'l
Small-Cap Value and Growth
Large-Cap Value
Large-Cap Growth
Foreign Bond
Bond
Stable Value
Hard Asset

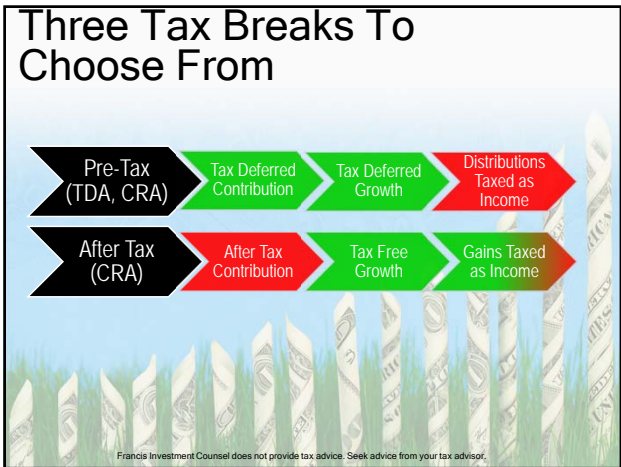
Example asset allocation - Does not constitute a specific recommendation.

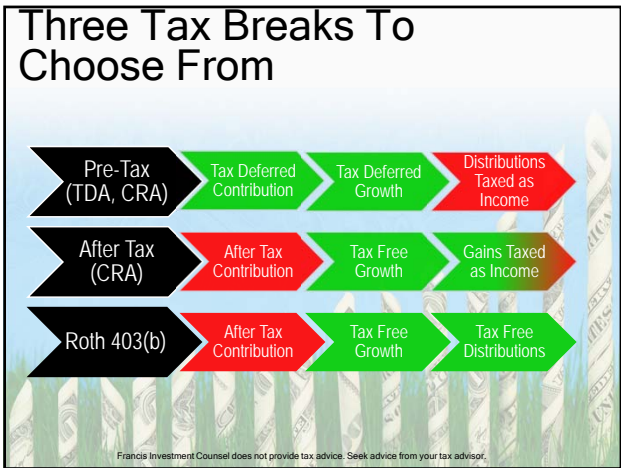
You are SUPER diversified in your retirement plan!

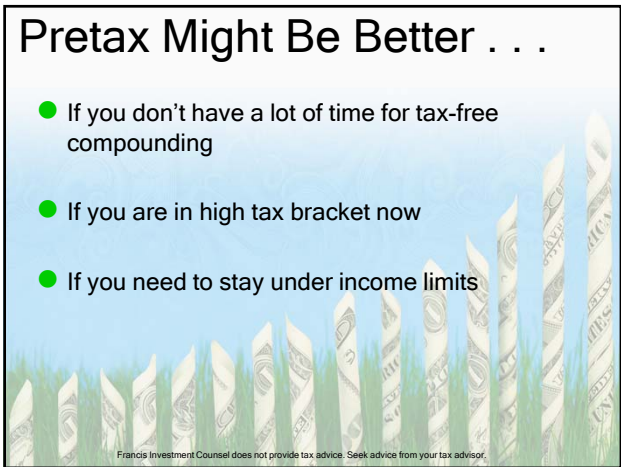












Roth Might Be Better . . .

- If you DO have a lot of time for tax-free compounding
- If you are in lower tax bracket now

Francis Investment Counsel does not provide tax advice. Seek advice from your tax advisor.

After-Tax Might Be Better . . .

- If you wish to save more than the annual limit
- 402(g) limit
 - Savers under 50 years old limited to \$19,500 per year (2021)
 - Savers 50 and older may make a “catchup” contribution of \$6,500.
- 415(c) limit
 - Contributions from all sources limited to \$58,000 (2021)
 - 50+ “catch up” contribution not included in 415(c)

Francis Investment Counsel does not provide tax advice. Seek advice from your tax advisor.

The diagram shows three buckets at the top: TDA (orange), CRA (yellow), and ROTH 403(B) (blue). Below them are three horizontal flowcharts:

- TDA:** Pre-Tax (TDA, CRA) → Tax Deferred Contribution → Tax Deferred Growth → Distributions Taxed as Income
- CRA:** After Tax (CRA) → After Tax Contribution → Tax Free Growth → Gains Taxed as Income
- Roth 403(b):** After Tax Contribution → Free Growth → Tax Free Distributions

A yellow box at the bottom says: **Remember to capture your match!**

Source: The Plan's Summary Plan Description. Francis Investment Counsel does not provide tax advice. Speak with a qualified tax advisor.

Respond at pollev.com/timothyshirk857
 Text **TIMOTHYSHIRK857** to **22333** once to join, then **A, B, C, D, or E**

How much of your Social Security benefits will be taxed if you file jointly and your "provisional" income is more than \$44,000?

100%	A
85%	B
50%	C
0%	D
None of the above	E

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app
 Francis Investment Counsel does not provide tax advice. Seek advice from your tax advisor.

Maybe Both Tax Treatments Make Sense

- Having both allows you to control your taxable income in retirement
- Unlike the pre-tax retirement accounts, there are no Required Minimum Distributions if you roll Roth dollars into a Roth IRA
- Money goes to family income-tax free upon death

Francis Investment Counsel does not provide tax advice. Seek advice from your tax advisor.

Keep in mind . . .

Unlike the pre-tax accounts, growth on your Roth account is taxed and penalized until after 59.5 years old, AND 5 years from first contribution.

Francis Investment Counsel does not provide tax advice. Seek advice from your tax advisor.



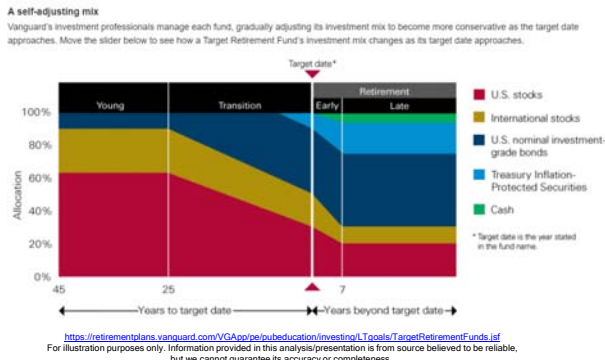
Two Ways to Diversify

Two Ways to Diversify

“Do it for me!”

Target Retirement Date Funds

Vanguard Target Retirement Date Funds



Two Ways to Diversify

"Do it for me!"

Target Retirement Date Funds

"I've got this!"

Custom Menu with Varying Asset Classes

Custom Menu

"I've got this!"

Custom Menu with Varying Asset Classes







Points vs Percentages

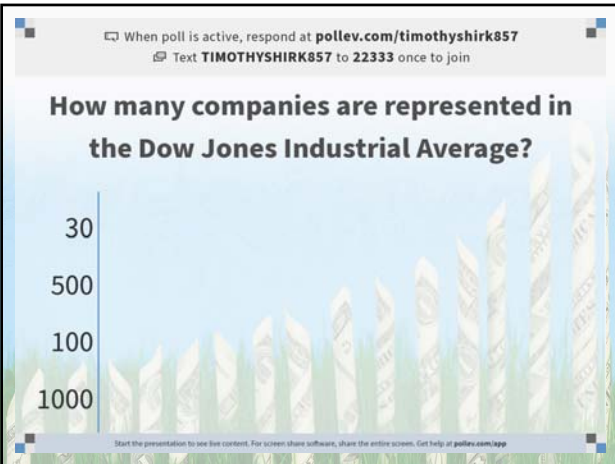
10/19/87
Down 22.6%
in one day!



10/15/08
Down 7.9% in
one day!



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness.



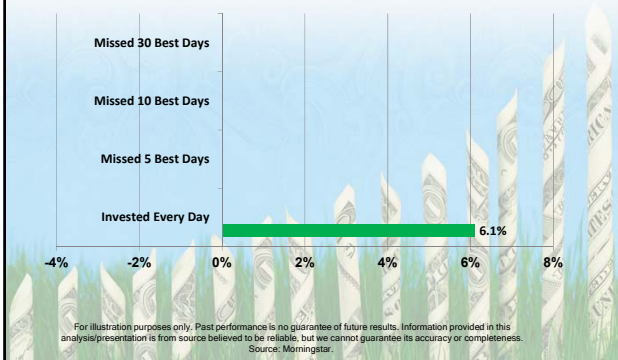


Which Market are You In?



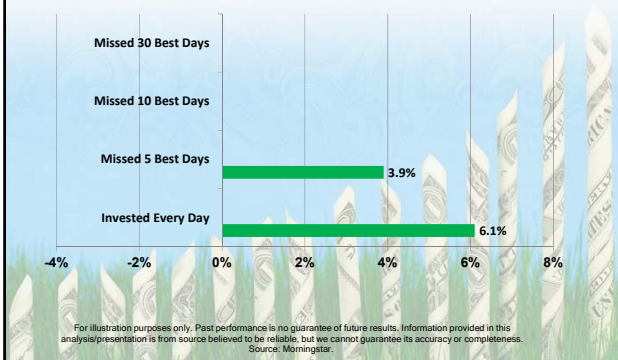
Resist the Urge to Flee

S&P 500 Index Annualized Returns for 20-year period ending 12/31/19



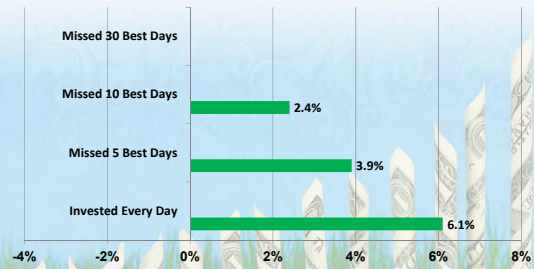
Resist the Urge to Flee

S&P 500 Index Annualized Returns for 20-year period ending 12/31/19



Resist the Urge to Flee

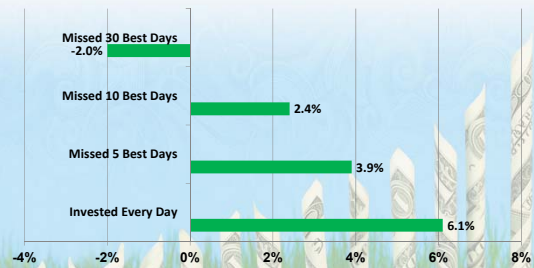
S&P 500 Index Annualized Returns for 20-year period ending 12/31/19



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness. Source: Morningstar.

Resist the Urge to Flee

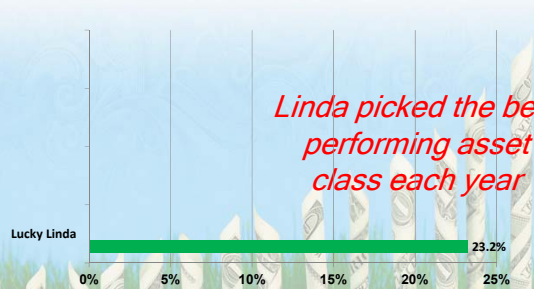
S&P 500 Index Annualized Returns for 20-year period ending 12/31/19



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness. Source: Morningstar.

Resist Return Chasing

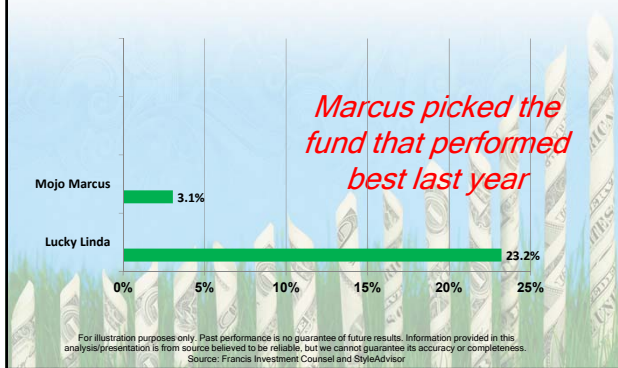
Annual returns for 15-year period ending 4/30/21



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness. Source: Francis Investment Counsel and StyleAdvisor.

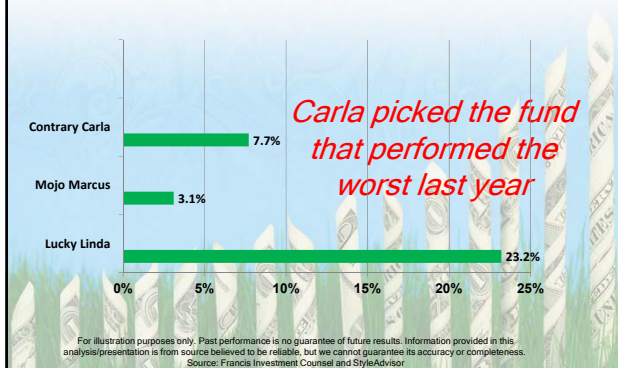
Resist Return Chasing

Annual returns for 15-year period ending 4/30/21



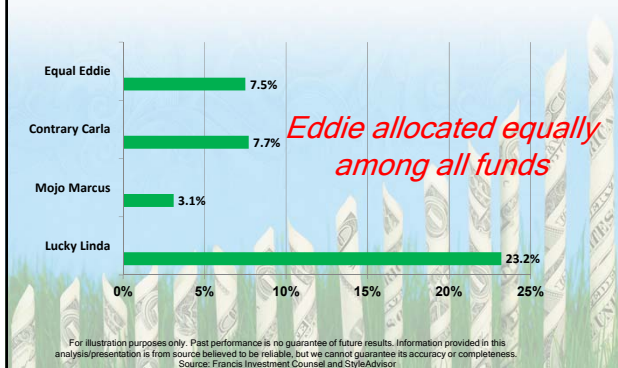
Resist Return Chasing

Annual returns for 15-year period ending 4/30/21



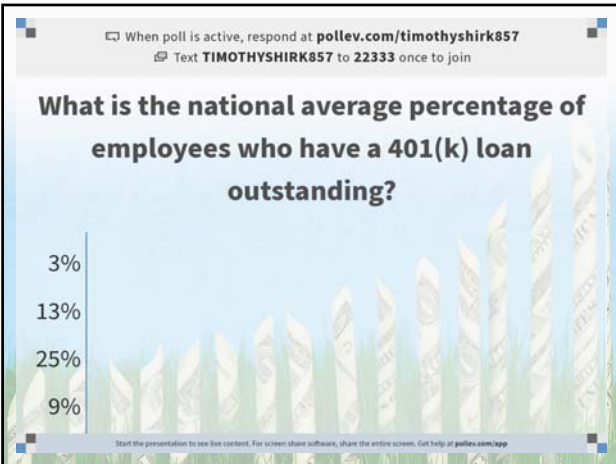
Resist Return Chasing

Annual returns for 15-year period ending 4/30/21



Cultivate Growth

- Resist temptation to chase or flee
- Don't tap early

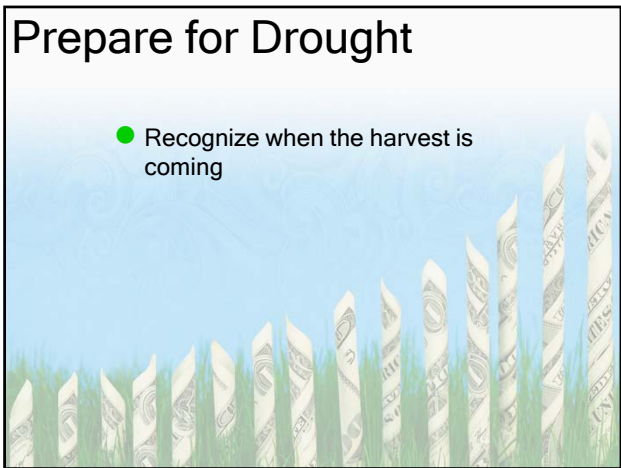


Loans Slow Your Growth

- Double tax world
- Interest you pay may be less than typical investment returns
- Many stop saving while paying back
- Yikes... payment is due if you leave the company!

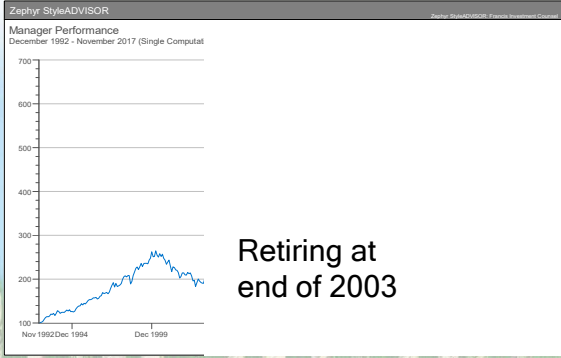
See the Plan's Summary Plan Description for complete details.





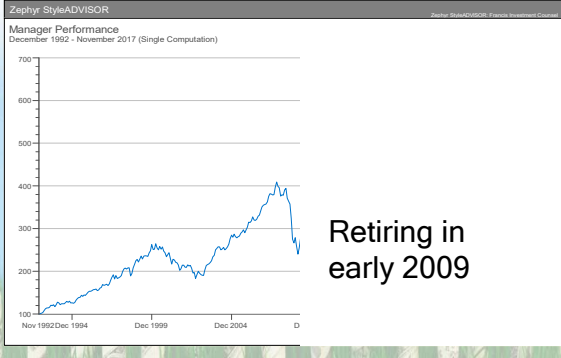


Risk increases closer to harvest



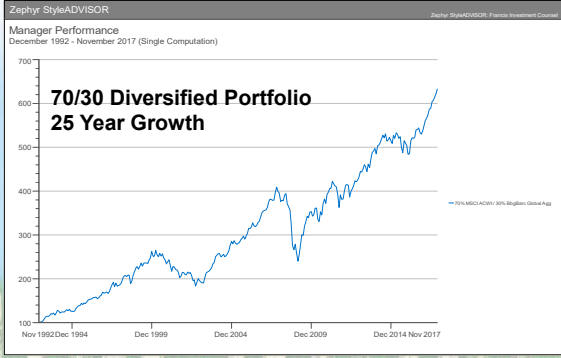
For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness.

Risk increases closer to harvest



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness.

Will the market be higher when you harvest?



For illustration purposes only. Past performance is no guarantee of future results. Information provided in this analysis/presentation is from source believed to be reliable, but we cannot guarantee its accuracy or completeness.

Asset Allocation

Stocks	Bonds and MM
80%	20%
75%	25%
70%	30%
65%	35%
60%	40%
55%	45%
50%	50%
45%	55%
40%	60%
35%	65%
30%	70%

Downshift
as you near
retirement

For illustration purposes only.

Prepare for Drought

- Recognize when the harvest is coming
- Check your gut (what's your risk tolerance?)

To Dos:

1. Capture your match
2. Boost your contributions 1%
3. Consider saving (or converting to) Roth
4. Make sure you are diversified
5. Lower stock exposure as retirement nears
