FOR WOMEN: A TIAA FINANCIAL ESSENTIALS PROGRAM



She's Got It:

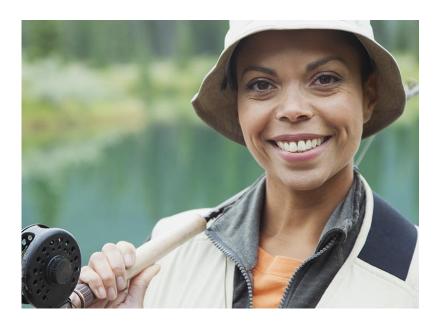
A woman's guide to savings and investing

Barbara Vaught April 18, 2023

Agenda

She's Got It: A woman's guide to saving and investing

- Financial goals and strategies
- Basics of saving and investing
- Strategies for when life happens
- Next steps



Financial goals and strategies to reach them



Set long-term financial goals

- Retirement
- Paying for college
- Protecting your assets
- Long-term care
- Building a financial legacy

Financial goals and strategies to reach them

Set short-term financial goals

- Create an emergency fund
- Purchase a new car
- Do home improvement projects
- Travel or take a vacation

Financial personality type quiz





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Financial personality types





The Doer

What are your key frustrations in setting financial goals and achieving them?



The Learner

If you could wave a magic wand to achieve one saving or investment goal, what goal would that be?



The Provider

What keeps you up at night regarding your money management?

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The Planner

What is the tactic or technique you use in money management that really works for you?

Saving and investing basics



- Pay yourself first!
- Set aside an emergency fund
- Consider taking advantage of your employer's plan
- Consider increasing contributions when you get a raise
- Two secrets of what makes money grow



Savings challenges women may face

- May need to save more money because we tend to live longer
- May have fewer years to save the necessary amount
- May not be able to save as much from year to year

A closer look at investing



The four basics to consider

- Investment risk
- Volatility
- Asset allocation and diversification
- Expenses

Types of investment risk



- Interest-rate risk
- Inflation risk
- Foreign investment risk
- Market risk
- Market-timing risk



Diversification!

The importance of diversification

It is difficult to predict which types of investments will do best in any given year.*

																2006-2	2020
ILN	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annualized returns	Volatility level**
Higher return	Emerging Market Equity 32.14%	Emerging Market Equity 39.42%	Bonds 5.24%	Emerging Market Equity 78.51%	Small Cap 26.85%	TIPS 13.56%	Emerging Market Equity 18.22%	Small Cap 38.82%	S&P 500 13.69%	Large Cap Growth 5.67%	Small Cap 21.31%	Emerging Market Equity 37.28%	Bonds 0.01%	Large Cap Growth 36.39%	Large Cap Growth 38.49%	Large Cap Growth 12.54%	Emerging Market Equity 21.75%
Lower return	International Stocks 26.34%	Large Cap Growth 11.81%	TIPS -2.35%	High Yield Bond 58.21%	Mid Cap 25.48%	Bonds 7.84%	Large Cap Value 17.51%	Mid Cap 34.76%	Large Cap Value 13.45%	S&P 500 1.38%	Large Cap Value 17.34%	Large Cap Growth 30.21%	TIPS -1.26%	S&P 500 31.49%	Small Cap 19.96%	S&P 500 9.88%	Small Cap 20.34%
	Large Cap Value 22.25%	TIPS 11.64%	60/40 Div Portfolio -25.38%	Mid Cap 40.48%	Emerging Market Equity 18.88%	High Yleid Bond 4.98%	International Stocks 17.32%	Large Cap Growth 33.48%	Mid Cap 13.22%	Bonds 0.55%	High Yleid Bond 17.1.3%	International Stocks 25.03%	Large Cap Growth -1.51%	Mid Cap 30.54%	S&P 500 18.40%	Mid Cap 9.77%	Mid Cap 17.80%
	Small Cap 18.37%	International Stocks 11.17%	High Yleid Bond -26.16%	Large Cap Growth 37.21%	Large Cap Growth 16.71%	Large Cap Growth 2.64%	Mid Cap 17.28%	Large Cap Value 32.53%	Large Cap Growth 13.05%	International Stocks -0.81%	Mid Cap 13.80%	S&P 500 21.83%	High Yleid Bond -2.08%	Large Cap Value 26.54%	Emerging Market Equity 18.31%	Small Cap 8.91%	Internationa Stocks 17.47%
	S&P 500 15.79%	60/40 Div Portfolio 8.74%	Small Cap -33.79%	International Stocks 31.78%	Large Cap Value 15.51%	S&P 500 2.11%	Small Cap 16.35%	S&P 500 32.39%	60/40 DIV Portfolio 6.39%	TIPS -1.44%	S&P 500 11.96%	Mid Cap 18.52%	S&P 500 -4.38%	Small Cap 25.52%	Mid Cap 17.10%	60/40 Div Portfolio 7.56%	Large Cap Value 15.99%
	Mid Cap 15.26%	Bonds 6.97%	Large Cap Value -36.85%	60/40 Div Portfolio 27.65%	High Yield Bond 15.12%	60/40 Div Portfolio 1.41%	S&P 500 16.00%	International Stocks 22.78%	Bonds 5.97%	60/40 Div Portfolio -1.46%	Emerging Market Equity 11.19%	60/40 Div Portfolio 15.20%	60/40 Div Portfolio -5.60%	International Stocks 22.01%	60/40 Div Portfolio 13.48%	High Yield Bond 7.50%	Large Cap Growti 15.69%
	60/40 Div Portfolio 13.30%	Mid Cap 5.60%	S&P 500 -37.00%	Small Cap 27.17%	S&P 500 15.06%	Large Cap Value 0.39%	High Yield Bond 15.81%	60/40 Div Portfolio 15.85%	Small Cap 4.89%	Mid Cap -2.44%	60/40 Div Portfolio 8.57%	Small Cap 14.65%	Large Cap Value -8.27%	60/40 Div Portfolio 20.44%	TIPS 10.99%	Large Cap Value 7.34%	S&P 500 15.12%
	High Yield Bond 11.85%	S&P 500 5.49%	Large Cap Growth -38.44%	S&P 500 26.46%	60/40 Div Portfolio 13.25%	Mid Cap -1.55%	Large Cap Growth 15.26%	High Yield Bond 7.44%	TIPS 3.64%	Large Cap Value -3.83%	Large Cap Growth 7.08%	Large Cap Value 13.66%	Mid Cap -9.06%	Emerging Market Equity 18.42%	International Stocks 7.82%	Emerging Market Equity 6.59%	60/40 Div Portfolio 10.37%
	Large Cap Growth 9.07%	High Yield Bond 1.87%	Mid Cap -41.46%	Large Cap Value 19.69%	International Stocks 7.75%	Small Cap -4.18%	60/40 Div Portfolio 12.96%	Bonds -2.02%	High Yield Bond 2.45%	Small Cap -4.41%	TIPS 4.68%	High Yield Bond 7.50%	Small Cap -11.01%	High Yield Bond 14.32%	Bonds 7.51%	Bonds 4.49%	High Yield Bond 9.73%
	Bonds 4.33%	Large Cap Value -0.17%	International Stocks -43.38%	TIPS 11.41%	Bonds 6.54%	International Stocks -12.14%	TIPS 6.98%	Emerging Market Equity -2.60%	Emerging Market Equity -2.19%	High Yield Bond -4.47%	Bonds 2.65%	Bonds 3.54%	International Stocks -13.79%	Bonds 8.72%	High Yield Bond 7.11%	International Stocks 4.48%	TIPS 5.55%
3	TIPS 0.41%	Small Cap -1.57%	Emerging Market Equity -53.33%	Bonds 5.93%	TIPS 6.31%	Emerging Market Equity -18.42%	Bonds 4.21%	TIPS -8.61%	International Stocks -4.90%	Emerging Market Equity -14.92%	International Stocks 1.00%	TIPS 3.01%	Emerging Market Equity -14.58%	TIPS 8.43%	Large Cap Value 2.80%	TIPS 4.31%	Bonds 3.19%
	Emergi Market	ing Equity	Large Cap Gro	wth 1	IPS	Internationa Stocks	Bo	onds	Mid Cap	S&P 5		ligh Yield Bond	Large Cap V		Small Cap	60/4 Portfo	0 Diversifi blio

*Source: Data derived from Morningstar DirectSM, Morningstar, Inc., 2020. All data represents total returns for the stated period. Past performance does not guarantee future returns.

**Volatility is defined as standard deviation (2006-2020); the greater the volatility, the greater the variance to the mean return of a given asset.

60/40 diversified portfolio assumes annual rebalancing.

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Class it up

Asset classes

- Guaranteed
- Money market
- Fixed income
- Real estate
- Stocks (a.k.a. equities)

There are inherent risks in investing in securities. Past performance is no guarantee of future results. In addition, investment returns and principal value will fluctuate so your accumulation, when redeemed, may be worth more or less than the original cost.

- * Guarantees are based on the claims-paying ability of the issuer.
- ** The real estate industry is subject to various risks including fluctuations in underlying property values, expenses and income, and potential environmental liabilities.

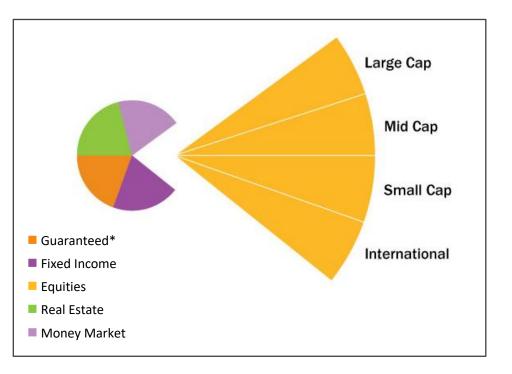




Understanding diversification



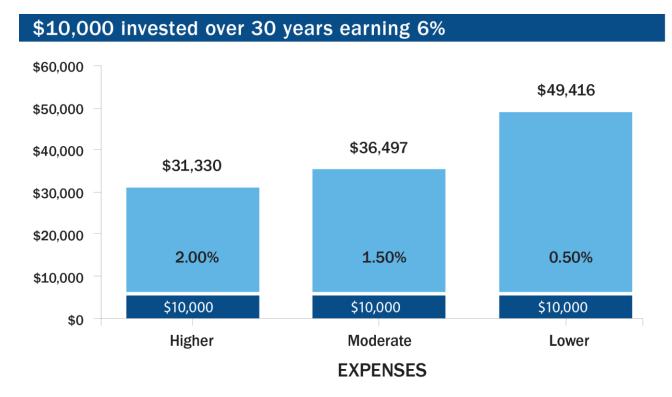
- Spreads risk among different asset classes
- Potentially reduces overall portfolio volatility
- To diversify, allocate assets...
 - Across asset classes
 - Within asset classes



Diversification is a technique to help reduce risk. There is no guarantee that diversification will protect against a loss of income. *Based on the claims-paying ability of the issuer.



A hypothetical illustration:



This chart assumes expenses are withdrawn from the account at year-end, based on year-end assets. It is presented for illustrative purposes only and does not reflect actual performance, deduction of taxes or predict future results of any TIAA account. Before committing money to an account, be sure to check its expenses. However, lower expenses do not mean higher returns. The rate of return is purely hypothetical.

The financial game of life



- Read the scenario to the group and discuss what you'd do in this situation.
- Talk about how this may affect your goals, and what you can do to still move towards them.
- Choose a scribe to take notes for your group.
- Select one person who will report back to the larger group.





Married

- Make financial planning a partnership
- Discuss financial strategy as a couple
- Set and discuss joint savings goals
- Understand your rights
- Update legal documents
 - Change beneficiaries
 - Titling of assets
 - Wills, power of attorney and healthcare directives

Suddenly single



- Seek advice before making financial decisions
- Understand your rights
- Re-evaluate financial goals
- Update legal documents
 - Change beneficiaries
 - Titling of assets
 - Wills, power of attorney and healthcare directives

Long-term relationship



- Review state laws and seek legal guidance
- Maintain independent financial identities
- Plan for what the law does not provide:
 - Social Security-does NOT pass to a partner
 - Estate plan/will-don't let the state decide
 - Retirement accounts—saving is even more important
 - Power of attorney—make sure your partner has power
 - Healthcare directives—dictate the power to choose
 - Domestic partnership agreement—make it legal

Staying single

- Set goals and determine savings and investment strategy
- Choose a beneficiary
- Establish legal documents
 - Will
 - Power of attorney
 - Healthcare directives
- Plan for long-term care

Balancing care for children/parents



- Discuss financial plans now with your relatives
- Maintain your goals
- Contribute to retirement—even when you aren't working
- Budget for the unexpected
 - Travel cost to take care of loved ones
 - Unpaid time off from work
 - Assistance with medical bills

Financial planning and goal setting for any life event

- Seek help from a trusted financial advisor or consultant
- Review budget, cash flow and net worth
- Have an adequate emergency fund
- Review life insurance
- Set/revise retirement goals, even when you are not working

Questions?





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Takeaways

TIAA is here for you.

- Retirement and tax-advantaged options
- Traditional and Roth IRAs
- College savings
- Life insurance
- Brokerage services
- Mutual funds

Schedule an appointment with a TIAA financial consultant today.

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She's Got It: A woman's guide to savings and investing



Women in the United States outlive men by five years — at an average age of 81, vs. 76 for men.¹ ¹Centers for Disease Control and Prevention, National Vital Statistics Reports, "U.S. State Life Tables, 2018," March 2021

61% of women are or have been caregivers.² ² National Alliance for Caregiving (NAC) and AARP, "Caregiving in the U.S. 2020," May 2020

Nearly all women caregivers made some sort of adjustment to their work situation as a result of becoming a caregiver.³ ³Transamerica Center for Retirement Studies, "Twenty Facts About Women's Retirement Outlook…and 11 Steps to Improve It," October 2020

Among caregivers age 50 and older, women have less than half the retirement savings than men (\$65,000 vs. \$154,000).⁴ ⁴National Institute on Retirement Security, "Still Shortchanged: An Update on Women's Retirement Preparedness," May 2020

Among all caregivers, those ages 50 to 64—who are approaching their retirement years—are dipping into savings when they should be putting money away for retirement, which could jeopardize their long-term financial security.⁵ ⁵National Alliance for Caregiving (NAC) and AARP, "Caregiving in the U.S. 2020," May 2020

According to the Bureau of Labor Statistics, women are earning 83% of men's salaries based on median weekly earnings for full-time workers.⁶

⁶Bureau of Labor Statistics, "Usual Weekly Earnings of Wage and Salary Workers," April 2021

Based on today's wage gap, a woman starting her career today will lose \$406,280 over a 40-year career.⁷ ⁷National Women's Law Center, "The Lifetime Wage Gap, State by State," March 2021

Sources



More unmarried couples today are living together, and doing so for longer than in the past, but fewer of these relationships lead to marriage. This longer duration is linked to couples delaying or forgoing marriage altogether.⁸ ⁸Population Reference Bureau, "Cohabiting Couples in the United States Are Staying Together Longer but Fewer Are Marrying," November 2020

Following the 2015 U.S. Supreme Court decision in favor of same-sex couples having a constitutional right to marry in all states, more same-sex couples will be recognized as married for purposes of determining entitlement to Social Security benefits.⁹

⁹Social Security Administration, "Important Information for Same-Sex Couples," accessed online June 2021

Social Security benefits, too, can be complicated. Adults who live together, but are not married, are not eligible for their partner's dependents' or survivors' Social Security benefits.¹⁰ ¹⁰Nolo, "Social Security Benefits for Unmarried Couples," accessed online June 2021

Studies show that a 20-year-old worker has a one-in-four chance of becoming disabled before reaching full retirement age.¹¹ ¹¹Social Security Administration, "Disability Benefits," April 2021



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