The shortest distance between two points is a plan.

A Financial Essentials workbook for women

FOR WOMEN: A TIAA FINANCIAL ESSENTIALS PROGRAM

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Are you ready to meet your financial self?

Investing has always been one of those things that women in general have not explored as they should. That has to change, and it seems that you agree.

This workbook is intended to educate you, more about yourself than anything else. That's where saving, investing and retirement truly begin. You can only move forward when you know where you're standing. Otherwise, you could move in the wrong direction.

We hope you'll use this workbook to help you find your path to a prosperous future. Reach your goals. Make those dreams come true. It all starts with knowing yourself, picking a direction and going for it.

— TIAA Woman to Woman team

Five facts every woman should know

Six years

On average, women live about six years longer than men, so they need more retirement savings to draw from.[1]

57%

The number of women in the workforce has fallen from its peak in 1999, resulting in less ability to save through employer-sponsored plans.[2]

$46,280

This is the expected median annual earnings of a woman working full time, year round in 2020.[3]

51%

More than half of women who estimated their retirement savings' needs say they "guessed."[4]

31%

A third of women say they are primarily responsible for household financial decisions.[5]

[1] Centers for Disease Control and Prevention, National Vital Statistics Reports, "Provisional Life Expectancy Estimates for 2020," July 2021

[2] U.S. Department of Labor, "Labor force participation rate by sex, race and Hispanic ethnicity," accessed online July 2021

[3] Bureau of Labor Statistics, Economic News Release, "Median usual weekly earnings of full-time wage and salary workers by sex, quarterly averages, seasonally adjusted," July 2021

[4] Transamerica Center for Retirement Studies, "Twenty Facts about Women's Retirement Outlook…and 11 Steps to Improve It," October 2020

[5] Hearts & Wallets, Portrait of U.S. Household Wealth, "Sizing the Growing Opportunities with Women, Retirees Seeking Income and Emerging Savers," June 2020

Determine your goals and how to reach them: Prioritize, optimize and reach

Let's divide goals into two types: long-term and short-term. Depending on your age, you may prioritize them differently but for the majority of women in the workforce, retirement is the number-one goal. Or at least, it should be.

Long-term goals are usually more than five to 10 years off, and they can be tricky. We live in an era of instant gratification, so we tend to ignore anything that isn't likely to affect us immediately. That's a terrible mistake. A comfortable retirement depends heavily on what you do right now. Procrastination is your absolute worst enemy. So the sooner you start addressing long-term goals like retirement or college savings, the better off you'll be.

Short-term goals are right around the corner, a few months or a few years away. Buying a car, getting married or taking a trip overseas are short-term goals.

On the next page, you'll see a place to write down your goals. Remember to prioritize them. The top two goals are the ones you should be most aggressively pursuing.

TIAA is here for you

You can schedule an appointment with a TIAA financial consultant today.

Visit **TIAA.org/schedulenow**.

Call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

Long-term goals:

- [ ]
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Short-term goals:

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Good savings, better savings: Paying yourself first

What if saving becomes an obligation rather than an option for you? Most of us are keen to pay our obligations—like the power bill—but not as focused when it comes to saving. So here are a few tips to consider:

Set a number in your mind

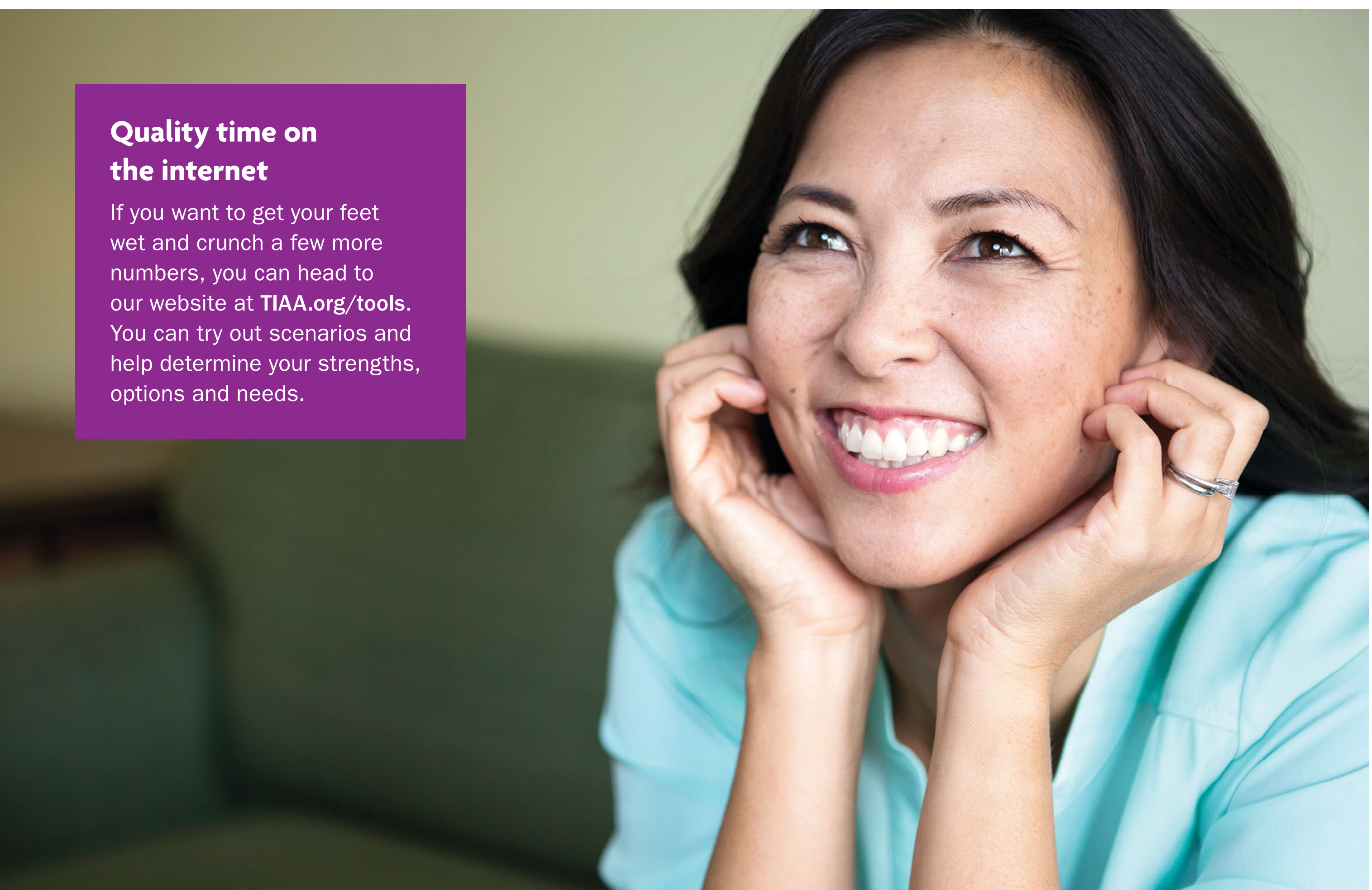
This number may be based on your cash flow analysis—see page 15. That's how much you will pay yourself every month, just like paying a bill. You'd be surprised how quickly you create the habit and budget around that amount as you would any other expense.

Keep adding to that number

When you finish paying a bill, keep paying it to yourself. For instance, if you've been paying $200 a month forever on a student loan and you finally pay it off, keep putting that money every month into your savings instead. That way you're not tempted to go out and splurge on something.

Put your savings to work

Once you have a good emergency fund—three to six months of your gross salary—you can comfortably begin looking at ways to make your monthly cash flow work for you. How? By investing it, of course. But what do you invest in? That will depend on your goals.



Quality time on the internet

If you want to get your feet wet and crunch a few more numbers, you can head to our website at **TIAA.org/tools**. You can try out scenarios and help determine your strengths, options and needs.

Debt and how to manage it

A lot of people think of debt as scary but it shouldn't be. Debt is actually a financial tool. Think of it like fire. The difference between a warm, cozy fire and a burn on your finger is all in how you use it.

Debt can help us pay for things we need in the short term without damaging our long-term plans. But debt can also eat into those long-term plans.

Home and car loans have a defined period for repayment; revolving debt, such as credit cards, is debt that has no set repayment term. Revolving debt usually has a variable interest rate and is easy to use while limiting what you are allowed to spend. It's "easy money" with a definite catch, and it can take a heavy toll on your budget and your financial health in general if it isn't managed properly.

Tips to help you manage your debt

- If you don't need it now, save for it and buy it later.
- Pay off the high-interest debt first.
- Negotiate with creditors to see if you can lower your rates.
- Keep tabs on your credit report, as errors can affect things like interest rates.
- If you use credit cards for convenience, pay off the balances every month.

Evaluate potential new debt

When you decide to go into debt, ask yourself what you're getting and what you're giving up. Economists and accountants call this a cost-benefit analysis. Basically, is what you're getting worth what you're giving up? Assess whether it would compromise your ability to save for retirement, maintain an emergency fund and pursue other life goals.

When it comes to money, who are you?

Put a check in the box next to your answers to the questions at right. When you're done, tally the number of a, b, c or d responses you have. Then transfer your tallies to the corresponding type on the following page. Whichever one has the most is your financial personality type.

Financial personality type quiz

1. **Of my take-home pay, my monthly mortgage or rent takes up:**
- ☐ **a.** More than 40%
- ☐ **b.** 31-40%
- ☐ **c.** 26-30%
- ☐ **d.** Less than 25%

2. **At any given time, I:**
- ☐ **a.** Don't know exactly what my debt loads are but they definitely got bigger with that last vacation.
- ☐ **b.** Know what I owe but not how best to pay it off.
- ☐ **c.** Have a few debts and they're just going to have to wait.
- ☐ **d.** Know exactly what's outstanding—and have a plan to pay it before it's due.

3. **Savings are:**
- ☐ **a.** Important but so is getting out and living.
- ☐ **b.** Something I need but I'm not sure how I should prioritize it.
- ☐ **c.** Optional because things come up and everyone needs something.
- ☐ **d.** Crucial to the long term and for big purchases like a home or car.

4. **My monthly budget:**
- ☐ **a.** Varies month to month—it all evens out eventually.
- ☐ **b.** Is always evolving as I learn more—it could be worse.
- ☐ **c.** Isn't set in stone but I stay within my means.
- ☐ **d.** Is written down and followed very rigidly.

5. **If I received an unexpected $5,000, I would:**
- ☐ **a.** Pay using my credit card and take a trip to an exciting new location.
- ☐ **b.** Put it somewhere until I figure out the best way to use it.
- ☐ **c.** Pay some bills, catch up on what's needed and hopefully save a little.
- ☐ **d.** Run straight to the bank to put it in my savings account—lucky me!

6. **I feel best about my investing and myself when I:**
- ☐ **a.** Seize opportunities as soon as they arise.
- ☐ **b.** Get someone else's perspective and make an informed decision.
- ☐ **c.** Help others and make everyone happy.
- ☐ **d.** Create a strategic plan, weigh the options and make a move.

7. **My reliable old car finally died. To replace it, I'll be:**
- ☐ **a.** Finding something in my price range and sticking it on my rewards card—lots of free goodies.
- ☐ **b.** Scouring the internet for financing options, price deals and user reviews before I make a choice.
- ☐ **c.** Making whatever down payment I can and financing the rest at a hopefully low rate.
- ☐ **d.** Pulling some money out of savings, shopping for a good price and paying for it up front.

8. **When it comes to my retirement, I feel:**
- ☐ **a.** Like it's far away. I don't like to pass up life experiences, which means it's a year or two away from what I had hoped it would be.
- ☐ **b.** Slightly unsure. I know where I want to go and when; I'm just not sure how exactly to get there, yet.
- ☐ **c.** Great! I'll save the money to retire but that's not what matters right this instant. People depend on me and I'm not selfish.
- ☐ **d.** Confident. I've been working and saving for this my entire life.

What financial personality type are you?

Record your tally for each letter from the previous page in the corresponding boxes below. Whichever letter you answered most often is your type.

A. The Doer

The Doer works hard and she knows the value of money. She's responsible for herself, well-loved by her friends and a take-charge kind of person. Life is meant to be lived and she does tend to value experiences over savings—at least for now. Certain opportunities only come around once in a lifetime. The Doer, therefore, is always seeking to balance the needs of tomorrow with the opportunities of today.

Considerations: You like instant gratification. Given an opportunity, you tend to place a greater value on living life to its fullest rather than just ensuring ample savings—and you're definitely not alone. Your savings or investments aren't quite what they should be but you aren't ignoring them. You're just prioritizing.

- Arrange automatic payroll deduction for a retirement account—and take full advantage of your employer's plan. That will keep you on the right track no matter what.
- Polish your saving skills by developing goals, such as saving up for something nice like a vacation.
- Use less credit. Keep just one credit card in your wallet. Find cards with low credit limits and interest rates, and no annual fee. Less instant buying power means fewer splurges.
- Make investing and saving a social outlet. Join an investing club. Make a game of saving with your friends.
- Delegate and seek out advice for your financial plan. TIAA is here to help.

B. The Learner

The Learner is always looking for more information about money—and how to control it. Her only issue is that she never can tell if she knows enough to make a decision. She makes them, of course, but she might worry that she hasn't learned enough. The Learner tends to be an optimist and even when she's guessing, she hopes she's making educated guesses. The more she knows, the more confident and effective she becomes.

Considerations: You are an information gatherer. Organization may not be your strong suit. What you don't know scares you. Even through your rose-colored glasses, the market is always changing, and you don't have the time to sit down and learn everything. However, you remain dedicated to learning more and making better decisions.

- Arrange automatic payroll deduction for a retirement account—and take full advantage of your employer's plan.
- Be honest about where you stand financially, create a budget and track expenses. Use your bank's online tools, a simple phone or computer application, or a site like **mint.com** to make it easy for yourself.
- Delegate. Ask questions and make sure you know what's going on with your accounts. TIAA can help.

C. The Provider ☐

Generous and responsible, the Provider is concerned with helping others, making ends meet and taking charge in a crisis. Saving money is on her mind but only in the short term. The Provider tends to live for others, which can mean spending money now to keep people happy or help out rather than saving it for the future.

Considerations: You're good at juggling obligations and you define obligation pretty liberally. You balance your checking account with an eye towards giving instead of saving. You're a selfless, responsible person that others depend on. It's a conscious choice to give instead of saving. You're well aware of your need to save. You simply put the needs of others before your own.

- Arrange automatic payroll deduction for a retirement account—and take full advantage of your employer's plan.
- Remember that you have to take care of yourself as well. The better off you are, the more you can help those in need.
- Treat financial well-being like physical well-being. Strive to be financially fit.
- Invest in things that you feel good about. Buy stocks in socially and environmentally responsible companies. Ask about funds that contain green energy companies, global health providers or animal welfare concerns.
- Delegate but keep an eye on it like you do everything else. TIAA can help you.

D. The Planner ☐

The Planner is detail-oriented and budget conscious to a fault. She considers every purchase from every angle. The Planner defers enjoyment and is good at denying herself. Maybe she's afraid of not having enough, even though she may not be certain how much "enough" will be.

Considerations: You have savings and you probably know exactly what would have to happen for you to dip into them. Still, you can find yourself paralyzed when making even small money decisions. You are risk averse in a way that may actually put you at risk. You can be too conservative and you know it.

- You already have a retirement account and probably more. Make your savings work harder with CDs, money market funds and T-bills. They generally earn higher rates than a typical bank savings account and offer minimal risk.
- Consider putting a little money into Treasury Inflation-Protected Securities (TIPS). The interest rate is guaranteed and you won't have to pay local or state income taxes on gains.
- Determine what "enough savings" are and diversify to make sure you're taking enough risk to outpace inflation. TIAA can help you sharpen your plan.

Now where did I leave my assets? Asset classes are in session

An asset class is simply a broad classification of different types of investments. Every asset class has strengths and weaknesses, risks and rewards. Here's how TIAA defines asset classes.

Guaranteed

A guaranteed asset is one with a fixed rate and is backed by the claims-paying ability of the issuing insurer. Guaranteed assets preserve your principal amount invested and they provide a specified minimum return.

Money market

Money market investments are relatively safe, liquid, short-term investments such as government-issued securities, CDs, banker's acceptances, euros and commercial paper. While they are less volatile than stocks and bonds, and offer a great place for short-term investments, they have a lower potential growth than other options.*

Fixed income

Fixed income or bond investments generally pay a set rate of interest over a given period, then return the investor's principal. They're more stable than stocks but their value may fluctuate due to current interest and inflation rates.

Real estate

Your first thought may be your home or investment property. But look at it as shares of funds that invest in commercial real estate. It is always important to keep in mind that the real estate sector is subject to various risks, including fluctuation in underlying property values, expenses and income, and potential environmental liabilities.

Stocks (Equities)

Equities, also called stocks, represent shares of ownership in publicly held companies. They have historically outperformed other investments but keep in mind that past performance does not guarantee future results. Stocks are the most volatile in the short term than any other asset class, which gives you the potential for big gains and big losses. Returns and principal will fluctuate and when redeemed, may be worth more or less than original cost. Timing is important.

Which asset classes should you choose?

The short answer is, all of them—what we call *diversification*.

A rule of thumb in investing is to try to spread your money across many asset classes. This keeps you from putting all your eggs in one basket, and serves to help reduce risk and provide a variety of opportunities for reward. We'll get into diversification with asset allocation next. The long answer is to buy whatever you're comfortable owning based on the aspects of risk and reward. Remember, no method of investing can ensure a profit or protect against loss.

What if you need your money now?

Different asset classes have different rules about when and how you can access your money.

It's important to be careful with retirement accounts, especially when you need your money earlier than planned. Consult a financial consultant when you need to make a sudden withdrawal. There may be fees or penalties associated with early withdrawal.

***You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide support to the fund and you should not expect that the sponsor will provide financial support to the fund at any time.**

What's your risk tolerance?
Risk and reward

Investments almost always come with some amount of risk that you could lose money. Assuming some risk is simply part of the process but some investments carry more risk than others. Being too conservative can be inherently risky as well, thanks to inflation.

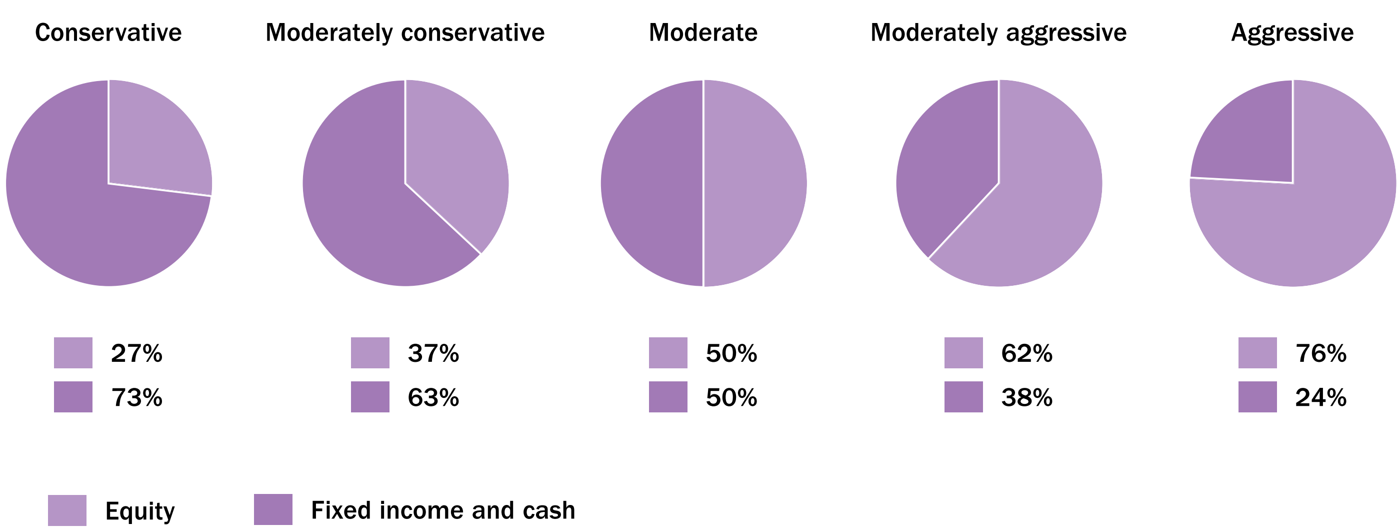
With your goal in mind, choose the available investments based on their potential ability to reach the goal balanced against the amount of risk you're willing to assume. If you have a lower risk tolerance or a short-term goal, low-risk accounts like money markets or fixed-income investments may be right for you. If you have a higher risk tolerance and a long-term goal, you may opt for higher risk investments like stocks.

Retirement investing can involve a variety of investment classes, which will depend on how far away retirement is. It is important to consider taking enough risk to seek investments that may potentially outpace inflation. When investing for the long term, it's also important to accept that the market will fluctuate.

Although past performance doesn't guarantee future results, stocks have historically outpaced inflation and outperformed interest-bearing securities, such as bonds, over the long term.

Lastly, factor in fees, taxes and other expenses that can wither your returns. At TIAA, for example, you'll find our fees are relatively low compared to the industry at large.*

Sample portfolio allocations



Source: TIAA. Please note, the asset allocations represented here are for illustrative purposes only and may change in the future.

*Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, June 30, 2021. 67% of TIAA-CREF mutual fund products and variable annuity accounts have expense ratios that are in the bottom quartile (or 90.50% are below median) of their respective Morningstar category. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

The model portfolios presented here were not created specifically for you and may not take into account your particular retirement goals or investment preferences. The ultimate allocation decision is up to you after you have considered investment information that pertains to your own personal circumstances.

Net worth: A picture of where you are

Your net worth represents the assets that you can bring to bear for yourself. A positive net worth means that, with all things considered, you have a monetary worth that you can use in your favor.

A negative net worth can be the result of bad habits, a product of life events like a divorce or market fluctuation (including home value decline), or simply mean you've invested in things that have a monetary cost but whose true value is not redeemable (like a college education).

Net worth is a snapshot of where you are—your current financial condition. On the next page, you can calculate your net worth. Make sure you date the sheet so that you can come back and retake the exercise over time to see if your worth is heading in the right direction.

Keep in mind that most people do not have every kind of asset and liability. If you don't have a Defined Benefit pension, for instance, leave it blank or enter zero.

Is your net worth negative? Don't panic. It just means you have a little work to do. Consider these suggestions:

- Limit or eliminate credit card debt
- Pay off high-interest and nondeductible debt
- Use any tax refunds to pay down debt
- Live within your means (see cash flow worksheet, page 15)
- Save or invest unexpected income (bonuses, inheritance, etc.)

Net worth worksheet: Preretirement

Monthly income: What comes in

Cash & cash equivalents	
Checking account	$
Savings account	$
Other	$

Retirement	
Defined Contribution plan	$
Defined Benefit pension *(Accumulation)*	$
Tax-deferred annuity 403(b)	$
457(b)/401(k)	$
Keoghs	$
IRAs	$
After-tax annuities	$
Other	$

Invested	
Brokerage accounts	$
Individual stocks	$
Individual bonds	$
Real estate funds	$
Mutual funds	$
Life insurance cash value	$
Other	$

Personal use	
Primary residence *(Market value)*	$
Secondary residence(s) *(Market value)*	$
Car(s)	$
Furnishings	$
Jewelry	$
Collectibles (art, antiques, etc.)	$

Total assets	**$**

Liabilities: What you owe

Real estate	
Mortgage (Home)	$
Mortgage (Rental)	$

Current liabilities	
Credit card debt	$
Education loan(s)	$

Other	
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$

Total liabilities	**$**

Total assets – Total liabilities = Net worth	**$**

Cash & cash equivalents: This is your money in the bank, so to speak.
Retirement assets: This is what you're already contributing to the future. Just enter whatever the current value of the account is.
Invested assets: More investments, but these are typically not tax-deferred like retirement plans.
Personal use assets: What you own. Enter the net of what the property is worth minus what you owe on it (if you owe anything).
If your car is worth $10,000 and you owe $8,000, enter $2,000. Bear in mind that any of these numbers could be negative.
Net worth calculation: Subtract your total liabilities from your total assets to calculate your net worth.

Determine your cash flow

Your cash flow shows you exactly what you spend your money on every month. Where does it go? The cash flow analysis will show you. You'll see where you can save every month and in some cases, how to do it.

Completing the analysis is straightforward. It is designed to show a month's cash flow so any income or expenses that occur annually, semiannually or quarterly, should be appropriately divided to arrive at the number you enter on the chart.

Be thorough and honest with your cash flow analysis. It's here to help you and no one else has to see it. When complete, you'll have a handle on what's happening to all your hard-earned cash.

What if my cash flow is negative?

If it is, here are actions to consider. Take a long, hard look at any discretionary spending. Cut what you don't need. From there, look at your expenses. Is there a way to lower them? Drop down a tier on your cable package? Raise car insurance deductibles? Consolidate credit card debt to lower the monthly payment? Explore your options to see where you could make changes. Generally, the sooner the better.

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Cash flow worksheet: Preretirement

Monthly income: What comes in

Gross salary(ies)	$
Income from:	
Self-employment	$
Part-time employment	$
Alimony/child support	$
Dividends/interest	$
Royalties	$
Real estate	$
Tax refund	$
Bonuses	$
Extraordinary income:	
Grants/prizes	$
Inheritance	$
Social Security benefits:	
Disability benefits	$
Retirement benefits	$
Survivor benefits	$
Other:	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
Total monthly income	**$**

Monthly expenses: What goes out

Mortgage/rent	$
Home/renters insurance	$
Property taxes	$
Maintenance	$
Utilities *(gas, oil, water, electric)*	$
Cable/satellite TV	$
Telephone *(home, mobile)*	$
Food *(groceries, meals)*	$
Child care	$
Car payment(s)	$
Auto insurance	$
Entertainment *(Netflix, nights out, etc.)*	$
College savings	$
Clothing	$
Vacation	$
Credit card payment(s)	$
Other debt *(student loans, etc.)*	$
Medical/dental	$
Health insurance	$
Life insurance	$
Long-term care insurance	$
Disability insurance	$
Savings/investments	$
Your contribution to employer's retirement plan *403(b)/457(b)/401(k)*	$
Your additional contribution to employer's retirement plan *403(b)/457(b)/401(k)*	$
Taxes *(federal, state, local, Social Security)*	$
IRAs, after-tax annuities	$
Pension contribution	$
Alimony/child support	$
Other	$
Total monthly expenses	**$**

Total monthly income – Total monthly expenses = Funds available **$**

Cash flow worksheet: In retirement

Monthly income: What comes in

Income:	Guesstimate	Expected
Gross salary(ies)	$	$
Savings/investments	$	$
Tax-deferred annuity 403(b)	$	$
457(b)/401(k)	$	$
IRAs, after-tax annuities	$	$
Self employment	$	$
Part-time employment	$	$
Alimony/child support	$	$
Dividends/interest	$	$
Royalties	$	$
Real estate	$	$
Tax refund	$	$

Extraordinary income:	Guesstimate	Expected
Grants/prizes	$	$
Inheritance	$	$

Social Security benefits:	Guesstimate	Expected
Disability benefits	$	$
Retirement benefits	$	$
Survivor benefits	$	$

Other:	Guesstimate	Expected
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
Total monthly income	**$**	**$**

Monthly expenses: What goes out

Expenses:	Guesstimate	Expected
Mortgage/rent	$	$
Home/renters insurance	$	$
Property taxes	$	$
Maintenance	$	$
Utilities *(gas, oil, water, electric)*	$	$
Cable/satellite TV	$	$
Telephone *(home, mobile)*	$	$
Food *(groceries, meals)*	$	$
Child care	$	$
Car payment(s)	$	$
Auto insurance	$	$
Credit card payment(s)	$	$
Entertainment *(Netflix, nights out, etc.)*	$	$
Clothing	$	$
Vacation	$	$
Life insurance	$	$
Savings *(including college savings)*	$	$
Investments	$	$
Retirement plan contributions	$	$
Taxes *(federal, state, local, Social Security)*	$	$

Healthcare:	Guesstimate	Expected
Medicare part A*	$	$
Medicare part B*	$	$
Medicare part C*	$	$
Medicare part D*	$	$
Donut hole – expenses	$	$
Medicare supp. insurance*	$	$
Dental insurance	$	$
Long-term care insurance	$	$
Disability insurance	$	$
Copays	$	$
Deductibles	$	$
Uncovered medical expenses	$	$
Total monthly expenses	**$**	**$**

Total monthly income – Total monthly expenses = Funds available	**$**	**$**

*Includes premiums, copays and deductibles

Allocating and diversifying

This page is where you can decide what goes where. You can write this as percentages of your available investments or as dollar amounts. We encourage you to allocate things for yourself first, considering everything you've learned. Then, call a financial consultant and go through the process with him or her. Use this sheet to build your money management skills.

Retirement/pension accounts

Employer/type plan

☐ Defined Benefit ☐ 401(k) ☐ 403(b) ☐ Other

Plan administrator ____________________

Amount $ ____________ or ____________ %

Employer/type plan

☐ Defined Benefit ☐ 401(k) ☐ 403(b) ☐ Other

Plan administrator ____________________

Amount $ ____________ or ____________ %

Annuities

Company ____________________

Name ____________________

Amount $ ____________ or ____________ %

Company ____________________

Name ____________________

Amount $ ____________ or ____________ %

Mutual fund accounts

Company/fund name ____________________

Amount $ ____________ or ____________ %

Company/fund name ____________________

Amount $ ____________ or ____________ %

Company/fund name ____________________

Amount $ ____________ or ____________ %

Brokerage accounts

Broker or firm ____________________

Amount $ ____________ or ____________ %

Broker or firm ____________________

Amount $ ____________ or ____________ %

Children's accounts/trusts/college savings

Account type ____________________

Amount $ ____________ or ____________ %

Account type ____________________

Amount $ ____________ or ____________ %

Insurance policies

Policy name ____________________

Amount $ ____________ or ____________ %

Policy name ____________________

Amount $ ____________ or ____________ %

Emergency savings/checking & savings accounts

Account type ____________________

Amount $ ____________ or ____________ %

Account type ____________________

Amount $ ____________ or ____________ %

Account type ____________________

Amount $ ____________ or ____________ %

The asset/salary ratio: Decoding how much you need to save to retire

Will the money you're setting aside for retirement provide enough income when you stop working? A simple calculation called the asset/salary ratio (ASR) can help answer that question. Based on your age, assets, income and expected Social Security benefits, the ASR measures your retirement readiness at any stage in your career.

How ready are you?

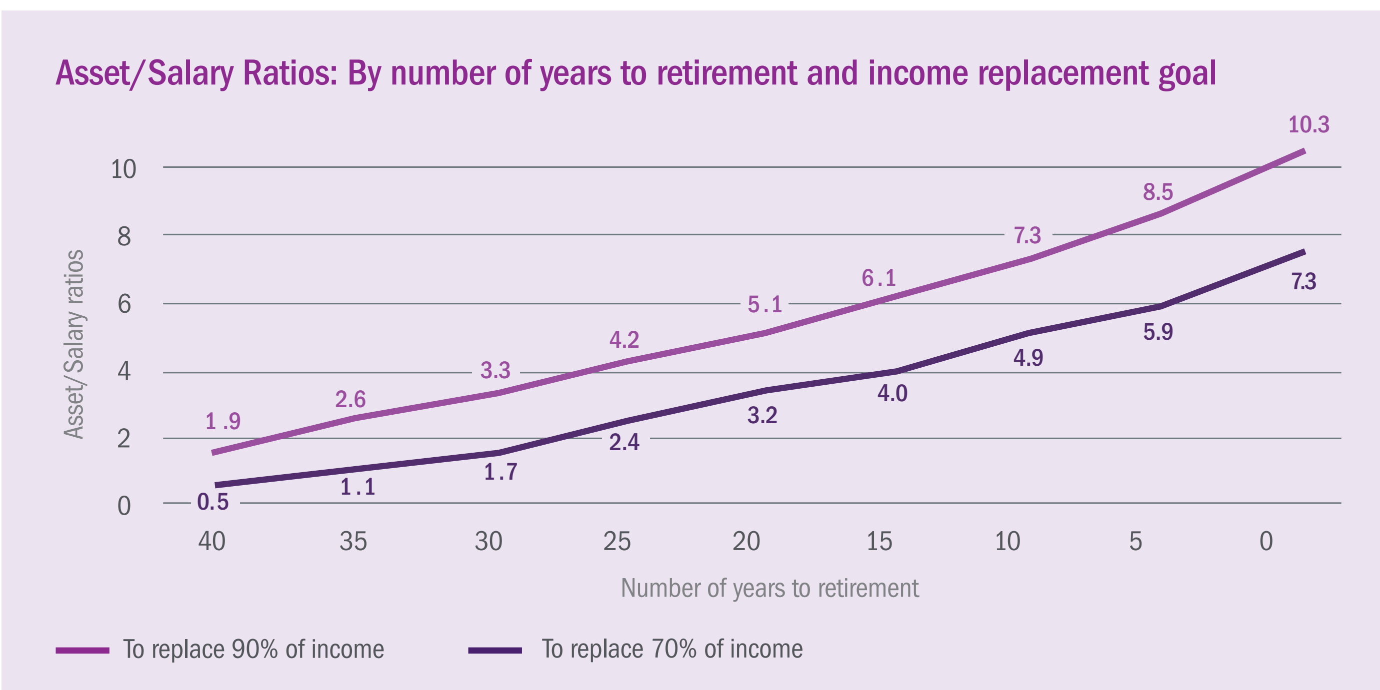
The ASR is expressed as a multiple—how many times your annual salary you should have saved in your retirement account(s) to ensure adequate income when you retire. The more years to go before you retire, the smaller your ASR. The closer you get to retirement, the larger your ASR becomes.

Let's say you're 35 years old and plan to retire 30 years from now. Assuming you want to replace 70% of your income, your ASR is 1.7. This means you should have saved 1.7 times your salary by this point in your career to be on track. By age 50, with 15 years to go before retirement, you should have saved 4.0 times your salary. And when you retire at age 65, your retirement nest egg should equal between 7.3 and 10.3 times your salary, depending on the percentage you are looking to replace.

And then, add Social Security

The results in the chart below are based on retirement account savings plus income from Social Security. Using conservative estimates, Social Security can be expected to replace as little as about one-quarter of preretirement income. So, if your goal is 90% income replacement and you've saved 7.3 times your salary at the point of retirement, those accumulated savings can replace 63%, with Social Security adding 27% to reach the 90% target.

The ASR isn't foolproof. It's a guide. The chart below illustrates only the hypothetical situation described above. It's not predictive of market conditions or any kind of guarantee. Treat it like a tool, not a rule. An ASR isn't a promise of an outcome, it's a way of estimating an outcome based on historical data, averages and variables you provide.



Get organized: Get started

We know what you're thinking: "This is a lot to remember." It's not hard once you get your ducks in a row. You'll be surprised by how easy things are once you have your things in order. Here's a quick checklist to help you get organized. You can do them in any order, although the further you go down the list, the more you'll find that the previous items become handy.

- ☐ Organize your financial records—anything having to do with money and investments.
- ☐ Check your credit rating—you're entitled to a free credit report once a year.
- ☐ Complete the net worth worksheet—find out what you're worth (page 13).
- ☐ Complete the cash flow worksheet—discover where your money is going (page 15).
- ☐ Complete the cash flow in retirement worksheet and map out life after work (page 16).
- ☐ Put your living and final wills in place (including a healthcare directive)—no one wants to think about it, but if you don't do these things, your loved ones will have to do it during a very tough time.
- ☐ Only you can cement your legacy; put a trust in place and fund it (if applicable).
- ☐ Meet with a TIAA financial consultant for a personal advice session on your employer-sponsored plan assets to help optimize your financial plan.*

*Using an advice methodology from Morningstar Investment Management, LLC

Once you've set goals, *pursue* them

There are many different ways to help reach your goals. What you really need is a plan. We'll get to that but you're going to need to know a few things first, starting with what kinds of investments are suitable for the kinds of goals you have.* Note that some investments are suitable for more than one type of goal.

Retirement plans can help build long-term security, usually through your employer.

Supplemental retirement plans like 403(b) and 457(b) tax-deferred plans, SEP IRAs and Keogh tax-deferred plans offer additional pretax retirement savings.

Traditional and Roth IRAs offer broad investment options, and allow your money to grow tax deferred until you retire.

After-tax annuities offer long-term savings potential for retirement income.

529 College Savings Plans help you prepare for the cost of tuition and fees. Earnings are tax deferred and may be taken out tax free for qualified expenses.

Coverdell Education Savings Accounts allow for after-tax college saving.

Mutual funds/brokerage services allow you to invest in a variety of asset classes with varying degrees of control and are suitable for many investment goals.

Life insurance can be purchased for income replacement. Death benefits may be used to pay off debt or a mortgage, fund college, pay for final expenses and provide for income for the beneficiary in the event of premature death of the policyholder.

For retirement and long-term goals:

- Employer-sponsored retirement plans
- 403(b) and 457(b) tax-deferred retirement plans
- Keoghs
- After-tax annuities
- Traditional and Roth IRAs
- SEP IRAs
- Mutual funds

For education savings:

- 529 College Savings Plans
- Coverdell Education Savings Accounts
- Traditional and Roth IRAs

For short- and immediate-term goals:

- Mutual funds
- Brokerage accounts

For family financial security and wealth transfer:

- Life insurance
- Disability insurance
- Trusts and wills

And depending on your age:

- Traditional and Roth IRAs
- 403(b) and 457(b) tax-deferred retirement plans
- After-tax annuities

TIAA is here for you

You can schedule an appointment with a TIAA financial consultant today.

Visit **TIAA.org/schedulenow**.

Call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

*There are tax implications associated with investments listed above. Consult your tax advisor prior to making investment and/or distribution decisions.

Glossary

Asset

Anything with monetary value that is owned and adds to your net worth.

Asset allocation

The apportioning of investment dollars among various asset classes, such as cash investments, bonds, equities (stocks) and real estate. Also known as investment mix. There is no guarantee that asset allocation reduces risk or increases returns.

Before-tax investing

This is also known as "tax deferred." It allows you to postpone paying taxes on the amount you contribute and the earnings that are generated as long as they remain in the account. When you withdraw funds at retirement, you'll pay taxes on them and perhaps a 10% federal tax penalty, if withdrawn prior to age 59½.

Diversification

A risk-reduction strategy that involves spreading assets across a mix of companies, investments, industries, geographic areas, maturities and/or asset classes (stocks, bonds, real estate, etc.). Diversification cannot eliminate the risk of investment losses.

Expenses

Cost of investing. It includes management fees, administrative fees and any marketing (12b-1) fees. This cost directly reduces returns to investors.

Foreign investment risk

Includes exposure to political events, currency exchange rate changes and other conditions that affect the value of investments traded or located in foreign countries.

Inflation risk

The possibility that increases in the level of prices (cost of living) will reduce or eliminate the "real" returns on a particular investment.

Interest rate risk

The degree of uncertainty in the prices of securities associated with changes in interest rates; the value of securities moves inversely in relation to interest rates. This term is generally associated with bond prices but also applies to other investments.

Liabilities (debt)

Claims against or amounts owed by an individual or business.

Market risk

Risk coming from price fluctuations in a whole market or in an industrial group.

Market timing risk

Comes into play when an investor tries to "beat the market" by buying or selling investments at a time when they think prices will go their way. For example, if one wanted to buy their investment when prices are at their lowest, then sell when they peak.

Net worth

The amount by which assets exceed liabilities for a company or an individual.

Volatility

The degree of fluctuation in the value of a security, mutual fund or index. Volatility is often expressed as a mathematical measure, such as a standard deviation or beta. The greater a fund's volatility, the wider the fluctuations between its high and low prices. For our purposes, volatility is synonymous with risk.

Reminder: My goals

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My to-do list:

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Notes:

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For immediate assistance regarding your TIAA account(s), you can call **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET).

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CREATED TO SERVE.

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