

RETIREMENT REPORT

County of San Mateo, CA | Deferred Compensation Plan



Winter 2023

Top of Mind

Practicing Mindfulness With Money Can Help Boost Your Financial Wellness

Many people practice mindfulness through yoga, tai chi or other forms of movement, often incorporating breathing exercises. Others rely on their smart watch or phone to ping them at the same time each day, urging them to practice it for a few minutes. While there are many definitions of mindfulness, this one from mindful.org seems to capture it well:

Mindfulness is the basic human ability to be fully present, aware of where we are and what we're doing, and not overly reactive or overwhelmed by what's going on around us.

Practicing mindfulness with your money can be a valuable exercise, too. Here are four ways it can help you boost your financial wellness.

Pay Yourself First

Practicing mindfulness here is about determining a savings amount and considering it a bill, the same as any other bill, like electricity or rent. Whether it's building up an emergency account or saving for some other financial goal, put away what you can, such as \$100 a month, \$50 or even just \$25. Small amounts add up, and can be incrementally increased over time. The good news here is that you're already practicing pay-yourself-first mindfulness with your plan. Which leads us to...

Increase Your Retirement Account Contribution

You should be looking at your retirement account at least once a year and seeing if you can improve how you're saving for the future (hint: the start of a new year is a great time to do this). For example, how much are you contributing? Are you contributing enough to get the full employer match? Can you increase the amount you are contributing? The longer you put off increasing your retirement savings, the more you miss out on the mindfulness of compound interest. So don't wait — even a \$50 per month increase in retirement savings has the potential to grow to nearly \$75,000 over 30 years,



assuming an 8% annual rate of growth, compounded monthly.

Make a Game Out of Saving

A no-spend challenge is when you don't spend money for a certain period of time. It could be a weekend, a week or a month. You can set rules to spend only on essentials or other allowances. Doing this forces you to be creative with what you have and learn new skills and possibly open up ideas for more ways to save. Visit <https://tinyurl.com/yt6cj5rv> for more information on taking on a no-spend challenge.

Leverage Technology Apps

One popular savings app is called Acorn (a subscription-based app). You tie Acorn to your debit card, and it rounds the purchase up to the nearest dollar, effectively allowing you to invest your spare change. For example, if you buy something that costs \$5.44, when you use your debit card, \$6 will be taken out of your account, with \$5.44 going to the store and \$0.56 going into your investment account. What could be more money mindful than an app that allows you to save money as you make everyday purchases — without having to even think about it?

Retirement in Motion

Tips and Resources That Everyone Can Use

Knowledge Is Retirement Power

Looking to see more of the world during retirement? Some countries have created visa policies designed specifically for retirees. These retirement visa programs may also provide special benefits and incentives to retirees who relocate to the area. Retirement visas are offered by several countries in Latin America and a few Asian countries, all of which are experiencing a growing expatriate population. The countries include Belize, Panama, Indonesia, Colombia, Ecuador, Nicaragua, the Philippines and Thailand. For more information on each country's visa and how to qualify, check out this article from U.S. News and World Report at: <https://tinyurl.com/2p8mfm4x>.

Q&A

What is the most I can save this year in my retirement plan?

Participants in 401(k), 401(a), 403(b), and most 457 plans can contribute up to \$22,500 in 2023. Savers age 50 and older can make an annual catch-up contribution up to \$7,500 in 2023, for a total contribution of \$30,000.

Quarterly Reminder

When was the last time you reviewed your beneficiary designations for your major assets — including your retirement plan? The start of each new year is a good time for some financial housekeeping. Make sure your current designations still match your wishes, especially if you have had any major life changes such as marriage, divorce or the birth or adoption of any children.

Tools & Techniques

Looking to incorporate some budgeting best practices in 2023? Having a good understanding of your expenses can

help you prioritize how to spend your money. One way to chart your spending is to use a Pareto chart. A Pareto chart makes it easy to see which expense categories really matter. For example, if your dog groomer seems expensive, but the cost accounts for less than 1% of your budget, it's probably not worth looking for a new groomer. Instead, you can use that time to hunt for a small percentage savings in one of your larger spending categories. Check out this YouTube video on how to create and use the Pareto chart to track your expenses: <https://tinyurl.com/yssp4ewc>.

Corner on the Market

Basic Financial Terms To Know

Treasury Note – a marketable U.S. government debt security with a fixed interest rate and a maturity between 2 and 10 years. Treasury notes are available from the government with either a competitive or noncompetitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a noncompetitive bid, investors accept whatever yield is determined at auction.



Innovest is a Registered Investment Adviser registered with the US Securities and Exchange Commission. Unless explicitly stated to the contrary, the material herein is not intended to provide and should not be relied on for investment advice. Under no circumstances are we ever providing tax, accounting or legal advice.

Past performance is no guarantee of future results. Investing involves the risk of loss.

This document may contain returns and valuations from outside sources. While the information contained herein is believed to be true and accurate, Innovest assumes no responsibility for the accuracy of these valuations or return methodologies.

Whom do I call for help?

Account Information

Balances | Investment Changes | Personal Info

Contact: Empower

1-800-743-5274

www.retiresmart.com

Plan's Investment Consultant

Innovest Portfolio Solutions

2239 Harbor Bay Parkway

Alameda, CA 94502

510-239-4200 | www.innovestinc.com

