THE UNIVERSITY OF NORTH CAROLINA SYSTEM

Retirement Engagement Newsletter
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THE PIER

Photo of Wrightsville Beach, NC

Planning | Investment | Engagement | Retirement

More Than Money: Redefining Retirement for a Purposeful Life

When we think about retirement, the first question that often comes to mind is: where will your income come from? While that's a key piece of the puzzle, retirement is about so much more. It's a time when some dream of slowing down, finally taking those bucket-list trips, or diving into new hobbies and passions. Retirement marks the beginning of an exciting new chapter—one filled with possibility. Everyone's vision for this season of life is different, but one thing is certain: your life can transform in remarkable ways.

After decades of reporting to an office or lecturing in halls filled with students, retirement can mean a profound shift. While we have spent years preparing financially for retirement and imagining how we would spend our time, it's important to recognize how life will change socially and psychologically. This new chapter offers freedom and possibilities, but it also calls for reflection on how to stay connected while living a purposeful and fulfilled life.

Create New Routines and a Sense of Purpose

After decades of structured days, having vast amounts of unstructured time can be jarring. Psychologically preparing for retirement helps improve the adjustment to this chapter of life.

Ease into retirement by cultivating purpose with activities such as:

- **Volunteering:** Choose a cause that resonates with you and contribute your time, experience, and skills.
- **Mentoring:** Share your knowledge and life lessons with younger generations who can benefit from your guidance.
- **Learning:** Enroll in classes or workshops through local community colleges or adult education programs to keep your mind active.
- **Regular Social Time:** Establish weekly coffee dates with friends or set aside recurring time for dinners with family to maintain strong social connections.
- **Make New Connections:** Explore social events and programs offered by local senior centers or community groups to meet new people and expand your network.

Retirement marks a major life transition—one filled with new opportunities, but also potential challenges. By preparing ahead and understanding what to expect, you can navigate this change with greater ease, setting the stage for a fulfilling and rewarding chapter ahead.

Maintaining Your UNC System Retirement Plan Savings During Rising Healthcare Costs

In today's challenging economic landscape, many state employees face a difficult balancing act: managing increasing medical premiums without corresponding salary increases as of the date of publication. This financial squeeze can make it tempting to reduce retirement plan contributions as a way to offset rising healthcare costs. However, this short-term solution can significantly impact long-term financial security.

The Hidden Cost of Reducing Retirement Contributions

While decreasing retirement plan contributions may provide immediate budget relief, consider these long-term implications:

- **Compound growth opportunity loss:** Even temporarily reducing contributions can significantly impact your retirement savings to the power of compound interest. A $200 monthly reduction in contributions over just five years could mean missing out on tens of thousands of dollars in retirement, depending on market performance and your time horizon.

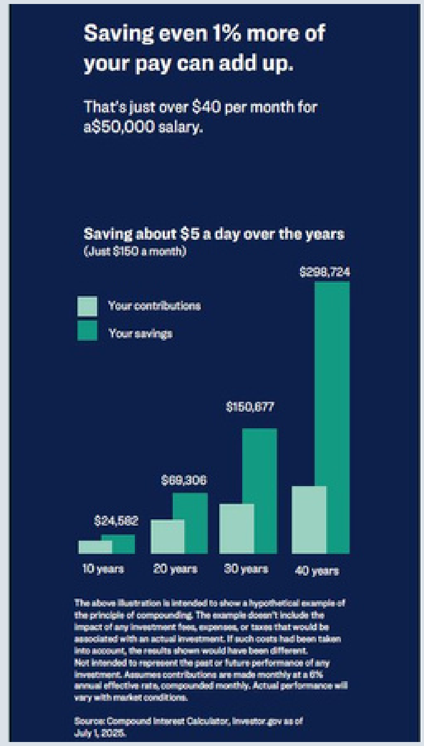
- **Cost of a 5-year pause:** A 35-year-old who stops contributing $500 monthly for just 5 years could lose approximately $170,000-$250,000 in potential retirement savings by age 65 (assuming 6-7% average annual returns).

- **Tax advantages forfeited:** Contributions to qualified retirement plans often provide immediate tax benefits, reducing your taxable income. Lowering contributions may actually increase your tax burden, offsetting some of the short-term financial relief.

Instead of reducing retirement contributions, reassess your budget holistically

Look for other areas to trim expenses before reducing retirement savings. Small adjustments across multiple spending categories often feel less restrictive than a major cut in one area.

Even during challenging financial periods, maintaining consistent retirement contributions—even if you can't increase them—provides significant long-term benefits. The habit of regular saving, combined with compound growth over time, remains one of the most powerful tools for building financial security.



Planning for the Future While Managing the Present

Financial wellness isn't about making perfect decisions—it's about making thoughtful ones that balance current needs with future goals. If you're struggling with healthcare costs while trying to maintain retirement savings:

- Meet with a TIAA financial consultant for personalized advice. Visit tiaa.org/schedulenow
- Use online retirement calculators to see the long-term impact of saving for retirement at tiaa.org/tools
- Get insights on managing debt at tiaa.org/managedebt
- Create a plan to keep your spending in check at tiaa.org/budget
- Contact CAPTRUST to schedule your virtual meeting and create your personalized Retirement Blueprint- designed to keep you on track to reach your goals. Click here to schedule.

By exploring alternative budget adjustments, maximizing available benefits, and taking a holistic approach to financial planning, you can navigate current challenges while still protecting your future. Remember: retirement savings isn't just about the future—it's about creating peace of mind today.

How to Raise Financially Responsible Children

At a time when wages often fail to keep pace with the rising cost of living, adult children are moving back in with their parents, struggling to afford rent, and homeownership is increasingly out of reach — making teaching financial responsibility more important than ever.

Raising financially savvy children can be difficult, it's a balancing act between allowing them to enjoy their life with opportunities without spoiling them. Each family's plan is unique but there are basic fundamentals to consider when raising financially responsible kids.

- **Talk about money early and often.** Financial experts agree that it's important to start talking about money around age five. This is the age they become aware of money and begin to develop financial beliefs that will influence their spending habits.
- **Make it real.** Research points to the importance of having your kids engage in cash transactions. They need to experience the pain of losing money when they spend—feelings they won't feel as sharply with other forms of payment. Consider paying their allowance in cash and creating opportunities for them to save and spend using actual dollars and cents.
- **Capitalize on Teachable Moments.** We've all sat through lectures from parents and probably tuned out halfway through the conversation. Instead of long talks about values, try using teachable moments during real-life situations that naturally invite conversation. Teachable moments are everywhere—on car rides, at the mall, even during a movie. Keep an eye out, and let real life do the teaching.
- **Let failure happen.** As hard as it is to watch, failure is essential for growth. When kids face consequences and learn to fix their own mistakes, they build confidence and independence. Too often, well-meaning parents step in—paying off debts or solving legal troubles—which only teaches kids to rely on rescue, not resilience. Support your child, but don't fix everything. Let them struggle, learn, and grow. They might resist now, but they'll thank you later.
- **Connect the dots.** To teach your kids what matters most, be clear about your values and how your spending reflects them. For example, if you travel to expose them to new cultures, say so. Without context, they might think the lesson was about luxury, not learning. Don't assume they'll connect the dots—help them see how your financial choices express your values.

For more tips on raising financially responsible kids, click here.

MAKE AN APPOINTMENT WITH A FINANCIAL CONSULTANT TO DISCUSS YOUR FINANCIAL GOALS AND FUTURE RETIREMENT PLANS

Vendor	Plan Options	Reservation Tool	Individual Advisory Service
CAPTRUST at Work	Investment advice for all plans	www.captrustadvice.com	www.captrustadvice.com/
TIAA	UNC ORP 401(a) UNC 403(b) and 457(b)	www.tiaa.org/schedulenow	1-866-842-3519
EMPOWER Previously Prudential	State's 401(k) State's 457(b)	1-866-627-5267	1-866-627-5267

Investor Corner

CAPTRUST at Work

Cultivating Financial Independence

The image of an unmotivated adult child living in their parents' basement is a well-known stereotype in American culture. Less expected, however, is the situation of a married college graduate with children and a stable career who still depends on parental support to cover expenses. Yet, this is the reality for nearly half of baby boomer parents.

A Savings.com survey found that 45% of parents with adult children provide financial support—often at a personal cost. Some buy discounted rental properties for their kids, dip into savings for emergencies, or send monthly allowances to help with student loans. The risk: as support increases, retirement security decreases. Parents nearing retirement give the most—around $2,100 monthly—while saving just $643 for their own futures.

For more details on how to Cultivate Financial Independence in your adult children click here for CAPTRUST at Work's full article.

TIAA

Busted: Tackling Four Common Annuity Myths

MYTH: Annuities are not trustworthy
FACT: Many reputable annuity products are offered by respected providers

MYTH: An annuity isn't useful if you already have retirement savings
FACT: Retirement annuities can help you round out your retirement financial plan

MYTH: Annuities have very high fees
FACT: Annuities are offered at a range of costs and some can even be tailored to you

MYTH: If I die, my money is gone and my family won't benefit
FACT: Many annuities can be set to benefit your loved ones.

For full details on the Myths and Facts of Annuities read TIAA's full article by clicking here.

Engagement Corner

Various retirement readiness resources and tools will be provided each month to help you learn more about how to live a financially well life, save more toward a comfortable retirement future, and gain additional knowledge on many other key

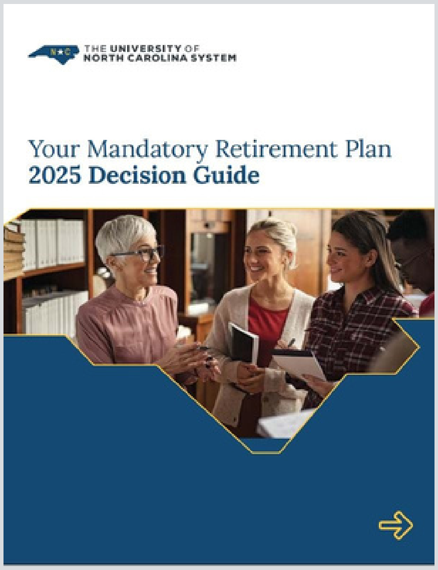
Upcoming Webcasts & Webinars

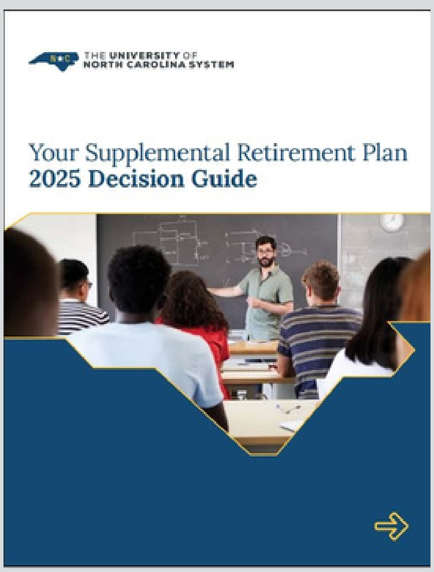
TIAA: www.tiaa.org/webinars2025

October 8th @ 12pm ET: Quarterly Economic & Market Update	**October 15th @ 12pm ET:** Don't Get Hacked: Steps to Protect Yourself Online
October 30th @ 3pm ET: Myth-Busting: Planning and Managing Healthcare Expenses	**November 5th @ 12pm ET:** Naming Your Beneficiaries: Why It Matters
November 13th @ 3pm ET: How to Get the Most Out of Your Retirement Income	**December 10th @ 12pm ET:** Social Security Benefits Planning: Basic Considerations & Strategies

Resource Center

Below are two of the many great resources available to assist with preparing and educating you on your path to financial wellness.



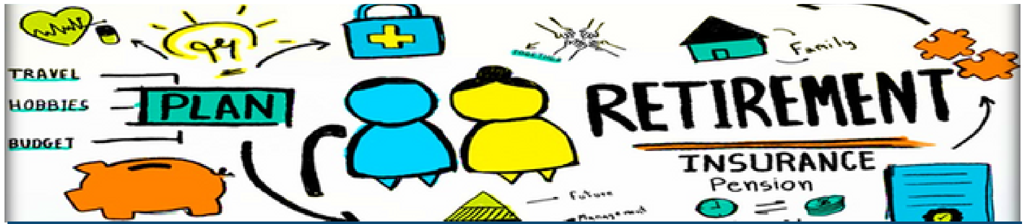


More resources available at:

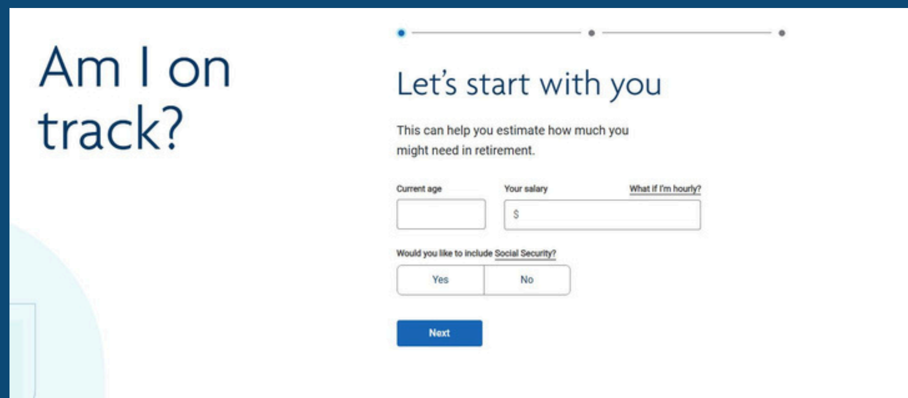
https://myapps.northcarolina.edu/hr/benefits-leave/retirement/

or contact the approved carriers directly.

Start Saving for your Future Today!



ARE YOU ON TRACK?



TIAA offers various tools to provide you with a clear picture of your current retirement savings. Take action to see if you are adequately prepared to meet your long-term goals.

Need a Retirement Blueprint?

CAPTRUST has many great financial calculators to help you see where you stand with your future financial goals

Visit www.captrustadvice.com or call 800-967-9948 to talk with a certified Financial Counselor to create your future financial "Blueprint"