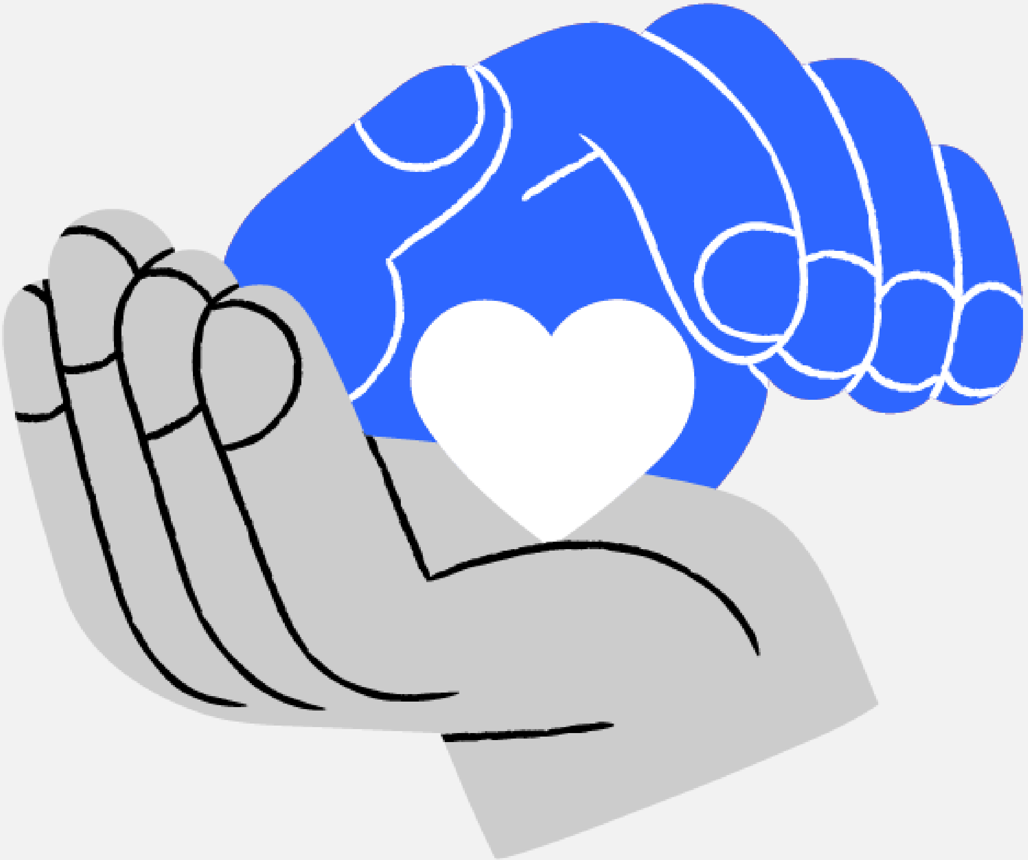
Preparing for retirement

Finances for nonprofit professionals



Will I have enough?

The client's experience may not be the same as other clients and does not indicate future performance or success.

Preparing for retirement: 5 strategies

1. Build solid financial habits.
2. Diversify your retirement income.
3. Consider tax implications in retirement.
4. Protect against the what-ifs.
5. Consider Social Security.

Poll

How prepared do you feel for your financial future?

A. Well prepared and confident.

B. I’m on my way but could use some help to make sure I’m on track.

C. I’m on my way but have some gaps I need to address.

D. Unprepared and uncertain.

Strategy 1:

Build solid financial habits.

3 financial habits

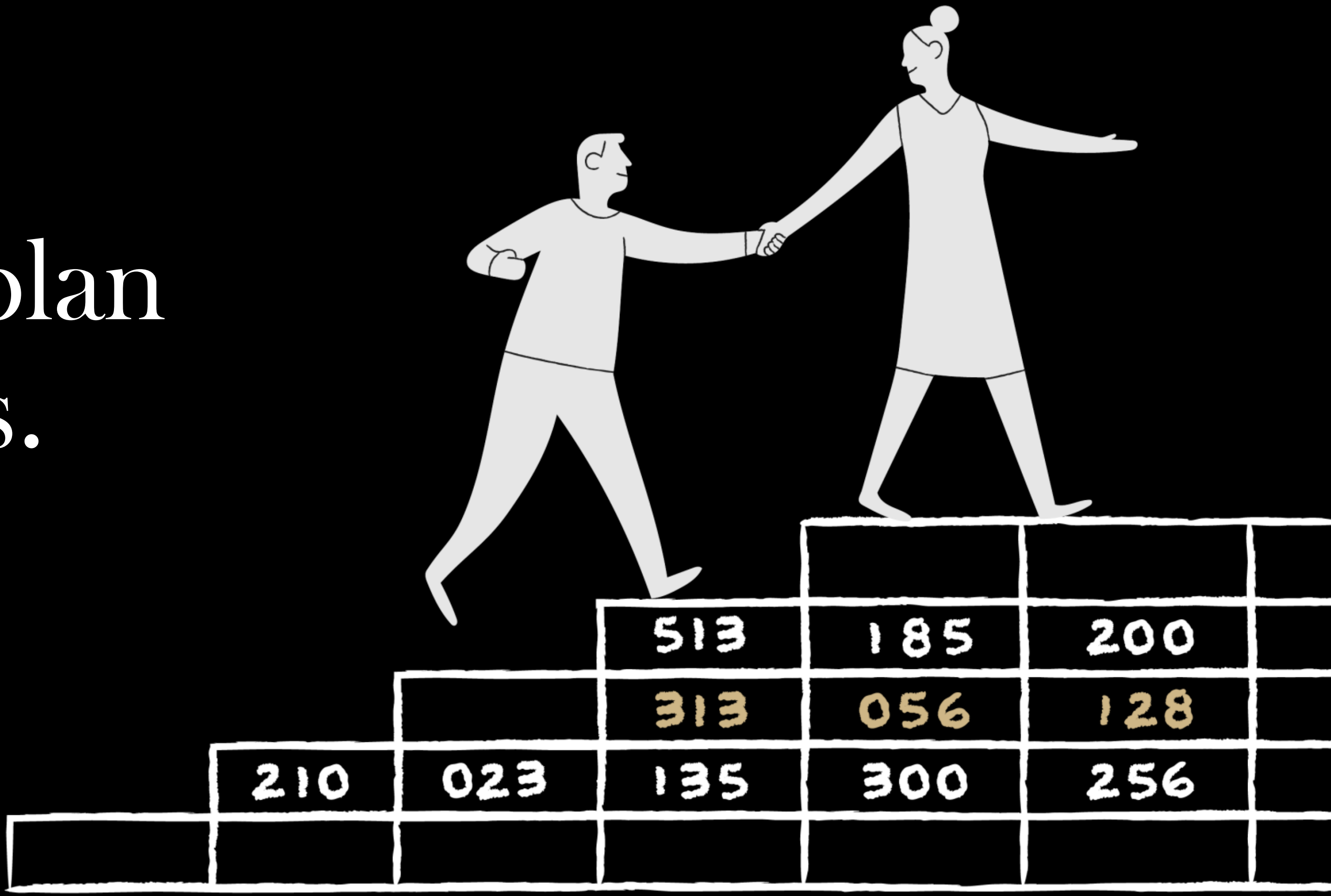
Manage expenses

Build savings

Eliminate debt

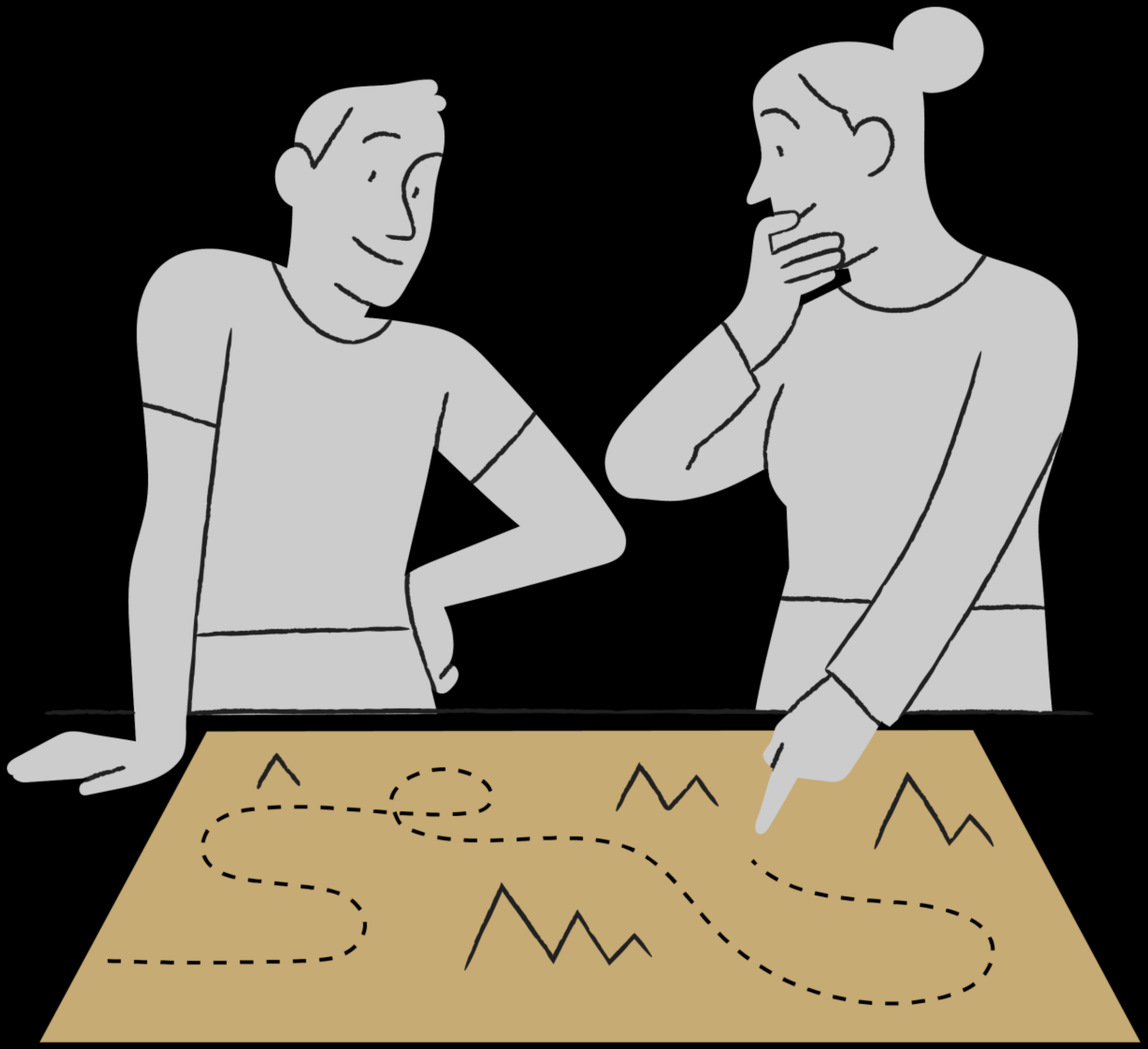
Financial habit #1:

Create a cash-flow plan to manage expenses.



Financial habit #2:

Create a savings plan.



Financial habit #3:

Eliminate debt.

The plans of the diligent lead to profit as surely as haste leads to poverty.

Proverbs 21:5

Strategy 2:

Diversify your retirement income

Guaranteed

Near-term

Growth

Guaranteed income

Guaranteed

- Social Security
- Pension

Near-term

Growth

Needs

Wants

Wishes

Giving

Near-term

Guaranteed

Near-term

- Preserve principal
- Lower risk
- Easily accessible

Growth

Growth

Guaranteed

Near-term

Growth

- Growth potential
- Plan for risk
- Inflation hedge

POLL

How do you see your income buckets?

Diversified

Guaranteed

Near-term

Growth

Strategy 3:

Consider tax implications in retirement.

Distributions prior to age $59^{1/2}$ may incur a 10% premature distribution penalty; all distributions may incur surrender charges.

Learn about tax advantages for clergy

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Strategy 4:

Protect against the ‘what ifs’

Poll

How might the ‘what ifs’ impact your future income sources and needs?

A. Social Security income would be reduced.

B. Losing church-provided housing would increase monthly expenses.

C. Pension income would disappear because it’s not transferrable to a surviving spouse.

D. My 403(b) would become taxable income for my spouse.

E. More than one of these.

Strategy 5:

Consider Social Security.

The average benefit in 2024 is about $1,900

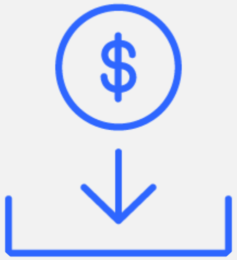
Source: Social Security Administration. https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/#table2.

Social Security strategy

Filing age

Marital status

Current health



Other income sources

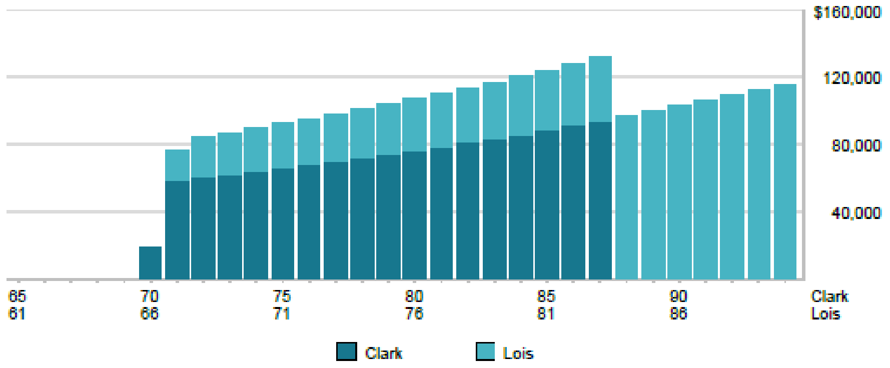
Available retirement assets

☆ Selected Strategy (Maximum Benefits)

	CLARK	LOIS
Current Age (at year end)	65	61
Monthly benefit at FRA[1]	$3,275	$1,230
Assume live to	88	91
Start benefits at age	**70**	**67**

CUMULATIVE VALUE OF BENEFITS
$2,548,548
File for Benefits

ANNUAL BENEFITS BY YEAR
Assumes 3% Cost of Living Adjustments



			NEW MONTHLY BENEFITS			
DATE	AGE[2]	CHANGE FOR	CLARK	LOIS	TOTAL	REASON
Sep 2029	70	Clark	$4,758	$0	$4,758	Start own retirement benefits
Apr 2030	67	Lois	$4,901	$1,956	$6,857	Start own retirement benefits
Jan 2047	84	Lois	$0	$8,101	$8,101	Survivor benefits start

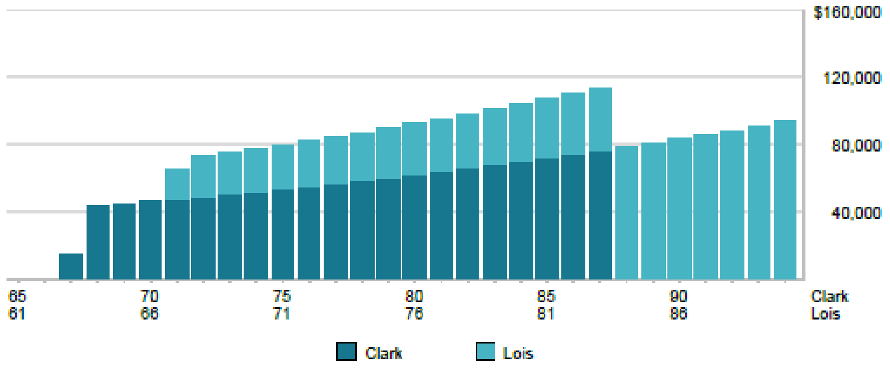
[1] This report assumes that you stop work when you start your Social Security benefits. Prior to full retirement age, your earnings from continuing to work may result in your benefits being reduced or withheld. When you reach full retirement age, an adjustment is made to restore any reduced or withheld benefits. After full retirement age, there is no benefit reduction for wages or self-employment earnings.
[2] Age at end of year illustrated.

✓ Selected Strategy

	CLARK	LOIS
Current Age (at year end)	65	61
Monthly benefit at FRA[1]	$3,275	$1,230
Assume live to	88	91
Start benefits at age	**67**	**67**

CUMULATIVE VALUE OF BENEFITS
$2,290,328
File for Benefits

ANNUAL BENEFITS BY YEAR
Assumes 3% Cost of Living Adjustments



			NEW MONTHLY BENEFITS			
DATE	AGE[2]	CHANGE FOR	CLARK	LOIS	TOTAL	REASON
Sep 2026	67	Clark	$3,521	$0	$3,521	Start own retirement benefits
Apr 2030	67	Lois	$3,963	$1,956	$5,919	Start own retirement benefits
Jan 2047	84	Lois	$0	$6,549	$6,549	Survivor benefits start

[1] This report assumes that you stop work when you start your Social Security benefits. Prior to full retirement age, your earnings from continuing to work may result in your benefits being reduced or withheld. When you reach full retirement age, an adjustment is made to restore any reduced or withheld benefits. After full retirement age, there is no benefit reduction for wages or self-employment earnings.

[2] Age at end of year illustrated.

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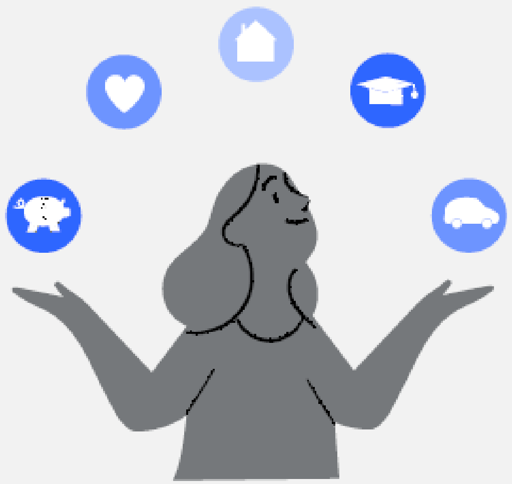
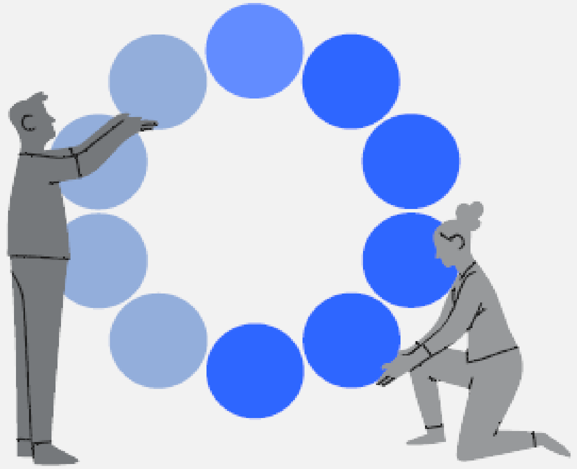
Money Canvas™

Everyone deserves a plan



See your
money clearly

Partner with a
cash flow pro



Watch small
steps add up

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Customized Strategy Session

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Contact me

David B. Mitchell

Financial Advisor

2019 Rain Dance Loop
Harker Heights, TX 76548
254.294.7461`
David.Mitchell@Thrivent.com
https://connect.thrivent.com/david-mitchell

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