Wise Choices

Summer 2025

Staying calm during market uncertainty

Whether you consider yourself an experienced investor or a novice, you still probably get a sinking feeling whenever a stock market index, such as the S&P 500, falls hard in a single day or slowly declines for weeks or months. You might even question why you invested your retirement plan contributions in stock mutual funds in the first place.

However, it is important to remind yourself that any losses or declines in the value of your retirement plan investments are only losses on paper. The reality is that these losses only become real losses if you sell the investments.

The important thing to focus on during periods of volatility in the stock market is that you are investing for a long-term goal—a financially secure retirement. It makes sense, then, not to overreact. While it may take weeks or months to play out, a market decline is typically followed by a recovery once economic conditions or other global or political circumstances show signs of improving. As long as you have a diversified* range of investments in your retirement plan portfolio, you still have the potential for solid long-term returns.

Pay yourself first

Think of your paycheck as a pizza. One slice pays for housing, another pays for utilities, yet another goes toward food, and so on. And, of course, one slice for your retirement account. If you are not setting money aside for your retirement, you should be—since it's one of the most important things you can do with the money you earn.

Focus on your retirement
Retirement experts say that you'll likely need the equivalent of 60% to 70% of your current earnings to live comfortably in retirement. If you do not make saving a priority now, you might not be able to retire when you want or discover that you won't be able to do all the things in retirement you had planned to do. Prioritize saving by paying yourself first. That means putting money aside for retirement savings before you spend anything on discretionary goods.

Put your savings on autopilot
You can simplify your financial life by making paycheck contributions to your employer-provided retirement plan. It simplifies things since that money goes straight to your retirement savings account. By putting the decision on autopilot, your plan contributions are automatically invested in the investment selections you've chosen.

Watching your savings accumulate over time can motivate you to save even more for your future.

Focus on your future
Putting your future first might mean that you'll have to delay some big purchases or cut back on some planned vacations. Waiting a little longer to take that dream vacation or buy a shiny new SUV isn't really a problem. Not having saved enough to live comfortably in retirement might well be.

The D'Aiutolo Malcolm & Associates Investment Consulting Group

*Diversification does not ensure a profit or protect against loss in a declining market.

UBS

Fill your retirement pizza pie

If you increase plan contributions by	You could have this much more saved after 5 years	10 years	20 years	40 years
$10/week	$3,023	$7,101	$20,020	$86,291
$15/week	$4,535	$10,652	$30,033	$129,447

This is a hypothetical example used for illustrative purposes only. It assumes amounts are invested monthly, an average total annual return of 6%, and monthly compounding. It does not represent the result of any particular investment. Your results will be different. Amounts are rounded to the nearest dollar. Source: SS&C Retirement Solutions, LLC.