



# Health. Wealth. Wisdom.



## The Secret Sauce

### Why Your Workplace Retirement Plan Is More Powerful Than You Think

When it comes to your workplace retirement plan, what's not to love? It provides you with an automatic savings plan, tax advantages, employer matching, diverse menus of well-researched investment options, and comprehensive online retirement planning tools. And there's one ingredient—compound interest—that can make your plan so powerful. It's the secret sauce that has the potential to turn even modest savings into something much bigger over time.

### Tax-Deferred Compounding

Compound interest means your money earns interest not only on what you save, but also on what the interest has already earned. It's like a snowball rolling downhill. It starts small but gains speed and size. If you invest \$100 per month into a workplace retirement plan such as a 401(k), for example, and it averages a 7 percent annual return, you could have more than \$113,000 in 30 years. Even better? Your investment growth isn't taxed each year. That means more of your money stays invested and keeps working for you, year after year. That's tax-deferred compounding, and it gives your savings real power over time.

This is a hypothetical example for illustrative purposes only and does not represent the performance of any account, strategy, or investment. There is no assurance that the assumed rate of return will be realized. Earnings and contributions are subject to taxes when withdrawn and distributions prior to age 59½ may also be subject to a 10% penalty.

This illustration does not reflect the effects of any taxes or fees. If it had, results would be lower. Investments are subject to risk including the loss of principal. There is no guarantee that any investing goal will be met.

### Traditional or Roth? The Sauce Still Simmers

Whether you're saving in a traditional (pretax) account or a Roth (after-tax) account, or a mix of both, compound interest works the same way. The key difference is when you pay taxes: now (Roth) or later (traditional). But the growth engine behind the scenes is the secret sauce.

## Start Early and Let It Simmer

The real magic happens over time. The earlier you start saving, the more time compound interest has to work. Even small contributions can grow into something significant. And don't forget: matching contributions from your employer also benefit from the secret sauce. So, keep stirring the pot and commit to increasing your savings rate each year (even if just by 1 percent). Your future self will be glad you did.

**Sources:** Fidelity: "[What Is Compound Interest?](#)" (December 16, 2024); TurboTax: "[The Tax Benefits of Your 401\(k\) Plan](#)" (August 7, 2025).



## Baby on Board

### Starting a Family? Consider Life Insurance to Protect What's Most Important

Starting a family brings joy, responsibility, and the need to plan for the unexpected. Although life insurance probably isn't the first thing on your to-do list, it plays a crucial role in protecting your family's future. If something were to happen to you or your spouse or partner, a life insurance policy can help cover the mortgage, childcare, education costs, and daily living expenses—providing financial security for your loved ones during a difficult time.

So, how much coverage do you need? A general rule of thumb is to buy a policy worth 10 times your annual income. If your annual salary is \$75,000, for example, it makes sense to consider a policy with a \$750,000 death benefit. But you should also weigh other factors, such as your total debt, number of dependents, and long-term goals (e.g., college tuition or buying a bigger home). Online calculators can help, or you can consult with a financial advisor to get a more tailored recommendation.

There are three basic types of life insurance:

- **Term life insurance.** This type of insurance is the most affordable and straightforward option. It provides coverage for a specific period—typically 10, 20, or 30 years. If you pass away during the term, your beneficiaries receive the death benefit. It's a great choice for young families who want maximum coverage at a low cost.
- **Whole life insurance.** Whole life is a permanent insurance policy that lasts your entire life, as long as premiums are paid. Over time, it also builds cash value that you can borrow against. Although it's more expensive than term life insurance, it offers lifetime protection and a savings component as long as premiums are paid.
- **Universal life insurance.** This is a flexible, permanent policy that combines a death benefit with a cash value account. You can adjust your premiums and death benefit as your needs change, but the policy also depends on investment performance, which can affect its value over time.

As your family grows, so does your need to plan for the unexpected. Life insurance isn't just for you—it's for the people who depend on you.

**Sources:** Investopedia: "[How Much Life Insurance Should You Have?](#)" (September 23, 2024); State Farm: "[Life Insurance Basics: What It Is, How It Works, and Types](#)" (January 23, 2025).

Guarantees and benefits of any insurance product is subject to the claims-paying ability of the issuer.



## Nature Calls

### Boost Your Mind and Body with a Stroll Through Flora and Fauna

If you're feeling stressed, sluggish, or stuck in your head, it might be time to lace your shoes and head outdoors. Taking a walk through nature isn't just a pleasant escape. It's a proven way to boost mental and physical well-being.

### Clear Your Head

One immediate benefit of walking in nature is the mental clarity it brings. Studies have shown that time spent in green spaces lowers cortisol (also known as the stress hormone) and reduces symptoms of anxiety and depression. Unlike city streets filled with noise and distractions, natural settings give your brain a break from constant stimulation. Even a 20-minute walk in a park can improve focus, reduce mental fatigue, and lift your mood.

### Move Your Body

Let's not forget the physical perks. Walking is a low-impact form of exercise that improves cardiovascular health, supports joint health, and helps maintain a healthy weight. Add in varied terrain such as trails, inclines, or even sand, and your muscles and balance get an extra boost. Unlike a treadmill, nature offers a more dynamic, engaging workout.

### Boost Creativity and Problem-Solving

Have you noticed that your best ideas often come when you're walking? There's science behind that. A pioneering 2014 study by Stanford University found that walking increases creative output by an average of 60 percent. Nature adds another layer by encouraging mind-wandering and a relaxed focus—the sweet spot for creativity and problem-solving.

### Disconnect to Reconnect

In our hyperconnected world, walking in nature offers something rare: quiet. Turning off your phone and tuning into the sounds of birds, wind, or running water can ground you in the present. This kind of mindful walking has been linked to improved emotional regulation and a stronger sense of purpose.

### Happy Trails!

You don't need to climb a mountain to see the benefits. Whether it's a forest trail, beach path, or your local greenbelt, walking in nature can reset your brain, recharge your body, and restore your sense of balance. You don't even need a membership fee.

**Sources:** Harvard Medicine: "[A Walk in the Woods May Boost Mental Health](#)" (accessed June 19, 2025); National Park Service: "[Nature Makes You . . .](#)" (January 27, 2025); Pew Charitable Trusts: "[Nature: A Key Ingredient for Mental Health](#)" (December 8, 2023); Journal of Clinical Medicine: "[A Systematic Review and Meta-Analysis of Nature Walk as an Intervention for Anxiety and Depression](#)" (March 21, 2022); Stanford Report: "[Stanford study finds walking improves creativity](#)" (April 24, 2024).



## Retirement in Motion

### Tips and Resources Everyone Can Use

#### Knowledge Is Retirement Power

According to a [recent survey](#) from the TIAA Institute and the Global Financial Literacy Excellence Center, retirement is a traditional financial goal for most Americans. Many may lack the knowledge, however, to deal with the potential challenges it brings. Survey respondents were asked six questions, ranging in topics from long-term care needs to lifetime income. On average, respondents answered just 2.2 questions correctly (37 percent). You can assess your own knowledge by taking the test at <https://tinyurl.com/54x4etr7> (free registration required).

#### Q&A

##### **Q** Can I contribute to my workplace retirement plan and an IRA?

You can contribute to both a workplace retirement plan, such as a 401(k) or 403(b), and an IRA (traditional or Roth), but there are some rules. If you or your spouse are covered by a workplace plan such as a 401(k), your IRA contribution may not be fully tax deductible, depending on your income. Roth IRAs also have income limits. Still, using both accounts can be a smart strategy to boost retirement savings and diversify tax treatment.

#### Quarterly Reminder

Regarding your workplace retirement account, your recordkeeper likely prompts you to change your password every quarter. But is it as strong as it should be? Check out the [U.S. Cybersecurity & Infrastructure Security Agency](#) for tips on choosing a strong password.

#### Tools and Techniques

Over the past 20 years, health care costs for a family of four covered through a workplace health insurance plan have nearly tripled. The annual cost has grown to more than \$35,000 per year, according to the [2025 Milliman Medical Index](#). The report found that employers provide about \$20,000 of this amount on average, with the remaining \$15,000 paid by employees. Much of the increase has been driven by higher outpatient facility and pharmacy costs, as well as new technologies. If you are enrolled in a workplace health plan that allows a health savings account (HSA), consider opening one. It's a triple-tax-advantaged way to save and invest for qualified medical expenses. To learn more about HSAs, visit <https://tinyurl.com/y2yshr3>.



## Corner on the Market

### Basic Financial Terms to Know

**Behavioral risk.** The risk that investor emotions, such as fear or greed, will lead to poor decision-making. Examples include panic selling during a market drop or chasing a hot stock after it has surged.

**Sources:** TIAA Institute: "Financial literacy and retirement fluency in America" (May 29, 2025); U.S. Cybersecurity & Infrastructure Security Agency: "Use Strong Passwords" (accessed September 16, 2025); Milliman: "2025 Milliman Medical Index" (accessed September 16, 2025).

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