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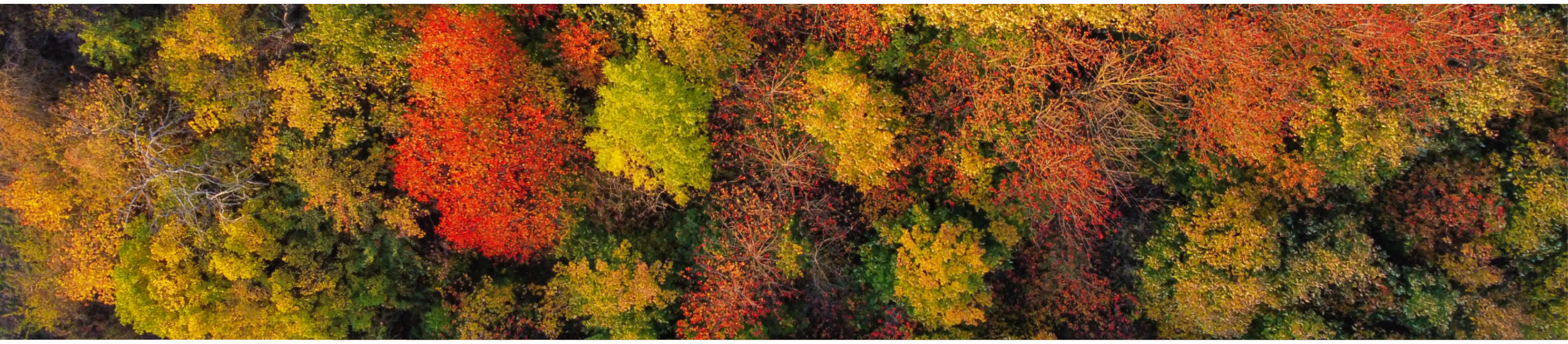

Participant Perspectives

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Inflation and Your Retirement Security

> **Here are several steps you can take to reduce the impact of inflation on your retirement assets.**

What are the things that could threaten your retirement security? A job loss, ill health, or a serious accident could set you back financially and may force you to reduce the amount you contribute to your retirement plan, even if only temporarily. Contributing only a small amount to your retirement account or taking multiple loans from your account could also impact the type of retirement you'll likely experience. However, one of the biggest and least understood dangers to retirement security is inflation. Even a low annual rate of inflation can, over time, reduce the spending power of the money you have accumulated for retirement.

There are several steps you can take to reduce the impact of inflation on your retirement assets.

WHAT INFLATION CAN DO

Inflation is generally defined as a rise in the price of goods and services. When prices go up, your money will not buy as much today as it did yesterday and thus, your spending power is reduced. While you are retired, inflation could continue to increase the amount of income you'll need each year just to maintain your standard of living. Retirees, like all people living on a fixed income, are especially vulnerable to inflation.

One other cause for concern: Some expenses, such as health care costs, may increase faster than the inflation rate. Since a growing number of employers do not provide retirees with health insurance coverage, this could be an issue when it comes to determining how much income you'll need during retirement.

PROTECTION FROM INFLATION

Having a good asset allocation strategy can help protect your retirement savings from inflation. By investing your savings in different asset classes, you'll be able to take advantage of some investments that have the potential to grow faster than the inflation rate, such as stocks. While past performance is not a guarantee of future results, over time, stocks have outpaced inflation and produced higher long-term returns than bonds and various other types of investments.

Specifically, over the past 10 years, stocks delivered higher rates of return than inflation. Stocks had an average annual total rate of return of 14.42% for the 10 years ending December 2025, while the average annual inflation rate was 3.22% for the same period. Bonds earned a 2.26% average annual return over that same 10-year period.[1]

Remember, though, that stocks are riskier than bonds and certain other investment types.

BOOST YOUR CONTRIBUTION LEVEL

One other effective way to protect your savings from inflation is to increase your savings rate. Contributing more each year will help your retirement account keep pace with the inflation rate. Try setting aside a portion of any pay raise you receive and contribute that sum to your retirement plan. In time, that additional contribution has the potential to boost your account value at retirement.

Talk with a financial professional for ideas on how you can meet your retirement goals and still sleep well at night.

Know These Three Things if You Are New to Your Retirement Plan

> **Enrolling in your employer's retirement plan when you start your career is an important first step toward building long-term financial security. Understanding a few investing basics can help you make the most of your savings.**

1. START EARLY AND STAY INVESTED

One of the biggest advantages you have is time. The earlier you begin contributing, the more opportunity your savings have to grow through compounding, which is when your investment earnings are reinvested and can generate earnings of their own.

Even small, consistent contributions can add up over time. If possible, avoid pausing your contributions, as staying invested gives your money more time to grow.

2. UNDERSTAND YOUR COMFORT WITH RISK

All investments involve some level of risk. Historically, stocks have offered greater long-term growth potential than bonds or cash investments, but they also experience more ups and downs.[2]

If retirement is still many years away, you may have more time to recover from short-term market declines. Understanding your comfort with risk can help you choose investments that align with your long-term goals.

3. DIVERSIFY YOUR INVESTMENTS

Diversification means spreading your investments across different asset classes, such as stocks, bonds, and cash investments. Because these investments don't always move in the same direction at the same time, diversification can help reduce the impact of market volatility on your portfolio.

While diversification cannot guarantee profits or protect against losses, it is an important strategy for managing investment risk.

Starting early, contributing consistently, and following these investing basics can help put you on the path toward a more secure retirement.

Life Planning for Family Members With Disabilities

> **Here are some ways you can help ensure that your loved one with special needs are protected and cared for in the future.**

An estimated 63 million adults in the United States provide ongoing care for an adult or a child with a complex medical condition or a disability. Of that total, approximately 16 million are "sandwich generation" caregivers who try to balance care for both older and younger generations.[3]

While the data shows that there are a significant number of caregivers who work tirelessly so that their ill or disabled loved ones can live with dignity, love, and continual care, the data can't measure the physical and mental toll exacted on those family members providing the care. For parents of children with special needs, a primary source of stress centers on one overarching concern: what will happen to their family member when they are gone. They worry about who will take care of their child and how they can ensure that their child receives the best care

[1] Stocks are measured by the S&P 500 Index, an unmanaged index of stocks of 500 major corporations. Inflation is represented by the Consumer Price Index (CPI). Bonds are measured by Bloomberg U.S. Aggregate Bond Index, an unmanaged index of U.S. government, corporate, and mortgage-backed securities. Past performance does not guarantee future results. Your investment results will be different. Investments cannot be made in an index. Source: DST Retirement Solutions, LLC, an SS&C company.

[2] Past performance does not guarantee future results. Diversification does not ensure a profit or protect against loss in declining markets.

[3] Source: *Caregiving in the U.S. 2025*, AARP and the National Alliance for Caregiving.

available. They may also have concerns about how to pass on their assets in a way that is fair and equitable to their other children.

However, families of special needs children can address these fears by developing a comprehensive and careful plan that will help ensure that their loved ones are protected and cared for in the future. If you have a child with special needs, read on for some ideas on how you can help ensure that your child will be cared for in the years you aren't around to care for them. Bear in mind that these are broad, general suggestions; contact your financial professional for more specific details on special needs trusts and tax breaks for family care providers.

SPECIFY WHAT YOU WANT FOR YOUR CHILD

Sit down with other family members and put in writing the specifics of the type of life you want your special needs child to have. Identify short- and long-term needs, such as education, medical needs, and physical therapies. Think about what type of housing situation would be best for your child when you are no longer around. The medical and support professionals who are involved in your child's care should be able to offer valuable feedback.

DEVELOP A COMPREHENSIVE PLAN

Planning is key and a good first step should be to identify exactly the range of supports your child needs. Consult with professionals who work with your child for their insights and advice when it comes to identifying the critical supports that should be prioritized. Children with special needs may be unable to manage their own care or make decisions that affect their well-being as they grow into adulthood. Your plan should include written directives that designate those individuals who would have full or partial control over money intended to support, house, and educate your loved one. Your plan should also name a person or persons who would serve as guardians for a minor child with special needs.

Additionally, you need to learn about what resources and help are available from various state and federal agencies, as well as from nongovernmental sources for caring for your special needs child. Find out what, if any, tax breaks may be available from the federal and state tax codes. Moreover, consult with an attorney about drawing up standard estate planning documents, such as a will and a power of attorney, as well as a supplemental or special needs trust.

ACCESSING FINANCIAL AID

Look into what type of government benefits may be available for caregivers and for a family member with disabilities. Medicaid, Medicare, Supplemental Security Income, Section 8 housing, and Social Security Disability Insurance are federal programs that offer a range of financial assistance. These are means-tested programs with strict asset and income limits.

You may believe that disinheriting your special needs child will protect their ability to qualify for these federal benefit programs. However, that may not be the case. Before taking any action, consult with an estate planning attorney to identify ways you can permit your child to inherit without risking their eligibility or public benefit programs. It's also important that you review your beneficiary designations and ownership of assets so that your assets do not mistakenly pass directly to your special needs child and consequently disqualify them from governmental benefits.

The challenges that come with caring for a loved one who has a complex medical condition or a disability are numerous. Ensuring that a loved one with special needs receives the care and support they deserve and is due requires working with a broad range of professionals, particularly an attorney who specializes in this legal area.

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