



decisionpoint
financial.

*Financial Readiness:
Tomorrow Starts Today*



Washington State
Council of Fire Fighters



Our Why.



Financial Success Starts on Day 1

Time Matters



Time Matters.

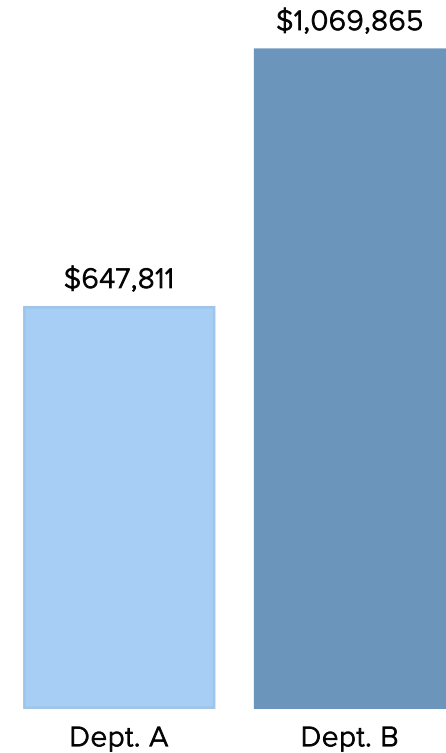


Department A: \$312.50 Match Per Month

- New Hire @ age 23 contributes the minimum amount to get the full match for 30 years.
- Contributes **\$7,500** every year for 30 years totaling **\$225,000**.

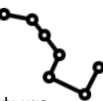
Department B: \$937.50 Match Per Month

- New Hire @ age 23 contributes the minimum amount to get the full match for 10 years.
- Contributes **\$22,500** every year for 10 years totaling **\$225,000**.



Department B retires with **\$422,054** MORE than Department A despite contributing the same amount to their account.

*Assumes a 6.5% Annualized Return



Financial Success Starts on Day 1

Contract Language Matters



Contract Language Matters.



District	Monthly Employer Match/Contribution	Avg. Balance < 36
Department A	\$725 Match	\$ 70,707.44
Department B	\$850 Combination*	\$ 60,516.98
Department C	\$560 Contribution**	\$ 57,606.42
Department D	5% Match	\$ 54,838.54
Department E	6% Match	\$ 52,789.91
Department F	\$370 Contribution	\$ 43,541.91
Department G	8% Contribution + 2% Match	\$ 42,737.88
Department H	\$421 Contribution	\$ 40,125.08
Department I	\$100 Match + \$300 Contribution	\$ 36,809.94
Department J	4% Match	\$ 27,541.11
Department K	\$461 Contribution	\$ 24,861.75
Department L	\$455 Match	\$ 24,464.38

Sample size of 400+ members under the age of 36.

Contract Language Matters.

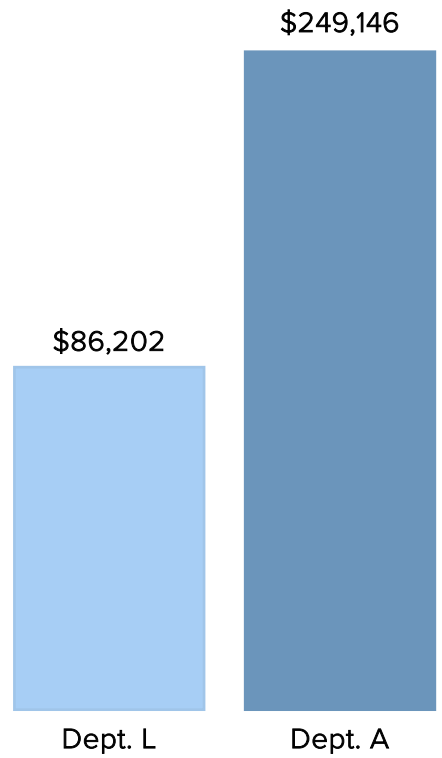


Department L: Average Balance of \$24,464

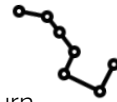
- Member stops contributing, allows dollars to grow for 20 years.
- Estimated Future Balance: \$86,202

Department A: Average Balance of \$70,707

- Member stops contributing, allows dollars to grow for 20 years.
- Estimated Future Balance: \$249,146



*Assumes a 6.5% Annualized Return



Contract Language Matters.

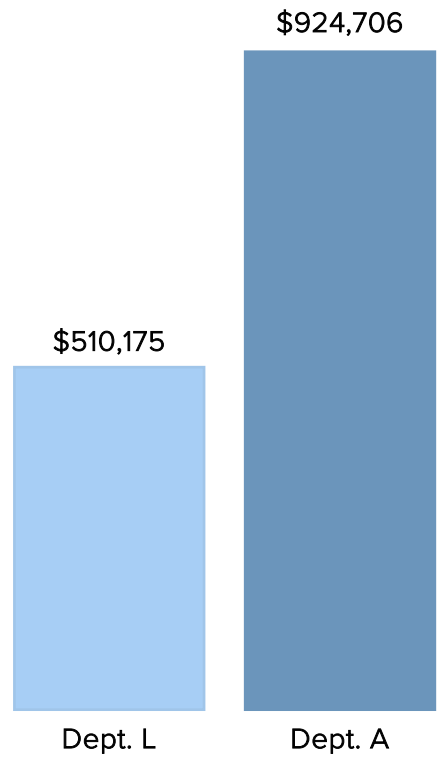


Department L: Average Balance of \$24,464

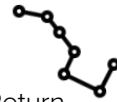
- Member continues to contribute equal to District contribution (\$455/mo). Allows dollars to grow for 20 years.
- Estimated Future Balance: \$510,175

Department A: Average Balance of \$70,707

- Member continues to contribute equal to District match (\$725/mo). Allows dollars to grow for 20 years.
- Estimated Future Balance: \$924,706



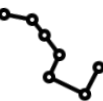
*Assumes a 6.5% Annualized Return



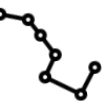
Contract Language Matters.



- **IAFF Local 2390 / Gig Harbor Fire & Medic One**
 - \$725 Match (contribute \$0.01 to get \$245, straight match above \$245)
 - Contract includes \$25 per year increases (\$750 in 2024, \$775 in 2025)
 - Language in contract is a dollar amount NOT a percentage
 - 49 Employees with less than 5 years of service.
 - 41/49 (84%) are contributing the full match or higher
 - 17 Employees between 5 – 10 years of service
 - 16/17 (94%) are contributing \$725 or greater



- **IAFF Local 1488 / West Pierce Fire & Rescue**
 - \$850 Match (First 5 Years)
 - Incentivizes new members to save from day 1
 - \$850 Contributions (Years 6 – 10, no employee contribution required)
 - \$850 Longevity (Contractual increase to base pay)
 - In later career years, this portion is included in Final Average Salary
 - 65 Employees with less than 5 years of service
 - 53/65 (82%) are contributing the full match or higher
 - 18 Employees with 5 – 10 years of service
 - All 18 are contributing \$1,025 to hit the annual IRS Maximum





Financial Success Starts on Day 1

Creativity Matters



457(b) and 401(a)



Employee Contributions



\$22,500

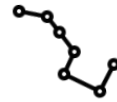


Employer Contributions

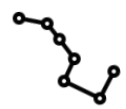
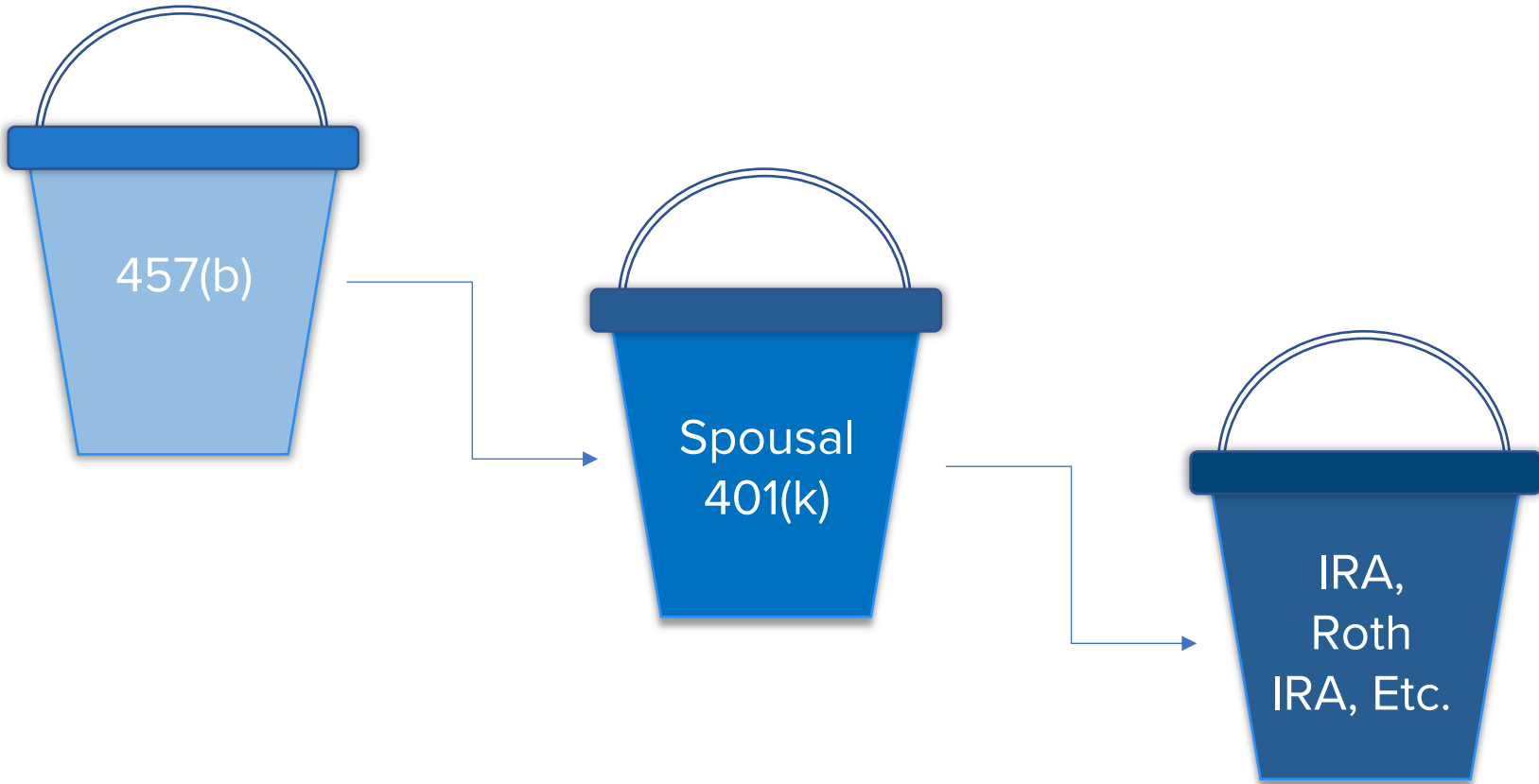


\$7,200*

*hypothetical \$600/mo Employer Contribution



Prioritizing Buckets Appropriately



Financial Success Starts on Day 1

Day 1 Matters



dp. 457(b) Investment Selection



Investment Selection

Listed below are the investments available in your retirement plan for you to select from. Please allocate a percent (%) to each fund you would like your account, including future contribution deposits, to be invested in by electing them below.

Model Portfolio Investment Options

Model Name	Allocation
Aggressive (100% Stocks/0% Bonds)	<u>25</u> %
Growth (80% Stocks & 20% Bonds)	<u>10</u> %
Moderate (60% Stocks & 40% Bonds)	<u>10</u> %
Conservative (40% Stocks & 60% Bonds)	_____ %
Defensive (20% Stocks & 80% Bonds)	_____ %
Fixed Income (0% Stocks & 100% Bonds)	_____ %

Individual Fund Investment Options

Fund Name	Allocation
DFA Emerging Markets Core Equity I	_____ %
DFA International Core Equity I	_____ %
DFA International Small Cap Value I	_____ %
DFA Real Estate Securities I	<u>10</u> %
DFA US Large Cap Value I	_____ %
Vanguard Value Index Adm	<u>5</u> %
DFA US Large Company I	_____ %
DFA US Small Cap I	_____ %
DFA World ex US Gov Fixed Income	_____ %
Vanguard Interm-Term Treasury Adm	_____ %
Vanguard Sht-Trm Invmnt-Grade Adm	_____ %

Target Date Fund Investment Options

Fund Name	Allocation
Vanguard Target Retirement Income Inv	_____ %
Vanguard Target Retirement 2020 Inv	_____ %
Vanguard Target Retirement 2025 Inv	<u>10</u> %
Vanguard Target Retirement 2030 Inv	<u>10</u> %
Vanguard Target Retirement 2035 Inv	<u>10</u> %
Vanguard Target Retirement 2040 Inv	_____ %
Vanguard Target Retirement 2045 Inv	_____ %
Vanguard Target Retirement 2050 Inv	_____ %
Vanguard Target Retirement 2055 Inv	_____ %
Vanguard Target Retirement 2060 Inv	_____ %
Vanguard Target Retirement 2065 Inv	_____ %

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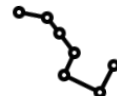
Participant's Name (Print)

Participant's Signature

Today's Date

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**I understand and agree that this Beneficiary Designation and Waiver may be delivered electronically rather than in paper, and I may be expected to respond electronically to any of the Plan documents. I also understand that I have a right to request and receive a paper version of this form without cost to me and to rescind this consent within a reasonable time by contacting the Plan Administrator at the telephone number listed in the Summary Plan Description. I understand that the Plan documents, including this Beneficiary Designation, are in English, and I agree that if I require a translation of the Plan documents into a language other than English, I will be fully responsible for arranging for accurate translations of the Plan documents. I agree that if the Plan documents, including this Beneficiary Designation, are translated into a language other than English and if the translated version is different from the English language version, the English language version will take precedence. Trust Beneficiary, if you name a trust as a Beneficiary, the Trustee also must satisfy additional documentation requirements no later than October 31st of the calendar year following the calendar year of your death. The Plan Administrator will provide you or the Trustee with the additional forms you must complete. Effect of Marriage. See below regarding spousal consent requirements: If you are married and wish to name someone other than your spouse as your sole primary Beneficiary, if you are cremated at the time of your designation, your Beneficiary designation will cease to be effective one year after your marriage unless you have designated your spouse as your sole primary Beneficiary. Effect of Divorce. A divorce decree or a decree of legal separation automatically revokes a designation of your spouse as a Beneficiary, unless the decree or a qualified domestic relations order provides otherwise. The Trustee will pay all sums payable under the Plan by reason of my death to the primary Beneficiary, if he or she survives me, and if no primary Beneficiary survives me, then to the Contingent Beneficiary, and if no named Beneficiary survives me, then the Trustee will pay all amounts in accordance with the Plan. I understand that, unless I have provided otherwise above, the Trustee will pay all sums payable to more than one Beneficiary equally to the living Beneficiaries.



dp. 457(b) Investment Selection



Investment Selection

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Aggressive (100% Stocks/0% Bonds)	_____ %
Growth (80% Stocks & 20% Bonds)	_____ %
Moderate (60% Stocks & 40% Bonds)	_____ %
Conservative (40% Stocks & 60% Bonds)	_____ %
Defensive (20% Stocks & 80% Bonds)	_____ %
Fixed Income (0% Stocks & 100% Bonds)	100 %

Individual Fund Investment Options

Fund Name	Allocation
DFA Emerging Markets Core Equity I	_____ %
DFA International Core Equity I	_____ %
DFA International Small Cap Value I	_____ %
DFA Real Estate Securities I	_____ %
DFA US Large Cap Value I	_____ %
Vanguard Value Index Adm	_____ %
DFA US Large Company I	_____ %
DFA US Small Cap I	_____ %
DFA World ex US Gov Fixed Income	_____ %
Vanguard Interm-Term Treasury Adm	_____ %
Vanguard Sht-Trm Invmnt-Grade Adm	_____ %

Target Date Fund Investment Options

Fund Name	Allocation
Vanguard Target Retirement Income Inv	_____ %
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Vanguard Target Retirement 2030 Inv	_____ %
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Vanguard Target Retirement 2040 Inv	_____ %
Vanguard Target Retirement 2045 Inv	_____ %
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Vanguard Target Retirement 2060 Inv	_____ %
Vanguard Target Retirement 2065 Inv	_____ %

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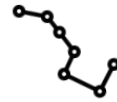
Participant's Name (Print)

Participant's Signature

Today's Date

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457(b) Investment Selection



Investment Selection

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Growth (80% Stocks & 20% Bonds)	_____ %
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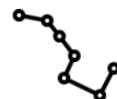
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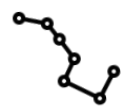
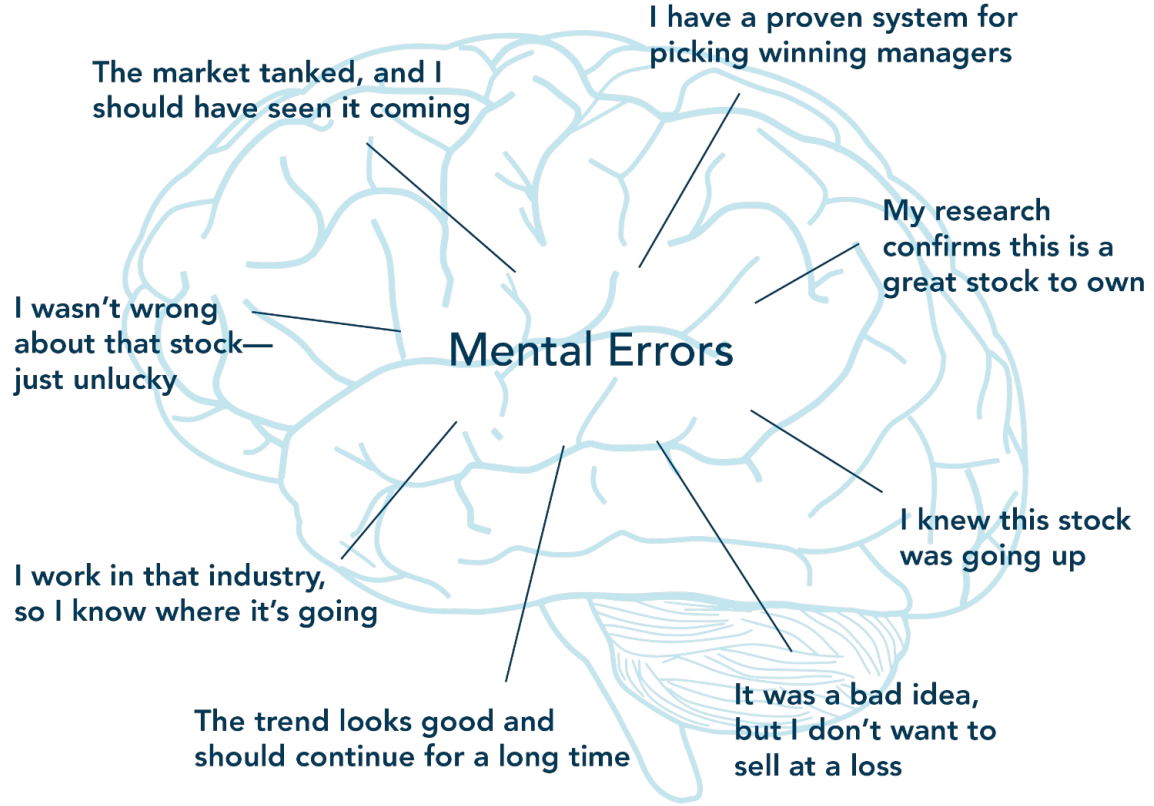
Financial Success Starts on Day 1

Behavior and Culture Matters

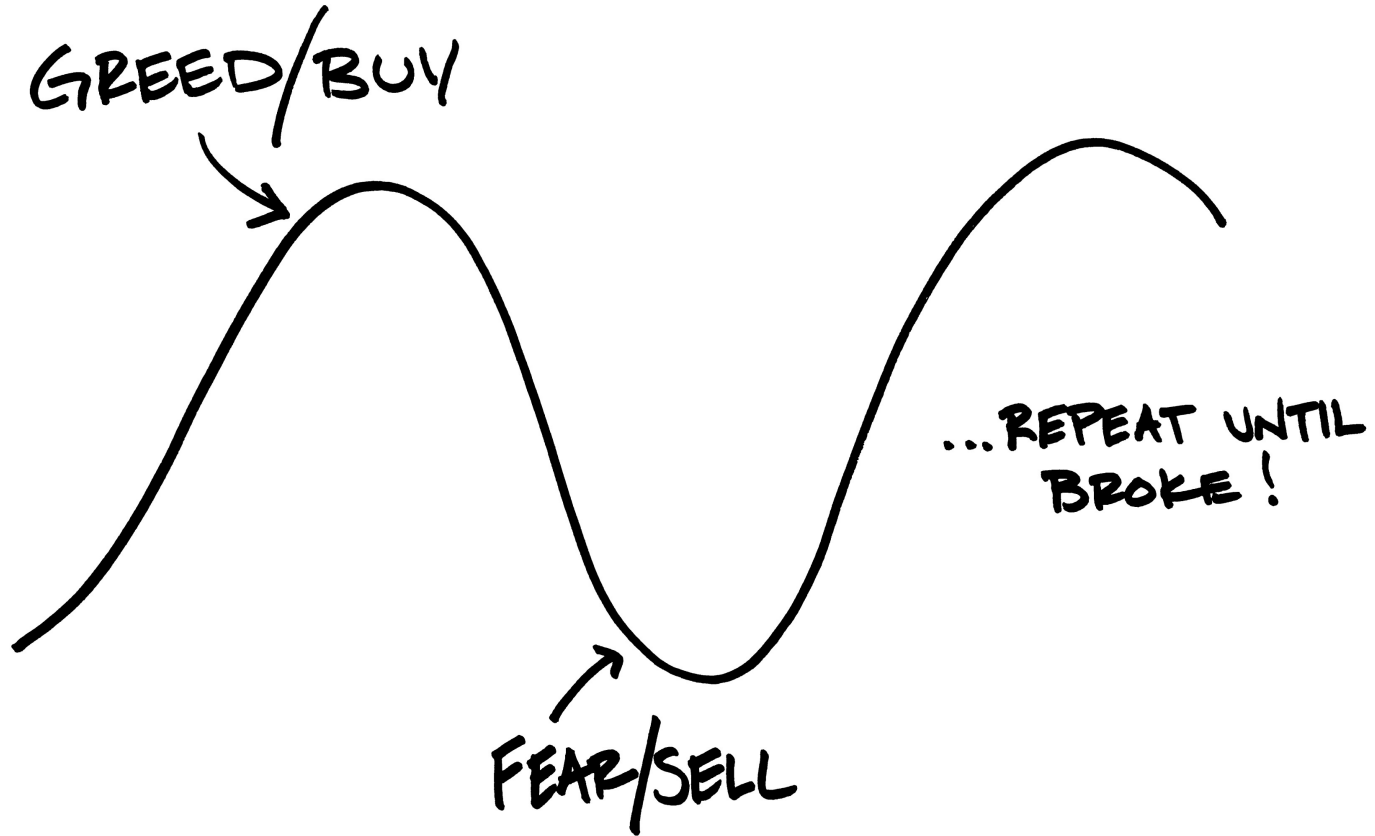


Humans Are Not Wired for Disciplined Investing

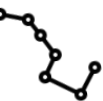
When people follow their natural instincts, they tend to apply faulty reasoning to investing.



Humans Are Not Wired for Disciplined Investing



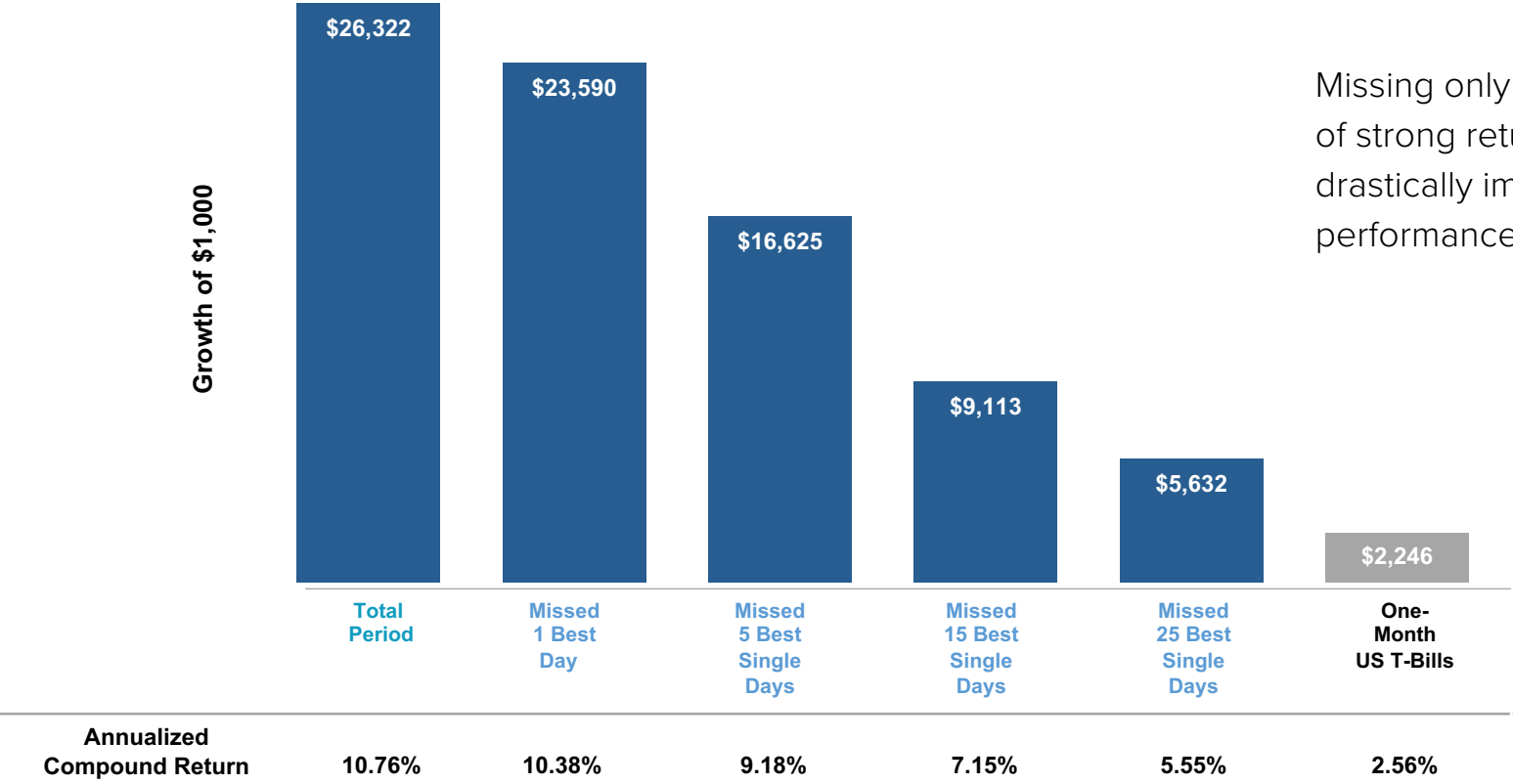
BEHAVIOR | GAP





Reacting Can Hurt Performance

Performance of the S&P 500 Index, 1990–2021



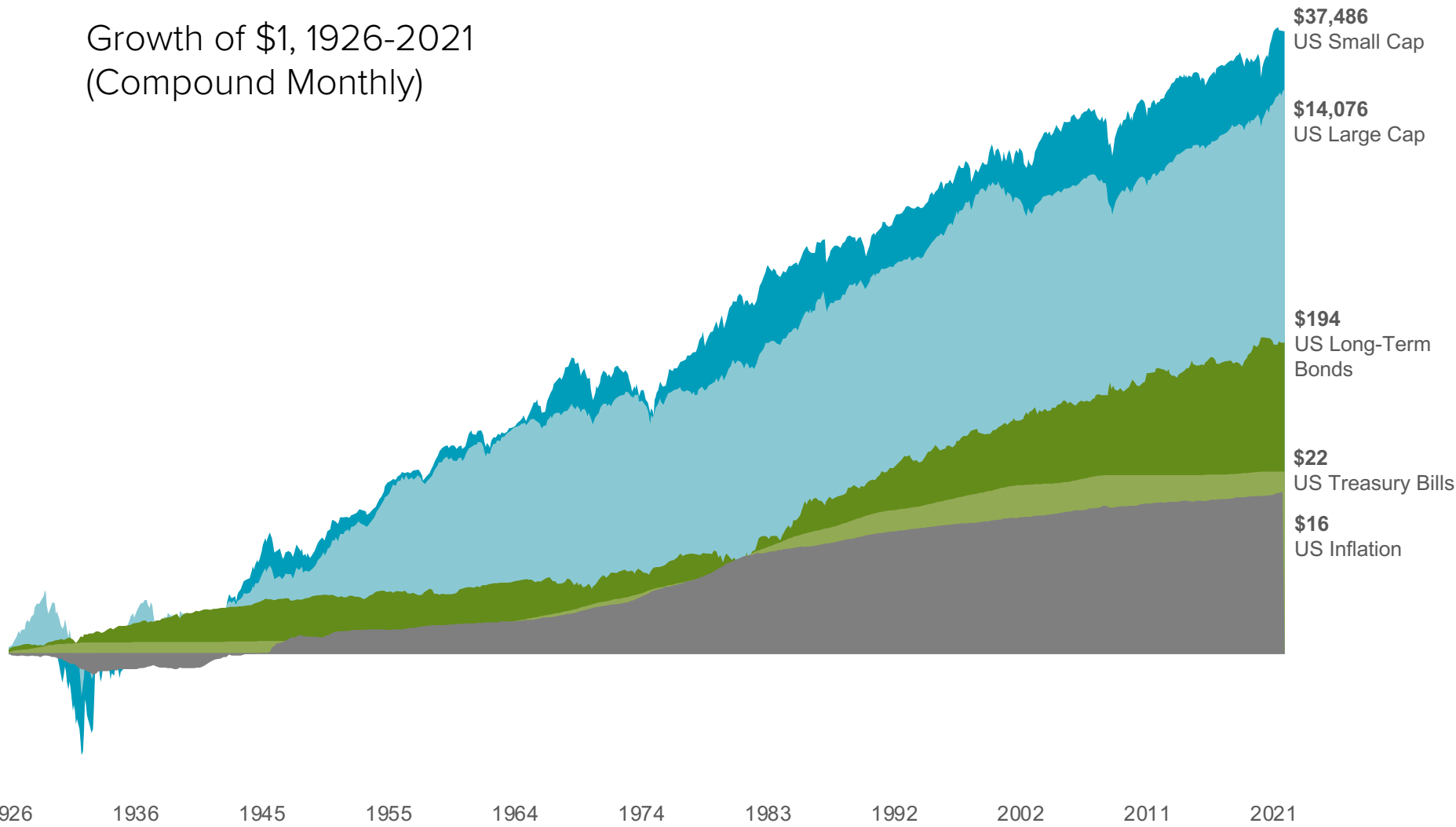
Missing only a few days of strong returns can drastically impact overall performance.

- Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.
- In US dollars. For illustrative purposes. The missed best day(s) examples assume that the hypothetical portfolio fully divested its holdings at the end of the day before the missed best day(s), held cash for the missed best day(s), and reinvested the entire portfolio in the S&P 500 at the end of the missed best day(s). Annualized returns for the missed best day(s) were calculated by substituting actual returns for the missed best day(s) with zero.
- S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. "One-Month US T- Bills" is the IA SBBI US 30 Day TBill TR USD, provided by Ibbotson Associates via Morningstar Direct. Data is calculated off rounded daily index values.

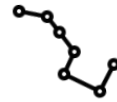


Capital Markets At Work Have Rewarded Long-Term Investors

Growth of \$1, 1926-2021
(Compound Monthly)



In USD. US Small Cap is the CRSP 6–10 Index. US Large Cap is the S&P 500 Index. US Long-Term Government Bonds is the IA SBBI US LT Gov't TR USD. US Treasury Bills is the IA SBBI US 30 Day TBill TR USD. US Inflation is measured as changes in the US Consumer Price Index. CRSP data is provided by the Center for Research in Security Prices, University of Chicago. S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. US Long-term government bonds and Treasury bills data provided by Ibbotson Associates via Morningstar Direct. US Consumer Price Index data is provided by the US Department of Labor Bureau of Labor Statistics. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.



Recommended Takeaways



- 1 Continually Improve Contract Language to Encourage Saving Early & Often
- 2 New Hire – Financial Education Meetings
- 3 Promote a Healthy Financial Culture Through Ongoing Education & Resources

