



CSU, Chico Research Foundation 403 (B)rief

February 2019
Issue 3.1

HELPING YOU RETIRE

A Quick Note From Your Advisor:

2018 brought us some of the most tumultuous times many of us have seen in a long time. But from the market to our communities, we find ourselves being more resilient than we ever imagined we could be. Something great thing we did in 2018 was a survey regarding your thoughts and concerns about retiring and the retirement plan itself. We learned a lot from the responses and we thank you! We'll be focusing on the topics you said you wanted to see in these newsletters. Feel free to share what you're learning or what you find interesting with a colleague. We found that many of your colleagues don't know these newsletters even exist! Let's grow together in a wealth of knowledge, and of course, retirement wealth! Cheers to 2019, we're ready!

New Retirement Contribution Limits for 2019 as set by the IRS:

- \$ 19,000 (under age 50)
- \$ 25,000 (over age 50)

You are able to contribute a little bit more for 2019. Keep in mind that CSU Chico RF's employee contributions are a percentage of your income. If you are "maxing out", be sure to calculate your new contribution in percentage form based on these new limits, and happy saving!



Still getting paper? Login [HERE](#) to go Paperless



The LBL Group
Providing Insurance and Financial Services Since 1973

Market Recap: Quarter 4- 2018

Fourth Quarter was a bumpy one, and in turn, so was the year. We had the worst yearly performance since 2008. Returns shown here are

on way more risk than they could handle. It's easy to do when things are going well, everyone wants to be a part of the upswing to the fullest. But when things went badly, they made very emotional decisions. Rightfully so, they worked hard for that money and

Mutual Fund/ETF Peer Group	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Large Blend	-13.75%	-5.97%	-5.97%	7.95%	6.96%	12.10%
Mid-Cap Blend	-16.70%	-11.48%	-11.48%	5.03%	4.24%	12.19%
Small Blend	-19.69%	-12.39%	-12.39%	5.90%	3.51%	11.70%
Foreign Large Blend	-12.97%	-15.05%	-15.05%	2.51%	-0.05%	5.91%
Short-Term Bond	0.54%	0.97%	0.97%	1.45%	1.18%	2.57%
Intermediate-Term Bond	0.98%	-0.58%	-0.58%	2.09%	2.30%	4.46%
High Yield Bond	-4.76%	-2.91%	-2.91%	5.62%	2.84%	9.43%
Money Market Taxable	0.46%	1.46%	1.46%	0.64%	0.38%	0.21%

as of 12/31/2018. You can see how a bad quarter can drag down the whole year. A lot of us forget that the market doesn't always go up. Things have been going very well for us since 2008, and bull markets typically don't last that long. We had 10 years of gains and it's a bit painful when the market reminds us that it's not always so rosy. But the last thing you want to do when things take a hit is sell and stop participating. Even in 2008, if you stayed the course, you made your money back. Some people couldn't stomach it and stopped participating. We now know that they missed a great recovery. It is probable that these people were taking

couldn't stand the thought of losing another cent. But the potential of big rewards comes with a risk of big losses. You have to accept both. The important thing is understanding what the market is doing, even on a very basic level. Knowing this keeps our expectations realistic. If your expectations are still not being met, then it's a good sign you are

****Continued on the next page**

YOUR RETIREMENT PLAN ADVISOR:

ALEX RASMUSSEN

ALEXANDRA.RASMUSSEN@NPBFG.COM

Securities offered through NPB Financial Group, LLC (NPB), member of FINRA, MSRB and SIPC. The LBL Group and its affiliated entities are not affiliated with NPB.

taking on too much risk, or maybe not enough. If your account went down 15% in the last year, it's possible you were invested in some foreign funds and mid-cap funds (based on the results shown on the previous page). If that's a big chunk of your portfolio, it's quite aggressive. Is it too aggressive for you? Is it something you can roll with? The best thing to do is talk to an advisor to make sure you are taking the appropriate amount of risk that you can handle.



Roughly 14% of 70-year-olds are still working full-time and another 14% are working part-time

Source: National Institute on Aging

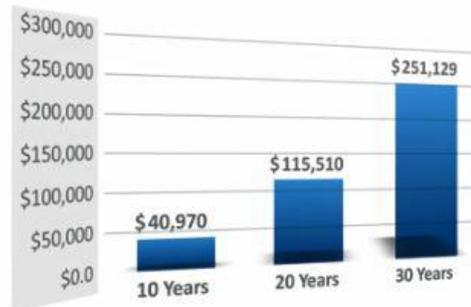
Famous Quote:

“It is our choices that show what we truly are, far more than our abilities.”- Albus Dumbledore, Harry Potter and the Chamber of Secrets

The Impact of a 1% Return:

There is a great video on The Standard's website (login, go to Planning Tools, scroll to The 1% Difference Part: 2) but I'll give you the short version: Example 1: If you make \$75,000 per year, contribute just 4% of your salary and earn an average of 6% in gains each year for 30 years, you'll have about \$251,129.

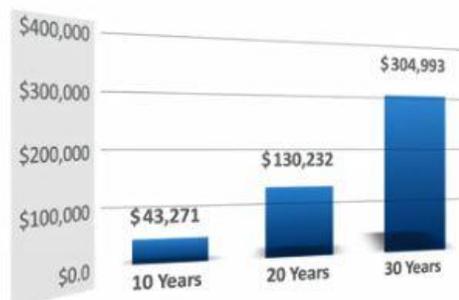
Example 1:



6% average annual return
 • **\$75,000** annual salary
 • **4%** annual contributions

Example 2: If you assume everything is the same but earn 7% each year, you'll have \$304,993.

Example 2:



7% average annual return
 • **\$75,000** annual salary
 • **4%** annual contributions

That's a difference of \$53,864. Of course there isn't an investment option that guarantees this rate of growth. The way to capture higher returns is to invest in "growth" options like your plan's T.Rowe Price Growth Stock Fund. But keep in mind that the loss for that fund was 14.10% for the 4th quarter. So with higher possibility of returns, also comes greater losses when that time in the market comes. So overexposing yourself to a fund like that is a bad idea if you can't handle the downside risk that comes with it. Don't chase returns. If you have more than 10 years ahead of you before you need that money, you may be able to stomach more of those swings than someone who will need their funds sooner.

**This hypothetical example of mathematical compounding is used for illustrative purposes only. Contributions are made monthly, at the end of the period, and average annual returns compound monthly. Investment returns will fluctuate and cannot be guaranteed. These results do not consider the effects of fees and taxes; had these factors been included the results would have been lower. Rates of return will vary over time, especially for long-term investments.

February 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
						2
	3	4	5	6	7	8
	9	10	11	12	13	14
	15	16	17	18	19	20
	21	22	23	24	25	26
	27	28	29	30	31	

Mark Your Calendars!

Alex Rasmussen (Advisor, The LBL Group) and James Shen (Relationship Manager, The Standard) will be at the Research Foundation on February 13th and February 14th to hold group retirement meetings, Open Forum Style. So bring your questions, thoughts, and concerns. Your colleagues will benefit from your input. Sign-ups now available!