

Retirement Planning: More Than Just a Number

Americans believe they need nearly \$1.5 million to retire comfortably, a number that has soared by more than 50% since 2020, according to Northwestern Mutual's 2024 Planning & Progress Study. Yet, the Employee Benefit Research Institute reports that only about half of workers have actually calculated their retirement needs. Employees can easily latch onto media-hyped, generalized one-size-fits-all numbers without a clear understanding of whether those figures align with their personal financial circumstances.

The conversation around prudent retirement planning should begin with defining what it isn't:

A Magic Number

Gauging retirement readiness requires knowing more than just someone's 401(k) balance. It demands a comprehensive and integrative approach that accounts for factors like healthcare, inflation, taxes, and lifestyle choices. Shortcuts and rules of thumb like the 15% of income "rule" or the 25x annual retirement expenses "rule" overlook individual needs and differences. For example, higher-than-average healthcare costs can derail even the most disciplined savers, especially with long-term care costs outpacing inflation.

Determined by Generic Advice

Relying on generic advice can lead participants down a perilous path. Without a personalized approach to retirement planning, workers making decisions based on incomplete or outdated information might save too little or overestimate how long their savings will last. The consequences of under-preparing could be devastating, forcing retirees to either return to work or drastically lower their quality of life. On the other hand, overpreparing can also come at an emotional cost if it's driven by unnecessary anxiety and fear about the future.

A One and Done Decision

Retirement readiness can be — and often is — a moving target. Whatever amount an employee at age 30 projects they'll require is likely to change by their 40s or 50s. Alterations in family composition or needs, unexpected debt or an inheritance, market fluctuations, or medical issues can all impact retirement planning. That's why any snapshot assessment of retirement readiness shouldn't be relied on for extended periods of time.

What Retirement Planning Is:

Prudent retirement planning involves a holistic approach and ongoing adjustments. Regular monitoring and check-ins with a knowledgeable advisor help ensure an individual's strategy is on track to meet established objectives. It's about making periodic adjustments based on changing personal and economic circumstances — as well as the shifting goals of the future retiree.

The good news is that employers are uniquely positioned to provide employees with the tools and resources they need for better outcomes. Facilitating one-on-one meetings with an experienced financial advisor can shift the focus from broad-stroke figures to actionable strategies based on calculations that take into account specific circumstances, timely information, and any changing wants or needs. Ensure your employees aren't just guessing about retirement readiness by encouraging them to use real data alongside professional guidance so they can have greater clarity — and confidence — in the process.

What the DOL's AI Guidance Means for Employers

The U.S. Department of Labor (DOL) recently released voluntary guidance emphasizing the importance of ethical and transparent use of artificial intelligence (AI) in the workplace. Titled [Artificial Intelligence and Worker Well-being: Principles and Best Practices for Developers and Employers](#), the document provides a roadmap aimed at helping ensure AI improves job quality while protecting workers' rights and welfare.

Although much of the focus is on workers, the principles also have relevance for plan sponsors. As AI tools increasingly become integral to retirement planning and financial education, it's important to ensure these technologies are used transparently and responsibly to empower participants while mitigating risks associated with AI.

Here are ways AI can be leveraged in retirement planning with DOL best practices in mind:

Ethical AI and Financial Decision-making

When adopting AI-driven tools for use in retirement plans, plan sponsors should prioritize ethical development and use. AI is increasingly being used to augment investment recommendations and predict retirement outcomes, but it's crucial that machine-learning algorithms remain transparent and free from bias. Poorly designed AI tools could disadvantage certain participants by making flawed assumptions or relying on data sets that are not representative.

To help mitigate these risks, plan sponsors should take measures to ensure that AI-driven systems are rigorously tested and continuously monitored. This aligns with the DOL's call for ethical AI development, which aims to protect workers from unintended harm.

Empowering Participants Through Personalized Planning

One of the most promising benefits of AI in retirement planning is its ability to provide highly personalized advice at scale. Instead of relying on generic recommendations, AI can help tailor investment strategies and financial guidance to each participant's unique situation and encourage them to take actions that align with long-term goals. But as the DOL guidance emphasizes, AI should be used to enable and empower workers, not just automate processes. By facilitating one-on-one meetings with advisors, AI tools can be used in ways that help ensure AI-driven insights are contextualized and validated by professional expertise and judgment.

Transparency and Trust

The DOL also stresses the importance of AI transparency in the workplace. For plan sponsors, this requires clearly communicating how and when AI tools are being used. Employees should understand that while AI can provide valuable insights, it can also be prone to error and shouldn't replace personalized advice and expert guidance.

Sponsors can help build trust by clearly explaining how AI systems work — and how participants can benefit from these advanced tools. Open communication can help ensure that employees feel comfortable incorporating AI into their financial planning process in an appropriate way.

A Prudent Path Forward

By adhering to DOL best practices, plan sponsors can better leverage AI to empower workers, provide more personalized guidance, and help ensure that retirement planning is both ethical and transparent. In doing so, they can help workers navigate the complexities of retirement savings with greater confidence and security.

Source: Artificial Intelligence and Worker Well-Being: Principles and Best Practices for Developers and Employers, U.S. Department of Labor, 2024



Celebrate the Season with Homemade Peppermint Bark

The holiday season is a time for joy, celebration, and of course, delicious treats! One of the simplest yet most delightful recipes to share with family and friends is Peppermint Bark. This sweet and minty confection is The holiday season is a time for joy, celebration, and of course, delicious treats! One of the simplest yet most delightful recipes to share with family and friends is Peppermint Bark. This sweet and minty confection is not only a crowd-pleaser but also a fun and easy recipe to make with loved ones. Whether you're hosting a holiday party or looking for the perfect homemade gift, Peppermint Bark is sure to bring a smile to everyone's face. Let's dive into this festive recipe!

Peppermint Bark Recipe

Ingredients:

12 ounces high-quality white chocolate, chopped
12 ounces high-quality dark chocolate, chopped
1 teaspoon peppermint extract
1/2 cup crushed candy canes or peppermint candies

Instructions:

- + **Prepare the Pan:** Line a baking sheet with parchment paper or a silicone baking mat.
- + **Melt the Dark Chocolate:** In a microwave-safe bowl, melt the dark chocolate in 30-second intervals, stirring between each, until smooth. Stir in 1/2 teaspoon of peppermint extract.
- + **Spread the Dark Chocolate:** Pour the melted dark chocolate onto the prepared baking sheet and spread it into an even layer. Place the baking sheet in the refrigerator for about 20 minutes, or until the chocolate is firm.
- + **Melt the White Chocolate:** In a separate microwave-safe bowl, melt the white chocolate in 30-second intervals, stirring between each, until smooth. Stir in the remaining 1/2 teaspoon of peppermint extract.

- + **Spread the White Chocolate:** Pour the melted white chocolate over the firm dark chocolate layer and spread it evenly.
- + **Add the Peppermint:** Immediately sprinkle the crushed candy canes or peppermint candies over the white chocolate layer, pressing them in gently.
- + **Chill and Set:** Place the baking sheet back in the refrigerator for about 20 minutes, or until the bark is completely set.
- + **Break into Pieces:** Once set, remove the bark from the refrigerator and break it into pieces.

Enjoy this festive treat with your loved ones, or package it up as a delightful homemade gift!



The IMA Foundation Awarded Grants to 69 Nonprofits

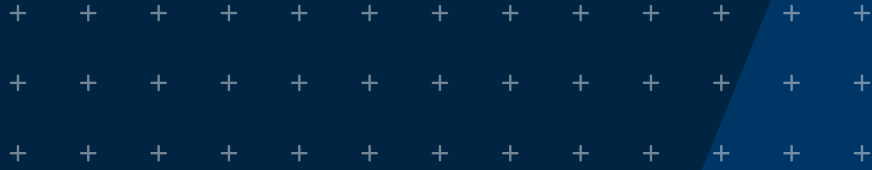
Twice a year, the IMA Foundation board of trustees review hundreds of applications and vote to award grants to nonprofits in the communities where our associates live and work. This fall cycle, 69 nonprofits whose missions reflect the IMA Foundation's focus on advancing youth, with five key areas identified: education, mental health, arts & culture, food insecurity and homelessness, were selected to receive grants totaling \$653,280.

A few of the many nonprofits selected include:

- + Junior Achievement
- + Boys and Girls Club
- + Make a Wish Foundation
- + Big Brothers Big Sisters
- + Food Equality Initiative



Let's Connect



For assistance with your retirement needs, contact an IMA Retirement Advisor at 877.305.1864 or retirement@imacorp.com

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