



# PrivilegePLUS

NEWSLETTER

[www.bankatfirstnational.com](http://www.bankatfirstnational.com)

800.667.4401

Member FDIC

## Off to a Late Start? Catching Up Strategies for Retirement

You did not begin saving for retirement early enough. Now you are in your 40s or 50s, and you've barely saved anything for your post-work years. Fortunately, you can take steps to resolve this. Just because you procrastinated doesn't mean that you are doomed to a retirement filled with money woes.

First, don't worry about the past. You cannot go back in time and boost your retirement savings. The only thing you can do now is to start saving in earnest. It will not be easy, but if you cut down on your expenses and boost your rate of savings, you can still build enough cash to enjoy a comfortable retirement. The key is to start saving immediately. The more time you waste, the fewer chances you'll have of building a large enough nest egg to reach your goals for your retirement years.

### Working longer isn't enough

It is tempting to think that you can compensate for your late start by working longer. After all, every extra year you log at your job will boost the amount of money you receive each year from Social Security. Problem is, even if you work until you



are 70, the extra income you earn and the increase in your Social Security benefits will not provide enough money to live a comfortable retirement.

The reason? Social Security payments simply don't provide enough income for most retirees. The vast majority of retirees will need to rely on other forms of income such as savings and their company-sponsored 401(k) to pay bills and reach their goals during their retirement years. If you are relying on working longer; then, you'll need to explore other avenues to boost your retirement preparedness.

**Catching Up Strategies for Retirement**  
continued on page 3

## Inside This Issue:

**A Timeless Investment  
Philosophy**  
Page 2

**You're Invited**  
Page 3

**2021 Extended Trips**  
Page 4

**BaZing Benefits**  
Page 4

**2021 Holidays**  
Page 4

**The Privilege Plus  
newsletter is a  
benefit of being a  
valuable Privilege  
Plus account holder.**



First National Bank<sup>®</sup>  
and Trust Company

# A Timeless Investment Philosophy

By Steve Schou

When an investor takes a proactive approach to their investment plan in three key areas, and is committed to sticking to their plan in negative markets, their investment returns will be significantly greater over the long-term.

## Goals

Defining a clear goal is the best way to take a level-headed approach to creating a specific plan to meet your objectives and determining the best strategy to achieve them. Being realistic is essential to the process: investors need to recognize their constraints and understand the level of investment risk they are able to accept in all market conditions. Without an investment game plan, investors often build their portfolios from the bottom up, focusing on “star ratings” or last year’s “top ten list” rather than on how the portfolio as a whole is serving their objective.

## Objectives

Have an objective in mind where you have established a reason and a goal for your investment strategy with an ultimate objective in mind that isn’t based on the current market direction. There will always be some type of investment risk whether it is trying to keep pace with taxes and inflation or trying to maintain an appropriate percentage of stocks when your account value drops during market declines. A goals-based investment strategy can help you avoid such behavior as it demonstrates the purpose and value of asset allocation, investment diversification, and rebalancing.

When building your portfolio to meet a specific objective, it is

important to select a variety of assets that offers the best chance of meeting that goal, subject to your ability to stay committed to your strategy.

## Long-term Focus

Regardless of where you are in your retirement stage your long-term focus should be at least five years. Most people entering retirement assume that they could be retired for 20 years or more. But sometimes investors lose sight of their investment goals and instead respond to the short-term markets.

Remember if you have a defined investment strategy with a long-term focus for success

that you have been comfortable with in the past, then stay with it. If you feel that there may be a few gaps in your investment plan and you think that some revisions are needed, talk with a professional. If you haven’t taken the time to create your investment plan then now is the time to start. **Don’t be tempted to overreact.**

Contact our Wealth Management Team to schedule a consultation and see how we can provide Sound Advice to create a personalized plan for your financial future. [www.bankatfirstnational.com/contact-wealth](http://www.bankatfirstnational.com/contact-wealth). ■



**Steve Schou** joined First National Bank and Trust’s Wealth Management team in 2020 as a Trust & Investments Officer, providing Sound Advice and expertise on investment strategies, retirement, and Social Security planning to FNBT clients. With over 30 years of financial experience, Steve’s passion is to help guide people through the maze of long-term financial planning and investing. He believes in outside-the-box thinking using a holistic approach to retirement and estate planning. This approach addresses the emotional, psychological, and financial aspects of retirement. A Certified Financial Planner Practitioner™, CFP® since July 1994, Schou obtained the Accredited Wealth Management Advisor™, AWMA® in July 2018. During his career he’s been a partner in an independent investment firm, and has written many articles on the topics of investing and retirement.

# You're Invited

As a valued Privilege Plus client, we invite you to join us for an evening at the drive-in movies during the **Beloit International Film Festival (BIFF)**, as we present the 2021 BIFF Classic Film.

## **Sixteen Candles**

Sunday, February 27, 2021

6:30 pm

Iron Works North public parking lot at the corner of Ironworks Drive and 3rd Street in Beloit, WI.



Bring your own popcorn and snacks! Visit [www.beloitfilmfest.org](http://www.beloitfilmfest.org) for information on how to enter the parking lot at the drive-in venue. The event is free and open to the public. Due to parking limitations, we cannot accept reservations this year for the event, so please plan to arrive at least 15 minutes early to ensure a parking spot. Tune in to 94.7 FM to pipe in the film's sound into your car.

## Catching Up Strategies for Retirement

Continued from page 1

### **Boost savings, reduce expenses**

There is no magic formula that late starters can use to build a retirement nest egg. Saving enough money for retirement requires hard choices. You'll need to increase your income and dramatically reduce your expenses.

The first step? Employees in their 40s and 50s need to eliminate as much debt as possible, especially debt from credit cards. Your retirement years will be far more stressful if you have large amounts of consumer debt. Make the smart financial decisions today to forego those pricey electronics or extravagant meals out if you cannot afford to pay for them with cash. You'll be grateful you did once retirement comes.

Another possible move? Downsize to a more affordable home. If you are making a large mortgage payment each month, you can dramatically reduce your monthly expenses by selling your existing home and downsizing to a condominium or smaller home that comes with an equally smaller monthly payment. This might even make sense for you and your spouse. Your living space needs will grow smaller as you age and your children move away. Why not downsize to a home that not only saves you money but also comes with fewer maintenance needs?

You might also make lifestyle changes to reduce the amount of money you are spending each month. You do not need the most expensive luxury car on the market. A mid-priced vehicle can get you to and from your office just as well and for a much smaller monthly payment. Instead of shopping at the highest-end department stores, consider shopping at more

reasonably priced retailers. You do not have to cut out all your pleasures, but the more frugal you are now, the better off financially you'll be once you retire.

At the same time you are reducing expenses, you'll need to boost the amount of money you are saving for retirement. This starts with your company's 401(k) plan. Make sure you are contributing the maximum amount possible to your plan. Since your company will automatically deduct these dollars from your paycheck, you'll barely miss them. However, the extra savings will add up once retirement age hits.

Open IRA accounts, too. Moreover, if you already contribute to IRAs, boost your yearly contributions. Remember, once you hit the age of 50, you can make "catch-up" payments to your IRA and workplace retirement plans. For traditional and Roth IRAs, this means that you can invest an extra \$1,000 above the standard contribution limits for these accounts. For 401(k) plans, you can contribute \$5,500 more above the annual contribution limits. These additional catch-up payments can dramatically boost the size of your retirement savings.

If you receive unplanned money from raises and promotions, make sure to save it for retirement. Too often, when workers receive raises, they simply increase their monthly expenses. Don't fall into this trap.

If you are still worried about your future retirement savings, consider adding a second income to your household. This could

mean that a spouse who has not worked in the past takes on a second job. It could also mean starting a home-based business or renting out an unused mother-in-law suite in your home. Producing a new income stream for several years before you hit retirement age can significantly improve your financial standing once you leave the workforce.

### **Adjusting retirement plans**

Even if you take all these steps, you still might not save enough to meet your original retirement goals. If this is the case, you may have to adjust your expectations for your retirement.

For example, maybe you and your spouse planned to travel the world. If you started saving for retirement too late, this might not be possible. Instead, you may have to adjust your expectations. You might have to be happy with a retirement in which you pay your bills, cover your medical costs and spend quality time with your adult children and grandchildren.

The key is to be comfortable during your retirement. You might not lead a life of luxury, but you also won't be worrying about paying the grocery bill each week.

First National Bank and Trust experienced Wealth Management professionals can help you manage your money during this tough economic time. Contact our team at [www.bankatfirstnational.com/contact-wealth](http://www.bankatfirstnational.com/contact-wealth) or call 800.667.4401. ■

Source: © Fintactix, LLC 2020





For a list of the 2021 Privilege Plus Extended Trips, their brief descriptions and the RSVP form, visit our website at [www.bankatfirstnational.com/trips](http://www.bankatfirstnational.com/trips), email [fun@bankatfirstnational.com](mailto:fun@bankatfirstnational.com) or call 800.667.4401. ■

## Mackinac Island Lilac Festival and Grand Hotel

June 10–15 RSVP by March 1

## Colorado and 3 Train Excursions

July 13–20 RSVP by April 2

## Cape Cod, Martha's Vineyard, Nantucket and Boston

September 13–18 RSVP by June 1

## Black Hills and Mount Rushmore

October 4–9 RSVP by June 15

## Columbia River Cruise on American Empress

October 24–November 1 RSVP by June 1

## San Antonio Southwestern Christmas and The Riverwalk

December 6–10 RSVP by September 1



345 East Grand Avenue  
Beloit, WI 53511

Presorted  
Standard  
U.S. Postage  
**PAID**  
WC

For information about all the perks and benefits that come with your Privilege Plus account, or to subscribe to the newsletter electronically, visit [www.bankatfirstnational.com/Privilege](http://www.bankatfirstnational.com/Privilege).

# Privilege PLUS

NEWSLETTER 2021 Issue 1

## BaZing Benefits

BaZing benefits are included with FNBT's **one** and Privilege Plus checking accounts. With BaZing, you receive access to these great benefits by logging in online at [bazing.com/register](http://bazing.com/register) or using the convenient mobile app.

- Identity Theft Aid<sup>1,2</sup> and Identity Monitoring<sup>3</sup>
- Cell Phone Protection<sup>1,2</sup>
- Roadside Assistance
- Shopping and Dining Discounts
- Travel Accidental Death Coverage<sup>2</sup>
- Pharmacy, Vision and Hearing Discounts
- Grocery Coupons and more...



<sup>1</sup>Cell phone protection and personal identity theft benefits are subject to additional terms and conditions. <sup>2</sup>Insurance products are: NOT A DEPOSIT. NOT FDIC-INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE BANK. <sup>3</sup>Identity Monitoring requires additional enrollment on bazing.com.

## 2021 Holidays

First National Bank and Trust will be closed in observance of the following holidays:

**Memorial Day** ..... Monday, May 31  
**Independence Day** ..... Monday, July 5  
**Labor Day** ..... Monday, September 6  
**Thanksgiving Day** ..... Thursday, November 25  
**Christmas Eve**\* ..... Friday, December 24  
**Christmas Day** ..... Saturday, December 25  
**New Year's Eve**\*\* ..... Friday, December 31

\*FNBT will be open on Christmas Eve but close at noon.

\*\*FNBT will be open on New Year's Eve but close at 3:00 pm.