

RETIREMENT CHECK-UP



Preparing to Invest in 2022

You're not alone if you feel uncertain about what's ahead for your money. Rising prices, supply chain issues, global warming and the changing world of work are only a few of the factors sure to influence saving and investing in 2022. How should you prepare to be more confident as you invest for your future?

Take the Long View

Many financial forecasts predict that 2022 may see a slowdown in stock market gains and increased volatility – but your level of concern should be tempered by the time horizon you have before you'll need to use your retirement money.

Over the last decade, the stock market has provided an average annualized return of 11.9% adjusted for inflation, and the average return has been 8.3% over the last 30 years.

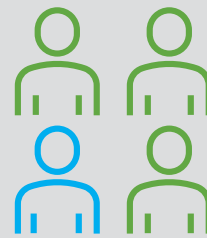
The market has historically been volatile but resilient. For example, after significant declines in 1987, 2000 and 2007, it rebounded each time and continued to grow. The stock market rebounded from COVID-driven losses after only about a month in 2020. Of course, past performance is not a guarantee of future results.

Diversify

Diversifying your investments helps cushion the ups and downs of individual stocks, and an easy way to diversify is through the SRP target date funds. Each of the funds invests in a variety of assets appropriate for its objectives and time horizon.

The SRP lineup of funds also lets you diversify in other ways. You can choose funds that focus on different classes of assets and different characteristics. For example, large cap funds focus on large companies while small cap funds concentrate on smaller ones.

The 2021 Retirement Confidence Survey, conducted earlier this year by the Employee Benefit Research Institute (EBRI), showed that, buoyed by booming stock market gains in recent years, **most workers feel good about their financial futures.**



**THREE OUT
OF FOUR**

workers believe they're doing a good job of preparing financially for retirement.

**TWO OUT
OF THREE**

workers are confident they will have enough money in retirement to last for their lifetime.



If you want to do more toward building your retirement security, using the SRP and its resources is a great place to start.

Dial Up Your Savings

In 2022, you will be able to save more with the SRP. The IRS maximum for your annual contributions to tax-advantaged plans will be \$20,500, an increase of \$1,000. If you want to increase your retirement savings even faster, there are ways to contribute even more:

- The SRP allows you to contribute to 403(b) and 457(b) plans, and you can contribute up to the IRS maximum to each account. Limits are not combined.
- If you are age 50 or older, you can make catch-up contributions of up to \$6,500 a year to your plan(s), in addition to your regular contributions.

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CHECKLIST: READY FOR '22

1. **Review** your latest SRP statement
2. **Confirm or update** your goals for when you want to retire and the savings you want to build.
3. **Look** at your current investment choices.
4. **Decide** if you can (and want to) save more.
5. **Schedule** time with your AIG Retirement Services advisor or use the free online financial tools at aacps.aigrs.com.

