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Budget Your Way to a Bigger 401(k):

5 Budgeting Tips for a Bigger 401(k)

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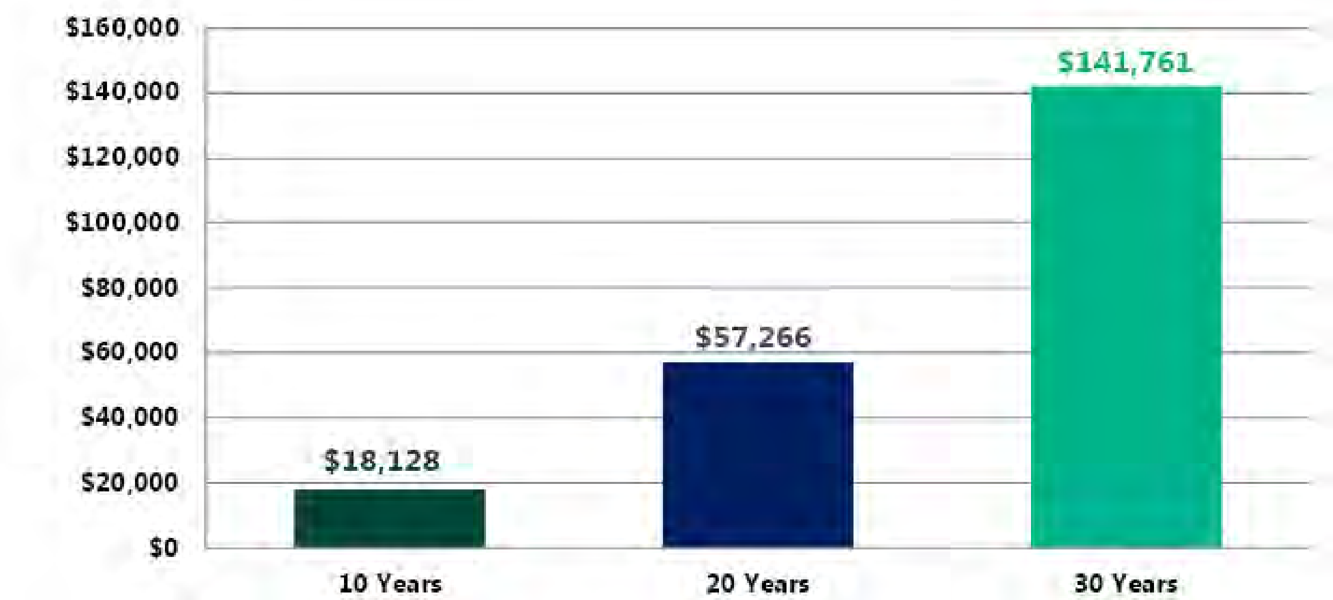
Once in a while you may find yourself with a sweet treat in the house—and no witnesses present. Do you gulp down that truffle, cheesecake or fudge in a single sitting? Or are you the type who savors slowly, even saving some for after dinner?

Think of that paycheck like that treat. Yes, it takes most of it to pay the bills. But what you do with the leftovers may speak volumes. Will you spend every extra dime on fun stuff, or take things a little more slowly, saving part of it to enjoy later?

In a nutshell, deferring some of today's "sweets" may allow you to squirrel away a little more in your 401(k) plan, so it will be there for you down the road.

That's right; we're talking about a budget. And it's nothing to fear; budgeting is merely deciding in advance how to put each of your dollars to work. Rather than finding yourself wondering where your money went at the end of the month, it's about sending it where you want it to go. It's a very practical thing to do for today, and ultimately, for your retirement. Consider how saving just $100 per month can really add up:

$100 Per Month Over 30 Years*



**Assumes an 8% annual rate of return. Calculations are hypothetical and meant for illustrative purposes only.*

Finding $100 each month in your budget may be easier than you think. Here are some tips that could help:

Tip #1: Needs Versus Wants, Important Versus Optional

We all have to eat and pay the power bill. Some of us even make a strong case that we really need coffee. But the fact is we don't really need the fancy kind. Substitute home brew for 3 cups of $4 coffee a week, and you've found an exra $600 annually. Make a list of your non-essential spending every month, and assign each item a value: 3 stars for extremely important, 2 for somewhat important and 1 for things you could do without. How much do the 1-star items add up to every year?

Tip #2: Commit Your Budget to Writing

Look online for a budgeting worksheet, like the one here [(https://www.consumer.ftc.gov/articles/pdf-1020-make-budget-worksheet.pdf)](https://www.consumer.ftc.gov/articles/pdf-1020-make-budget-worksheet.pdf). First, fill it out based upon your current spending. You may need to track your spending for a month or two and then complete the form. Once you have an idea of how much money is left over (or how much you're overspending) you can set goals to reduce your spending. At the end of each month, do a quick review—and then set a new goal.

Tip #3: Be Realistic

If you're spending all of your money and putting extras on credit, it isnt' reasonable to think you will able to stay within a rigid budget all at once. Instead, set small goals for yourself ("Instead of a weekly dinner and movie night, we will substitute a take-and-bake pizza and movie at home once a month"). A gradual and deliberate approach, congratulating yourself along the way, may encourage further action and lead to long-term success.

Tip #4: Overcome Hidden Obstacles

People often fall into a trap of "going with the flow;" it's easier to continue with a familiar behavior than to

start doing something different. Maybe your problem is procrastination, thinking that you will start saving next month—but next month you put if off again. Maybe you find frivolous reasons to go outside the budget you set. Or maybe you feel you should change your investments, but don't feel qualified to tackle the task. Make a list of these obstacles. Then, make another list of the benefits you could enjoy when you control your budget. Post the second list where you can read it everyday. When you force yourself to become more aware of your "hidden obstackles," you may be able to get more control over them.

Tip #5: Get the Family on Board

It's easier to make changes when everyone buys in. Start by discussing the new budget with your spouse or partner. Make sure you are both clear on the reasons you need to make changes. Then, call a family meeting and talk about it with other family members. You don't need to get into the nitty gritty financial details, just make sure everyone has a role to play. Ask for suggestions; even the smallest children may be able to offer good ideas, especially if you use a reward system (like stickers). When they stop and think before asking for money, toys, or other extras, for example, they may earn a sticker. Five stickers mean an extra trip to the park or another simple, cheap reward. In fact, helping children set up a budget of their own can set them on the right track toward their future!

Tip #6: Gamify

Make saving more interesting (even fun!) by thinking about it differently. There are lots of places to save money if you set your mind to it. Find quality used furniture online. Ditch the gym and walk around your neighborhood. Purchase discounted gift cards from online sites. Cash in any rewards you may have stacked up on your credit card. Look for apps that can save you money. Savings are all around when you set your mind to look for them.

Now that you've set up your budget and found some extra cash each month, think about increasing your 401(k) plan contribution. Bump it up again when you receive a pay raise. If you need a little help and motivation, contact the 401(k) Solutions Service Team at 888-322-7586. The retirement professionals here can support your efforts to find ways to save and contribute more. Remember, start small, save a little more, and stick to it. That extra contribution just might have a big impact for your future retirement.

Quaterly Market Update from the Fisher Investments Investment Policy Committee

A seesaw Q1 finished down -1.3% as increased volatility tested investors' patience. [1] After jumping in January, global markets tumbled, with the S&P 500's pullback crossing -10%, reaching official correction territory. The MSCI World Index came close but regained some ground in the quarter's final week. Despite Q1's choppiness, we continue to believe markets are in store for a great year.

Volatility and corrections—short, sharp, sentiment-driven drops exceeding -10%—can't be forecast precisely, but that one occurred this year doesn't shock us. Last year was unusually calm, with only a handful of daily declines exceeding 1% and no downdraft approaching correction territory. Bracing for more volatility this year was—and is—rational. More could come. Yet bigger swings don't preclude the great year we anticipate. Corrections usually end as quickly as they start—trying to time them often leads investors astray. Ken Fisher often refers to the stock market as "The Great Humiliator" (TGH) for its tendency to headfake investors into taking the wrong action at the wrong time. We believe this correction is the latest example of TGH trying to spur selling before stocks lurch higher.

As Ben Graham famously quipped: Markets are voting machines in the short term and weighing machines in the longer term. Short-term swings come from sentiment—emotional reactions (or overreactions) to what just happened. Longer term, markets weigh fundamentals. Think of a gold miner's scale: Negatives on one side, positives on the other. As far as we can see, today's positives far outweigh the negatives. Forward-looking indicators like the yield curve, new orders in services and manufacturing, and The Conference Board's Leading Economic Indexes suggest global growth should keep powering corporate earnings growth. Major governments remain gridlocked, unable to significantly disrupt property rights or commerce. Party

infighting, White House turnover and scandals only add to US political gridlock. The main negative folks cite today—tariffs—is too small to wallop the bull, in our view.

Although it is impossible to know how much longer this pullback will last, we believe it has all the hallmarks of a normal correction—not the start of a bear market (a long, gradual, fundamentally driven decline exceeding -20%). Like most corrections, it was sharp and fast. Meanwhile, people searched for reasons to justify the drops, projecting a far larger impact. In February, they settled on inflation and rising interest rates—then quickly forgot. In March and early April, tariffs stole the show. In a bear market, investors do the opposite, seeking justification for their optimism and shunning reasons why more pain might await. While bull markets climb a wall of worry, bear markets usually start as investors slide gently down a mild slope of hope.

Even if we get more volatility, that shouldn't prevent the great year we expect—with Continental Europe likely beating US stocks. Sentiment toward Europe remains overly cautious. Pundits bemoan slight slowdowns in eurozone purchasing managers' indexes and presume the expansion there is stalling. They continue fixating on the ECB, worrying its "tightening" monetary policy risks renewed weakness, ignoring the fact last year's eurozone outperformance and strong economy occurred while the ECB slowed its long-term asset purchases. In our view, this shows positive surprise potential appears greater across the Atlantic, although we still expect US stocks to do well.

- The Investment Policy Committee

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[1] Source: FactSet, as of 4/2/2018. MSCI World Index return net dividends, 12/31/2017 — 3/29/2018

FAQ–Ask a Retirement Counselor

I'm Concerned About my 401(k) Account and Recent Market Swings. What Should I Do?

It's perfectly normal for people investing in the stock market to get nervous during periods of market swings, also known as market volatility. Human beings have a "fight or flight" response embedded in our DNA that can be triggered by stressful events, including swings in the stock market. So when the market drops unexpectedly, we have to fight our brain's natural response and remind ourselves it can be necessary to endure periods of market volatility on the path to reaching our longer-term retirement goals and objectives.

Short, sharp drops in the stock market tend to occur more often than most of us remember. In fact, emotionally driven drops of 10-20% over several weeks or months occur once a year on average. These short-term market drops are called "corrections." Corrections come out of nowhere; and they're often accompanied by a scary story that grabs headlines, creating fear among even the most seasoned investors. Corrections can (and do) occur in the best of times for the stock market.

Market corrections tend to rattle investor's nerves, and can lead them to sell their stock investments in a panic. This response can create a significant drag on investment returns over time as many investors tend to "sell low" when stock prices drop, only to reinvest when prices rebound and they feel safer about market conditions, buying "high." The emotionally driven selling of investments is one of the main reasons some investors tend to not get as high of a return as they would have if they had simply remained disciplined and stayed put. And there's no proven way to "time" market corrections. Investors tend to do themselves more harm than good when buying and selling during market volatiliy.

Markets also tend to rebound almost as quickly as they drop. If your investment portfolio or 401(k) account is properly diversified and aligned with your goals, investment objectives and time horizon, the best thing you can do when facing market volatility is often nothing at all.

If you're concerned your 401(k) account isn't properly aligned with your goals, investment objectives and time horizon, please contact your Fisher Investments Retirement Counselor. We know it can be difficult to endure market volatility, and we're here to provide you with the education and support you might need to help you get through market swings.

About Colin Smith

Colin Smith is a Retirement Counselor for Fisher 401(k) Solutions. Before that, he spent 10 years building relationships and supporting Fisher's highest net-worth clients as an Investment Counselor and 2 years as an Account Executive in Fisher's Private Client Group. Colin received his B.S. in Business Administration from the Charles H. Lundquist College of Business at the University of Oregon.

Do You Have Questions About Your 401(k)?

Request a Call with Your Retirement Counselor

Do you have questions about your 401(k)? Maybe you're not sure how much you shuld save to be on track for a comfortable retirement? Perhaps you're currently contributing to your Traditional 401(k), but you've been wondering whether contributing to your Roth 401(k) might be a better option.

Don't worry, we're here for you!

You're Retirement Couselor can help you asnwer questions regarding:

- Your 401(k) account
- Investing for retirement
- The stock market
- Budgeting
- And much more!

We understand that planning for retirement can be stressful, but we're here to help. Simply call the 401(k) Solutions Help Desk at 888-322-7586 and request an appointment to speak with your Plan's Retirement Counselor.

CONTACT US

If you have a 401(k) account serviced by Fisher Investments 401(k) Solutions and need help or have any questions, please contact us at 888-322-7586. We can help you with your 401(k) account, including assistance with technical issues, as well as other service needs. We can also help answer questions about the latest news developments and what they may mean in terms of investments and retirement planning.

ABOUT FISHER

Fisher Investments 401(k) Solutions is dedicated to helping business owners and their employees successfully reach their retirement goals. We help people better optimize their retirement savings opportunities and understand their retirement plan options through in-person enrollments, ongoing education and our live-person Help Desk.

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