

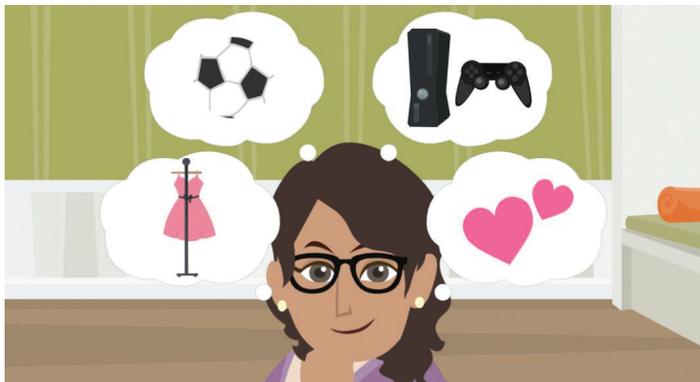


# DESTINATION: *RETIREMENT*

INDIANA PUBLIC RETIREMENT SYSTEM

SPRING 2020

## PROM DRESSES & SOCCER SHOES: A GUIDE TO PARENTING WITHIN YOUR BUDGET



**S**pring brings all things new, fresh, and exciting, and when you have kids it also brings all things expensive. This season marks a time when many needs and wants collide, sometimes even impacting your ability to save for retirement. This can be for everything from spring soccer registration to summer camp selections or, if your kids are a little older, the BIG one – prom.

As a parent, you naturally want what's best for your children: the best education, activities, and options available to you. Whether your child needs springtime clothes because their t-shirts have now become crop-tops or the endless "Mom, can I's" have begun, this season of life can be tough. When love for your children is paramount, it can be hard to say no to things, even when saying "yes" has the chance of causing you financial hardship or strain.

You may have sacrificed income in your decision to work in service to the public. That choice may not allow you to afford extravagant expenditures every month. These realities make budgeting for day-to-day life, as well as special expenses, one of the most important things you can do.

### WRANGLING YOUR BUDGET

If you don't currently maintain a household budget, now is the time to create one. INPRS offers a budgeting workshop where you can dig into creating one that works for your family. You can also use our budgeting worksheet available at [bit.ly/INPRsbudgetingworksheet](http://bit.ly/INPRsbudgetingworksheet) to get started. No matter how you arrive at a budget, it's critical to understand how much money you're bringing in, how much you're spending, and how much you can save for both long and short-term goals.

### STRATEGIES FOR SAVING FOR YOUR KIDS' ACTIVITIES

Each family typically carries with it traditions for what extracurricular activities are a priority. Some families may like multi-generational summer camping, others may love spending time on sports and attending training camps to improve their skillsets. Still others may choose to invest in travel-based experiences such as service trips or immersive family vacations.

No matter what the activities are that excite your family, they all come at a cost. What's the best way to plan for, save, and manage expectations and expenses?

- **Have a conversation with your family on what activities, trips, camps, and other experiences you're interested in this year.** Get the input from everyone- no matter how small. Your three-year-old could surprise you and share that they'd like to spend time with grandma and grandpa.
- **Review your budget for existing savings buckets and examine how much is currently available to spend on fun.**
- **Go line-by-line on your non-essential bills, such as satellite television, subscription services, dining out, and shopping.** You don't need to cut all the fun out of life. But, have a thoughtful discussion on how much value you're getting from each of these luxury categories.

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For all '77 Fund, Judges' Retirement System, PARF and Excise, Gaming and Conservation Fund members.



# DESTINATION: RETIREMENT

## PROM DRESSES & SOCCER SHOES: A GUIDE TO PARENTING

No matter their ages, exposing your children to financial discussions can have a positive impact. They'll gain an understanding of personal finance, family decisions, and the thought process behind why certain things happen, while others don't.

- If you find that you're throwing away groceries because you're dining out so much, you may want to consider purchasing fewer groceries or dine out less and make meals from the food you have.
- Subscription services are the newest way your budget can dwindle. These are often auto-paid and can be relatively inexpensive, but if you've got satellite radio, data storage, and three streaming services coming out of your account, you can easily be spending \$50 each month on things you may not be using to their fullest value. List out the services you use, their purpose, and the cost. Next, discuss with the family how much you use or enjoy them and determine if it's something you want to keep. Don't forget to review any Amazon auto-delivery sequences and health and beauty auto-deliveries. There's no sense in having six months of shampoo in your backstock. Any savings you achieve from this exercise can be redirected toward something fun -- like summer camp!
- Identify which expenses you can negotiate. Cable providers are notorious for slowly increasing your monthly bill without your noticing, that is until your \$80 monthly bill has swollen to \$150! Taking the time to call your providers every few months to see if there's a way to reduce your cost can be a great use of time. Ask to speak to the retention department. Share with them your concerns about the expense and that you're considering shopping around. Most times, this works best when you're not under a contract, but it's always good to ask. Depending on how long you've been a customer, you may be eligible for "credits" which companies can offer you in an attempt to retain your business. Sometimes this is a flat amount off of your bill for the next six to 12 months, or it could be free premium channels for a fixed period or even both.
- Streamline your budget by signing up for budget billing. Utility bills typically vary with the season -- gas is usually higher in the winter, while electric is often most expensive in the summer. Regardless of how you power your home, a simple way to reduce utility bill surprises is to contact your provider to get on budget billing. If you have a good payment history and at least 13 months of expenses, you usually qualify for your provider to estimate the average monthly cost of your utility service. This way, you'll pay a flat amount for about a year. After a year, your provider will determine if you're paying the right amount, too much, or too little. During this true-up month, you may receive an account credit for any

overpayment and you'll also be notified of your next year's budget bill amount.

### SAYING NO, EVEN WHEN YOU FEEL YOUR KIDS ARE DESERVING

Saying no is never fun, especially when you want to say yes to your kids' smiling, sweet faces. But, sometimes, the money just isn't there. And, sometimes, you know that spending money on what they want is not the best thing for the entire family.

- **Review the activities and expenses that are up for consideration with the entire family.** No matter their ages, exposing your children to financial discussions can have a positive impact. They'll gain an understanding of personal finance, family decisions, and the thought process behind why certain things happen, while others don't. Take time to elaborate, evaluate, and explain the positive attributes of the options you're considering as well as the potential drawbacks. Keeping a pro-con list can help you organize the thoughts the family has as you go through each item.
- **Ask your kids to prioritize and explain which options are most interesting or valuable to them.** Giving them an opportunity to weigh in helps them to feel and be heard and may even inspire you to think of creative alternatives to their wants. For example, what if your daughter wants to participate in a summer-long science camp complete with room and board? If that's out of your budget, you may look into local university-sponsored camps that are often conducted during the day.
- **Manage difficult conversations with grace.** Sometimes, there won't be money in the budget for anything extra, and that can invoke feelings of disappointment, sadness, and frustration for both the adults and kids. Elaborating beyond "we just can't afford it" is important to help your children understand where you're coming from, why the decision is being made, and what alternative plans you may have in store for them. For example, if you can't swing summer camp because you need to plan for a major expense like replacing your air conditioning unit, share that with your kids. The conversation could go like this, "I know you're disappointed about not being able to do summer camp this year. While I'd love for you to go, we need to make sure to take care of our home and, this year, that means we need to replace our air conditioner. I know it's not the most fun thing to spend money on, but we'll stay comfortable when it's hot outside and it's not something we have to do every year. I've got some fun ideas for us to do instead of summer camp like visiting a really cool farm, spending some time with your grandparents, and even checking out the beach at the lake."

## G WITHIN YOUR BUDGET, CONTINUED

**Look ahead and plan for next year.** This year's summer plans may not be the same as next year's. Your children will age out of and into new, and often more expensive, options. Many youth camps begin at age five and sleepover camps may have age ranges they target based on the curriculum. Typically, prom is reserved for junior and senior year students and their dates and can often be isolated to when your students are toward the end of their high school years. However, be prepared for your students to be invited to dances at any stage in high school. Depending on what's popular that year or traditional for your child's school, you could be looking at a simple affair or extravagant expectations. Here are a few ideas to help you and your student manage expenses:

- **Attire:** Clothing can be rented or purchased from traditional stores, but another great option is to shop vintage or second-hand. There's nothing more embarrassing as a teenager than coming to one of the biggest events of your high school career in the dress that everyone else is wearing. Today, more emphasis is placed on unique looks inspired by high-end fashion. Prom season is an excellent time to encourage creativity and some hands-on modifications. A trip to a good vintage store followed by a stop at the local craft shop could even make your child Insta-famous with how incredible their creations could be. Recently, Instagram was flooded with many young ladies who modified semi-formal sheath-style dresses with tulle, lace, and sparkles into show-stopping looks that were beyond what they could've found in-store.
- **Transportation:** Were limousines the absolute must-have when you were going to prom?

Or maybe it was a tricked-out ride with the loudest engine? No matter what it was for you, your kids' idea of what's cool may be different. Listen to their feedback and talk to them about what's reasonable. Borrowing the family's nicest ride, carpooling with friends in their mom's shiny SUV, or even having mom and dad chauffeur may be great options to discuss.

- **Hair/makeup/accessories:** Trends are always changing and, luckily, we're currently in the era of the tutorial. Your student may be confident enough to handle their prom look or have a trusted friend master the look of their dreams. Encourage them to use their talents to perfect their look for prom. When accessories come up, encourage them to share with their friends and even craft their corsages and boutonnières. Again, tutorials can be your friend, and today's faux flowers are so good- the options are nearly limitless.
- **Dining:** Some schools may sponsor their prom meals, but don't forget that hosting at a student's house is an option, too. If you've got the space and the patience to host, an expertly-crafted lasagna dinner can be just the meal to help kick off your student's perfect prom night.

No matter what stage your kids are in, navigating expenses can spark stress on a family, especially when the wants of your heart collide with the realities of your budget. Managing your expenses year-round, planning ahead, and having honest conversations with the whole family may help all of you accomplish the most as a team and with lower stress.

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## WANT TO LEARN HOW YOUR PLAN WORKS? CHECK OUT OUR PLAN HANDBOOKS!

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## INPRS 2019 CAFR

INPRS's most recent Comprehensive Annual Financial Report (CAFR) is now available. Inside you'll see our most recent membership data, investment returns, and more.

Check it out at [www.in.gov/inprs/files/2019\\_INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf).

# A SIMPLE OVERSIGHT COULD COST YOUR LOVED ONES THOUSANDS

When you set up your INPRS beneficiaries and survivors, you felt pretty good about your plan for the future, right?

If you're a member of more than one INPRS plan, you may need to take a second look. This important double-check needs to be done on the beneficiary designations you have set up for your plans. Here's what you need to know:

- The beneficiaries you've set up for your plans do not transfer to one another. For example, if you've set up your spouse as your primary beneficiary at 100% for your Excise, Gaming and Conservation Officers' Retirement Fund (EG&C) benefit and you also have an inactive PERF Hybrid account, your EG&C beneficiary information does not transfer to your PERF account. In this scenario, you need to update your beneficiary to your spouse for each account independently.
- Even if your beneficiaries match on all of your accounts, you still need to update each account with important information about your beneficiary choices including primary or contingent designation, the percentage of your benefit you want them to receive, and the last four digits of their social security number.
- INPRS recommends reviewing your beneficiary information annually and any time you have a life change, e.g. have a child, marry or divorce, or have a parent pass away, to name a few.

Log on to [www.myINPRSretirement.org](http://www.myINPRSretirement.org) today to review your beneficiaries and set a reminder to do so at least once a year. After, you'll have the peace of mind that INPRS has the right beneficiary information on file.



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## IMPORTANT UPDATES FROM INPRS

1. We've made workplace modifications to protect the health and safety of our members and employees. As we navigate these changes, the best first stop for account service is on your online account, available at [www.myINPRSretirement.org](http://www.myINPRSretirement.org). For more information about these changes, visit [www.in.gov/inprs/inprscovid19.htm](http://www.in.gov/inprs/inprscovid19.htm).

2. There's a lot of movement in the stock market right now and the Indiana Public Retirement System (INPRS) wants you to understand what that means for you, your retirement, and your INPRS account. For more information, visit [www.in.gov/inprs/3270.htm](http://www.in.gov/inprs/3270.htm).

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