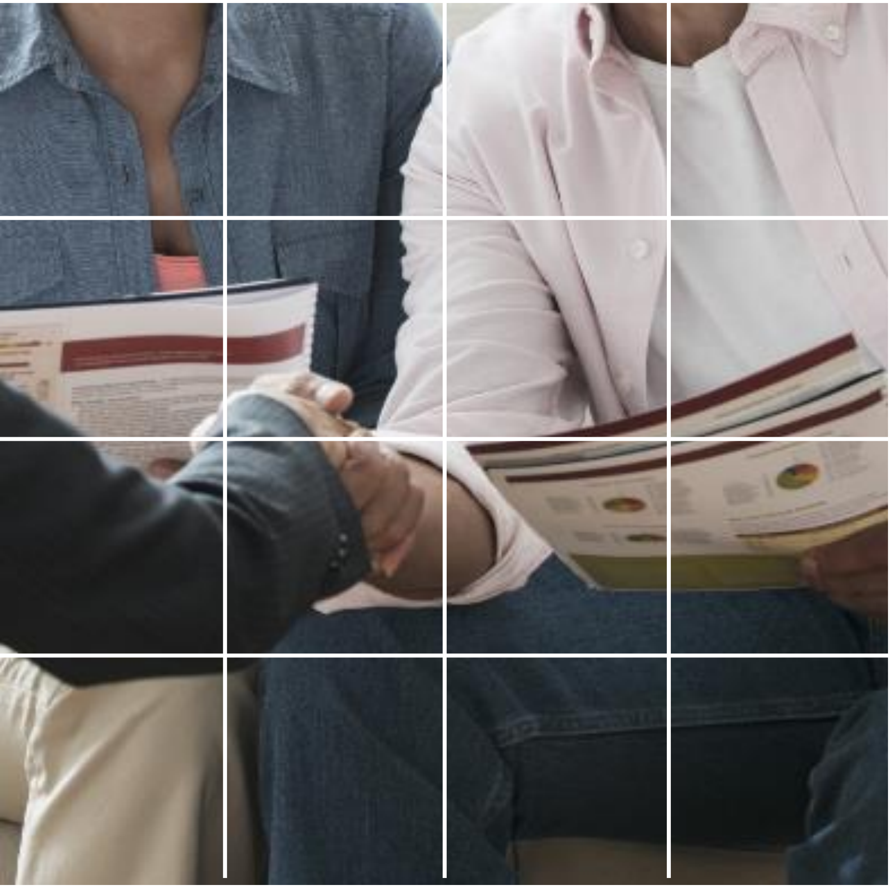
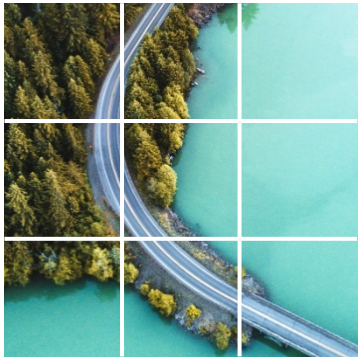
T. Rowe Price®
INVEST WITH CONFIDENCE



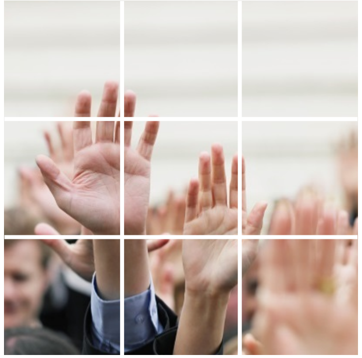
ACHIEVING FINANCIAL GOALS

Agenda

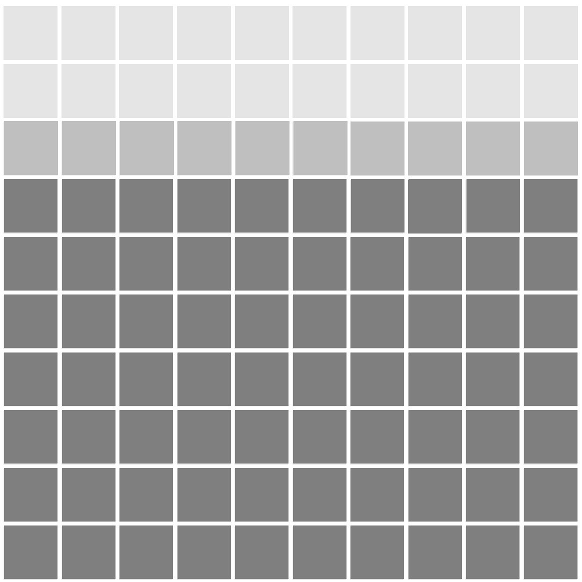


Defining a Financial Goal

Implementing a Savings Approach



Competing Priorities



We believe that most investors should try to live on

70%–80%

of their salary while saving for their goals

Source: T. Rowe Price Retirement and Financial Education team, September 2018

DEFINING A FINANCIAL GOAL

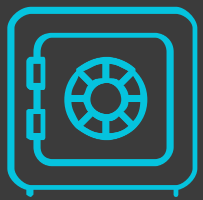
DEFINING A FINANCIAL GOAL

What you are saving for?

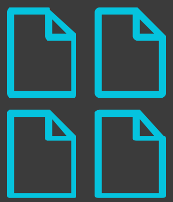
When do you want to buy it?

How much will it cost at that time?

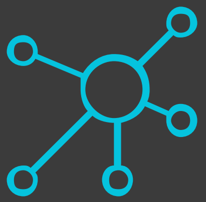
PURSUING A FINANCIAL GOAL



How much to save?



What account to use?



Investment strategy

IMPLEMENTING A SAVINGS APPROACH


RETIREMENT
SAVINGS

RETIREMENT SAVINGS: HOW MUCH?

15%

If possible,

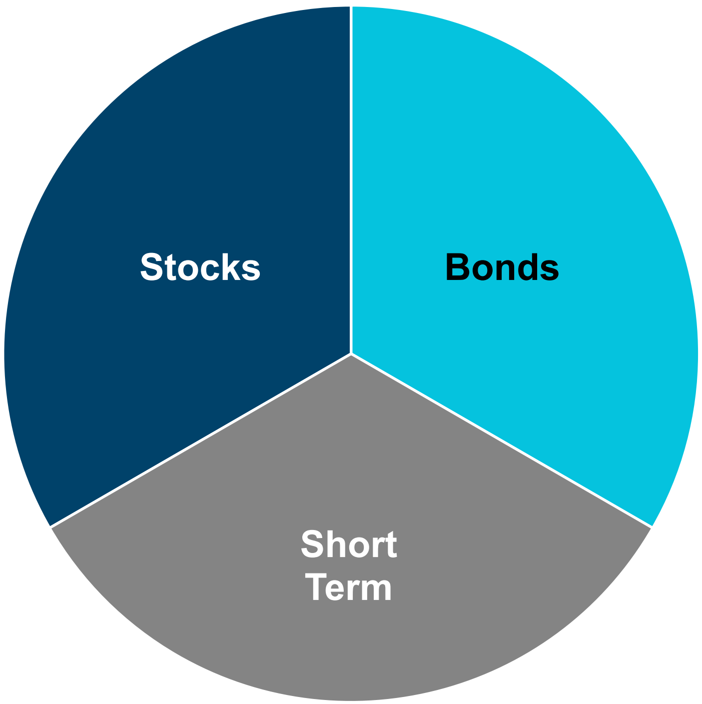
INVESTORS SHOULD GET THE FULL MATCH

Consider increasing contributions gradually to build toward 15% target

Investors who are:	Typically should have:
30	half of your salary saved today
35	1x your salary saved today
40	2x your salary saved today
45	4x your salary saved today
50	6x your salary saved today
55	8x your salary saved today
60	10x your salary saved today
65	12x your salary saved today

Assumptions: Benchmarks are based on a target multiple at retirement age and a savings trajectory over time consistent with that target and the savings rate needed to achieve it. We assume the household starts saving 6% at age 25 and increases the savings rate by 1% annually until reaching the necessary savings rate Household income grows at 5% until age 45 and 3% (the assumed inflation rate) thereafter. Investment returns before retirement are 7% before taxes, and savings grow tax deferred. The person retires at age 65 and begins withdrawing 4% of assets (a rate intended to support steady inflation-adjusted spending over a 30-year retirement). Savings benchmark ranges are based on individuals or couples with current household income between $75,000 and $250,000. Target multiples at retirement reflect estimated spending needs in retirement (including a 5% reduction from preretirement levels); Social Security benefits (using the SSA.gov Quick Calculator assuming claiming at full retirement ages and the Social Security Administration’s assumed earnings history pattern); state taxes (4% of income, excluding Social Security benefits); and federal taxes (based on rates as of January 1, 2018). While federal tax rates are scheduled to revert to pre-2018 levels after 2025, those rates are not reflected in these calculations. “Dual income” means that the one spouse generates 75% of the income that the other spouse earns. Catch up contributions are not considered.

Asset Allocation



GOAL:
Provide an appropriate balance between short-term market volatility risk and inflation risk for a particular time horizon

EMERGENCY RESERVES

EMERGENCY reserves

Adequate savings can prevent the need to use credit cards or raid retirement accounts

Set aside

Build over time

3 to 6

MONTHS OF EXPENSES

20%

OF INCOME

Source: T. Rowe Price Retirement and Financial Education team, September 2018

EMERGENCY reserves

Adequate savings can prevent the need to use credit cards or raid retirement accounts

Set aside

Build over time

1 to 2 YEARS


COLLEGE
SAVINGS

COLLEGE SAVINGS

- Continue saving toward retirement
- Consider reducing retirement contributions ONLY if you have a well-funded retirement account
- Save for a down payment

COLLEGE SAVINGS

Percentage of Total Costs for Average Four-Year, In-State Public University*

Child's age											
16	3%	4%	5%	6%	8%	9%	10%	11%	13%	14%	15%
15	4%	6%	8%	9%	11%	13%	15%	17%	19%	21%	23%
14	5%	7%	10%	12%	15%	17%	20%	22%	25%	27%	30%
13	6%	9%	12%	15%	18%	21%	24%	27%	30%	33%	36%
12	7%	11%	14%	18%	21%	25%	29%	32%	36%	39%	43%
11	8%	12%	16%	20%	25%	29%	33%	37%	41%	45%	49%
10	9%	14%	18%	23%	28%	32%	37%	41%	46%	51%	55%
9	10%	15%	20%	25%	31%	36%	41%	46%	51%	56%	61%
8	11%	17%	22%	28%	33%	39%	44%	50%	56%	61%	67%
7	12%	18%	24%	30%	36%	42%	48%	54%	60%	66%	72%
6	13%	19%	26%	32%	39%	45%	52%	58%	65%	71%	78%
5	14%	21%	28%	35%	41%	48%	55%	62%	69%	76%	83%
4	15%	22%	29%	37%	44%	51%	59%	66%	73%	81%	88%
3	15%	23%	31%	39%	46%	54%	62%	70%	77%	85%	93%
2	16%	24%	33%	41%	49%	57%	65%	73%	81%	89%	98%
1	17%	26%	34%	43%	51%	60%	68%	77%	85%	94%	102%
0	18%	27%	36%	44%	53%	62%	71%	80%	89%	98%	107%
	$100	**$150**	**$200**	**$250**	**$300**	**$350**	**$400**	**$450**	**$500**	**$550**	**$600**

Monthly savings amount

Highlighted cells represent percentages around 50% of tuition, room and board (46-54%).

*College cost source: College Board Trends in College Pricing 2018, Figure 1 and Table 2.
Inflation estimate based on TRP general inflation assumption of 3% plus 2% average real college inflation per College Board (2009/10 to 2018/19).
This study is for illustrative purposes only and does not represent the return earned by any particular investment product. It assumes an investment return of 6% annually, net of fees. Investment returns are not guaranteed and could be higher or lower than in this example.
Note: Methodology does not attempt to model returns, withdrawals and inflation during college. (We do not believe that would materially change results.)
Methodology also does not reflect net price after grants.

Taxable VS. TAX-ADVANTAGED ACCOUNTS

TAXABLE ACCOUNT

- Contribute money to the account
- Invest in something
- Likely **pay taxes** on any earnings along the way
- **Pay taxes** on the rest of any earnings when you withdraw
- You get to spend **what's left over after paying taxes**

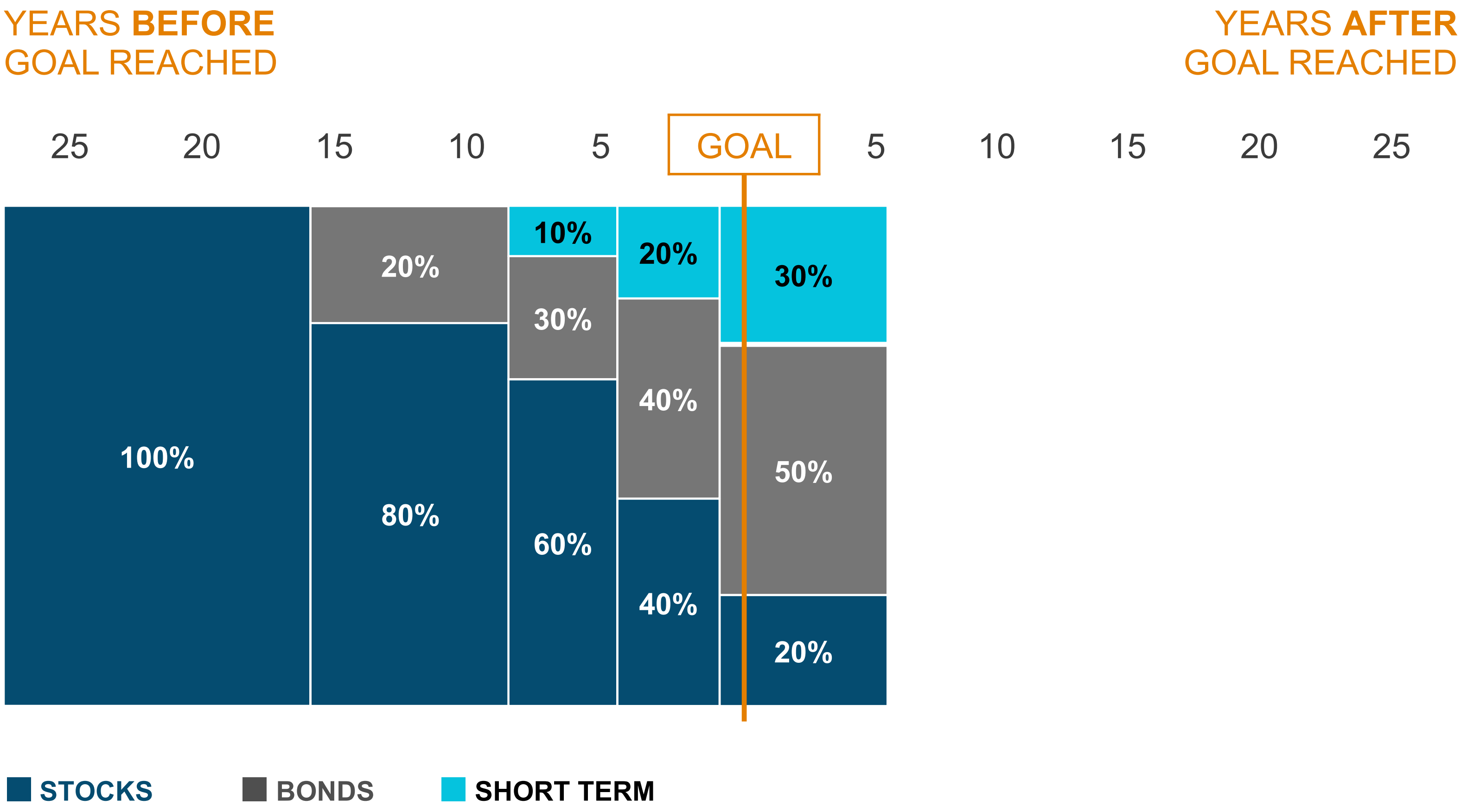
TAX-ADVANTAGED ACCOUNT

- Contribute money to a 529
- Invest in something
- **Pay no taxes** on any earnings when you withdraw (if you spend the money on qualified educational expenses)
- You get to spend **the entire balance** since you pay no taxes on any earnings

Many states offer tax benefits for contributions to a 529 plan. That's just another added bonus.

Please note that the availability of tax or other benefits may be conditioned on meeting certain requirements such as residency, purpose for or timing of distributions, or other factors as applicable.

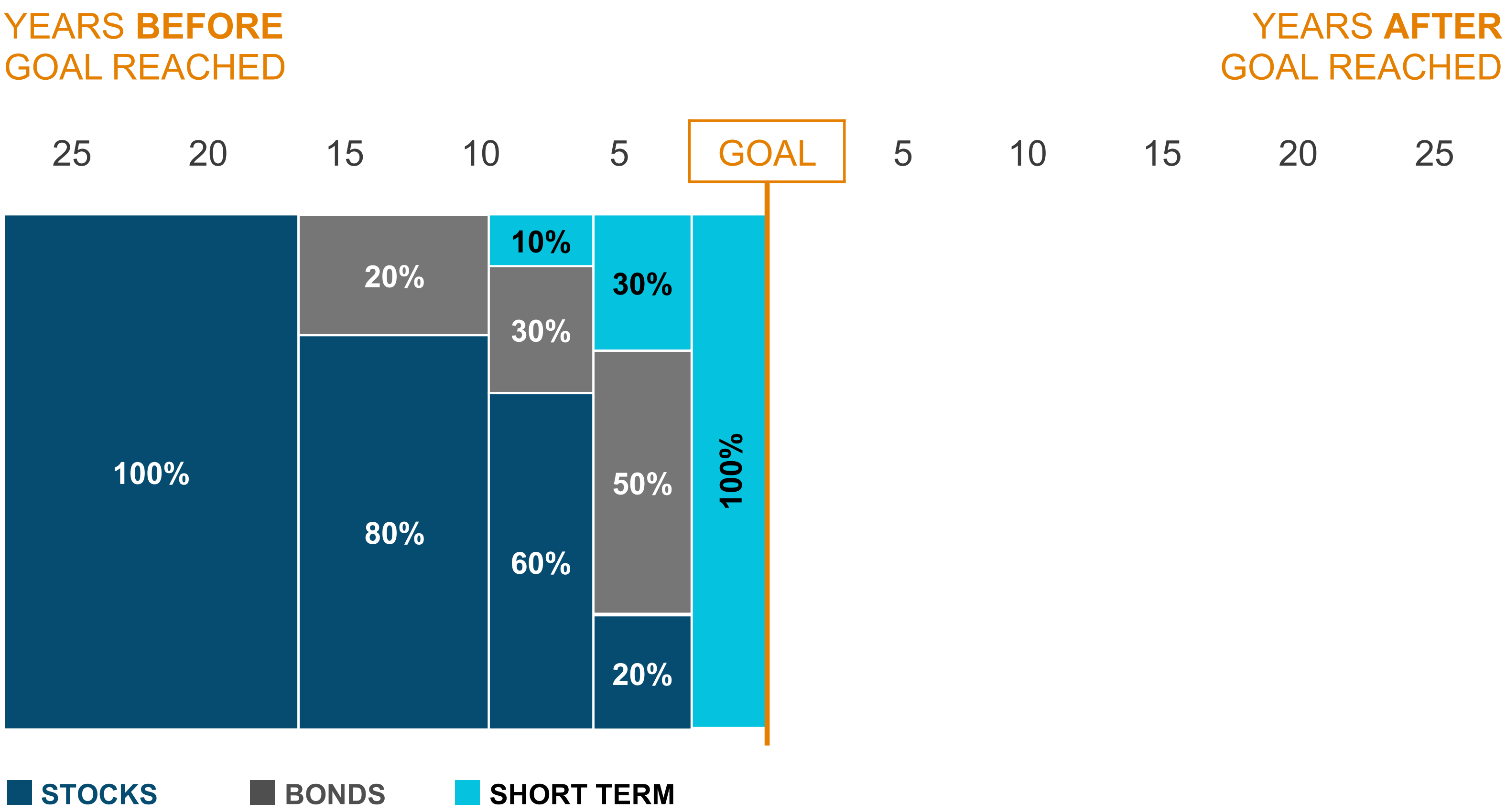
COLLEGE SAVINGS ALLOCATIONS



This chart is age-based only and does not take into account personal risk tolerance.

SPECIFIC PURCHASE

SPECIFIC PURCHASE ALLOCATIONS



The allocations above are based on time horizon and do not take risk tolerance into account.

COMPETING PRIORITIES

COMPETING PRIORITIES: CONSIDERATIONS

IF POSSIBLE, KEEP SAVING FOR RETIREMENT!

Retirement vs. Emergency Reserves

- Consider reducing retirement savings to the minimum
- Build emergency reserves over one to two years
- Consider increasing retirement savings back toward 15%

Retirement vs. Debt

- Consider reducing retirement savings to the minimum
- Pay down credit card debt within three years
- Consider increasing retirement savings back toward 15%

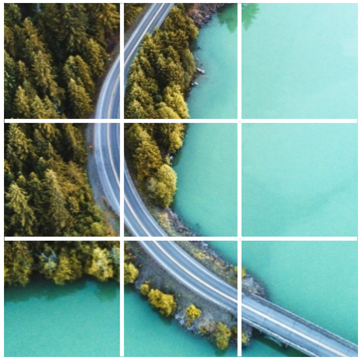
Emergency Reserves vs. Debt

- Consider reducing retirement savings to the minimum
- First build emergency reserves over one to two years
- Then pay down credit card debt within three years
- Consider increasing retirement savings back toward 15%

Retirement vs. College Savings

- Confirm that you are on track for retirement
- If close to recommended benchmarks, consider reducing retirement savings
- Contribute toward college down payment

Summary



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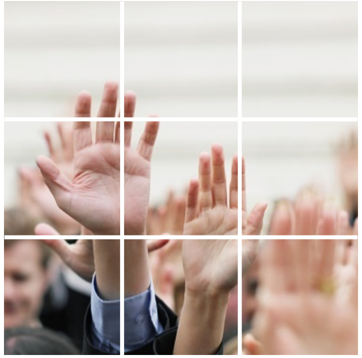

Competing Priorities

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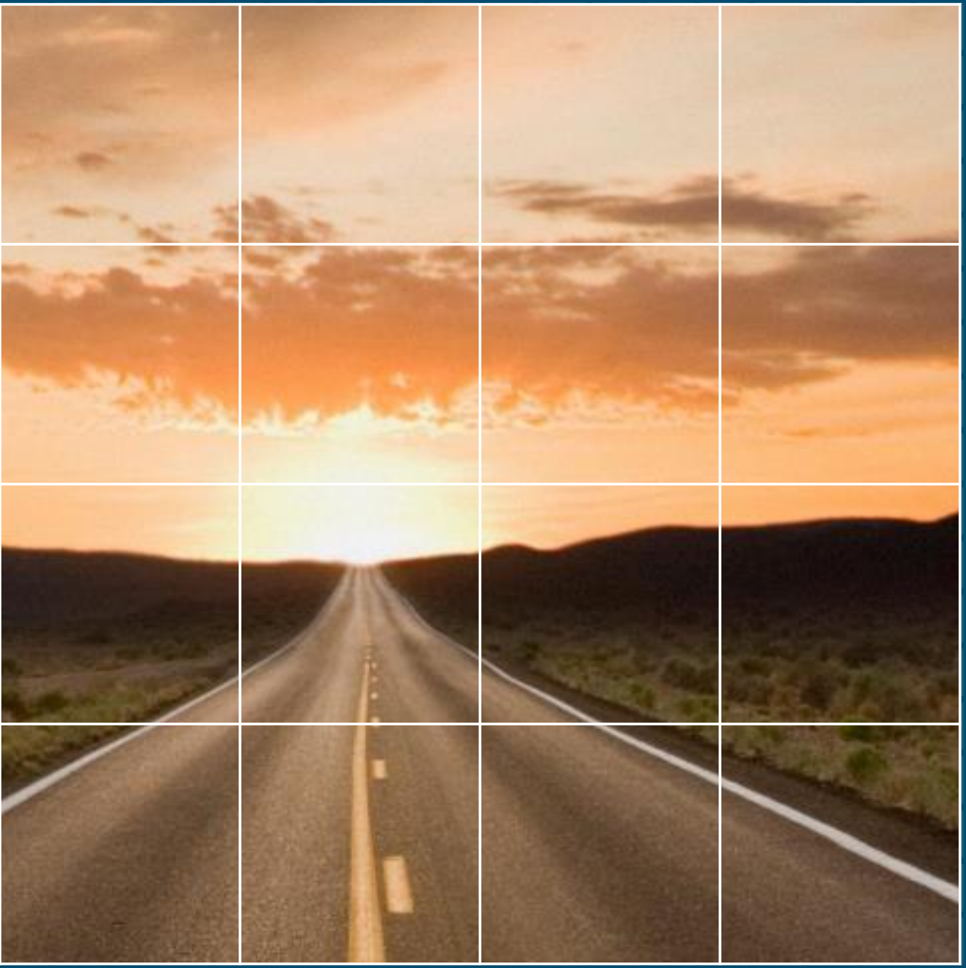

IT'S YOUR FUTURE.

T. Rowe Price®
INVEST WITH CONFIDENCE

THANK YOU

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