



REACH for RETIREMENT

YOUR RETIREMENT PLANNING NEWSLETTER

The Secret Sauce

Why Your Workplace Retirement Plan Is More Powerful Than You Think

When it comes to your workplace retirement plan, what's not to love? It provides you with an automatic savings plan, tax advantages, an employer match, a diverse menu of well-researched investment options and comprehensive online retirement planning tools. However, there's one ingredient that makes your plan so powerful that it almost feels like cheating — compound interest. It's the secret sauce that has the potential to turn even modest savings into something much bigger over time.

What's in the Secret Sauce?

Compound interest means your money earns interest not only on what you save, but also on the interest it already earned. It's like a snowball rolling downhill — small at first, but gaining speed and size as it goes. Here's a simple example: If you invest \$100 a month into a workplace retirement plan such as a 401(k), and it earns an average 7% return annually, in 30 years you could have over \$113,000. Even better? Your investment growth isn't taxed each year. That means more of your money stays invested and keeps working for you, year after year. That's called tax-deferred compounding, and it's what gives your savings real power over time.

1ST QUARTER 2026

IN THIS ISSUE

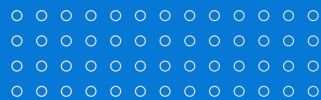
[The Secret Sauce](#) 1

[Youth Movement](#) 3

[Good Vibrations](#) 4

[The Planning Zone](#) 5





The Secret Sauce

Continued from page 1

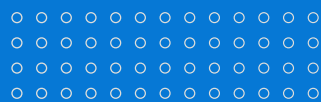
Traditional or Roth? The Sauce Still Shines

Whether you're saving in a traditional (pretax) account or a Roth (after tax) account — or a mix of both — compound interest works the same. The key difference is when you pay taxes: either now (Roth) or later (traditional). But the growth engine behind the scenes? That's the sauce.

Start Early, Let It Simmer

The real magic happens over time. The earlier you start saving, the more time compound interest has to work. Even small contributions can potentially grow into something significant. And don't forget: matching contributions from your employer also benefit from the secret sauce. So keep stirring the pot and commit to increasing your savings rate each year (even if it's just 1%). Your future self will be very glad you did.





Youth Movement

Practical Ways To Jumpstart Your Child's Financial Future

Helping your children build a financial foundation early can make a huge difference later in life. Fortunately, there are several tools parents can use to save and invest for their kids. Here are four practical options worth considering:

Custodial Accounts

Custodial accounts, such as the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act, allow parents or guardians to manage assets for a child until they reach adulthood. These accounts can hold cash, stocks, bonds and mutual funds. Once the child reaches the age of majority (usually 18 or 21, depending on the state), they gain full control of the assets. Custodial accounts are flexible and a great way to teach kids about investing while building wealth for future goals.

529 College Savings Plans

A 529 plan is a tax-advantaged account designed specifically for education expenses. Contributions grow tax-free, and withdrawals for qualified education costs — like tuition, books or room and board — are also tax-free. Even if your child doesn't use all the funds for college, some plans allow transferring money to another family member, keeping the investment flexible.

Roth Individual Retirement Account (IRA) for Kids

If your child earns income from a job, even part-time or freelance work (such as babysitting or mowing lawns), they can open their own Roth IRA. Contributions are made with after-tax dollars, but growth and withdrawals in retirement are tax-free. Teaching kids to invest early instills financial discipline while giving them a long-term advantage. For parents, it's also a chance to guide children in choosing investments, from stocks and bonds to mutual funds.



Youth Savings or Investment Accounts

Many banks and brokerages offer youth accounts tailored for children, often requiring a parent as a co-owner. These accounts encourage saving habits while introducing kids to investing basics. Some accounts include features like matching contributions or interest incentives, helping children see the value of saving consistently.

Practical Considerations

The best approach often combines multiple strategies. Custodial accounts and Roth IRAs can help support long-term investing goals, 529 plans focus on education and youth accounts build good habits early. Starting early, even with modest contributions, can set your child up for financial confidence and flexibility later in life.

Good Vibrations

Volunteering Can Boost Your Health, Happiness and Sense of Purpose

Imagine walking out of an hour-long volunteer shift feeling lighter, happier and more connected. That's not coincidence — it's science. Volunteering isn't just about giving your time, it's a proven way to improve your own health and well-being. Studies show that people who volunteer regularly have lower stress levels, reduced blood pressure, stronger hearts and even longer lifespans. Mentally, volunteering combats loneliness, gives life more purpose and releases “feel-good” chemicals like dopamine and oxytocin. In short, helping others often helps you even more — and the effects can last long after you leave your volunteer role.

Finding Your Volunteering Sweet Spot

Not sure where to start? Begin by thinking about what excites or interests you the most. For example, if you love animals, check out local shelters or wildlife rescue programs. If you enjoy tutoring or mentoring

kids, schools, libraries and after-school programs often need extra hands. And if you're passionate about the environment, beach cleanups, park maintenance or tree planting can be rewarding. Volunteering is also a great way to explore new skills, for example, mentoring, organizing events, public speaking or fundraising can help you grow personally and professionally. You might even discover talents you didn't know you had, such as being a team leader or creative problem-solving.

Start Small, Think Big

You don't need to commit to many hours every week. Even an hour or two a month can make a real difference to an organization. Once you know your interests, websites like [Volunteer.gov](https://www.volunteer.gov) and [Idealist.org](https://www.idealists.org) make it easy to find opportunities in your area or virtual roles you can do from home. The key is consistency: regular volunteering has the most noticeable mental and physical benefits. And if you want to think really big, there are even international volunteering opportunities available, such as those through [Habitat For Humanity's International Volunteer Program](https://www.habitat.org).

A Win-Win for Everyone

Volunteering is one of those rare activities that truly benefits everyone involved. By sharing your time and talents, you strengthen your community and improve your own well-being. Whether it's walking dogs, tutoring students or helping with a community garden, you may discover that volunteering warms your heart in more ways than one — and leaves you feeling like a better, happier and more fulfilled version of yourself.



The Planning Zone

INFORMATION AND TOOLS TO HELP YOU BUILD YOUR FINANCIAL FUTURE

In the Know

According to a [July 2025 AARP study](#), most Americans overestimate their Social Security knowledge. For example, nearly half believe Social Security benefits will be cut by at least 50% once the combined retirement and disability trust fund is potentially depleted in 2034 (payments are projected to be reduced by only an estimated 19%). In addition, 41% didn't realize that benefits could be claimed as early as 62, and 66% didn't know that waiting until age 70 to claim benefits will maximize payments. If you haven't already, [open a "my Social Security account"](#) to view future benefits and make sure your recorded income matches your salary history. In addition, you can model different monthly benefit amount scenarios based on taking Social Security benefits at age 62 through age 70.

Inquiring Minds

Q: *What is the most I can save this year in my workplace retirement plan?*

A: You can contribute up to \$24,500 in 2026. The additional catch-up contribution for savers age 50 and older is \$8,000 in 2026, for a potential total contribution of \$32,500. Under a change made in SECURE ACT 2.0, a higher catch-up contribution limit applies for employees aged 60–63. For 2026, this higher catch-up contribution limit is \$11,250, for

a potential total contribution of \$35,750. These limits apply to savers with a 401(k) plan, 403(b) plan and most 457 plans.

To-Do List

When was the last time you reviewed your beneficiary designations for your major assets, including your retirement plan? The start of each new year is a good time for some financial housekeeping. Make sure your current designations still match your wishes, especially if you have had any major life changes, such as marriage, divorce or the birth or adoption of any children.

Financial Fitness

A "CD ladder" is a strategy that involves dividing your money across several certificates of deposit (CDs) with staggered maturity dates, so that a portion of your funds becomes available at regular intervals. This approach helps you earn higher interest rates than a traditional savings account while keeping some liquidity for upcoming needs. CD ladders are especially useful for funding short- to mid-term financial goals when you know you'll need the money within a few months to a few years. Examples include building a vacation fund, saving for a wedding, planning a home renovation or covering upcoming tuition payments.

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