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Protect What Matters Most

PAGE 10

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INVEST WITH CONFIDENCE

CONTENTS

Welcome Shareholder

For many of us, the challenges of the past year have led us to reconsider our top priorities.

In our cover story, "Protect What Matters Most," we explore how a well-crafted estate plan can help secure your family's future. It can also give you confidence in knowing your intentions will be carried out as you wish.

Among other stories, we look at a strategic move you can make to provide greater flexibility in retirement, tax-smart ways to pass on your wealth, and how to ensure you'll have enough saved for your retirement years.

We hope this issue offers helpful perspectives as you make financial decisions. Thank you for trusting T. Rowe Price with your investment and retirement needs.

Dee Sawyer
Chair, T. Rowe Price Investment Services

COVER PHOTOGRAPH BY SERPILGULER; PORTRAIT BY LISA HELFERT; PHOTOGRAPH BY FG TRADE

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*Call **1-800-401-1788** to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. All data included in this issue are as of 3/31/21, unless otherwise indicated. For up-to-date standardized returns, visit **troweprice.com/performance**.*

The printing release date for the Summer 2021 issue was in early April.

Marking Milestones

Keep these important ages in mind as you get closer to or reach retirement.

At age...

50
You can start making **"catch-up" contributions** to your retirement accounts, including your 401(k) and IRA.

59½
You can start taking **penalty-free withdrawals** from your retirement accounts, including any 401(k)s and IRAs.

65
Apply for Medicare, or you may be penalized.

70
Claim your Social Security benefits if you haven't already.

70½
If you reached age 70½ before January 1, 2020, continue taking withdrawals, known as **required minimum distributions (RMDs)**, from most retirement accounts.

72
If you reached age 70½ on or after January 1, 2020, begin taking **RMDs** from most retirement accounts by April 1 of the year after you reach age 72.

NEXT STEPS
Learn more at **troweprice.com/retirementplanning** or call to speak with a Financial Consultant at **1-877-495-4550**.

PHOTOGRAPH BY COFFEEKAI

The Simple Move That Has Significant Advantages

Moving assets to a Roth IRA can provide more income flexibility in retirement.

Converting a Traditional individual retirement account (IRA) to a Roth IRA can provide tax diversification and help many individuals increase future financial flexibility in retirement. Every investor may want to consider gaining some exposure to Roth IRAs. For retirees, having a Roth IRA can increase their after-tax income, since qualified withdrawals from the account are income tax-free.[1]

The benefits of converting

There are a number of advantages to owning a Roth IRA. The trade-off is that moving assets from a Traditional IRA to a Roth IRA generally requires paying taxes at the time of the conversion rather than later, when you start taking withdrawals.

Deciding whether to convert assets to a Roth IRA depends largely on what you anticipate your future income tax bracket will be. The conversion could be especially beneficial if you expect to be in a higher tax bracket in retirement, since you'll pay the taxes now at your lower current rate. That said, the move may be advantageous, in some cases, even if you think your tax rate will stay the same or decline slightly—for example, if your beneficiaries could be in higher tax brackets.

Having tax-free Roth assets can provide you with the freedom to use that money to pay for expenses in retirement without increasing your annual taxable income. Conversely, if you used money from your Traditional IRA to pay for those expenses, the assets would be included in your taxable income and potentially could increase your marginal tax rate as well as your Medicare premiums.

Additionally, Roth IRAs do not have required minimum distributions (RMDs) for the original owner, which make them a valuable retirement and estate planning tool. If you don't need to make withdrawals during retirement, you can leave those assets—and any tax-free earnings they generate—to your heirs. The amount you pass on to heirs can continue to grow tax-deferred in their Inherited Roth IRAs, and any withdrawals are tax-free. Keep in mind that non-spouse beneficiaries of retirement accounts now generally need to withdraw all of the funds within 10 years of receiving them, with some exceptions. With a Traditional IRA, these withdrawals can increase a beneficiary's taxable income, which makes inheriting Roth assets appealing.

Roth IRAs do not have RMDs for the original owner, which make them a valuable retirement and estate planning tool.

Converting at least some of the assets in your Traditional IRA into a Roth IRA may provide you with considerable flexibility in retirement. As with anything, there are pros and cons to converting your money. After weighing your options, you'll be positioned to make the choice that's best for your personal circumstances. ■

PHOTOGRAPH BY JOHNNY GREIG

A Comparison of IRAs

Both Traditional IRAs and Roth IRAs offer unique tax advantages.

	TRADITIONAL IRA	ROTH IRA
Taxes on withdrawals	Withdrawals of pretax contributions and earnings are taxed as ordinary income.	Withdrawals of contributions are tax-free. Withdrawals of converted assets are tax-free but could be subject to early withdrawal penalties (described below). Generally, withdrawals of investment earnings are also income tax-free if you've held the account for at least five years and you are age 59½ or older.
Required minimum distributions (RMDs)	You must take your first RMD by April 1 of the year after the year you turn age 72 (70½ if you reached 70½ before January 1, 2020).	None for the original owner.
Early withdrawal penalties	Withdrawals of contributions and earnings prior to age 59½ may be subject to a 10% penalty (with some exceptions).	Withdrawals of earnings that are not qualified distributions may be subject to a 10% penalty (with some exceptions). Withdrawals of converted assets within five years of the conversion may be subject to a 10% penalty (with some exceptions). A separate five-year period applies to each conversion.
Advantages[2]	■ Tax-deferred potential growth ■ Tax-deductible contributions (when applicable)	■ Tax-deferred potential growth ■ Tax-free qualified withdrawals ■ No RMDs ■ Heirs can take potenially tax-free withdrawals from Inherited Roth IRAs
Considerations	Withdrawals of pretax contributions and earnings are taxed as ordinary income.	Contributions are not tax-deductible.
Spousal beneficiaries[3]	Subject to RMD rules.	No RMDs.
Non-spousal beneficiaries	Non-spousal beneficiaries can take distributions from an Inherited IRA before age 59½ without incurring the 10% early withdrawal penalty. They may be able to designate their own beneficiaries for the Inherited IRA. The account contents of IRA owners who died after December 31, 2019, will generally need to be fully distributed to beneficiaries within 10 calendar years.	

NEXT STEPS

Learn more about the differences between Traditional and Roth IRAs at **troweprice.com/ira** or call to speak with a Financial Consultant at **1-888-508-2561**.

[1]A qualified distribution is tax-free if taken at least 5 years after the year of your first Roth contribution and you've reached age 59½, become totally disabled, died, or met the requirements for a first-time home purchase.

[2]Subject to phaseout based on IRA owner's modified adjusted gross income for deductibility to a Traditional IRA or for contributions to a Roth IRA.

[3]If spouse elects to treat the Inherited IRA as his or her own.

Ensuring You'll Have Enough for Retirement

To know how much to save, it's helpful to have a target for the income you'll need during your retirement years.

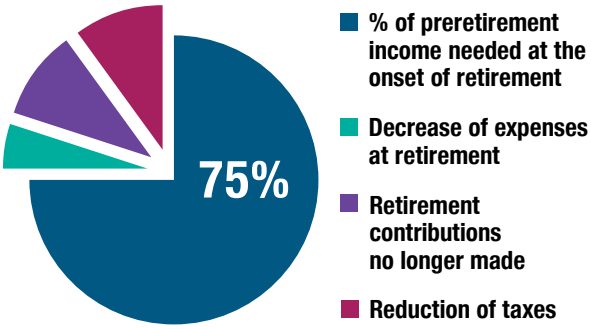
There's more to planning for retirement than just saving money. It's about knowing how that money will fund your expenses when you stop working. The challenge is determining what those expenses might be if you're many years away from retiring. With this in mind, one approach is to estimate your income needs in retirement as a percentage of your preretirement household income. We refer to this as an income replacement rate.

For starters, consider planning to replace around 75% of your gross preretirement income at the onset of retirement in order to maintain your current lifestyle in retirement.

Why 75%? Generally, living expenses do go down in retirement. Taxes will likely be reduced as well, especially payroll taxes when you stop working. And you won't be saving for retirement any longer.

Income Needed in Retirement

You'll likely require less than during your working years.



In the example "Income Needed in Retirement," we assume a household income of $100,000–$150,000 at retirement and a 5% spending reduction at the onset of retirement. The example also assumes that the household has been saving 8% of gross income (pretax). Keep in mind, while the income replacement rate estimates what you might need in retirement, there is no guarantee that an 8% savings rate will be sufficient to meet that need.

Estimating your income replacement rate

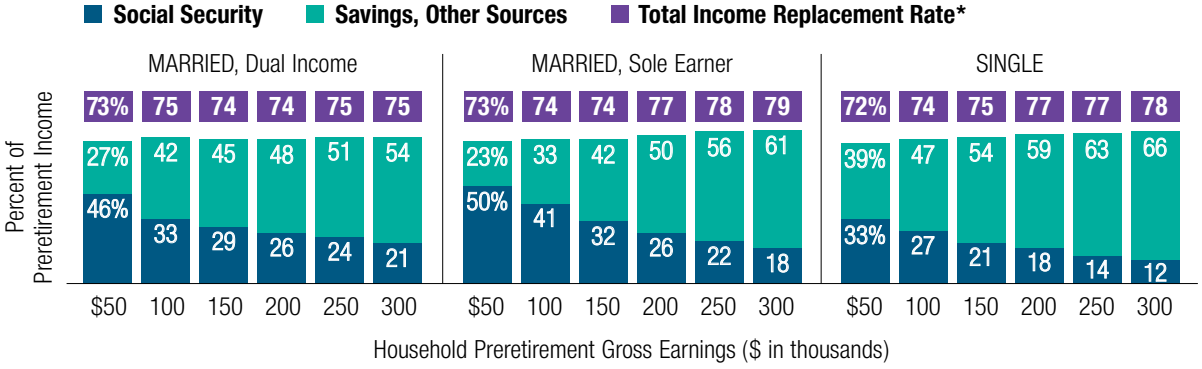
Many investors will fund their retirement through personal savings and Social Security benefits. Your marital status and household income are two factors that impact the amount of your Social Security benefits, your tax situation, and, therefore, the total income replacement rate. The chart "Income Replacement by Source" shows:

- **Marital status and income have a modest effect on the total replacement rate.**
- **However, both have a major impact on how much you will need from sources other than Social Security.**
- **Social Security makes up a much smaller percentage of the total income replacement rate at higher income levels, meaning more savings or other income sources will be needed to fund this gap.**

Keep in mind, if you claim Social Security before full retirement age, the total replacement rate doesn't go up much, but the percentage you'll need from sources other than Social Security can increase significantly, especially at lower income levels.

Income Replacement by Source

Higher earners will need to draw more from savings.



*Totals may not add up due to rounding.

Other factors affecting income replacement rate

In addition to income and marital status, there are other factors that may impact your income replacement rate. (See "Determining Your Replacement Rate.")

- **What if I expect my spending in retirement to go down (or up)?**
  The 75% replacement rate example assumes that spending at the onset of retirement will be reduced by 5% of spending prior to retirement. If you think you will spend less—for example, if your mortgage will be paid off—then you will need less income. Conversely, if you think you may spend more in retirement, you will need a higher replacement rate.

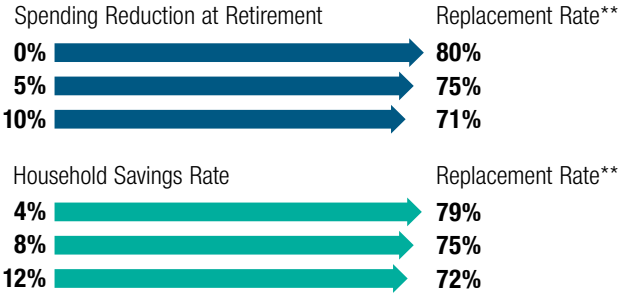
- **What if I'm saving less (or more) for retirement?**
  The 75% replacement rate example assumes that your household is saving 8% of gross household income during your working years. We find that this is about the average that people are saving in their retirement accounts on a pretax basis. If you're saving less than 8%, that means you are living on more of your current income and may also need that income in retirement. If you're saving more than 8%, then you are living on less of your current income and could possibly need less to live on in retirement.

Final thoughts

Planning for retirement involves many steps. One step is determining what you might spend in retirement. A guideline such as the income replacement rate may be helpful when retirement is many years away. As you get closer to retirement, it will be important to assess your spending needs more carefully. Knowing your destination, you can plan how to get there to achieve your retirement goals. ■

Determining Your Replacement Rate

Your saving and spending habits affect how much of your income you'll need to replace in retirement.



**Assumes dual-income married couple with $125,000 household gross earnings. Other factors held constant.

Additional assumptions on page 16.

NEXT STEPS

Visit the Retirement Income Calculator at **troweprice.com/ric**.

Tax-Smart Ways to Leave Wealth to Your Heirs

When leaving money, it's important to weigh the tax burden of the account holder and the recipients.

You've planned well and are looking to leave some money to your children or grandchildren. But have you thought about the tax consequences of your gift? It may be helpful to address strategies for a tax-efficient way to leave assets to your heirs—specifically income taxes. Here are two factors to consider:

1 Your heirs' tax rates.
The choices you make about withdrawing money from your investments affect what your family will receive. The decision to draw from Roth or tax-deferred savings depends largely on future tax rates—yours and your heirs'. If your heirs' tax rates are likely to be lower than yours, you may want to use assets from your Roth account for spending and leave your loved ones the tax-deferred assets. That's different from the conventional approach, where you withdraw from taxable accounts first, followed by tax-deferred accounts and, finally, Roth assets.

2 Taxable assets with gains, which can be passed down to your heirs tax-free.
Under current tax law, the cost basis for inherited investments in taxable accounts is the value at the owner's death. This is known as a "step-up in basis," and it effectively makes gains during the original owner's lifetime tax-free for heirs. This benefit is why you may want to hold some taxable assets as long as possible, contrary to the conventional wisdom that suggests spending taxable assets first.

The right approach to drawing down your retirement portfolio may involve different tactics at different stages of retirement based on your marginal tax rate. Required minimum distributions (RMDs)—annual withdrawals people generally are forced to take from tax-deferred retirement accounts, such as individual retirement accounts (IRAs), once they reach age 72 (age 70½ if you turned 70½ before January 1, 2020)—limit your flexibility and can affect what tactics are best in different years.

For example, for the years that you are in the 10% or 12% tax bracket, you won't need to pay taxes on long-term capital gains. In those years—if any—you might take advantage by selling assets with gains. In other years, you may want to preserve taxable assets by prioritizing either tax-deferred or Roth distributions.

PHOTOGRAPH BY FG TRADE

Comparing Strategies for Passing on Assets

The decision to draw from Roth or tax-deferred savings depends largely on your heirs' future tax rates.

	Conventional wisdom (both couples)	Strategy for couple #1 (heirs with a lower tax rate)	Strategy for couple #2 (heirs with a higher tax rate)
Account withdrawals	Taxable account (years 1–32); Tax-deferred account (starting with RMDs year 8, running out year 36); Roth account (years 36 on).	Before RMDs (years 1–7), draw from the taxable account plus just enough from the Roth so that capital gains aren't taxed. Thereafter, supplement RMDs with Roth funds until depleted (year 15), then use taxable funds. Avoid taking more than RMDs from the tax-deferred account.	Before RMDs, follow the same approach as the other couple. Then rely on the tax-deferred account until depleted (year 24). After that, again use a combination of Roth and taxable accounts to keep capital gains tax-free, until the Roth is depleted (year 42).
Federal taxes paid by each couple over the course of 30 years	**$334,000**	**$293,000** (12% reduction)	**$310,000** (7% reduction)
After-tax value of the portfolio to heirs	**$1,122,000** (lower-taxed heirs) or **$1,052,000** (higher-taxed heirs)	**$1,174,000** (5% increase)	**$1,140,000** (8% increase)

How would these strategies work? Let's consider two married couples retiring at age 65 whose heirs are expected to have different tax rates after they inherit the money:

- **Both couples have $2.5 million across their investment accounts: 50% taxable, 40% tax-deferred, and 10% Roth.**
- **Both couples spend $140,000 (after taxes) each year.**
- **Both couples collect $50,000 in Social Security benefits annually.**
- **Couple #1's heirs will have a 10% marginal tax rate, while couple #2's heirs will have a 24% tax rate.**

The first column of the table "Comparing Strategies for Passing on Assets" illustrates the conventional wisdom approach. The other columns show the best strategies we found for the two couples.

As you'll see, the biggest difference between the couples' strategies is that the first one depletes the Roth account fairly quickly, whereas the second depletes the tax-deferred account before the Roth. In both scenarios, the couple can preserve some taxable assets for the step-up in basis.

Making the best choice for your family

When planning your estate, it may not be easy to predict your heirs' future financial situation, let alone their tax bracket. Despite that challenge, it's worth taking some time to weigh the possible income tax consequences for the estate recipients versus taxes you will pay during your lifetime. ■

NEXT STEPS

Learn more about estate planning at **troweprice.com/estateplanning**.

The chart is for illustrative purposes only and is not indicative of any specific investment. Additional assumptions: Amounts are in today's dollars and rounded; investment returns (before taxes) of 3% above inflation; taxable account generates only qualified dividends and long-term capital gains; cost basis is 25% of the taxable account value at the start of retirement; couple retires at age 65; federal taxes remain at 2020 levels (the 2021 tax bracket change does not have a significant effect on the results); state taxes not considered. The results (taxes paid and value of the portfolio to heirs) reflect amounts at age 95, but the description of the strategy includes the possibility that the couples live longer. Visit **troweprice.com/withdrawalstrategiesreport** for further assumptions and details.

Your estate planning decisions can have a significant impact on your family for years to come.

Protect What Matters Most

PHOTOGRAPH BY SERPIL GULER

Estate planning is an essential component of your overall financial plan. A well-crafted estate plan will lay out your wishes regarding your health care and finances, your children's future, and all your assets and possessions.

"You want to ensure that your intentions are carried out in case something happens to you," says Roger Young, CFP®, a senior financial planner with T. Rowe Price. "While it's hard to predict what might occur, a thorough estate plan can address many possible scenarios. Don't leave things to chance—put your plan in writing."

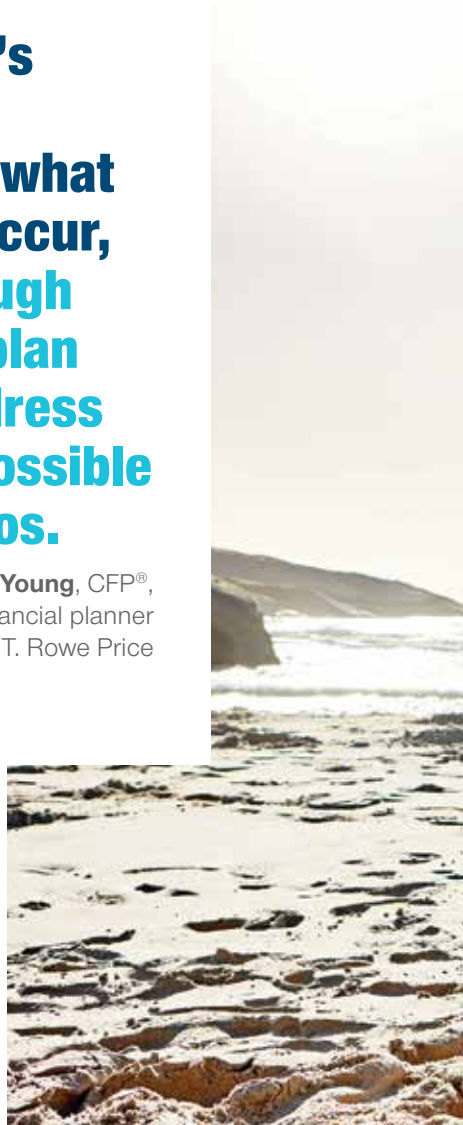
Consider three main issues:

1 What happens if you cannot direct your own care or manage your money?

Two items to think about are what type of care you'll want to receive and who will handle your personal and financial affairs if you're incapacitated. There are documents available to communicate your wishes. And while the document names may differ depending on a state's laws, the following are the main concepts:

- **A living will,** also referred to as an advance medical directive, specifies the type of care you want to receive if you have a medical condition that renders you unable to make informed decisions.
- **A health care proxy,** also called a health care power of attorney (HCPA), designates a person to make medical decisions for you.
- **A power of attorney (POA)** gives another individual the authority to make financial decisions on your behalf, such as selling assets or paying your bills. A "springing" POA takes effect in the event that you become incapacitated; a "durable" POA takes effect as soon as you sign the document and continues in force even if you become incapacitated.

> **While it's hard to predict what might occur, a thorough estate plan can address many possible scenarios.**
>
> — **Roger Young**, CFP®, senior financial planner at T. Rowe Price



PHOTOGRAPH BY GRADYREESE

2 Who will care for your children?

For parents with young children, designating a guardian is one of the most important parts of an estate plan. While it's unlikely that a guardian will ever have to step in, if the worst happens and you haven't named a guardian, the state will choose one for your children.

With this in mind, as soon as you know you're expecting a child, you should begin talking about who you'd want to raise your minor children in the event that you pass away or become incapacitated. You also should designate a backup guardian. Before naming guardians in your will, make sure to ask potential guardians if they're comfortable with the role.

Next, establish the financial support necessary to help make sure your children will be taken care of. This typically includes purchasing life insurance and may entail setting up a trust to hold the money.

3 How will your assets be distributed?

Most people want to ensure that they, and not the state or anyone else, determine how their assets will be dispersed. Generally, your assets will be distributed based on the following hierarchy:

By ownership or title. With assets you own jointly with right of survivorship, such as a car or house, the other party will own the asset entirely after your death, regardless of the language in your will.

The situation is different if you own something as tenants in common, such as a vacation home you purchased with your siblings. In that case, your will needs to name the person you want to receive your ownership share.

By beneficiary designation. Some of your accounts—such as life insurance and retirement accounts—let you specify who will receive those assets by designating a beneficiary. The companies holding these accounts also have rules in place as to who receives the proceeds if you have not named a beneficiary. For example, if you don't designate a beneficiary and you're married, some companies will distribute the money to your spouse; others will give it to your estate instead.

Many companies also will let you set up a transfer-on-death (TOD) designation for regular taxable accounts such as bank, brokerage, and mutual fund accounts that you own in your own name. The person you list will take over ownership of the account when you die, regardless of what your will may say.

According to your will. Assets that don't fit in the above categories pass to the heir or heirs you list for each asset in your will. It's usually worth the effort of hiring a professional to make sure your will is properly executed.

In the absence of a will, your assets will be distributed according to your state's laws, which could have unintended consequences for your heirs. For instance, in some states, your spouse might receive all of your assets. In other states, your assets will be split between your spouse and children, which involves the court appointing someone to manage the money for any minor children. That court-appointed person, even if he or she is your surviving spouse, will have to provide a reckoning of expenses to the court.

> **Don't leave things to chance—put your plan in writing.**
>
> — **Roger Young**, CFP®, senior financial planner at T. Rowe Price

It's important to understand that a will generally must be "probated" before assets subject to the will can be distributed to your heirs. This means that the will is filed with a court, and a judge oversees the process of making sure the directions in the will are carried out. Also, probate is a public process, so your personal documents will be available for inspection by anyone.

Your Guide to Estate Planning

Our estate planning guide outlines the essentials of estate planning to help you envision what your plan should be. It is divided into three helpful sections:

Getting Started
Learn the fundamentals of estate planning, including basic terms, tools, and considerations that may arise as you plan your estate.

Understanding the Mechanics
Explore the basic estate planning tactics and tools to help ensure that your assets are divided as you intend after your death.

Customizing Your Plan
Apply your new estate planning knowledge to develop an approach that works best for you and addresses important personal goals.

Download the guide at **troweprice.com/estateplanningguide** to get started.

PHOTOGRAPH BY MAPODILE

Additionally, you'll name an executor in your will. The executor will be responsible for administering the money and property in your estate and will shepherd it through the probate process. This individual will bear significant responsibility, so choose your executor, as well as a backup executor, carefully.

According to any trusts that exist. Instead of owning assets in your name, you may have created a trust that owns the assets. Generally, if you become incapacitated or pass away, the language in the trust governs what happens to your assets. There are several potential benefits of trusts, including:

- **Exclusion of assets from probate, which can save time and, in most states, ensure greater privacy than if the assets are handled under your will.**
- **Control by a trustee you choose instead of a judge.**
- **More control over the manner and timing of asset distribution.**

The rules for trusts can be complex, and there is a cost to create and maintain them. You'll want to obtain expert advice on whether a trust should be a part of your estate plan.

Protect your family

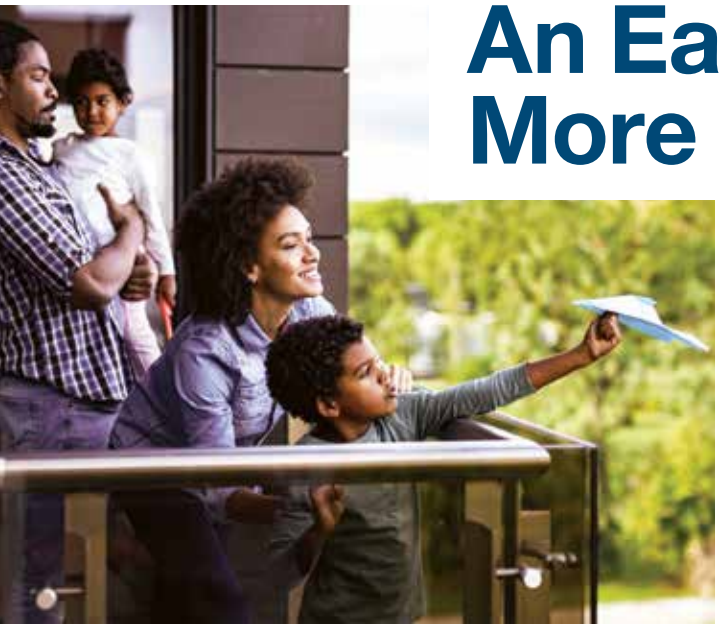
Establishing an estate plan will help protect your loved ones and ensure that your wishes will be carried out. For most people, it's worth the time and expense of working with a professional. "Considering the complexity of estate laws, taking a do-it-yourself approach can easily lead to unintended consequences," says Young. "An estate planning attorney knows the questions to ask and the planning approaches to consider."

Once your estate plan is complete, discuss it with close family and friends and answer any questions they might have. "Putting a strategy in place is a worthwhile investment of your time," says Young.

"It can give you confidence that you are providing for loved ones and ultimately making a difficult time less stressful for them." ■

NEXT STEPS

To learn more about estate planning, visit **troweprice.com/estateplanning**.



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NEXT STEPS
To set up Automatic Buy, visit **troweprice.com/automatic**, or call a Financial Consultant at **1-888-508-2637**.

*Investing through Automatic Buy cannot assure a profit or protect against loss in a declining market. Since it involves continuous investment regardless of fluctuating price levels, investors should consider their financial ability to continue purchases through periods of both high and low price levels.

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With our mobile applications, you can perform transactions within your accounts, conduct investment research, and check the status of recent transactions. You can also review your account balances, asset allocations, and historical charts.

NEXT STEPS
Choose the best mobile option for you at **troweprice.com/mobilesolutions**.

Disclosure from page 7:

Assumptions (unless otherwise noted): The household's income and spending keep pace with inflation until retirement, and then spending is reduced by 5%. Spouses are the same age, and "dual income" means that the one spouse generates 75% of the income that the other spouse earns. Federal taxes are based on rates as of January 1, 2020. While rates are scheduled to revert to pre-2018 levels after 2025, those rates are not reflected in these calculations. Inflation adjustments to brackets effective in 2021 do not significantly affect the analysis and, therefore, are not reflected. The household uses the standard deduction, files jointly (if married), and is not affected by alternative minimum tax or any tax credits. The household saves 8% of its gross income, all pretax. Federal income tax in retirement assumes all income is taxed at ordinary rates and reflects the phase-in of Social Security benefit taxation. State taxes are a flat 4% of income after pretax savings and are not assessed on Social Security income. Social Security benefits are based on the SSA.gov Quick Calculator (claiming at full retirement age), which includes an assumed earnings history pattern.

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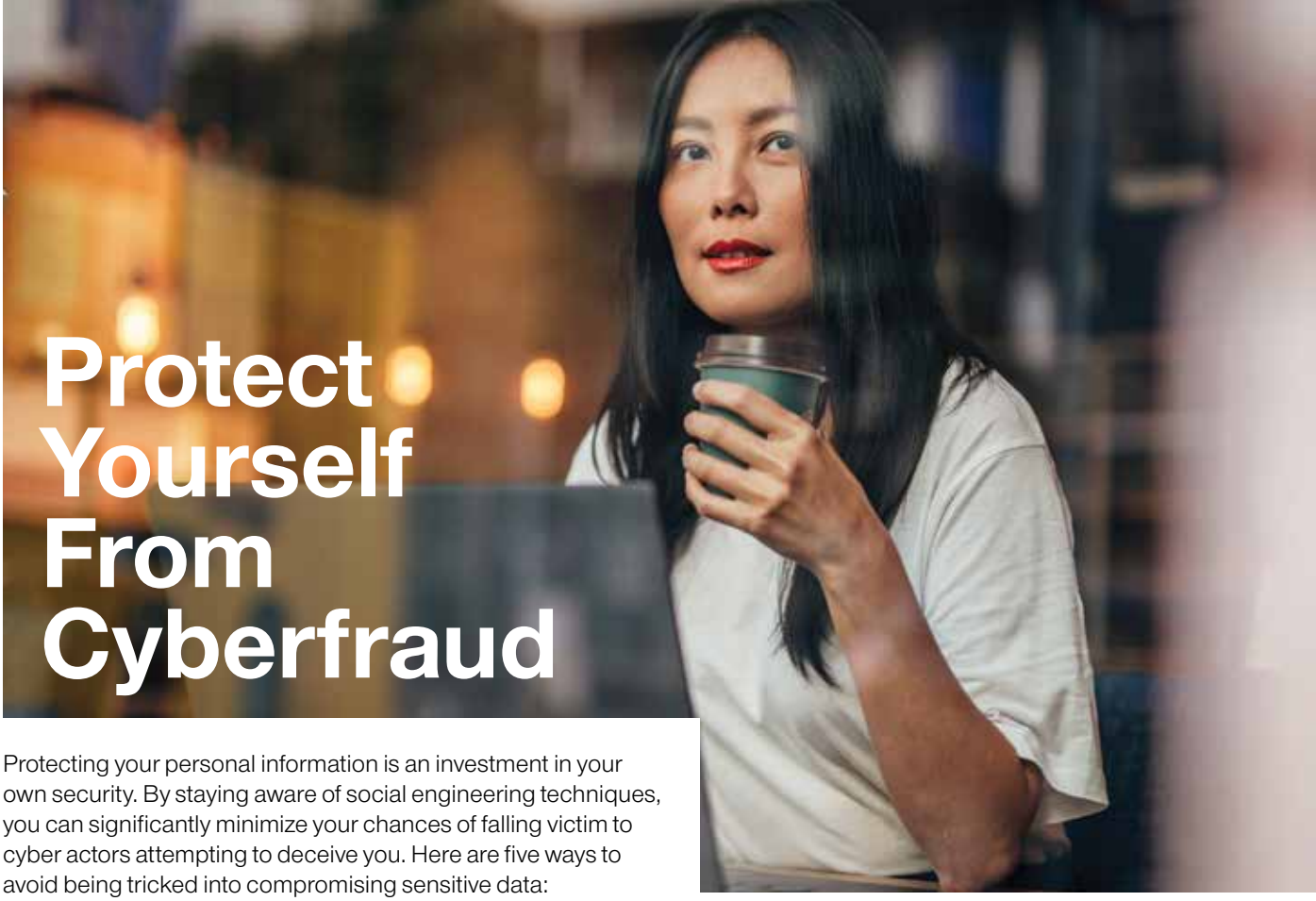
Protect Yourself From Cyberfraud



Protecting your personal information is an investment in your own security. By staying aware of social engineering techniques, you can significantly minimize your chances of falling victim to cyber actors attempting to deceive you. Here are five ways to avoid being tricked into compromising sensitive data:

1. Don't take things at face value

- Using lookalike websites, phony letters, phishing emails, and SMS text phishing, attackers know how to make visual cues convincing enough where you would not know the difference at first glance.
- Phone numbers and email addresses can easily be disguised to look like the legitimate or trusted contact.
- Service technicians, prospective customers, and even law enforcement officers are often impersonated by attackers. Uniforms, badges, and business cards can easily be faked. Simple efforts like these often pave the way for unauthorized access.

2. Ask questions

- Social engineering often requires the potential victim to provide information in a hurry. Take a minute to pause and consider the tone of this interaction.
- Are you being pressured to act in haste?
- Are you certain this person is who they are claiming to be?
- What are the potential ramifications if this is a social engineering attack and you fall for it?

3. Do your own due diligence

- Before engaging with an email, text, or social media message, visit the company's website or call a trusted phone number to confirm the offer or request for information.
- Disconnect from any unsolicited call before providing sensitive personally identifiable information about yourself, customers, or colleagues.
- Before granting unknown service providers or visitors access to your home or unauthorized areas, contact the business and confirm their identity with the organization they claim to represent.

4. Don't be afraid to say "no"

- Being assertive in your defense of sensitive data is important.
- Be mindful of shoulder surfing or eavesdropping when handling private information.

5. Stay vigilant

- It's best to exercise caution when interacting with people you don't know, especially in faceless communications (email, text, messaging, phone calls, social media, etc.).
- A little skepticism here and there can help you stay ahead of even the most sophisticated tricks and traps.

NEXT STEPS

For more tips on protecting your security, visit **troweprice.com/security**.

PHOTOGRAPH BY SOUTH_AGENCY

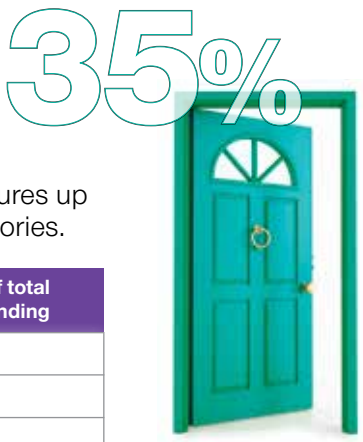
Estimating Your Retirement Expenses

Consider how current retirees are spending their money to get a better sense of your future income needs.

When thinking about your expenses in retirement, it's helpful to start with a target for what you may spend. We refer to this as an income replacement rate, which you can learn more about in "Ensuring You'll Have Enough for Retirement," on page 6.

As you draw closer to retirement, you'll want to get a more specific idea of your actual spending needs. To start, consider how current retirees are spending their money. The top four expense categories for those age 65 and up include housing, transportation, health care, and food.*

After comparing your expenses with those of retirees, you can develop a rough retirement budget based on your personal circumstances. Taking the time now to go through this exercise can inform your retirement savings and spending plan and help you meet your retirement goals. ■



How Does Your Spending Compare?

Fill in the chart below to see how your spending measures up to that of current retirees in the top four expense categories.

	Retiree % of spending	Your current spending ($)	% of total spending
Housing	35%		
Transportation	15%		
Health Care	14%		
Food	13%		
TOTAL	**77%**		

NEXT STEPS

Discover more about planning for retirement at **troweprice.com/retirementplanning**.

*U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2019. https://www.bls.gov/cex/

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T. Rowe Price Funds

For detailed information on T. Rowe Price mutual funds, including investment performance, call **1-800-401-1788** or visit **troweprice.com/performance**.

STOCK

Domestic
All-Cap Opportunities
Blue Chip Growth
Capital Appreciation[1]
Communications & Technology
Diversified Mid-Cap Growth
Dividend Growth
Equity Income
Equity Index 500
Extended Equity Market Index
Financial Services
Growth Stock
Health Sciences
Large-Cap Growth
Large-Cap Value
Mid-Cap Growth[1]
Mid-Cap Value
New Era
New Horizons[1]
QM U.S. Small & Mid-Cap Core Equity
QM U.S. Small-Cap Growth Equity
QM U.S. Value Equity
Real Estate
Science & Technology
Small-Cap Stock[1]
Small-Cap Value
Tax-Efficient Equity
Total Equity Market Index
U.S. Equity Research
U.S. Large-Cap Core
Value

International/Global
Africa & Middle East
Asia Opportunities
China Evolution Equity
Emerging Europe
Emerging Markets Discovery Stock
Emerging Markets Stock[1]
European Stock
Global Consumer
Global Growth Stock
Global Impact Equity
Global Industrials
Global Real Estate
Global Stock
Global Technology
Global Value Equity
International Disciplined Equity
International Discovery[1]
International Equity Index
International Stock
International Value Equity
Japan
Latin America
New Asia
Overseas Stock
QM Global Equity

ASSET ALLOCATION

Balanced
Global Allocation
Multi-Strategy Total Return
Real Assets
Retirement 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060, 2065
Retirement Balanced
Retirement Income 2020[2]
Spectrum Conservative Allocation
Spectrum Diversified Equity[3]
Spectrum Income
Spectrum International Equity[4]
Spectrum Moderate Allocation
Spectrum Moderate Growth Allocation
Target 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060, 2065

BOND

Taxable
Corporate Income
Credit Opportunities
Dynamic Credit
Dynamic Global Bond
Emerging Markets Bond
Emerging Markets Corporate Bond
Emerging Markets Local Currency Bond
Floating Rate
Global High Income Bond
Global Multi-Sector Bond
GNMA
High Yield[1]
Inflation Protected Bond
International Bond
International Bond (USD Hedged)
Limited Duration Inflation Focused Bond
New Income
QM U.S. Bond Index[5]
Short Duration Income
Short-Term Bond
Total Return
Ultra Short-Term Bond
U.S. High Yield
U.S. Limited Duration TIPS Index
U.S. Treasury Intermediate Index[6]
U.S. Treasury Long-Term Index[7]

Tax-Free[8]
CA, GA, MD, NJ, NY, VA Tax-Free Bond
Intermediate Tax-Free High Yield
MD Short-Term Tax-Free Bond
Summit Municipal Income[2]
Summit Municipal Intermediate[2]
Tax-Free High Yield
Tax-Free Income
Tax-Free Short-Intermediate

MONEY MARKET

Taxable
Cash Reserves[9]
Government Money[10]
U.S. Treasury Money[10]

Tax-Free[8]
CA, MD, NY Tax-Free Money[9]
Tax-Exempt Money[9]

[1]Closed to new investors except for a direct rollover from a retirement plan into a T. Rowe Price IRA invested in this fund. [2]$25,000 minimum.
[3]Formerly Spectrum Growth. [4]Formerly Spectrum International. [5]Formerly U.S. Bond Enhanced Index. [6]Formerly U.S. Treasury Intermediate.
[7]Formerly U.S. Treasury Long-Term. [8]Certain tax-free funds may not be appropriate for tax-deferred investments, including individual retirement accounts (IRAs).

[9]Retail Funds: **You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.**

[10]Government Funds: **You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.**

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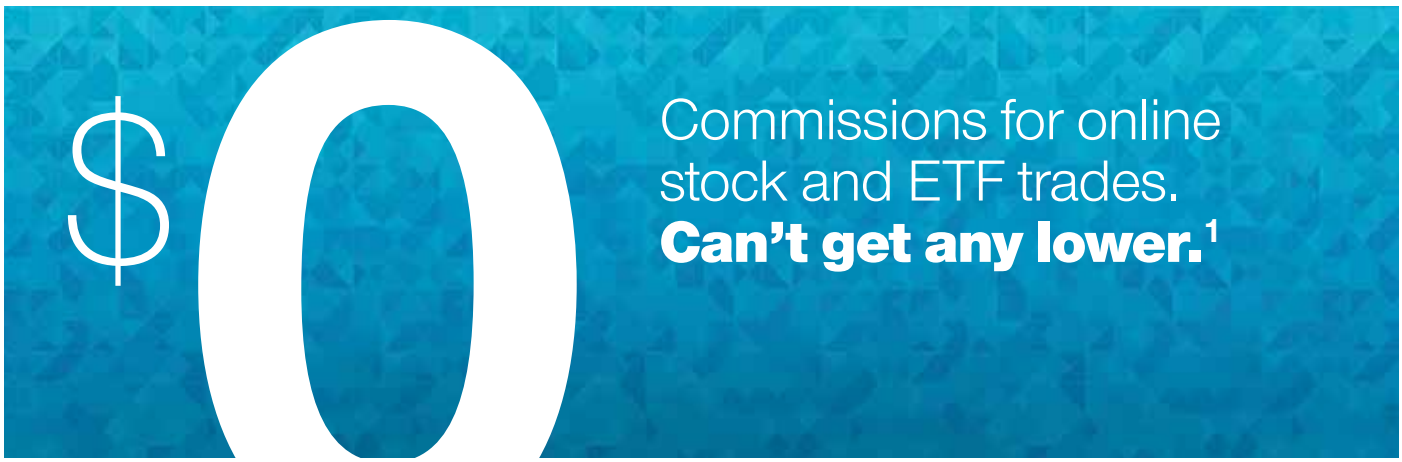

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[1]Other account fees, charges, or expenses may apply.

[2]*All investments are subject to market risk, including the possible loss of principal; they are subject to management fees and expenses.*