

Pay yourself first



The odds are that you won't win the lottery or receive a huge inheritance from a deceased relative that will relieve you from financial worries for the rest of your life. And, counting on Social Security to fund all your expenses in retirement may be much too optimistic as well. Social Security retirement payments are intended to cover only the most basic living expenses.

✓ Focus on you

The reality is that you have to take matters into your own hands when it comes to preparing for your retirement. If you haven't thought much about it yet, you really should start focusing on your future retirement needs very soon. The earlier you begin planning, the better your chances of having the retirement you've dreamed about.

A good rule of thumb is that you will need 70% to 80% of your salary as retirement income if you hope to have a reasonably comfortable retirement. To help reach that goal, commit to saving a portion of your salary in a retirement plan each payday and keep on doing so for as long as you are employed. There is generally no substitute for regular contributions invested in a broad range of investments that can potentially grow tax-deferred over time.

✓ Go on autopilot

Making automatic paycheck contributions to a 401(k) or similar retirement savings plan helps simplify your financial life. You can't spend money you don't have and you don't have to go to the trouble of transferring funds electronically or writing a check. And you don't have to worry about where to invest each time you contribute to the plan. Your plan contributions are automatically invested for you in the investment options you selected from the retirement plan's investment menu.

✓ It's a good habit

As you watch your retirement savings accumulate over time, you may be motivated to save even more for your future retirement. It may become second nature to seek out ways to reduce your discretionary spending so that you will have more money to set aside for your retirement. And whenever you receive a pay raise or a bonus, you may automatically think about saving a portion of it.

Growing your retirement account

	You could have this much more saved after:			
If you increase plan contributions by:	5 years	10 years	20 years	40 years
\$10/week	\$3,023	\$7,101	\$20,020	\$86,291
\$15/week	\$4,535	\$10,652	\$30,033	\$129,447

This is a hypothetical example used for illustrative purposes only. It assumes amounts are invested monthly, an average annual total return of 6%, and monthly compounding. It does not represent the result of any particular investment. Your results will be different. Amounts are rounded to the nearest dollar. Source: DST Retirement Solutions, LLC, an SS&C company.

Talk with a financial professional

If you want to learn more about what you can do to lay the groundwork for a financially secure retirement, why not tap into the expertise of an experienced financial professional?



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

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