

# Retirement savings tips for millennials



If you're a millennial, retirement may barely register in your consciousness. Between paying down student loans, trying to take that first step on the housing ladder, or other financial priorities, you may have little time to think much about your life 35 years from now.

However, you shouldn't wait until later to start planning for retirement. Retirement success can depend greatly on getting an early start on saving for your future. Here are some basic tips that can help put you on the path to retirement security.

## ① Live within your means

Tip number one is to spend less than you make. That way, you will have some money left over from your paychecks for other purposes, such as saving and investing.

## ② Be a disciplined saver

Save as much as you can as early as possible. Give yourself a savings target and stick to it. Decide, for example, to save 3% of your income for retirement and increase that percentage every year. It won't be long before you are contributing the maximum allowed for an employer-provided retirement plan. Set aside some or all of any tax refunds, bonuses, and pay raises for an emergency fund and your retirement savings account.

## ③ Understand the time value of money

Compounding is the magic ingredient when it comes to building your retirement nest egg. It is simply the process of earning money on your savings and then earning money on your earnings as well as your savings. The longer your money is invested, the greater the potential benefit from compounding.

## ④ Learn about investments and investing

Knowledge is power when it comes to investing. If you feel you lack the patience to study investing, see if your employer's plan has a target date retirement fund you can consider.

## ⑤ Focus on your goal

Remember, saving and investing for retirement is a long-term goal. Have a plan and stick with it. Stay focused on your long-term goal of retirement security and don't let short-term market changes knock you off course.



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