



## Spring into Retirement Savings

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Spring is a time for planting and growing, something we all want for our retirement savings. April is National Social Security Month and April 8-12 was National Retirement Planning Week. Both serve as great reminders to take action this spring to prepare your financial garden so that you may harvest a healthy retirement later on.

Experts agree that when saving for a healthy retirement, it is key to take small, consistent action steps over a long period. “Planning for retirement is not something we can put off until a later date. The time to plan is now,” said businessman Bob Reid. Some may ask, “isn’t social security enough?” For most of us, our social security benefit will not be enough to sustain us through our retirement years. The average benefit for Americans is currently \$1,400 per month. Benefits are based on your highest 35 income earning years. To determine your estimated benefit and apply for retirement and/or Medicare benefits among other things, visit [ssa.gov/mysocialsecurity](http://ssa.gov/mysocialsecurity).

Some key action steps you can take each year are to increase your contribution rate, review your investment strategy and use a retirement calculator to project your

savings. We recommend increasing your contribution rate at least 1% annually until you reach the maximum contribution limit or retirement. In 2019, you can contribute up to \$19,000 if you are 49 or under and up to \$25,000 if you are 50 and older. The effect of making annual contribution rate

increases can result in more than twice the retirement savings of someone who never makes an increase at all.

It is also important to review your investment strategy annually if you are not invested in a target date fund. Many investors miss out on investment returns by holding investments that are too conservative for their age. To help determine your investment profile consider your age, your savings objective, liquidity

need and your personal risk tolerance. Typically, young investors with more than 7 years to retirement, who have an objective of savings growth and low liquidity needs, are well-suited with an aggressive portfolio allocated primarily to stock holdings. Those with fewer than three years to retirement, who have an objective of protecting their savings along with high liquidity needs are best-suited with a conservative portfolio allocated primarily to bond holdings. ☑

**“Many investors miss out on investment returns by holding investments that are too conservative for their age.”**

You could have ...

**\$372,204**

at age 65 by saving 5% and never increasing (5% is about \$30/week)

**\$663,986**

at age 65 by increasing 1% every year for 5 years (10% is about \$75/week:)

**\$853,943**

at age 65 by increasing 1% every year for 10 years (15% is about \$115/week)

**ASSUME:** Begin saving at age 30; retire at age 65; \$40,000 annual income; 5% starting contribution; 8% rate of return (aggressive investment strategy); \$0 beginning balance

