Are You Sabotaging Your Retirement?

Are you helping or hindering your future retirement security? It may be time to rethink your approach to retirement planning if any of the these apply to you.

Failing to Understand Retirement Income Sources - Too many people believe that Social Security will provide a comfortable retirement. However, the average monthly Social Security retirement benefit is $1,671 for men and $1,337 for women.[1] That's not a lot of money and it certainly leaves little room for extras. According to many financial experts, retirees need about 70%-90% of their preretirement income to maintain a comfortable lifestyle. If you want a better quality of life in retirement, you will have to count on additional sources of retirement income, such as your retirement plan, personal investments, home equity, or even part-time work.

Saving Too Little - According to a recent survey of consumer finances, the median retirement savings for all families surveyed was just $65,000.[2] If you have fallen behind in saving for your retirement, it's never too late to try to get on track toward a more secure future. Employer-sponsored retirement plans offer tax benefits, and many employers make matching contributions to their employees' plan accounts. Or consider opening your own individual retirement account (IRA). Both the traditional IRA and the Roth IRA have certain tax advantages that could help you grow your savings. Once you have a retirement account, try to increase the amount you contribute, even if it is only a small increase. Contributing some or all of any pay raises or bonuses to your retirement account can potentially help grow your retirement assets. And it's important to contribute consistently -- even when you are juggling other major expenses such as buying a house or helping a child pay for college.

Ignoring Inflation's Impact on Savings - Even a low rate of inflation will mean that you will have to pay more for goods and services in the future than you do now. One of the most effective ways to protect your retirement savings from inflation is to have a good asset allocation strategy. By investing your retirement savings in different types of investments, you will be able to allocate a portion to investment types that have the potential to grow faster than the inflation rate. While past performance is not a guarantee of future results, historically, stocks have outpaced inflation and produced higher long-term returns than other investments.

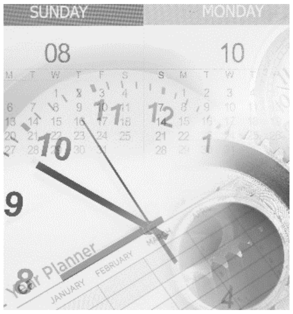
Failing to Learn About Investing - Learn as much as you can about investing and investments. The more you know, the better decisions you will hopefully make. Try to read up on different types of investments, diversification, asset allocation, and investment risk. Be sure you understand the details of your retirement plan. Find out how much you can contribute to your plan, the size of your employer's matching contribution, if offered, and when you are allowed to change your contribution amount. Read about the investments your plan offers. Each mutual fund offered by your plan has a prospectus, which is a document that describes the fund's main features. It provides important facts about the fund's investment objectives, portfolio manager, and any risks involved associated with investing in the fund.

Don't sabotage your future. Careful planning, a sound long-term strategy, and the input of a financial professional can help move you closer to your retirement goals.

You should consider a fund's investment objectives, charges, expenses, and risks carefully before you invest. The fund's prospectus, which can be obtained from your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money. Shares, when redeemed, may be worth more or less than their original cost.

[1]Fast Facts & Figures About Social Security, 2020, Social Security Administration.

[2]Nerdwallet, 2019 Survey of Consumer Finances.



Time is Your Friend in Investing

The longer your money is invested in your retirement plan, the more you potentially benefit from compounding.

If an uncle died and left you $50,000 in his will, would you prefer to get your hands on that money today or wait a year to receive it? Most likely, your answer would be: "Now, please." You know instinctively that the sooner you receive the money, the sooner you can benefit from it.

It works much the same way with saving for retirement. The sooner you begin adding more to your retirement plan, the more time your extra contribution will have to grow and compound. Compounding is basically money making money. And time is a big part of the magic of compounding. The longer your money is invested, the more you potentially benefit from compounding.

The cumulative result after years of contributions and earnings may be the nest egg you'll need to see you through your retirement years. You can put time and compounding to work on your behalf right away by increasing your retirement plan contribution.

Growing Your Savings
An extra retirement plan contribution of $200 a month could potentially grow to:

After 10 years	$32,776
After 20 years	$92,408
After 30 years	$200,903
After 40 years	$398,298

Source: SS&C Technologies, Inc.

This is a hypothetical example used for illustrative purposes only and is not representative of any particular investment vehicle. It assumes a 6% average annual total return compounded monthly. Your investment performance will differ.