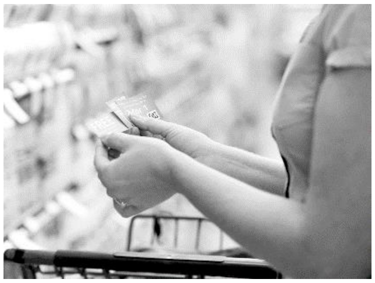
DIRECTNEWS
FALL 2019



Just a Little More

Does life get in the way of you saving more for your retirement? That's the case for many workers. According to a recent survey,* cost-of-living and day-to-day expenses head the list of reasons why many don't save (or save more) for retirement. But concentrating mostly on current expenses could potentially leave you short of money in the future.

You don't have to save a lot more. Saving just a little bit more could help. Seven out of 10 surveyed workers state they could save an extra $25 a week for retirement.* Could you? Here's why even that small amount could have a big impact on the size of your account when you retire.

Compounding Contributions
Compounding helps grow your savings over time. Here's how it works: When the money you contribute generates investment earnings, those earnings are added to your account and reinvested. So, you have the potential to earn a return on your contributions *and* your earnings. Over time, the compounding process repeats itself and you potentially have larger and larger amounts of money invested. Check out the chart below to see how much saving an extra $25 each week could potentially increase your account balance.

Built-in Tax Benefits
Saving for retirement in your plan also provides the advantage of *tax-deferred* compounding. Your pretax contributions and investment earnings aren't taxed while the money remains in the plan. You can boost the power of tax-deferred compounding by increasing the amount you save in your plan.

Try Making Trade-offs
Finding an extra $25 a week may mean making a couple of trade-offs in your daily spending habits. It could be as easy as going out to dinner less often or switching to a more affordable cell phone provider. Track your current spending to identify areas where you can cut back. Then increase the amount you contribute to your plan.

Small Increase, Big Impact
Over time, a small increase in the amount you contribute to your retirement savings plan can add up significantly.

$25 Weekly Contribution
Increase In Account Balance

After 10 Years	$17,753
After 20 Years	$50,053
After 30 years	$108,819
After 40 Years	$215,738

This is a hypothetical example used for illustrative purposes only. It is not representative of any particular investment vehicle. It assumes a 6% average annual total return compounded monthly. Your investment results will be different. Tax-deferred amounts accumulated in the plan are taxable on withdrawal, unless they represent qualified Roth distributions.

* *2015 Retirement Confidence Survey,* Employee Benefit Research Institute, 2015

A Spending Plan for Retirement

Congratulations, you're about to retire! So, how do you plan to spend your time? Traveling? Golfing? Visiting your relatives? However you want to enjoy your retirement, you need to think about how you're going to spend your money.

Don't Rush In

It's important not to be impulsive when you first retire. While you may feel you deserve an exotic vacation or a new car, immediately splurging might not be a smart move. You should determine how much retirement money you can afford to withdraw each year.

No False Assumptions

Make sure you carefully calculate how much you will really need to withdraw from your savings. If you just make some general assumptions, you could end up taking out more than you should and risk running out of retirement funds down the road. Also, don't assume you won't need retirement income for very long and, thus, that you might as well spend a lot of your money right off the bat. Depending on your age at retirement and how healthy you are, you could be retired for over 30 years. With many retirees living active lives well into their 80s, you may want to prepare for a long retirement so that you don't risk outliving your savings.

Keep Track of Expenses

Write down all the expenses you anticipate you will have once you retire. Work-related expenses will likely be reduced. Depending on your anticipated lifestyle, recreational and travel expenses may increase. If you plan to relocate, remember to figure in all the costs associated with moving. And, if you will have to pay for part or all of your health care, make sure you include those expenses, too.

Look at Your Investments

While you may focus on the amount of retirement savings you've accumulated, also project the investment return your savings will generate. The higher your return, the longer your savings are likely to last. In recent years, you may have shifted more of your portfolio into fixed-income investments to help preserve the value of your principal. However, you may want to keep a portion of your funds in stocks so that your portfolio will have the potential to produce returns that outpace inflation.

Anticipate Inflation

During your saving years, inflation had an impact on the future buying power of your money. Inflation will continue to have an impact once you retire, especially if your retirement lasts a long time. Over a 30-year retirement, even a low inflation rate can erode the value of your savings. So consider the rate of inflation when you determine your savings withdrawal rate.

Talk to Your Financial Professional

When it comes to spending your retirement savings, it's important to get it right. Your financial professional can help you figure out how much you can withdraw from your savings so that you achieve your retirement goals and have enough to last throughout your retirement.

Monitor Your Plan

Once you retire and have a spending plan in place, you'll want to review your plan periodically. You may need to make adjustments if your investment returns are lower than anticipated, the rate of inflation increases, or your spending needs change significantly.