

Saving Enough for Retirement?

It's an age-old question.

How Much Is Enough?

To find out if you're saving enough for retirement, review your savings at key checkpoints in life to identify and overcome possible gaps.

Retirement Checkpoints

A savings target or range can help you determine whether your retirement goal is on track. One way to gauge your progress is to estimate savings in relation to your age and income.

Age and Income Checkpoints Can Help Gauge If You're Saving Enough

Age	You Should Have Saved	Savings Range if You Make \$50,000/Year
30	half to full annual salary	\$25,000 - \$50,000
40	2x-3x your salary	\$100,000 - \$150,000
50	4x-5x your salary	\$200,000 - \$250,000
60	6x-8x your salary	\$300,000 - \$400,000

Source: "How Much You Should Have Saved (By Age)," Investopedia, April 2019.

Coming Up Short?

If you're off track, here are some tips to maximize your savings:

10-25%

What some financial planners suggest you save every year.

- Max out contributions to your company's retirement plan.
- If that's too big a step for your budget, try to save a few percent more each year. Or opt in to automatic contribution increases if your retirement plan offers.
- If your company matches your contribution, save at least enough to get the full match.

Note that the 10-25% figure could include retirement plan contributions, employer match, cash savings and debt repayment. Source: "How Much You Should Have Saved (By Age)," Investopedia, April 2019.

Joe makes \$50,000 a year...

What Happens If He:

Saves an extra **2%** a year



Saves an extra **5%** a year

He Potentially Earns:

\$36,791 more over 20 years



\$91,979 more over 20 years



Up to 10x
Amount of your final pay that some retirement experts say you should have saved by age 67



7.9x
Amount the average worker may save during that time period*



\$105K
Potential shortfall for retirement for a salary of \$50K per year

*Source: *The Real Deal: 2018 Retirement Income Adequacy Study*, Aon Hewitt.

Hypothetical calculation of \$1,000 and \$2,500 annual investment over 20 years at a 6% return rate. Assumes reinvestment of all gains, dividends and interest, and does not include fees, expenses, or taxes. If all taxes, fees, and expenses were reflected, the reported portfolio value would be lower.

Source: American Century Investments, 2019, Future Value Calculator, dinkytown.net.

Age 50 or Older? You Can Play Catch-Up

- Beginning at age 50, you may be able to put extra money in your retirement plan, called catch-up contributions.* The amount you can make depends on the type of retirement plan you have.

\$2,000 a year
catch-up contribution



\$46,559 more
for your retirement

Hypothetical calculation of \$2,000 annual investment over 15 years at a 6% return rate. Assumes reinvestment of all gains, dividends and interest, and does not include fees, expenses, or taxes. If all taxes, fees, and expenses were reflected, the reported portfolio value would be lower.

Source: American Century Investments, 2019, Future Value Calculator, dinkytown.net.

**The rules and amounts for catch-up contributions are set by the IRS each year. Check with your employer to see what you are eligible for in your retirement plan.*

Review Your Investment Choices

Having the appropriate mix of stock, bond and money market investments may play a vital role in improving your odds of reaching your goal.



Stocks

While riskier than other types of investments, stocks can potentially help your savings grow more over time.



Bonds and Money Markets

These investments are less risky than stocks but don't provide as much growth potential. They might help lower the risk of losing money when the stock market fluctuates.



The Bottom Line

Reviewing your retirement savings at different checkpoints may help you determine whether you're saving enough, or if you need to make adjustments.

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