

# Mapping the Road to Retirement

It makes sense to periodically review your financial strategy along the road to retirement to make sure you are taking advantage of all available tools and resources that may help build your retirement income. Your ability to save more now, *before* retirement, will provide you with a nest egg that will help support a comfortable retirement. You may want to consider these five steps to stay on track toward reaching your retirement goals:

**Determine your needs for retirement income.** It's never too early or late to start saving for your future. With people living longer than ever before, your retirement income may need to last up to two or even three decades after you stop working. Will your expected income be able to keep pace with inflation over this extended period of time? For example, even with a 4% annualized rate of inflation, the cost of goods and services could double in approximately 20 years, or less. With this in mind, you can begin to review your current financial strategy to determine whether your assets and savings will meet your retirement income needs.

**Plan beyond Social Security.** With the uncertainty of Social Security and the decline of company-sponsored pension plans over the past several decades, the responsibility of saving for retirement income has shifted from employers to employees. Therefore, depending on your circumstances at the time of retirement, Social Security alone may not be able to provide you with the income you'll need to live comfortably in your "golden years."

**Increase your personal savings.** Even minor adjustments to your household budget that re-allocate some cash to savings instead of consumption can make a difference.

**Take full advantage of your company plan.** If you are not already, consider contributing the maximum amount to your employer-sponsored retirement plan. This allows you to take full advantage of pre-tax contributions that accumulate on a tax-deferred basis. In addition, many employers *match* employee contributions, which further increases the value of your account.

**Make sound use of personal tax-advantaged alternatives.** Individual Retirement Accounts (IRAs) and nonqualified plans can also provide additional tax-deferred savings opportunities.

## Put Yourself in the Driver's Seat

Retirement may seem a long way off, however the sooner you begin taking advantage of *all* your retirement savings opportunities, the better prepared you may be for your retirement years. Remember

to take some time to revisit your retirement strategy on a regular basis. Be sure to consult with a financial professional as needed to stay focused on the path to your financial future

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