



## Why Should I Start Saving for Retirement?

In life, we all have a tendency to focus on the day-to-day happenings that occupy our immediate attention. While it is so easy to get caught up in the responsibilities that each day presents, it's important for each of us to take a step back at times to consider our future and what we anticipate it holds for us. We must take the time to plan for our future so we can fulfill our expectations and live a comfortable life like we envision. Retirement is one of the future realities that we must plan for in order to ensure we can achieve all that our future retirement promises.

While we all wish we could see what the future holds for us, we know that isn't going to happen. We can, however, start planning now by deciding how we are going to supplement our retirement years with the funding and resources necessary to allow us to enjoy our retirement years.

Consider your personal situation – matters such as housing, marriage, children, elder care, bills, travel, anticipated needs versus wants, etc. – and plan out a fitting recipe for your unique circumstances and potential reality. Whatever your dreams are for retirement, saving for the eventuality of that season in life is a necessity. Participating and contributing to a voluntary retirement savings plan can help you bridge any financial gaps to help you meet your retirement needs and goals. Planning, doing research, and using all the tools available to you to help successfully plan is essential.

Think about the following facts: Most state sponsored pension plans make it possible for an employee to retire with between 48% and 75% of their average final compensation if the employee has worked a certain number of years. Yet, most employees find it difficult or even impossible to live comfortably in retirement with a reduction in income of 25% – 52%. The best way to “make up” the difference is to contribute during your career to a personal voluntary retirement savings account - such as a 403(b) and/or a 457(b) plan account.

Let's review some additional statistics:

- The average American has saved only 7% of the amount they hoped to retire on.
- The average savings by Americans within 10 years of retirement age is only \$78,000. Well short of the amount needed to replace the reduction in income.
- 25% of Americans now say they plan to work until age 80.

Your employer offers many benefits, in addition to your salary, to help you successfully get through life events as well as plan for your future. The ability to contribute to a voluntary retirement savings plan to supplement the anticipated pension income that may be generated at retirement by the pension plan can be very beneficial for you: specifically contributing to a 403(b) and/or a 457(b) plan. Because of the potential advantages of additional savings, your employer maintains a 403(b) and/or a 457(b) voluntary retirement savings plan, which makes it easy to supplement your future retirement savings through payroll deduction.

Take advantage of the available tools to help you achieve a comfortable and successful retirement. Start planning and contributing today so you can be thriving tomorrow.

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