



Planning for A More Secure Retirement

Why You Should Save

Some day you're going to retire — and when you do, you're going to need money.

How much money? More than you think. Studies have shown that on average, retirees need anywhere from 70% to 120% of their pre-retirement income to live comfortably. We're not talking about exotic trips around the world — just enough cash to maintain your current lifestyle.

Lots of retirees depend on Social Security, the government's retirement program. Like you, they spend their working years paying into the system. When it comes time to retire, they get a monthly check. But there is one problem...

Social Security Isn't Enough.

The average amount of money a retired worker gets from Social Security is just \$1,680 a month from Social Security — about \$20,160 a year.¹ For a worker who made \$40,000 a year, that means a 50% pay cut. Could you live on just half of your income? For many of us, that would be a real challenge.

Even if you've saved a little, it might not be enough. People are living longer than ever. A healthy 65-year-old man can expect to live to age 83. A woman can expect to live to 86.² It's possible that you will be retired for 30 years — almost as long as you worked! During that time, a retiree can expect to spend more than \$157,500 on health care alone.³

That's why you need to save for retirement — and the sooner you start, the better. Saving gives you control of your financial future, creating a nest egg that will help you cover your expenses. In fact, retirees say their top regret is that they didn't start saving soon enough.⁴

You still have time to avoid their mistake. The more you save today, the better position you'll be in when you retire, letting you live comfortably with fewer financial worries.

¹ Social Security Administration. <https://www.ssa.gov/oact/cola/RTeffect.html>

² CDC National Center for Health Statistics. https://www.cdc.gov/nchs/data/factsheets/factsheet_nvss.pdf

³ Fidelity. <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>

⁴ 2007 Fidelity Research Institute Retirement Index. <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>

For informational and educational purposes only and should not be construed as specific investment, accounting, legal, or tax advice. Certain information is based on third party data and may become outdated or otherwise superseded without notice. Third party information deemed to be reliable, but its accuracy and completeness cannot be guaranteed. Neither the Securities and Exchange Commission (SEC) nor any other federal or state agency have approved, determined the accuracy, or confirmed the adequacy of this information. R-23-5557.