

Reasons You Need to Save

It is becoming increasingly important that you take financial responsibility for your retirement years. Most people overestimate the amount of money they will receive from Social Security. By the time you retire, some changes could occur to Social Security because of the increasingly heavy demands on the system. You will need to rely on your own savings far more than you probably anticipated.

Social Security won't pay your bills

Social Security was designed to work like this: you and your employer pay money into the system during your working years and you and members of your family will receive monthly cash benefits when you retire. Social Security was never intended to provide all the money you will need during your retirement years. In fact, the system was designed to replace less than half of most workers' pay. It is estimated that you'll need 70 – 80 percent of your salary to live comfortably during each year of retirement. If Social Security only provides a small percentage of your income, are you prepared to provide the rest?

Time is working for you

Each year, the money you invest in your 401(k) or 403(b) account has the opportunity to grow. This process is called compounding. And the best news



- your 401(k)/403(b) balance continues to grow tax deferred! When you start early, your 401(k) or 403(b) account will have more time to earn money and grow. For example, a person that begins saving \$10 a week at the age of 25 will have \$152,570 by the time they are ready to retire. But, someone who waits five years to save the same amount will have about \$52,000 less when they retire. Can you afford to wait any longer? Start saving early and take advantage of the power of time. But, no matter your age, saving with a 401(k)/403(b) account is an easy way to reach your savings goal.

Retirement can be a relaxing time

If you prepare yourself financially for retirement, you'll be ready to relax and enjoy yourself after a lifetime of hard work. By having your own savings prepared for retirement, you'll be able to do the things you enjoy most during retirement and not have to rely on a small Social Security check to pay the bills. Instead, with a 401(k) or 403(b) account, you can prepare yourself for a retirement in which you can decide how you want to spend your time and money.

Preparing for retirement is a necessary part of life in the United States and saving with a 401(k) or 403(b) can help you reach your savings goal.