

Please note: This is a transcription so there may be slight grammatical errors.

We all know that saving is critical to a successful retirement, but have you done the math to understand how much you need to be saving now? Most people will spend 30 years or more in retirement, longer than ever before. To ensure financial independence throughout your retirement years, you should anticipate saving for at least that long. One simple way to help determine if you are headed in the right direction is to use these long-term saving milestones. By the time you're 30, you should have long-term savings equal to your annual income. By the time you're 45, you should have accumulated four times your annual earnings. At 55, you want to have seven times your earning. And at 67, which is considered full retirement age, you should have 10 times your earnings. This might feel overwhelming, but remember you don't have to get there all at once. Here are a couple of steps you can take to jumpstart your savings. The first step is starting early. The earlier you start saving and investing, the less of your money you need to save. That's compounding, having your money make money. The longer you wait, the more you'll need to save later to make up for lost time. And the difference can be dramatic. Consider this example. Jen starts saving and investing for retirement at age 25, setting aside \$150 a month. Her friend Pete, waits an additional 10 years to start saving and investing, but saves \$200 a month. By the time they reach 65, both Pete and Jen will have contributed the same amount of money, but Jen's retirement account could be worth almost \$100,000 dollars more. That's the power of long-term saving and investing in action. Starting early matters, even if you can only set aside small amounts. But if you didn't start early, it's not too late. Even if you begin saving in your forties, you still have 20 or more years to accumulate an nest egg. The second step is to review and understand the tax implications of your retirement plan. Some retirement plans allow you to choose whether you pay taxes upfront or later. With a traditional 401k or 403 plan, you'll be able to save on a tax deferred basis. This means you won't pay taxes on the portion of your earnings you save each year, but you will pay taxes when you withdraw that money during retirement. The other option, if your retirement plan allows it, is to pay your taxes upfront through Roth savings. The advantage of choosing to pay your taxes now is that the gains your savings accumulate over the years will be tax free, assuming you meet certain requirements. There are advantages to each of these plan types, so reach out to the CAPTRUST advice desk to determine which plan is best for you. Want to know where you stand on the path to financial independence? Make an appointment with CAPTRUST to receive your free retirement blueprint. This personalized report will show you where you are today and where you need to be heading. A certified CAPTRUST advisor will then help you determine how much you can comfortably save and develop a plan to know when to increase it. This valuable service is made available to you as part of your benefits package. So don't miss out. Book an appointment today using CAPTRUST's online scheduler, or just give us a call. It will be well worth 30 minutes of your time. Remember, there are two things involved in retirement savings, time and money. The more you have of one, the less you need of the other. So start saving today.

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