



How To Save for Retirement



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Introduction

Saving for retirement may seem like a massive, sometimes challenging, goal—but sufficient retirement savings is achievable. Let's find out how.

6 Steps to Save for Retirement

- *Set Your Retirement Savings Goals.*
- *Open a Retirement Account.*
- *Choose Your Investments.*
- *Set Up Automatic Deposits.*
- *Save Extra Funds.*
- *Keep Things in Perspective.*



Set Your Retirement Savings Goals

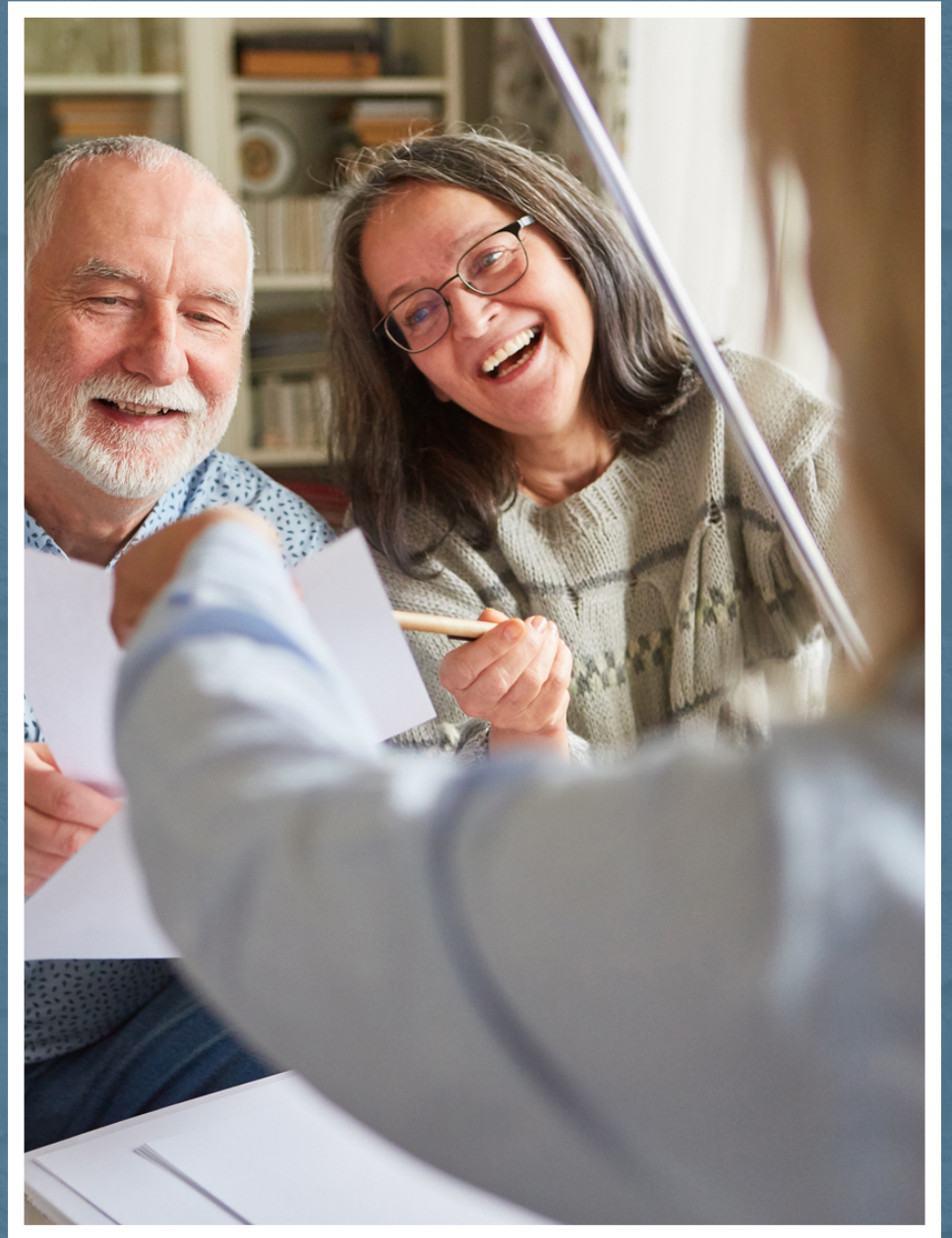
Financial goals differ from person to person, but when it comes to retirement, most have the same underlying aim—to be financially stable after leaving their career. With that in mind, you should set a baseline savings percentage as the foundation of your retirement goals.

If you're unsure how much of your income you should be saving, there are guides available. Boston College's Center of Retirement Research advises people to create a savings baseline that's around 15% of their income starting at age 25 if they hope to retire by age 62. That amount may be too high for people just beginning their careers, and that's okay! If you start lower or later in the game, you can still reach your retirement goals, but you may have to save a higher percentage, reduce your expenses, or work longer to catch up.



Open a Retirement Account

Employer-sponsored and individual retirement accounts (IRAs) are the most common for those saving for the future. Typically, both offer tax-advantaged growth on money deposited for investment, and you decide when to receive the income tax break.



Open a Retirement Account

Employer-sponsored retirement account

Most people have heard of a 401k. There are both traditional and Roth 401ks. Traditional 401ks deduct contributions from an employee's gross income, and Roth 401ks deduct contributions from an employee's after-tax income. While the 401k is the most popular employer-sponsored retirement account, a Roth 401k is not an option for everyone. There are also other available retirement plans depending on where you work. The [403\(b\) plan](#), [457\(b\) plan](#), [SEP IRA](#), and [SIMPLE IRA](#) are lesser-known options but still work well for those seeking to save.



Open a Retirement Account

Individual retirement accounts (IRAs)

You have two options: a Traditional IRA or a Roth IRA.

Either individual retirement account may be right for you, depending on your income and whether you or your spouse are eligible to participate in a workplace retirement plan.

Both traditional and Roth IRAs come with tax-related advantages.



Choose Your Investments

No matter which retirement account you open, **index funds**, **mutual funds**, and **exchange-traded funds (ETFs)** are typically the best for long-term retirement savings.

You may also want to implement the **asset allocation strategy**—which will help you decide how many funds to buy and how much to invest in each fund. Typically, frequent checks of your investment accounts' performance aren't necessary. However, you may want to adjust your portfolio as you age.



Set Up Automatic Deposits

Making monthly automatic contributions to your retirement account(s) will help you grow your savings without taking any extra time out of your daily life.





Save Extra Funds

If you come across extra money, such as a raise or a substantial tax return, dedicate a generous amount of the funds to your retirement savings account(s).

Keep Things in Perspective

Investment in long-term goals like retirement is bound to have ups and downs. Remember, every economic downturn eventually resolves, so don't get too caught up in your retirement portfolio's day-to-day performance. You're in retirement saving mode for the long haul, so stick with your plan and retire with financial fulfillment!



Thank You!

We Look Forward to Working With You!



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