



THE TRIED & TRUE RETIREMENT RULE PEOPLE OFTEN MISS

Preparing for retirement today seems to be changing by the minute, especially when it comes to how much you need to save in order to get there. A recent national financial survey found that more than three quarters of Americans were unclear as to how much they should put aside for retirement.¹ Is it A) four to five times the amount of your most recent full-year income, B) five to six times that amount, or C) 10 or more times that amount? The answer that many survey respondents missed is C—at least 10 or more times the amount of their most recent full-year income.

There are many variables and uncertainties that can come into play when planning for retirement that can affect your overall savings goal, like how consistent you are about saving for your goal, your overall income, current financial obligations, how much of a return you get from your retirement assets, and how you live your life in retirement. That being said, if you don't make a concerted effort to save now you may find your golden years a bit less fulfilling. Let's explore some of the ways you can work toward your savings goal:

Establish savings benchmarks along the way. While the end goal is to have 10 or more times the amount of your last full-time salary saved, accept the fact that it won't happen overnight. Remember this is simply a *goal* to work toward. To make this number seem more tangible, you'll need to set benchmark savings goals along the way. For example, if you were to look at saving by age, you should aim to have three times your salary saved by age 40, by age 50 you would have saved six times that amount and by 60 up to eight times your full-time salary. With these benchmarks in mind, you are even closer to having 10 or more times your salary saved by full retirement age (67) or shortly after.

Check your 401(k) contribution percentage. When was the last time you reviewed your 401(k) plan, especially the percentage of your salary being contributed to the account? Often new employees are enrolled at a three percent contribution rate and for many they don't go in to manually change that. We know it's harder to see less money each paycheck but try to increase that percentage by two to three percent in order to eventually save between 10 and 15 percent of your annual income. Some companies offer automatic escalation plans that can help boost your 401(k) contributions over time. You can also opt to make catch-up contributions after the age of 50 allowing you to save an additional \$6,000 more than the \$18,000 annual contribution limit. Contact the office if you'd like to review your savings rate once a year to stay on track.

Save enough to earn a match. A 401(k) plan is a great way to help meet your retirement savings goal, especially when an employer match is offered. Aim to contribute at least enough cash to meet your employer's match to easily double the total income you'll have saved for retirement that year. Do the math and you'll find that meeting this number may not be as intangible when you calculate how much will need to be contributed each paycheck. Make sure you understand your company's vesting rule as those vary company to company.

¹ <http://www.cnn.com/2017/03/17/74-of-americans-cant-answer-this-question-about-retirement.html>

Take advantage of IRA saving strategies. If a 401(k) is not available to you and/or you're planning to save for retirement with an IRA, there are two easy ways to save in addition to your monthly contributions. One way is to take advantage of catch-up contributions. By age 50, you are allowed to make an additional \$1,000 contribution for a total tax-deductible contribution of \$6,500 in 2017. Another way to boost your IRA savings is by having your tax refund automatically deposited into your IRA account. If you don't see the money, you are less tempted to spend it. Just be sure the money is deposited before your tax return due date.

If you or anyone you know has questions about how much to save for retirement, we are happy to assist with this important step.

AVOID 'SENIOR MOMENTS' BY EXERCISING YOUR BODY AND MIND

You don't get very far in life by sitting still. It's the "doing" that keeps a body and mind in motion and strong. "Senior moments" are a normal part of aging and often genetically inherited, and focusing on what you can impact will help to limit those moments. Help stave off those brief memory lapses by staying both mentally and physically fit. It is never too early or late to start making a healthy difference in your life. Just follow this checklist of activities to keep your brain firing on all cylinders and your memory sharp.

- ☑ **Sweat it out.** There can't be enough said about the benefits of physical fitness on the body and the mind. Exercising regularly, such as brisk walking, running or other aerobic exercise, can help slow the brain's aging process, strengthen the connections between brain cells and expedite the brain's power and processing speed. These benefits can be achieved by doing at least 30 minutes of exercise four or more times a week. Incorporating weight training can also help improve communication between brain cells.² Keep in mind the best way to rejuvenate the body and mind is by getting ample sleep each night.
- ☑ **Stimulate your mind.** We may as well consider our electronic devices, whether a phone or tablet, another limb as we are so often attached to them. But did you know these devices also have the capacity to boost brain health? Downloading brain training games can help you stay sharp by improving your memory and concentration—just do the research to be sure the game's claims are backed by independent studies. If digital challenges aren't your cup of tea, consider taking up an activity that requires regular concentration like quilting, enjoying a game of cards, Sudoku, playing an instrument or painting to improve memory.
- ☑ **Get social.** Social isolation is a concern for seniors not only for their safety but also for their mental and physical well-being. Being socially engaged has the wonderful effect of not only fending off isolation but also depression and cognitive declines that come with it. Staying socially active can also help reduce stress. Stay social by taking a new class at the gym, joining a walking group, volunteering or taking up a new hobby.

² <http://www.kiplinger.com/article/retirement/T071-C000-S002-keep-your-memory-sharp.html>

- ☑ **Watch what you eat.** What we put in our bodies has as much an effect on our brain health as physical and mental activity. Diets that are good for cardiovascular health have been proven to be good for the head. For example, berries seem to have a mental edge because they contain polyphenols that help protect the brain from oxidative damage.³ Regularly consuming olive oil, poultry, nuts, whole grains and beans have also been proven to have brain-boosting power.

While we may not be health experts, we are experienced in providing financial advice for the long run. Combining our services with a healthy regimen can help you enjoy a happy and rewarding retirement.

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³ <http://health.usnews.com/health-news/health-wellness/articles/2016-01-05/food-for-thought-eating-for-brain-health-in-middle-adulthood>

