10 Reasons to Save for Retirement

We all know we should be saving for retirement. But, according to EBRI's 2018 Retirement Confidence Survey, many Americans aren't prepared. In fact, 79 percent of respondents said they plan to work in retirement! Of course, life gets in the way of taking action, and retirement seems so far off. But whether or not you're prepared, it will be time to retire before you know it. Read on for 10 reasons to make saving for retirement a priority today.

1. **Social security may not be enough.**

   Many Americans still believe that social security benefits will cover all of their expenses in retirement. Unfortunately, that's no longer a safe assumption. The Social Security Board of Trustees recently reported that social security reserves will be exhausted by 2034. The reality is that you'll likely need to tap into personal savings to help fund your retirement—social security benefits alone won't be enough.

2. **We're living longer.**

   Thanks to medical advances, people are living longer than ever, and it's not unrealistic to expect that your retirement could span 20 to 30 years. This means you'll need a substantial nest egg to ensure that you don't outlive your savings.

3. **Your retirement savings belong to you.**

   The money you contribute to an employer-sponsored retirement plan, such as a 401(k), is yours, even when you switch jobs. You can take your contributions with you and roll them over to your new employer's 401(k) plan or into an IRA.

4. **Saving can be easier than you think.**

   Simply select the amount you wish to save each pay period, and your employer will automatically deduct the amount from your paycheck and deposit it into a retirement savings vehicle that you choose. Why not make your financial future a priority by paying yourself first?

5. **There are tax advantages to be had.**

   When you participate in a 401(k) plan, your contributions are taken out of your pay before taxes, helping reduce your taxable income. Plus, your contributions will grow tax deferred.

6 Time works for you.

By saving in a retirement account, you can potentially reap the benefits of compound growth, generating earnings on both the original amount you invest and the reinvested income. Additionally, you'll potentially benefit from dollar-cost averaging, which, over time, can lower the overall cost per share for your investments.*

7 You can afford it.

Saving a few extra dollars a week now can translate into a lot more during retirement. Try skipping dinner out once a week and save the cash instead. It'll be money well saved instead of spent!

8 You may not be able to save later.

No one knows what the future holds. We hope that we can count on our careers and continued good health. But life can throw us unexpected curveballs, such as being laid off or, worse, diagnosed with a debilitating disease. It's wise to be proactive and start building your retirement nest egg while you can.

9 You won't want to burden your family.

Preparing for retirement now can go a long way toward remaining independent in the future. One of the greatest gifts you can give your family is relieving them of the burden of having to care for you in old age. What's more, being financially prepared may allow you to retire worry-free and focus on the things you enjoy doing most.

10 You'll likely regret it if you don't.

Let your guilt guide you! You know you should be saving for retirement; it's just a matter of overcoming the minor obstacles in your way. Let guilt be the motivator that propels you to take action and start saving. You don't want to find yourself at age 60 with little in savings, wondering when—and if—you'll actually be able to retire.

Remember, saving for your retirement is *your* responsibility. If you haven't begun to save, start now. And if you're already saving, see if you can find ways to save more. No matter how committed you've been in the past, you can start building a more financially secure retirement today.

*Please keep in mind that dollar-cost averaging does not protect against a loss in declining markets. Since such a plan involves continuous investments in securities regardless of market conditions, you should consider your financial ability to continue such purchases through periods of fluctuating price levels.

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