

Have You Saved Enough To Retire?

Approaching retirement should be an exciting time in your life, there are a lot to look forward to such as traveling, spending more time on hobbies, and generally enjoying your golden years. However, for many, retirement is a source of stress and anxiety instead. Have you saved enough? Do you need to keep working part-time? How will you pay for unexpected medical bills? These questions keep many boomers up at night. Here are some questions to ask to help give you peace of mind:

When did I start saving?

One of the most impactful factors in determining how much retirement savings you'll have is when you started putting money away. Thanks to the magic of compound interest and the general positive rate of return in the stock market, starting at age 25 instead of age 30 can net you nearly \$100,000 extra by the time you retire. So, if you've been consistently putting money into your retirement account since your 20s or early 30s, you're probably in good shape.



How much do I need to save?

Assuming that you retire at age 67 (the average) and have an average lifespan (most investment advisors recommend assuming 92 years for men, 94 for women), you need approximately eight times your annual salary in order to retire without accepting major lifestyle changes. Using your salary as a retirement savings benchmark means salary growth becomes a factor, as well. The faster your salary grows throughout your career, the more you'll need to save in order to replace an acceptable proportion of your final salary in retirement.

When do I plan on retiring?

Another important factor in determining how much you need to save for retirement is the age at which you plan to quit working. The longer you can postpone retirement, the less you need to have in savings when you do. For example, by retiring at age 67 instead of 63, you have an additional four years of income and savings, as well as four fewer years of retirement to consider. In addition, postponing your retirement age makes you eligible to receive higher monthly payments from Social Security.

How much are you allowed to save?

Different retirement savings accounts have different rules about how much you are able to contribute each year and whether those funds are taxed now or when you withdraw them in retirement. Check into how much you're currently deferring as part of your workplace savings plan and if you could be setting aside more. If you have maxed out your workplace savings plan, [IRAs](#) are another good option. There are also catch-up provisions that allow people age 50 and over to save more in both IRAs and workplace savings plans.

If you're still not sure where you are with your retirement savings, or want to learn how you can start saving more, [speak to one of our Retirement Experts](#) about your options.