Life Lessons:
Don't Have a Mid-career Savings Crisis

Life can get in the way of saving enough for retirement, especially when you are busy with your job, family, and the other things that are important to you right now. However, keep in mind that your future financial security may depend on how much you save during your working years. Avoid getting so caught up in what's going on today that you neglect to prepare for tomorrow.

Dueling Goals

If one of your financial goals is to help your children pay their college costs, it's likely that those expenses will occur before you retire. You may even consider waiting to save more for retirement until after your kids' college tuition is paid. However, if you keep putting saving for retirement last on your list of financial priorities, you may not have time to save enough for your retirement.

If you have to choose between funding your retirement and funding your children's college education, keep in mind that you're probably going to need a lot more money for a comfortable retirement than your kids will need for college. When the time comes for college, your children may qualify for financial aid. And they can always pay some of their college costs by working part-time while in school.

No Time to Lose

You may reach your mid-career years and realize that life *has* gotten in the way and you don't have as much saved for retirement as you'd like. Don't panic. You still could have several years left to accumulate money in your plan account. Increasing the amount you contribute by even a small amount potentially can have a big impact on your account value at retirement. The more money you save now, the better off you're likely to be later on. And the sooner you start saving more for retirement, the more time your money will have to benefit from potential compounding.

Put Your Plan to Work

It's easy to save more for your future. Once you decide to increase your contribution amount, that money will be automatically deducted from your paycheck each pay period and put into your plan account where you won't be tempted to spend it on anything else.

Consider maintaining a portion of your portfolio in stock investments because of their growth potential.* Though the stock market can be volatile over the short term, stocks have historically produced higher long-term returns than the other major asset classes. (Past performance is no guarantee of future results.) When you are in your mid-career years, you still may have several years left before you plan to retire to recover from any market downturns that occur.

Your situation is unique, so be sure to consult a professional before taking action.

** Stock investing involves a high degree of risk. Stock prices fluctuate and investors may lose money.*

Boost Your Balance

Increasing contributions now may mean more money at retirement.

	Saving at Same Rate	Increased Saving Rate
Account Value at Age 40	$50,000	$50,000
Average Annual Total Return	7%	7%
Monthly Amount Contributed from Age 40 to 65	$100	$250
Account Value at Age 65	**$367,278**	**$488,789**

This is a hypothetical example used for illustrative purposes only. It is not representative of any investment vehicle. It assumes monthly compounding. Your investment results will be different. Tax-deferred amounts accumulated in the plan are taxable on withdrawal, unless they represent qualified Roth distributions.

Source: DST