Say “Yes” to Saving More

When you joined your employer’s retirement savings plan, you probably chose a contribution level that was affordable for you at the time. If it was early in your career or you had lots of expenses, you may have decided to save only a modest amount each month. But now you may be at a time in your life when you can afford to increase the amount you’re saving for retirement. Even saving a little bit more each year can make a big difference in your account value when you stop working.

Your Plan Makes It Easy

Making contributions to your retirement plan is easy. The amount you decide to contribute is taken out of your pay and automatically deposited into your plan account. However, it’s also easy to forget to periodically assess your contribution level. If it’s been a while since you adjusted your contribution amount, take the time to figure out if you can afford to save more. If you can, don’t wait to increase the amount you’re contributing each pay period.

Benefits of a Savings Boost

Increasing the amount you save each month can make a difference in the amount of money you’re able to accumulate for retirement. And, generally, the sooner you start contributing more, the better, since it will give your investments more time to potentially benefit from the power of compounding.

How Much More?

You can’t know exactly how much money you’re going to need for your retirement. However, a number of factors — longer lifespans, potential inflation, increased health care expenses, and the uncertain future of Social Security — indicate that it’s a good idea to save as much as possible. Increasing the amount you’re saving now may help you have a more enjoyable future.

Save a Little More Each Year

Increasing the amount you contribute to your plan by 2% each year can make a big difference over time.

	Stays the Same	2% More Each Year
Initial Annual Plan Contribution	$1,200	$1,200
Annual Increase in Contribution	0%	2%
Average Annual Total Return	7%	7%
Account Value After 35 Years	**$180,105**	**$226,610**

This is a hypothetical example used for illustrative purposes only. It assumes monthly contributions, monthly compounding, and a 7% average annual total return for 35 years. It is not representative of any particular investment vehicle. 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