# Will You Have Enough Funds for Retirement?

We all like to think about retirement — the years when we can hopefully afford to stop working and start traveling, playing golf, relaxing, or spending more time with our loved ones. While you may be dreaming about your golden years, how much thought have you given the funds that you will need to make your retirement dreams a reality? The truth is, those who commit to a disciplined investment strategy today may have a better chance at achieving the retirement of their dreams.

This chart shows the importance of establishing a systematic investment plan, and how starting an investment plan at different life stages can accumulate varying amounts upon reaching age 65. The chart shows three important factors that can influence retirement funds:

| Monthly Investment | Current Age | Total Contribution | Value at Age 65 at a Total Annual Return of | | |
|---|---|---|---|---|---|
| | | | 6% | 8% | 10% |
| $500 | 25 | $240,000 | $1,000,724 | $1,757,141 | $3,188,390 |
| | 30 | 210,000 | 715,917 | 1,154,588 | 1,914,138 |
| | 35 | 180,000 | 504,769 | 750,148 | 1,139,663 |
| | 40 | 150,000 | 348,229 | 478,683 | 668,945 |
| | 45 | 120,000 | 232,176 | 296,474 | 382,848 |
| | 50 | 90,000 | 146,136 | 174,173 | 208,962 |
| | 55 | 60,000 | 82,349 | 92,083 | 103,276 |
| | 60 | 30,000 | 35,059 | 36,983 | 39,041 |
| $250 | 25 | 120,000 | 500,362 | 878,570 | 1,594,195 |
| | 30 | 105,000 | 357,958 | 577,294 | 957,069 |
| | 35 | 90,000 | 252,384 | 375,074 | 569,831 |
| | 40 | 75,000 | 174,115 | 239,342 | 334,473 |
| | 45 | 60,000 | 116,088 | 148,237 | 191,424 |
| | 50 | 45,000 | 73,068 | 87,086 | 104,481 |
| | 55 | 30,000 | 41,175 | 46,041 | 51,638 |
| | 60 | 15,000 | 17,530 | 18,492 | 19,521 |
| $100 | 25 | 48,000 | 200,145 | 351,428 | 637,678 |
| | 30 | 42,000 | 143,183 | 230,918 | 382,828 |
| | 35 | 36,000 | 100,954 | 150,030 | 227,933 |
| | 40 | 30,000 | 69,646 | 95,737 | 133,789 |
| | 45 | 24,000 | 46,435 | 59,295 | 76,570 |
| | 50 | 18,000 | 29,227 | 34,835 | 41,792 |
| | 55 | 12,000 | 16,470 | 18,417 | 20,655 |
| | 60 | 6,000 | 7,012 | 7,397 | 7,808 |
| $50 | 25 | 24,000 | 100,072 | 175,714 | 318,839 |
| | 30 | 21,000 | 71,592 | 115,459 | 191,414 |
| | 35 | 18,000 | 50,477 | 75,015 | 113,966 |
| | 40 | 15,000 | 34,823 | 47,868 | 66,895 |
| | 45 | 12,000 | 23,218 | 29,647 | 38,285 |
| | 50 | 9,000 | 14,614 | 17,417 | 20,896 |
| | 55 | 6,000 | 8,235 | 9,208 | 10,328 |
| | 60 | 3,000 | 3,506 | 3,698 | 3,904 |

- The Power of Compounding. Compounding, simply put, is when an investment generates earnings on reinvested earnings. When this theory is utilized in retirement accounts, where funds may be accumulated for years or even decades, it can be pretty powerful. The longer money is left in the account, the faster it begins to grow, which is a clear indication of the importance of starting a retirement fund as early as possible.
- Dollar-Cost Averaging. By utilizing a systematic investing plan, which includes investing on a regular basis, investors may take advantage of dollar-cost averaging. With dollar-cost averaging, investors buy more shares when the price of an investment has declined, and fewer shares when the price has risen. Over time, the average cost per investment may be lower and investment risk may be reduced by not investing substantial amounts at the wrong time. Keep in mind that dollar-cost averaging does not assure a profit or protect against a loss in declining markets, and before embracing the dollar-cost averaging strategy, investors should consider their ability to continue investing during periods of falling prices.
- Choosing the Right Mix. Investors with a longer investment time horizon may take advantage of more growth-oriented investments, which typically offer a higher average return based on their increased risk. By selecting investments that have the potential to achieve higher than average returns, investors can possibly increase their potential to accumulate greater assets for retirement. Of course, every investor needs to carefully evaluate their tolerance for risk, ability to invest, and investment time horizon before selecting their specific investments.

Planning for a successful retirement can be the key to helping ensure that your retirement goals become a reality. For more information on how you can begin to plan for the retirement of your dreams, contact your Financial Advisor.

*The examples provided are hypothetical, assume no withdrawals or taxes, and are based on assumed net average annual total returns of 6%, 8%, and 10%, compounded monthly. The results are not intended to represent the performance of a specific investment. Actual investment results will vary, and you may experience gains or losses when money is withdrawn. Furthermore, your investment account may earn more or less than the examples provided. Taxes will most likely be due upon withdrawal, and, in general, withdrawals from retirement plans prior to age 59 1/2 are subject to a 10% IRS early withdrawal penalty.*

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