

# BUILDING BLOCKS FOR RETIREMENT

## Retirement Planning Essentials

### Retirement Hopes Versus Reality

Most Americans (70%) believe they'll have sufficient money to pay their basic retirement living expenses.\* Is that your expectation? Before you answer, you may want to take a hard look at some retirement statistics and consider your reality.

- Nearly six out of ten of those surveyed say they currently have less than \$25,000 put away for retirement (excluding the value of their primary home and any defined benefit plan benefits)
- 28% report having less than \$1,000
- 40% think they will need at least \$500,000 in assets to retire comfortably
- Another 21% say they'll need between \$250,000 and \$499,999\*



#### Longevity — Another Disconnect

Retirement assets should last a lifetime. But when asked how long a person their age and gender can expect to live, 57% of pre-retirees and 62% of retirees underestimated average longevity.\*\* According to the Social Security Administration:

- A man who turned age 65 in 2012 can expect to live, on average, until age 83
- A woman the same age can expect to live until age 85
- About one out of every four 65-year-olds will live past age 90 and one out of ten past age 95

#### Connecting Hopes and Realities

How can you help make your retirement more secure? Start with these steps.

##### **Step 1: Calculate how much income you'll need during retirement.**

Generally, people who have done a retirement needs calculation are almost twice as likely as those who have not to expect they will need to accumulate a realistically sufficient amount — at least \$1 million in the study — before retiring.\*



**Step 2: Boost retirement contributions.**

Regularly increase the amount you're deferring to your employer's retirement plan. Whenever you receive a salary increase is a good time to do so. Also contribute to an IRA if you can afford to. You may want to continue to build your regular investment account, as well.

**Step 3: Gear investments toward your goals.**

How you should invest for retirement depends on your personal financial situation and retirement goals. Your financial professional can help you determine your retirement needs and develop an investment strategy to work toward them.

\* 2013 Retirement Confidence Survey, Employee Benefit Research Institute

\*\* 2011 Risk and Process of Retirement Survey Report of Findings, The Society of Actuaries, 2011

This material is provided solely for informational purposes and does not constitute investment, tax, legal or accounting advice on the matters addressed. Neither Pentegra Services, Inc., its subsidiaries, nor any of their respective employees intend that this material should be relied on as investment advice, which should be sought from a professional advisor. Performance information shown reflects past performance and does not indicate or guarantee future investment results. Current and future results may be lower or higher than those shown. ©2018 Pentegra Retirement Services



701 Westchester Ave, Suite 320E, White Plains, New York, 10604