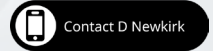




Retirement Planning for All Ages

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Overview

- Very few of us want to work forever
- Retirement plans
- Know the rules, use the rules
- What's age gotta do with it?

Retirement income sources

- Social Security
 - You can see your estimated payments [here](#).
 - The SSA updates this yearly.
- Workplace retirement plan
- Pension
- IRAs
- CDs
- Other investments

Retirement expenses

- Housing – property taxes
- Insurance
- Healthcare
- Utilities

Retirement plans

Contributions are usually tax-deferred – you pay taxes on withdrawals and earnings.

- 401(k), 403(b)
- 457
- Roth IRA (after-tax dollars)
- Traditional IRA (after-tax dollars)

Put time on your side

- Longer timeline provides more opportunity to accumulate savings and earnings
- Higher returns over time
- Magic of compounding - invest \$50 a month at 8% average rate of return

Over 10 years: \$ 9,147

Over 20 years: \$29,451

Over 30 years: \$74,518

Rule of 72

- The time it takes your money to double
- $72 \div \text{interest rate} = \text{years to double investment}$
- Initial investment is \$1,000
 - Interest rate is 0.50% (savings account) = \$2,000 in 144 years
 - Interest rate is 3% (CD) = \$2,000 in 24 years
 - Interest rate is 12% (mutual funds) = \$16,000 in 24 years
- If you have the funds, invest and make them work for you

Planning in your 20s:

- Start saving at least 10% of your gross salary ASAP.
 - Increasing to 15% is even better
 - “Set it and forget it”
- Don’t pass up a workplace retirement match.
- No workplace retirement plan? Check out IRAs.
- Consider saving in a Roth.
- Self employed?
 - SEP IRA
 - Social Security contribution

Planning in your 30s:

- Just getting started? Aim to contribute 15% of your gross salary.
- Increase contribution as your salary increases.
- Don't cash out when you change jobs.
 - Rollover to new employer's 401(k)
 - Move to an IRA
- Starting a family? Consider life insurance for your dependents

Planning in your 40s:

- Fire up an online retirement calculator – are you on track?
- Prioritize retirement over saving for college.
- Steer clear of lifestyle creep – lives below your means and invest the difference.
- Wills and estate planning

Planning in your 50s:

- By age 50, experts say to have six times your salary saved. By age 55, have seven times your salary saved.
- Get an estimate of your retirement income.
- Consider bringing in a pro to strategize.
- Take advantage of workplace retirement plan catch-up contributions.
- Build tax diversification.

Planning in your 60s:

- By age 60, have eight times your salary saved. By age 67, have 10 times your salary saved.
- Consider waiting to claim Social Security.
 - Payments increase the longer you wait – 65 may be too early
 - Can a part-time job buy you a few years?
- Earn just enough to delay retirement account withdrawals.
- Revisit retirement income and expenses.

Q&A



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