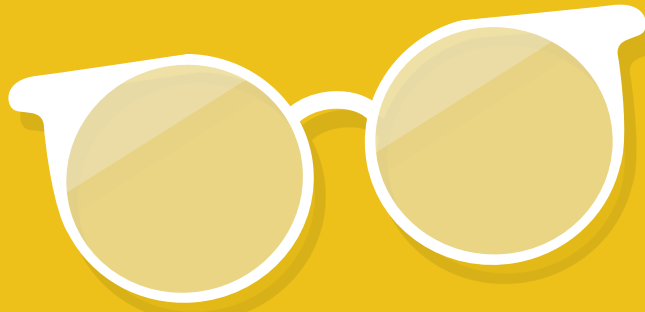


Saving for
RETIREMENT

BROUGHT TO YOU BY

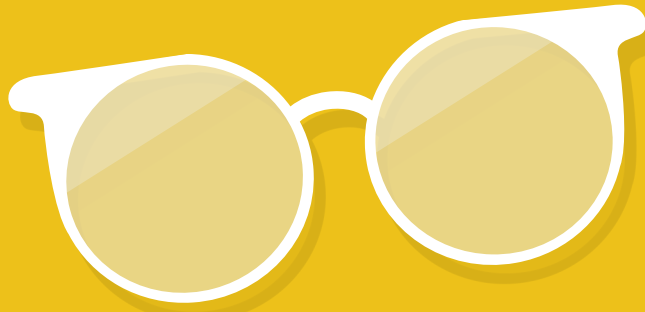


- IT'S A -
**MONEY
THING®**



Someday you will be an
OLD PERSON





*Take a moment
and let that sink in*



Imagining

RETIREMENT

What do you want your retirement to look like?



A worldwide
adventure?



The simple
life?



Pursuing a
passion?



Moving to a
new city?



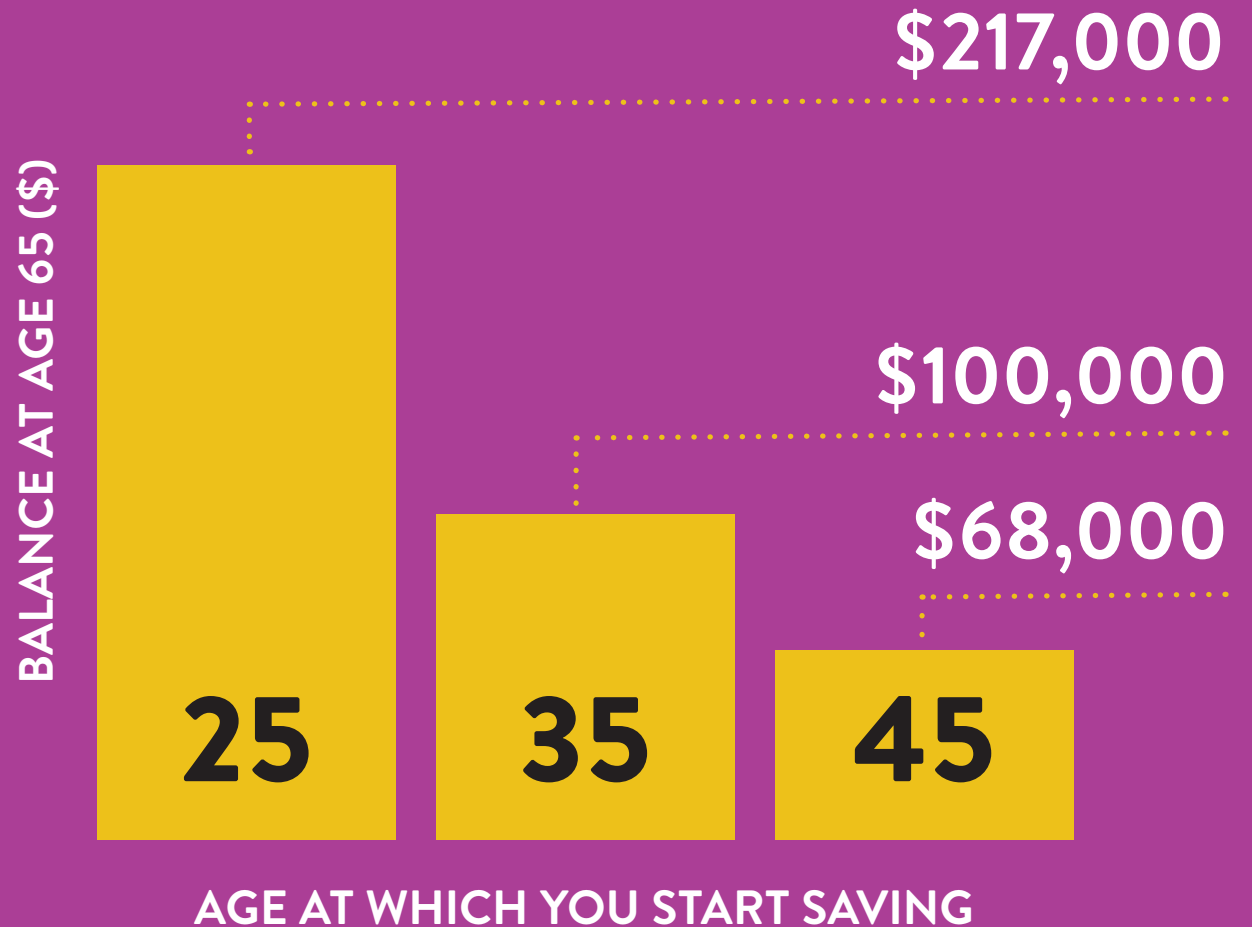
**Your retirement fund will likely be
your longest-term savings goal**

That makes it tricky to prioritize—
but it pays to start saving early!

Timing is

EVERYTHING

Let's say you put **\$10,000** in your **401(k)** and do nothing further until it's time to withdraw the balance at **age 65**



*based on an 8% average annual return

**The same investment can be worth a lot more
when given some extra time to grow**

Retirement

SAVINGS ACCOUNTS

Retirement savings accounts act like containers in which your various investments can grow tax-free



The most popular options include
Traditional IRAs, Roth IRAs and 401(k)s



COMPARING OPTIONS

TRADITIONAL IRA

Set up at your financial institution

\$6,000 contribution limit (combined limit for all IRAs)

Withdrawals can be made after age **59½**

ROTH IRA

Set up at your financial institution

\$6,000 contribution limit (combined limit for all IRAs)

Withdrawals can be made after age **59½**

401(k)

Set up through your employer

\$20,500 contribution limit

Withdrawals can be made after age **59½**

COMPARING OPTIONS

TRADITIONAL IRA

Contributions are pre-tax and can be deducted from your income tax return

Withdrawals are taxed as ordinary income

ROTH IRA

Contributions are made with after-tax dollars and cannot be deducted from your income tax return

Withdrawals are tax-free

401(k)

Contributions are pre-tax and do not count toward your taxable income for the year

Withdrawals are taxed as ordinary income

COMPARING OPTIONS

TRADITIONAL IRA

Traditional IRAs offer a wide range of investments, but their RMDs (required minimum distributions) mean you *have* to start withdrawing funds at a certain point

ROTH IRA

Unlike Traditional IRAs, Roth IRAs have tax-free distributions and no RMDs—however, they will not give tax breaks on your contribution amounts

401(k)

Your employer may offer a 401(k) contribution match, which is like free money—however, 401(k) plans are sometimes associated with limited investment options and higher fees

STARTER PLAN

1

Contribute enough to meet your 401(k) match

2

Switch over and max out your Roth IRA contribution

3

If you have money left over, top up your 401(k)

Strategies for
SAVING

**In order for your money to grow,
you need to create the right environment**



**Eliminate
high-interest debt**
Paying down credit
cards (and other
high-interest debt)
should be your top
financial priority





Build an emergency fund

The last thing you need is an unexpected expense taking a bite out of your savings

Maximize your repayment plan

See if there's a smart way to consolidate or refinance your loans as a way of freeing up extra cash for savings





Start today

Time is on your side when it comes to retirement savings—even if you have to start small, start saving today

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DuGood
Credit Union

Sources: Investopedia, IRS.gov, NerdWallet, The Motley Fool, Time Inc.

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