



RETIREMENT... PLAN FOR IT



Retirement comes **QUICKLY**... and many people are not prepared. Test your retirement \$marts below.



TEST YOUR KNOWLEDGE

1. What percentage of workers 55 and over are **not confident** about having enough money for a comfortable retirement in 2011?
A) 51%
B) 22%
C) 11%
2. **TRUE** or **FALSE** A Montana Medical Savings Account (MSA) and a Health Savings Account (HSA) are two names for the same account.
3. What was the personal savings rate in May 2011? _____
4. What is the average monthly Social Security benefit for a retired worker?
A) \$1,177
B) \$1,003
C) \$ 998
5. _____% of working adults have saved less than \$1,000 for retirement.

ANSWERS: 1. B, 2. False, 3. 5.0% (see chart on reverse side), 4. A, 5. 29%



DID YOU KNOW...

- About 40% of U.S. households owned IRAs in 2010.
- 74% of workers plan to work after retirement in 2011!
- Only 42% of workers and/or spouses have tried to calculate how much money they will need to save by the time they retire.

A male born in 1940 was expected to live **61 years**, while a male born in 2011 is expected to reach the age of **75!**

RETIREMENT RESEARCH...

- A study found that persons age 50 and older who exercise at least 30 minutes three or more days a week saved \$2,200 a year on medical bills, including doctor visits!
Source: Journal of Family and Consumer Sciences, Summer 2009

RETIREMENT QUICK TIPS

1. Save as much as you can as early as you can.
2. A 401(k) is one of the easiest and best ways to save for retirement.
3. An IRA also can give your savings a tax-advantaged boost.
4. Focus on your asset allocation more than on individual picks of stocks.
5. Making tax-efficient withdrawals can stretch the life of your nest egg.

INVEST EARLY



Sally Saver (age 22) puts away \$5,000 per year in her IRA account earning 5% for 10 years, then stops.

Total Invested: \$ 50,000
Total Earned: \$ 364,244



Ed Uniformed waits until he is 28. He contributes \$5,000 to his IRA account earning 5% for 38 years.

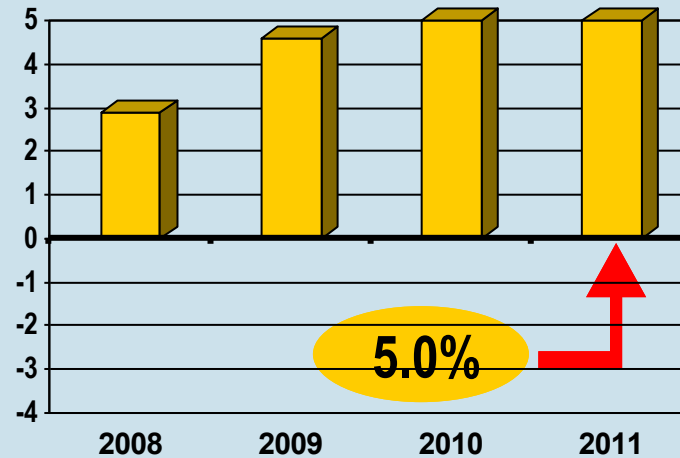
Total Invested: \$ 75,000
Total Earned: \$ 300,585

FAST FACTS:

- Twenty-nine percent of workers have saved less than \$1,000 for retirement.
- Thirty-six percent of workers in 2011 expect to retire after age 65.
- Seventy percent of all U.S. households had retirement plans through work.

2011 PERSONAL SAVINGS RATE

(Percent of disposable personal income)



2011 Personal Savings Rate has increased since 2008!

COMPARE THIS...

Age you start to save	Savings per month (5 percent rate of return)	Amount saved for retirement at age 65
40	\$200	\$119,102
45	\$200	\$82,207
50	\$200	\$53,458



MSU RETIREMENT RESOURCES:

- Retirement Publications: www.montana.edu/extensionecon/retirementpublications.html
- Financial Security in Later Life: www.montana.edu/extensionecon/financialsecurityinlaterlife
- Planning & Saving for Retirement: www.montana.edu/extensionecon/retirement.html
- Saving to Achieve Your Goals: www.montana.edu/extensionecon/savingtoachieveyourgoals.html



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