Start early to save for retirement

The advantage of starting early

Chances are your life is busy. You have a job to do, plans to make and vacations to take. But while it may be hard to believe, before you know it, retirement will be here! So you can enjoy it when the time comes, it pays to start saving as early as you can.

In a perfect world, saving for retirement should ideally begin early during your first job (when you are in your early twenties or so). If you're in your thirties or forties and haven't begun saving — while there is no need to panic — you will need to make up for lost time. Once you're in your fifties, in addition to saving regularly, you can also take advantage of the "catch up" opportunity.

No matter what your life stage, it's important to start as early as you can. Why? The reason can be summed up in two words: compound interest. Compound interest is when your money and the interest you've earned both earn interest. The power of compound interest is increased the earlier you start to save.

Can I afford to save for retirement?

Social Security and pensions may not provide you with enough — your workplace retirement plan may be the main source of your retirement income. Try contributing enough to get the matching contribution from your employer if available, and increase your contributions when you get a raise.

Small amounts add up

If you save $50 a week ($2400 annually) in your workplace retirement plan:	At the end of this period you would have:
From age 30 until age 65	**$276,337**[1]
If you wait until age 40 to start you would have at age 65	**$136,023**[1]

Finding ways to save

The Internet is a good resource when trying to get ideas on how to trim your expenses. Consider a few simple examples:

- Reduce your utility costs by lowering your thermostat in the winter or using the air conditioner less in the summer.
- Get your books, movies, music from the library and while you are there catch up on current magazines.
- Combine your cable, internet and telephone service.
- Cut $20 a week off your groceries, you'll save more than $1,000 a year.

Any savings you gain from trimming costs can be put towards retirement. Remember, if you need to, you can start out small and gradually save more over time. Even saving $10 a week (see chart on next page), combined with compound earnings, can add up when saved regularly over time.

Take action and start saving now

[1] Assumes $200 contribution at the beginning of each month. Saving an extra 10 years amounts to an additional $24,000 investment. Assumes contributions made at the beginning of each week with hypothetical 6% earnings on investments, daily compounding and reinvestment of earnings. Leap years are not taken into account. Final amounts are exclusive of any taxes or penalties that may be due upon distribution.

Contribute to a retirement plan

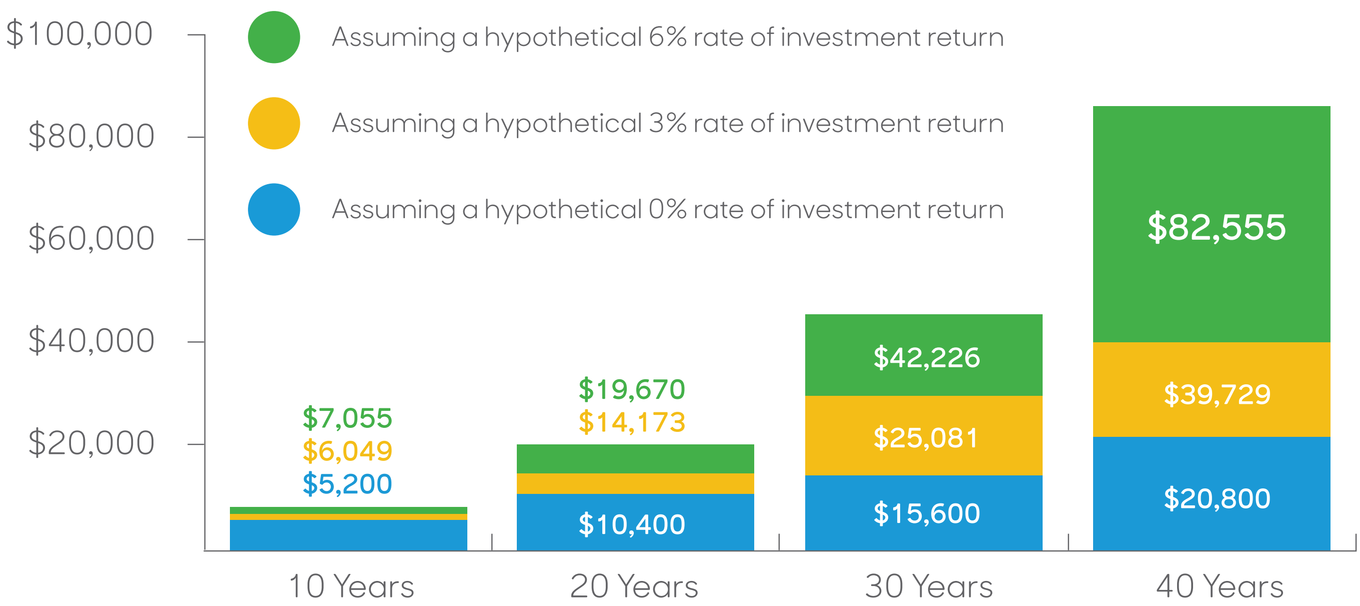
One of the best ways to save for retirement is to contribute to a workplace retirement plan. Under this plan, you can invest a certain percentage of your salary (within Internal Revenue Service limits) into your account each month. The money that you put into the account isn't taxed until you withdraw it at retirement, and some employers may match a certain percentage of your contribution. And remember, tax-deferred compounding is one of the best advantages of your plan.

I've waited too long. Is it too late?

Saving early in our careers is more ideal given the simple mathematics of compounding and time, but it's never too late to start. You may not be in the same position as if you had started earlier but you can always improve your situation. Start to save and invest regularly today.

Visit www.retiresmart.com to learn more about the benefits of saving early. Enroll or increase your contributions on the participant website or call 1-800-743-5274 for assistance.

HOW $10 A WEEK CAN GROW



Assumes contributions made at the beginning of each week. This example assumes a hypothetical 6%, 3% and 0% earnings on investments, daily compounding and reinvestment of earnings. Leap years are not taken into account. Final amounts are exclusive of any taxes or penalties that may be due upon distribution. Both hypothetical charts are for illustrative purposes to demonstrate the effects of compounding only. Not intended to reflect the actual performance of any specific investment. Individual experience will likely vary. Past performance does not guarantee future results.

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