

# SAVING EARLY: THE KEY TO GROWING YOUR RETIREMENT INCOME.

Wherever you are on your journey to retirement, the key to building a comfortable nest egg is to start as early as possible. Early contributions can grow your funds, so you may live well beyond retirement. Explore these 5 benefits to investing now.

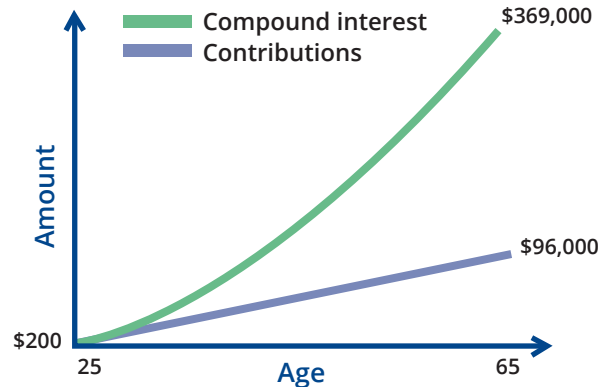
## BENEFIT 01

### The magic of compound interest.

**Compound interest** is the concept of earning interest not only on your initial investment, but also on the interest that accumulates over time. Here's how it works:

Imagine you start saving \$200 per month in a retirement account at age 25, and your investments earn an average annual return of 7%. By the time you reach age 65, you will have contributed a total of \$96,000. However, due to the power of compound interest, your retirement account will have grown to approximately \$369,000.

In this scenario, **over two-thirds of your retirement nest egg comes from investment returns generated by compound interest**, not your own contributions. Starting early allows time for your money to grow.



## BENEFIT 02

### Take advantage of long-term investment options.

Starting early also provides you with the luxury of time to ride out market fluctuations. The stock market can be volatile in the short term, but it historically offers long-term growth potential. By beginning your retirement savings in your 20s or early 30s, you have decades to navigate through market ups and downs, making you less vulnerable to economic downturns.

## BENEFIT 03

### Make smaller monthly contributions.

When you start saving for retirement early, it helps you achieve your financial goals with smaller monthly contributions. This is because you have more years ahead of you to save and benefit from compound interest. If you delay saving for retirement, you'll need to make larger monthly contributions to catch up, potentially straining your budget.

## BENEFIT 04

### Stay in control of your financial future.

Many people account for Social Security benefits in their retirement financial planning. Due to the increase of an aging population, Social Security will be paying out more than what is coming into the program, which negatively impacts the long-term viability of the program. Saving early means you may not have to rely on Social Security.

## BENEFIT 05

### Building Financial Discipline.

Starting early in retirement savings also cultivates financial discipline and good financial habits. It encourages responsible budgeting and regular contributions to your retirement account, which can extend into other aspects of your financial life.

The power of starting early in retirement cannot be underestimated. Time is your most valuable asset when it comes to building wealth for your golden years. Regardless of your current age, if you haven't already started saving for retirement, there's no better time than now to begin.