

Saving in Your 20s, 30s, 40s and Up... What Changes?



No matter how old you are, it's never too early (or late) to save money for retirement. Each decade comes with different goals, investment types, and risk factors, but understanding the difference can help you be prepared for when your retirement comes around.

Entering the Workforce: Your 20s

Your early career is going to be the most important time to save money in your retirement. With compound interest, that money that you put in your account in your 20s has about 40 years to accumulate, giving you a large return on your initial investment. Understandably, contributing a large portion of your paycheck is not attainable for most participants, but any contribution is better than none, and always aim to maximize your company's match (it's free money!).

Level Up in Your 30s and 40s

You've already started your career; you've moved up and began earning more money than in your 20s, which means it's time to increase your contributions. Bump up your percentage, and, if feasible, turn on auto-escalation to increase your contributions year after year. If you are still working on repaying loans such as auto or student loans, revisit your investment options annually and re-evaluate your options.

Close to the Finish Line: Your 50s and Early 60s

The time has finally come to start planning your retirement, but not so fast! You still have time to boost those savings before you fully retire from the workforce. After 50, you have the opportunity to contribute catch up contributions up to \$7,500 (as of 2025) on top of the \$23,500 usual limit for a total of \$31,000. As a bonus, if you are 60-63, you can access an even higher limit of \$34,750 for a "super" catch-up contribution. If you maximize that extra bump, that is an extra \$15,000 which could mean having an extra \$100 per month for over 12 years.

No matter what age you are, saving for retirement is important for securing a financially stable future. Don't know where to start? Reach out to your retirement plan's representative for help!

For more information on retirement planning, please contact Fiduciary Pension Partners at (833) FPP-401k or email us at info@fiduciarypp.com.

Source

<https://www.irs.gov/pub/irs-drop/n-24-80.pdf>

This material was created to provide accurate and reliable information on the subjects covered but should not be regarded as a complete analysis of these subjects. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation. The "Retirement Times" is published monthly by Retirement Plan Advisory Group's marketing team. This material is intended for informational purposes only and should not be construed as legal advice and is not intended to replace the advice of a qualified attorney, tax adviser, investment professional or insurance agent. (c) 2021, Retirement Plan Advisory Group. Fiduciary Pension Partners is not affiliated with Retirement Plan Advisory Group but subscribes to its annual services offering. Fiduciary Pension Partners is a registered investment adviser with its principal place of business in the State of New Jersey. Registration does not imply a certain level of skill or training.