

Tips from the Treasurer: Saving for Retirement



Most retired Americans rely on Social Security as a major source of their retirement income. In Iowa, the average retiree who collected Social Security in 2020 received \$1,533 per month.* For many, this \$18,396 annual income won't be enough. To help you plan now and comfortably support yourself in retirement, I've created a list of tips.

Know your retirement needs.

To get an idea of how much money you may need in retirement, start tracking your fixed (those that don't change) and flexible (those that may change month-to-month) expenses. Then, plan for any fluctuations or emergencies that may occur in retirement. Once you have a good idea of your regular monthly spending habits, you can start to determine how much money you will need to maintain your lifestyle during retirement.

Determine where to invest your savings.

Many individuals choose to participate in their employer's retirement savings plan. If you are considering this route, ask your employer some questions regarding their plan:

- Is there a company match? If so, how much is the match?
- When do you become 100% vested (i.e. the account balance 100% belongs to you)?
- What are your investment options?
- What is the maximum annual contribution?

Other retirement investment options include Individual Retirement Accounts (IRAs) and traditional savings accounts. Weigh your options carefully and choose from one or a mixture of these options. Then, start contributing right away to give your money the greatest potential to grow.

Stay on track.

Document some things you hope to do when you retire and put the list somewhere you can see daily. Having a written plan of positive long-term goals can be a powerful way to motivate you to continue saving for the next phase in your life, and avoid the temptation to dip into those hard-earned retirement savings early.

Ask questions.

Saving for retirement is one of the best investments you can make, but that doesn't mean it's an easy one. Asking questions and finding answers can help you prepare for financial success in retirement. For more retirement tips, visit the [Department of Labor's website](#).

*Source: Whiteman, D. (2020, January 7). *Here's Every State's Average Social Security Check for 2020*. MoneyWise. <https://moneywise.com/investing/retirement/every-states-average-social-security-check-for-2020>