



Tips for Targeting Your Retirement Savings Goal



What if you're saving as much as you can, but still feel that your retirement savings goal is out of reach? As with many of life's toughest challenges, it may help to focus less on the big picture and more on the details.

Regularly review your assumptions.

Whether you use a simple online calculator or run a detailed analysis, your retirement savings goal is based on certain assumptions that will, in all likelihood, change. Inflation, rates of return, life expectancies, salary adjustments, retirement expenses, Social Security benefits — all of these factors are estimates.

That's why it's important to review your retirement savings goal and its underlying assumptions regularly — at least once per year and when life events occur. This will help ensure that your goal continues to reflect your changing life circumstances as well as market and economic conditions.

Break down your goal.

Instead of viewing your goal as ONE BIG NUMBER, try to break it down into an anticipated monthly income need. That way you can view this monthly need alongside your estimated monthly Social Security benefit, income from your retirement savings, and any pension or other income you expect.

This can help the planning process seem less daunting, more realistic, and most important, more manageable. It can be far less overwhelming to brainstorm ways to close a gap of, say, a few hundred dollars a month than a few hundred thousand dollars over the duration of your retirement.

Stash extra cash.

While every stage of life brings financial challenges, each stage also brings opportunities. Whenever possible — for example, when you pay off a credit card or school loan, receive a tax refund, get a raise or promotion, celebrate your child's college graduation (and the end of tuition payments), or receive an unexpected windfall — put some of that extra money toward retirement.

Reimagine retirement.

When people dream about retirement, they often picture exotic travel, endless rounds of golf, and fancy restaurants. Yet people often derive happiness from ordinary, everyday experiences such as socializing with friends, reading a good book, taking a scenic drive, and playing board games with grandchildren.

While your dream may include days filled with extravagant leisure activities, your retirement reality may turn out to be much different, and that actually may be a matter of choice.

Do your best.

Setting a goal is a very important first step in putting together your retirement savings strategy, but don't let the number scare you. As long as you have an estimate in mind, review it regularly, break it down to a monthly need, and increase your savings whenever possible, you can take heart knowing that you're doing your best to prepare for whatever the future may bring.

Questions? Schedule a no-cost appointment with First Financial's Investment & Retirement Center by calling 732.312.1534. You can also email Mary.LaFerriere@cunamutual.com or Maureen.McGreevy@cunamutual.com

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