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A monthly savings tip from the American Savings Education Council (ASEC)—January 2013

Savings Resolutions for the New Year

Traditionally, the arrival of a new year brings with it an opportunity to start over, to swap out bad habits for good ones.

Here are five quick New Year's Resolutions that can be good for the health of your retirement savings:

- ***Resolve to participate in your workplace retirement savings plan, if you're not already.***

If you're not already saving for your retirement in your 401(k), 403(b), or 457 plan at work, you're missing out on one of the most important—and with the convenience of payroll deduction, easiest—ways of making sure that you are on track for a financially secure retirement. *Don't have a retirement plan at work?* You can still save via payroll deduction to an Individual Retirement Account (IRA), or U.S. Savings Bonds (more information on this option is available online here. http://www.treasurydirect.gov/readysavegrow/start_saving/payroll_savings.htm).

- ***Resolve not to miss out on the company match.***

If you do participate in retirement savings plan at work, many employers will “match” your contribution up to a certain amount—say 5% or 6% of your pay. Find out what that level is, and make sure you contribute enough to get the full match. If you don't, you'll be letting money slip through your fingers.

- ***Resolve to increase your savings rate by 1%.***

Even if you are already saving, are you saving enough? Start by increasing your current rate of savings by 1%—and you might be surprised just how much difference that will make in the amount you have saved at retirement. Even better, many employers will let you commit now to increasing that rate every year through payroll deduction.

- ***Resolve to estimate your retirement needs.***



Most American workers have never even tried to figure out how much money they need in retirement, according to the 2012 Retirement Confidence Survey. However, 28% who *have* done a calculation (compared with 9% who have not) say they are very confident that they will be able to accumulate the amount they need. A great place to start those preparations is the free BallparkE\$estimate,[®] sponsored by the nonprofit Choose to Save,[®] and available online here. <http://www.choosetosave.org/ballpark/>

- ***Resolve to deal with debt.***

Being a good saver while racking up huge amounts of debt is like making a resolution to exercise more and then ordering two desserts. In no time at all, your good savings habits will be for naught. In the 2012 Retirement Confidence Survey, 1 in 5 workers and 12% of retirees said that their level of debt was a major problem, while 42% of workers and a full quarter of retirees described it as a minor problem. And the level of debt is strongly related to retirement confidence.

You can find more free savings tips, tools, and calculators at www.choosetosave.org

More information on the 2012 Retirement Confidence Survey is available online at <http://www.ebri.org/surveys/rcs/2012/>

Remember that America Saves Week is February 25–March 2, 2013. Find out more at <http://www.americasavesweek.org/>

About EBRI and ASEC:

The Employee Benefit Research Institute (EBRI) is a private, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. www.ebri.org

The American Savings Education Council (ASEC), an EBRI program, is a nonprofit national coalition of public- and private-sector organizations undertaking initiatives to raise public awareness about what is needed to ensure long-term personal financial independence. ASEC's goal is to make saving and planning a vital concern of all Americans. www.asec.org

ChoosetoSave.org, created by EBRI, is a website devoted exclusively to financial education. It includes free savings tools such as the Ballpark E\$estimate retirement planning worksheet, more than 100 online calculators, brochures, savings tips, links to related resources, and other tools to help individuals and their family manage their finances. www.choosetosave.org

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