Why saving now can pay dividends later

KEEP SAVING

Preparing for retirement in your 30s

Do you have good saving habits? **3**
How can you save even more? **4**
Think you can't afford to save? **5**
Don't let debt weigh you down **5**
How compounding works for you **6**
Review your life insurance needs **6**
Consult a financial professional **7**

Preparing for retirement in your 30s

Your career is established. And you're thinking about buying a condo downtown and planning a European trip with friends.

Maybe you and your spouse want a bigger house. Or a larger vehicle to accommodate your growing family — and your kids' soccer equipment.

Chances are you're already saving. But could you save a little more? Retirement may seem ages away, and you have many competing priorities. But saving for your future remains important.

Being financially smart can make a big impact down the road. And lead to both a happier life and retirement.

There are several things you should consider at this stage of life. Here are some ideas about how you can keep saving.

Do you have good saving habits?

The first step in setting yourself up for financial success over the long term is getting into the habit of saving, which can really pay off down the road.

Here are four easy tips:

Create a budget

Do you know where your money is going? By tracking your spending, you can make adjustments and set aside extra money for your retirement savings.

Pay yourself first

Be sure to keep paying yourself first by putting money off the top into your retirement savings — you won't even know it's gone. There are plenty of apps to help you budget. Your bank probably offers online tools too.

Save early

This gives your money time to grow, or compound. Compounding happens when your investments earn money, and then that money is reinvested — and earns more money.

Time is on your side. Take advantage of this growth potential.

Save often

Have any "leftover" money at the end of the month, once you've paid your bills? Consider putting that into savings — instead of spending it. Also, increase your savings as you get raises at work. If you can, start putting away money for your child's education. There are different types of college savings plans to consider that may also provide tax advantages.

How can you save even more for retirement?

1 Enroll in your company's retirement plan (if you haven't already)

- **Participating in a retirement plan,** like a 401(k), is a great way to automate your savings.
- **Your company may also offer matching dollars.** Are you taking full advantage of this free money? For example, if your employer offers a five-percent match, it means they will contribute the same amount to your account that you do, up to five percent of your salary. (You may be able to contribute more, of course, but only the first five percent will be matched.)
- **Remember, contributing to a 401(k) plan offers great tax benefits** since your money goes in tax free. The amount you choose to contribute to your 401(k) is deducted from your paycheck before taxes are taken out. As a result, you're paying taxes on a smaller portion of your salary and your overall tax rate may be lower.
  - Be aware there are limits to how much you can contribute to your 401(k) in any given year. Check the contribution limit periodically, as it can change periodically.

2 Gradually increase your 401(k) contributions

- Try and raise the amount you contribute to your plan over time. If you get an annual raise, aim to increase your percentage by 1%.
- Industry experts recommend investing 10-15% of your income in your retirement plan.

3 Understand your options

If you switch jobs or terminate employment, you have options:

- Leave the money in the former employer's plan
- Roll over assets to the new employer's plan
- Roll over assets to an IRA, or cash out

Consider speaking with a financial professional and tax advisor when making this decision as there may be tax consequences and/or penalties to certain available options.

Understand the value of diversification. You have time to weather market ups and downs. Invest according to your risk tolerance and stick to your investment objectives.

Think you can't afford to save?

Saving for retirement is not selfish, so pay yourself first. (Your future self will thank you.)

There are many different ways to save. And there are simple things you can do to find extra money in your budget. And you don't have to cut out the things you love.

Did you know:

If you spend	In a year, you've spent
$3/day on gourmet coffee	**$1,095**
$6/day eating out	**$2,190**
$100/month on cable	**$1,200**

Just think, if you made coffee at home, packed your lunch or dropped some premium channels — you could re-direct some real money into your savings.

This hypothetical example is for illustrative purposes.

Don't let debt weigh you down

Getting your debt under control is critical for your financial wellness. Debt can prevent you from affording things later on, eats up extra income — and leads to bad credit, which could make it difficult to qualify for a mortgage loan if you want to purchase your first home or upgrade to a bigger home.

Here's how you can knock down your debt:

Use credit wisely

Credit cards are convenient, but it's important to pay more than the required monthly minimum payment. Otherwise, you could be saddled with double-digit interest. If you have multiple credit card balances, pay off your higher interest cards first.

Live within your means

Be smart about how much house you buy. Childcare is expensive, so research all your options and make a decision you feel comfortable with. Also, learn all about your health insurance coverage to avoid unexpected bills. Be honest with yourself about wants versus needs — cut out unnecessary expenses.

Pay off student loans

Balance paying off high-interest credit cards with student loan debt. You may be able to pay off your loan faster by making extra loan payments (without penalties). You can also pay more than the monthly minimum or refinance at a lower rate.[1]

Set up an emergency fund

Life is unpredictable. But you can plan for the unexpected — like a simple flat tire repair or if you break your leg snowboarding and can't work. Set aside enough money to cover three to six months of your expenses. Avoid dipping into your 401(k) for an emergency.

1 "Pay Off Your Student Loans Faster in 2018," Zack Friedman, Forbes, December 20, 2017.

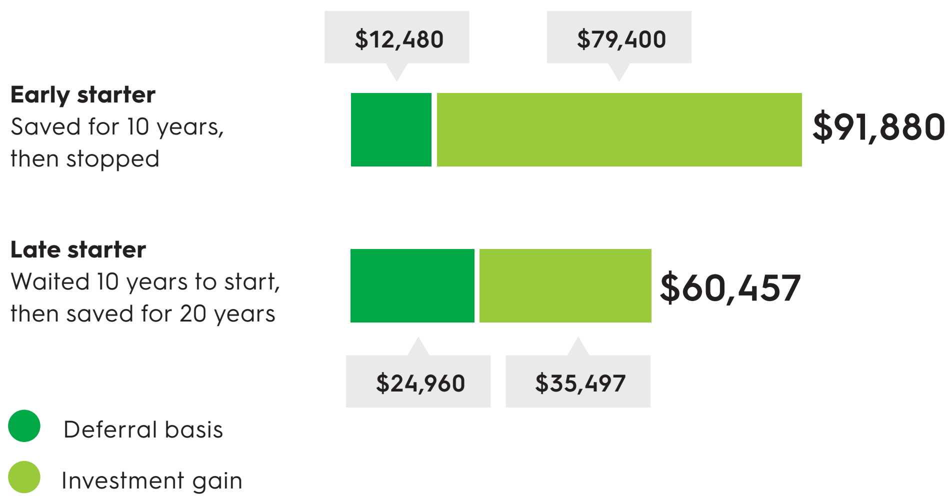
How compounding works for you

Compound interest — which is the interest you earn on your principal sum plus previously accumulated interest — can have a dramatic effect on the value of money over time.

Let's say you start saving now for 10 years, and then you stop.[2]

When you retire, you'll have $91,880 in savings. That's $30,000 more compared to someone who waited 10 years to start and saved for 20 years.

Though you saved money over a shorter period, it had more time to compound. That's why saving now is key.



It's healthy to enjoy life as you save.

Find a balance and don't deprive yourself of vacations and the occasional latte.

2 Assumes weekly contribution of $24 and 8% annual return compounded quarterly. This chart is hypothetical and for illustrative purposes only. It is not indicative of any particular investment. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This is a hypothetical example for illustrative purposes and is not a guarantee of future results. This information should not be considered tax advice. You should consult your tax advisor regarding your own tax situation.

Review your life insurance needs

Now is also a good time to think about life insurance, especially if you have young children. Caring for their basic needs gets more expensive with each passing year, and grows even more when you add things like childcare or education expenses.

Life insurance can help your family maintain its lifestyle and protect your assets if you were to pass away. It's a good idea to consult a financial professional to determine which of these options is right for you:

- Term life: coverage for a specific period of time
- Universal and whole life: lifetime protection that also has the potential to grow over time

Consult a financial professional

Working with a financial professional can help ensure you are on course to meet your financial goals. They can review your portfolio mix, make life insurance recommendations and help you save even more through other investment vehicles that may be right for you.

At Securian Financial, we're here for family. And we're here because of it.

Family doesn't have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That's why our insurance, investment and retirement solutions give you the confidence to focus on what's truly valuable: banking memories with those who matter most.

Learn more

Have questions? Visit **securian.com** to read more or find a financial professional near you.

This information is a general discussion of the relevant federal tax laws provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Guarantees are based on the claims-paying ability of the issuing insurance company.

This is a general communication for informational and educational purposes. The materials and the information are not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates. Minnesota Life Insurance Company and Securian Life Insurance Company are affiliates of Securian Financial Group, Inc.

Insurance products are issued by its affiliated insurance companies, including Minnesota Life Insurance Company and Securian Life Insurance Company, a New York authorized insurer. Securities and investment advisory services offered through Securian Financial Services, Inc., registered investment advisor, member FINRA/SIPC.

Securian FINANCIAL®

INSURANCE
INVESTMENTS
RETIREMENT

securian.com

400 Robert Street North, St. Paul, MN 55101-2098

F92755-1 Rev 6-2020 DOFU 2-2019
707117