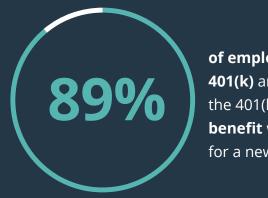
# The Power of 1%



of employees like their **401(k)** and **86%** consider the 401(k) a must have benefit when looking for a new job.1,2

# **Contributions** are on the rise!

In 2024, the contribution limit for a 401(k) has increased to \$23,0003

# How much should you be saving for retirement each year?

Industry experts recommended 15% of your pre-tax income each year<sup>4</sup>

#### PERCENTAGES NOT YOUR THING? LET'S BREAK IT DOWN ...

### **COULD YOU SAVE?**

5%=\$5 out of every \$100 Earned

## Saving 1% more

each year can make a big difference in the long run

10%=\$10 out of every \$100 Earned

15%=\$15

out of every \$100 Earned

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25 YEARS OLD Income of \$50,0004

**INCREASE BY 1%** 

= \$149,625

potential additional funds at retirement

INCREASE BY 3%

= \$448,877

potential additional funds at retirement

INCREASE BY 5%

= \$748,128

potential additional funds at retirement

## loe

45 YEARS OLD Income of \$70,0004

**INCREASE BY 1%** 

= \$42,925

potential additional funds at retirement

**INCREASE BY 3%** 

= \$128,777

potential additional funds at retirement

**INCREASE BY 5%** 

= \$214,628

potential additional funds at retirement

Have Questions? We are here to support!

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

<sup>&</sup>lt;sup>1</sup> Investment Company Institute. "American Views on Defined Contribution Plan Saving, 2021" 2021.

<sup>&</sup>lt;sup>2</sup> Charles Schwab. "2021 401(k) Participant Study." June 2021.

<sup>&</sup>lt;sup>3</sup> IRS. "Retirement Topics - 401(k) and Profit-Sharing Plan Contribution Limits."

<sup>&</sup>lt;sup>4</sup> Fidelity Investments. "Power of small amounts." 2022.