

ICI VIEWPOINTS

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Autumn Air, Playoff Baseball, and...National Retirement Security Week

The baseball postseason is well underway and the air has finally turned crisp. Perhaps that's why—as we're marking National Retirement Security Week—our thoughts have turned to the words of [Yogi Berra](#), the great New York Yankees catcher. He was credited with so many pithy, wise, and witty sayings that, in classic Berra style, he remarked, "I really didn't say everything I said."

Some quotes attributed to Berra, including the ones below, fit the theme of retirement like a hand in a well-worn baseball glove. If Berra had participated in National Retirement Security Week, this is what we imagine he would have said about saving and investing.

"When you come to a fork in the road, take it."

There's no shortage of investment vehicles you can use to start saving for retirement. Some options offer advantages beyond "just" building a nest egg—401(k) plans and individual retirement accounts (IRAs), for example, offer the ability to defer taxes on your contributions and earnings. Employer matching in workplace plans also provides a helpful boost to returns, and automatic contributions make it easy to set a little bit aside with each paycheck. Take advantage of these "forks in the road."

"You can observe a lot by just watching."

There is no shortage of resources to learn about how you can prepare for retirement—whether that's from [ICI members](#) whose products help investors save for the future, [government agencies](#), investing publications, or [investor education advocacy groups](#).

But sometimes you also can learn—for better or for worse—from the experiences of those around you. Do you want to be like your grandfather, who saved scrupulously to enjoy a 35-year retirement to the fullest? Or like the friend who cashed out of a 401(k) in a turbulent market and missed the recovery? There's much to learn from others, whether it's what to emulate or what to avoid.

"A nickel ain't worth a dime anymore."

Because prices tend to rise over time, keep inflation in mind as you save and plan for retirement. Your assets need to grow, so look for an allocation to stocks that matches your age and your risk tolerance. Maintaining an asset allocation that's not too conservative will

help to ensure that your investments keep pace with rising costs.

“Why buy good luggage? You only use it when you travel.”

Only the lucky few don't have to make trade-offs about saving now versus spending now. The vast majority of us have to decide what's most important to spend our money on—not only now, but over the course of our lives. Next time you're faced with this choice, keep in mind that extra savings now, compounded over time, can add up to a significant amount of money to spend later.

“You don't have to swing hard to hit a home run. If you got the timing, it'll go.”

If you want to hit it out of the park when it comes to retirement, it is a lot easier if you have time on your side. Starting early gives your money time to grow and compound.

Once you start, you don't need to “swing too hard” by seeking out risky investments in the hope that they'll give you great returns. Choose a reasonable asset mix, then check your allocations annually and rebalance as needed to be sure that market gains or losses aren't exposing you to more or less risk than you intended.

“It ain't over 'til it's over.”

Even if it's late in your career, it's not too late to start saving for retirement—everything you can save now will make a difference down the road. Workers aged 50 and older with a 401(k) plan can make catch-up contributions to their account—up to \$6,000 extra per year in addition to the \$18,000 regular limit. Older IRA savers can put away \$6,500 per year, compared to \$5,500 for those younger than 50.

“If the world were perfect, it wouldn't be.”

There's always a reason to delay saving for retirement—student loans to pay, a home to buy, vacations to take, your kids' orthodontia...it never ends. Don't wait for the “perfect” time to start saving for retirement—because there will never be a perfect time. Even if it's just a little bit, start saving today. You'll be glad later that you did.

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