Tomorrow in Focus: Saving for your ideal retirement

Retirement saving is exactly like retirement living: The sooner, the better

PLANNING FOR TODAY & TOMORROW: A TIAA FINANCIAL ESSENTIALS PROGRAM

A few facts to consider:

- **72%** of American workers feel confident about being able to live comfortably in retirement.[1]
- But only **28%** think they're doing a good job preparing.[2]
- And **just half** say they've tried to calculate how much they'll need to save.[2]
- Participating in a retirement plan helps: Workers in a retirement plan are nearly **twice as likely** than those without one to feel confident about retirement.[3]

A great retirement starts with a great plan

We all dream of what we're going to do when we no longer have to go to work every day. The best thing about those retirement dreams is that we can help make them come true. All we need is an income and a plan.

The big picture

Experts believe you will need between 70% and 90% of your preretirement income to maintain your standard of living in retirement. Don't mistake Social Security for a retirement—it's more like a supplement to the retirement you build for yourself.

The right retirement number

Sure, you can assign a number as your retirement goal and work toward that sum. Instead of thinking of the retirement number as a total amount, you could try thinking of it in terms of a monthly income. This could give you a better understanding of your standard of living, and it may allow you to plan your saving, investing and disbursements more thoroughly.

The asset/salary ratio (ASR) chart and cash flow worksheet

On page 4, there is a chart to help you get an idea of where you are and where you're headed. You'll see an ASR chart that can give you an idea of where you are versus a projected ideal.

On page 3 is the cash flow worksheet. It may look kind of intimidating, but it's really very simple. It's not a test, though if you fill in the blanks, you'll get a result. Use this sheet to determine what your cash flow will look like in retirement. It's a way to determine what your ideal monthly income could be and where it could come from.

TIAA Retirement Advisor

Another great resource is the TIAA Retirement Advisor. If you have a TIAA account, you can use this interactive feature to get a more comprehensive look at your retirement savings plan. For more information, log in to your account or talk to a consultant.

Get a clearer picture in just a few minutes

You can schedule an appointment with a TIAA financial consultant today.

Visit **TIAA.org/schedulenow**.

Call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

Cash flow worksheet

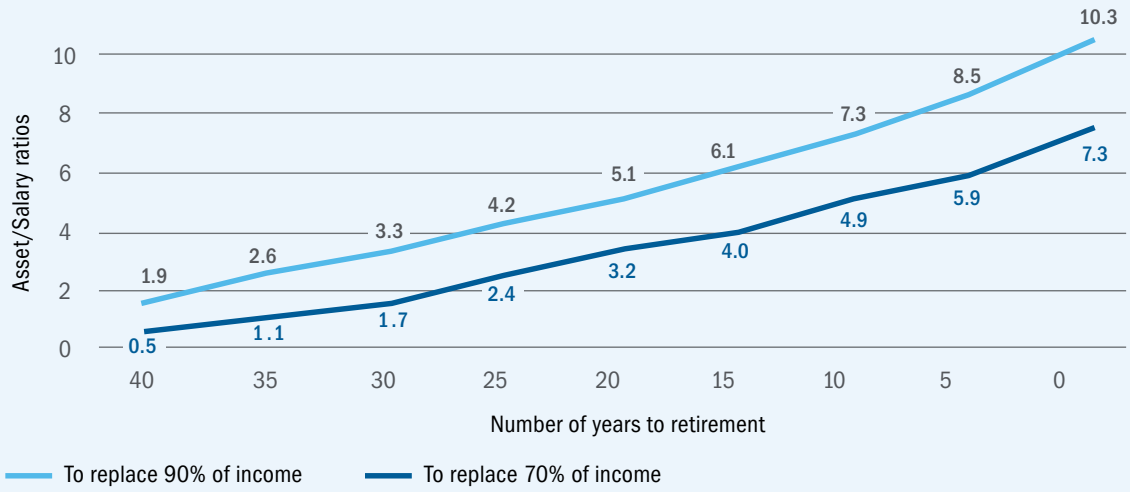
Begin building your budget by determining your cash flow:

Monthly income: What comes in	
Gross salary(ies)	$
Income from	
Self-employment	$
Part-time employment	$
Alimony/Child support	$
Dividends/Interest	$
Royalties	$
Real estate	$
Tax refund	$
Bonuses	$
Extraordinary income:	
Grants/Prizes	$
Inheritance	$
Social Security benefits:	
Disability benefits	$
Retirement benefits	$
Survivor benefits	$
Other:	
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
Total monthly income	**$**

Monthly expenses: What goes out	
Mortgage/Rent	$
Home/Renters insurance	$
Property taxes	$
Maintenance	$
Utilities *(gas, oil, water, electric)*	$
Cable/Satellite TV	$
Telephone *(home, mobile)*	$
Food *(groceries, meals)*	$
Child care	$
Car payment(s)	$
Auto insurance	$
Entertainment *(Netflix, nights out, etc.)*	$
College savings	$
Clothing	$
Vacation	$
Credit card payment(s)	$
Other debt *(student loans, etc.)*	$
Medical/Dental	$
Health insurance	$
Life insurance	$
Long-term care insurance	$
Disability insurance	$
Savings/Investments	$
Your contribution to Employer's Retirement Plan *403(b)/457(b)/401(k)*	$
Your additional contribution to Employer's Retirement Plan *403(b)/457(b)/401(k)*	$
Taxes *(federal, state, local, Social Security)*	$
IRAs, After-tax annuities	$
Pension contribution	$
Alimony/Child support	$
Other	$
Total monthly expenses	**$**

Total monthly income – Total monthly expenses = Funds available:	**$**

The asset/salary ratio (and how to use it)



Assumes 4% salary growth, 6% preretirement interest rate, 10% annual contributions (including any employer match), and Social Security payment equivalent to 20% of preretirement income. At retirement (age 65), the income stream is based on a single life annuity with a post-retirement interest rate of 4% annually and current TIAA mortality rates.

The asset/salary ratio (ASR) is a general guide based on a great deal of research. Its purpose is to give people a general idea of what they should have put away for retirement depending on how many years they have until retirement. The ASR is expressed as a multiple of your salary and depends on how much of that salary you plan to replace when you retire.

In the example above, if you're retiring in 20 years and want to replace 70% of your salary, you should have 3.2 times your gross salary invested for retirement.

There are guides for replacing 70% and 90% of your salary in retirement. How much of your salary would you like to replace? In how many years would you like to retire? Draw a line and you'll get an idea of how much you would ideally need to have saved at this point.

If you don't have that much saved, TIAA is ready to help you create a plan to help you pursue your retirement goal.

Financial consultant DIY: Interactive exercise

Okay, so you're not really a financial consultant, and you know to leave that to the professionals. But let's imagine for a moment that someone has come to you seeking help. They have their numbers and want to know what to expect from an upcoming advice session with a real financial consultant. What questions do you think a financial consultant would ask, based on what you learned today? How would you answer these questions?

1. What is your "ideal" retirement age?
2. How many more years do you have until you plan to retire?
3. What is your relationship status?
4. If you have a spouse/partner, and what is his or her plan for retirement? Does it affect yours?
5. Do you have kids? If so, how many?
6. How do you plan to spend the majority of your time in retirement?
7. How diversified is your portfolio,* and are you exposing yourself to the right amount of risk based on your needs?
8. Do you have a disbursement plan for your retirement income?

*Diversification does not protect against a loss or guarantee a profit.

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Tools and calculators

TIAA.org/tools

- Budget Worksheet
- Preretirement and Retirement Budgeting
- Retirement Planning Checklists

Retirement Advisor
TIAA.org/setyourgoals

Preparing for Retirement
TIAA.org/pfr

TIAA has what you need

facebook.com/tiaa

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[1, 3] Employee Benefit Research Institute, Retirement Confidence Survey, "2021 RCS Fact Sheet: Retirement Confidence," April 2021.

[2] Employee Benefit Research Institute, Retirement Confidence Survey, "2021 RCS Fact Sheet: Preparing for Retirement in America," April 2021.

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You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or log in to TIAA.org for underlying product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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