

## STEP 5: Retirement

John is in the early stages of his career. It always seems that he has just enough income to meet his needs. He learned through his church that he could make connections with a Christian financial professional. He thought to himself: "that is just what I have been looking for." John is intrigued by the idea of getting help from someone who shares his values.

One of the biggest challenges John faced when thinking about retirement was saving for a goal that seemed so far in the future. So many priorities were demanding his dollars right now: car payments, student debt, and saving for an engagement ring for his long-time girlfriend. How could he commit to putting funds away for something so far away when he had so many competing priorities *right now*?

At his first meeting, John learned how he could start saving for retirement in a simple way. He decided to take advantage of retirement benefits offered through his employer. In the end, his take-home pay would hardly decrease. Amazing! He could not have even imagined this would have been possible before. In addition, he started setting some priorities and goals that gave him more assurance that someday in the future, he should be able to enjoy a retirement lifestyle. Now even the "far away" goals seemed more tangible than ever.

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As a financial professional, I often hear these kinds of questions from people: "What should I tackle first?", "How do I prioritize my goals?" and "Where is the *best* place to save money for retirement?".

Following the steps on the Stewardship Well Done Journey is the best way to put the first things first, financially speaking. Once you're ready to move on from Step #4 (which is building your Emergency Fund), the next step is to begin to tackle Retirement savings. This gets at the 3<sup>rd</sup> question I mentioned above: "Where's the *best* place to save money for retirement?".

If you have a retirement plan at work, that's the ideal place to start! Here's why:

- Contributions are automated – usually the money comes right out of your paycheck, meaning you never even see it in your bank account, so no temptation to spend it!
- Everything you put in is yours, even if you leave the company. And most plans are "portable" meaning you can take the account with you to your new job.
- Administrative fees for the plan are often paid (at least in part) by your employer, which makes it a cost-effective way to save money.
- There is often a "match" involved. That means that if you put in some dollar amount or percentage of pay each pay-period, then your company will match your contribution (generally dollar-for-dollar or 50 cents for each dollar you put in). That's free money!

It's never too early or too late to start thinking about retirement. Your next best step could be as simple as making regular contributions to your employer plan. If you're not sure if you have a plan available to you, check out your employee handbook or contact someone in your Human Resources department. If you discover that you don't have a plan available, you could start saving for retirement by opening an IRA. Contributions could be taken automatically from your bank account on a regular schedule. There are even special options available to self-employed individuals, too.



Does Jesus specifically call us to save for retirement? No. In fact, according to Matthew 6, he tells us not to heap up treasures on earth. So, why the emphasis on retirement savings? Proverbs 13:22 reminds us that a wise man leaves an inheritance to his children's children. I do believe that this inheritance is much more than just financial, but it has a financial component. We spend our careers earning money. If we don't save for our own future, then we could become a burden to our children. Saving for our own future is the first phase of leaving a financial inheritance to our grandchildren.

If you'd like to talk with us about your next best step towards saving for Retirement, please contact us. We'd love to have a conversation with you.