

## Lesson 15: Road to Retirement RETIREMENT TRIVIA

Name:

Read the scenarios below and determine the appropriate retirement account for each.

1. MEET LINDSEY

"I'm a teacher, and my retirement strategy is to have a mix of after-tax and pretax contributions, so I save my money in two different accounts. One account is offered by my employer and I started the other account on my own. Which accounts do I have?"

## 2. MEET KUSHAL

"I'm a manufacturing engineer, and when I first started my job I set up my retirement account so it would automatically put 7% of my income away each pay period. Plus, my company gives me 4% on top of that. What type of account do I have?"

## 3. MEET ALISHA

"I'm a freelance graphic designer, and I love what I do! I try to max out my retirement savings at 25% of my net earnings each year. I don't have the benefits of an employer match like I would if I worked for someone else, so I work hard to max out my contributions whenever I can. What type of account do I have?"

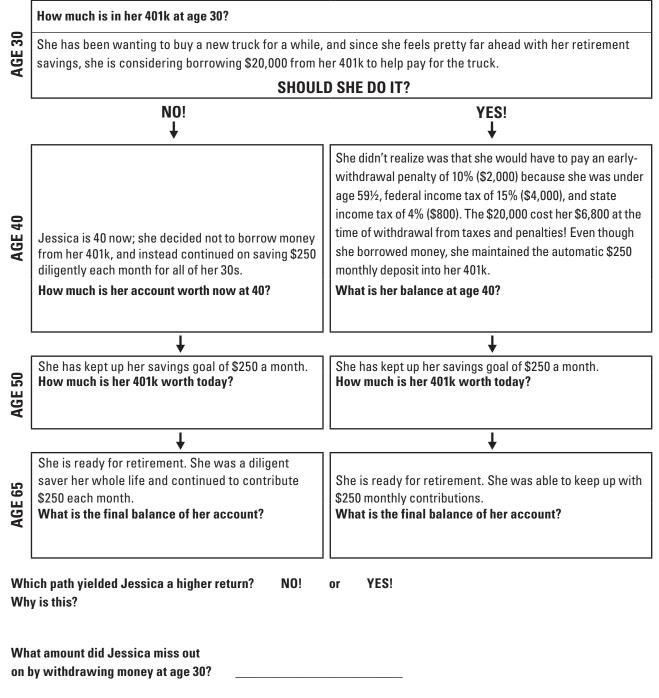


## Lesson 15: Road to Retirement ON THE ROAD TO RETIREMENT

Name:

Help Jessica see her account change through compounding interest annually at a rate of 8%.

Meet Jessica, a 23-year-old college graduate who just got her first job as a marketing assistant. While her employer offers a 401k, her company doesn't offer matches. But she heard that you should start saving early for later in life, so she's decided to set up her account so \$250 is automatically deposited into her 401k each month. She's already started contributing with a **\$5,000 principal**.





Name:

It's never too early to start planning for retirement. In fact, the earlier you plan, the more time your money has to grow! Answer each of the questions below in detail to help launch your plan today.

1. Why is it important to plan for retirement now when you won't be retiring until later?

2. At what age do you think you will start planning for retirement? Why?

3. What types of retirement vehicles might you use to build your retirement savings, and why? (For example: will you search for a job with 401k benefits? Will you open your own Roth IRA?)

4. Once you determine which type of retirement account(s) you will open, how much will you be able to contribute monthly or annually?

5. What can you do today to decrease expenses in order to increase money you can save for your future?