



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?"



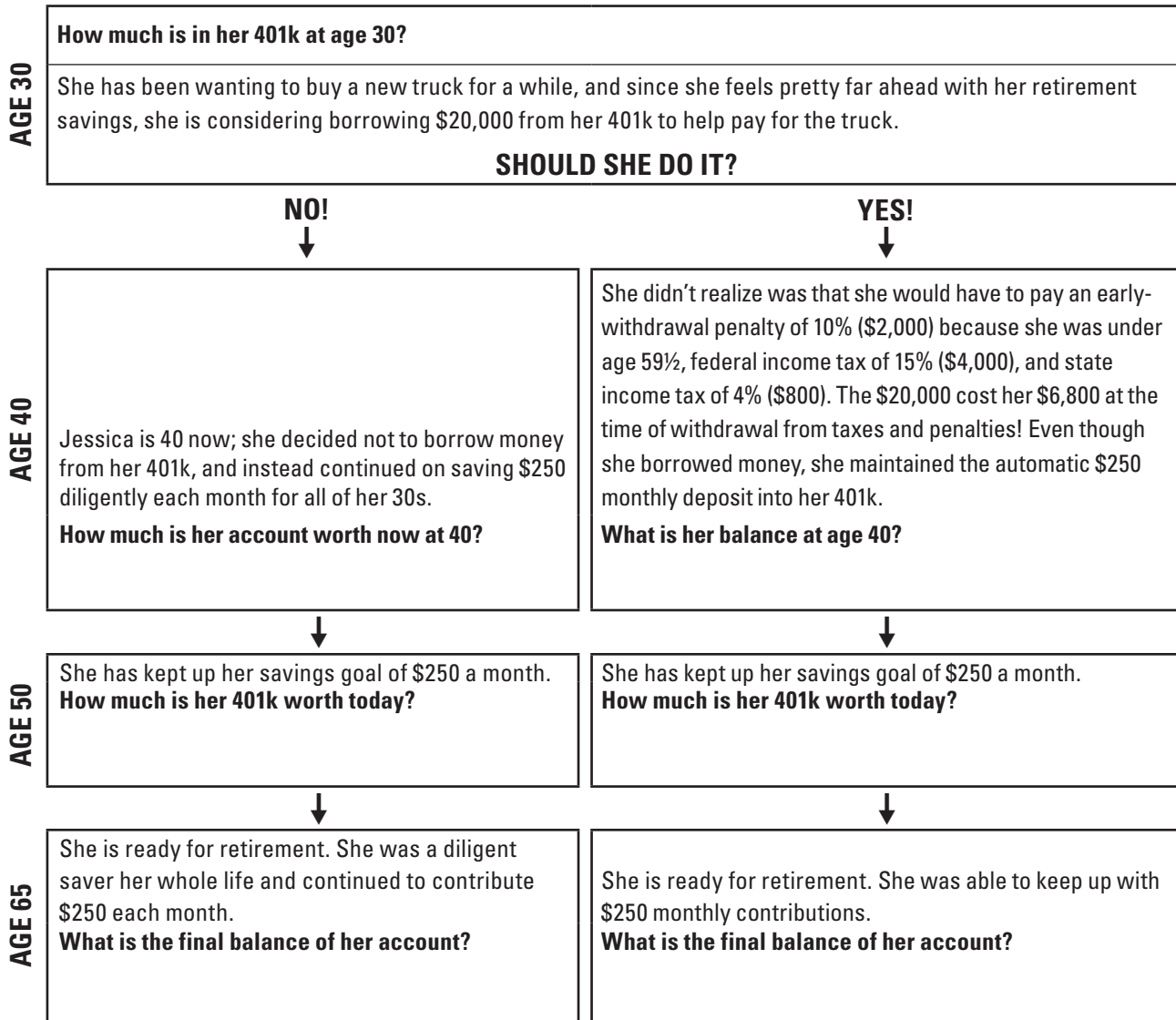
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ON THE ROAD TO RETIREMENT

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**.



Which path yielded Jessica a higher return? **NO!** or **YES!**

Why is this?

What amount did Jessica miss out on by withdrawing money at age 30? _____

