

Preparing for Retirement: 5 Compelling Reasons to Save More

NEA Member Benefits – October 2008

According to the organization Americans for Secure Retirement, Americans' retirement security is at risk. Beyond the obvious conclusion that we are not saving enough, here are five factors that give pause to think about your plan for retirement.

1. We are living longer. One in three 65-year-old women will live into their 90s. Your retirement income may need to last for 25-30 years, maybe more.
2. We are spending more in retirement. The average retirement age of NEA members is 59. If you retire early, that means you will have to fund those extra retirement years.
3. Social Security falls short. If you're eligible for Social Security, it will only provide a portion of your retirement income needs. Your state pension will also help, but supplemental retirement savings may be necessary to maintain your lifestyle in retirement.
4. Rising healthcare costs. Inflation alone depletes your retirement savings, but coupled with healthcare costs that outpace inflation, your retirement savings can take a real hit.
5. Market volatility. The current national financial crisis underscores how changes in the economy can affect retirement savings. A large downward swing in investment results as you near or enter retirement can significantly impact how long your retirement savings will last.

There are two good sources for help in working through these issues and developing a plan for your retirement. First, the [Five Minute Retirement Checkup](#) is a quick and easy online calculator that will give you a snapshot of your retirement readiness. Whether you're getting close to retirement or decades away, the [Five Minute Retirement Checkup](#) can help you assess your retirement savings progress.

A more thorough, hands-on approach is to seek help from an NEA Valuebuilder® representative. These knowledgeable people can help you make a plan for retirement and provide strategies and investments to help you meet your individual financial goals for retirement. To find an NEA Valuebuilder representative near you, contact the NEA Valuebuilder National Service Center at 1-800-NEA-VALU (632-8258).

You should carefully consider the investment objectives, risks, and charges and expenses of the mutual funds and variable annuities available under the NEA Valuebuilder Program before investing. You may obtain a prospectus that contains this and other information about the mutual funds and variable annuities by calling our National Service Center at 1-800-NEA-VALU (632-8258). You should read the prospectus carefully before investing. Investing in variable annuities and mutual funds involves risk and there is no guarantee of investment results.

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