



# Personal Finance 101: RETIREMENT & FINANCIAL PLANNING

Sound financial planning ensures you have enough funds to cover your living expenses, healthcare, and any unexpected costs during planned and unplanned events and into retirement. Knowing you have a financial cushion can reduce anxiety about the future, allowing you to enjoy your present life more fully. Saving and investing wisely can help protect your purchasing power against inflation, ensuring your money retains its value over time.

## Plan Today, Thrive Tomorrow

Some 26% of Americans have no retirement savings at all. Another **44% don't feel their retirement savings are on track**. If that sounds familiar, don't panic. You're not alone. A solid plan helps you:

- Avoid debt traps
- Build long-term wealth
- Prepare for unexpected expenses
- Retire with dignity and confidence



**"Make it a priority to have at least eight months of living costs set aside in a federally insured bank or credit union account."**

~ Suze Orman, financial expert

## Types of Retirement Accounts

Choosing the right retirement account is a key step in building long-term financial security. Understanding the differences can help you **make informed decisions** based on your income, employment status, and retirement goals.

### 401(k):

Offered by employers; contributions are pre-tax, and many employers offer matching. Tax-deferred growth; annual contribution limit is \$23K (2025).

### Traditional IRA:

Available to anyone with earned income; contributions may be tax-deductible. Tax-deferred growth; annual contribution limit is \$7K (2025).

### Roth IRA:

Contributions are made with after-tax dollars; withdrawals in retirement are tax-free. Income limits apply; annual contribution limit is \$7K (2025).

### SEP IRA:

Designed for self-employed individuals and small business owners. Higher contribution limits; employer-funded.

### 403(b):

Similar to a 401(k), but for employees of nonprofits, schools, and government entities. Tax-deferred growth; may include employer matching.

## Your Financial Planning Checklist

Work with your local credit union to:

### Set Clear Goals:

Define short-term and long-term financial priorities.

### Create a Budget:

Track income and expenses to stay in control.

### Build an Emergency Fund:

Aim for 6-8 months of living expenses.

### Invest Wisely:

Use accounts like these.

### Review Regularly:

Adjust your plan as life changes.



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