

PARTICIPANT CORNER

401(k)
DAY®

**KNOW YOUR
NUMBERS**

Hello Plan Participant,

Today (Friday, September 9th) is National 401(k) Day — a day aimed at helping American workers better understand their retirement plan and retirement readiness by “knowing your numbers.”

We, at McKinley Carter, are often asked "How much do I need to retire?" or "What's my number?" Although these questions are quite common, the answers are very much *not* common.

One's retirement readiness is personal to that individual, dependent on such considerations as (1) anticipated retirement age; (2) health and longevity; and (3) anticipated retirement lifestyle — Will you be traveling more, relocating to a warmer climate, or just relaxing and spending more time at home?

There are many retirement readiness tools available that can assist you. Below is a general guide from our friends at Fidelity that you might find helpful:

Keep moving on the road to retirement

Knowing how much to save for retirement can help you on the trajectory to meet your long-term goals. To be financially ready to retire, aim to have 10 times (10x) your final salary saved by age 67. **Along the way, try to have the following multiples of your salary saved at each of your milestone birthdays:**



Fidelity suggests saving at least **15% of your income for retirement**, including employer contributions. If you're off track consider:

- Saving enough to get your full company match.
- Increasing your savings rate by at least 1% every year.

Fidelity has developed a series of salary multiples in order to provide participants with one measure of how their current retirement savings might be compared to potential income needs in retirement. The salary multiplier suggested is based solely on your current age. In developing the series of salary multiples corresponding to age, Fidelity assumed age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67 and a planning age through 19. The retirement annual income target is defined as 60% of pre-retirement annual income and assumed to be 60% of pre-retirement annual income. This target is based on Consumer Expenditure Survey 2011 (CES), Statistics of Income 2011 Tax Stat, RS 2014 tax brackets and Social Security Benefit Calculator. Fidelity developed the salary multiples through multiple market simulations based on historical market data, assuming poor market conditions to support a 95% confidence level of success. These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks, domestic and foreign are represented by Ibbotson Associates S&P 500 Total Return Index, bonds are represented by Ibbotson Associates 2000 U.S. Intermediate-Term Government Bonds Total Return Index, and short-term are represented by Ibbotson Associates S&P 30-day U.S. Treasury Bill Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is not a guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. This information is intended to be educational and is not tailored to the investment needs of any specific investor. Investing involves risk, including the risk of loss. Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917 © 2021 FMR LLC. All rights reserved. 817273.3.3



Check out this valuable blog, ["Yes, You Can Retire!"](#) authored by Retirement Plan Specialist Kathy White.

We encourage you to reach out to your [McKinley Carter Retirement Plan Service Team](#) to assist you with your individual retirement journey so you can "get to know YOUR #!"

[McKinley Carter Wealth Services](#)

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