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Saving In Your 20s, 30s, 40s And Up... What Changes?

No matter how old you are, it's never too early (or late) to save money for retirement. Each decade comes with different goals, investment types, and risk factors, but understanding the difference can help you be prepared for when your retirement comes around.

Entering the Workforce: Your 20s

Your early career is going to be the most important time to save money in your retirement because time is on your side. The money that you contribute in your 20s has about 40 years to accumulate, giving you a long time horizon for growth on your initial investment. While contributing a large portion of your paycheck at this age may not be attainable for most participants, any contribution is better than none, and always aim to maximize your company's match if they offer one.

Level Up in Your 30s and 40s

You've already started your career; you've moved up and began earning more money than in your 20s, which means it's time to increase your contributions. Bump up your percentage, and, if feasible, turn on auto-escalation to increase your contributions year after year. If you are still working on repaying loans such as auto or student loans, revisit your investment options annually and re-evaluate your choices.

Close to the Finish Line: Your 50s and Early 60s

The time has finally come to start planning your retirement, but not so fast! You still have time to boost those savings before you fully retire from the workforce. After 50, you have the opportunity to contribute catch up contributions up to \$7,500 (as of 2025) on top of the \$23,500 usual limit for a total of \$31,000. As a bonus, if you are 60-63, you can access an even higher limit of \$34,750 for a "super" catch-up contribution. If you maximize that extra bump, that is an extra \$15,000 which could mean having an extra \$100 per month for over 12 years.

No matter your age, saving for retirement is important for securing a financially stable future. Don't know where to start? Reach out to a member of our team for help!

Sources: <https://www.nytimes.com/2025/02/25/well/longevity-women-versus-men.html>

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