

Retirement Readiness: How will you prepare?



Much has been made of the current state of the American worker as it pertains to their retirement savings. According to a recent study by the General Accountability Office, 29% of Americans 55 and older do not have any retirement savings or pension plan and those who have saved are woefully behind with 55-64 years old averaging \$104,000 in retirement assets.¹

The bleak outlook can largely be attributed to a lack of education when it comes to retirement planning - and more specifically investment allocation. With a growing number of millennials feeling ill equipped to make investment related decisions - even within their own retirement plans, the

numbers prove that ignorance is not bliss. 41% of millennials say they are not currently investing in any financial products, and among them, 48% believe they don't have enough money to invest.²

These numbers alone should serve as a call to action for younger workers who are increasingly finding themselves behind the eight ball when it comes to saving for retirement. A sound, long term, roadmap to retirement can be centered on three key areas.

Develop healthy financial habits.

In a society that has become increasingly driven by social media it is very easy to fall prey to a "keeping up with the Joneses"¹ philosophy toward spending. Do you have "friends" that tweet and share every purchase and activity in their lives? Believe it or not, this subconsciously drives the temptation to spend on things we do not need or want, to impress people we don't even like! Finding a balance and delaying gratification on purchases can single handedly make or break your financial wellbeing and it starts with making tough budgeting decisions.

Live below your means.

Try contributing an extra one or two percent to your company's retirement plan or open up an IRA. You won't miss the contribution and your standard of living will adjust accordingly. Seek to live below your means today to ensure a strong financial future tomorrow.

Reduce your debt.

The average American household carries \$5,823 in credit card debt. According to a study, the average household is paying a total of \$1,029 in interest per year³ - translating to lost dollars that could be pumped into retirement savings and wealth accumulation. In some situations, debt, such as a mortgage or a student loan, can improve one's financial position long term - however, credit card debt in particular carries the highest interest rates and should be paid off as quickly as possible. Try working with an independent financial planner if necessary to consolidate debt and come up with a game plan to attack it head on.

At the end of the day there's no magic bullet that can singlehandedly solve the retirement shortfall for millions of Americans. Only you can take steps to educate yourself and make prudent, financially savvy choices in your day-to-day life which will translate in a significantly healthier financial standing. Don't just hope that the retirement picture in your life becomes clearer as the day gets closer, because the opposite is true. Take measured steps to build confident savings and investment solutions for your household by starting today!

¹ <https://www.gao.gov/assets/gao-19-442r.pdf>

² <https://www.businessinsider.com/millennials-waiting-to-invest-until-they-earn-more-mistake-2020-9>

³ <https://www.nerdwallet.com/blog/credit-card-data/average-credit-card-debt-household/>

To learn more about the importance of keeping your beneficiaries up to date,
contact MCF at retire@mcfadvisors.com or 859.967.0990

IMPORTANT DISCLOSURE INFORMATION

MCF Advisors, LLC ("MCF") is a SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. More information about the adviser can also be found by visiting: <https://adviserinfo.sec.gov/>. This is not intended as an offer or solicitation with respect to the purchase or sale of any security. MCF may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MCF), or any non-investment related content, made reference to directly or indirectly in this blog/newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this blog/newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MCF. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. MCF is neither a law firm nor a certified public accounting firm and no portion of this content should be construed as legal or accounting advice. A copy of MCF's current written disclosure statement and customer relationship summary ("Form CRS") discussing our advisory services and fees continues to remain available upon request. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement. If you are a MCF client, please remember to contact MCF, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.