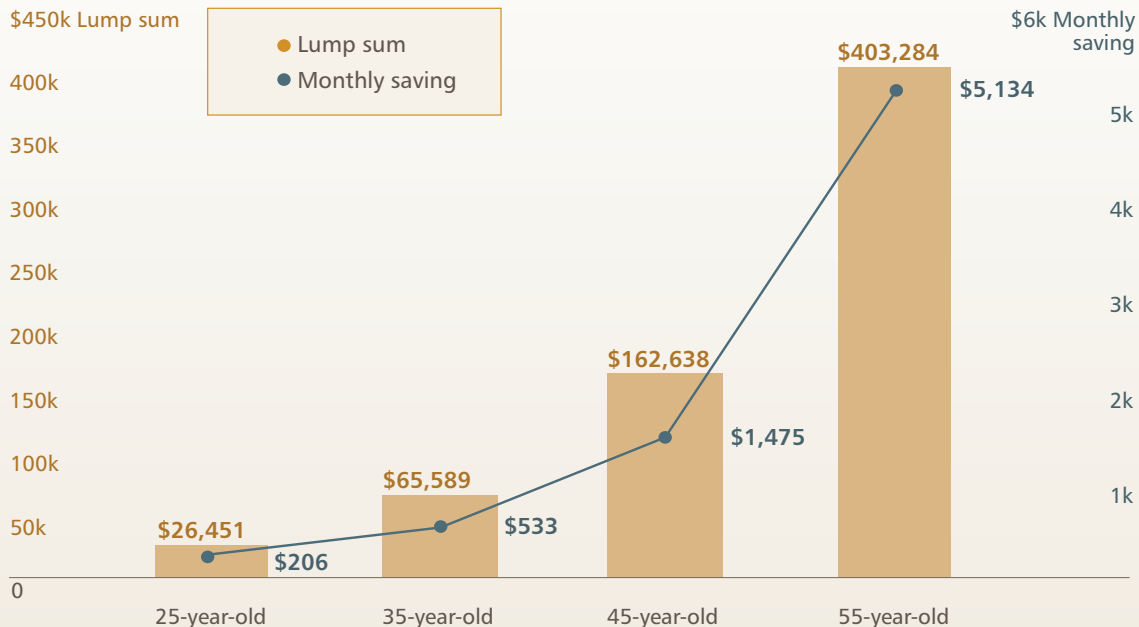


PLAYING CATCH-UP



DELAY AND PAY

Monthly and lump sum savings needed to accumulate \$1,000,000 by age 65



The cost of postponing retirement saving is high

Many people put off planning and saving for retirement. The 2009 Retirement Confidence Survey by the Employee Benefit Research Institute shows that only 44% of workers and/or their spouse have done a retirement needs calculation.

In many cases, people do not start to aggressively save for retirement until they reach their 40s or 50s. It may be that they simply do not know the penalty for delay is an increasingly more difficult game of "catch-up" to accumulate a given dollar goal.

Start saving for retirement now to avoid playing catch-up later

The illustration above demonstrates what happens as retirement saving is put off. For example, a 25-year-old would have to save about \$206 per month (or invest a lump sum of \$26,451) in order to have \$1,000,000 at age 65. As he or she postpones saving for retirement, both the monthly amount and the lump-sum amount increase. At 55 years old, for instance, our future retiree would have to save \$5,134 per month (or invest a lump sum of \$403,284) in order to have the same \$1,000,000 nest egg at age 65.

The good news for many investors is that it is not too late to change their savings behavior and achieve their goals. However, they will need to act quickly, and be extremely disciplined about their savings.

Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. The data assumes reinvestment of all income and does not account for taxes or transaction costs.

Your results will vary as investing involves risk, fluctuating returns, and the possibility of loss. The image above represents monthly and lump-sum savings necessary using an assumed rate equal to the historical annual compound return (9.12%) of a 75% stock/25% bond portfolio (compounded monthly and rebalanced annually) over the time period January 1926 to November 2009. Government bonds are guaranteed by the full faith and credit of the U.S. government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than other asset classes.

Source: Stocks—Standard & Poor's 500®, which is an unmanaged group of securities and is considered to be representative of the stock market in general. Bonds—five-year U.S. government bond. Survey—EBRI Issue Brief No. 328, April 2009, "The 2009 Retirement Confidence Survey."