

# 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 differences 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 for your retirement. With compound interest, the money that you put in your account in your 20s has about 40 years to accumulate, giving you a large return on your initial investment. Understandably, contributing a large portion of your paycheck is not attainable for most participants, but any contribution is better than none. Always aim to maximize your company's match - it's free money!

## 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 options.

## 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 potential bonus, if you are 60-63, you can access an even higher limit of \$34,750 for a "super" catch-up contribution<sup>1</sup>. 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 what age you are, saving for retirement is important for securing a financially stable future. Don't know where to start? Reach out to your retirement planning specialist for help!

For more information contact MCF at [retire@mcfadvisors.com](mailto:retire@mcfadvisors.com) or 859.967.0990.

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<sup>1</sup> This is an optional plan feature. Please check with your Plan Administrator to see if this option is available to you, through your employer-sponsored retirement plan.



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