



Halfway there: A retirement checkup

PLANNING FOR TODAY & TOMORROW: A TIAA FINANCIAL ESSENTIALS PROGRAM



How healthy is your retirement savings?

You take your car for routine maintenance. You get regular checkups from your physician—or at least you should. Your retirement requires the same kind of care. So, let's give your retirement savings a checkup.

American retirement trends

A 2020 survey by the Employee Benefit Research Institute (EBRI) illustrates a trend you may want to note. According to the workers and retirees surveyed, 35% have total household savings and investments of less than \$25,000, excluding the value of their home. Just under half have tried to calculate what they'll need in retirement.¹ Planning ahead can help you avoid contributing to this trend.

Three steps—some simple, some not

Our plan for getting your retirement on track is a three-step process. You first need to know what the target is by estimating your income floor (see the facing page). Next, experts recommend putting yourself in a position to save by paying off debt and trimming wasteful expenditures from your budget. Finally, you can figure out a plan to save and invest those savings according to your needs. A TIAA financial consultant can help you.

A few facts to consider:



18%

of working respondents to the EBRI survey say they have less than \$1,000 saved for retirement.¹



10,000

baby boomers will turn 65 every day until 2030.²



86%

of boomers expect retirement income from Social Security.³

Competition for your retirement dollars—costs are increasing



College education⁴
increasing by
17%



Elder care⁵
increasing by
41%



Home⁶
increasing by
43%



Retirement healthcare⁷
increasing by
18%

You can schedule an appointment with a TIAA financial consultant today

Visit [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow). Or, call 800-732-8353, weekdays, 8 a.m. to 8 p.m. (ET)

Estimating your income floor

Potential budget items

Household expenses		Insurance		Healthcare and wellness	
Mortgage/Rent	\$	Life	\$	Medicare	\$
Utilities/Telephone	\$	Auto	\$	Medical/Supp. insurance	\$
General maintenance	\$	Homeowner's/Renter's	\$	Out-of-pocket co-payments	\$
Meals		Health/Dental	\$	Dental/Vision/Hearing	\$
Groceries	\$	Other	\$	Eye doctor/Glasses	\$
Entertaining	\$	Miscellaneous		Medical equipment	\$
Debt		Professional services	\$	Prescription and OTC drugs	\$
Credit cards	\$	Dues (memberships)	\$	Other	\$
Student loans (self/family)	\$	Personal care		Transportation	
Other	\$	Clothing (purchase/cleaning)	\$	Car payments	\$
		Products/Maintenance	\$	Maintenance/Gas	\$
				Taxes/Registration, etc.	\$
				Other (bus/train/airfare)	\$
				Estimated income floor	\$

How it works

When you retire, the minimum amount you'll need in order to live on a monthly basis is called your income floor. The goal of retirement saving, of course, is to exceed the income floor and have money to spend on things beyond the basics. You can estimate your essential expenses in retirement with the worksheet above and determine what your income floor is.

Note: This chart is an example of potential budget items; you may have additional categories for your budget.

Catching up: Where is your money going?

Many people go about their lives without realizing just how much money they're spending and where. Little things can add up over time. Try to match the expense on the left to the cost for the average person on the right. Is there something here that makes you think that you might be overspending? *Answers are on the back of the guide.*

What we buy

- Coffee
- Tickets/Admission
- Alcoholic beverages
- Gifts
- Dining out
- Pets
- Gasoline
- Hotels/Lodging/Vacation homes
- Entertainment

How much we spend

- \$2,109 a year per household
- \$3,090 a year per household
- \$662 a year per household
- \$766 a year per household
- \$1,100 a year per person
- \$1,995 a year per household
- \$579 a year per household
- \$3,526 a year per household
- \$1,978 a year per household

Sources: Motley Fool, "One-Third of Americans Spend More on Coffee than on Investing," accessed online April 2021; Bureau of Labor Statistics, Consumer Expenditure Survey, December 2020; CreditLoan, "The Business of American Vacations," accessed online April 2021

TIAA is here to help

You can schedule an appointment with a TIAA financial consultant today:

Please visit TIAA.org/schedulenow.

Or, call **800-732-8353**,

weekdays, 8 a.m. to 8 p.m. (ET)

Answer key:

Coffee	\$1,100 a year per person
Tickets/Admission	\$766 a year per household
Alcoholic beverages	\$579 a year per household
Gifts.	\$1,995 a year per household
Dining out	\$3,526 a year per household
Pets	\$662 a year per household
Gasoline.	\$2,109 a year per household
Hotels/Lodging/Vacation homes	\$1,978 a year per household
Entertainment	\$3,090 a year per household

Tools and calculators

Retirement Advisor

Lifetime Income Calculator

529 College Savings Tool

You can access these at TIAA.org/tools

TIAA resources

 facebook.com/tiaa

 twitter.com/tiaa



¹ Employee Benefit Research Institute, 2020 Retirement Confidence Survey “2020 RCS Fact Sheet #3: Preparing for Retirement in America,” April 2020

² United States Census Bureau, “By 2030, All Baby Boomers will be Age 65 or Older,” accessed online April 2021

³ Transamerica Center for Retirement Studies, 20th Annual Transamerica Retirement Survey of Workers, “Retirement Security Amid COVID-19: The Outlook of Three Generations,” May 2020

⁴ College Board, “Trends in College Pricing and Student Aid 2020,” October 2020

⁵ Genworth, “Cost of Care Survey,” accessed online April 2021

⁶ U.S. Census Bureau, “Median and Average Sales Prices of New Homes Sold in United States,” accessed online April 2021

⁷ MarketWatch, “Health care will cost this much in retirement—but probably even more,” August 2020

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor’s own objectives and circumstances.

The TIAA group of companies does not provide legal or tax advice. Please consult with your legal or tax advisor.

Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

There are inherent risks in investing in securities. Investment products may be subject to market and other risk factors. See the applicable product literature, or visit TIAA.org for details. It is possible to lose money by investing in securities.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each of the foregoing is solely responsible for its own financial condition and contractual obligations.

©2022 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017

BUILT TO PERFORM.

CREATED TO SERVE.