ANNUAL INCREASES CAN MAKE A BIG IMPACT

Saving for retirement is only the beginning — it's how you save for retirement that really counts in the end.

What's a smart financial move when it comes to retirement savings? Save by a percentage of income instead of a flat dollar amount.

Can you give me an example?

Let's say your current salary is $40,000 with an annual savings percentage of 5% designated for retirement. If your employer increases your salary by 2%, you would begin to receive a $40,800 annual salary. And because you were saving for retirement by a percentage of income at 5% rather than a flat dollar amount of $2,000, your annual retirement contribution automatically increases to $2,040 for the year*.

Congrats! You've received a pay raise. Now, how will it impact your retirement savings?

If you're saving a fixed amount, your savings rate will stay the same.

If you're saving at a percentage of your income, your overall savings amount will increase.

By setting a percentage of income now, you will strategically set yourself up for potential retirement saving success in the future.

So, what's another smart financial move? Annual contribution percentage increases.

Rather than simply allowing your retirement contribution to grow only when your salary grows, what if you increased your contribution percentage by 1% each year until you were saving 15%? (Many financial experts recommend saving between 10-15% of your income with this amount comprising both your personal and employer contributions.)

A small annual increase can make a big impact! Just ask:

*Find annual contribution limits at *GuideStone.org/ContributionLimits*.

Benefits of Regular Increases vs. Static Contributions

Here's an example of four employees who started saving at the same time but had contrasting results due to different saving habits.

Flat-Dollar Fred simply saved the same, flat dollar amount — with no increases over time and no regard for inflation or salary increases.

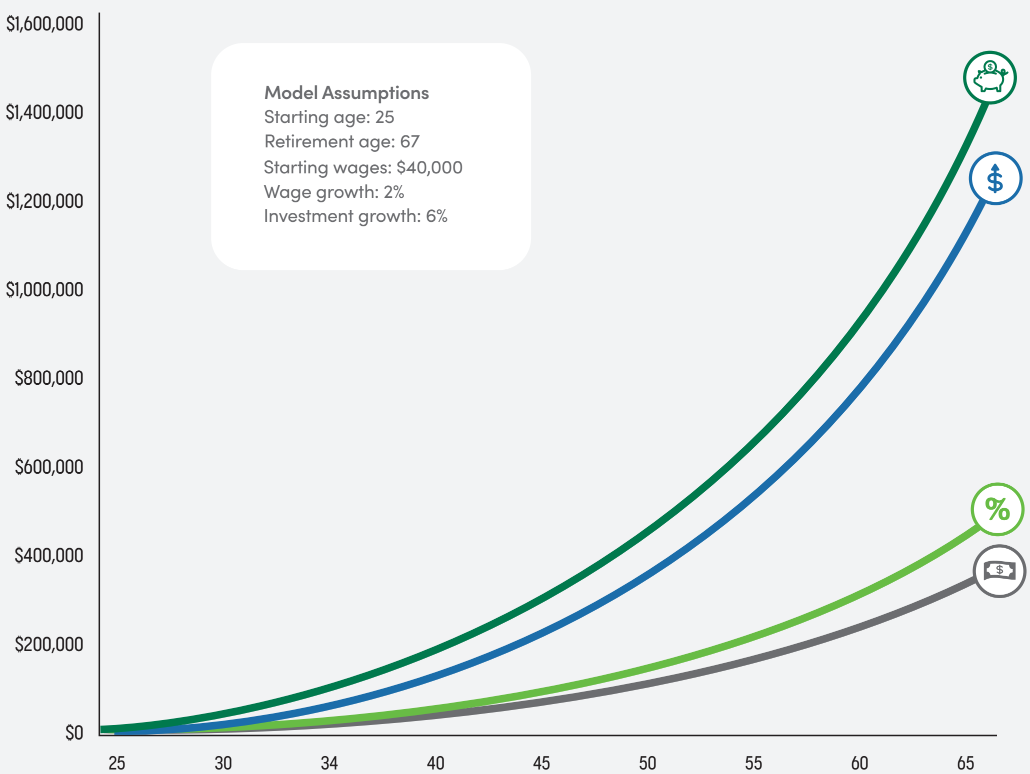
Percentage Patty contributed a fixed percentage of a 5% savings rate but never considered increasing her percentage year-over-year.

Increasing Irene initially contributed a 5% savings rate but then made sure to increase her savings rate by 1% each year until she eventually reached 15% (comprised of both her personal and employer contributions).

Did you notice the large margin between Patty's and Irene's account balances at retirement?
Percentage increases can make a difference!

Saver Steve started strong with an outstanding 15% savings rate (comprised of both his personal and employer contributions), and then he stayed there for the long haul.

Make it a goal to increase your total savings rate to reach **15%** of your salary as early in your career as possible.



Saver Steve

Lifetime contributions	$389,173
Age 67 balance	$1,430,637

Increasing Irene

Lifetime contributions	$365,799
Age 67 balance	$1,209,544

Percentage Patty

Lifetime contributions	$129,724
Age 67 balance	$476,879

Flat-Dollar Fred

Lifetime contributions	$84,000
Age 67 balance	$362,458

Ready to increase your contributions?

Contact your organization's Human Resources representative for your copy of the *Retirement Contribution Agreement* (RCA) or visit *My.GuideStone.org* to increase your contributions online or book an appointment with a GuideStone team member.

There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal.
This material is provided for informational and educational purposes only and should not be considered finacial advice. We encourage you to consult with your own advisors regarding your specific goals and circumstances.