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A monthly savings tip from the American Savings Education Council (ASEC)—March 2013

Estimate “Ed”

Some people are natural “planners”—others, not so much. But as baseball great Yogi Berra once commented, “If you don’t know where you’re going, you might end up someplace else.”

Effective savings strategies start with a goal, something to aim for. Some goals are easier to identify than others, of course. It’s easy enough to figure out a price range for something like a television, a car, or even a house—once you’ve figured out things like how big a screen you want, what make/model you prefer, and where you want to live. In fact, some of those goals are set by the cost of those choices.

For many, retirement savings goals seem impossible to set. After all, there’s no “blue book” on the cost or quality of retirement—no one single answer to the question, “How much do I need?” As a result, many people fear that their estimates “aren’t even in the ballpark” of what will be required. In the recently released 2013 Retirement Confidence Survey, a majority of respondents haven’t made even a single attempt to figure out what they might need for retirement.



There are, however, tools that can help you set a reasonable target—including the Ballpark E\$timate at www.choosetosave.org. And it doesn’t have to take a lot of time or energy to come up with a target based on your individual circumstances.

If you’re concerned about saving for retirement, you’re not alone. The 2013 Retirement Confidence Survey recently noted that just 13 percent of workers were “very confident” about their retirement

prospects, while more than twice as many were “not at all confident.”

However, the RCS also found that workers who have taken the time to do a savings needs calculation were more confident in their prospects, even though they set higher goals.

If you’ve not yet done a retirement needs assessment—perhaps you’ve been too busy, or maybe you’re just nervous about the results—you might find that you’re not as far off track as you had feared.

And you’ll have taken that first important step on the road to retirement security.