

Winning the Lottery isn't a Retirement Plan

Every few months, it seems one of the nationwide lotteries reach a new record high. Hundreds of millions of dollars or even billions of dollars are up for grabs. It's easy to begin to dream of the life-changing jackpot and all you could do with it. A recent Mega Millions jackpot of over \$1.5 billion dollars went to one single ticket holder, who probably shared those dreams. And odds are pretty good it wasn't you.

So what happens to your dreams? The things you would do if you had a financial windfall? In fact those daydreams and flights of "what if" may be the real benefit of the lottery. The potential of such an audacious amount of money allows the mind to dream and plan. While you didn't win the Mega Millions, or inherit a fortune from a long-lost relative, you do have those dreams and goals. You probably returned to work, to your normal routine of saving and contributing to your 401(k) or other retirement plan.

What if you started planning for some of those dreams today? True, some of the more outlandish dreams might be out of reach. But some might be possible if you start planning today. What if you increased your monthly contribution to your 401(k) or other retirement savings account? How far could a few percent more a month grow over time? Likely not enough to buy an island, but other goals could be in reach. Would more savings allow you to visit an island for longer? Take a cruise through the Caribbean? If you dream of making a difference in your community or donating to your favorite charity or non-profit, why not earmark your new savings amount for that purpose down the line?

When you get a raise, consider increasing the contribution to your retirement savings instead of taking it out of pocket? Such a move can potentially decrease your tax liability as well — saving additional money both now and in the future. Did your compensation increase by 5 percent? Then consider increasing your 401(k) contribution by 5 percent as well. In fact, some retirement plans have auto-escalation features that will do this automatically. Check with the human resources department to determine if this is a feature that is available to you. It is also a great idea to make sure that you are fully taking advantage of your company's retirement saving account match. According to IRS.gov, the limit on employee contributions is \$18,500 in 2018. When saving happens automatically, you won't even notice. Because the deductions are done by your employer on your behalf, the money never even hits your checking account. Out of sight, out of mind ... but in your retirement account.

Some of your goals and dreams are within reach. Work with your financial services professional to find out what steps you can take today to reach your dreams of tomorrow. You may not be a lottery winner but don't give up on your future goals, small moves today can make big differences tomorrow.

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