

The Keys to Jump-starting Your Retirement Plan in Your 30s

Retirement & Planning Solutions Team

Figuring out how to manage your finances has been a learning experience for you over the years. You are now in your 30s and may be starting to plan for major life events such as marriage, additions to the family, new job prospects, your first home and more. Let's discuss some methods to help your financial stability.

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Increase your 401(k) Contributions

If you haven't already started contributing to your employer-sponsored retirement plan, now is the time to start. If you have already started contributing, now is a good time to revisit your scheduled contributions to ensure you are maximizing your personal contribution while capitalizing on the employee match that you may be eligible for. By scheduling a visit with a J.P. Morgan Advisor, you can assess the "Cost of Delay" if you are thinking about postponing making contributions or increasing your contributions.

Consider a Roth

Saving pre-tax dollars in 401(k)s and Traditional IRAs may offer tax breaks now, but upon withdrawal, income taxes may be assessed. Roth IRAs offer a great opportunity for tax deferral. However, you may find your income is too high to contribute to a Roth IRA directly. Many employer-sponsored retirement plans such as 401(k)s now allow the option to save dollars on a pre-tax basis, after-tax (Roth) basis or a combination of both. Unlike contributing to a Roth IRA, the opportunity to contribute to a Roth 401(k) is not dependent on your income. It's simply a matter of whether your employer-sponsored plan allows a Roth option. Within our Goals-Based Analysis¹, you can model saving in the different "tax buckets" to help determine which approach may maximize your saving effectiveness.

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Revisit your Goals-Based Analysis

You've just entered what many deem the best years of your life—just breaking free of the personal and financial struggles of your 20s. Preparing for retirement is just a small part of your life planning as you may be about to start your family, buy a house or you may even be up for a promotion at work. Planning for all of these major life events is just as important as retirement planning as they all share one thing in common: spending. Your J.P. Morgan Advisor is equipped with several financial calculators and investment objective modules within our Goals-Based Analysis that can help you save for most of your life events, both planned and unexpected.

Save for College Tuition

Now that you have entered into your 30s, it may be time to start thinking of the financial security of not only yourself but possibly your children. If you have dealt with student loan debt, you know how burdensome loan payments can be while starting your professional career. Consider opening a 529 Plan for your child to reduce the amount he or she will have to pay out of pocket or borrow.

¹The Goals-Based Analysis referenced is a tool that provides an additional resource in the evaluation of the potential risks and returns of investment choices. The projections or other information generated by the Goals-Based Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

IMPORTANT INFORMATION

Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

Some states, for example, offer favorable tax treatment and other benefits to their residents only if they invest in the state's own Qualified Tuition Program. Investors should determine if their home state offers a 529 Plan that may offer such favorable tax treatment and benefits to residents or beneficiaries of that state that may not be available to investors or beneficiaries of other states. Investors should consult their legal, tax or accounting advisor before investing in any 529 Plan or contact their state tax division for more information. JPMorgan Chase Bank, N.A. and its affiliates do not offer legal, tax or accounting advice.

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