

Early Savers Likely to Hit the \$1 Million Mark in Retirement

Yes it is possible to attain the magic \$1 million mark in retirement savings if one starts early and saves regularly. That was the finding of a recent survey of more than 24,000 subscribers, aged 55 and older, to *Consumer Reports* magazine.

Specifically the study found that retirees who began saving in their 30s had a net worth of \$1.1 million on average compared with \$868,000 for those who started saving a decade later and \$651,000 for those who waited until their 50s or later to begin saving.

A significant percentage (39%) of those polled expressed regrets about waiting to save.

Most young workers taking part in the study seemed to "get the message" about saving early for retirement, as the majority claimed to be contributing at least enough to their employer-sponsored retirement accounts to earn the free money offered in matching contributions.

A study reported on financial-planning.com found a similar positive trend with regard to 2010 IRA contributions. Although contributions increased across all age groups last year, the jump was more pronounced among investors under age 30, as 16% more of this group deposited money in a traditional IRA in 2010 than did so in 2009. Even more dramatic, 24% more investors under the age of 25 put money away in IRAs.

Perhaps these young investors have been shocked into action as a result of watching their parents' nest eggs get battered by the recent market crisis. Perhaps this trend is a harbinger of better days for the American economy and a renewal of investor confidence. Whatever the reason, these young savers are on a positive path that could lead them toward a million-dollar retirement.

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