

Understanding Opportunity Costs

Retirement planning is essential to help you save money and maintain your lifestyle in retirement. A key concept is opportunity cost—the value of what you give up when choosing one option over another. In retirement planning, it means evaluating your spending now versus saving for the future.

INVESTING OPPORTUNITY COSTS FOR YOUR FUTURE

Every dollar spent on non-essentials, like dining out or entertainment, could instead be invested in retirement. Reducing these expenses allows you to add to your retirement savings.



Save \$135 per month

by making coffee at home instead of spending **\$150 per month** on a daily coffee run.

Investing the \$135 saved could grow to **\$62,000**.



Save \$30 per month

by reducing streaming subscriptions instead of spending **\$50 per month** on multiple services.

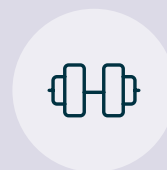
Investing the \$30 saved could grow to **\$13,000**.



Save \$150 per month

by cooking at home instead of spending **\$200 per month** on dining out.

Investing the \$150 saved could grow to **\$68,000**.



Save \$60 per month

by working out at home instead of spending **\$60 per month** on a gym membership.

Investing the \$60 saved could grow to **\$27,000**.

By investing the total amount of \$375 in opportunity cost savings, you could potentially have an additional \$170,000 in retirement.*

MAKING THE SHIFT

To effectively replace non-essential expenses and boost your retirement savings, consider the following steps:

- 01 Track Your Spending:** Keep a detailed record of your monthly expenses to identify areas where you can cut back.
- 02 Set Priorities:** Determine which non-essential expenses you can reduce or eliminate without significantly impacting your quality of life.
- 03 Automate Savings:** Set up automatic transfers to your retirement account to ensure that the money saved from reducing non-essential expenses is consistently invested.
- 04 Review and Adjust:** Regularly review your spending and savings plan to make adjustments as needed and stay on track with your retirement goals.



Understanding and managing opportunity costs is a powerful strategy in retirement planning. By identifying non-essential expenses and redirecting those funds towards your retirement savings, you can significantly enhance your financial security in the future.

Start making small changes today, and watch your retirement savings potentially grow over time.

Learn more

Tap into more resources that can help you prepare for a better future. Visit [Retirement Saving Resources](#).

*Retirement benefit illustrates a hypothetical approximation based on initial investment and recurring monthly investment of the opportunity cost amount, a nominal investment growth rate of 6% annually, and 20 years of investment. This assumes no loans or withdrawals are taken throughout the investment period and is based on estimated performance information that may not reflect the actual result experienced by an individual participant.

Investing involves risk, including the risk of loss. As such, your own plan account may earn more or less than the example provided, and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against a loss in declining markets.

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