



# Fees Can Chip Away at Retirement Nest Eggs

Variety of charges deplete savings over time

Many Americans save for retirement while working, but once they retire, their goal switches to preserving what they saved. Fees can eat away at a retiree's savings, so it's important to know about the different ways in which fees can pop up. This infographic illustrates these charges.



**Individual Retirement Accounts:** Almost all retiree savings are now held in individual retirement accounts (IRAs), which have a variety of fees, including:

- Charges for opening the IRA.
- Recurring fees for operating the IRA (annual maintenance, management, service, or account fees).
- Fees for transactions, such as buying or selling investments in the IRA (often called commissions). These fees can be a flat amount or a percentage of the account balance.



**Investments:** Mutual funds are a common investment for retirees, and charges can include:

- A fee for the purchase or sale of a fund or investment.
- Recurring fees for operating the fund (maintenance or expense ratios).
- Distribution fees that go to brokers and other financial professionals for selling the fund.
- Fees for different types of investors. The same mutual fund can charge a higher fee to individual IRA owners such as retirees and lower fees to 401(k) plans.



**Financial Advisers:** One-third of retirees use an adviser to help with various issues, such as transferring savings to an IRA, choosing investments, or developing a financial plan for retirement. Financial advisers can charge a variety of fees, including:

- Fixed or hourly fees.
- A percentage of assets under management by the adviser.
- Commissions for executing trades on behalf of the retiree.
- Proceeds from the sale of products that provide compensation to the adviser, raising the overall cost to invest and providing an incentive to the adviser.

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**For further information, please visit:**

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