Did you know? Four in 10 Americans who borrowed from a retirement plan say they regret it.[1]

Taking a loan from your retirement plan today may push back your retirement plans in the future.

The popular notion that "you're paying yourself back" when you repay a retirement plan loan overlooks the lost potential earnings during the payback period. For instance:

- In this hypothetical example, a $10,000 loan paid back over five years could mean you are forgoing more than $3,500 in potential earnings.[2]
- Further, many borrowers put less money into their retirement plan when they are paying back a loan: More than half (57%) of those who took a retirement loan cut their contribution rate while they paid back the loan.[3]
- Finally, if you default on the loan, you will not only reduce your funds available for retirement, but may trigger tax penalties.

Consider alternatives.
It can be difficult to deal with life's many expenses and demands for your money while also safeguarding your financial future. So what should you do if you need money today?

Read "Should you borrow from your retirement plan?" and check TIAA-CREF's Advice & Guidance page for additional resources. Before you make any decisions, talk to your TIAA-CREF Financial Consultant to learn how TIAA-CREF can help with your planning needs.

We're proud to join with TIAA-CREF to support National Financial Literacy Month. Take advantage of the information, tools and resources. It's easier than you think to build your financial knowledge and work toward financial security. To learn more:

Visit TIAA-CREF's National Financial Literacy Month home page.

Sign up for a Financial Essentials live webinar.

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[1,3]The findings come from TIAA-CREF's "Borrowing Against Your Future" survey, which was conducted by an independent research firm between May 19, 2014 and May 28, 2014 among a sample of 1,000 adults who are currently contributing to a retirement plan.

[2]This scenario assumes the borrower is 40 years old, with 25 years left until retirement; that it is a five-year loan, with 6% loan interest; and that there would have been an 8% return on funds over the next 25 years if the loan had not been taken. This is a hypothetical illustration. These returns are for illustrative purposes only and do not reflect actual performance of an investment or the fluctuations inherent in investing. It also does not project or predict returns.

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