



IRAs and 401(k)s are two common types of retirement accounts.

IRA

An IRA, or Individual Retirement Account, is an investment account that an individual can set up with a financial institution. Anyone with earned income may contribute to an IRA.

401(k)

A 401(k) is an employer-sponsored retirement plan. An employer creates a plan, and eligible employees may contribute to accounts, generally as a percentage of each paycheck.

Many employers match employees' 401(k) contributions up to a certain amount.

Both

IRAs and 401(k)s both offer some important benefits:

- Both let you invest your contributions so that your money can grow.
- Both allow you to defer taxes on your investments.
- Both can help you meet your retirement goals.

Remember that contributing sooner to your retirement accounts allows more time for your money to grow and can help give you a better chance of a secure retirement.

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