



Excuses, Excuses

It can be difficult to save for a goal that seems far off in the future, such as retirement. For now, you may have a hundred reasons why retirement isn't a financial priority. But there are definite advantages to putting your excuses aside and focusing on your future. If any of the following alibis sound familiar, it's time to start giving careful consideration to how much you are saving for retirement.

Too Many Other Things

There are always going to be other things to save for and spend money on. Paying off student loans, a down payment on a home, summer camp for the kids, college tuition — things like these are important. But it's also important to keep saving for your retirement. Not saving enough for retirement today probably means having to put aside even more in the future.

What's the Hurry?

You might think you have plenty of time to concentrate on your retirement savings. But by not saving early, you have less time to potentially benefit from compounding — that is, generating earnings on any investment earnings from your plan investments.

Wow! That's a Lot of Savings

Of all your financial goals, the amount you need to save for retirement may be the largest. But don't let that intimidate you into not saving as much as you should. Look at building your retirement savings in small steps and saving a little toward your goal with each paycheck. And as time passes, try to contribute more. Gradually increasing the amount you contribute can help grow your account balance.

I Just Won't Stop Working

It's possible you're planning to work after retirement age because you want to. But what if you're counting on working for financial reasons? It might seem easier now to believe that you can save less for your retirement because you'll continue to work. However, you might not be able to keep your job or be able to find another one. And you may not be healthy enough at your retirement age to keep working.

No Thanks, I'm Counting On...

Winning the lottery? Inheriting a fortune? Good luck might come your way, but counting on it for your retirement savings means you're probably minimizing the possibility of meeting your goal. You'll give yourself a better chance if you count on yourself to lead the way by putting the excuses aside and making saving a priority.



Who Will Come to Your Retirement Rescue?

Don't expect a knight in shining armor. Preparing for a financially secure future is up to you. Starting early and recognizing the pitfalls may help you avoid a shortfall.

Invest, Invest, Invest

Estimating retirement expenses isn't always easy. Some costs -- like housing and food -- may be relatively constant. But other costs, such as health care, may be unpredictable. People often underestimate the amount of money they'll spend in retirement. A potentially good option, if possible, is to set aside as much as you can.

Ask for Help

Managing retirement investments requires knowledge and confidence that you may not have. Asking your family members or friends for advice may not be the best approach. Your financial professional can help you review all your investments, from your employer-sponsored retirement plan to other investments you own.

Know Your Income Sources

Where will your retirement income come from? It might come from Social Security, a defined benefit pension, 401(k) or similar employer-sponsored plan, personal savings and investments, or even a part-time job. Estimating the income you can expect from each source may help you plan.

Factor in Inflation

There's no way around it: Over time, your assets will lose buying power. Keep inflation in mind when you're choosing investments. And continue to work with your financial professional for help with managing your investments now and your income once you retire.

Don't Underestimate Longevity

Planning for an "average" life expectancy may not be enough. There's always a chance you'll outlive your financial resources -- especially for women.

Don't Take Working for Granted

Many people leave the work force before they're ready. Losing your job, experiencing health problems, or undertaking caregiving duties are some of the reasons you could find yourself retiring sooner than you expected. Plan ahead in case retirement comes sooner than planned.

Envision Your Lifestyle

Think about what you want to do in retirement. Travel and leisure activities might take a big chunk of your budget. If you are thinking about relocating, factor moving expenses and differences in the cost of living into your financial strategy.