



THE CLOCK IS TICKING: RETIREMENT PLANNING LATER IN YOUR CAREER

A recent study by the Employee Benefits Research Institute showed that over 50 percent of workers ages 45 to 54 have less than \$50,000 saved for retirement. The Center for Retirement... Are you ready for retirement? Sure, you're mentally prepared to leave the everyday rat race, to throw your alarm clock in the garbage, and to spend your days doing whatever you so please. The question is: are you ready financially? If you're like most Baby Boomers, the answer is probably "no". A recent study by the Employee Benefits Research Institute showed that over 50 percent of workers ages 45 to 54 have less than \$50,000 saved for retirement. The Center for Retirement Research (CRR) at Boston College completed a study that showed nearly 54 percent of low-income Baby Boomers born between 1955 and 1964 are at risk for missing their retirement savings goal. Research by Fidelity Investments shows that most Baby Boomers have enough saved for retirement to replace just 59 percent of their full-time working income. The numbers don't lie: most Boomers are not ready to retire, regardless of what they think. But all is not lost. It's never too late to start planning your retirement. However, the closer you get to retirement age, the more aggressively you need to save. It's also possible that you might have to work a few years longer than you thought you would, or pursue money making ventures outside of your life-long career. Okay, say you've hit the big 5-0. Retirement is suddenly not such a far off proposition, but a short-term reality. In no way are you ready financially, so it's time to buckle down. The first thing you need to do is take a good, long look at that 401(k) of yours. Max it out. That's right, make yourself a budget and sacrifice if you must, but find every last available dime and pump it into that fund. It deserves your attention. Thankfully, there's something called a "catch-up provision" that was created for people just like you. It allows people 50 and over to add an additional \$5,000 to their 401(k) over the maximum allowed by law in 2006. Not bad. For IRAs, you can contribute up to \$1,000 per year as a catch-up in 2006. Do it. It'll be well worth it. Once you've maxed out your retirement funds, take a look at your personal budget. Sit down and find out where all your money is going, and where you can save. Pay off high-interest credit card debt as fast as you can, refinance car or home loans, phase out your more expensive habits or hobbies; do whatever it takes to save a few extra dollars per month towards your nest egg. Also, don't rule out working a few more years. Many people love their jobs, have friends at work, or enjoy being part of the everyday work force. If you don't have grand plans of jet-setting around the world during your golden years, then there's nothing wrong with punching the clock for a little while longer. It'll give you something to do while definitely sweetening the pot when you do decide to retire. Done with working for the man? Then consider taking something part-time or even launching your own start-up. It could be something you've always been interested in, but never had the time or drive to actually do. Who knows, it could be something you make money on and will enjoy well into retirement. Nothing wrong with that. However you choose to build your long-forsaken nest egg, don't wait a minute longer. When it comes to saving for retirement, time is money.

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