

BUILDING BLOCKS FOR RETIREMENT

Retirement Planning Essentials

Choose Wisely Now... for Later

Paper or plastic? Stairs or escalator? Chocolate, vanilla, or butter almond toffee crunch? You make decisions every day -- lots of them. Many have little or no lasting significance. But some of the choices you make now could have a significant impact later when you retire.



Spending Choices

Take spending for example. Buying things is fun. But splurging on too many things now could limit your ability to splurge later -- or even to afford the necessities. If you shortchange your savings, you might end up having to live on a lot less or postpone your retirement.

You don't have to eliminate all discretionary spending, but you should think twice before buying things you don't need. Before making a big financial commitment, weigh the pros and cons. For example, if you normally buy a new car once your current car loan is paid off, try waiting a few years to replace your car. Then tuck the money that would have gone to car payments into your retirement account.

Lifestyle Choices

Making healthy lifestyle choices -- eating well, exercising, taking care of yourself -- can pay off throughout your life. And the potential benefits are not just physical. Your choices may promote good financial health, too, by keeping your medical costs in check now and in retirement.

Contribution Choices

The amount of savings you have in your retirement plan when you retire will depend in large part on your decisions about how much to contribute. Many experts today recommend annual contributions of between 10% and 15% of pretax pay, yet it may be a good idea to meet with a financial professional to discuss your personal situation.

Career Choices

The amount you're able to earn will influence how much you're able to save. Ideally, the more you earn, the more you can save. Therefore, an opportunity to advance your career is also an opportunity to advance your chances of a financially secure retirement.



If you change employers at some point, you may be eligible to withdraw money from your retirement plan account. As tempting as it may be to cash out, that would derail the progress you're making toward your goals. Instead, consider choosing an option that lets you keep your savings growing tax deferred.

Of course, your situation is unique, so be sure to consult a professional before taking action.

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