4 WAYS TO START SAVING FOR RETIREMENT TODAY

Saving money is an important part of leading a successful and financially independent lifestyle. While saving can help fund big-ticket items such as cars, homes, or vacations, it also serves as part of a balanced preparation for a stress-free retirement.

It's often difficult to begin saving money – especially when you've grown accustomed to spending a significant amount of your paycheck. To help get over the initial heartache that may come with handing over a percentage of your salary to a savings account, here are a few pain-free and creative strategies that can help you get into the habit.

1. **Make Saving a Priority**

   With a little planning, you may be able to save for retirement and still take care of your other financial responsibilities. An important first step is to understand where your money is going. If you're not sure, track your spending for a couple of months. This will help you create a budget that can help find money for retirement.

   One way to help you keep a tab on your spending is to use a budget-tracking app. With the advent of online banking, balancing a checkbook may have become a lost art. Luckily, there are several ways to stay accountable by utilizing the multitude of budgeting apps that have developed in the past few years. These apps allow you to track how much and where you are spending your hard-earned income. Many have extra features such as reminders to stick to your established budget and notifications for when you have bills to pay or when you've hit your savings goals.

2. **Start Saving**

   When you start saving may be even more important to your success than what financial products you choose. Thanks to the power of compounding, time is your biggest friend when it comes to saving. Even small amounts, saved regularly, add up over time. It's never too late to start but the sooner you start, the greater the potential benefit.

   You can even try to "trick" yourself into saving more. By rounding your payments up and paychecks down, you can begin to save incrementally with virtually no effort; this is especially useful if you use a budget-tracking app. For example, if you bought something for $27.50, you could round up and record that you spent $30 while transferring the rest to your savings. Similarly, if you are paid $207.00 each week, rounding down to $200.00 could eventually result in significant savings with minimal pain.

3. **Put Your Money to Work**

   Know yourself and make decisions based on your goals, the number of years you can have your money in the financial products of your choosing, and how much risk you are comfortable taking. Then allocate your money across asset classes and stay diversified.

Diversification can be summed up in one phrase: “Don’t put all of your eggs in one basket.” It’s really that simple. Regardless of which type of financial products you choose to buy – whether they are stocks, bonds, or real estate – don’t bet your retirement on a single asset or asset class.

The assets you choose to participate in can vary depending on several factors, primarily your risk tolerance and investment time horizon. The two factors work hand in hand. Generally, the more years you have left until retirement, the higher the level of risk you can handle. As you get closer to retirement, your risk tolerance usually decreases; therefore, it makes sense to perform frequent reassessments of your portfolio and make any necessary changes to your asset allocation.

4. **Stay on Track**
It’s easy to get sidetracked. Your options are limited if you come up short for retirement and Social Security will not be enough. Be willing to adjust and protect your retirement savings as your life changes.

One trick for keeping on track is to use cash for spending on entertainment. If you have a habit of overspending while having a good time, try hiding your debit and credit cards and using cash for your weekend adventures. By making a decision beforehand to limit yourself to a core amount of money, you can better track your money and avoid spending too much without realizing it.

To start saving early for a comfortable retirement, we must start to think outside the box for strategic ways to bolster up those “for later funds.” Help your future self out by getting creative with planning vacations, within the home, and by making changes to your diet, use of technology and the way you shop. You’ll thank yourself later.

Working with the right financial professional can also help immensely. A good agent can help you identify all your goals and determine the appropriate risk/return balance. Equally important, your agent is there to review, discuss and adjust your plan depending on life’s changes. Be sure to contact your financial professional today to help you start saving and help you plan for a stress-free retirement.

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