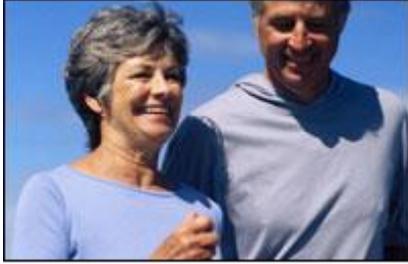


Over 50? Retirement Savings Strategies



The Baby Boom generation is about to trail blaze into another new era: retirement. Never a generation to accept the status quo, they are ready and set to redefine the outmoded image of “golden years.” Forget about endless days spent in repose. This group seeks an unprecedented time of adventure, travel, creativity, and new business pursuits. While these exciting changes will redefine aging, will the Baby Boomers be able to finance their adventurous plans? Today, many age 50 and older have still not begun to

save for retirement or have amassed insufficient funds.

If you are in this age group and find yourself facing an underfunded retirement, it is never too late to take charge. There are plenty of things you can do—right now—to get on the right track. Here are some ideas:

What’s it going to take? First, you need to estimate how much money you will need in retirement. Once you have an idea of the ballpark amount, you can work toward fulfilling that goal. You may need 60–80% of your current annual income in retirement. Your financial professional can help you assess the best figures for your situation.

Work it! If your employer offers a retirement plan, contribute as much as the law will allow. In 2015, you can contribute up to \$18,000 to an employer-sponsored 401(k) plan. Those over age 50 can contribute an additional \$6,000. Many employers also match contributions. Make sure you contribute enough to claim all of this “free” money, which can add up significantly over time.

Create a spending plan. In other words, make a budget. Many people think a budget will be restrictive, but look at it this way: You can spend now, or you can actually have the money to be able to afford your dream adventures. It is very important that you pay down debt now and, furthermore, do not accrue new debt. Examine your spending habits and replace some of your discretionary spending with saving. Even as little as \$20 extra per week is a step in the right direction.

Take some initiative. On top of contributing to your employer’s plan, you can save even more by opening your own Roth IRA. Contributions are made after taxes, but earnings and distributions are tax-free, provided you have owned the account for at least five years and have reached age 59½. Those age 50 and over can contribute \$6,500 a year in 2015. Eligibility for these plans begins to phase out with adjusted gross incomes of \$116,000–\$131,000 for single filers and \$183,000–\$193,000 for married joint filers.

Hang your shingle. Many Boomers hope to start their own businesses in retirement. But why wait? If you begin your entrepreneurial efforts now, your business has the potential to be in full swing by the time you finally do retire, and any profits between now and then can be added to your savings.

Move it or lose it. It’s very likely that your home may have significantly increased in value since you first bought it. You may have even already paid off the mortgage. With children at or near adulthood, do you really need that extra space? Selling now and moving to a smaller, more affordable location will allow you to transfer the equity in your home into a savings vehicle.

Why quit? If you want to pad out your retirement savings, consider staying on the job longer. Many people actually leave retirement to reenter the workforce because they feel more fulfilled in a working lifestyle. Others seek part-time work, consulting, or

entrepreneurial efforts. If any of these situations sound right for you, you will earn more money each year to save, and you may be able to put off drawing down your savings.

With all of the above options, time and compounding will be to your benefit. Each year that your savings remain untouched will give them more time for growth potential. The Baby Boom generation intends to redefine retirement as we know it. With a few steps in the right direction, starting today, you will have the resources to usher change into a whole new era.

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