NEW YEAR, NEW FOCUS ON RETIREMENT

December is a great time to review and reflect on financial decisions over the past year, and it is also a good time to reset your focus on saving for retirement. Are you setting or building a savings goal? Need to find motivation to start putting money away? If your New Year's resolution is to save more money for retirement, then jump-start your efforts with this easy to follow checklist.

☐ **Focus on starting today** – Don't wait for tomorrow, next week or even next month. One of the first things you should do to maximize retirement savings is start saving today. Consider adopting this mantra, "save early and often" especially if you are just starting to put money aside for retirement or feel like you've fallen behind. Start saving and investing as much as you can and then let compounding interest go to work for you.

☐ **Contribute to a 401(k)** – If your employer offers a 401(k) savings plan and you are not contributing to it, now is the time to start. There are a few advantages to a 401(k). First, it offers tax-deferred savings meaning taxes aren't taken out until you withdraw from the account so you can keep more of your cash today while saving for tomorrow.

☐ **Meet your employer's match** – If your employer offers a 401(k) match, make sure you are contributing enough to take complete advantage of that benefit. For example, some employers might offer to match 50 percent of an employee's contributions up to five percent of their salary. This is essentially free money to build your retirement savings and you don't want to leave it on the table.

☐ **Take advantage of catch up contributions if you are 50 or older** – The best way to save more in a short amount of time is to max out your retirement savings contributions. And once you are age 50 or older, you can save beyond the traditional limits with catch up contributions. In 2017, the maximum contribution you can make to a 401(k) is $18,000, but if you meet the age requirement (50 or older) you can make an additional $6,000 catch up contribution. If over the years you have not been able to save as much as you were hoping, catch up contributions can help increase your retirement savings.

☐ **Don't put all your eggs in one basket** – Putting all your retirement savings into one type of investment might not be the best approach. Consider expanding your retirement savings portfolio to include equities, such as a mix of stocks, bonds and commodities. Contact the office if you would like to discuss investment options that make sense for your savings goals and risk tolerance.

☐ **Rebalance your investments** – It is likely that over the year your investment values have changed. If your portfolio has fallen out of line with your retirement saving goal you might need to shift things around to get more out of your money. Contact the office if you'd like to determine if there may be problem areas in your portfolio, or if you'd like help getting back on track to reach your retirement goals for the New Year and many years to come.

FOUR WAYS TO CURB DEBT BEFORE RETIRING

Retiring with debt is likely not what you envisioned for your golden years, but it is a reality for many people heading into retirement. Debt can be a burden but that does not mean you can't enjoy retirement. You might just have to take a good look at your debt load and plan accordingly. Here are four ways to help lower or even eradicate debt before you retire:

Analyze your debt situation

There is such a thing as good and bad debt. Start by analyzing your debt situation. If you have a mortgage with reasonable payments and it is close to being paid off, then this kind of debt should not make you worry. This is the type of debt that can be managed in retirement with a monthly budget. On the other hand, if you are entering retirement with significant credit card debt on top of other necessary expenses (e.g., housing costs, utilities, etc.) this could be cause for concern and a place to focus on making changes.

Solidify a budget

It will be a struggle to get out of debt without a clear understanding of where your money is going every month. Creating a budget provides you with an overview of what expenses you can cut in order to start saving more money, and even use it to lower the debt that you owe. Eliminate unnecessary spending like going out to eat, cable, new clothing and any other extraneous spending. While you are living on a budget you should be able to pay considerably more toward your debt and start making progress on becoming debt-free.

Start the "debt snowball effect"

After you analyze your debt, it's time to make a plan to lower it. One method is to create a "debt snowball" effect. If you owe money on multiple credit cards, for example, start by making one payment at a time. Work to make higher than minimum payments first on the highest interest cards to begin chipping away at the amount owed, while still making minimum payments on other cards. After you have erased one loan, you can start on the next one and put that money toward any other debt you have. The sense of accomplishment felt from eliminating a loan will potentially help motivate you to pay off other loans in a similar manner.

Reorganize debt

The closer you get to retirement, you will want to take a hard look at your debt and potentially restructure it. You might be able to refinance your home to make smaller monthly payments or consolidate student or other loans. Both of these options will spread your payments over a longer period of time, but in the short term they can provide you with potentially hundreds of extra dollars a month. You can then use these funds to help pay off other high interest debt in a faster period, or use the cash to pay important monthly expenses.

If carrying debt into retirement is a reality for you, then it is time to come up with a plan and learn how to manage your debt early on. Contact the office if you would like to discuss strategies to lower debt and save more money for your golden years.