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## **How to Save Money for Retirement**

By: Marilyn Pokorney

Saving money for retirement can be easy or difficult depending on your current salary. If you are like 75 percent of the American population, earning just enough money in your current job to meet your monthly bills, then it's time to do some serious thinking on how you are going to live when you retire.

Social Security isn't going to meet all your monthly payments. That is, if Social Security, or some revised form of it, still exists when your day of retirement arrives.

Here are some tips on how to save today for your future. No matter how little, or how much, you earn today.

Estimate how much you must save to give you the income you know is necessary for you to retire in comfort.

Experts suggest that you will need an income equaling about 75 percent of your current take home pay. Be sure to estimate a rise in inflation which has historically been about 5.3 percent per year.

Figure out how much of your current salary will need have to save each year to achieve your retirement goal by counting backward from the year you plan to retire to see how many years you have before retirement. Include the possibility of being on a fixed income for as long as 20 or 30 years. Depending on how many years you have until retirement a U.S. Treasury bond that guarantees six percent interest might be considered, while stocks might have the potential for a much higher return, but has a much higher risk of loss.

A financial planner, stockbroker, or an accountant, can offer guidance, expertise and access to knowledge about almost any type of investment or retirement planning concerns.

Spread your money out over a variety of investments. Some will prosper while others may fail.

Set up an automatic draft from your bank account from your paycheck so that a portion of your income goes directly into your retirement funds. Pay off major debts, such as home mortgages, college loans and other significant cash-flow drains, as quickly as you can.

For more information visit:  
<http://www.apluswriting.net/finance/retire.htm>

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