



**Finding Money for Retirement**

Social Security's assets are steadily being drained... this problem is being exacerbated by the declining ratio of people working (paying into the system) to those who are receiving benefits. It appears obvious that individuals will have to rely more on personal savings when it comes time to retire. Although it is never too early to start planning for retirement, individuals are faced with the challenge of thinking about the long term and adequately preparing for it. It is all too easy to get caught up in day-to-day activities, and postpone thinking and planning for retirement. It has been said that most people spend more time and energy planning their summer vacation than they do their retirement.

While it's never too late – and if you have not done so, the best time to start is now – the earlier you begin to plan for retirement, the better. This is because the more time you have to invest, the more you can harness the tremendous power of compound interest over time.

**Yet the major challenge of retirement planning... simply finding the money to put towards it.**

It can be difficult to find the money to save for retirement, while dealing with the basic costs of living... food, vehicles, children's needs, school tuition costs, and unexpected expenses. However, sometimes it is the little things in life that can make a big difference.

Imagine what would happen if you set aside some of the money you routinely spend on entertainment, going out to dinner, or on "impulse buying", and instead added this money to your retirement account. It may not seem like you are saving much at first, but the simple sacrifices illustrated in the following examples can really add up over the years and make a very significant difference.

Simple Sacrifice	Short-term Savings	Savings Over 30 Years*
Buying "carry-out" vs. dining out once a month at a restaurant	\$45/month	\$83,000
Spending less on dry cleaning	\$7.50/week	\$60,000
Buying fewer new clothes	\$400/year	\$59,000
Buying a "gourmet coffee" every other day rather than daily	\$7/week	\$56,000
Exercising at home rather than with a gym membership	\$300/year	\$44,500
Less frequent manicures	\$15/month	\$27,500
Washing your car every two weeks rather than weekly	\$12/month	\$22,000
Renting a movie rather than viewing at a theatre once a month	\$11/month	\$20,000

\* Savings over 30-years assume a tax-deferred account with a compound annual rate of return of 9%, similar to the historical long-term rate for stocks.

**Creating a retirement plan, setting personal priorities to find the money to save for retirement, and then having the discipline and commitment to carry through with a plan can make the difference between a successful and fruitful retirement and one of "just barely getting by." Be sure to consult a financial professional as you put your plans into place, as they will be able to direct and guide you to the retirement plans that are the best fit for you.**