Retirement Planning: It's Never Too Early or Too Late

When it comes to retirement planning, it's easy to feel like either we're too young to make it a financial priority, or we've already missed the boat. However, neither is true. While it's best to start saving and investing as early as possible, it's never too late.

It's helpful to meet with a reputable financial advisor to determine your plan of attack for retirement savings. This professional will help ensure you're on the right path, and an annual check-in meeting is usually all you need for maintenance. To help get you started, below are basic tips for retirement planning that apply to anyone, no matter your stage in life.

Live Below Your Means and Budget
While this may sound obvious, how are you going to save—for retirement or anything else—if you live paycheck to paycheck, barely covering your expenses? If this is the case, you need to take a hard look at your lifestyle and figure out how to make a change. You also need a budget. If you don't have an accurate idea of how much you bring in and how much you spend each month, you'll have no way to determine how much you can put toward retirement. No matter how small the amount you contribute monthly, it will only build.

Start Today
Once you know how much you have available to contribute monthly to your retirement savings, pull the trigger. It's always easy to put this off until tomorrow—and it may or may not actually happen then. So start today. Start investing now so compound interest can work in your favor for many years to come. A small amount invested early on can become an impressive amount after years of compound interest.

Contribute to a 401k or Other Retirement Plan
If your employer offers a workplace retirement plan, take advantage of it. This is often the easiest way to begin your retirement savings, and it's automated so there is nothing you need to do once it's set up. If you're lucky enough to have an employer that offers a 401k plan match, try your very best to contribute the maximum percentage that will be matched. It is literally free money that you'll be thankful for later in life. The money contributed to your 401k will also reduce your taxable income. There are other options if your workplace doesn't offer a 401k plan, you're a part-time worker or any other reason you need to procure your own retirement plan. An individual retirement account, better known as an IRA, might be right for you depending on your circumstances. Big picture, there is a retirement plan available for anyone who wants to participate in one.

Invest Your Raises and Other Newfound Money
If you're living below your means, this will be easy. While it may be tempting to make a big purchase after you get a raise or bonus, the best thing to do is increase the percentage of your pay that goes into your retirement plan or make a one-time larger contribution. You didn't have this extra money before so you shouldn't miss it. But every little increase to you monthly contribution will have an exponential effect with time.

Set a Goal
Knowing how much you'll need for retirement will determine how much you ultimately strive to put away monthly and for how long. Setting benchmarks along the way will help make a large number seem more attainable and will give you a reason to celebrate the small victories that will lead your enjoyable and carefree golden years.