

# HOW TO PLAN FOR RETIREMENT IF STARTED LATE



When is it a good time to start planning and saving for retirement? To tell you the truth, as early as possible. While some people begin as early as their 20s, others begin in their 30s. Have you started planning for your retirement yet? Fret not, if you haven't! There is always a way.

## **CAN RETIREMENT PLANNING WORK FOR LATE STARTERS? YES!**

### **2 important tips for late starters**

#### **(1) Identify situational advantage points**

In case you already have a retirement account running, it is about time to leverage it. A lot of late retirement planning tips focus on reaping benefits of the time. For instance, once you hit 50, most retirement accounts allow you to take advantage of the pretax calculations, something that would not be an option for early retirement planners.

Another advantage that works in your favour here is that while you are at the first stage of retirement planning for late starters, the estimations, goals, and calculations you make are likely to be more accurate and realistic than the calculations you would have made twenty years back. Use this precision to your advantage by making a rock-solid plan to achieve those goals.

#### **(2) Maximise savings**

One of the biggest worries that hover on late starters for retirement planning includes piling up savings. The ones who started on or before time have had the chance to save and invest in a manner that aids to their retirement phase too, but here that time phase is lost. Now the only way to catch up and achieve the desired amount of saving is working extra hard for it. According to Forbes magazine, your saving scale should go up by a minimum of 10% in such a situation.



# 5 handy saving tips for retirement planning



## Additional part-time earning

A lot of people realize after 50 that they have been meaning to pick up some sport or art all their life and develop it as a skill. Now that the time calls for increasing income, it might be a good idea to revisit that skill/hobby and see if that can help contribute to your financial standing. For instance, if you think you have a knack for painting, use the weekends to make a few paintings and set up a sale once a month to make capital out of it.



## Spend and invest cautiously

Even when one is considering retirement planning strategies early in life, one of the basics of any strategy would include developing a lifestyle and spending budget that can sustain your retirement goals. Now that there is a time crunch, this becomes even more necessary. Ensure that from now on, you are cautious and thoughtful about how you spend and invest.



## Sell the 'not-in-use' stuff

While you are at maximizing savings, a good way to gather some amount immediately is to sell off the things that you no longer use. This could be an asset that will add significantly to your saving and at the same time will not cause any major dents in your day to day lifestyle.

- 1 | Additional part-time earning
- 2 | Spend and invest cautiously
- 3 | Sell the 'not-in-use' stuff





## Increase 401(k) and other Retirement Plan contributions

In case your contributions to various retirement savings accounts including social security and 401(k) are not maxed out, now is the time to change it. Invest as much as you can to keep building a fund that will be your financial support post-retirement. You may also want to consider adding an IRA (Individual Retirement Account) for the same purpose.



## Cut down on your risk appetite

Now is not the time when you cannot afford to take risks. You can go for safe, short-term investments such as Debt Funds. Any risky investment that does not necessarily promise returns should not be considered when it comes to retirement planning for late starters.

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5

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## Summary

Retirement planning in itself can be a tedious and difficult process, more so for someone who has started late. The road ahead will look slightly rockier for you than others, but the key is to make savings the fuel to take you far on this journey.

Still panicky about retirement? You can approach [financial advisors](#) to guide you through the process. They will not only give you efficient retirement planning tips but will also help you through its execution.

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