

The Benefits of Saving Early



Does retirement seem far away? The path toward a successful retirement is just like the saying "the journey of a thousand miles begins with a single step." And what a step! Anything you save when you are young lets you leap ahead on the road toward retirement security. Every \$1 you contribute now is \$3 you will not have to save later. Once you start saving and see that account balance grow, it will be easier to continue. So the earlier you begin, the better.

Maybe you can't imagine yourself as old and retired? The fact that retirement is not yet on your radar screen does not mean that you should not be saving. In fact, because you do not have the pressure of an approaching retirement and are not yet worried about having enough, it is the perfect time to save. Just remember that every dollar you put aside now cuts your hassle and worry, as well as how much you must save ten years down the line.

Does saving seem impossible right now? You may be overwhelmed with first-time financial woes, but keep in mind that this period will pass-and the years will bring other obligations. Starting to save for retirement now will actually be easier than when you are worrying about a mortgage, raising a family, or saving for college for your children. Chances are, you also have the advantage of good health, which could become a financial issue in the future. Unforeseen financial needs may show up down life's road, so you have a definite advantage by starting now when your responsibilities and financial commitments are limited.

Even so, is saving still low on your list? Is it hard to budget for retirement saving? Is it always the last thing on your list? Try payroll deduction, which automatically deducts the money from your paycheck before taxes. If you don't have to make a conscious decision about saving, it will become an unconscious habit. Plus you don't miss what you don't have. After a few months, you'll simply get used to having a little bit less.

Consider running up debt and think you are saving? You cannot save in your 401(k) and use credit card debt to pay for your living expenses. You really are not getting ahead as you will have to pay the debt, along with interest charges, at some time.

Perhaps you're worried that you might need your money in a few years? If you don't like the idea of locking away part of your paycheck for decades, consider that you may have access to your money if you need it. Thanks to the loan feature offered by many plans, you can quickly and easily access your money. However, you should only take money out in the case of an emergency or a big life event. There is no need to deplete your retirement fund unnecessarily and you still have access to your money when it really counts.