



It's Never Too Late

If you are 40, 45, or even 50 years old and have not yet begun saving for retirement, don't despair! Many people focus on raising a family and paying for day-to-day expenses, only to start investing when the kids are out of the house. The key is that you do start to save, rather than giving up. No matter what your age, it is never too late to start saving.

In fact, your situation is remarkably better than you imagine. Starting at age 40, if you set aside \$600 dollars a month and receive a 12 percent rate of return, you could be a millionaire by the time you are 65. Creating a retirement nest egg of that size in so short a time requires two variables: putting aside enough money and getting the best rate of return.

Putting Aside Enough Money

It is true that to make up for lost time you will need to contribute more every month than if you had begun contributing in your 20s. However, one of the advantages to starting later in life is that you are most likely making more money now. From age 40 until your retirement, you are in your peak earning years, and once your kids are out of the house you really will have extra money in the bank.

If you simply cannot save enough now to meet your retirement goal, consider the following suggestions:

- Sell your home and purchase a residence with a lower mortgage payment.
- Sell your second car.
- Cut back on costly habits such as eating at fancy restaurants, taking expensive vacations, and buying expensive electronics.