

Planning for Your Future

With people living longer and healthier lives, it's important to save adequate funds to be able to live comfortably through retirement. Read about four families stories throughout different life stages and where they should be at financially. See where you fit and if you are on track to be able to retire with the right financial security.

20s: Just graduated, starting a career, or a family on the way...

Often times college students struggle to save. With so many different college related expenses and student loans, its difficult to put money away. However after graduation and the debt needs to be paid off, people start to think about their futures and what needs to be done to live a financially stable lifestyle. Some are successful, while others continue to struggle. People who just start a career are often using that money to pay past debts so they cant save right away. If one is expecting a family then it is extremely important to have savings in mind.

Budgeting, getting rid of debt and starting an emergency fund with up to three to six months of basic living expenses should be enough to live comfortably at the time. It's important once debt is paid off to not get into debt again, and keep proper funds in a savings account.

People in their 20's should start contributing to a retirement savings plan as well, such as a Roth IRA or if involved in the military you can make contributions to the government's Thrift Savings Plan.

30s: A family, with one child and one on the way, both employed.

People that are expecting a family in the future will usually start to save for a bigger home to live in if needed. This often times cuts into saving for retirement. If involved in the military, which has a pension, it probably wont be enough to cover both incomes. People in their 30's are faced with saving for retirement and their children's education. It's important to think about your child's education but also consider that they might get help through financial aid and scholarships.

In addition to retirement savings, people often choose to keep stock mutual funds as well to help reach long-term saving goals.

At this point in life it's important to make sure a will is in place and your life and disability insurance are updated to protect the people in your family.

40s: Single but two children with one in school.

Divorce is occurring more frequently then ever before, with about half of all Americans going through the process of one. Once people get married, some will agree to have one person be responsible for the finances. If your spouse is involved in the military many will contribute their savings to a Thrift Savings account and if by chance a divorce does occur, it will be split but its still important to have another way of saving money.

It's so important to manage expenses and save for retirement. If you are on your own at the age of 40 expenses are going to be more challenging. Plan to budget around 10-15% of your pre-tax retirement savings and increase your fixed income investment percentage. Be sure to update any estate plans, life insurance policies, and retirement accounts.

50s: Getting closer to retirement, spouse and 3 grown children, and one grand child.

The question people start asking themselves today are, "Am I going to have enough money to retire, or should I start looking for another job?" Today with people living longer, its reasonable to think if taking another job is necessary.

Creating a budget for retirement is extremely important because it will map out if you will have enough money to live off of.

People in there 50's have one of several options. They can continue to work to save more money, reduce the income goal, or increase returns by increasing your risk with a more aggressive portfolio.

Get on track at any age

No matter your age, with time and strategies you can reach your desired retirement goal.

Cut back on expenses.

Consider tax-advantaged savings through the military's Thrift Savings Plan or choose to save in a Roth IRA.

Review your assets annually and make necessary adjustments as time goes on.

Do not take money out of your retirement's savings to borrow.

The road to retirement is challenging but with proper saving and strategies in mind it is possible. Explore your options to find your best choices and you'll be one step closer to reaching your retirement goals.

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