

HOW TO START SAVING FOR RETIREMENT IN YOUR 40's



If you're in your 40s and have no nest egg to speak of, don't panic. There are things that can be done. No matter what led to this situation, you can try some of the following tactics to build up a retirement fund as quickly as possible. The most important thing is that you start now.

ASK QUESTIONS

As USA Today reports, the first step in creating your retirement fund is to identify your goals. That means asking yourself some questions, and being brutally honest with the answers. When do you want to retire? How many years will you spend in retirement? How much cash will you need yearly during retirement? When will you start taking Social Security payments and how much will they be? Be as thorough as you can with these questions so that you set your retirement goal as accurately as you can.

REVISE YOUR BUDGET

Now that you have a rough idea of how much you'll need in retirement, it's time to revise your budget so that you can save more. First, go through all your expenses and see where you can cut back. According to one report from Chase, the average American household spends about \$500 per month on unnecessary expenses. Once you have your spending slimmed down and the excess funnelled toward your 401(k) or other retirement account, see if that puts you on target for your goal. If not, it's time to think of making big changes, like downsizing your home.

REVISIT & ADJUST

The final step in kicking your retirement savings into high gear is going back to your goals. You now know how much you can save and are stashing as much as you can. Will it be enough? If not, you might need to revise your retirement goals. You can also consider delaying Social Security payments even longer than you initially thought. If you wait to start taking checks past your full retirement age (FRA), your payments will increase. For example, if your FRA is 66 and you delay payments until 70, your check will be 32 percent more. Hey, we never said saving for retirement in your 40s is easy. We just said it could be done.



VisionBank[®]

Member
FDIC

See what we can do for you.[™]