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When Do You Start Figuring Out Retirement?

The answer is yesterday

You just started a job or graduated college. Retirement can seem like a very long way from where you are in life. But life can move fast and thinking ahead puts you in the driver's seat. Ask yourself three questions: Where do you want to be in 40 years? What type of lifestyle do you want? How much is that going to cost you?

Retirement is a life change that is impending so saving as soon as possible is ideal. If you're already spending 30 percent of your income saving, investing and paying off debt, then you're on a good track. Krista Neeley, the Regional Vice President of Appreciation Financial, answers questions you may have wondered about personal finances.

P: What's the basic difference between a 401k, and Roth IRA? What is each best for?

KN: The first difference is your employment, they also differ in tax strategies, one is post tax and one is pretax. Ideally you should have variety in your tax codes through retirement savings, so either of these strategies may be great and if coupled together in a financial portfolio, that would be best for the participant. Roth IRAs are a beneficial way to save post tax for retirement while 401ks/403bs/457bs may be eligible for matches from your employer or company, which make it a great mechanism to save through as well.

P: What are guidelines for picking the best option for an individual?

KN: The first thing to examine is contribution amounts, select a comfortable amount to contribute each month, then stretch it. Once the habit is formed you will surprise yourself with how much you can save! Down the road, you will never regret saving "too much" and it is extremely empowering to surpass your savings goals.

P: When do you need to begin planning for retirement?

KN: Yesterday. Probably not the answer anyone wants to hear, however every day you are only getting closer to that day so it makes sense to put aside a small amount each day to prepare for that important deadline that is rapidly approaching.

P: Regarding financial planning what do you need to be doing?

KN: Ideally you should be in the routine of saving per month.

\$200 in your 20's

\$300 in your 30's

\$400 in your 40's

\$500+ in your 50's

\$500+ in your 60's

In your 70's: This is the distribution phase of retirement so hopefully at these ages you are enjoying your retirement!