

Top 3 Mistakes People Make When Planning for Retirement . . .



AND HOW TO AVOID THEM

Brought To You By

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Mistake #1 – Trying To Save Money Before Eliminating Debt

How To Increase Your Savings Capability By Eliminating Debt In 3 Simple Steps

One of the most important concepts discussed when it comes to retirement planning is debt. Debt plagues roughly 85% of the population or more by conservative estimates. How can you plan for retirement if you can't get out of debt?

In [The Retirement Blueprint](#), there is much information available about getting out of debt. MOST people however, need all the help they can get when trying to get out of debt.

Do you think relinquishing your debt is a dream you will never truly realize? It is time to step back to reality. There is no reason you can't get out of debt. The key is to live more frugally. There are also sound financial strategies and tactics anyone can use, regardless of their income, to get out of debt (and start saving for retirement).

Here is an overview of the top 3 strategies you can use to get out of debt and start saving:

- ➡ **Stop spending.** Sounds crazy, doesn't it? Most people have a blatant disregard for how much money they truly spend. Here is a great way to find out how much money you spend on needless things. Get out a journal. Make sure you record every single item you or another member of your family buys during 7 days or one week. At the end of the week, go back and review your list.

Figure out how much money you spent on items you actually “needed” vs. items you might go without. For example, do you really need that \$75 pair of shoes, or can you find a comfortable, equally stylish brand for \$45? Can you stop eating out every week and instead indulge once each month? How many lattes do you really need to buy in one week?

Are there ways you can cut back on your utilities? Open your windows during the day and turn out the lights. Consider other heat and energy saving mechanisms that will allow you to realize small savings on your utility bills monthly.

What about gas? Are there places you frequently drive to that you can reach just as easily by walking? If so get out your shoes and start walking. When you begin planning for retirement, you have to live frugally. That doesn’t mean you are not able to enjoy life to the fullest. It means you have to make smart choices that will allow you to make the most of your life when you retire.

How can you find out if you even have too much debt to begin? Consider finding out what your debt-to-income ratio is. This ratio is a strong indicator of your financial wellness and ability to start saving. Here is a great link you can use to calculate this number:

<http://financialplan.about.com/library/weekly/DebtToIncomeWorksheet.htm>

Use this worksheet to calculate how much debt you have compared to the amount of income you have. If you find you have a shortfall each month, then you need to look at ways to budget. This brings us to step two in our debt-reduction plan.

➡ **Start budgeting.** The only way to get out of and stay out of debt is by sticking with a budget. How do you establish a budget? Look at your weekly expenditures. Figure out how much your net worth is, or how much income each member of the family brings in weekly and monthly. Then find ways to cut back your expenses so you can apply more money to paying off your debt.

One of the easiest ways to get out of and stay out of debt is to temporarily stop using your credit cards. When you live within your means (as few people do) you have more money to utilize for retirement planning. Make sure you stick to your budget each month. Your budget should include putting away some money for emergencies, like broken vehicles, floods or other unexpected expenses.

➡ **Seek the help of a competent advisor.** Most financial planners can easily help you come to terms with how much money you owe, and how much money you have to start setting aside to plan for your retirement. Make sure you check references and find someone you feel comfortable with before meeting with a planner. You might even consider meeting with a few people to find out who provides you with the most information and knowledge.

➡ **Create your own financial “team” of advisors.** Who might this include? Most importantly, members of your family that your retirement will affect. Your partner, spouse and children may all be members of your financial team. You can rely on and consult with your team when making important, life-changing decisions to your retirement plan.

Mistake #2 – Failing To Set Reasonable And Attainable Retirement Goals

How To Create And Maintain Smart Financial Goals

One of the simplest ways to retire also involves setting goals. Most people have career goals. Others have educational goals. Why wouldn't you have retirement and financial goals? If you want to retire on time, or better, retire early, then you have to set prudent, realistic and attainable goals.

Sit back and consider what you learned in step one. Consider your budget and your current financial status. Once you do that, come up with some goals that will help you: (1) get out of debt; (2) plan for retirement; (3) increase your savings; and (4) retire early (if that is a goal you want to realize). All of this is nothing more than common sense, but it is often easy to forget common sense when planning for one's retirement. After all, for most people, retirement may seem like a far-away dream. All too-often (and too late) people realize however, they are fast approaching their golden years. Make sure your years are golden by setting goals right from the beginning.

Your goals must be clearly stated and well-defined for you to realize them. Making one million dollars in one year may not be a reasonable goal. But, reducing your debt by 10 percent each year for five years, then increasing your savings by 10 percent the following years, may be a very reasonable and attainable goal.

In life, you need a blueprint to succeed. So make sure you consider your retirement blueprint when planning for your future. To do this, write down your financial goals and measure your progress toward them. As time changes and

your financial status changes, you can alter your goals accordingly to reflect your lifestyle.

Here is a simple worksheet you can fill in to start creating financial goals for your future. When considering goals, think in terms of short, middle and long-term goals. Your short-term goals for example, may include investing in high-risk, high gain investment opportunities.

Your medium-term goals may include diversifying your portfolio to make the most of your financial assets.

Your long-term goals will likely involve securing your funds and assets and shifting money around to secure the money you do have and lower your risk threshold when it comes to your retirement savings.

Remember, you can always come back and change your goals. The point is to get some goals on paper so you can START planning. You might consider then taking your goals and having a trusted financial planner or accountant review them.

Your goals don't have to be long and extensive. Try starting with three goals. If you have trouble coming up with three, start with one and work your way up. Consult with other family members about their goals, because their plans will impact your plans in many ways.

Retirement planning is often a team effort, so pull together members of your team to establish working goals that result in successful retirement planning.

Goals	Short-Term	Medium-Term	Long-Term

Mistake #3 – Failure To Diversify Your Retirement Portfolio As You Grow Older

How To Evaluate Your Investment Portfolio As You Age

When you are young and carefree, chances are better you can invest in a highly competitive or higher-risk portfolio than someone approaching their retirement.

We've all heard horror stories about people who had hundreds of thousands of dollars in stock one night, only to find the stock market crashed the next and left them without a retirement fund.

You do not want to be that person. Alternately, you may put all your eggs in one basket. Let's say for example you rely only on your employer as your retirement "fundee." What happens if your employer goes bankrupt and your retirement funds are not secure?

You should always think to the future when planning for your retirement, because retirement IS your future.

As you get older and get closer to retiring, you will want to reexamine your retirement portfolio and start placing some of your financial assets in less risky ventures.

Many do this by placing money in annuities. This is far from the only way to diversify your portfolio however. You can invest in many investment vehicles, including bonds, mutual funds and more, to secure any money you have earned while planning for your retirement.

Most people are not able to think of ALL their options when attempting to expand and diversify their portfolio. You CAN even use money you have in your savings account as part of your retirement planning. While your savings account should never be your primary vehicle for saving money safely (mostly because you will not realize enough interest on your investment) it IS still a tool you can use to supplement your income and earnings as you get older.

Every step you take toward diversifying and expanding your horizons about retirement helps as you age. If you haven't given much thought to expanding and broadening your financial horizons, then do so immediately.

This is especially true as you get older. You COULD spend hours trying to figure it out for yourself. If you are an accountant or financial planner by profession, you can likely do this in half the time as most "ordinary" individuals.

Most people however, will benefit by speaking with a competent professional about diversifying their funds and securing their assets. Do so early, while you can, so you make the most of your investments.

Planning for your retirement isn't nearly as hard as you may think. Avoid the three most costly errors people make when planning for their future, and you will find you are way ahead of the game when it comes to financial planning.

Let's Face It... The Population Is Aging

If you don't plan for your retirement wisely and quickly, you may find the chance to do the things you want to diminishing...

Don't let poor retirement planning ruin your chance of realizing your dreams. Now is the time to think about your retirement, to consider doing the things you've always dreamed when you want to.

How can you realize your dreams? The answer is easy.

The Retirement Blueprint... MP3 And Ebook Package



Take a minute and find out how you can plan for your financial future, whether you are just starting out or whether you are closing in on retirement, and looking for a way to secure your investments in **low-risk investment opportunities**. Retirement planning has never been easier!

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