

Why Saving For Retirement Is Important?



Whether you are 20, 30, 40, 50, or 60 years of age, are you planning for retirement? If not, you should be. Unfortunately, many individuals do not understand the importance of planning for retirement. The greatest reason why you should save for retirement is because it our life. The amount of money that you save for retirement will have a profound impact on how your life is lived.

Do you have any dreams or goals? Typically, retirement is the best time to meet your goals and transform your dreams into reality, but you can only do so if you are financially prepared. If you are not, you may be worried about where you will live or where your next meal will come from, as opposed to wondering when the best time to take a vacation is.

Another important reason why you should start saving for retirement and early is for your children. Even if you are twenty years old and single, remember that there may come a point in your life when you have a family. Those who do not properly plan and save for retirement put a huge burden on their families. As a parent, it is your job to protect your children, not cause them to face their own financial difficulties because they must pay for your retirement expenses.

Saving for retirement can also help to ensure that you are well cared for. This is important in terms of health. There comes a point in everyone's life when his or her health starts to worsen with age. While you may be able to live on your own and care for yourself when

you first enter into retirement, there may come a point in time when you can no longer do so. If and when that time comes, are you financially prepared? Can you afford the cost of long-term care? The cost of long-term care can be expensive and it should be included in the cost of your retirement; therefore, you should start saving now.

Another one of the many reasons why you will want to start saving for your retirement is because you won't want to keep on working. Those who are unprepared for retirement often keep on working or later return to the workforce. Is this really something that you want to do? Also, remember your age and your health. It is highly unlikely that you will be able to work until you die. That is why you should start saving for retirement, as you cannot generate income for yourself forever.

Finally, social security benefits are nice, but they will not cover all of your retirement living expenses. Many financial advisors state you will need around 70% of your current income to live comfortably in retirement. Unfortunately, most individuals only receive about 40% of that from social security benefits. Depending on how much you

contributed through the payment of taxes, that amount may be lower. Since you cannot rely on social security benefits to survive, you need to start saving for retirement.

Questions

1. Are you prepared for your retirement?
2. Who puts a bid burden on their family when they are not prepared for retirement?
3. What do not cover all of your retirement living expenses?
4. As a parent it is your job to protect your who?