

# *Rodger on Retirement*

## *5 ideas to give your retirement savings a quantum leap*

What can you learn in a short article? Enough for you to question what you are doing, seek further information and spur you to take actions you are not currently taking. Here are 5 ideas that can give your retirement savings a quantum leap.

1. Are you eligible for a **ROTH IRA**? Does the idea of tax-free retirement income interest you? There are strict eligibility rules that apply to the ROTH IRA. According to the IRS, if you are married, filing your taxes jointly, and your modified adjusted gross income (MAGI) is less than \$186,000 for 2017, you can contribute \$5,500 to a ROTH IRA (\$6,500 if you are over age 50). If your income is between \$186,000 and \$196,000, you can contribute a reduced amount. If you are single and your MAGI is below \$118,000, you are eligible to make a full contribution. If your income is between \$118,000 and \$133,000, you may make a reduced contribution.
2. You would be shocked to learn how many Americans are unknowingly declining offers of free retirement contributions from their employers. Many employers offer to contribute funds to your 401(k) or 403(b) plans in addition to the funds that you contribute. These are commonly referred to as **matching funds** or matching contributions. For example, if you contribute 5% of your salary to your retirement plan offered by your employer, they agree to match your 5% with their own money. To be clear, if you contribute \$250, your employer would match it with a \$250 contribution. That is a 100% return before the funds are even invested!\*
3. Do you have a **financial fortress**? I define this as a long-term investment account where you make deposits, but absolutely no withdrawals. This is the account that you will use to grow your wealth over decades. The idea here is to continually invest in assets that have the opportunity to grow over time. Do not think short-term here. Find any excuse to make a deposit to this account. You stayed away from Starbucks for a week. Great. Now deposit \$25 into your account. You got a pay increase? Congratulations! Now place half of the increase in your paycheck in the account every time you get paid. Are you expecting a refund from filing your taxes? Take half of the refund check and deposit it to your financial fortress. You get the hang of it: take half and place it into your fortress. You never use this account to buy things made of shiny plastic and metal. This is your long-term wealth account, so treat it with respect. Speak with an investment professional and identify long-term growth investments that are suitable for you. Do not use this account to speculate or trade stocks.
4. Find a **financial mentor**. Think of this person as your coach. I have found that most people have learned about money from sources that have not

accumulated any money of their own. Think of learning electronics from a teacher that does not understand how technology works. Find someone who can commit some time each month to help you understand wealth concepts. The more you understand, the more you can make these concepts work for you. How do you find someone like this? You ask, and you keep asking, until you find someone willing to share his or her time and knowledge with you.

5. Find three books you can start reading to jumpstart your knowledge. My mentor, Dan Kennedy, is fond of saying that if you want to understand medicine, you study medicine. If you want to understand the law, you study law. If you want to understand wealth, you **study money**. Make wealth a study. Most people don't even read two books in a year. Concentrate your learning and expand your knowledge. You will be dealing with, earning, and investing money for the rest of your life. You have a vested interest in understanding this. Learn the basics of investing, retirement savings, and how to increase your income in retirement. Learn enough so you can sit down with a professional financial advisor and be able to discuss a strategy that makes sense for your situation. You want to be able to enter into a collaborative relationship with an advisor/planner. Work together to design a wealth plan for you and your family.

Do not leave your future wealth or retirement to chance! Know that you can take steps to insure you make the best decisions possible while you still have time.

Rodger Alan Friedman has over three decades of experience designing and managing retirement portfolios and advising clients on retirement matters. For additional information, and a free special report on preparing for retirement, please call 1-844-3-MY-PLAN or visit: [www.RodgeronRetirement.com](http://www.RodgeronRetirement.com).

\*Not all employer sponsored retirement plans may offer matching contributions or the offering may be different than the example provided. Additionally matching contributions from your employer may be subject to a vesting schedule. Please review your plan documents or consult with your financial advisor for more information.

Investing involves risks, investors may incur a profit or loss regardless of the strategies employed. Opinions expressed are those of Rodger Alan Friedman. All opinions are as of this date and are subject to change without notice.