

Rodger on Retirement

Are you spending or saving your way to retirement?

If only it were that simple: 85 cents and you're done. No more saving, no more planning, no more choices about spending or saving. You can buy that new car you were eyeing in the showroom window with no guilt, knowing it would not affect your retirement security. But, like waking from a dream, you know that it is not real. There are always choices to be made because there is always a scarcity of resources. You can have A but not B. You can afford this but not that. There are always more desires than there are dollars to pay for them.

We all hope that we make thoughtful and intelligent choices. Keeping that in mind, try this simple exercise about prioritizing your needs and wants.

For the moment, I want you think long-term. Do not consider your next trip to the grocery store or next month's mortgage payment. Consider the most important long-term needs and wants that will require money. With each item, determine, is it a *need* or a *want*? Is it a weekend cabin, or perhaps a retirement condo in a warmer climate? Is it a new Lexus or a used Honda? Is it funding your children's college education? Is it paying for your own retirement so you are not living in your sister's basement at age 65? Try to prioritize all you write down. What is number one on the list, what is number two, etc.?

Now look at your list. Do you have enough money to fund all of these wants and needs? What can you remove from your list? Can the weekend cabin take a back seat to funding your children's education? Can the used Honda be in your garage, or will it be a new Lexus? Perhaps you can take the money you saved with the cheaper car and stick those funds in a ROTH IRA to compound for retirement? Life is full of choices and the quality of your life is determined by the quality of your choices and thinking. If you end up in your sister's basement, it is not her fault!

You are responsible to make the best choices possible for your family and for your own retirement. If you feel you are not up to the challenge of doing it yourself, I have a recommendation for you. It is simple and humble. Ask for help. Rather than a future outcome that will be sub-par at best, ask for help and guidance, and put your ego away. Someone once said that the smartest people are the ones who know when to ask for help. Do not be mad at people who are smarter than you because it's not their fault. Ask for help and keep the 85 cents in your pocket, you will need it.