

Rodger on Retirement

Effective retirement planning requires meaningful actions

When fighting a dinosaur, you need to use a really large weapon such as a sword, spear, or better yet, rocket-propelled grenade. You cannot expect to “turn the tide” with a Swiss army knife, peashooter, or toothpick. Likewise, when saving and investing for retirement, a penny saved might be poetic, but it will not really prove useful. Here are some strategies I have heard from retirement-minded savers:

- Save spare change in a coffee can each evening when you return home
- Save \$25 a week in a money market account
- Buy supermarket store brands instead of national brands
- Buy generics at the pharmacy
- Contribute the minimum to your 401(k) plan to receive the match

The above ideas are nice, but they are about as forceful as using the toothpick against the dinosaur. If you are to save and invest for a retirement free of want and one that will provide you economic freedom, you will need to up your game to a whole new level. Here are some ideas that you will want to consider as you think about your future economic situation:

First: Get help. Remember, odds are, this is not your area of expertise. By getting coaching, you will improve your odds of success. If you are the amateur in charge of your retirement, fire yourself!

Second: Create a wealth attainment strategy. Simply put, you are at a distinct disadvantage in creating the wealth you want for a successful retirement if you do not have a plan. Don't even think of winging it and saving money sporadically. That is a toothpick strategy.

Third: It is never too early to begin. Generation X and millennials take note here. I started contributing to my IRA at age 26 with \$600. I WISH I had begun earlier and saved more. Why didn't I? There was always another dinner out, a baseball game, movies, etc. No matter what your earnings, find a way to divert a couple percent to place in a wealth account. Begin now.

Fourth: Do not speculate. Trading stocks is not cool or the path to millions. It is time-consuming, frustrating, and best left to professional traders (who most likely lie about their results anyway).

Fifth: When you receive a bonus or a raise, place a big chunk (25% to 50%) of it in your wealth account. If you just spend it on dinners, chrome, steel, and plastic, you are no better off. Think *future wealth* and remember, you do not attain wealth by increased spending. The more you spend the less wealth you have.