

LIVING THE DREAM HOW TO PLAN FOR YOUR IDEAL RETIREMENT

What would you do with your time if you weren't working 40 hours every week? Everyone has a different idea of what they want retirement to look like, whether it involves traveling the world or staying comfortable at home. The most important thing about retirement is that you have the time, money, and space to do what makes you happy. But reaching your life goals after your career comes to a close is much easier when you start to plan early.

Here are the steps you can take now to plan for your ideal retirement later.

Step 1: Set a Clear Vision for Your Retirement

The first step in achieving any goal is having clarity about what you want. Ask yourself, "When it comes to my retirement, what do I want life to look like?" Consider aspects of your life such as your home, family, possessions, and experiences. Write down exactly what you picture when you think about your ideal retirement.

Step 2: Pick Your Priorities

When thinking about your future goals, it's key to prioritize those that are most important to you. Think specifically about the goals that will require a certain amount of savings or investments. If you'd like to travel the world and also buy a luxury car, which one is more important to you? By setting these priorities, it'll make it easier for you to achieve the things you want most first.

Step 3: Use Your Goals to Inform Your Spending Needs

Next, when planning for your ideal retirement, you'll want to figure out your spending needs. How much money will you need to achieve your goals—think about both the big picture and the day-to-day. Do you imagine yourself living in a different city or house? How much money might you need to invest in a new property? On a smaller scale, what activities might you participate in on a regular basis? Consider expenses like social club memberships or dining at restaurants.

Even if your budget changes over the years, it's a good idea to continue to think about spending needs after you stop working so you can prepare for your dream retirement.

Step 4: Starting Investing Early and Often

It's never too early to start saving for your future. Once you have an idea of what your spending goals look like for retirement, you can start thinking about how to invest your money now to work towards those goals. Some options for investments that can grow long-term include:

- Defined contribution plans—like a 401(k) or 403(b)
- Individual retirement accounts (IRAs)
- High-yield savings accounts

It's a good idea to set aside a portion of your paycheck every month to invest in your retirement, no matter what type of investment you choose. Employer-sponsored 401(k) plans make it easy with automatic pre-tax contributions, but there are many IRAs and savings accounts that can also take post-tax contributions from your bank account on a regular schedule every month.

Step 5: Revisit Your Goals Yearly

Most importantly, when thinking about your dream retirement, revisit your plan on a regular basis. Keep an eye on your investments and consider contributing more every year to coincide with salary bumps. Revisit your retirement goals periodically and update them—whether you've decided to shoot for the moon or back off of some of your loftier goals. As you draw closer to retirement age, your goals and your ability to achieve them will become even more clear.

If you're confused about your ideal retirement or how to invest in order to reach your goals, a financial professional can help you gain clarity and strategize your investments.

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