6 Quick Tips to Save for Your Retirement

Regardless of whether you're 25 or 55, saving for retirement is a wise financial strategy. Everyone will face retirement at some point, either by choice or necessity. Whether you are on track for retirement savings or need to catch up, these six essential tips could help put more money in your piggy bank.

1. Focus on Starting Today

There's no time like the present. It's never too early or too late to start saving for your retirement. Especially if you're just beginning to put money away, start saving as much as you can now, and give your assets the potential to earn interest. It's also important to set a goal. Knowing how much you'll need not only makes the process of saving easier but also can make it more rewarding. Set benchmarks along the way, and gain satisfaction as you meet each goal and get closer to achieving your overall financial objectives.

2. Keep an Eye on Spending

It's important to examine your budget, and reexamine it every year, especially once you begin approaching retirement. You can always make adjustments to help yourself stay on track. There are several ways to rein in your spending, whether it's negotiating a lower rate on your cable bill, bringing your lunch to work every day, or carpooling when possible. Any way you can reduce spending will help you free up money to put towards your long-term financial goals.

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In a world where you can easily swipe or scan your credit card to make a purchase, it can be often too easy to overspend and get yourself caught up in debt. If sticking to your budget is a challenge for you, you can always use the old system of withdrawing a week's worth of cash for your routine purchases and putting it into envelopes marked "groceries," "gas," "entertainment," etc. and when that money is used for the week, you cannot withdraw more. Making a conscious effort to get your overall spending under control now will allow you to save more dollars in the long run for your post-employment years.

3. Optimize Your Social Security Benefits

Determining when to apply for Social Security benefits may be one of the most important decisions you will face during your retirement. Many people simply apply for Social Security when they decide to retire, instead of taking into consideration the age at which they will receive maximum benefits.

For every year you can delay receiving a Social Security payment before you reach age 70, you can increase the amount you receive in the future.[1] Age 62 is the earliest you can begin receiving Social Security benefits, but for each year you wait (until age 70), your monthly benefit will increase, and the additional income adds up quickly. Pushing your retirement back even one year could significantly boost your Social Security income during retirement.

4. Consider Adding a Fixed Index Annuity to Your Plan

Fixed index annuities can offer many advantages if you are looking to help grow your retirement funds with guarantees*. A fixed index annuity is a contract between you and an insurance company. In exchange for your premium payment, the insurance company provides you income at some time in the future. Your annuity can earn interest, allowing the money in your contract to grow, but is also protected from market index risk.

Annuities are an insured retirement solution that can help you accumulate assets for the future, preserve what you've accumulated, turn those assets into a guaranteed* stream of income, and help you pass on a financial legacy to your loved ones.

5. Automate Your Savings

By setting your finances to automatically save for you, you'll quickly be on your way to saving both time and money. Make your retirement contributions automatic each month and you'll up the potential to grow your nest egg without having to think about it. Schedule an automatic transfer of a certain amount of your monthly income into a savings account or IRA. Your savings will benefit from being set aside from your regular spending and depending on the type of account you choose, may have the potential to earn interest. You don't need big bucks to make an impact; even an extra $100 month can add up to $24,000 plus interest over 20 years of saving.

6. Save Extra Funds

Do you have a little extra money? Did you get a bonus? A tax refund? An inheritance? While you may be tempted to spend that money on something frivolous, it could be very beneficial to apply some of that money toward your retirement fund. Take all or a portion of the amount and put it in savings, make the maximum yearly contribution to your IRA, or purchase a product like a fixed index annuity. Treat yourself to something small and then use the rest to help make big leaps toward your retirement goal.

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Interested in learning more about saving for your retirement?

[1]http://www.ssa.gov/retire2/delayret.htm

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Annuities are designed to meet long-term needs for retirement income. They provide guarantees against the loss of principal and credited interest, and the reassurance of a death benefit for beneficiaries.

*Guarantees provided by annuities are subject to the financial strength of the issuing insurance company; not guaranteed by any bank of the FDIC.

A fixed indexed annuity can provide annuitization as a means to provide retirement income payments. An alternative option to annuitization could be the purchase of an optional lifetime income rider, a benefit for which an annual premium is charged.