Why You Should Start Saving For Your Retirement Now!

When it comes to saving for your retirement, the best time to begin is now.

Consider the cases of Jim, Chris and Bill, three superintendents who have different approaches to retirement savings.

• Jim is 25 and in the early stages of his career. Though retirement is years away, and his income is lean, he manages to set aside $200 per month.

• Chris' career is in full swing and her income is established. At age 35, she is looking ahead to the needs of her growing family and decides it's time to start saving for her retirement. She also puts aside $200 per month.

• Bill is the head superintendent at his club. At age 45, he's spent the past two decades working hard and supporting his family. Now that his youngest child is through college, he's ready to save for his own retirement. He decides $200 per month will be enough.

While all of these superintendents have made the decision to save for retirement, Jim stands to fare the best. Given that each is investing in a tax-deferred vehicle that grows 9 percent annually, Jim's savings will soar to $849,930 by the time he retires. Chris who began her savings 10 years later than Jim, will have $342,876 at retirement. Bill will have only $128,692 to show for his efforts.

How Much To Save

How much is enough? Is there a magic number that you should use as your goal? Financial experts recommend you save at least 10 percent of your annual salary toward retirement. However, the amount you need to save depends on the age you plant to retire and what your expected lifestyle will be.

Studies conducted by the U.S. Bureau of Labor Statistics estimate that most people need 80 percent of their pre-retirement income to maintain their standard of living when they are retired. If that is an unattainable level, retirees will need to scale back on their lifestyles or continue working in some capacity. (To help you determine how much you need to save for your retirement, GCSAA superintendents and assistant superintendents can use the retirement calculator found on the Golf Retirement Plus Web site at www.retplus.com.)

Common Barriers to Savings

If saving for retirement is such a good idea, why do so few do a good job at it? There are several obstacles that often inhibit people from saving for the future.

• "Retirement is a long way away." It's ironic that when saving money could benefit you the most, you're farthest away from retirement. Taking the realistic, long-term view that retirement will indeed arrive can spur savings activity.

• "I'll probably inherit something from my parents." Seniors are liv-

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Retirement—

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ing longer today than ever before. The inheritance you're counting on may instead go for their expenses, including a stay in a nursing home.

• "I don't make enough to save anything." If a savings program is started early, even modest amounts will add up to sizeable amounts in the long run.

• "I don't know where to put my savings." This is a common barrier for savers. The answer lies in knowing your goals, doing your homework and seeking the knowledge you lack.

• "I'll begin saving as soon as..." Life will never provide the perfect opportunity to begin saving. Good savers make saving a habit, through good times and bad.

• "There's simply no place I can cut back." Evaluate each expense as either a "need" or a "want," and you'll often find budget areas that could be reallocated to savings. If you put away just $30 each week into a retirement program, you'll have more than $87,000 saved in 20 years. (Example assumes a 9 percent annual return over 20 years.)

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