

Start your retirement planning now - Here's how

Working your entire life is certainly an unattractive prospect. This is why it so important to plan for your retirement as early as possible.

Start planning now

You should try to live below your means now so that you will be able to enjoy your retirement later. The first step is to take stock of your living expenses and think of ways you can cut costs. Take some time to sit down and think about what your dream retirement would be like. Would you like to travel? Do you have hobbies and interests that you would like to devote more time to when you are no longer working?

How much is enough?

Also keep in mind that your retirement may cost less than you might think. According to MSN Money columnist Liz Pulliam Weston, a recent study by the U.S. Department of Labor's Consumer Expenditure Surveys finds that many people actually spend less money when they are in their retirement. With the exception of healthcare expenses, most retirement-aged peoples' various living expenses dropped dramatically.

Living longer than you expect

Finally, take into account what retirement planners call the "longevity risk." Your longevity risk is the risk that you may end up living longer than you thought you would when you were planning your retirement. As a result, you run the risk of eventually running out of money when you retire. As medical technology continues to advance, this situation becomes even more of a possibility. You will want to save enough money to account for a very long life.

401(k) and more

The best financial vehicles to use to save for retirement are employer-sponsored retirement plans like 401(k) plans. Individual Retirement Accounts, or IRAs are other savings accounts that allow you to put away money from your "gross" or pre-tax wages. The money grows tax-free too. Pension and IRA savings are also immune to seizures during bankruptcy proceedings in most states.

Getting help

However you plan on saving for your retirement, be sure to go over your plans with a financial expert. He or she will give you the best advice for reaching your retirement goals so that you can comfortably enjoy your golden years.