

# Benchmark

## Financial Group, LLC

### **Are You Sabotaging Your Retirement?**

The desire for a secure retirement is common. Most people contemplate the things they'd like to do when they finally have the time. Unfortunately, a lot of folks may never realize their dreams due to inadequate financial resources. All too often, poor financial habits in the present wreak havoc with creating a solid financial foundation for the future. The three main ways in which you may be sabotaging your retirement are over spending, under saving and perpetuating bad habits.

#### *Over Spending*

Excess spending comes in many forms. Buying an item for the sake of appearance, taking on consumer debt and indulging in entertainment are just three examples. To have a secure retirement in the future, current spending must be controlled.

Reducing spending is the first step toward financial security. Avoid impulse buying and carefully consider every purchase. Look for low or no cost alternatives. Buying a new car or the trendiest clothing wastes precious financial resources. Commit to purchasing only those items that are actually needed and that can be paid for up front.

To cut entertainment costs, pursue inexpensive hobbies and take advantage of low-cost entertainment options such as community concerts or festivals. Dine in regularly and invite friends over to socialize rather than going out. Look for ways to cut monthly expenses, as well

#### *Under Saving*

Having an adequate retirement income is the second key to securing the golden years. While many workers are covered by Social Security, that source of income is meant to be a supplement only. In addition, each individual must take responsibility to secure additional retirement income.

Contributing to a 401k or IRA are two ways in which funds for retirement may be saved. Investing in appreciable assets such as rental real estate can also provide much needed retirement income. In addition, paying off the primary home prior to retirement has the same effect as saving money as it reduces the need for income each month.

#### *Bad Habits*

The obvious bad habits that waste an incredible amount of money include smoking, drinking and gambling. Not only is smoking expensive, it also leads to an increase in health care costs. Though some might argue that a moderate amount of alcohol consumption is beneficial to health,

does the potential benefit outweigh the absolute expense? Gambling is at best an expensive form of entertainment that has no place in the life of a future retiree.

*Prepare for Retirement Now*

Time passes quickly and the golden years will be here soon. Prepare now by cutting spending, increasing savings and giving up bad habits. Proper attention to these three areas now will pave the way for a happy and secure retirement.