

Questions To Ask Yourself When Saving For Retirement

Are you saving for retirement? For many of us, saving for retirement is simply signing up for our employer's 401K or Thrift Savings Plan, choosing a contribution percentage, and calling it a day.

While that's a significant first step to saving for retirement, the truth is a vast majority of Americans aren't saving enough for retirement, and certainly not for the actual lifestyle they'd like to live when they reach that stage.

Here are some questions you should ask yourself:

1. What type of lifestyle do I want to live when I retire?

This is the one single question that many people don't consider. Putting money into a 401K or other retirement account doesn't necessarily mean that you'll have saved enough when you hit retirement age.

So what does "retirement" mean to you?

Are you living in the same home? A smaller home?

Are you traveling or content with living a slow life of leisure?

Are you going to move to a different area? And if so, is the cost of living higher or lower?

There are many factors to consider when you retire. By thinking about these things before you retire, even knowing they could change down the road, you'll be better equipped to retire on your own terms.

2. Is what I'm contributing toward my retirement enough to support how I want to live in retirement?

Now that you've given thought to how you want to live in your retirement years, the question is, are you saving enough?

To accurately plan, gather how much you've already contributed towards your retirement, think about what age you want to retire, and decide how much you want to have saved when you do. Then head to the retirement calculators from AARP at the bottom of the page to learn how to achieve your savings goal:

3. What is my complete retirement plan?

Seeing those numbers in black and white can be humbling and overwhelming. Especially if you recognize that what you've been contributing towards retirement isn't measuring up to how you want to live in retirement. The good news is that there are more options and ways to achieve your goal than with your 401K or Thrift Savings Plans, like real estate and other savings vehicles and investments to consider.

4. Should I be saving enough for myself and my partner, spouse, or significant other?

If you're in a single income household with a partner, it's essential to consider them in the equation. Women disproportionately don't have retirement savings. This is primarily an issue for women who choose not to work outside of the home. While that's a great choice, when making that decision as a family, ensure that you're accounting for that in your retirement years, as well. Interchangeably, if your family decides Dad will stay home or if you have a child with special needs, plan accordingly when saving for your retirement.

5. How can I save for retirement when there are so many other things to save for?

There are indeed a lot of competing priorities when it comes to saving: emergency funds, homeownership, education, and everyday life presents countless needs and wants. So how do you do it all?

You do what you can with what you've got. However, when trying to decide on prioritizing savings, you should remember these two things:

1. Retirement is the one major life milestone that you can't borrow for.
2. Retiring comfortably is a HUGE gift to your children and loved ones. Paying for their education is a nice gesture, but being able to retire and not worry about you is better.

[AARP Retirement Calculator: Are You Saving Enough](#)

[AARP: Retirement Nestegg Calculator](#)