

Be Smart: Get an Early Start

You can't control your investment returns, the fate of Social Security or other factors that will likely affect your retirement income, but you *can* decide when to start saving in your retirement savings plan—and that could make all the difference.

Take advantage of time

Those findings are a reminder that when it comes to saving, your retirement account is one of your two best friends; the other one is time. No matter what your age, the best moment to start saving for retirement is *now*. But what if you're not still in your 20s? In that case, you can make up a lot of ground by boosting your contributions—even if it's only a little bit.

Consider Stewart, age 35, who contributes 6% of his \$62,000 salary to a 401(k) account. His \$310 monthly contribution grows to \$378,191 in 30 years, assuming he earns a 7% annual return on his investments. What if he boosts his savings rate to 7%—or \$361 a month? At the same annual rate of return, he'll end up with \$440,409—an extra \$62,218. Kick that savings rate up to 8%, and Stewart will accumulate \$504,254 by age 65.

The moral of Stewart's story is clear: No matter when you start saving for retirement—whether you're 25, 35 or 55—every additional dollar may help paint a brighter future for you and your loved ones.

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