Balancing Your Needs Now and Later

Although it can be a struggle to balance the responsibilities of growing children, home costs and aging parents, you need to make your retirement a priority. Remember there are loans and grants to pay for your child’s education and your home – but not for your retirement.

Here are some other strategies for addressing today’s needs while saving for retirement that can help you from dipping into your retirement savings:

- Experts suggest that your debt – including car, credit cards, personal and college loans, but not mortgage – should account for no more than 20 percent of your take-home pay.
- Review your financial goals regularly and be prepared to adjust your budget to address unexpected events, such as a parent falling ill.
- Help your children set realistic plans for college and living expenses. It will not only reduce your stress, but it will also help them become more financially responsible.
- If you haven’t already, discuss with your parents their preparations for the future, including retirement and long-term care insurance. Educate yourself on what support is available to you and your parents.
- Take advantage of automatic payroll deductions to contribute to your retirement plan. It can help with budgeting when you’ve already put the money aside.

If you are tempted to tap into your retirement account, consider that by withdrawing money, you reduce the benefit of tax-deferred compounding, possibly forcing you to delay retirement.

Don’t wait until your life “settles down” to focus on your retirement.