

Title:

How To Develop A Secure Retirement Income

Word Count:

525

Summary:

One of the rules of life is that, sooner or later, everyone has to stop working and retire. For some, this is a golden opportunity to enjoy life and do things they never got the chance to do while they were busy with working and raising a family. For others, however, retirement can be a very scary prospect, with no money coming in and yet some of the biggest expenses still needing to be taken care of. Even though work stops, the truth is that life (and your bills) doesn't. He...

Keywords:

retirement

Article Body:

One of the rules of life is that, sooner or later, everyone has to stop working and retire. For some, this is a golden opportunity to enjoy life and do things they never got the chance to do while they were busy with working and raising a family. For others, however, retirement can be a very scary prospect, with no money coming in and yet some of the biggest expenses still needing to be taken care of. Even though work stops, the truth is that life (and your bills) doesn't. Here are some ways to plan ahead and develop a secure source of income for when you retire.

The most important factor in planning out your retirement income is to plan ahead- the sooner you start to plan, the better. As soon as you reach that stage of life where you are receiving a secure income, you should begin to put money aside in order to draw off of when you retire. You can do this by diversifying your investments- small contributions to several areas will add up when you retire to provide you with a comfortable living- if you are very wise and frugal you may find that your retirement income is actually more than your regular working income was!

The best places to put this money are in areas where they will be able to accrue interest, especially of the compound variety. Some safe investments include mutual funds and saving bonds, in which an investor agrees to leave the money aside for a stated amount of time in order to earn the interest that will often

be guaranteed. In some areas, it is also possible to invest in Registered Retirement Savings Plans (RRSPs) which will not only accrue interest until the time you retire, they are also usually tax deductible in the present.

You should also look for a job in which a regular contribution is made by both the company and by yourself to a pension plan. Ask your employer if it is possible to have some money deducted from each paycheck and deposited to a specific pension plan- many employers will meet the contributions made by the employee.

The most important thing when you are planning out your retirement income is to make sure that the money you invest for that purpose remains there. Many people lose their retirement nest egg in emergencies or even investing in opportunities that seem iron clad, but aren't. When you make investments towards your retirement, do not touch them. Remember that this money will be all you have at that time in your life, and if you lose it you are going to be in for some hard times, with no chance at recuperation. Any risks as far as investments go should be undertaken with money that you budget for that purpose, and not with any of the money that you plan on setting aside for retirement purposes.

Prudence and long-term planning are the watchwords when you begin to develop your secure retirement income. Make a plan and stick to it, and your golden years will be the best time of your life.