Fifty-something with no retirement savings

You really *meant* to begin saving earlier for your retirement — right after you saved enough for the down payment on your first home. But, over the years, you needed money for a bigger house, braces for the kids and college tuition, so retirement saving stayed on the back burner. And now, here you are, 10 to 15 years away from retirement and not a penny saved for the day when you stop working.

Worst-case scenario? Maybe not. According to a recent survey,[1] over a quarter of workers ages 55 and older have saved less than $10,000 for retirement. If you're one of them, it may be time to mend your ways. While you probably won't be able to save as much as you would have if you had begun saving early in your career, with a little hard work and some sacrifice, you'll be able to get that retirement nest egg growing.

Reality check

How much money do you need to save? Financial tools can help you calculate the amount of income you can expect to have from Social Security and other sources and the expenses you'll face in retirement. If you haven't saved anything, you may find the results a little frightening. Don't be discouraged. Once you know how much you need to save, you can come up with a plan to move closer to your goal. A few changes in your spending and saving habits now can make a difference when you're ready to retire.

First things first

If you're just beginning to save, it goes without saying that putting money into a retirement account should be your first priority. Revise your budget by listing a contribution to your retirement savings plan as the *first* commitment, followed by your fixed expenses — mortgage or rent, debt payments, utilities and so on. You'll probably have to cut back on some things you enjoy so that you can put as much as possible into your retirement account, but living a "no frills" lifestyle now can have big benefits for you in the future.

Go through your checkbook and credit card statements and look at your spending patterns. Think about the extras that are most important to you and the ones you're willing to do without. Small changes in your habits can reap big rewards in the future.

Keep on workin'

You may not be fiscally or psychologically ready to retire at age 65. If you have the option to keep working, consider staying on the job. Continue contributing to your employer's retirement plan or any Individual Retirement Accounts (IRAs) you have. You'll have more time to save for retirement, and your savings will have additional years to compound and grow.

Hang out your shingle

Always wanted to start your own business? Now may be the perfect time. Besides earning extra money, you may be eligible to contribute a portion of your self-employment income to a tax-deductible Keogh plan. And, once you retire from your regular job, you'll have an established business to provide income for you.

Saving smart

Saving as much as you can in your employer's qualified retirement plan is one of the best ways to get your money

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working for you. If your employer matches your contributions, you'll also have the advantage of "free" money.

Remember, it's better to start late than not to start at all. So get started on planning your strategy to turn zero into a winning number.

For further information on retirement planning
We invite you to visit **mybmoretirement.com** or call the My BMO Retirement Line at **1-800-858-3829**.

[1] 2008 Retirement Confidence Survey, Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.

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