

A Million Dollar Retirement Goal: Age 25 - 09-09-2010

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What if you want to accumulate a million dollars by the time you reach the age of 65? If you're in your mid-20s, the countdown to retirement savings should begin right now.

40 years from now a million dollars will be worth \$307,000. Why? Inflation. Even a modest 3% inflation rate will cut your buying power in half over the next 25 years. That's why the concept of always saving something for retirement should start now – in your mid-twenties when you have nothing but time on your side to let your nest egg grow.

Be sure to contribute to your company 401(k) plan and ask your Human Resources Department how much your contribution needs to be in order to get your employer match. If where you work doesn't offer a retirement plan, be sure to fund an (IRA), an Individual Retirement Account.

In your mid-20s, financial planners say you can afford to keep 100% of your investments in stocks – again since you have time on your side and will be investing for the next 30 years or more. Get rid of as much credit card debt as you can and set a goal to buy a piece of property.

Be sure to have an emergency fund that's equal to 3 to 6 months of take home pay. This money should be kept in an easy to access online bank account.

If you're 25 years old, have saved nothing but want to retire at age 65 with a million dollars, Kiplinger's Personal Finance Retirement Planning Guide says you'll need to save \$286 a month to reach that goal. *It's your money so take it personally*™.

Here's to your health and wealth.

My book MIND OVER MONEY MATTERS available on Amazon 11/1. Chapter Eleven gives a dozen age appropriate money moves for each decade beginning age 20. http://valeriecolemanmorris.com/mind_over_money_matters.html