

A Million Dollar Retirement Goal: Age 35 - 09-16-2010

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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-30s and have saved nothing for retirement, financial planners say you might want to shift your assets to 90% stocks and 10% bonds. You still have time on your side to take more risk and for your nest egg to grow.

In your 30s, the goal is getting life together. You may be starting a family, preparing to buy a home or both. Ask yourself: What do I need to do differently? Do a reality check for greater clarity about your goals given your current income and asset base. Talk with your spouse about how your money is going to work better for you and set new spending controls with each major life change (i.e. birth, relocation, job change or layoff) that may set you back financially.

Now let's put a necessary dollar amount to the goal of saving a million dollars by age 65 if you are in your mid-30s. Every year my longtime friend and colleague Mary Beth Franklin who is senior editor at Kiplinger's Personal Finance Magazine – turns out an amazing nearly solo magazine called the Retirement Planning Guide. It's priceless. So is she. One of the annual features is "How to Make a Million Dollars". I love it so much it is featured in my new book "Mind Over Money Matters" which hits store shelves in November.

Mary Beth crunches the numbers and gives a savings metric by age and circumstances. She says if you're 35 years old, have saved nothing but want to retire at age 65 with a million dollars, you'll need to save \$671 a month to reach that goal. If you've already saved \$50,000 for retirement, you can reach your million dollar goal by saving \$304 a month.

In your 30s, while saving for retirement, it's also important to protect your assets. Life insurance is necessary for growing families. Also invest in a 529 College Savings Plan which Mary Beth notes: "Many states offer a tax deduction for your contribution, and qualified distributions are exempt from federal taxes." *It's your money so take it personally*™.

Here's to your health and wealth.

Next week, what you need to do if you're age 45 and have saved nothing for retirement. You'll have to start saving a chunk of money to do it but it still can be done.

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