Even With A Late Start, There Are Ways To Invest For Retirement

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(NAPSI)—If you're worried that you haven't saved enough for retirement, you are not alone.

As they near retirement, many people find they are less than confident that their savings or monthly Social Security check will be adequate to meet their financial needs.

Fortunately, if you are in your 40s or 50s and have a decade or more before retirement, you still have time to take meaningful steps toward building your retirement nest egg.

To help, here are some tips from the experts at First Investors.

First Things First

To start, you should evaluate the potential sources of your retirement income. Social Security is one traditional source. To get an estimate of your Social Security benefits, visit the program's website at www.ssa.gov/mystatement.

Company pensions may be another source of retirement funds, although they are far less common today. Even if you will one day be a recipient of one or both of these programs' benefits, they will likely provide only a portion of what you'll need to live comfortably. That means that your personal savings and investments must generate a significant part of your retirement income.

Jump-Start Your Investments

Since you're getting a late start, you'll want to get the biggest "bang for your buck" from your investments. Here are some strategies to consider:

• **Get with the program—**It's always a good idea to use tax-advantaged programs. If your employer sponsors a retirement plan, such as a 401(k) or SIMPLE IRA, you should consider enrolling. If you're

self-employed, look into establishing a retirement plan such as a Simplified Employee Pension (SEP). Although plans differ in a number of ways, all offer tax-deferred contributions and growth, which help your funds accumulate faster than they would in a taxable account. Some companies even make matching contributions to employee accounts, which is something you'll want to take advantage of, if available.

• **Open an IRA—**Even if you contribute to an employer-sponsored plan, you may want to go one step further and open an individual retirement account (IRA).

Traditional IRAs offer tax—deferred growth and penalty-free withdrawals in certain eligible situations. Roth IRAs offer tax-free growth and tax-free withdrawals for qualified distributions. And don't forget an IRA for your spouse.

• **Go on automatic pilot—**The old adage of "pay yourself first" is still a valid idea, particularly with investments. One way is to sign up for a systematic investment plan, whereby a fixed amount of money is automatically transferred on a regular basis from your paycheck or bank account into your investment account.

• **Consider variable annuities—**If you've reached the annual contribution ceilings of your employer-sponsored plan and IRA, you can further supplement your retirement funding with annuities. A variable annuity is a contract with a life insurance company that allows you to accumulate money on a tax-deferred basis. And, unlike other tax-advantaged vehicles, variable annuities do not have an annual contribution limit.

• **Get the balance right—**Getting the right mix of stock, bond and money market mutual funds is important. For growth potential, you'll want to have an appropriate allocation of stock mutual funds in your portfolio.

Of course, pursuing faster growth entails greater risks. And with your compressed time horizon, you may have difficulty riding out and rebuilding your portfolio after the inevitable stock market downturns.

• **Contact your financial representative—**Whether it's helping you to establish financial goals for retirement, selecting an IRA, offering advice on the right balance in your portfolio or helping you navigate complex risk and tax issues, there are a number of ways you can benefit from a strong relationship with a financial representative.

To learn more, you can visit www.firstinvestors.com.

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