Investing and Retirement

While retirement may seem like a long way away, investing early can make a huge difference in the long run. Explore your employer’s benefits when it comes to retirement savings, so you can make the most out of your investment.

Getting Started

The first thing to do when starting to save for retirement is to find out what kinds of benefits your employer offers.

Many employers will allow you to take pre-tax dollars out of your paycheck and invest them into your retirement account. Some employers will also match part of their worker’s contributions. It can be in your best interest to take advantage of this match because it is your employer’s way of giving you more money.

You should set up your retirement plan as soon as you begin working. If you choose a small amount of your paycheck to be allocated towards your retirement plan from the first day you begin employment, you will be less likely to notice that money missing from your paycheck.

Where to Invest your Retirement Funds

Once you’ve set up your retirement plan you can decide where you specifically want to invest your money. You can invest in stocks, bonds or, cash. To diversify your investments, you should put your money in several different funding options. This helps to lower your investment risk. Many retirement plans will offer “target-date” mutual funds based on the year you’re predicted to retire. These automatically adjust the investments over time and get more conservative as you approach your target-date. If your employer offers the opportunity to speak to someone about retirement, take advantage and make sure you know where your money is going.

Understanding the Investment Options