

## Saving for Retirement and Retirement Planning

Available at:

<https://www.easypeasyfinance.com/retirement-planning-saving-for-retirement/>

**I don't want to work forever. What happens when I stop working and retire? Where would the money that I need to live on come from?**

I totally understand! Nobody wants to work forever, right?

After retirement, the government helps to some extent through social security payments, but you need to plan ahead and save for retirement yourself.

**When should I start saving for retirement? A year before I retire?**

No, ideally you should start saving for retirement from your very first pay check. If you haven't started yet, you should start right away!

Remember what we talked about while discussing compound interest? The earlier you start saving, the more time your money gets to grow exponentially through the power of compounding.

**Is there a specific age for retirement?**

65 is widely accepted as the age for retirement, but people may retire earlier or later depending on their personal situation.

If you feel you have saved and invested enough money that would generate adequate income to live comfortably during retirement, you can retire even when you're much younger than 65.

Starting to save early for retirement would give you this flexibility.

**Well, how do I save for retirement?**

You should set aside some money from every paycheck towards retirement. This money should be invested using specific accounts meant for retirement – these accounts provide income tax breaks and can also offer some other advantages like the employer matching your contributions.

**Can you give me some examples of such retirement accounts?**

Retirement accounts can be accounts that provide tax breaks when you make the investments, like 401K and IRA, or accounts that provide tax breaks when you withdraw money after retirement, like Roth 401k and Roth IRA.

We'll talk about each retirement account in detail in separate videos.

