

# Financial Independence



Step 7 in Your Roadmap to  
Financial Independence

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Planning for your retirement is a crucial aspect of Financial Independence. The earlier you start, the better prepared you will be to enjoy your independence without financial worries.

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## Under 30: Build a Strong Foundation

The most powerful tool you have is time.



Starting to save for retirement in your twenties allows early gains to compound and work in your favor. Even small contributions can grow significantly over time.

1. Open a retirement account, such as a 401(k) or IRA, and make regular contributions. Try to take advantage of an employer match. It's essentially free money that can significantly boost your retirement savings.
2. Educate yourself about investing. Understand the basics of stocks, bonds, mutual funds, and ETFs.
3. Consider opening a Health Savings Account (HSA) if you have a high-deductible health plan. HSAs offer tax advantages and can help cover medical expenses in retirement.

## Ages 30-40: Grow Your Nest Egg

1. As your career progresses and your income increases, you aim to boost your retirement contributions. Strive to contribute at least 15% of your income towards retirement savings. Review your investment portfolio and ensure it's diversified.
2. This is often a decade of significant life events, such as buying a home or starting a family. Plan for these expenses carefully and ensure they don't derail your retirement savings goals. As your income grows, resist the urge to inflate your lifestyle. Keep your expenses in check and allocate extra funds towards retirement savings and investments.
3. Regularly review your retirement accounts and adjust your contributions and investments as needed. Ensure you're on track to meet your retirement goals.



## **Ages 40-50: Catch-Up and Secure Your Future**

1. Reassess your retirement goals and adjust your savings plan accordingly. Consider factors such as desired retirement age, lifestyle, and potential healthcare costs.
2. Consider consulting a financial advisor to review your retirement plan. A professional can provide personalized advice and help you navigate complex financial decisions.



## **Age 50+: Final Preparations**

1. Take advantage of catch-up contributions if you're age 50 or older. The IRS allows higher contribution limits for retirement accounts.
2. Review your retirement plan and ensure you're on track to meet your goals. Make any necessary adjustments to your contributions, investments, and Spending Plans.
3. Consider long-term care insurance and other strategies to manage potential healthcare costs.
4. Explore ways to generate income in retirement, such as part-time work, rental income, or dividends from investments.
5. Remember, retirement is about enjoying the fruits of your labor. Plan for activities, hobbies, and experiences that bring you joy and fulfillment.



## Universal Tips for All Age Groups

1. Regularly review your retirement plan and adjust as needed. Life circumstances and financial markets change, so it's important to stay proactive and ensure your plan remains aligned with your goals.
2. Stay informed about changes in tax laws, retirement plan rules, and economic trends. Being knowledgeable helps you make informed decisions about your retirement savings and investments.
3. While saving for retirement is crucial, it's also important to enjoy life along the way. Find a balance that allows you to save adequately while still experiencing the things that matter most to you.
4. Discuss your retirement plans and financial goals with your family. Open communication ensures everyone is on the same page and can provide support if needed.

"If you want to be financially free, you need to become a different person than you are today and let go of whatever has held you back in the past"



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