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| **Preparing for Retirement with Little Savings****It happens. Retirement approaches and you realize you haven’t stashed away enough savings. Time to take steps now, such as creating or revising your budget, reducing debts, and cutting spending.**A study1 by the Employee Benefit Research Institute reports 40.6% of U.S. households headed by someone aged 35 to 64 are projected to run out of money in retirement. But you can help improve your prospects if you act now.**Tighten your belt.** If you haven’t done so yet, set up a budget that you can follow. Review your actual spending over the last year and eliminate items that you can do without. This is the place where you identify your spending priorities and decide where you can reduce your cash outflows. You may be surprised how much money you can conserve by simple belt-tightening measures, from avoiding expensive lattes to entertaining at home instead of dining out. Apply at least some of your savings to your retirement account.**Get rid of short-term debt.** If you aren’t paying your credit card balances each month, you’re probably carrying too much debt. Credit cards charge around 19% interest on average2 , which can be a significant drain on your finances. As you pay down your debt, see if you can get your creditors to reduce their interest rates. Consolidation may make it easier for you to attack your debt and help you boost your credit score. A higher score will give you access to lower interest rates, but the best interest rate is 0% ─ i.e., no short-term debt.**Review your living arrangements.** Downsizing may save you a substantial amount of money each month. If you are a tenant, you can immediately reduce your rent payments by relocating to a less expensive place. And if you own your home, downsizing may provide a nice capital gain that you can apply to your retirement savings.**Work longer and harder.** Many folks are postponing retirement, either because they like their jobs and/or they need the income. By working until 70, you might be able to postpone taking Social Security benefits and let them grow to their maximum. The gig economy offers many opportunities to take on a part-time second job. If possible, funnel all your second-job income directly into your retirement savings. Now is the time to make an all-out push to plump up your savings if you can swing it.**Reach out for help.** It can be scary to confront retirement with inadequate savings. But you don’t have to face your challenges alone. Please call or email me to schedule a review of your finances. Together, we can consider all your options to help make your retirement more pleasant and rewarding.

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| LET'S CONNECT |

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1[erbi.org/retirement/publications/issue-briefs/content/retirement-savings-shortfalls-evidencefrom-ebri-s-2019-retirement-security-projection-model](http://erbi.org/retirement/publications/issue-briefs/content/retirement-savings-shortfalls-evidencefrom-ebri-s-2019-retirement-security-projection-model) [5/7/19]2[wallethub.com/edu/cc/average-credit-card-interest-rate/50841/](https://wallethub.com/edu/cc/average-credit-card-interest-rate/50841/) [1/7/20] |

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