

LiveWell: Mid-Life

A Resource for Healthy Living

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Take a Spin in the City
at Campus Martius

A Brighter Future

No matter your stage in life, it's never too late to save up for your dreams. Even after the 2008 economic meltdown, there is still opportunity. But you need to start today, says WXYZ Channel 7 Action News "Money Coach" and President of Budget Wise Consulting, Robin Thompson.

It begins by creating a simple budget, something she calls a "spending plan."

"The idea is not to deprive you but to create the freedom for you to accomplish your goals," she explains. "If you've developed the habit of spending, you can develop the habit of saving."

She recommends scrutinizing what you spend in four key areas to look for savings:

1. Housing
2. Transportation
3. Insurance
4. Entertainment and dining out

Other tips? Pay down credit cards and other debt. Start a savings plan right now. Apply bonuses and pay increases to your retirement plan or savings account rather than spending them. Review and adjust your insurance coverage and investment portfolio every year. Spread assets among many investments to reduce risk.

"You may have dreamed of a second house, more travel or the ability to help family members financially. Whatever your dream, you can still accomplish it," she says. "It's all about disciplining yourself and your money."

And if you're thinking ahead to retirement, think about enjoying a higher quality of life.

"If you have an employer-sponsored retirement plan, take advantage of catch-up contributions, which allow people over age 50 to make additional payments to their 401(k) and IRA accounts," she adds. "You can really affect your lifestyle in the last five to 10 years before retirement."

"Today's retirees have a different mindset. They might want to leave their present job, but they still want to remain productive – through consulting, part-time work or volunteering for an important cause," she says. "This is definitely not your grandparents' retirement."



Robin Thompson, M.A.

Your Pre-retirement Checklist

Are you really financially ready for retirement? Use Robin's checklist to find out.

- ✓ Consider a Roth IRA in addition to your 401(k).
- ✓ Relocate or downsize to lower your monthly expenses.
- ✓ Make all the catch-up contributions you're allowed.
- ✓ Cut costs in these key areas: housing, transportation, insurance and entertainment.
- ✓ Increase your income through part-time jobs, a new business or consulting.