7 Easy Ways Every Boomer Can Catch Up on Retirement Savings

By Christian Long
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Given that the future is always uncertain, planning for it can seem a little daunting. Or worse, something you can keep putting off indefinitely. However, this is all valuable time that could be spent shoring up your financial situation to help plan for your retirement.

For anyone who's been kicking the retirement can down the road for a while, starting to plan now can help ensure a financially secure future. Fortunately, there are plenty of options out there. To help navigate the sometimes-complicated road to retirement, GOBankingRates spoke with several financial experts about what Baby Boomers can – and should – be doing to plan for their futures.

Get a Grasp of Your Finances

First, if you're going to start seriously planning for your future, you have to understand what's going on in your present. Finances are no different. Jill Fopiano, CEO of O'Brien Wealth Partners (https://www.obrienwp.com/), admits that while "retirement seemed very far off in the future when we were in our 20s and 30s – maybe even our 40s," it starts to loom larger from there.

"There are some pretty critical years immediately preceding retirement where you may have to trade immediate gratification for future security," Fopiano continued. "It's time to take a hard look at your lifestyle now – and where you may be able to pare back some expenses – with a view towards the longer term. Getting a real grasp on your expenses, and sticking with a budget, can really impact your retirement savings.

Get Out of Debt

A key principle in saving money is making sure you don't owe anything. According to Paul Tyler, CMO of Nassau Financial Group (https://nfg.com/), that means paying off anything you owe as quickly and efficiently as possible.

"Take your first lesson from the *Squid Game* and get out of debt as quickly as you can," Tyler said. "This includes all credit card debt, school loans, and even the mortgage on your home. The savings from interest payments can rapidly increase your retirement savings."

If debt's not a concern, Tyler still recommends that you "suck in your stomach and save a little bit extra" in the coming year.

Set a Retirement Date

As you get a grasp of your current financial situation, setting permanent goals is an important next step. Namely, the date on which you actually plan to retire. Wilson Coffman of Coffman Retirement Group (https://coffmanretirementgroup.com/) said to "get a clear understanding of what the health care costs are going to be in retirement."

For homeowners, this also means creating "a plan to have your home paid off at your set date of your retirement," which will also help you become free of debt. "Use a mortgage calculator and add to your principal payment each month to hit your payoff goal."

Use a Financial Planning Tool

The path to saving for retirement is not a straight one and can involve several steps over many years. However, the technology exists to help, as Personal Capital's (https://www.personalcapital.com/) Chief Investment Officer Craig Birk explained.

"For many, retirement is the most expensive savings goal in their lives," Birk said. "And it's a long game. In retirement planning, there's a lot of nuance and personal decision involved. Fortunately, technology and fiduciary advice can help bring the process into clear focus. Using a good retirement planning tool can be extremely valuable in planning savings or withdrawal rates, as well as investment strategies."

Birk also adds that as financial life becomes increasingly complicated, there are some basic strategies to adhere to. First, know where you stand. Second, set concrete, timely goals. When that's done, he recommends "periodically check in with your short-term and long-term goals to make sure that you're hitting the mark."

Take Advantage of Your 401(k)

One of the easiest ways to help shore up your retirement fund is to utilize a 401(k) if your employer provides one. This is especially true if the employer matches your contributions, as Matthew Stratman, Financial Advisor at Western International Securities (https://southbayplanning.com/) explained.

"This is free money that you should take advantage of to help give your retirement saving a boost," Stratman said. "Make sure you are contributing up to the maximum amount that your employer matches. For example, if your employer matches up to 3 percent of your salary, make sure you contribute that amount to receive the full match from your employer."

Fopiano also pointed out that "contribution limits for employer-sponsored retirement plans have been increased by 1000 to 20,500 for 2022, with an additional 6,500 'catch up' contribution allowed for people over age 50." This means there's more opportunity than ever to start saving.

Consider Delaying Retirement

When planning for the future, a few years can make a big difference. Oak View Law Group (https://www.ovlg.com/) consumer finance attorney Lyle Solomon didn't recommend putting off retirement indefinitely, but rather "for a more extended period."

"Adding a few years to your retirement plan can make a tremendous difference in your long-term financial security," Solomon said. "Working longer permits you to continue contributing to your retirement savings, accumulating additional amounts that can be invested. And every year you earn more money from your job is a year you're not depleting your retirement savings."

Start Looking at Social Security Planning

An important step in planning for retirement is Social Security Planning, specifically when to take your social security payments. Evan Press, managing partner at Pacific Coast Wealth Strategies (https://pacificcoastwealth.com/) recommends holding off on payments as long as possible.

"Delaying your payment each year from age 62-70 gets you an 8 percent increase each year you delay. This can have a profound effect on what you collect and your ability to retire comfortably," Press explained. "Delaying is typically recommended as long as possible unless there is a health concern. The breakeven on waiting to collect until age 70, is roughly age 80. This means if you live past 80, you are better off waiting [until] age 70 to collect. This plays a role if a spouse's social security is much less than the retirees."

Solomon also pointed out that "working three more years after turning 66 can improve yearly retirement income from Social Security and savings by 50 percent or more." Which is something to consider when looking toward a comfortable retirement.