Planning For Your Future

Taking The Right Steps Toward Retirement

(NAPSA)—If you're like many Americans today, you've thought about what retirement will be like …no more meetings, no more rush hours, no more deadlines. An opportunity to do all those things you've dreamed of, like taking up new hobbies, traveling to new places, furthering your education, embarking on a new career or maybe even starting your own business.

Taking the right steps now can be very helpful in building your future. After the longest bear market since the Great Depression, the equity market is beginning to rebound.

If you participate in your employer-sponsored 401(k) plan, now is a good time to make sure you are getting the most out of your retirement plan.

Step 1: Have a Plan

Having a plan—a solid plan that you can stick to—can work. At the minimum, your retirement plan should:

- Provide you with 70 percent to 90 percent of your current gross income.
- Take into account the curve balls that "life-after-retirement" may throw you.
- Allow you to take advantage of the potential for growth over time.
- Be diversified in its investments, balancing growth and income with your own tolerance for risk.

Step 2: Learn More

Take advantage of the information and assistance available from your employer and your retirement plan provider. Head to the Internet and play with self-help tools like calculators and questionnaires to help you access your investment needs and style. Attend a seminar. Sometimes all it takes to make progress with your financial goals is having someone to guide you, so consider seeking advice from a financial advisor.

Step 3: Balance Risk and Return

All persons have their own comfort level regarding how much risk they're willing to take when it comes to investing. Your comfort level can affect the return potential of your investment portfolio. A conservative portfolio may not give you the same kind of returns as a more aggressive one but it's important to stay realistic. Don't force yourself to take more risk than you are comfortable with simply because you think it's the only way to build assets. There's bound to be a portfolio out there to suit your individual needs.

Step 4: Diversify and Allocate

When making investments, one rule of thumb is to diversify your portfolio. Simply put, don't put all your eggs in one basket. By diversifying your portfolio, you can reduce investment risk but there is never a guarantee with investing and there is always the risk of losing money. By diversifying how and where you allocate your money, you are taking a positive step in getting the most out of your retirement plan and the stock market.

Step 5: Contribute as Much as Possible

One of the great advantages to a 401(k) retirement plan is that your contribution comes out of your paycheck on a pretax basis. If you have the opportunity to contribute to such a plan, contribute as much as you can to get the most out of it. With pretax contributing, you have the opportunity to make substantial contributions that won't drastically reduce your take-home pay. Some employers even offer to match your contribution up to either a specific percentage or dollar amount. If you are fortunate enough to have a plan like this, do your best to contribute the maximum amount allowed—that extra money can help you move towards your goals that much faster!

Remember, there's no time like now to start getting ready for tomorrow. For more information on retirement planning, visit www.ing.com/us/retire.

Editor's note: September 7 is 401(k) day, but this story is useful at any time.