



Take Control of Your Retirement

Retirement is the ultimate reality that happens to every working person and it should be your best phase of life. However, it is important to plan for your post-retirement life today if you really want to retain your financial independence and live a comfortable life. The financial situation in the country has changed in the last few years in such a manner that it will be difficult for one to maintain a decent standard of living with the current means.

Very often, people postpone planning for retirement till they are very close to it. But that can leave them severely under-prepared.

The cost of delaying; I am too young to bother about retirement."

The sooner you begin setting aside money for your retirement investments, the better off you'll be. The longer you wait the more sacrifices you'll have to make to catch up. That's because of the power of compounding—your investments earn income, and that income earns income, and that income further earns income. Consider Ram and Shyam who plan to retire at the age of 58. Let's assume their investments each earn 15% annually.

	Ram	Shyam
Starts investing at the age	28 years	48 years
Monthly savings	Rs. 5000	Rs. 15000
Returns (assumed)	15% p.a.	15% p.a.
Both invest till the age of	58 years	58 years
Total investment	Rs. 18 lacs	Rs. 18 lacs
Wealth accumulated at 58	Rs. 299.97 lacs	Rs. 42.03 lacs

The above table clearly indicates the benefits of investing early in life.

The goal of retirement planning is to help achieve your financial dreams both during your working years and post retirement. While you may have decades to go before you retire, it's never too early to start planning and setting aside savings for retirement.