

## The ages of investment

As we progress through life our needs and responsibilities change constantly. What's important when you're young may seem so much less so when you're older. So at each stage of your life you need to be planning, budgeting and investing to make sure you can have the sort of retirement you're hoping for, but the way you do it changes as you age.

### In your 20s...

You've just started your career and you're earning your own money so now's the time to start investing for your future. It's never too early to start saving for your retirement so here are a few tips to help you:

- **make saving a habit** – try to save some money each month. It's easy to put a little bit aside now, even if it's only £10 a month, and you'll soon get into the habit of saving regularly;
- **invest as much as you can afford** – work out how much you need for the life you're living now and then save as much as you can of what you have left;
- **keep your credit card bills down** – it's so easy to use your credit cards when you see something you want or you fancy a holiday. But huge debts mean huge repayments which you might not be able to afford.
- **live within your means** – in other words, don't spend more than you can afford!

### In your 30s...

You've settled into your career, bought a house and maybe started a family. But while new responsibilities have brought with them new demands on your money, you should carry on building up your long-term savings. Here's how:

- **if you haven't started saving yet, start now** – the sooner you start the longer your money has time to grow;
- **don't take on too much debt** – try to live within your means. A bigger house is tempting but it comes at a price – higher mortgage repayments, increased maintenance costs;
- **pay off your credit card** – having credit card debts means you'll find it harder to save and your credit rating may go down, making it more difficult for you to get a loan should you need one;
- **get rid of your student loan** – you may have built up a substantial student loan which you haven't yet been able to pay back. Try to clear it as soon as you can.

### In your 40s...

You're at a stage in your life when you should take stock of where you are now in relation to your retirement plans. Think about how much you're saving and decide whether it's really enough. Don't forget, we're all living longer so our retirement lasts longer - you might need more money than you think! Time to step things up...

- **check your priorities** – you may have a mortgage to pay, children to support through education and aged parents to look after. But you still need to make your retirement savings a priority;
- **speed up your savings** – if you started saving later in life, work out how you're going to make up for lost time. There's a whole range of savings accounts you can invest in, even if it means you have to scale back on spending first - it's a sacrifice well worth making in the long run;
- **don't run up large debts** – you may think you've got plenty of time to pay them off, but you haven't!

### In your 50s...

Your children have probably left home and you're getting the highest income of your career so it's likely you have more money to spend. Why not take the opportunity to increase your retirement savings and make plans for greater financial security in your later years...

- **keep track of your savings** – make sure you know how much your investments and savings are worth and how much more you'll need for your retirement;
- **consider saving more** – you could increase your savings to boost your retirement benefits;
- **practice living on your expected retirement income** – this way you'll soon find out whether your spending expectations were realistic or whether you need to save more, or even retire later than you'd planned.

### **In your 60s and beyond...**

You'll now be thinking about how and when you're going to take your retirement savings. If you've planned wisely you should be able to enjoy a comfortable retirement, doing all those things you've been looking forward to. It could be time to...

- **review your investment strategy** – a few years before you retire, increase the security of your investments by moving some or all of them into more conservative investments;
- **get a State pension forecast** – to request a State Pension statement, go to the Government pensions website at <https://www.gov.uk/state-pension>. That way you can see whether you can start drawing your State pension as soon as you can or you should wait until you can receive increased benefits.
- **pay off your mortgage** – it might be worth cutting other spending if you've only a short time left on your mortgage.

It doesn't matter what stage of life you've reached – whether you're just starting out on your career, settling down with a new family or looking forward to spending more time with your grandchildren – investing for your retirement should be a priority. By saving regularly and reviewing your plans as you go through life you'll be helping yourself to a happier and more comfortable retirement.