

## How to retire in 10 years or less

Retirement has become a popular subject recently. When you understand the current situation, you'll understand why retirement is on the minds of so many people. Let's take a look at what's going on in the world today. There are approximately 79 million baby boomers and starting Jan. 1, 2008 every 7.7 seconds, a boomer will turn 60. Americans have seen 30% or more evaporate from their 401(k) plans due to the stock market meltdown. Social Security Trustees have admitted that the fund will be insolvent by 2017 because it will be paying out more than it receives. It will be depleted of funds by 2041. Medicare Trustees have reported that Medicare's Hospital Insurance Trust Fund will become insolvent by 2019. The unemployment rate in the U.S. was 6.5% in October 2008 according to the U.S. Bureau of Labor Statistics. Experts agree that this will be one of the deepest recessions in history. Maybe Barack Obama will be able to help solve these problems. We will need to wait and see.

Millions of people are not just thinking about retirement but actually doubt they can retire. People who would, and by all rights, should be retiring in the next ten years are postponing retirement because they have suffered through financial losses recently and can't afford to retire. The stock market meltdown exacerbated a serious financial condition for would-be retirees. High gas, food, healthcare costs have forced baby boomers to tap into savings in order to make ends meet over the last several years. The stress is causing medical issues and resulting in missed work, higher health care expenses, and depression.

This article is intended to provide hope to anyone who is doubtful about retiring successfully in 10 years or less. It is meant to help those who have lost money in the stock market, have been unemployed or underemployed, have gone through or are going through bankruptcy, have suffered through an injury or illness, have not been successful in saving money for retirement for any other reason.

The steps below will not only allow you to retire in 10 years or less but will reduce stress and give you the peace of mind you are looking for in times like these.

Step 1 – Determine when you want to retire. Do you want to retire in ten years, eight years, five years from now? Grab a pen and a piece of paper then write down exactly you want to retire. Include the day, month as well as the year. For example, if you want to retire in ten years from now, write the following: "I will be fully retired by" (today's date plus ten years). If today's date is November 21, 2008, you would write "I will be fully retired by November 21, 2018". Knowing when you want to retire is a critical first step because without knowing when you want to retire, you have no timeline destination. You're like a ship without a rudder aimlessly floating around the ocean.

Step 2 – Determine how much money you will need to retire. Experts agree that a retiree will need 70 to 80% of their current income for every year they plan on being retired. It would be wise to plan on at least 80% to ensure you have enough to cover increasing health care costs. If your annual household income is \$60,000, multiply \$60,000 by 80% which is \$48,000. This is how much you will need for each retirement year. Now when you multiply \$48,000 by 20 years (the average number of retirement years), you come up with \$960,000. You will need at least \$960,000 going into retirement. Next, subtract the amount of money you have available for retirement currently from \$960,000 in order to determine how much you lack.

Step 3 – Create a plan to get the money needed to retire. Let's say you want to retire in ten years and you currently have \$300,000 available for retirement. Using the example above, if we subtract \$300,000 from \$960,000, we see that at least \$660,000 is needed within ten years. In this step, you will begin to chart your financial road to ensure you reach your desired financial destination. Using straight division, we see that savings of \$66,000 is needed every year for the next ten years ( $\$66,000 \times 10 = \$660,000$ ). Compounding interest will be a major factor in determining how much you need to save annually or monthly for that matter. Let's say you found an extra \$500 a month either by making more money, or reducing your debt, or a combination of the two. If you were able to put that \$500 dollars a month along with the current \$300,000 to work for you at 10.6% annually, you would have \$967,907.54 at the end of ten years. The math is too complex to illustrate here but you can punch the numbers in on a financial calculator or Excel to see for yourself.

Making more money and reducing debt will most likely be required in order to reach your retirement goal. Look at your current employment situation when looking for additional income. Ask yourself if there is a way to make more money either by working more hours, selling more, getting a raise, or by other means. If not, you may need to look for additional employment on a part-time basis. You may also consider getting a better paying job if your skills are in demand. Another consideration is starting a home business which provides excellent tax benefits as well as the opportunity to earn additional money.

Reducing high-interest debt should be high on your priority list. 78% of Baby Boomers have mortgage debt, 59% have credit card debt, and 56% have auto debt according to a recent *USA Today* article about debt. Making a concerted effort to reduce and even eliminate debt will result in additional money you can put towards your savings plan.

As the title of this article suggests, you can retire within 10 years or less when you use the steps outlined above. To repeat, regardless of your current situation or the state of the economy, you can retire within 10 years. Decide when you want to retire then determine how much you will need for retirement. You can live stress-free and have

more peace of mind when you create a plan that will allow you to reach your savings goals. Increase your income while decreasing your debt then put your money to work for you at the highest interest rates and the lowest risks possible.

Interested in learning how to get 10% to 50% return on your money with minimum risk? Check out our Website.

*This content is provided by Suze Ortoman and may be used only in its entirety with all links included. Suze Ortoman is providing hope to Americans by helping people prosper financially and get on the path to becoming wealthy.*

Visit [www.retirein10years.com](http://www.retirein10years.com) for more information and tips.