How to Boost Savings for Retirement When You're Over 50

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Retirement Rehab

Feel like your savings for retirement aren't on track? You aren't alone. According to the Pew Research Center, late baby boomers will only manage to replace 60% of their preretirement income with retirement savings and assets. For Gen Xers, only 50%.

This is mostly thanks to the Great Recession, but there's still a lot you can do to close the gap, even in your 50's. Here's what you should do:

Contribute to your 401(k)

If you don't have a 401(k) yet, it's never too late to start. If you do have one, you should max it out.

A 401(K) locks up your savings for retirement so you can't touch it, but that's not the only benefit. If you earn money and put it in your bank account, you're dinged by federal and state taxes. Put it in your 401(K) and you'll get the money back years later in a much lower tax bracket.

Read the fine print of your 401(K). In some cases, your employer will match a percentage of your contribution. That's free money towards your retirement. Look for opportunities to make catch up contributions if you're over 50.

Cut back spending

Now's the time to have a hard look at your budget. Most people wait till after retirement to cut back spending and downsize, but if you want to boost your savings, start now.

Plan for simple retirement living by eliminating unnecessary expenses (cable, the gym, the country club) and look for ways to cut back monthly spending.

The more you can save in the next few years, the more money you'll have to make smart investments.

Make smart investments

I've met a lot of people in their 50's who are behind on savings for retirement. Most feel trapped, thinking that making risking investments is the only way to catch up in time. Trust me, that's not the smart way to do it.

If you talk to a financial advisor, they can evaluate your financial position and current assets and help you determine the right investments to make. It's a smarter idea than taking on too much risk and losing everything, or making conservative investments that won't make a difference in time.

Be smart with your benefits

The earliest you can start receiving Social Security is age 62, but you can also push it off up to age 70. The longer you wait to cash in on SS, the more money you can receive annually. In fact, if you wait until 70, you can get as much as 76% more money.

That's one way to make a bigger safety net for yourself in old age, but don't wait too long. Social Security funds are limited. Younger generations aren't expecting to get SS in the coming decades, and if things take a turn for the worse, you shouldn't either.

Pursue alternative income

Cultivating new streams of income late-career and even during retirement is probably the best way to boost your retirement savings.

If you have any in-demand skills or services, you can easily market them online. More likely, you serve a once-important purpose in the corporate world that's about to become obsolete — thanks to technology.

Luckily, technology can also save you late career and in retirement. Become an online entrepreneur by marketing an idea or products. Even if your side-gig only earns you an extra $200/week, that's $9600 more a year in savings for retirement.

When you're over 50, you can do a lot to boost your savings for retirement. Make smart decisions, and talk to a financial advisor for help.