There are all kind of reasons that people don't save for retirement, or fail to save enough.

Retirement may seem far away. The rising cost of living may make it hard to find extra money. And life can throw you expensive curveballs, like health crises and divorce. Before you know it, you're 40 or 50 years old and you're not on track to retire when you'd hoped to.

Often, the real reason people end up unprepared for retirement is procrastination. If you can't save enough to make a difference, it's better to wait until you can. That kind of thinking is a trap, because if you're not comfortable setting money aside now, you may never be.

So start now. Set aside what you can, and do it through autopay: Make it like paying your mortgage, where you don't even think about it. Aim to save 10% to 15% of your income during your working years, and more if you're catching up.

The important thing is to start putting money aside, even if it's a modest amount at first. Let's say you're able to contribute just $200 a month to your retirement account. By the second year you may be able to increase the amount to $400 a month. Let's say that by year five, you're doing better financially and are able to contribute $1,000 per month. That continues for the next five years. Assuming an investment return of 7% per year—which is a good bet based on historical market returns—you'll have more than $95,000 at the end of that period. That's $16,000 of interest.

In a different scenario, if you invest $1,000 per month with a 7% annual return, you'll have more than $170,000 after 10 years--$70,000 of which is interest. After 20 years, you'll have $574,000--$344,000 of which is interest. Compounding really works, and the more you save, the greater the compounding effect is.

The way that you invest your money is important. You shouldn't swing for the fences with aggressive investments that put your hard-earned savings at risk. On the other hand, it's a mistake to be too cautious. While you may want to stash your money in a bank account, or buy safe Treasury bonds, those investments won't give you the kind of returns that will grow your money adequately for a comfortable retirement. What's needed is a diversified portfolio of stocks and bonds, with risk levels that are tailored to your goals, tolerance for market volatility, and time horizon.

It's never too late to get started. Please contact us if you'd like to learn more about saving and investing for retirement.