Do you know…?

10 mistakes that could cost you your retirement

1 Failing to set a retirement goal with a numerical target
Setting clear goals, such as having GHC 2 million at retirement, makes it much more likely to attain it than having a vague goal or no goal at all.

2 Putting off saving for retirement until later
Many people believe they will get ample time for their retirement planning "later". However, the earlier you start, the less you will have to put away on a regular basis to reach your retirement goal.

3 Not having realistic expectations about retirement expenses
During retirement, expenses may change, but they won't go away so you need to factor recurring costs as well as new ones in your plan.

4 Keeping all your money in a traditional savings account
The interest on traditional savings accounts is well below the average rate of inflation, which means your money will lose value over time. Build your retirement fund with investments that will stay ahead of inflation.

5 Combining your investments for retirement and other purposes in the same account
If you keep a single account for everything: retirement, school fees, emergencies, etc., you'll keep dipping into the account and your money may never grow at the pace you want it to.

6 Wrong investment mix
The wrong investment mix can happen when you don't match your investments with your time horizon (i.e., the amount of time before you will need to start withdrawing from the money) or risk tolerance (i.e., how you feel about fluctuations in your investment value). Get financial advice to ensure you are on the right track.

7 Carrying debt into your retirement
Although you may have the resources to pay off your debt during your working years, do not attempt to carry it into retirement as this can reduce the length of time your retirement funds will last.

8 Believing SSNIT pension will be enough to retire on
SSNIT benefits are designed to alleviate poverty in old age, not make you rich in retirement, and are a direct reflection of what you contributed on your BASIC salary while working. It is better to have extra funds to avoid unpleasant surprises so you can enjoy a comfortable retirement.

9 Cashing out instead of transferring your provident fund when you change employers
Most employees prefer to cash out their provident fund, instead of transferring it to another account, when switching jobs. This will set you back on your retirement saving journey and eliminate the benefits of compound interest.

10 Thinking you will never retire
While it is possible to keep working after retirement, keep in mind that the older you get, the more likely you are to begin to experience a decline in your physical and/or mental facilities. It is always better to have a retirement fund, in case you need to stop working.

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