



## The Balancing Act: How to Save for Retirement Without Sacrificing the Present

Planning ahead for retirement doesn't mean giving up on your short-term goals, or even your daily latte. It's all about finding the balance that works for you.

Whether you're juggling everyday household expenses, or focused on your next big life event, it can be all too easy to push retirement planning to the back burner—or even ignore it altogether.

The good news? You don't have to choose between your present and your future. In fact, with a strategic plan, it's possible to work toward more than one goal at the same time.

[Let's take a look at some near-term financial goals—and how they can potentially work together with your plans for the future.](#)

## 6 Money Milestones: Working Toward Balance While Planning For Retirement



### Providing for Everyday Needs

From groceries and utilities to unexpected household expenses, the cost of daily living is pressing, and can easily consume a significant portion of your income. **However, consistently setting aside even a small amount for retirement is essential to helping build your future nest egg. That's because saving early—and often—can help put the power of compounding interest to work for you.**

A Financial Advisor can provide education and guidance for your retirement strategy—and help create a plan that accommodates your current needs while steadily working toward your future retirement goals.



### Funding Childcare Expenses

Childcare expenses can be a significant financial burden, often rivaling the cost of a mortgage or rent. For parents, the challenge of covering these costs while also saving for retirement can feel overwhelming. **While providing quality care for your children is a top priority, planning ahead for your financial future through retirement savings is also essential.**

Balancing these demands may require creative budgeting, identifying cost-effective childcare solutions, and exploring tax-advantaged accounts like a Dependent Care Flexible Spending Account (FSA), which allows you to apply pre-tax dollars to the cost of childcare. These approaches can help you to contribute money toward childcare expenses today and still work toward your long-term retirement plan.



### Paying Down Student Loans

If a significant portion of your income is dedicated to paying down your student loan debt, saving for retirement can feel like a distant priority—especially if you're in the early stages of your career. While it's true that eliminating student debt can free up income and reduce financial stress, delaying retirement savings can result in missed opportunities for compounding growth.

Striking a balance between these two priorities involves variables such as interest rates on loans, the availability of employer match or retirement contributions, and most of all, your long-term financial goals. **By carefully evaluating all these elements, you can develop a strategy that helps to strike that balance for your specific circumstances—so you can work on reducing your student loan debt while also helping to build a solid foundation for your future retirement.**



### Paying Down Credit Card Debt

With its fees and high interest rates, credit card debt can be a significant obstacle to financial security. But, while paying off your credit cards can provide immediate relief and improve your credit score, neglecting your retirement savings could lead to shortfalls in years to come. **It's possible to help balance both priorities simultaneously.**

For example, focus on reducing your highest interest debt first while still contributing to retirement accounts, even if in small increments. Saving early—and often—can make a big difference in the long run.



### Saving for a Home

Balancing the dream of homeownership with the need to plan for a comfortable retirement can feel like a challenge. On one hand, a home is an asset that can potentially appreciate over time and lead to greater financial stability. On the other hand, prioritizing retirement savings is a smart idea when planning for your long-term financial goals.

**The solution lies in determining a balance that helps support both your immediate needs and long-term goals.** Of course, one size doesn't fit all. Consider factors such as the current housing market, interest rates, and your expected retirement income. Assessing the housing market, comparing mortgage rates, and setting manageable savings goals using a retirement calculator can help you make informed decisions. For example, when housing inventory is low and market rates are high, it might be better to focus on retirement. On the other hand, when inventory is high and rates are low, it could make sense to shift your focus to homeownership.



### Saving for Future Education Expenses

Saving for college or other educational expenses can help to set a child in your life up for success. But it's also important to remember that there are loans, scholarships, and other forms of financial aid available for education—**options that don't exist for retirement.**

Prioritizing retirement savings may help prevent you from becoming financially dependent on your children later in life—allowing you to help support their education where possible without compromising your long-term financial security. **By considering both goals and exploring savings vehicles like 529 plans (state-sponsored investment accounts that allow you to save for education expenses like college tuition) alongside retirement accounts, you can work toward a balanced financial future.**

These are just some of the key milestones and considerations you might encounter along your financial journey. It's important to determine a plan that works for you now, and revisit it as necessary. After all, situations change and new responsibilities emerge. When they do, you'll be prepared to adapt and apply essential insights to help balance your priorities—so you can help save for retirement without sacrificing the present.

**Book time with our Financial Advisors, who can provide education and guidance to help you balance today's needs with your retirement goals.**

Ready to get started?

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