



## Millennials: Start Retirement Planning Now and be a Millionaire by 65

### Description

Millennials may be great savers, but unfortunately many aren't the best when it comes to investing. That's key if you ever want to retire. Millennials were born during a recession, came on the job market during a recession, and are now trying to start a life during an economic [downturn](#) and pandemic. So needless to say, they've been through enough.

So why make things harder? If you're one of the millennials seeking out a path to financial freedom but don't know where to start, I've got you. You can start saving for retirement right now, even if you don't have a penny put aside. Then, you could become a millionaire by 65 with this one simple tool.

### Automated contributions

It's the key to life as we know it. Automated contributions take the guesswork, the memory loss, indeed the *stress* out of saving. And I do recommend them even if you're good at saving your cash in your savings account.

Instead of leaving your cash in your accounts, I highly recommend putting it aside in a savings plan. That way, it adds a layer of protection on taking out that cash. Instead of making some impromptu purchase, you would have to wait in some cases several business days to see your cash in your account again.

Meanwhile, your automated contributions will continue to add up and up and up. By the end of one year, you could have thousands saved without a second thought.

### The RRSP

Even if retirement is way off for millennials, you can still start putting cash aside in a Registered Retirement Savings Plan (RRSP). In fact, you can still benefit from it each and every year you contribute, even if you're not retiring. How? For every dollar you contribute to an RRSP, that brings down your income for the year when you're reporting it on taxes.

That's right. What's more is if you contribute enough, you may be brought into a lower tax bracket. That means you'll owe less to the government, and see more in your potential tax return. So now, you've got more and more cash set aside for retirement, *and* more cash in the bank.

## Where to start

Now comes the tricky part. Millennials need to decide how much to set aside each and every month for their RRSP. And that can be tricky. The very first tip I'd recommend is creating a budget. This applies to pretty much anything you do financially. Create a budget and see what you can cut back on. Then, see what you have left over.

From there, treat every automated contribution like a bill. Your retirement is now a necessity, just like paying your mortgage. If you think of it in these terms, it makes the payments far easier to stomach. But don't go overboard! I like to recommend putting aside anywhere between 5% and 10% of each paycheck towards your RRSP. You can always decrease or increase from there.

## Millionaire by 65

So let's say you have \$1,000 to put in your RRSP today, and can afford to add another \$1,000 each month. If it's you *and* a partner, this can be quite reasonable with you both contributing \$500 each month. From there, you continue to add \$1,000 each and every month for the next 40 years if you're one of the millennials around 25. That would mean by the time you're 65, with interest you could have a portfolio worth \$1.165 million! And that's without even [investing](#), or making additions through a windfall, for example.

Treating your retirement like a necessity means you could see yourself retirement even soon than you thought. Don't let investing scare you. It's never too late to start, even if you don't have a penny in savings.

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