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It's Never Too Late or Too Early to Start Planning for Retirement

Kentucky Psychologists Offer Tips to Save for Retirement

Florence, KY, September 17, 2018— It is never too late, or too early, to start planning for retirement. Many people underestimate how much they can or should be saving, and often postpone putting aside money for retirement because it seems far into the future. Beliefs and attitudes about money are often developed early in life and struggling with financial avoidance or denial can lead to stress and unhealthy behaviors. But money matters are too important to ignore.

The American Psychological Association's (APA) most recent *Stress in America*TM survey found that 62 percent of Americans reported money as a very or somewhat significant source of stress. Workers can overcome this fear by thinking about what they're saving for, and determining ahead of time how much they will need for living expenses during retirement.

Many Kentuckians, in particular, have felt the pressure recently as pension systems have been significantly reduced or even abolished. Kentucky psychologist, Dr. Christen Logue, suggests, "Get ahead of the game. Don't rely on your employer or the state to provide for you in retirement. Giving away that control and responsibility may be tempting in the short term, but often leads to stress and strain in the long term."

Kentucky psychologists offer tips to better save for retirement:

Make saving a priority. If you receive a regular pay check set aside some amount of money for retirement as well as for unexpected expenses like car repairs or health emergencies. It doesn't have to be a large amount, it just needs to be something. Even starting with \$5 per week towards each fund can help build a habit of saving. Over time you can increase the amount according to your income.

Identify financial stressors and make a plan. Take stock of your financial situation and what causes you to stress over money. Write down specific ways to reduce expenses and save more. Then commit to a specific plan and review it regularly. Although this can be anxiety-provoking in the short term, putting

things down on paper and committing to a plan can reduce stress in the long run. For example, if you pack your lunch four days a week, you could save \$40 per week. That's more than \$2000 per year extra that can go into savings. Also, the one day you eat out each week might feel more like a treat.

Make it easy on yourself. Use automated systems as much as possible. Arrange to have a portion of your paycheck automatically deposited into your savings or retirement account. It's a lot easier to save when you don't have to think about it. You can set up automatic transfers into your savings account when you get paid or on a predetermined day of the week or month at most banks.

Take advantage of employer contribution match. Many companies offer to match retirement contributions up to a certain percentage of an employee's salary. By taking advantage of this benefit, you can double your retirement investment. If you don't, you're effectively turning down free money.

Stay motivated. It can be hard to save money because there is not always an immediate reinforcement. You may not see a reward for your saving for some time, but it's important to remind yourself what you are saving for. It might be that you incorporate small rewards, such as taking yourself out to lunch if you've met a monthly saving goal or allowing yourself to spend a little extra at the store. This does not have to be extravagant, but something small to help you stay motivated.

Talk to an expert. Just like people schedule an annual checkup with their doctor or meeting with their accountant, make an appointment with a financial planner to talk about your savings goals. Financial planners can help you devise a savings plan. If you are overwhelmed by stress, talk to a psychologist who can help address the emotions behind financial worries.

"Just like with everything else, creating a plan and sticking to it may seem tedious at the outset, but usually leads to less stress and a better pay off down the road," says Dr. Logue.

To learn more visit the American Psychological Association at www.apa.org/helpcenter and follow @APAHelpCenter. To find out more about the Kentucky Psychological Foundation visit www.kentuckypsychologicalfoundation.com and follow @KYPsychFnd.

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