<p align="justify">Friday, August 20, 2010</p><p align="justify">It's less costly when we learn from other people's mistakes than if we have to learn them the hard way. We asked Bankrate's newsletter subscribers if they had any regrets related to saving for retirement. Below are their responses. Some wish they could go back to their 20s and reset the "save" button. Others regret making particular investments. Still others would not spend so much. But one person wishes she had spent more and invested less�</p><p align="justify">As you read about the experiences of these people who were gracious enough to share their wisdom, see if there are any lessons you can learn so that you can avoid having retirement regrets. </p> 1. Make Transfers Inconvenient <p align="justify">Pay yourself first. So simple, but our problem was always dipping into the savings for various emergencies. I think if about twice a year we had moved the automatic savings money into another account that was not as easy to use for transferring money to the checking account, we would have thought twice about using that money as often. When we look at what that simple $50 per month would be at this point in our lives, we kick ourselves for not being more disciplined.
-- Name withheld</p><p align="justify">2. Tithe Thyself</p><p align="justify">I would have saved 10 percent automatically from my paycheck by direct deposit into a savings account earning the best possible interest compounded daily. I would have also disciplined myself to deposit 10 percent of any additional money from gifts, refunds or other earned income.</p><p align="justify">I would have bought a small house outright with the money I had saved (instead of renting an apartment for over 30 years).</p><p align="justify">I would have found a job that I loved and devoted my life to it. At least you could be happy even if you were not where you wanted to be financially.</p><p align="justify">Hope this helps someone out there.
-- D. Lorinser</p><p align="justify">3. Redo the Pension Payout</p><p align="justify">At retirement my husband and I arranged that when we passed away, the spouse would receive the same pension.</p><p align="justify">This reduced our pension amounts. We should have taken the (single life) maximum and, after calculating how that raised our monthly pensions, we should have used the extra money for life insurance purchases to benefit the spouse instead.
-- Name withheld</p><p align="justify">4. Aye for I Bonds</p><p align="justify">I (started) to buy I bonds in 2000. In hindsight, I should have started buying them in 1998 when they first became available. But no complaints, I bought them to the maximum allowable for my wife and I for seven years. They're the safest and best investment that I've ever made.
-- Andy Greenstein</p><p align="justify">5. Save for a Rainy Day</p><p align="justify">(I regret) not saving a certain percentage for a rainy day. Put it away and don't look at it.</p><p align="justify">If I knew then, what I know now, at age 66, I would be extremely wealthy. Should have definitely taken (my) parent's advice, but can't cry over spilled milk.
-- Name withheld</p><p align="justify">6. Waited Too Long</p><p align="justify">I regret not starting an IRA when in my 20s. If I could do it over again, I would have 10 percent of my income automatically taken out of my pay and have it invested. The interest is enticing but the compounding of interest over one's working years would make for a very, very comfortable retirement. Hakuna matata!
-- Blair Packer, Tyrone, Pa.</p><p align="justify">7. The House of Albatross</p><p align="justify">Several years ago I went through a divorce that cost me a lot more than it should have. In order to try and make it easier for my ex-husband and I to make a fresh start, I sacrificed my money market account that was holding what little I had saved from a previous job. The original plan was to roll it into the retirement vehicle at my new job. It seemed like a good idea at the time to use the money to settle the debt we had incurred jointly through the

marriage.</p><p align="justify">We also had purchased a mobile home that was sitting in a park. I was not as enlightened as I am today, and regret not taking him up on the offer for him to keep the house. As a result, I kept it for another five years and had to short sell in order to move forward with my life.</p><p align="justify">I took the hit on the house, and sacrificed all my savings for the sake of a clean break. If I were to do it over, I would have split the bills, settled with what companies I could and let him keep the house. I would have rented a place to accommodate myself and my children, and would have been farther ahead in the long run.</p><p align="justify">Hard lessons learned, but they have made me a smarter person financially, and more savvy in my decisions around money. Nothing like the school of hard knocks to help you graduate into a more stable, sustainable lifestyle.
-- Kerrie Lapoehn, Colorado</p><p align="justify">8. Learn to Read</p><p align="justify">I'm 50 years old. I've made some awful financial mistakes. What I would tell young people is, learn to read markets. Learn to read the stock market. Learn to read the real estate markets. Learn to read any market you're interested in. I still have time, but it's going to be a nail-biter, especially in today's markets. If I had only known how to read 20 years ago.
-- Karl in Denver</p><p align="justify">9. Crime and Punishment</p><p align="justify">My regret is about failure to make an investment that has greatly affected my net worth/savings.</p><p align="justify">I moved to Philadelphia 24 years ago from Salt Lake City. My niece was coming from the rural south to live with me to go to school. Thus, I wanted an environment that left little guesswork. I rented an apartment in a high-rise complex in a neighborhood everyone said was good for "young professionals." I spent the next two years trying to get a sense of what it would be like to live among the natives.</p><p align="justify">At the end of my second year, I rented one of three apartments in a converted Victorian house. My plan was that if that experience worked out well, I would invest in a home in the neighborhood. On the night that my niece and I were moving the last of our belongings into the house, I was mugged by a stranger with a knife. I was so angry that I fought the man and took the knife. In the process of our struggling over it to get it back, he cut me in the chest. I spent days in the hospital with a collapsed lung.</p><p align="justify">When I got out of the hospital, I learned that an upstairs neighbor had heard me scream but had ignored it. She had also at first refused to let my niece use her phone to call the police because she thought we were "playing." In what kind of neighborhood are screams in the night mistaken for "playing"? Further, the owner of the house was less than horrified about the mugging, and even grumbled before letting me out of the lease.</p><p align="justify">I learned from police and others that a certain "I mind my own business" mentality and callousness about crime were common in many neighborhoods. That knowledge profoundly shook my confidence about investing in a home in any neighborhood. Although I did not want to let the mugging control me to the extent of driving me completely out of the area -- I moved to another complex in the area -- it affected me enough to make me feel that I always needed to be able to pick up and move at a moment's notice if I saw danger or problems. Consequently, I never felt confident enough to buy a house.</p><p align="justify">Now, 10 years from retirement age, I want to buy a house; after all, I have to live somewhere for the next 10 years and might as well invest in myself. However, I am wondering what the best option is for me at this point with my having wasted so much time. Can I catch up? Is it too late? What are my options?</p><p align="justify">There is one positive lesson. As I prepare to guide my students in a study of the causes and effects of crime, I realize that I am Exhibit No. 1 of one of the major economic effects of crime. It is well known that neighborhood crime rates affect macro issues like rates of homeownership and property values. Often, even homeowners who can afford to fix their property in crime-affected areas may decide not to do so because they fear that looking more prosperous may result in their being targeted by criminals. But crime also affects micro issues like individual net worth.</p><p align="justify">In my case, given that homeownership is a major route to wealth, crime/fear of crime interfered with my taking advantage of that route.</p><p align="justify">I enjoy Bankrate.com and appreciate this opportunity. I could use some advice!
-- Sonja</p><p align="justify">(Editor's note: Thanks for taking the time to write about your experiences. With so many foreclosures still working their way through the system, real estate prices are depressed, which makes it a good time to invest in real estate. The worst time would have been at the top of the booming real estate market in 2006, when homes were overvalued. So it's not too late, but don't expect to get wealthy in a few years.)</p><p align="justify">10. Too Many Eggs in One Basket</p><p align="justify">I would make sure my husband listened to my advice on diversifying his 401(k). He had it all in one stock and we lost $225,000.
-- Name withheld</p><p align="justify">11. Spent Instead of Saved</p><p align="justify">My biggest savings regrets are using my various savings accounts like they were cash cows. I would be much more in control of my life had I not consistently raided my savings whenever I mismanaged my spending. At 46, I shudder to think of the money I could have amassed had I left my savings intact over the past 36 years. As it stands now, the only savings I have is my 401(k) plan, which I owe approximately $20,000 to (that I borrowed to pay down credit debt). In fact, three years ago I had $18,000 in savings which have now morphed into approximately $28,000 in debt (not including mortgage debt).
-- Leonora Brooks</p><p align="justify">12. Don't Borrow from Self</p><p align="justify">I would not borrow against my 401(k) or withdraw money for nonemergency reasons.
-- Dorothy Singleton</p><p align="justify">13. The Cars Impoverished Me</p><p align="justify">I would have gone without a car. I have owned eight cars in the 21 years I have had my license. If you look at the amount of money I spent on car payments, insurance, upkeep and gas, I could be retired now.
-- Rommel</p><p align="justify">14. Savings Bonds a Dud</p><p align="justify">I had invested in multiple EE savings bonds for my 11 grandchildren. When purchased, I understood they would mature in seven years. Fifteen years later, many still have not reached face value. This is a small thing, I truly regret leaving their money in the bonds. I'm embarrassed to hand the youngest grandchildren $700 when the elder (whose money had been invested for less time than the youngest) received $1,000.
-- D. Whitman</p><p align="justify">15. Squandered the Pension</p><p align="justify">I had worked in the government for around 10 years and when I left, I withdrew my pension fund and spent it on what then appeared to be necessary things. I would have quite a bit more in my nest egg now, 25 years later, if I had not done that. I encourage everyone, no matter how hard it is, to leave all retirement moneys alone. You may think you need it now, but you will without a doubt need it later on.
-- David L.</p><p align="justify">16. The Lost Pension System</p><p align="justify">If I were told back when I was 18 how important saving for retirement was, I would have started saving a lot earlier. However, I am 49 now and grew up in a time when pensions were the norm and you did not think of saving for retirement, because back then the money was automatically taken out of your check if your job offered a (retirement) fund.</p><p align="justify">Even today, most people with average and below-average salaries will not be able to save enough for a realistic retirement. For example, let's say you make $40,000 a year. The average person could live off of 75 percent of their final income. Social Security income would account for 25 percent of that, so now you would need another 50 percent of your final salary coming from an income stream of money you saved.</p><p align="justify">If you're using the 4 percent (withdrawal) rule that most advisers teach you to use, you would need $500,000 to generate $20,000 per year of income. Now we must not kid ourselves. Most people with average incomes in this country will not be able to save that much money.</p><p align="justify">The more companies do away with their pension plans, the worse things will be in the future. You can bet on that.
-- Ralph</p><p align="justify">17. Regret Investing in the Market</p><p align="justify">I was in the police department for 20 years and retired in 2007. Every paycheck, 15 percent was invested from my check into the deferred compensation, which was invested in the market. Needless to say this was money wasted. It was reduced to less than half after the market problems and has dwindled down to nothing. Now I have retired and, due to the job market, unable to get another job. I was better off just enjoying the money and taking my family on a much-needed vacation. Oh well.
-- Dorothy Wantagh, New York</p><p align="justify">18. Bad Timing Decisions</p><p align="justify">My savings regrets: I would have cashed out of my mutual fund in 1998 and put the cash in CDs/munis. Instead, I let it ride the market down to my original cost.</p><p align="justify">I also would not have built a new house in 2004, as our first home was paid off so we had no mortgage. I would then have been able to pay for my children's education with the extra cash.</p><p align="justify">Now they all have student loans.</p><p align="justify">I am hoping that someday my home will be worth something to someone so I can cash out and downsize. Hopefully it will be paid off before we retire!
-- Brenda Pulvermacher</p><p align="justify">19. Start at a Young Age</p><p align="justify">I would save at least 20 percent of each paycheck since I was 27 and was newly married, in order to invest for retirement. I give this advice to anyone in their 20s who will listen.
-- Kathy Staran, Troy, Mich.</p><p align="justify">20. Perseverance Pays Off</p><p align="justify">I would have started earlier (as soon as I started working) and socked away the maximum and would have continued through present, if financially possible.</p><p align="justify">-- Elizabeth</p><p align="justify">Source: http://financiallyfit.yahoo.com/finance/article-110420-6377-1-20-savings-mistakes-people-make?ywaad=ad0035</p>