

Money Methods to Make Your Savings Last



Retirement planning doesn't end on the day you retire. But your focus does change, evolving from saving and investing to preserving your savings and sustaining your cash flow. Here's a two-pronged strategy to consider.

1. Making Your Savings Last and Battling Inflation

Although you have the peace of mind knowing that your COPERS benefit is guaranteed for the rest of your life, increases in everyday living costs can erode your purchasing power over time. To offset inflation, your retirement income must increase too. Since increases (PEP and 13th Check) to your COPERS retirement aren't automatic or guaranteed, this additional income must come from your personal savings and investments. Financial advisors say that investing too conservatively during retirement is a common pitfall. In an ultra-conservative portfolio, inflation can eat away at your nest egg over time. It might feel safer, but it may not have the staying power you need. Take some time to review your strategy to see what is right for you. Most financial planners suggest a diversified, well-balanced portfolio that includes stable investments as well as stocks. This approach generally provides inflation protection with a goal of managing risk.

2. Budgeting Keeps Spending in Check



Although many factors could affect your cash flow – inflation, rate of return on savings and investments, taxes, part-time earnings, spending and others – there is only one

that you have significant control over. That is spending. There's one way to control it. A budget. A budget is great tool for managing money, whatever your age. Here are three very different methods to consider.

The Traditional: Pencil and paper or a budget spreadsheet is a no-frills approach to budgeting. Use a notebook to record expenses or use a ready-made template in a program like Microsoft Excel.

The Tech-Savvy: A web-based system or phone app can be a great way to manage money on the go. Some popular tools are Mint.com, LearnVest and EveryDollar.

The Trendy: Cash is coming back in style. The "Envelope System" is a way to budget with cash. Create envelopes for each category in your budget. Every week or month, add the amount you need for each category. When the cash is gone, you're done spending.