

MoneyWatch CBS Radio (Personal Bailout)
Hellman for Schurenberg - 4/25/09

Bail me out, Scottie?

I'm Eric Schurenberg for MoneyWatch-dot-com with Your Money Minute.

Forget the banks and car makers. If you're in your 50s or older, odds are you need a financial bailout of your own.

True, these days you're largely *on* your own. But you *can* do it ... with savvy and sacrifices. Here are three steps to take.

First, save more ... at least 15 percent of your pre-tax income in a traditional 401(k).

Anyone 50 or older can save up to 22 thousand dollars a year through so-called catch-up contributions.

Or consider a Roth 401(k) if your company offers it. With a Roth you save *after*-tax dollars -- but your earnings are tax-free.

Next, work longer.

The more you delay taking Social Security benefits, the more you'll get. You'll also have more time to save – and less retirement to save *for*.

Last, play it smart.

Yes, every nest egg needs stocks. But don't double down trying to recoup losses overnight.

Instead, keep 50 to 60 percent of your stake in stocks ... the rest in bonds, money markets and stable-value funds.

This way you can help yourself live long ... *and* prosper.

I'm Eric Schurenberg.