TheStreet

Americans' Biggest Money Regret? Not Saving Enough for Retirement

Financial regrets, we've had a few. But none is bigger than our lack of savings for the long-term.

Brian O'Connell May 18, 2016 9:01 AM EDT

Ask a U.S. retiree spending his golden years working under the Golden Arches about his biggest financial regret in life?

Chances are, after he's done asking you if "you want fries with that," that retiree will say he most regrets "not saving enough cash for retirement."

In fact, not saving earlier for retirement was named the biggest financial regret by 42 million Americans, according to a new survey from Bankrate.com.

In the survey, Bankrate says 75% of Americans say they "have financial regrets." Here's how they list them:

- Not saving for retirement early enough (18%)

- Not saving enough for emergency expenses (13%)

- Taking on credit card debt (9%)

- Not saving enough for your children's education (8%)

- Excessive student loan debt (9%)

Unsurprisingly, younger U.S. adults are "most regretful" for student loan debt and lack of emergency savings.

"Inadequate savings looms large among Americans' financial distress," offers Greg McBride, Bankrate.com's chief financial analyst. "Whether it's saving for emergencies or **retirement**, Americans' biggest financial regret is not saving enough."

But it's those all-important long-term savings that vex consumers the most, and there are several good reasons for that.

For example, financial experts say there may be a "guilt" factor at work with Americans and weak **retirement savings**. "Without cash retirement seldom an option at all, and if forced by health or job loss, lack of funds means dependence on others even for basic needs," says Ilene Davis, a certified financial planner based in Cocoa, Fla.

It really doesn't have to be that way, money management specialists note. Better, more intuitive financial planning steps can help turn the tide for retirement savers.

"Being cash strapped in retirement is just a symptom of a bigger problem - poor planning," offers Ryder Taff, a financial advisor with New Perspectives, in Ridgeland, Miss. "It's very important to look at estimated cash flows in retirement. There are myriad financial factors that go into retiring, and without coordinating those factors well, retirees can find themselves in a totally avoidable bind."

One "huge mistake" Taff sees from clients on a regular basis is people taking their **Social Security** payments too early. "There are few reasons to take Social Security before actually retiring, but many people do it at age 62 anyway," he says. "For many people who have modest, but not substantial assets saved for retirement, it may make sense to live off of investment income for a short time while their Social Security benefit grows."

Another simple, yet highly effective solution for consumers is to "pay themselves first" every month, before digging into the household bills. "You can't live on Social Security alone in retirement," says Saul Simon, principal at the Simon Financial Group, in Edison, N.J. "That's why it's so important to pay yourself first. Saving money on a monthly basis, starting at a young age, allows a consumer's savings to earn compound interest on a tax-deferred basis. That provides significant financial benefits 40 years down the road."

Timing does seem to be an issue for financial services professionals - not only do many Americans start saving too late, they also wait too long to get some much-needed financial guidance.

"Too many investors wait until they are days before retirement to meet with an advisor or to get educated about financial planning," says Winnie Sun, managing director at Sun Group Wealth Partners, in Orange County, Calif. "The most successful investors seek knowledge early. It's time, consistent savings, and taking ownership of your own retirement savings needs that matters most for Americans."

It's really no secret that not having enough money to retire is devastating to individuals, and it's no surprise that it's Americans' biggest financial regret.

"If a person gets to retirement and hasn't accumulated enough money, they only have two options," says Robert Johnson, chief executive officer of The American College of Financial Services in Bryn Mawr, Pa. "They can work longer or reduce their standard of living in retirement. Unfortunately, the first option is often not available for the many people who have to retire for health reasons, either due to their own health or to be a caretaker for a spouse or significant other."

The second option - living on less, maybe much less, money in retirement - could be the fate that awaits the regretful retirement saver. At a late date, there's not too much a "regretful" retiree can do about it.