This is what super savers who plan to retire early are doing differently

If you want to retire early, just setting and forgetting when it comes to your savings strategy won't cut it.

Just ask a new crop of investors dubbed "super savers." These Americans, ages 45 and up, are putting away at least 20% of their income. That's $1 out of every $5.

And their efforts are paying off, according to an online survey from TD Ameritrade. The results show that 57% of super savers plan to retire earlier than their parents did, versus 46% of non-savers.

"Most are choosing this path because they're looking at the freedom and flexibility it offers," said Dara Luber, senior manager of retirement product at TD Ameritrade. "They are looking for financial security and peace of mind, and they're thinking that their retirement will be like a second childhood."

If you want the same freedom in your golden years (or earlier), here's what you need to do.

Start early

More than half of super savers — 54% — started investing by age 30. Almost a third of them — 30% — started by age 25.

In comparison, 39% of non-super savers started by age 30, and just 20% of them by 25.

"Saving becomes ingrained in everything they do, and it's a priority for them," Luber said.

Invest more

Super savers are making investments a priority even over their housing and daily costs.

These over achievers are putting away 29% of their income compared to others, who are investing just 6% of their money, on average.

“They’re not downsizing their lifestyle,” Luber said. “They’re not looking to move to cheaper states, necessarily.

“They’re just spending smarter and saving smarter.”

Look for low fees

While super savers are active investors, they also prioritize low- and no-fee investments.

These individuals are more likely to own low-cost exchange traded funds, at 47%, versus just 31% of non-savers.

Super savers are also more likely to invest in low- or no-fee brokerage accounts.

Diversify your investments

When it comes to retirement accounts — 401(k) plans, individual retirement accounts, annuities and health savings accounts — super savers are more likely to have them all.

The one account that most distinguishes them from other individuals is the post-tax Roth IRA. About 53% of savings overachievers have Roth IRA accounts, versus 29% of other savers.

“They’re looking at their future and saying, ‘If I pay taxes today, I could potentially have more tomorrow,’” Luber said.

TD Ameritrade’s online survey was conducted in September and October. It included 1,503 individuals, 20% of whom counted as savings overachievers

https://www.cnbc.com/2019/07/02/this-is-what-super-savers-who-plan-to-retire-early-are-doing-that-youre-not.html