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Focus on recovery during National Save for Retirement Week

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Today marks the end of National Save for Retirement Week, Congress' effort to raise awareness about the importance of retirement saving and financial literacy.

Market performance during the past 24 months has caused many to rethink their retirement strategy.

It's been estimated that in 2008, more than 40 percent of workers in the U.S. saw their 401(k) account balance drop by 30 percent or more, forcing some to work longer and others to postpone retirement indefinitely.

If you're worried about your financial strategy, stay positive, get motivated and consider the following tips for helping your retirement accounts recover.

Know your retirement savings goal

Part of the retirement savings game is knowing how much money you need to retire. Estimate that you will need approximately 70 percent of your annual income each year to fund retirement. Other factors to consider include the age you plan to retire, life expectancy, all sources of retirement income, projected expenses, inflation and so on.

Understand your risk tolerance

While younger investors have the time to ride out market fluctuations in the stock market, those approaching or already in retirement should not have more invested in the market than they can afford to lose. Be sure your investment choices match your goals.

Adjust retirement plan investment strategy

If you're quickly approaching retirement and haven't reviewed your current 401(k) or IRA investment strategy, check with your plan administrator on the account options available to you.

If you have 10 or more years on your side, an aggressive strategy may be appropriate. However, if you have less time, consider changing to a more conservative model.

Use 401(k) matching programs

Many companies offer 401(k)s, and there is no reason to not participate in this type of retirement savings program, especially if it's a matching program. Always max out the matching portion, as this is completely "free money."

Catch up when you can

If you don't have enough saved for retirement, consider the catch-up provision. In 2009, the IRS is allowing anyone 50 or older to contribute an extra $1,000 to an IRA account.

Contribution limits for 401(k) plans depend on age and income, so check with a financial professional to determine specific provisions.

Plan ahead

If you're concerned about taxes eating up your retirement savings account, consider rolling over to a Roth IRA.

A Roth doesn't have a mandatory distribution age, all earnings and principal are tax-free, and funds within a Roth can be invested in a variety of ways.

Although contributions to a Roth IRA are not tax-deductible, paying taxes on your contributions today may prove to be profitable, as tax rates are likely to increase in the future.

Starting in 2010, Roth IRA income restriction will be lifted so anyone can enroll in this type of account.

Saving for retirement is truly an ongoing process that requires your attention and continued participation. Should you have questions about your personal financial situation, be sure to seek the help of a qualified professional.

Christopher K. Abts is a retirement specialist and president of Cornerstone Retirement Group. His areas of expertise include retirement planning, investment planning, tax analysis, estate and legacy planning, real estate sales and purchase evaluations, income planning, 401(k) rollovers and retirement account distributions.