When is it too late to start saving for retirement?

Say you're in what some now hopefully call "the new 30s." That means you're in your 50s. And say you've procrastinated so long that you haven't saved enough money for retirement.

What should you do?

First, if you have kids, turn to them right now and make them start saving while they're young. Not because it's good for their soul, or because it's a form of personal discipline that proves they've got what it takes to succeed.

No, the reason is the dazzling magic of compounding -- the math that makes money that's invested early grow at an accelerating rate.

If you're 20 years old and you save $100 a month in an investment that earns an average 7% a year until you retire at 65, you'll end up with $381,472. If you wait until you're 40 to start saving $100 a month, you'll have only $82,056.

If you wait until 50 ... well, you get the point.

"You can't make up for lost time," says Michael Book, managing partner at Lenox Advisors, a wealth management firm. "People keep thinking, 'There's time for me, there's time for me.'"

But say you're a world-class procrastinator. Suppose you didn't start saving at all for retirement when you were younger. Is there anything to be done?

Financial planners say, yes. But you have to do something. Cut spending on something. And turn it into saving something.

"One hurdle we run into all the time -- and I'm as guilty as anyone -- is we think we need to do it all," says Gerri Detweiler, an adviser at Credit.com, a consumer website. "If we can't save 10% of our salary, then we don't do anything. But small changes can add up."

If you've procrastinated, here's what you can do:

Save in a 401(k) account. If your company offers a 401(k) retirement plan, be sure you're saving at least the portion that your company will match. Many employers match 50% of your contribution, up to 6% of your salary. That magnifies your savings with little effort on your part, says Book of Lenox Advisors. The maximum you can save in a tax-deferred 401(k) is $15,500 in 2008. (Some companies restrict the percentage of pay that "highly compensated" employees can invest in a 401(k) if not enough lower-paid workers participate in the plan.) "If you can afford to do the max, be sure you do," Book says.

Save the "catch-up" amount. People 50 and older can put an additional $5,000 a year in their 401(k)s. If you do so each year from age 50 to 65, earning an average of 7% a year, it would equal $128,000 in savings, Book says. "It's another $425 a month in retirement income you get without even touching your principal," Book says. (That's if you take out no more than 4% a year from savings once you retire.)

Save automatically. Once you've contributed retirement savings at the maximum level, consider setting up payroll deductions for other accounts, such as an emergency savings account or one for education expenses. "Get in the habit of saving," Detweiler says.

Cut small expenses. Feel that you don't have any money left over to save? Don't want to make drastic changes in your lifestyle? Consider cutting back on small expenses, such as smoking or daily lattes at work. Alan Skrainka, chief market strategist at Edward Jones brokerage, says he uses the "two-pack-a-day" analogy when talking to teenagers about saving.

"If you smoke two packs a day, at $3.25 a pack, that's $182 a month," he says.

If you invest that money from the time you're 18 until you're just 22 and earn an average 8% annual return, you'd have $10,255 -- or "enough for a down payment on a new car."

Trim big expenses. Look at what you spend money on and cut back on the big costs, such as entertainment and random shopping. "It doesn't matter if it's $75 jeans, an iPod or your choice of restaurant. You can cut back and save a lot," Skrainka says.

Try to use cash, rather than credit cards, for major purchases. "If you buy a new Dell computer for $1,200 and charge it, you'll end up paying $1,000 more for it with interest," he says.

Consider working longer. If you're a fiftysomething who hasn't saved a lot, you probably need to "get your head out of the sand" and figure out what life after 65 is going to look like, says Book of Lenox Advisors. You might need to work longer so you don't spend down your savings. That means not retiring at 62, when you first qualify for Social Security, but rather waiting until 65. Or keeping a part-time job for years into the future, he says.

Also, start looking around now for a lower-cost lifestyle in retirement.

"You have to be realistic," Book says. "Don't show up at 64, hand in your resignation at work, and then say: 'What should I do?'"

Finally, if you haven't saved much by 50, don't panic. Chances are you're going to live for 30 or 40 more years, so you still have a chance -- if you plan wisely -- for compound interest to work for you.