

# Why You Should Save

## Saving at work ... works!



Employees who participate in a retirement savings plan at work are more likely than those who are not offered a plan to have saved at least \$50,000.<sup>3</sup>

## Rule of thumb



Many financial experts think you'll need to replace 70-90% of your income to maintain the same standard of living in retirement.

## College fund

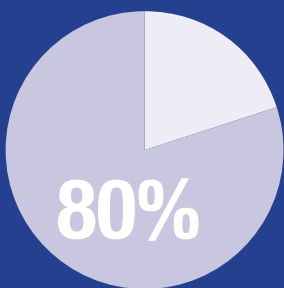


or 401(k)?



Remember, there's no loan available for retirement!

About  
**80%**



of employees at companies that provide a 401(k) plan are saving in their plan.<sup>1</sup>

About **50%** of Americans say they would like to retire before the age of **65**.

Only **20%** believe they will realistically be able to do so.<sup>2</sup>



When it comes to retirement decisions,

**50%**

of participants would like to just hit an easy button.<sup>4</sup>



<sup>1</sup> PSCA survey, 2011.

<sup>2</sup> J.P. Morgan 2013 Participant Survey, "Searching for direction on the journey to retirement"

<sup>3</sup> 2013 Retirement Confidence Survey, Employee Benefit Research Institute and Mathew Greenwald & Associates.

<sup>4</sup> J.P. Morgan 2012 Participant Attitudinal Survey

## Learn more about your plan today!



# How You Can Save

## 3 tips to creating a budget


- 1 Know how much you have**  
Find a budget worksheet at [www.401kday.org](http://www.401kday.org).
- 2 Track your expenses**
- 3 Do the math**  
Subtract your monthly expenses from your monthly net income. Now that you have a good sense of your monthly financial needs, look it over again for anything you might be able to do without.


<50%


of people were aware of how much money they have monthly for discretionary spending.<sup>1</sup>





## 6 ways to spend less & save more


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**1. Don't nickel-and-dime yourself.**  
Do you really need that special coffee? Consider saving the \$4 you spend every day, and put that money in your 401(k). If you think it won't make a big difference, think again: over a 30- day period, you'll save \$120. Over a year, that adds up to \$1,440. That's a nice addition to your 401(k).
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**2. Take a walk.**  
Reduce your stress AND save money on exercise equipment or health club memberships.
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**3. Stay home.**  
A subscription to an online streaming media service instead of buying tickets and snacks at the theatre could save over \$40 each month for a family of four.
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**4. Make a list.**  
Cut down on impulse purchases by making a list — and hold yourself to it — each time you go shopping. That's for online explorations, too. If it didn't make the list, it doesn't make it into your shopping cart.
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**5. Get out the scissors.**  
Scour the Sunday paper or Internet for coupons, but only use them on products you would normally buy — otherwise, you're spending extra on things you wouldn't usually purchase. If you save \$10 or \$15 (or more!) on your grocery bill, then put that money toward a bill or into a savings account.
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**6. Keep the car running.**  
Keeping your car just one extra year may save you hundreds of dollars by avoiding higher insurance costs, increased property taxes and interest on a loan.



31%

of survey respondents said that credit card debt keeps them from reaching their financial goals.<sup>1</sup>

*\*Assumptions: 18% monthly compounding interest rate; the amount due (principal plus interest) must be paid in full.*

**Get out of the minimum-balance trap.**  
Earmark twice as much as the minimum you have to pay for credit cards.

**Easier said than done, right?**  
Well, you might be surprised to see the difference between making a \$20 minimum monthly payment on a \$1,000 debt versus paying \$40 a month.\*

Monthly Payment	Months Needed to Fully Pay Off Debt	Total Amount Paid (principal + interest)	How Much You Can Save \$599.50
\$20	93	\$1,862.20	
\$40	32	\$1,262.70	

Learn more about your plan today!

