

Stick to the (Spending) Plan

Tips to help you start or keep saving for retirement



Do you have enough money to save for retirement?

In a recent bankrate.com survey*, 36% of people said they are able to save some for retirement, but not enough. 32% said they are not able to save at all right now because of other obligations. In whichever circumstance you find yourself, the following tips may help you find (more) money for retirement.

*Source: Bankrate retirement savings poll, September 2013.

Create a plan

One way to find out if you have enough to save for retirement is to set a budget. For a successful budget, be sure to:

- **Overestimate essential spending, like utilities and transportation.** Even if they are accurate today, costs could rise without warning.
- **Include money for emergencies and wants.** Not planning for these could open you up to failure.
- **Stay with it, even if you mess up.** Start over and work your plan, making adjustments if necessary.

Track your spending

Financial planners differ about how often you should track spending. Some advocate 24/7 tracking, forever. Others suggest that short-term tracking may be enough to get you on course.

Regardless of how you record expenses, you are probably spending more than you think. Create a “spending diary” and write down everything you spend.

Avoid impulse buys

Impulse purchases can bust your budget. And if you use a credit card, it's like spending money you haven't yet made. That can rob your retirement. To help curb impulse purchases:

- **Choose to wait.** Sometimes you realize you really didn't want or need the item at all. Figure out if the cost to your peace of mind is worth the price you will pay on the impulsive purchase.
- **Save for major purchases instead.** Include this line item in your budget and commit to that goal. That way your budget works for you, not against you. Temporary wants may need to take a back seat for awhile, but it will be worth the wait.

Perception vs. Reality:

Do I make enough to save?

When asked, nearly half of pre-retirees said that they didn't start saving earlier because they believed they didn't make enough money.

However, many felt they could have taken simple budgeting steps to find money to save.



58% agreed that they could have paid more attention to everyday expenses like movie rentals, coffee and the like.



57% said they could have dined out less.



49% said they could have conserved energy.

Source: *Through the Rearview Mirror Pre-Retiree Study*, American Century Investments, 2013.

4 Ways You May Be Able to Save Money This Month

With a few online searches or phone calls, you could be paying less next month for these expenses.



Talk Cheaper

If you're under a contract, ask your cell phone provider if you can switch to a less expensive plan. Prepaid services often cost even less.



Price compare premiums

Shop around for the best insurance rates for coverage your family actually needs. You may have more than you need, or you may be able to find more competitive premiums.



Negotiate cable fees

While there are cheap alternatives to cable, like online movie services, some of us just can't live without it. Call your service provider to see what deals they may be offering, but aren't promoting.



Cut credit card interest

Take advantage of low, up-front credit card transfer rates and aim to pay off the card during the introductory offer time. Some even offer no interest on transfers over that period.



The Bottom Line

Creating and sticking to a budget today can help you start or continue saving for your future.



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