You’re in Charge!

Is your financial situation getting out of control? If you find yourself spending more than you anticipate each month, carrying a balance on your credit cards, and saving less than you’d like in your retirement plan, then you may need to rein in your expenses.

The good news is that you’re in charge of many aspects of your finances. You can take control of your spending and start saving more for retirement. Here’s how.

Track Your Spending

As a first step, find out *exactly* where your money is going each month. Track your daily spending for one or two months. Write down everything you spend each day, including coffees to go, meals on the run, and magazines and newspapers you grab at checkout counters. Miscellaneous purchases like these can quickly add up over time.

Next, add up how much you spend each month on food, housing, transportation, health care, etc. Also calculate the monthly amounts for any semiannual and annual expenses, such as insurance and property taxes. Consider using an online budgeting tool to help you track your spending.

Determine Where You Stand

After tracking your monthly spending, compare it to your monthly income. If you’re spending more than you’re earning, you’ll need to make some changes. Look for areas in your budget where you can cut back. If you’re carrying a balance on credit cards, make paying them down a priority since income you spend on credit card payments is money you aren’t saving. Additionally, the interest payments on that debt may be significant.

Create a spending plan that will help you take charge of your money. While sticking to a spending plan will take a lot of self-discipline, the payoff may be a more financially secure retirement.

Pay It Forward

Once your spending is under control, you can start saving more for your retirement. Simply increase the amount you contribute to your plan. Your plan’s payroll deduction feature makes it easier to save since your contributions are automatically withheld before you receive your pay. Think of it as an investment in your future.

Saving Pays

See what might happen if you increase the amount you contribute to your plan account.

If you contribute this much each year:	**You could accumulate this much more in your account after:**			
	10 years	**20 years**	**30 years**	**40 years**
$1,200	$17,308	$52,093	$121,997	$262,481
$2,400	$34,617	$104,185	$243,994	$524,963

This is a hypothetical example used for illustrative purposes only. It is not representative of any investment vehicle. It assumes a zero starting balance, monthly contributions, and an average annual return of 7% monthly compounding. Your investment results will be different.

Source: NPI