



# Learn

## Finding More Money for Retirement Savings

Feel like you're stretched to the max financially? If you do, you're not alone. A growing number of Americans are spending more and saving less than ever before.

### Following the Money

Saving more during their working years will help Americans have a more financially secure retirement. For anyone who is looking for a way to save more and spend less, tracking where the money is going is a good first step.

Here are some government statistics on how Americans spend their money. How do your own spending patterns compare?

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### Spending on the Basics

Housing, food, and clothing account for about half of the typical American household budget.\* Transportation expenses and spending on health care also account for a significant share of the typical household budget.

Housing	33.8%
Food	12.6%
Clothing	3.9%
Transportation	17.6%
Health Care	5.7%
Other	26.4%

### Spending on the “Must Haves”

More and more items that were once regarded as luxuries are now considered necessities. This expanding universe of “things” Americans can't live without is adding to the strain on wallets — and making it harder to save.

#### % of adults rating item as a necessity\*\*

	2006	1996
Microwave oven	68%	32%
Home computer	51%	26%
Home air conditioning	70%	51%
Auto air conditioning	59%	41%
Cable or satellite TV	33%	17%

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## Finding Savings

The good news is that you *can* make changes that will help build your retirement savings. While there's typically little flexibility when it comes to certain expenses, there are other areas that offer good opportunities for saving.

A budget can be a great help in identifying areas of potential savings.

It allows you to reconsider what are — and are not — “necessities.” And, with a budget in place, you will be less likely to use credit to buy unnecessary items. It may not take you long to find enough room in your budget to boost your retirement savings. The following chart shows the difference that saving a few extra dollars every week can make.

Amount Saved Each Week	\$25	\$50	\$100
Size of Account After 15 Years	\$37,486	\$74,976	\$149,949

These figures assume a hypothetical 8% average annual total return, compounded monthly. This example is for illustrative purposes only and is not representative of any particular investment vehicle. Your investment returns and balance will be different. *Source: NPI*

\* *Consumer Expenditures in 2006*, U.S. Department of Labor, U.S. Bureau of Labor Statistics, 2007.

\*\* *Luxury or Necessity? Things We Can't Live Without: The List Has Grown in the Past Decade*, Pew Research Center, 2006.

This material is intended for general educational purposes only.

