



MoneyTalks

Wisconsin Deferred Compensation Program

Less Is More

A budget you can live by

Tomorrow. That's when a lot of people say they're going to get serious about saving for retirement, thinking they don't have the money to spare in the short term to get started. Here are four budget-conscious steps you can take to start saving more for your retirement today.

1. Cut credit card debt.

Two key components to reining in your credit card debt are to reduce your interest rates and pay more than the minimum amount due. If you have a \$5,000 credit card balance at an annual percentage rate (APR) of about 13%² and make only the minimum payment each month (typically the greater of 2.5% of the balance or \$10), it will take you 19 years to pay off that debt. What's more, you'll have paid a total of \$3,645 in interest, money you could have saved for retirement.

2. Pay your bills online.

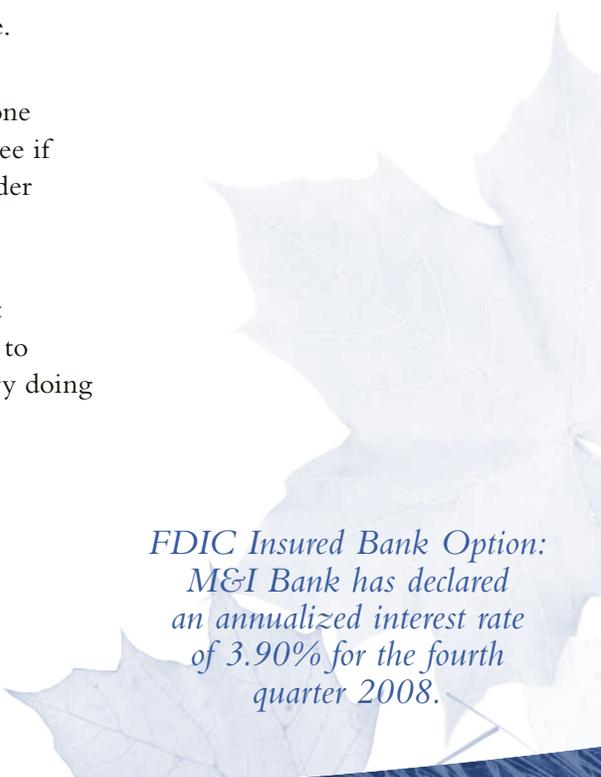
Many credit card and utility companies offer free electronic payment options. Make instant payments online or have the money automatically deducted from your bank account each month. You'll avoid incurring hefty penalties on late payments. Late fees on credit cards typically range from \$15 to \$35, depending on the balance.

3. Trim your phone bill.

Are you spending hundreds of dollars on your combined landline and cell phone bills? Re-evaluate your local, long distance and international calling plans to see if they fit your needs. You might decide to switch to a cheaper cell phone provider when your contract expires.

4. Save a little every day.

Food is expensive, especially when you're buying lunch every day. How about bringing food from home? Start with one or two times a week, then build up to three or four days. And look at your dry cleaning bill. If it tops \$25 a week, try doing some of that laundry yourself. The savings can really add up. ■



*FDIC Insured Bank Option:
M&I Bank has declared
an annualized interest rate
of 3.90% for the fourth
quarter 2008.*

² On October 1, 2008, the average APR was listed at 13.42% on bankrate.com.

Please note: This newsletter does not constitute investment or financial advice.

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