Wondering if you’re saving enough for retirement?
According to the Employee Benefit Research Institute’s 2007 Retirement Confidence Survey, 70% of workers are “very confident” or “somewhat confident” that they have saved enough money to live comfortably through-out retirement.¹ To make the most of your efforts:

1. **Pay yourself first.**
   One sure way to have something left over at the end of a month is to make paying yourself your first priority. After all, Uncle Sam gets his cut before you even see your check. This simple maxim of personal finance is easiest to implement if you contribute to your University of California Retirement Savings Program. Start with an amount you know you’ll be able to manage. Soon, you’ll be motivated to continue saving as you watch how your money can grow tax-deferred. If you’re already contributing the maximum to the voluntary 403(b) and 457(b) plans, and still have extra cash, you may also contribute on an after-tax basis to the Defined Contribution Plan.²

   In 2007, the maximum allowable contribution to the 403(b) plan and the 457(b) plan is $15,500; for those age 50 or older, the limit is $20,500. The limits apply separately to each plan. In addition, some employees may be eligible to make additional contributions under the lifetime catch-up provisions of the plans.

2. **Consider starting small and making regular increases.**
   The sooner you start, the better. Not only do you capitalize on the power of compounding—earning interest on top of interest in a tax-deferred account—you establish saving as a habit. In addition to directing a percentage of any merit increases and tax returns toward retirement savings, you can give your savings a boost when you pay off student loans or car loans.

3. **Think big picture.**
   Your income and expenses will fluctuate over time. So might your goals. So review your savings plan annually. In addition to alerting you to necessary changes, measuring your progress is a great motivator. Remember, with people living longer, you should expect to spend many years enjoying your retirement. To help make sure you can reach your personal retirement goals, save all you can during your working years. ■

¹ 2007 Employee Benefit Research Institute Retirement Confidence Survey.
² Annual additions to the plan (your contributions and company contributions combined) may not exceed 100% of your pay or $45,000 (whichever is less).

If you have questions about saving for retirement, call FITSCo at 1-866-682-7787. Hours are Monday through Friday, 5:00 a.m. to 9:00 p.m. PT. You can also visit our website at www.netbenefits.com.
Quick Steps to Budget Success

Financial planners insist that a budget is the key to wealth accumulation, but a recent Pew Research Center survey found that only 48% of all adults use some sort of formal budget to help manage their household expenses.* Here are some ways to make your budget work for you.

**Accentuate the positive.**
Think of your budget as a plan to ensure you spend your money on what matters most to you, rather than a way to restrict spending.

**Track your expenses.**
How you would like to spend your money and how you actually spend it are two different things. In addition to accounting for fixed expenses such as mortgages or car payments, use a daily journal to track your cash expenditures. After several weeks, you’ll start to notice trends in your purchasing.

**Deal in cash.**
Handing over cash forces you to think about what you’re spending to a greater degree than swiping your plastic does. Once a month withdraw money for variable expenses, such as lunches out. Having cash on hand may help you make your money last all month.

**Distinguish between wants and needs.**
Do you really need that weekend vacation or new fishing pole? These impulse purchases impact your ability to meet your long-term goals.

**Divide and conquer.**
If all your money is in one account, it’s easy to feel flush and to overspend. So set up sub-accounts for retirement, education, even vacation.

**Talk money.**
It takes teamwork to achieve financial goals. Ask advice, communicate with your spouse or partner, and get your kids on board with savings goals.

**Stay flexible.**
Successful budgets are works in progress. Don’t view occasional overspending as a failure, and remember to review your budget regularly.

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*What Americans Pay For—and How*, February 2007, Pew Research Center
Examine Your Expenditures

Finding money to save requires a careful accounting of how you spend your money. Sure, that takes a little work, but these steps can streamline the process:

• **Add it up.** If you use your debit card and write checks, your bank statement creates a helpful paper trail, but you’ll need to keep your own record of cash expenditures. Keep it up for two or three months. Software like Quicken® can help.

• **Break it down.** Seeing what you spend on extras, like dining out, as a percentage of your total income might motivate you to make a change. Break costs down into how long it took you to earn that money, or better still, calculate what you might earn in 10 years if you invested the money in your UC Retirement Savings Program rather than ordering another delivered pizza.

• **Be realistic.** It’s unlikely you’ll uncover a smoking gun, one drastic change that will result in savings nirvana. However, even modest cuts here and there can make a real difference over the long term. More importantly, by understanding where you spend money, you’ll become a more mindful spender. And that can translate to the increased confidence and better choices that can boost your savings.

If you wish you could save more than you do, you are not alone. In a survey by the Pew Research Center, 77% of respondents said they are looking for ways to save money.*

* *We Try Hard. We Fall Short. Americans Assess Their Savings Habits,* January 2007, Pew Research Center
The UC Retirement Savings Program Can Help You Plan for Your Future

You know how important it is to plan for your future. And as a member of the UC community, you have plenty of help.

If you have questions about how to take advantage of the savings opportunities provided by the UC Retirement Savings Program, the following tools are available to help with your retirement planning needs.

1. **Seminars:** These customized workshops are designed to help you plan for each step of your retirement future. Watch for schedules and times at your location.

2. **Online Tools and Recorded Workshops:** Make the Fidelity NetBenefits® website part of your regular online viewing. We will be updating it with helpful retirement information. Visit [www.netbenefits.com](http://www.netbenefits.com).

3. **Call us:** If you have questions, we want to hear from you. We can answer questions about retirement planning and questions about the variety of options that are available to you as a UC Retirement Savings Program participant.

FITScO Representatives are available Monday through Friday, from 5:00 a.m. to 9:00 p.m. PT. Call them at 1-866-682-7787.

Whether your retirement is decades away or around the corner, you can count on UC as a partner in planning for your retirement future.

WE SPEAK YOUR LANGUAGE
Need assistance in another language? We have representatives standing by. Assistance is available in many languages, including Spanish, Chinese, and Tagalog.

**Hablamos su idioma**
¿Necesita que le atendamos en otro idioma? Tenemos representantes, por si los necesitan. Disponemos de atención en varios idiomas incluyendo el español, chino y tagalo.

**们也能讲您的语言**
需要语言方面的帮助吗？会有您的语言的代表随时为您服务。我们可以用西班牙语、汉语和他加禄语等多种不同语言为您提供帮助。

**Nagsasalita Kami ng Inyong Wika**