

Save now for the future Make better food choices

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The semester is slowly winding down, and many seniors have already begun interviewing for positions post-graduation. They are probably already making plans for how they are going to spend their new income. Many will rent their own apartments, furnishing it with new furniture and trendy pieces of art. Some will upgrade their wardrobes or buy a more reliable car. As you are planning your budgets though, don't forget about funding a 401(k) or other retirement account.

Many of you are probably saying to yourselves, "Retirement account, why do I need one of those? I'm in my early 20s." There are several important reasons why someone, even individuals in their 20s, should consider funding a retirement account now.

First, there has been a shift in corporate America from defined benefit plans, such as pensions, to defined contribution plans, such as 401(k)s. By moving away from pensions, corporations can lower their future liabilities. This shift from pensions to 401(k)s puts a greater burden on individuals to provide for their own retirement.

Second, regardless of your political views, it is difficult to ignore that there are problems with Social Security. According to documents listed on their website, <http://www.ssa.gov>, Social Security currently estimates that assets will be exhausted by 2040. While this does not mean that Social Security will stop paying out benefits after 2040, it does mean that expected benefits will be much lower than the level of benefits received today. In fact, according to the 2006 Trustees Annual Report, benefits after 2040 are expected to immediately drop 26 percent with larger drops expected thereafter. One can go to Social Security's website and

estimate your future benefits. I went to the site and found that a 25 year old person today can expect about \$15,500 a year during retirement, after adjusting for inflation. That figure is currently below the income level the government uses to identify whether a three person household is impoverished. In other words, if you expect to golf, travel, or eat three square meals a day, you probably need to supplement the benefits from Social Security with some other income.

Third, it's free money! Most 401(k) plans include a company match. While they vary from plan to plan, a typical company match is 50 percent of anything you invest up to 5 percent of your salary. In other words, if you invest 5 percent of your salary into your 401(k) plan, your company will invest another 2.5 percent of your salary into your account. For someone making \$40,000 a year, that's an additional \$1,000 invested into your retirement account.

Moreover, not only do you get the additional \$1,000, but you are also saving taxes. This is due to the fact that 401(k) contributions are tax-deferred. So if you invest \$38.50 a week, 5 percent of the income for someone making \$40,000 a year, your actual paycheck will only be about \$30 less than if you were not investing in a 401(k). The reason is that if you weren't investing that \$38.50 a week, it would be getting taxed at the appropriate tax rate for your income level.

Lastly, it is important to start saving for retirement early because of a financial concept known as the time value of money. I won't bore you with the details but I will demonstrate

how this concept significantly affects your retirement savings. Let's say two twin sisters, Sara and Sally, both graduate college and begin working at age 25. Sara immediately begins saving \$2,000 a year for retirement. Her sister Sally, however, doesn't save for retirement at this time. At age 35, Sara decides, after 10 years, to stop saving and never saves another dollar for her retirement. At this same time, Sally begins savings \$2,000 a year for retirement and continues to save this amount for 30 years until she retires at age 65. When they both retire at age 65, which sister has more money saved up assuming they both

earned 8 percent on their investments? Would you be surprised if I told you Sara, despite saving \$40,000 less than her sister, ended up with \$64,980 more than Sally? The reason is the earlier you start saving, the longer period of time your money has to grow. Compounding is the concept that the interest or gain you previously made on an investment is added to the principle and future interest is computed using this new figure. Due to compounding, the earlier you start saving, the less money you actually have to save in order to reach your financial goals.

I've given you four strong reasons why you should invest your money in a 401(k) or some other retirement account. It's important to start early to take advantage of the time value of money. If you utilize your 401(k) properly, you will be on the golf course or at the beach during your retirement, instead of working well into your 70s. In the next issue (11.20.2006), I will discuss some basics about how to invest your money for retirement.

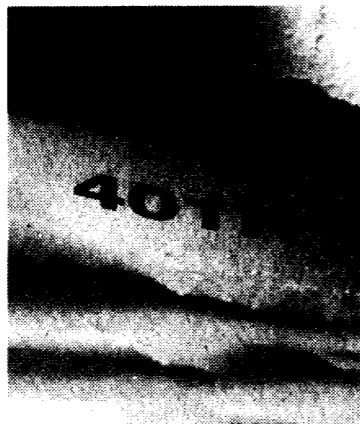


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In America's fast paced, achievement driven culture, college students are especially vulnerable to neglecting their nutrition. Some students find fast food and vending machines the easiest way to grab a meal, while others forget to eat at all.

"I have a very busy schedule which doesn't allow much time to sit down and eat a meal," said sophomore Kayla Klouser. "I probably only eat one meal a day. That's why I snack so often."

Klouser said she eats some kind of snack roughly every half hour. She doesn't think about the contents of the foods she eats and she rarely checks nutrition labels.

Communications major Jenn Fetter, agreed that having an overloaded schedule leaves little time for nutrition.

"I have two jobs and school, and it's really hard to even find time to eat, let alone worry about what it is that I'm eating," said Fetter.

According to Heather Tressler, registered dietician and president of the Central Pennsylvania Dietetic Association, people should focus on keeping their energy consistent throughout the day.

Eating snacks in place of meals can be healthy, as long as they are low in calories.

For students who don't have time to eat full meals, Tressler suggested eating six mini-meals each day, spaced two to three hours apart. A snack between 300 to 400 calories is considered a mini-meal.

Those who prefer eating three full

meals a day should keep those meals between 500 to 600 calories, and can also have two snacks not exceeding 150 calories each.

"You should never allow more than four hours to pass between meals," said Tressler. "Your metabolism is almost like your body's engine, and keeping consistent energy keeps your metabolism running."

The amount of calories each person needs varies depending on their age, gender and activity levels. Tressler provided a formula to help determine the amount of calories a person should consume each day.

"Divide your weight in pounds by 2.2, then multiply that number by 25 and that will give you an estimate

To keep fruits and vegetables interesting, Tressler said to buy produce in season when it's most fresh, and choose unique or exotic produce, such as pomegranates. Also, doing small things, such as adding peanut butter to an apple, can make eating fruit more exciting.

Tressler also said everyone should always read the nutrition labels. The serving size is always the first thing listed and should be followed consistently. The ingredient list is also important.

According to Tressler, that's where the worst thing is listed-hydrogenated fats, or trans fats. If a product has less than half a gram of trans fats, the trans fats can be listed as zero grams on the label.

They are then hidden as "hydrogenated fats," which add to a food's shelf life.

"Everyone should eliminate trans fats," Tressler said. "They are most likely one of the biggest causes of obesity in our country."

Also, if the right items are chosen from the menu, fast food can be healthy, according to Tressler.

"Treating yourself once in a while is good," said Tressler, "but it's not a treat anymore if you have something all the

time. Buy fries if you want them, just get the small. It's all about portion control."

Tressler explained that nutrition is important because the vitamins and minerals in healthy foods help protect the body against diseases. She believes it's easy to make healthy choices and healthy eating fun with a little creativity.

"Everyone should just be conscious of what they are eating," said Tressler. "Don't obsess. One fun-sized candy bar a day is a good way to treat yourself."



Photo courtesy of Google Images

An apple a day really can help keep the doctor away.

of the calories you need each day," said Tressler. "That formula is for a person with a moderate activity level, but athletes should consume more calories since they burn more."

Some "to-go" snacks Tressler suggested for busy college students include string cheese, yogurt drinks, cheese and crackers, half a sandwich, low fat milk, fruit and light microwave popcorn.

She is an advocate of combining lean protein with each snack and meal, because it keeps the body satisfied longer than fat or carbohydrates.

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