

Support

Home > Support > How to Reduce Spending, Expenses & Debt in Retirement

# How to Reduce Spending, Expenses & Debt in Retirement

Updated: 8/01/2013 | Article ID: INF24060

## How to Reduce Spending, Expenses & Debt in Retirement



**Downsizing in retirement can save you time and money, but it's not right for everyone.**

When you have an extra 2,000 hours to fill because you're not working, it's easy to let your expenses run amok. What's more, even people who have saved wisely often find that during retirement their incomes are more modest than when they were working. Regardless of the reason, you can take control of your retirement spending and debt so that you can live the retirement you've always dreamed of.

### Take Your Time Shopping

Retirement means you don't have to devote a large chunk of your time and energy to earning a living, which means more time to spend looking for deals. According to Tim Massie, a certified financial planner based in Vancouver and Spokane, Washington, many of his clients "have commented that retirement allowed them the time necessary to shop more thoughtfully and make less impulse purchases and research deals better. In the rush of working life, the time and mental reserves necessary to think carefully about purchases were limited."

### Cutting Spending Costs

There's almost always room to cut expenses here and there to make your budget balance, including stocking up on your favorite foods at sales, taking up cooking as a hobby so you eat out less, having one car instead of two, asking for senior discounts, or buying used items. However, Massie cautions, "Be careful cutting expenses that bind you to the people and activities you truly love. If you love having family over for dinner many times a month, your grocery bill is going to be high. In the process of budgeting, it can be tempting to do less entertaining when the grocery bill is reviewed." Massie recommends that when you're budgeting, look at your expenses not only for their dollar cost, but also in terms of your priorities. "If those family get-togethers are important to you, sacrifice in another area that means less. An example would be to cut the cable bill even though you enjoy the premium content--but not at the expense of those wonderful days with the house filled with grandkids, laughter and love."

### Consider Downsizing to Save

If your kids have flown the nest and left you with a bigger home than you want or need, downsizing can not only save you money, but can also relieve your fears of keeping up with the costs and maintenance of a bigger home. But, Massie cautions, downsizing isn't always the best option. "When it comes to where people live, I ask them what their priorities are and what makes them happy. If they have a large house, but it's constantly filled with grandkids and family and that's what makes them happy -- don't downsize!"

### Paying Off Debt

Having debt, especially once you're retired, can make you feel as if a vulture is constantly circling overhead, just waiting for you to collapse. In some situations, it might make sense to take extra from your retirement account. For example, if you have high-interest credit card debt or other loans that are charging more interest than you can possibly make back in investment income, consider taking out extra to pay off the debt sooner rather than later. However, according to Massie, "There is so much variance from situation to situation here -- it's difficult to make a broad statement. More often though, I think it's better to leave the money and pay off debt over time, especially if it's mortgage debt with a very low rate."

### Previously Viewed Articles

- [3 Personal Finance Tips for College Grads](#)

### Community Discussions

Share advice with other Quicken customers about using our products and managing your finances.

[Quicken Community](#)

### Still Haven't Solved It?

[CONTACT US](#)



### Did this article help you?

Yes, it did...

No, it didn't...

Search Support:

[GO](#) [Advanced Search](#)