
Putnam's iPhone "app" puts point-of-purchase savings into 401(k)

By Editor Test *Wed, Jun 8, 2011*

First, find a bargain. Then calculate its value 30 years from now. Then contribute to retirement plan.

Here's a high-tech twist on the "more you buy, the more you save" slogan that for decades has helped American shopaholics rationalize their indulgences.

Putnam Investments has launched the Putnam PriceCheck&Save iPhone application for participants in 401(k) plans to help individuals direct the money they "save" while shopping into long-term tax-deferred savings.

Mutualfundwire.com wrote that the app "interacts directly with the 401(k) recordkeeping platform that Putnam uses to run the employer's 401(k) plan. That interaction enables Putnam to make a one-time deferral into the plan for the amount the app user specifies."

"By using leading mobile technology, we are trying to change behavior from impulse spending to impulse saving - all with a few taps on their iPhone," Putnam said in a release.

The app enables participants in Putnam 401(k) plans to use their iPhone camera to scan the bar code of most sales items to register price, comparison-shop across other retailers to seek a lower cost, see the potential cost savings in terms of future monthly income in retirement, and immediately direct the price differential to the individual's 401(k) account.

"Putnam's PriceCheck&Save app is a powerful new way to demonstrate the eye-opening trade-off between spending today and its future financial impact on an individual's retirement - translated through the critically-important language of income," said Edmund F. Murphy, III, Head of Defined Contribution, Putnam Investments. "By using leading mobile technology, we are trying to change behavior from impulse spending to impulse saving - all with a few taps on their iPhone."

Murphy explained that the larger educational effort motivating the launch of the tool is designed to showcase the connection between thoughtful purchasing and the ability to save for the future, by looking through the lens of retirement income.

"Putnam is hoping to create greater understanding in the marketplace about the critically important relationship between individuals' spending of current income and saving of current income on their future retirement income. Spending and saving do not need to be mutually exclusive activities," he noted.