

(Mostly) Painless Ways to Save Money



Whether you want to save towards your goals or pay off your debts, you'll get there faster if you can free up more income. Think you're already doing all that you can? Try some of these strategies, and you'll be amazed at the savings!

Remember the difference between needs and wants? You **NEED** to eat lunch during your workday, but going out to a restaurant is a **WANT**. To find the money to reach your goals (the important wants!) be on the lookout for wants masquerading as needs. There are really two methods to increase cash flow – either decrease spending or increase income. We've got some great ideas to do both.

GROCERIES

- Shop with cash and a list – it makes you a more careful shopper.
- Use coupons – you don't have to be a fanatic to save \$10-30 a week.
- Set a vegetarian menu once a week – meat is more expensive.
- Shop the perimeter of the store, where most of the "raw" foods are (dairy, meat, produce) – processed foods cost more.
- Brown bag your lunches to work or school at least twice a week – can save \$40-80 per month.
- Bring your own six-pack of soda to work each week instead of buying from the vending machines – save \$125 per year!

ENTERTAINMENT

- Check your cable bill – cancel services & channels not used often.
- Download a movie and make your own popcorn instead of going out to the movies.
- Shop at used bookstores – or use your local library.
- Eliminate subscriptions and memberships that you no longer use or enjoy.
- Have potluck dinners with friends and neighbors instead of going out to expensive restaurants so often.

INSURANCE

- Increase your deductibles.
- Combine auto and homeowners with one company for discounts.
- Reduce homeowners insurance limit to actual cost of rebuilding.
- Shop around every two years to make sure you're getting a good rate.
- Drop or reduce coverage you may be able to do without, such as uninsured motorist and medical expenses for others!

EMPLOYEE BENEFITS

- Take advantage of flexible spending accounts (also known as cafeteria or Section 125 plans). These allow you to reduce your taxable income for day care and medical expenses (including deductibles, prescription glasses, prescriptions, orthodontia, etc.).
- It's always a good idea to maximize your 401(k) contributions. If you can't afford that level, start with contributing enough to get the match and try increasing it over time.
- Need life insurance? Check your benefits office for group term insurance rates, which may be less than buying an individual policy.

CLOTHES

- Buy clothes at end of season sales for best discounts.
- Shop second hand stores – particularly for kids clothes.
- Take clothes that don't fit to a consignment store – get cash or shop!

MISCELLANEOUS

- Take advantage of low interest on credit card offers, even if only for 6 months.
- Call your credit card company and ask if they will reduce your interest rate and/or fees – tell them you are considering a transfer to a new card.
- If itemizing, get receipts for all charitable contributions; donated items can be valued higher than their “yard sale” value.
- Quit smoking (or at least cut back)! – If you stop smoking three packs a week you'll save about \$80 a month.
- Give up that “designer” coffee and bring your own from home – save over ten bucks a week!
- Declare a Frugal Week once a month – no eating out, no unnecessary purchases.
- Shop yard sales for household items, bikes, sporting goods.

OR INCREASE YOUR MONTHLY INCOME

- Take on a second job.
- Rent out a spare room to a college student.
- Turn a hobby into a source of income – sell your crafts.
- Volunteer for overtime.
- Take classes that qualify you for a promotion.
- Teach adult education classes.
- Turn a special skill into freelance income (computer, carpentry or gardening are good candidates for this type of work).
- If you expect to get a tax refund, increase the number of allowances on your W-4 to increase your take home pay now.
- Change your asset allocation to more income-producing investments.