

WAYS TO SAVE

Professionally and personally speaking, there are many ways one can make positive financial resolutions in 2009. Despite the economic hardships that most Americans are facing, trimming finances doesn't have to mean sacrificing life's necessities or pleasures. The first step is to get organized by listing all of your expenses. From there, you are well on your way to cutting back and possibly even saving money for the future. Make sure to first start with small, gradual changes as this will help increase your chances of success throughout the year.



10 Ways to Save Money in 2009

The New Year has begun and many of us are taking a close look at our financial resolutions. With the recession in the U.S. deepening, Americans are looking for ways to cut back on spending and save more of their money. One of the biggest household expenditures often overlooked by people when they are creating their spending plans is their monthly household bills. These are the recurring bills that we pay month after month and just assume that the amount we pay is what we have to pay, but there are areas where you can cut back and save plenty of cash.

1. Make your payments automatic. Most utility, cable and phone companies have "automatic monthly billing." Take advantage of these plans rather than mailing your monthly bills. The money will come directly from your bank account on the date that the bill is due. You'll avoid late payments and potential additional fees.

2. Review your monthly bills. Everybody makes mistakes, and creditors aren't any different. Most people just pay their monthly bills without really reading them, but all monthly statements should be reviewed for mistakes.

3. Pay all bills on time. This is related to number one on this list. Don't be late paying any of your monthly bills, not even a little. Not only will you incur unnecessary extra fees, but you could potentially damage your credit rating as well. If you have an unexpectedly high bill one month, such as a utility bill, call and work out a payment arrangement, but don't ignore the bill.

4. Use average monthly billing. Many utility companies have “average monthly billing plans.” They take the total amount you would normally pay over the course of a year for electricity, or natural gas for instance, and then average the payments out over the course of a year. Instead of paying \$30 a month for natural gas during the summer and then getting socked with a \$200 bill during the winter months, you might wind up paying \$60 per month every month of the year instead. You’re still paying the same amount over the course of a year, but you’re paying a manageable amount each month.

5. Make them fight for your business. Your cell phone or Internet service provider isn’t the only game in town. The same goes for car insurance. Shop around and see if you can find a better rate.

6. Use a game plan for groceries. There are many ways of cutting your monthly food bill – double coupons, sales circulars, store loyalty cards – but don’t overlook other options for buying food such as buying dry goods from the dollar store, taking advantage of Angel Food Ministries if they are in your area or joining forces with a neighbor who has a Sam’s Club membership, pooling your money and then buying items in bulk. You could cut your food bill by 25 percent or more.

7. Keep an eye on bank fees. These days, banks are doing everything they can to make extra money, too. Keep a sharp eye on your bank fees. If possible, switch to a “free checking” plan, as opposed to one that has a monthly fee and provides fancy services that you might never use.

8. Monitor car insurance premiums. Some car insurers may raise rates when you move to a new zip code and/or when you are up for renewal, even though you have no new accidents or tickets. If your insurer raises your premiums for no apparent reason, it’s time to shop around.

9. Determine if your monthly bills are even necessary. Do you really need both a cell phone and a landline phone? Perhaps you could get rid of the landline. If you pay for premium cable service but really only watch 10 channels, switch down to

the “basic” plan – most cable companies have them, but you have to ask. Do you have magazine subscriptions for magazines you don’t read? Drop them and read the magazine online, usually for free. Do you subscribe to the Sunday paper just for the coupons? Most sales circulars can be found online for free.

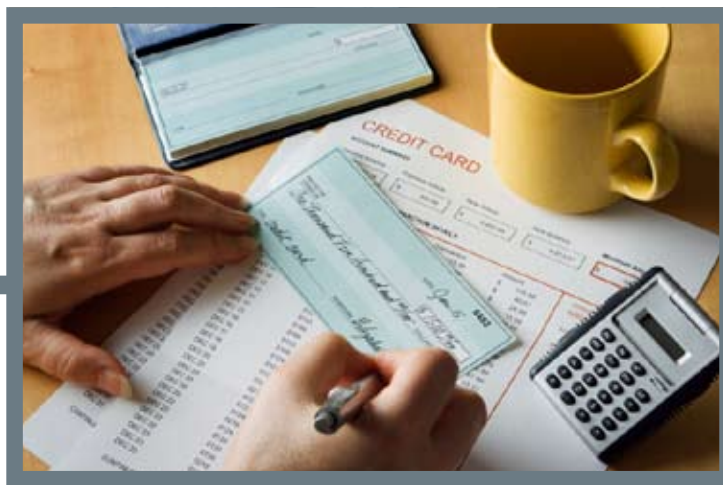
10. You need a plan. You can’t figure out if you have areas that can be cut if you don’t know what you are spending. Online budgeting services such as Mint.com, Mvelopes or Wesabe are free, but you can also use an Excel spreadsheet to track your spending. Once you have everything written down, it’s easier to track unnecessary expenses.

Source: TheDollarStretcher.com Community Blog, http://community.stretcher.com/blogs/main_street_meltdown/archive/2008/12/27/10-ways-to-save-money-in-2009.aspx.

Nine Unique Ways to Cut Back

Whether your annual income clocks in at \$20,000 or at \$200,000, cutting down on costs is probably a high priority these days. In September 2008, U.S. consumer spending dropped for the first time in two years, shrinking by 0.3 percent from August, according to the Commerce Department (despite personal income growth of 0.2 percent). However, trimming the financial fat doesn’t have to mean sacrificing life’s necessities. Below are some useful ideas.

1. Febreze is just as good as the dry cleaners. Well, most of the time. A budget-shopping expert says that suits only need to be dry-cleaned twice a year. Unless you’ve acquired an unsightly stain, use Febreze to freshen up your garments. It could save you thousands of dollars per year.



2. Hire someone to iron your shirts. If your ironing skills are dismal, but you can’t keep wasting \$3 per shirt at the local cleaners, have a cleaning professional come into your home once a month instead. The cost will average about \$1 per shirt.

3. Instead of cutting out the gym, cut out restaurants. Don’t cancel your gym membership: The kill fee can cost more than \$150 at certain fitness centers. What’s more, exercise promotes both physical and mental health – essential for surviving a dismal economic period. Instead, cut back on eating out. You’ll save money – and your health – by preparing moderate portions and more nutritional foods.

toolbox

4. Carpool. Today, carpooling isn't just for soccer moms. Web sites like Zimride.com and Vanpool.com help you to organize carpooling in your community, which can save hundreds of dollars per year on gas, depending on the length of your commute.

5. Avoid the vampire effect, or the energy wasted by leaving items plugged in while not in use. Invest in a couple of smart power strips that automatically cut the energy to the device when it's not in use, instead of letting it run all day. That investment might save you 5 percent on your electricity bill, which can add up to hundreds of dollars per year, depending on your energy use.

6. Create your own co-op. Instead of plunking down \$50 or more for a price club card – and even more cash for those bulk rolls of toilet paper – share the cost of the card with one or two friends and take group weekend trips to your local Costco or Sam's Club. You can still save money per unit, but you won't overload your cabinets.

7. Take a vacation courtesy of a timeshare company. Timeshare companies often offer free or highly-discounted stays at their properties so that prospective owners can do a "test-drive." You might have to sit through a 90-minute sales pitch, but in return you get a nearly free vacation. Mid-priced hotelier Marriot, for instance, offers discounts at 40 timeshare locations around the world, from Hawaii to Spain.

8. Clip virtual coupons. Instead of leafing through the Sunday paper for deals, head to the Web for coupons. Coupon sites, such as Retailmenot.com, offer coupon codes and discounts for more than 20,000 stores, from Gap to CVS to Nike.

9. Swap clothes online. Fashionistas should try online clothing swaps like Swapstyle.com when they need a fix. You can buy, swap or sell second-hand clothing on the free-to-join site, which offers high-end brands including Dior and Gucci.

Source: Lauren Sherman, Forbes.com, www.forbes.com/2008/11/03/cutback-savings-tips-forbeslife-cx_ls_1103lifestyle.html.



Eight Ways to Cut Back Without Sacrificing

When times are tight – as they are now for many Americans facing declining home values, depressed stocks and tighter credit markets – cutting back on indulgences can seem inevitable. But it might not be. *U.S. News* asked budgeting experts for advice on how to make ends meet during tough times without sacrificing too many of life's pleasures. Here are their top tips.

1. Take bubble baths. If soaking in hot water doesn't cheer you up, find out what does, because it could stop you from wasteful splurges after a bad day. "Especially in times like these, it's very important for people... to find other ways [than shopping] to make themselves feel better, whether it's meditation, Chinese balls or bubble baths – just do what will not break the bank," says Ken McDonnell, program director, American Savings Education Council.

2. Host movie night. Going to the movies, especially if you're a popcorn fan, can easily cost \$40 for two people. Instead, suggests Faye Griffiths-Smith, community leader, American Association of Family and Consumer Sciences, rent a movie and invite friends over to watch.

3. Learn to cook. Not only does eating at restaurants add up, but so too does buying lunch. If you cook dinner at home, you can bring in leftovers to work the next day or take a few minutes to pack a sandwich. If mornings are always rushed, then try packing it at night before bed, suggests Jean Austin, family and consumer science educator, Maryland Cooperative Extension Service. And when you shop for your ingredients, make sure you have a snack first. Going to the grocery store hungry often leads to impulse buys.

4. Use the library. Your taxes are paying for it, so take advantage of the free books and movies. Austin says that even her small library in Maryland's rural Kent County offers DVDs, audio books and free Internet service.

5. Drink at home. Whether your beverage of choice is green tea, espresso or beer, it's much cheaper when consumed in the comfort of your own kitchen. Going to a bar with friends can easily cost \$50, McDonnell says. Instead, pick up a six-pack and hang out at a friend's house. The social interaction will cheer you up without the hefty bar tab.



6. Use your savings. If you squirreled away three to six months of emergency savings in advance of being forced to tighten your budget due to a job loss or other unfortunate event, now is the time to use it. "Everybody should be contributing to their own emergency savings fund where it's earning interest," says Austin, so when times are tight, the money can go toward monthly bills and even some small indulgences.

7. Decide what you really want. Most people can cut 10 percent of their spending within 10 minutes, says Ramit Sethi, author of the *I Will Teach You to Be Rich* blog. Just write down your major spending categories, such as food and loan payments, and then guess what percentage is going to each category. Make a second list with what you want the percentages to be, and then make a third list describing what they actually are. If the reality doesn't match up with your ideal, then adjust your spending.

8. Dress in layers. Turning your thermostat down a few degrees and wearing a sweatshirt to stay warm can save on monthly heating costs, says McDonnell, which adds up over time. Just don't skip on your monthly mortgage or rent payment, or if you need to adjust the payment schedule, contact your lender. Keeping your home should be a top priority.

Source: Kimberly Palmer, U.S. News & World Report, www.usnews.com/articles/business/your-money/2008/01/31/8-ways-to-cut-back-without-sacrificing.html.

Still Need to Cut Back? Ten New Ways to Save at Work

So you already pack your lunch and you've cut back on that latte habit. You still have to get dressed every day, get to work and stay there all day long, and that means you're most likely spending a few dollars here and there. How can you cut back even more? Below are 10 suggestions you probably haven't heard a thousand times before.

Tupperware It

You want to update your wardrobe, but don't want to spend any cash. What to do? Trade. There are surely plenty of items in your closet that are perfectly fine, but maybe they don't fit right at the moment or you are simply bored with them. So fix up a little swap party with your pals. Everyone can bring some mix-and-match items to the party and you can try things on and swap. Then, if you have buyer's (or seller's) remorse, all it will take is a phone call to set things right.

Got Milk?

You may not work for a company like Google, which supplies full meals and snacks to its employees, but it's likely that your company supplies items like milk, sugar, coffee, tea and hot chocolate. Just think of the possibilities! Add a container of oatmeal or grits to your cubicle stash, and you've got a hearty, filling snack for just pennies.

Potluck Snacks

Next time you head to a warehouse club, try carpooling it. Or, at the very least, start a shopping list with your co-workers and each decide on an item to bring in to share with the group. It works for daycare centers and kindergartens, why not offices? If you have a little pantry space, it won't be as irksome as it sounds to be the "snack mom" for a day. But it would save you a bundle to invest \$4.50 or so for a giant jar of animal crackers to share with your cubicle pals, rather than shell out 60 cents every time you have a craving. If you have office mates who are good bakers, you could also make out like a bandit (just watch your intake – snacks you don't have to pay for still have calories).

Don't Beg, Borrow

If you need to do some work at home, or you want to upgrade your home office equipment, ask your tech department if they have any old stuff hanging around that you can borrow (or buy at a discount). Some companies have programs designed to do this, others have informal systems.

Work Your Abs All Day Long

You might be clinging to your gym membership as a lifeline to health, but there are plenty of ways to exercise for free. Take a long walk during the day, for one thing. Jump rope. Take a jog. And if you want to skip that abs workout, use an exercise ball as your chair. This trend hasn't exactly caught on

yet, but people will stop making fun when they see your results.

Drive Anywhere for Cheap Gas

As gas prices have dropped since their summer highs, maybe the cost of filling your tank has fallen off your radar. But the precipitous drop is exactly why you can save even more money with smart shopping. Prices are all over the place, and it's important to find the cheapest gas in your area. With prices going lower, it makes sense to drive a little out of your way to save a few pennies per gallon. Use an online service like Gasbuddy.com to find cheap pumps in your area.

Go Working Girl

Are new shoes your spending vice? You can save money by keeping your shoes from wear and tear. Pick your favorite shoes and keep them in your car or in your office, and only wear them inside while you are working. Keep a couple of pairs handy (depending on your outfit). When you are traveling to and from work, use a pair of non-essential or sturdy shoes.

Just Don't Do It

Worried about your dry cleaning bill? Then skip it. Weed out items requiring dry cleaning from your daily use. It is possible. Think of all those women's' magazine features where you can see a designer item that costs \$150 and a discount item that is nearly the same for \$15. Which would you rather buy? And then just apply the theory to dry clean-only clothes. Just buy the version that you can wash by hand or on delicate. Nobody will know the difference. For men who must wear suits, wear as much as possible of your outfit that can be washed, and then wear your sport coat as little as possible.

Crunch Your Workweek

If your office will go for it, you could go to work early and leave late four days a week, and then you could possibly shave a day off your work week and still work a traditional 40-hour week. As a bonus, you'd likely be traveling at off-peak hours so you'd encounter less traffic and save on gas or public transportation fees. On your extra day off, you could save on gas, for one thing. But you could also run errands at less crowded times.

Pretend to Travel

If your job involves travel, both you and your company probably want to put some curbs on that in this economy. Even if you just need to drive around and meet with clients, that sort of thing can add up in gas costs and wear-and-tear on your car. There are ways to get around without getting around. Invest in a Web cam or some video conferencing technology and you can have valuable face-time without having to leave the comfort (and financial security) of your own office.

Source: Beth Pinsker, WalletPop Blog, www.walletpop.com/blog/2008/11/13/still-need-to-cut-back-10-new-ways-to-save-at-work.