

Everyday Budget & Money Saving Tips



<u>Household Expense</u>	<u>Average % of Income</u>
Housing	34%
Transportation	17%
Food (Groceries and Dining Out)	13%
Personal Insurance/Pensions	11%
Other	10%
Health Care	6%
Entertainment	5%
Apparel and Services	4%

Source: US Dept of Labor, Bureau of Labor Statistics' Consumer Expenditure Survey 2007

Housing and Utilities

If you're struggling with an unaffordable mortgage or rent payment, moving to a cheaper location or getting a roommate may be options. Otherwise, here are some other ways to lower your housing costs:

- Refinance your mortgage to get a lower rate, or switch from a 15-year to a 30-year loan.
- Challenge your property tax assessment.
- Investigate whether bundled services (phone, cable, internet) could save you money, or whether you can do without some of these services.
- Wash only full loads of dishes or laundry.
- Turn off lights and electronics when not in use, and turn off heat or A/C when no one is home.
- Install a programmable thermostat to have more control over your heating and cooling costs.

Transportation

Buying used cars and driving them for years is a great way to reduce your lifetime transportation expenses. For short-term ways to reduce costs, try these tips:

- Raise the deductibles on your auto insurance policy.
- Strive to get insurance such as good-driver, good-student, and multiple car accounts.
- Investigate carpools and public transportation, and see if your employer offers any subsidies.
- Avoid repair bills by maintaining your vehicle properly with regular oil and filter changes.
- Plan your errands around your driving route to avoid multiple trips, saving on gas.

Food

Dining out utilizes nearly half of the average family's food expenditures, so eating at home more often is one of the simplest ways to trim your food budget. Other ways to control costs include:

- Bring lunches and snacks to work.
- Check your fridge for items to use before they go bad.

- Give up an unhealthy vice (soda, candy, salty snacks, etc)
- Use the weekly grocery store circulars to find sale items and shop accordingly.
- Create a price book so you know when items go on sale, and what's a good deal.

Personal Insurance and Retirement

You might be tempted to cut back on your 401K contributions to pay off debt, but avoid it if possible. Most companies with 401K plans offer matching funds, so failing to contribute means you'll miss out on free money. Here are better areas to look for savings:

- Consider refinancing your term life insurance. Rates have dropped in the past decade, so you may qualify for a lower premium.
- If you have a long-term disability policy, investigate the savings if you opt for a longer waiting period to reduce premiums (as long as you have an emergency fund).
- Suspend contributions to annuities and other accounts that don't offer matching funds or tax breaks.

Health Care

With ever-rising health care costs, employers are asking their workers to take on a larger share of the expense. Try these tips to save on health care expenses:

- Buy generic/store brand drugs.
- Order prescriptions via mail or internet.
- Look for free or low-cost clinics.
- Monitor insurance claims to make sure you're not getting stuck with bills.
- Take care of yourself (exercise regularly, avoid unhealthy habits like smoking and alcohol, and wash your hands regularly to avoid getting sick).

Clothing and Services

Many people update their wardrobe with the latest fashion trends. Others simply refuse to wear the same outfits for very long. Try these tips for limiting your clothing and service expenses:

- Perform an inventory of your wardrobe, and only buy items that work with what you already own.
- Avoid dry-clean only clothing.
- Try getting your hair cut at a beauty school for a much lower price than a salon.
- Cancel your health club/gym membership and find ways to workout at home (walk/run outside, purchase some weights, workout with friends)
- Buy clothes out of season when stores discount them (winter coats in summer, shorts in fall, etc)

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