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Tips for Daily Savings

By working on these tips for around the home, groceries, taxes, insurance, credit and other great ideas — you'll see many small changes that can add up to big savings.

Smart investing@your library® Series

This initiative is administered jointly by the Reference and User Services Association - a division of the American Library Association - and the FINRA Investor Education Foundation. The program funds library efforts to provide patrons with effective, unbiased financial education resources.





Frugality Revisited

Putting together creativity and an urge to save money makes things fun!

Check the ways you can be creatively frugal!

Making something out of little bits of nothing that the average person would have overlooked or just thrown away.

Stubbornly refusing to pay full price because you know the store will have a sale soon.



Using your talents, skills and abilities to produce a gift that's priceless because it cannot be purchased in any store.

Looking for free or low-cost ways to have just as much fun as if you spent a bundle.

Finding unusual ways to make things last longer or go farther so you don't have to spend as often.

Making dinner with what you have on hand rather than what the recipe calls for, and ending up with a tastier dish than the original recipe.

Figuring out how you can reproduce some expensive item sold in stores for next to nothing at home.

Being happier with extra money in your bank account than a new toy in your garage or entertainment center.

Enjoying the thrill of the bargain hunting chase much more than the instant gratification of just going and buying.

Cutting Back on Expenses

To learn what you can do without, try to make it through one week without buying anything except absolute necessities, such as groceries and gas.

Buy sale items, generic products and bulk items wherever possible.

Bring bag lunches to school or work. Avoid expensive take-out coffee drinks — buying a cappuccino or latte every work day can add up to almost \$800 per year!

Be careful when you shop at big stores that have all kinds of stuff—if you go in for groceries, you may be tempted to buy other items you don't really need.

Use the public library for family entertainment. Books, magazines, CDs, games and even video movies are free.

Consider buying quality, second-hand goods, such as cars, appliances and clothing.

Instead of going away on a lengthy vacation, take short day trips close to home.

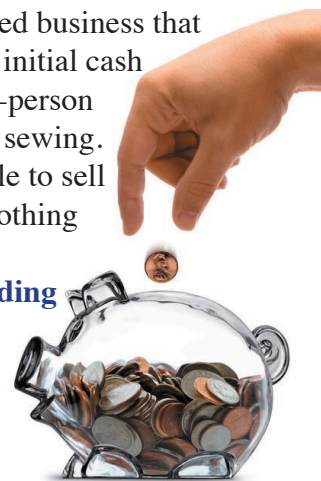
Buy generic prescription drugs or over-the-counter medications instead of name brand.

Increase your income. Sometimes, no matter how much you cut back, you need more money. Find a part-time or weekend job. Many businesses hire extra people during the holiday season.

Start a home-based business that does not require a high initial cash outlay, such as a handy-person service, baby-sitting or sewing.

Hold a garage sale to sell household items and clothing you no longer need.

A **Flexible Spending Account** is offered by some employers. You may be able to lower your income taxes by using pre-tax money to pay for child care or medical expenses that aren't covered by insurance.



How To Eat When You're Really Broke



Check the tips you can do to save money and eat healthy:

❑ **Eat mostly at home.** While you may think you're saving money dining off the dollar menu, you could be courting health problems, since the cheapest fast food items are often the ones loaded with fat and sugar. The foods that should be filling half your plate — fruits and vegetables — may be hard to find or overly processed when you buy them from fast-food outlets.

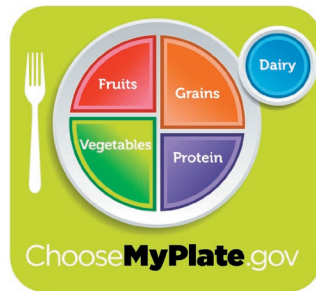
❑ **Skip the processing.** Steer away from foods with lots of additives, chemicals and packaging; they're often not as good for you, and drive up the cost of your groceries. Opt for foods that are as close to their natural state.

❑ **Demote meat.** Think bowls of rice or grain topped with lots of veggies and a few bits of meat or seafood. Skip meat entirely and substitute eggs or beans (1/2 cup of beans has as much protein as 3 ounces of steak).

Nuts, legumes, seeds and dairy products, including milk, cheese and yogurt, are other good sources of protein. Water-packed canned tuna and salmon, can help you get your weekly 8 to 12 ounces of seafood.

❑ **Promote veggies.** Buy **in-season produce** on sale. Consider frozen or canned vegetables and fruit. Frozen produce is typically processed soon after harvest, which preserves more nutrients, but be careful with canned foods, because they can have too much salt and sugar. Opt for low-sodium versions and fruit packed in juice, not syrup. Shop the farmers' market nearby.

❑ **Go for the grains.** Wheat, rice, oats, cornmeal, barley and cereal grains are filling and fairly inexpensive, especially if you buy in bulk. Whole grains offer more nutrients and fiber. Oatmeal makes a nutritious, satisfying breakfast for just pennies a serving, while brown rice can be served at any meal.



❑ **Drop your bad habits.** Alcohol, tobacco, soda and sugary treats don't fill nutritional needs.

❑ **Watch the waste.** Patrol your refrigerator, freezer and pantry each day so you can use stuff before it rots.

❑ **Recipes or more suggestions:**
• Use the USDA's "recipe finder"

<http://recipefinder.nal.usda.gov/> or search for "budget recipe" sites.

• Your local library has budget cookbooks and other information on saving money.

• Check out frugal-living websites; a good one to try is the Dollar Stretcher at <http://www.stretcher.com/menu/topic-g.htm#groceriesandfood>

If your problem is a lack of time to prepare budget meals:

❑ **Get a slow cooker.** You can buy a basic Crock Pot to assemble a meal in the morning so you can have a hot, ready-to-eat dinner when you get home.

❑ **Cook once, eat twice.** Make double the number of servings you need and freeze the excess to reheat later. Use freezer-weight storage bags or containers, and mark them with the date so you can use them within three months.

❑ **Learn to love lentils.** Like beans, these legumes are loaded with protein and iron but are typically much faster to prepare, with cooking times under 30 minutes for most varieties. **Couscous and quinoa** are two grains that are fast to prepare as well — five minutes for couscous, 15 minutes for quinoa, compared with 30 to 40 minutes for brown rice.

❑ **Have some go-to recipes.** Egg dishes, pasta and many casseroles tend to be easy. Keep some veggies, such as a carrot and celery sticks, in a glass of water in the fridge for snacking while you pull together the meal.

❑ **If money's really tight, you shouldn't be reluctant to ask for help.** The federal government's food assistance program, once known as food stamps and now called the Supplemental Nutrition Assistance Program at <http://www.fns.usda.gov/snap/> can help low-income people buy groceries. If you don't qualify for SNAP, you can still get food from a community food bank.

5 Big Bills You Can Cut Fast

Fortunately there are plenty of ways to chop your spending without a lot of time or hassle. Some of these cuts will save you just a few dollars, while others can net even bigger savings.



Check the tips that you can work on to save you money:

1. Energy and gas savings

Some relatively cheap fixes are available, and many begin in the home.

❑ **Weather stripping, or caulking doors and sealing windows** can keep out cold and heat, lowering your heating and cooling bills.

❑ **Installing a programmable thermostat.** These handy gadgets let you turn up the heat or air conditioning just before you get home rather than paying to keep your empty dwelling comfy all day. Households that use these gadgets typically save \$180 a year, far more than the roughly \$100 it costs to purchase the thermostat.

❑ **Switching to energy-efficient light bulbs.** Yes, they do cost more than traditional bulbs, but they wind up saving money because they use two-thirds less energy and can last 10 times longer. That computes to savings of \$50 per bulb.

❑ **Being efficient.** Clean and change furnace air filters and wrap your hot water heater. These moves help your appliances run more efficiently and cheaply. Seal ducts on air and heating systems to improve efficiency by as much as 20 percent.

❑ **Lower the hot water heater temperature to 130 degrees Fahrenheit.** That's hot enough to kill germs and safely wash dishes. Do laundry in cold water.



Trim vehicle gas costs:

❑ **Adopt good driving habits.** You'll save a bundle if you stop speeding. If you typically race around at 70 mph instead of 55 mph, you're lowering your vehicle's fuel efficiency by as much as 17 percent.

❑ **Pump up your tires.** Tires lose about a pound of pressure a month, and if you drive with tires that are 3 pounds under inflated, your vehicle's fuel economy drops by 1 percent.

❑ **Clean your car.** If you're hauling around 100 extra pounds, you're lowering fuel efficiency by up to 2 percent.

2. Food and groceries

The key is to embrace culinary change rather than fearing it.

❑ **Buy food less frequently.** If you're running to the market before dinner each night, think about what you want to eat for the next few days, and buy groceries at once. You'll save money, time and gas.



❑ **Use a shopping list.** To reduce that temptation, make a shopping list and stick to it.

❑ **Pay with cash.** You'll be more likely to stick to your shopping list.

❑ **Stick to the perimeters of the supermarket.** That's where you'll find all the unprocessed basics you need — fruits, vegetables, dairy products, meats, and bread.

❑ **Whole foods.** Instead of buying prepared, frozen, twice-baked potatoes, buy real potatoes.

❑ **USDA's "Recipes and Tips for Healthy, Thrifty Meals."** <http://www.cnpp.usda.gov/Publications/FoodPlans/MiscPubs/FoodPlansRecipeBook.pdf>

3. Banking and credit

Using money shouldn't bankrupt you. Yet individuals pay banks, brokerages, credit card companies and other vendors a slew of extra fees, charges, interest and penalties.

❑ **If your lender hikes your credit card rate, call to have it lowered.** You've got a

50-50 chance of getting resolution.

Don't spend more than your credit limit or you'll owe an over-the-limit fee, which typically runs \$39.

❑ **Comparison shop.**

Switch banks, credit cards, even brokerage accounts that drain your finances by switching to competitors offering better deals.

❑ **Read the fine print.** A free checking account may sound appealing, but is there a minimum balance requirement? If you can't meet it, you may wind up paying fees that make that free deal pricier than you thought.

❑ **Watch out for ATMs.** Whenever possible, pull cash out of your ATM in larger amounts to reduce repeat visits to the machine. Tack on the foreign use penalty your own bank levies when you use a competitor's ATM, and you could possibly be spending nearly \$5, or 25 percent of that \$20 you grabbed on the go.

❑ **Chuck the debit card.** This will lower the odds of triggering courtesy overdraft protection fees (now averaging \$34 per transaction) when you make purchases that exceed your account balance.

❑ **Pay on time.** Miss a payment deadline and chances are you'll wind up paying hefty fines. When you get bills, mark their due date on a calendar or set up automatic payments so you don't miss deadlines.

❑ **Scrutinize statements.** Even if you pay on time each month and think you're an ideal customer, study your statement and look at the fees, your interest, and other unexpected changes that can cost a bundle.

4. Taxes

Taxes affect us daily, whether we're working, shopping or saving for important milestones like retirement.

❑ **Trim taxes with reprieves from sales taxes** as part of back-to-school shopping.



❑ **Grab breaks for low-income earners.**

One out of four eligible taxpayers fails to claim the **earned-income tax credit, or EITC**, worth thousands of dollars a year depending on someone's earnings, marriage status and whether they have children or other dependents. Check out <http://www.irs.gov/>

5. Car insurance

❑ **Boost your deductible.** That's the amount you pay out of pocket before insurance kicks in. Raise yours from \$250 to \$500, and you'll shave money from your insurance premium because you're essentially agreeing to take on more financial burden in the event of a mishap.

❑ **Trim insurance for that old clunker.**

If your wheels are worth little, consider getting rid of collision coverage, which pays for repairs.

❑ **Snag low-mileage discounts.** Have you cut back on your driving to save gas? Let your insurer know. If you don't drive much, usually no more than 7,500 miles a year, you can get rates lowered.

❑ **Bundle your policies.** Buy more than one policy from the same insurer and you may well get a break of 5 percent to 15 percent, according to Insurance Information Institute. So try keeping your auto, homeowners and other insurance policies with one company.

❑ **Make age-appropriate auto decisions.**

A driver's age may impact insurance rates. So, restrict your **teen** to driving the family's oldest car. Then, let the insurance company know your son or daughter has no access to more valuable cars you own. Older drivers may also pay higher rates. **Seniors** ages 55 to 70 may qualify for price breaks if they take a safe-driving course, such as the 55Alive program that's run by the Automobile Association of America and the National Institute of Highway Safety.



Cutting Costs to Live Within Your Income

Developing self-control of your spending is a basic step in cutting the cost of living. If families communicate and everyone understands what the financial situation is, there will be greater cooperation.

Tips for Reducing Spending

The following suggestions may work for you.

❑ Categorize your expenses as wants and needs. Needs include housing, basic utilities, childcare. Wants could include going out to eat, high fashion, newest electronics, etc. Wants we can space out over time.

❑ Do not let your impulse determine major purchases. Postpone unplanned purchases 24 hours so you can rethink your plan.

❑ Avoid shopping when you are down, depressed, tired, or hungry. If you have children, try to shop without them to reduce any sense of being rushed; feeling rushed may lead to impulse purchases.

❑ Before purchasing an item, ask yourself, "Why? and Do we really need it?"

❑ Reduce the number of trips you make to the stores. Wait until there are things you need.

❑ Pre-shop to stop spending leaks. Decide what you want and why you want it before you go shopping. Make it a habit to compare prices and values.

❑ If at all possible, try out or try on the item before you buy it. This practice will provide you with the opportunity to determine if the item will meet your needs.

❑ Compare the cost per unit of items available in different sizes. It is not always cheaper to buy in bulk if food goes to waste.

❑ Save on clothes by planning your wardrobe. Check for fit, and buy only clothes that fit comfortably. Coordinate your clothing and accessory items. Examine care labels for fiber content and cleaning instructions. By taking proper care of your clothes, you will make them



last longer and save money on replacements.

❑ Save on transportation by selecting an automobile that adequately meets your needs, but does so without extremely high cost. A fuel-efficient automobile will yield substantial savings over time.

❑ Planning trips in logical sequences instead of doubling back to places you have already been also saves fuel.

❑ If you have debts, accelerate repayment. There is little reason to retain savings that earn 3% interest while you still owe installment debts and loans that carry true interest rates of 12 to 22 percent.

❑ When buying insurance, avoid buying on a weekly or installment basis. This costs you much more than payments made every six months or annually.

❑ Maintain your furnace or air-conditioner by remembering to change or clean the air return filter regularly. Not only is it less efficient to have the fan pull air through a dirty filter, but also a clogged filter can burn out the motor and cost you a repair bill.

❑ Water leaks are not only annoying, but also expensive, as a series of seemingly minor leaks can run your water usage up several thousand gallons a year.

❑ Water your lawn, not the pavement. A carelessly-placed or over-powerful sprinkler can send many dollars worth of water washing down the sidewalk and into the gutter each year.

❑ When buying a household appliance, remember that the bottom-of-the-line model will perform its intended function without the frills of the more expensive top-of-the-line model.

❑ Compare the included warranty coverage of the appliances you are considering in your purchase decision as many extended warranties/service contracts are overpriced. A way to save on the high cost of repairs is to avoid them.

❑ Additional tips can be found in the *Managing in Tough Times* publication from UF/IFAS Extension. It is available free at:

http://solutionsforyourlife.ufl.edu/families_and_consumers/money_matters/managing_in_tough_times.html

Lots of tips to help you save



Make your own checklist of things to do!

- Buy major appliances that sport the Energy Star sticker.
- Get a home energy audit every couple of years with your power company.
- Cancel all the extra services you don't use such as call waiting, caller ID, voicemail, call forwarding and three-way calling. For cell phones, block add-ons like text messaging, Web surfing and music downloads if you don't use them.
- Something as simple as installing a fire extinguisher or a deadbolt lock can take a significant bite out of your insurance bill.
- Cancel private mortgage insurance, or PMI, once your mortgage reaches an 80 percent loan-to-value.
- Make extra mortgage payments.
- Sell the big house or don't buy more house than you need.
- Rent out a room in your home if you have more space than you need. If you have grown-up offspring living with you, negotiate with them to pay monthly rent for the privilege.
- Empty coins from your pockets/purse at night and place in a jar. Don't count or spend it!
- Treat saving as a bill. Consider having the amount transferred automatically from your checking account or paycheck.
- After paying off a big debt such as a car loan, keep making the payments — to yourself.
- The highest-markup items at the grocery store are on the shelves at about chest level. Reach up or kneel down to select the cheaper house or generic brands.
- Check out coupon sites on the Internet.
- Always send in for the rebate on a purchase, whether it's \$2 or \$50. It all adds up.
- Take the clothing you no longer wear but still in good condition — to a consignment shop. While you're there, shop for used clothes!



- Consider buying a one- or two-year-old car. If the factory warranty is still good, you could get a car with 95% of its life left for 20 to 30 percent less than the cost of buying new.
- Keep your driving record as clean as possible, and make sure your insurance company knows it. Ask about discounts if you've gone a certain number of years without an accident or ticket, store your car in a garage, or drive fewer than a certain number of miles each year.
- Enroll your child in the pre-K program for 4-year-olds. It's free and reduces child care costs to half-day rates.
- Alternative ways to get your pet's health care like the Humane society or university veterinary clinics, may offer thriftier medical services.
- Share an entree or stick with the appetizer menu. Many restaurants serve portions that are too large for one person to finish.
- Don't take cash out of your credit card. The rate for cash advances is much higher. There is no grace period so you start paying interest right away.
- Some online banks offer high-interest checking accounts with free transfers.
- Get extra cash at the grocery store not ATM, most point-of-sale terminals are free.
- Participate in a 401(k) or 403(b) plan with contributions made with pretax dollars. Save for the future and reduce today's taxable income.
- Set up a tax-advantaged IRA or Roth IRA account to build up your retirement savings.
- The next time you get a raise at work or a tax refund, consider directing half to savings.
- Buy the lowest grade (octane) of gasoline that is appropriate for your car. As long as your engine doesn't knock or ping, it's fine.
- Improving your credit, getting married, moving to a better neighborhood, or taking a defensive driving course can lower car insurance.
- Car shop on a rainy day, at the end of the month or toward the end of the year.
- Know your credit score before you car shop, and secure your financing ahead of time from your bank or credit union.

Involve your children in this saving process. Teaching them how to handle money responsibly is very important. It will become one of the good habits that will stay with your child for a lifetime.

Martin County's Smart investing@your library® Series:

- **Your Financial Fitness**
- **Designing Your Budget**
- **Banking Basics**
- **Establishing Credit**
- **Credit & Identity Theft**
- **Controlling Debt**
- **Tips for Daily Savings**
- **Saving for the Future**

Credits:

☐ This booklet was designed by Chris Kilbride, University of Florida - Martin County Cooperative Extension Service for the Martin County Library System's **Smart investing@your library® Series**.

For details about Smart investing @ your library®, visit

<http://www.smartinvesting.ala.org>

To learn more about the Martin County Library System, visit

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☐ We would like to acknowledge the original educational outreach material:

- **Frugality Revisited** - <http://www.stretcher.com>
- **How To Eat When You're Really Broke** - <http://money.msn.com>
- **5 Big Bills You Can Cut Fast** - <http://www.bankrate.com>
- **Manage Your Money Wisely: Tracking Your Money** - <http://www.consumer-action.org>
- **Cutting Costs to Live Within Your Income** - <http://edis.ifas.ufl.edu/he153>
- **100 Tips To Help You Save** - <http://www.bankrate.com>

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