

Below is a list of different methods to save money on your expenses. These expenses are separated into four categories: fixed, variable, discretionary and extra expenses. These sections correspond to the categories on the Expense Analysis Worksheet (Link) which will allow you to have all of your expensive, monthly and yearly totals on one sheet. All of the ways to save money below may not work for you but even if you find a handful of ways to save \$, you are better off.

Fixed Expenses- (savings from auto insurance to credit card debt)

1. **Mortgage/Rent:**

Refinance/Prepay

Prepay 1 extra payment a year (see segment on your mortgage & mortgage Management

Renting

Renegotiate rent or look to move. Oftentimes Landlords would much more prefer to lower the rent then take the chance on not being able to rent for a couple of months.

2. **Real Estate Taxes:**

Contact a Property tax assessment reduction firm

3. **Maintenance Fees:**

Call another landscaper to see if they could save you money

Ask landscaper how much you would save if you did some of the work. Ex. Lay down the fertilizer yourself.

4. **Auto Insurance:**

Raise deductibles

In New York if you take a defensive driving course you can save 10% on collision and liability for each driver on the policy for 3 years. Contact your Ins. Broker

NY - <http://www.nysdmv.com/pirp.htm>

All other states contact your Insurance Broker and Motor Vehicle Department

Bundle your auto and homeowner's insurance with the same insurer.

You can qualify for a bundle discount.

5. **Homeowners Insurance:**

Raise deductibles

Shop the policies especially if you haven't filed a claim in a very long time.

Don't be complacent

Bundle your auto and homeowner's insurance with the same insurer.

You can qualify for a bundle discount.

6. Life Insurance:

You must talk to your Insurance broker.

Convert from whole life to term (be careful you will need to be re-approved first. So make sure it makes sense)

Re-shop your Life Insurances Rates even though you are older. Premiums have come down in the past decade. You must be careful to Compare apples to apples and you MUST make sure you are still Insurable at the same level you were. Consult with your Insurance broker.

7. Health Insurance:

Cancel, Out of network benefits but understand the ramifications

Raise deductibles

Have broker shop other plans

Just make sure you have sufficient coverage

8. Disability Insurance:

If employer does not have group disability ask them to set it up you will then be entitled to a big discount as a group.

9. Other Insurance:

10. Newspaper/Magazines:

If you don't read all the magazines and newspapers that you subscribe to, cancel them and consider reading them online.

11. Dues/Licenses/Fees/etc:

Need to analyze these expenses to see if they fit into your budget. Might want to eliminate some

12. Bank Loans:

Must call the Bank and make sure you are getting the best rate. Banks will never call you to lower your rates.

13. Cable/Internet/Phone:

Look at bundling Cable internet and phone. Recently someone told me they saved \$40 a month by bundling and also saved \$35 a month by canceling premium movie channels for a total of \$900 a year.

If you cancel your premium movie channels one option might be to look at netflix.com. They have a few packages for much less to choose from. They will overnight you DVD's from a library of 100k. You can also buy a Netflix ready device to have access to a library of 12k DVD's

instantaneously plus the overnight option of movies. Note if you have an Xbox live that is a Netflix ready device. Go to the website and see all the details.

If you think you're paying too much for phone, cable, internet or any other service, call them and ask what they can do for you. If it's nothing, then mention the rate their competitor has and how you're "thinking" of switching and see if they will give you any discounts, Often times they will.

14. Cell Phone:

If you have a family make sure you are all on the same plan and receive the family plan discount.

Shop other carriers.... there are a lot of great deals be offered

Manage your Minutes so you don't go over. Most carriers have very easy ways to do this.

You can call the carrier to restrict some services/functions on you or other family members to control costs.

15. Credit Card Interest:

1)Let's say on average people have a balance of around \$10,000 at an average rate of 12.5% percent annually and you paid off your credit card bills, you can save \$1,250 annually in interest cost, instead of paying it to the bank

If you don't have the savings here are some possible ideas:

There are CC that you can transfer your balances which gives a 0% interest rate on the amount transferred for one year and 0% for the first 6 months on new charges... a website to find the right CC for you is creditcards.com But you MUST read the terms and condition on each before applying! Examples of some things you need to know are: 1) If you make any payments late even by one day past the due date the default rate will kick in which in some cases could be 30%. A way around that would be to link it to a checking or savings account. If you ever make a payment with insufficient funds the same 30% default rate kicks in.2) 3% charge on balanced transferred. Knowledge is power! There is often a 3% charge on the value of the transfer. Etc.

2) Need to talk to your Insurance broker and accountant to see if the following makes sense for you..

Look to see if you can borrow against your whole life policy's cash value at a low rate and pay off your credit cards if thee interest is at a much higher rate

Look to convert your Whole life policy into term and take the cash value and pay down your CC and other debt

3) Look at borrowing from your home equity line of credit to pay down high interest rate credit cards.

4) A controversial one would be to Borrow from your 401k. There are many pitfalls in doing that so it is important that you consult with your plan administrator and accountant for the rules and regulations and their opinion. This may only be beneficial to a few but if it makes sense could be a good way to borrow money. One pitfall is if you ever left the company you would have to pay the money back in a very short period of time or be penalized and taxed

5) If you do pay off your CC from borrowed \$ it is important not to run them up again!!

6) At the very least set up an automatic debit from your checking account so you will never pay a late fee again

16. Support for Dependents:

Need to speak with a financial planner and lawyer

17. Other Fixed Expenses:

Variable Expenses - (save with energy star to generic drugs)

1. Food:

Cut back on going out to dinner

If you go to dinner do not drink alcohol (This always drives up the bill)

If you go to dinner make the bread your appetizer and just order a main meal

Eat before you go grocery shopping

Only pay cash when you go grocery shopping (this will stop all the extras and will keep you conscious of what each item costs)

Bring lunch to work

2. Heat/Gas/Electricity:

Keep heat low and bundle up

Use fire place more

Clock thermostats allow you to automatically schedule changes in temperature settings. See Thermo calculator from LIPA .Find out how much you can save by simply adjusting your thermostat.

<http://www.energyguide.com/ha/calcSATCHomeBasics.asp?bid=lipa&referrerid=52&sid=472&zipcode=11590>

ENERGY STAR qualified Compact Fluorescent Light Bulbs CFL's use up to 75% less energy and last 6-10 times longer than incandescent bulbs.

53 ways to save Energy from LIPA

<http://www.lipower.org/residential/efficiency/53ways.html>

3. Water:

Very Quick Showers

Limit amount of time that you water the lawn

Drinking water – Buy a filter and stop drinking bottled water

4. Laundry/Dry Cleaning:

Don't be so quick to take everything to the dry cleaners

Wash and iron yourself

5. Basic Clothing:

Connect with friends/family that has children a little older than yours and take the hand me downs. When kids are growing they barely wear them anyway.

6. Medical, Doctors, Etc:

If something is not covered under your plan some doctors will negotiate

7. Drugs:

Whenever you can, opt for generic drugs. There are some BIG savings to be found by buying generic prescription drugs. Look at Walmart and Kmart generic prescription program.... possibly very big savings

8. Gas and Oil for Autos:

Downgrade from premium to regular gas

9. Repairs/Maintenance:

Must always price out the job

Discretionary - (save huge on your Childs education)

1. Entertainment:

Entertainment is important, try to be more practical for example you might not need to sit in the best seats

2. Vacations:

Take weekend trips and go to places you can drive to. There are time sharing complexes that basically give the rooms away and all you need to do is take a one hour tour with no obligation but sometimes a little pressure.

3. Education:

For colleges start very early and get educated on scholarships/grants. The Internet is a great Place to get started. Look at individual college Web sites, and search for scholarship sources on sites like FastWeb.com, scholarship.com, [College Board.com](http://CollegeBoard.com), Wiredscholar.com and ScholarshipCoach.com. Stay away from sites that charge you to search for scholarships.

4. Discretionary Shopping:

Ask yourself do you really need this?

5. Recreation/Hobbies

Ask yourself do you really need this?

6. Health Care/Beauty Care:

Ask yourself do you really need this?

7. Incidentals/Other:

Ask yourself do you really need this?

Extra Expenses - (the cheapest travel websites to eliminating home phone lines)

Tips to Avoid Bank Fees

- Build a good relationship with your account rep. once you have that relationship often times you can call them up to credit the fee
- Link accounts - checking to savings for overdraft purposes
- Set up an overdraft account just make sure you know the costs associated with it.
- Get free checking with no Minimums!!
- Sign up for free alerts – Some banks have free alerts to warn if your balance drops to an amount you set
- Always balance checkbook
- Always call your bank about fees
- Be prepared to switch banks and let them know if they don't credit the fees

Stop Smoking -- It's Killing Your Finances

As of April 1st 2009 the avg. price per pack in the tri state area just went up to close to \$7 a pack

Buying cigarettes can really add up. If someone smokes a pack a day @ \$7 a pack, that's around \$2,500 yearly. If you smoke two packs a day, that's around \$5,000 yearly -- that's \$ has literally gone up in smoke.

If you start to calculate that over 20 to 30 years the numbers get very crazy. Now look at it from the stand point if you decided to quit and invest that money at a rate of 4% what that dollar amount could be. When you retire!!!

Learn how to sell on EBay

The best time to do this is around the holidays for the most demand. This is a great way to clean out the house and get rid of things you don't want any longer.

Your next Car

You might want to find these websites that connect people that are looking to get out of their lease early and someone who is willing to take one over. It might be a little time consuming but a lot of these people offer incentives to take over the lease. Make sure you check with motor vehicle and the leasing company for the fee's in doing so ex. Taxes, Transfer lease fee and application fee. Here is one website that does this www.swapalease.com There is a fee if you decide to join. A tip might be to split it with other people that might be looking for a car.

Swap baby sitting

Team up with other families to baby-sit each others children on different nights so you each have one night out
6 hours @ \$10 per hour = \$60 per month x 12 = \$720 per year

Over-the-counter medications

By sticking to the no-name store brand, what's the difference? If the generic does the same thing, what does a name brand offer?

Late fees and charges

Always call to have late fee and other chargers credited back and if they don't always ask for a supervisor

Damaged goods

If you buy something from a catalog or online and it comes in slightly damaged don't be afraid to call for a discount instead of sending it back

Go Wireless.

Do you really need to shell out the \$35 or so a month for your home phone line? You can spend an extra \$10 or so to get an extended-minutes plan for your cell phone and ditch the home line.

Painless savings: About \$300 a year.

Gifts on big holidays

Organize a grab bag for the adults and only buy for the kids
Don't exchange during the smaller holidays.

Impulse shopping

Never impulse shop! When you buy a big ticket item make sure you compare? Know the policy to see if it goes on sale with in a period of time after the purchase will they honor it? You can save big \$

Switching to competitor

Oftentimes, all you need to do to get a better price on a service with a company you're already dealing with is to explain you are going to cancel your service and move to a competitor it helps a great deal if you have a great competitive offer in hand. It's more cost effective for them to give you a discount than to lose you as a customer. It's probably much more cost effective to keep you than trying to get a new customer. Always ask for a supervisor.

Traveling at a discount

Although there are stipulations you must abide by you should look at website like priceline.com or Hotwire.com. There are many others so search the internet. It is very important to read the terms and conditions on all websites FIRST. Knowledge is power.

Priceline.com is a site that you put in your price on what you want to pay for an airplane flight or hotel, and if they accept it, you've just created your own price for what you want to spend.

Hotwire.com is a site to find cheap hotels; the only drawback is they don't tell you the hotel they are putting you in. Still, you can get a 4 star at a nice discount.

