

\$SMART MONEY TIP\$

Budget

- Make sure you know exactly how much money you have in income.
- If child support is not reliable, don't budget it as income.
- Track your expenses for 2 months to help in budget development.
- Put aside money every month for non-monthly reoccurring expenses such as property taxes, car or homeowners insurance, holiday gifts, etc. (Annual amount divided by 12 tells you how much to put aside each month to make sure there is enough to pay when it comes due)
- Do not budget to spend more money than you have in income.
- Always put money into savings for an emergency. A good start is to have enough to pay your insurance deductible should you have an accident and work your way up to six months of expenses in savings.



Increase Income

- Change tax withholdings
- 2nd job-temporary, part time
- Sell items you no longer use
- Consider having a roommate

\$pend Less-To Get Out of Debt!

- Debt "snowball" – pay off smallest balance first, add payment to next balance....,
- Add to minimum payments
- **STOP CHARGING!**
- Debt Consolidation (be sure it's the best choice- and the purpose is debt freedom)
- Pay on time- avoids late fees, extra finance charges, costs of bad credit, ect.



\$pend Less- Housing

- Don't purchase too much house (giving no room for other expenses)
- Control thermostat (turn down the heat & put on a sweater)
- Evaluate internet, cable and phone options (do you really need a land line phone?)
- Control water usage (turn off water while brushing teeth, put 2-liter bottle in tank of commode, ect.)
- Do full loads of laundry (not just a couple articles of clothing)
- Hang laundry on line to dry
- Insulate attics & Stop drafts around windows
- Change filters in heating/air units
- Vacuum return air vent
- Turn off lights when leaving room
- Limit children's use of video games, ect. to cut down on power usage



\$pend Less-Insurance

- Raise deductibles (to decrease payments)
- Pay annually instead of monthly (or set up a draft, ect.)
- Children-good grades and taking driver's education lowers car insurance rates
- Have multiple cars on one policy and/or house and car(s) with the same agency
- Do Term Life Insurance instead of whole life
- Homeowner's and renter's insurance is important and can reduce financial worries in case of fire, tornado or theft.



Spend Less-Vehicle

- Maintain vehicle (schedule oil changes, ect.); repairs cost more in the long run
- Do your own basic maintenance
- Put money aside for routine maintenance and tires.
- Car/Van pool to and from work or ride bus if bus schedule works for you (Commute Smart)
- Plan shopping/errand trips to do all at one time (saves on gas, mileage)
- When purchasing, consider total vehicle expense (insurance, tags, gas mileage, ect.) not just monthly payment. Financial experts recommend no more than 12% of your income go towards transportation.
- Keep car at ¼ tank or higher to assist with gas mileage
- Don't purchase new cars. A reliable used car is a much better investment.



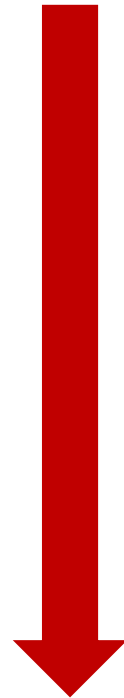
Spend Less-Groceries

- Cut coupons and/or do price matching
- Don't shop when hungry
- Shop early morning or late night to avoid waiting in line
- Garden
- Plan menu based upon what is on sale/special at your grocery store
- Use shopping list (and stick to it) to avoid impulse buying
- Shop at **ALDI** or other low cost stores
- Drink tap water not bottled water, soda or coffee



Spend Less-General

- Carry only small amounts of cash so you won't spend unnecessarily
- Use the library for internet, videos, books, computer games for younger children
- Barter with friends for things of value. Offer to cut their grass if they style your hair.
- Do a "baby-sitter exchange" to cut costs of child care
- Eat before going to the movies, ball games and other entertainment
- Do free stuff at parks, some museums, ect.
- Shop at thrift stores, consignment shops and sales
- Shop for bargains and negotiate price on large ticket items (furniture, appliances, cars, ect.)
- Take lunch to work
- Eat out less and eat at home more
- Use and share hand-me-downs on children's clothing
- Buy at yard sales and flea markets
- Use Direct Deposit. Less likely to spend when it goes straight into the account
- Don't shop just for fun
- Minimize personal services such as haircuts/styles and manicures or do them yourself.
- Take written savings goals with you as a reminder
- Buy what you need-don't buy things just because they are on sale



Just Plain \$mart

- **DO NOT EVER USE PAY DAY LOANS OR TITLE LOANS**
- **DO NOT RENT OR RENT-TO-OWN FURNITURE OR APPLIANCES**

Remember: If you buy \$200 worth of merchandise for \$100, you still SPENT \$100; you DID NOT save \$100.

Adapted with permission from Gateway Financial Freedom, a national, non-profit program, that helps people get out of debt, avoid bankruptcy and learn to manage their money. www.gway.org/gff or 205-251-1572