

Ideas for Living Within Your Means

Overview

Money-saving tips for any budget.

No matter how much money you make or what your family situation is, you may have issues with money. You might be trying to save a little more for the future or an important purchase. You might be trying to pare down credit card debt. Or you might be struggling to get by from paycheck to paycheck. Whatever your situation -- and whatever your income -- there are steps you can take to get your money under control. Here are some ideas to help you get on track as you work to live within your means.

- Understand your budget. Figure out what's left over from your pay after the weekly or monthly necessities (rent or mortgage, groceries, child care, clothing, interest payments).
- Think about your money goals. How would you like your money to work for you over the long term? Would you like to reduce your debt or increase your savings? What are your most important financial goals, the ones you're willing to sacrifice for in order to achieve?
- Start talking more openly about money within your family or your household. Figure out where you agree on important money goals. Work together to reduce spending or increase earnings until you're moving in the right direction.
- Pay attention to your money habits and think of ways to overcome the ones that knock your budget out of balance. Do you buy yourself treats when you're feeling bad? Do you spend money to reward yourself? Do you save money to the point of depriving yourself of basic needs and simple pleasures?
- Track your spending for two weeks. Figure out your "true" budget, including all the extras and all cash spending. You might want to carry a notebook with you so that you don't forget to write down all of those little things you spend money on.
- Cut back to one credit card.
- Leave your credit card and ATM card at home.
- Let the "cheaper" person carry the money.
- Shop from a list and stick to it. Don't buy anything the first time you see it.
- Don't go food shopping when you're hungry.
- Bring lunch to work.

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- Don't eat out as much. Use money-saving coupons when you do eat out. Take advantage of "early bird specials" or eat lunch out rather than dinner.
- Avoid stores. Throw away or recycle mail-order catalogs.
- Plan purchases based on need. Stay away from television shopping channels and online auction sites if they tempt you to buy things you don't need.
- Don't pay full price. Buy used. Buy at outlet stores. Buy store brands. Buy in bulk.
- Share purchases with others. Buy a neighborhood lawnmower or barbecue grill, share a children's swing set. Use payroll deductions to build savings and retirement accounts.
- Make it hard to get to your money. Bank far away. Avoid automatic teller machines (ATMs). Require two signatures on accounts.
- Pay down credit cards as quickly as you can. Pay on time. Pay more than the minimum required. Use low-interest savings (such as bank savings accounts, government savings bonds, or the cash value of life insurance) to pay down credit card debt.
- Ask to have the interest lowered on your credit card or switch your balance to a card with a lower rate.
- Turn off the lights when you're out.
- Save on your water bill: turn off the tap while soaping.
- Turn off the air conditioner or turn down the heat when you're out. Use a thermostat with a timer to bring the temperature back to a comfortable level before you get home.
- Keep window shades down during the day in hot weather. Open the shades in cold weather to let in the sunshine.
- Shop around for the best telephone rates.
- Buy washable clothes, not those that require dry cleaning. Avoid clothes that need ironing. Hang wash to dry rather than using a dryer.
- Think of alternatives to expensive gifts. Give your time or something you make.
- Clean your own house or apartment. Use ammonia instead of brand-name cleaners.
- Trade babysitting with other parents. Join a babysitting cooperative.
- Take your children to public parks. Collaborate on low- or no-cost activities with other families.

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- Read the community calendar in the newspaper to find out about free events.
- Use your local library. Borrow books, videos, DVDs, audiotapes, and CDs.
- Rent movies or borrow them from the library instead of going out to movie theaters. When you do go to the movies, bring your own snacks.
- Discontinue cable TV or cut back on optional channels.
- Use the Internet at the local library instead of paying for service at home.
- Eliminate expensive membership fees. Find out if your employer or health insurance plan offers a discount toward health club membership or contributes to the fees.
- Trade clothes with friends or relatives.
- Have potluck suppers instead of dinner parties.
- Write letters or use e-mail instead of calling long distance.
- Move to a smaller home or a less expensive community. Buy a two-family house. Live near public transportation. Share housing costs by finding a roommate.
- Carpool, ride a bike, or use public transportation.
- Raise the deductibles on car and home insurance and shop around for the best rates. See if you qualify for insurance discounts (for a good driving record, for example, for belonging to AAA or AARP, or for not smoking).
- Scale back vacation plans. Consider a camping trip or an off-season trip when rates are lower.
- Give up tobacco if you use it.
- Sell what you don't need (especially the car, if you can find a way to get by without it).

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