



TIMELY INFORMATION

Money Management

200 Tips for Living on a Reduced Income

Before buying an item, ask yourself these questions:

1. Can I do without it?
2. Can I postpone its purchase?
3. Can I substitute something else that costs less?
4. Can I shop around for a better deal?
5. Can I use my own skills to make it?
6. Do I already own one?
7. Am I buying something I don't need just to change my mood?

Plug your financial leaks by looking closely at your spending. People often can find ways of cutting living expenses by as much as 10 to 20 percent with the following suggestions.

Score yourself on the following tips. For each tip you already do, place a 2 in the blank beside the tip. For each one you plan to do, give yourself a 1. Total your score for each section and then for all sections.

I. Insurance: 7 Tips. Your Total Score _____

_____ 1. Buy term insurance and use the savings to buy disability insurance or add to other insurance protection.

_____ 2. Avoid duplicate health insurance coverage when you and your spouse both work and cover each other. You will not be able to collect double payments in most instances.

_____ 3. Raise the deductible on your car and homeowner's insurance to equal one week's take-home pay.

_____ 4. Drop the collision and comprehensive part of your auto insurance when your car is worth \$1,000 or less.

_____ 5. Shop for new auto and homeowner's insurance rates at three or four different companies.

_____ 6. Take advantage of all available discounts on auto and homeowner's insurance—for example, combine your auto and homeowner's insurance with one company, and take advantage of auto discounts for safe driver and good student and homeowner discounts for safety locks, antiburglar and fire devices.

_____ 7. Before buying a car, first check the yearly insurance cost of the desired car.

Tips of your own:

II. Food: 30 Tips. Your Total Score _____

_____ 1. Make a grocery list and stick to the list when shopping. Check cupboards and refrigerator to see what's on hand.

_____ 2. Shop only when necessary and not more than once a week. Eliminate quick trips to the convenience store.

_____ 3. Don't grocery shop when hungry; there is a tendency to purchase more.

_____ 4. Try generic or store brands instead of name brands.

_____ 5. Know regular prices so you will know when grocery specials are really a bargain.

_____ 6. Return bottles on which you have made deposits.

_____ 7. Buy seasonal produce. It is often cheaper.

_____ 8. Check to see that purchases are rung up correctly.

_____ 9. Purchase your food at low-cost outlets such as farmers markets, food cooperatives or warehouse food stores.

_____ 10. Plan your shopping around weekly and seasonal specials. End-of-the-week sales may trim meat bills one-third.

_____ 11. Check your use of "convenience foods" to see which items you can make more cheaply from scratch.

_____ 12. Know what each grade means for meats. Lower grades are usually just as nutritious and cost less.

_____ 13. Clip and use coupons.

_____ 14. Buy larger cuts of meats, cheese, poultry, and luncheon meats. Divide into servings, freeze, and use as needed.

- _____ 15. Buy by the case when savings are great and you have storage space.
- _____ 16. Compare “unit prices.” The cost per ounce or per pound determines the best value.
- _____ 17. Buy smaller sizes of eggs if they are more than 7 cents less than the next larger size. Eggs are a good meat alternative.
- _____ 18. Bring lunch from home instead of buying it.
- _____ 19. Avoid vending machines by bringing your own snacks and drinks.
- _____ 20. Use equally nutritious dry or evaporated milk for cooking instead of more expensive liquid milk.
- _____ 21. Use leftovers in soups, casseroles, stews, and salads.
- _____ 22. Use cooked cereals instead of more expensive sugar-coated dry ones.
- _____ 23. Plan meals a week in advance and stick to your plan.
- _____ 24. Preserve foods when feasible—dry, freeze, can.
- _____ 25. Avoid snack foods. They are expensive and of little nutritional value.
- _____ 26. Butter is cheaper by the block. Divide it with a hot knife and freeze what you don’t need.
- _____ 27. Figure per-serving cost. A more expensive meat or vegetable with less waste can be a better buy.
- _____ 28. Plant a garden for low-cost fruits and vegetables or an herb garden for seasonings.
- _____ 29. Make your own mixes and convenience foods. Mix big batches of dry ingredients and seal in individual containers or bags.
- _____ 30. Make your own baby food and save.

Tips of your own:

III. Transportation: 18 Tips. Your Total Score _____

_____ 1. Carefully plan the use of the car to reduce amount of driving. Combine errands and make one trip.

_____ 2. Sell one car and share the other vehicle.

_____ 3. Save on gas and oil by buying at independent or discount stations.

_____ 4. Good driving habits save you money. Avoid sudden stops and starts; keep highway speeds below 60.

_____ 5. Start a carpool for work, shopping, and school.

_____ 6. Keep expense records for business, medical, and volunteer work in a glove compartment notebook. These records can help save money at tax time.

_____ 7. Check parking rates if you commute to town. You can often pay less a block or two from the center of town.

_____ 8. Walk or ride a bike instead of driving. It's good for you!

_____ 9 Use public transportation if available.

_____ 10. Always lock your car to reduce the chance of theft.

_____ 11. Switch to a smaller car for savings on gas, maintenance, and insurance.

_____ 12. Select a manual transmission instead of automatic on your next car. You'll lower gas costs.

_____ 13. Used instead of new? You may save money. The average car depreciates 50 percent in the first 3 years.

_____ 14. When choosing a used car, pay an independent mechanic to test-drive and check it before you buy.

_____ 15. When choosing a new car remember the fancy options can add a lot to the price tag and running expense.

_____ 16. Read your owner's manual for valuable tips on minor repairs, maintenance, and running economy.

_____ 17. Regular maintenance and seasonal check-ups can eliminate minor problems before they become major troubles.

_____ 18. Occasionally telecommute to work if your employer permits it.

Tips of your own:

IV. Housing: 29 Tips. Your Total Score _____

_____ 1. Learn to do simple home repairs such as replacing broken window panes and washers in faucets, repairing damaged light cords and torn window screens, painting, and wall papering. Check out “how to” books from the library to help you in doing minor repairs. If you can’t repair it yourself, see if you can do part of the labor to reduce costs.

_____ 2. Plan your own decorating using items on hand. Free classes on budget decorating may be available as well as information from magazines and books.

_____ 3. Insulate your home for fuel conservation and comfort. Obtain a low-cost loan for home insulating, storm windows, and doors.

_____ 4. Learn to trade skills with neighbors and friends such as yard maintenance for home repairs or car repairs.

_____ 5. Buy good quality paint for best coverage and durability. Undercoat plus top coat costs less than two top coats.

_____ 6. Painting outside? Temperature should be at least 50 degrees Fahrenheit or you’ll waste paint and effort.

_____ 7. Rent or buy? If you move frequently or have irregular income, you’ll be better off not buying a home in a hurry.

_____ 8. Consider moving to less costly living quarters or closer to work.

_____ 9. If your income is low and you feel you are paying too much for housing, investigate low income or public housing.

_____ 10. Consider renting a room, apartment, or your garage to someone.

_____ 11. Carry only replacement value insurance on home insurance.

_____ 12. Reduce use of electric lights. Develop the practice of turning off lights that are not needed.

_____ 13. Conserve water. Stop leaking faucets and running toilets. Water your lawn or wash your car less often.

_____ 14. Turn down heat and turn up air conditioning when leaving the house. Use fans whenever possible.

_____ 15. Close off unused rooms.

_____ 16. Have a free energy audit done by your electric company.

_____ 17. Check with the electric and gas companies to see if you qualify for any special programs.

_____ 18. During cold weather, try wearing sweaters and other warm clothing indoors and keeping the thermostat. below 70 degrees Fahrenheit.

_____ 19. In moderate weather, adjust thermostat so that the unit will come on only if needed.

_____ 20. Purchase water-saver shower and faucet heads to maintain pressure but reduce water usage.

_____ 21. Make only emergency long distance telephone calls.

_____ 22. Use a kitchen timer to limit long distance and out of zone calls.

_____ 23. Look up unknown telephone numbers in the telephone directory rather than calling information.

_____ 24. Plan long distance calls and make a list of topics to be discussed to avoid calling back right away.

_____ 25. Take advantage of lower long distance phone rates during evening and weekend hours.

_____ 26. Eliminate extra services, such as call waiting and call forwarding.

_____ 27. If you have both a cell phone and land-line phone, choose one service and get rid of the other.

_____ 28. Use toll-free numbers when available.

_____ 29. Give up extra TV cable or satellite connections.

Tips of your own:

V. Appliances and Furniture. 20 Tips. Your Total Score _____

- _____ 1. Multipurpose furniture saves money and space—sofa beds, sit-on storage chests, etc.
- _____ 2. Choose standard sizes. Outsized items can be a headache to move, cost more, and can be limited in style.
- _____ 3. Shop second-hand for good quality at big savings.
- _____ 4. Try the classified ads for big bargains. People who are moving often sell nice things at low cost.
- _____ 5. Consider unpainted furniture that you can custom finish yourself.
- _____ 6. Make your own furniture polish—equal parts of linseed oil, vinegar, and turpentine—and save more than half.
- _____ 7. Learn to make slipcovers or upholstery. Adult education courses offer expert help and instruction. Local technical schools may perform this service at the cost of only materials.
- _____ 8. For less care, choose rugs and upholstery with dark colors or have the fabric treated when you buy it.
- _____ 9. Watch the calendar—June for furniture sales, May for rugs and carpets, February and August for bedding and mattresses.
- _____ 10. Factory outlet discount stores sometimes offer big savings. Just be sure you're getting the exact model you ordered.
- _____ 11. Get rid of items you don't need. Sell them or swap for something you want.
- _____ 12. Save on small appliances. If you won't use it at least four times a year you probably don't need it.
- _____ 13. When buying appliances be careful about seconds and irregulars. Scratches don't matter, but major defects can be real trouble.
- _____ 14. Compare service as well as price. Buy from a dealer with a reputation for prompt service.
- _____ 15. Regular maintenance prolongs usefulness. Preventive medicine as simple as a drop of oil can cut down on repairs and replacement.
- _____ 16. Read and save sales slips, labels, and warranties—they may save money and headaches later on.

_____ 17. Share the costs of big-ticket, seldom-used items such as floor polishers or large coffee makers by buying as a group or renting as needed.

_____ 18. Replace or repair? Many small items may be cheaper to replace than to repair.

_____ 19. Check special features. They may add more to price than to usefulness and make repairs more complicated.

_____ 20. Brands? Which is best? Read independent research reports. Ask a friend who owns one.

Tips of your own:

VI. Clothing: 34 Tips. Your Total Score _____

_____ 1 Check each family member's wardrobe to determine which items must be repaired, replaced, or added.

_____ 2. Swap items of clothing with family members or friends.

_____ 3. Help children understand that "handed down" clothing is economical, less wasteful, and can be stylish.

_____ 4. Teach children to care for their own clothing.

_____ 5. Have children change to old, worn clothing for rough outside play.

_____ 6. Watch garage sales for children's clothing.

_____ 7. Don't overbuy, especially with children's clothes or items whose style might change.

_____ 8. Buy clothing that is easy to care for, washable, and does not require ironing. Avoid "dry clean only" clothing.

_____ 9. Carefully coordinate items of clothing and accessories so that they can be used with several outfits.

_____ 10. Launder clothes carefully; follow the manufacturer's instructions. Prolong wear with smart laundering. Too much detergent weakens material. An economical laundry additive is ½ cup washing soda.

_____ 11. Hang laundry on a clothesline instead of using a dryer for each load.

_____ 12. Wash full loads of laundry instead of partial loads.

- _____ 13. Wash in cold water whenever possible.
- _____ 14. Do-it-yourself dry cleaning is thrifty for colorfast nonwashables that don't need professional pressing.
- _____ 15. Have shoe soles and heels replaced instead of buying new shoes.
- _____ 16. Sew your own. Easy-to-make children's wear and casual clothes may save you 20 to 50 percent.
- _____ 17. Do your own alterations—hem, replace buttons, repair ripped seams.
- _____ 18. Shop the sales. Pre- and post-season sales can offer real values.
- _____ 19. Store clothes correctly for longer life. Moth-proof woolens and put cottons away unstarched.
- _____ 20. Watch your weight. It's hard to build a wardrobe if your size keeps changing.
- _____ 21. Rent seldom-used special items. A tux or an evening gown are big expenses for limited use.
- _____ 22. Visit resale shops for a good source of clean, low-priced clothing. Take your unwanted clothes to a resale shop.
- _____ 23. Match quality with use. Spend most for the basic item that gets most wear; spend less on seldom-worn items.
- _____ 24. Try discount stores for name-brand clothes and shoes.
- _____ 25. Buy socks in quantity so you'll always have a matching spare.
- _____ 26. Shop in children's, teens', and college shops for adults when you can. You may find lower prices for similar items.
- _____ 27. Check label for special cleaning requirements. Special treatment is expensive over long run.
- _____ 28. Choose darker colored outer wear for less frequent dry cleaning.
- _____ 29. Avoid fashion fads, especially in big-ticket items such as coats and suits.
- _____ 30. A good fit means longer wear, particularly in shoes, woolens, and hard-to-alter clothes.
- _____ 31. Check construction. Are seams secure? Does fabric pattern match? Are button-fasteners practical?

_____ 32. Check for fiber content, shrinkage, and color fastness. You may save money in the long run by paying a little more.

_____ 33. Try it on when possible. Sizes do vary.

_____ 34. Plan your shopping. Know what you're after. Avoid impulse buying—think it over first.

Tips of your own:

VII. Beauty and Grooming: 5 Tips. Your Score _____

_____ 1. Select store brand cosmetics that are less expensive than national brands.

_____ 2. Learn to do your own shampoo, set, manicure, etc., at home.

_____ 3. Cut children's hair yourself.

_____ 4. Visit trade or vocational schools for haircuts and trims.

_____ 5. Shop at discount health and beauty supply stores for personal care products. These are more expensive at grocery and convenience stores.

Tips of your own:

VIII. Medical: 15 Tips. Your Total Score _____

_____ 1. Prevent illness: eat right, get plenty of rest, and exercise.

_____ 2. Follow safety rules to prevent accidents.

_____ 3. Have regular check-ups to prevent chronic ailments.

_____ 4. Have a regular doctor and dentist to avoid duplication of tests and records.

_____ 5. Shop around for a doctor and dentist whose fees are reasonable.

_____ 6. Obtain medical care at public clinics or teaching hospitals. The wait may be longer, but the cost is lower.

_____ 7. If your income is low and you have children, an Alabama insurance program for children under 19 years of age may be an option. You can pick up an application at a pediatrician's office or the Alabama Public Health Department. The insurance program is called "All Kids Health Insurance."

_____ 8. Take free First Aid, baby care, CPR, and home health care classes from Red Cross or other community agencies.

_____ 9. Check hospital and doctor statements carefully to see that you were charged only for services you received.

_____ 10. Update medical insurance policies to eliminate duplication of payments since most companies pay on a co-insured basis.

_____ 11. If your income is low, see if you qualify for Medicaid.

_____ 12. Ask your doctor to prescribe and your druggist to fill prescriptions by generic name.

_____ 13. Avoid nonprescription (over-the-counter) drugs and nutritional supplements unless your health care provider recommends them.

_____ 14. Avoid health insurance policies for specific risks.

_____ 15. Be careful of miracle promises and quick fix cures. They usually are high priced and don't live up to their promises.

Tips of your own:

IX. Gifts and Donations: 8 Tips. Your Total Score _____

_____ 1. Check the credentials of a person soliciting a charitable contribution from you; check with the Better Business Bureau and state attorney general's office.

_____ 2. Make gifts instead of buying them.

_____ 3. Instead of gifts, give services such as adult sitting, babysitting, house watching, pet watching, etc.

_____ 4. Give baked goods. Everyone appreciates and enjoys homemade goodies.

_____ 5. Check with others to see if they would like to share the expense of a gift.

_____ 6. Donate time instead of money to charities.

_____ 7. Shop the Internet for unusual gifts at low prices.

_____ 8. Something old makes a special gift. An attic treasure you don't use can be just right for an antique-loving friend or relative.

Tips of your own:

X. Recreation and Entertainment: 21 Tips. Your Total Score _____

_____ 1. Smoking and drinking alcoholic beverages are expensive habits, and you may want to reduce or eliminate them.

_____ 2. Take vacations at home. Do something special every day.

_____ 3. Exchange magazines with friends.

_____ 4. Check out books from the local library instead of purchasing them. Many libraries also have audiotapes, videotapes, CDs, DVDs, and computers for loan.

_____ 5. Pack lunches when going on outings instead of paying high concession prices.

_____ 6. New sport or hobby? Rent or borrow equipment first to make sure you enjoy it and also to compare brands.

_____ 7. Matinees usually cost less and are less crowded too.

_____ 8. Purchase tickets far enough in advance to save money. Check round-trip rates, stopovers, family rates, mid-week departures.

_____ 9. When traveling with children, look for hotels and motels that don't charge for children sharing a parent's room.

_____ 10. Discover your own city or county. Enjoy local museums, zoos, historical attractions, performances, craft shows, lectures, etc., free or at low cost.

_____ 11. Travel coach or tourist class unless family rates are available only in first class.

_____ 12. Use a travel agent. An agent costs you nothing and often knows of special deals. Or go online to find deals yourself.

_____ 13. Try a trailer for a low-cost vacation. You can fly to a distant spot and rent one there, if you arrange in advance.

_____ 14. Camping vacations are fun and economical, especially for a family. Try local, state, or national campgrounds and parks.

- _____ 15. Off-season vacations offer huge savings, and everything is less crowded.
- _____ 16. Building a hideaway? Shells or prefabs that you finish yourself offer big savings.
- _____ 17. Traveling by car? Plan on one roadside cookout a day—fun, fast, and economical.
- _____ 18. Join or start a travel club. Group tours and trips are really economical.
- _____ 19. Discover trade shows, fairs, and exhibits, an ideal way to spend many educational and interesting hours.
- _____ 20. Bus or train tours are excellent, low-cost ways to see the sights—and no driving worries either.
- _____ 21. Fun parties at low cost—“potluck” or covered-dish dinners and progressive dinners with each course at a different home.

Tips of your own:

XII. Child Care: 6 Tips. Your Total Score _____

- _____ 1. Share child care responsibilities with a neighbor or friend.
- _____ 2. Investigate public nursery schools and day care centers.
- _____ 3. Check your employee benefit package; some offer partial payment for child care or a pre-taxed option for child care payments.
- _____ 4. Investigate your employer’s day care center. Ask about starting one.
- _____ 5. Participate in a car pool for children’s school activities.
- _____ 6. Join a co-op child care center.

Tips of your own:

XIII Miscellaneous: 7 Tips. Your Total Score _____

- _____ 1. If you need legal services, contact a legal referral service for the names of attorneys in your area who offer “pro bono” or reduced-rate services to low-income clients. Online, search for legal services.

_____ 2. Have an attorney evaluate alimony and child support payments in relation to your current income.

_____ 3. Pay your bills on time. Late payment penalties are very expensive.

_____ 4. Avoid purchasing from door-to-door salespersons.

_____ 5. Avoid buying items while in the check-out lines. Items placed there encourage impulse buying.

_____ 6. Set reasonable amounts for children's allowances and have a definite understanding of what the money is to cover.

_____ 7. Shop the Internet before you go out shopping. See what it would cost online—but don't forget to add shipping cost, which can be expensive. Don't have a connection? Try the local library.

Tips of your own:

Source: Fred Waddell, former Extension Family Resource Management Specialist. Updated by Bernice Wilson, Extension Specialist, Consumer Science and Personal Financial Management. □ □