



Dollars & Sense

Financial News • Spring 2002

Spring Forward: Cleaning Your Financial House

It's Spring – time to clear out the cobwebs and toss out the trash. No, not your closets and garage (though, while you're at it...), but your Financial House. It may sound overwhelming, but as with any household project, the results are worth the effort.

Dust Off Your Goals: Have you updated your financial goals lately? Setting achievable goals is the cornerstone for any successful financial plan. The first step in developing sound objectives is to know what you really want. If you don't truly desire buying a house, saving for a down payment will be a chore with a high chance of failure. Conversely, saving for a trip to Paris may be a breeze because you've fantasized about it since you were six. The next step is to be realistic. Do you have a Ferrari goal on a Kia budget? Supersizing your target can be a recipe for frustration. Remember, you can always upgrade. And lastly, cut it into bite-sized pieces. Save for your goal in monthly installments so the total price isn't intimidating. That fabulous \$1,500 computer is only \$125 per month for a year – without having to put it on your credit card.

Polish Your Budget: You can make this chore as high tech as you like, but all you really need is a clean sheet (or three) of paper, a calculator, your checkbook register, and if you have debt, your credit card statements. List your income, expenses, and

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Top Ten Ways To Save Money

1. Movie theaters have bargain screenings early in the day and advance press screenings are free.
2. Hair salons need hair models for cuts and color and it's either free or almost free.
3. Ask your physician for samples of prescriptions.
4. Most museums and parks have one or more 'Free Days' every month.
5. Review your benefits package at work for hidden or forgotten goodies: gym membership discounts, uncovered medical and mail order medicine discounts, etc.
6. Food sampling on busy supermarket Saturdays makes a nice light lunch.
7. Check restaurants for family day and early bird specials.
8. Boys clothes are lower priced than Girls. The same goes for Men's and Women's clothing.
9. You find the best stuff at Garage Sales or have one yourself and make some extra money.
10. Two words: Farmer's Market!

Recommended Reading

How to Save Money Every Day

By Ellie Kay
Bethany House



Mother of five and married to a Stealth Fighter Pilot who has been re-stationed eleven times, author Ellie Kay is made of tested metal. This is her second book and a continuation of what she started with her 1998 effort, "Shop, Save and Share."

This book is no mystery. What you see is what you get, and you get a lot you can use. Kay finds realistic, effective and even fun ways to save money. Her enthusiasm is coupled with imagination and a light-hearted success-oriented approach. She even discusses how to share these skills with your kids.

Some of her basic principles include are taking care of possessions, stretching their usefulness, and recycling. There are the fundamentals we all know about; coupons, rebates and "two-fer's", but Ellie takes bargain hunting to an Olympic level. And she does this in a down-to-earth fashion that can easily be implemented in whole or in part into anyone's particular situation. The national average monthly grocery bill is \$1000, Ellie's is \$200. Interested?

Spring Forward *(continued)*

debt. Think carefully when completing this exercise – most people underestimate their budget by 30%. Subtract your expenses and debt payments from your income. If there is a deficit, now is the time to make some powerful changes. Reduce or eliminate unnecessary expenses. Increase your income with a second job, working overtime hours, or even asking for a raise. When you see your budget in black and white, you will be inspired to make positive adjustments.

Discard Your Debt: If you've been paying on your credit card debt for longer than you can remember, and the balances haven't budged, now is the time to dump that debt. If you have high interest rates and your payment history has been consistent, call your creditors to request a rate change. No luck? Consider transferring your balances to a low rate card (read the fine print for punitive interest rates and time-frame restrictions). If your budget allows, double the minimum payment. A \$2,000 balance at 19% interest with a \$40 payment will take over eight years to pay off. If you can increase the payment to \$80, the payoff time plummets to less than three years. Finally, commit yourself to not getting into further debt by living within your means.

Vacuum Money Hole Dust Bunnies: There are countless methods you can use to plug money leakage. Shop around for banks or use a credit union for free checking. Avoid ATM charges by only using your bank's machine or by getting money from the grocery store when you shop (usually free). If you own your home, consider refinancing your mortgage if interest rates are favorable. Be diligent about turning off the lights and wash and dry only full loads of laundry to save energy. At the store, use a list when you shop to prevent buying on impulse, buy goods like flour, sugar, and coffee in bulk, consider store brands, and use coupons for items you really use. Walk or run instead of paying for a gym membership, and use automatic bill pay to save on stamps and late fees. The key is to make changes that work for you.

A clean house is a happy house. Now, about that garage....