

15 ways to lower your expenses *and save some serious cash*

We live in a society where we learned to spend all the money we make. We make \$2000 a month, and we spend it all. We get a better paying job and start making \$3000 a month, and guess what, we spend \$3000 a month. The US Savings rate is at an all-time low, as more people are in debt than ever before.

Times are tough for most people in the US, and we know that our lives would be much better with an extra \$200, \$300 or more per month. I can't help you get a better job, but I can help you identify areas where you can start saving money starting today. In some areas you'll notice that your savings will be small and in others will be really significant. In any case, it's more money in your pocket that you can save or spend any which way you want!

So let's dive into it. You may want to read this report through to have an idea of the savings you can get, and then read it again and start implementing these ideas. It will certainly not help you to just read it and do nothing about it. Please put it into action and don't delay, start as soon as possible. The sooner you start, the more money you will have by the end of this month!

1- Saving money on your monthly television expenses is an easy way to cut costs. Are you still paying for cable or satellite television? Switching to a lower priced plan with less channels can save you between \$15 and \$40, or you can disconnect it altogether and get hulu.com or Netflix for movies.

I disconnected my cable TV service about two years ago, and I do not miss it a bit. What's more, my kids don't even ask for it, which was a concern I had when I was considering canceling the service. I used to pay \$45 a month, now I am saving \$45 x12: \$540 a year.

2-Do you drink coffee at Starbucks? If you do, how much do you spend a week? Multiply that amount times 52, that's how much you spend a year on coffee. You may want to consider switching to Dunkin Donuts Coffee and save (on average) \$131 a year, or make coffee at home or at the office and save even more!

I am not a Starbucks client, but I used to eat a bagel with cream cheese every week at Bagel Brothers. Not a whole lot, but at \$2.65 per bagel (including tax) that I gave up, I am now saving \$138 a year. Some may say it is not much, but everything adds up.

3- Are you still using regular light bulbs? You may want to switch to energy-efficient light bulbs that will last longer and save money on the electric bill (20 light bulbs can save up to \$166 a year). I replaced all my lights for energy efficient bulbs, but I cannot measure my savings as it didn't occur to me to keep track.

4- Drop your regular cell phone plan and switch to a prepaid plan. These days, all big companies offer a prepaid option, with savings of up to \$30 a month (\$360 a year!) for the same or very similar service.

And the smaller companies (MetroPCS, Cricket, etc) all offer great savings compared to Verizon, ATT and Sprint).

Unless you are still under contract and you would pay a hefty early termination fee, it doesn't make any sense to get a new plan every two years just to get a new phone. You are wasting a lot of money that could be better used elsewhere (like paying off debt!).

I bought my phone through Craigslist and I'm still using an old plan for \$40 a month (1000 minutes and 400 texts, with no data). Most people on average spend about \$75 a month on cell phone, so I'm saving \$35 a month, times 12: \$420 a year. I would go with a pre-paid option if I need data, which I don't right now. Here you can save some good money, especially if there are two or three phones in your household.

5- Do you need to buy medications? Choose generic medications and save a lot of money! Just because it's made from a well-known pharmaceutical company doesn't mean it's better than the one made by CVS or RightAid or your local drugstore. You'll be amazed at the price difference, so don't overlook this savings opportunity next time you need to by medications. I haven't bought the pharmaceutical version of the medicine I needed in years.

6- Do you go to the movies? It's expensive, isn't it? I mean, two people can easily spend \$40 to \$50 dollars in a couple of hours with the tickets, pop corn and soda! How about watching a movie at home? Just prepare some popcorn (or buy ice cream) and still have a good time, while saving a lot of money. It may not be the latest movie that just came out, but I'm sure you didn't watch all movies that came out in the last few years, so you can easily find a good one you haven't watched yet. I am not saying never go to the movies ever again, but every so often choose the "movie at home" option, and save the money. Heck, Redbox rents movies for \$1.29, compare that to \$24 for two movie tickets!

7- Do you have Internet cable or DSL at home? Call your internet service provider and ask for a cheaper option. When I called, they switched me to a slightly slower plan that saves me \$7 a month, and I didn't notice the difference in speed. That's \$84 a year!

8- Do you carry a balance on your credit cards? No matter what your balance is or what your interest rate is, call ALL your credit card companies and ask them to reduce the rate. Be very polite when you call, and if they decline to lower your rate, call again in a few days. Many times (and I do mean, many times) they will reduce the rate for you unless you are delinquent or have not been sending the payments on time. Even if you haven't been consistent with your payments, call anyway. You may be surprised. When I called, not only did they reduce my rate, but they also increased my credit limit (and I didn't even ask for it). The savings here can be substantial, depending on the rate you get and how much you owe. Do not overlook this option, as I have heard of many people getting their rates reduced with just a simple phone call. That translates into more money in your pocket!

9- Another easy way to lower your monthly payments: call other insurance companies (car and/or house insurance if you own your home) and compare their prices with what you are paying right now, and switch to the one that offers you the best option for the same coverage you currently have.

I saved over \$500 a year by switching car insurance companies a few years ago, and then after two years, I switched again just to save another \$175 a year. Please do this, it does take a little time to do the research, but you can save some good money.

10- Do you still have a landline telephone service at home? Then you have a few options for saving money. If you have a cell phone, then consider canceling your home service (savings: \$15 to \$25 a month). Or, cancel add-ons like caller ID and other services and save \$4-\$6 a month. Or, switch to a company like Ooma (the one I use) for about \$100 for the telephone device and get free monthly service with unlimited long distance (within the US) and many freebies like caller ID (just pay a couple of dollars in taxes). So all I pay for my home phone service is less than \$3 a month for the taxes, with unlimited calling. You do need a high speed internet connection for Ooma to work for you. Another option is MagicJack, for about \$20 a year for service. I sent a MagicJack device to my mother who lives overseas, and we talk almost every day for as long as we want. My savings? About \$50 a month in International Long Distance calling, or \$600 a year. Plus the money my mom saves because she doesn't pay to call me anymore.

By now you can clearly see how much all these savings add up. But keep reading for more savings!

11- Are you financing your car? If so, have you thought of refinancing it? Shop around for rates to see if you can lower your monthly payments without extending the life of your loan by getting a cheaper rate. You have to consider the costs involved to see if in your case it would make sense to go through the process.

Some people have saved some decent money by getting a loan from a Credit Union that was substantially better than the one they got from the car dealer when they purchased their vehicle. Remember that the dealership gets a cut on the loan they offer you, which could be your savings by choosing to go with a Credit Union.

12- Are you a homeowner? You can check out whether refinancing your home would make sense for you in your particular situation, as the mortgage rates are at historically low levels (low like 3.5 or 4% on a 30 year fixed loan, depending on credit rating and other factors). You have to calculate how you're closing costs would be to see whether you will save money or not. But if you can get a rate that is two points (or more) lower than your current rate, you can save a lot of money over the life of your loan.

Be careful though: to compare apples to apples, calculate the new loan over the same amount of months you have left over on your current loan; I mean if you still have 25 years to pay off your current loan, make the new loan for 25 years and not for 30.

13- Do you buy books or subscribe to magazines? Then you can save money by borrowing books from the Public Library where you can also read Consumer Reports, People, Oprah and other popular magazines for free.

14- Do you bank with one of the bigger banks, like Chase, Bank of America and so on? You may want to look into smaller Credit Unions, as their fees are substantially lower and their rates are almost always better. Banks make most of their money by charging hefty fees (withdraw \$20 from another bank's ATM and you will pay between \$4 and \$6 in fees - just to withdraw your OWN money! Remember that you pay a fee to the Bank that owns the ATM and to your own bank.)

Switching to a local Credit Union almost ALWAYS makes financial sense. Look at a bank statement and add up all charges by your bank in any given month. They are unbelievable! Once you switch, you'll be so glad you did.

15- If you own your home, you may want to invest about \$35 in a programmable thermostat that will allow you to save a considerable amount of money in your monthly bill via a better control of the heating and cooling of your home. This is not easy to measure as far as how much you will save, but save you will.

Bonus tip: This is one of the biggest money drains for most people. How often do you eat out or order food at a fast food place or restaurant? The money we (in America) spend eating out amounts to billions a year (my guess, with no scientific evidence ☺). But think about it: if you pay for food every day at work (instead of bagging your own food from home), you are wasting hundreds of dollars a month. Do some easy math: if you spend, let's say \$5 a day eating out (I know, most people spend close to \$10, after all, what can you eat for \$5?) it amounts to \$25 a week, times 52 is \$1300 a year. If you bag your food instead, you will save at least half of it, and you will eat healthier.

Or, if you eat out with your family on a regular basis, try to at least cut it down as much as possible. Food for four people at a restaurant will cost at least \$50 (many times much more). If you avoid it at least 5 times a year by choosing to eat at home, you will save another \$250 a year.