

Best Money-Saving Tips

**by the loyal readers of
Leo Quinn's
“Leo Quinn Letter”**

How to Own Your Paycheck Again
www.OwnYourPaycheck.com

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By

**Readers of
“The Leo Quinn Letter”**

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FOOD

For most families, food represents the biggest chunk of their discretionary spending each month.

If you're looking to reduce expenses, start with the category where you spend the most—you'll get the biggest bang for your frugal efforts.

Carry a notebook and calculator with you when you go shopping at the grocery store. That two-pound can of peanut butter may not be cheaper than the small jars. Take the price and divide it by the number of ounces to get a cost per ounce. Do this for multiple sizes. We've noticed that numerous vendors actually ding you for buying bulk, but are hoping that consumers are too stupid to catch on. Grocery stores have even gotten into the game by listing the unit price differently for different sizes of the same products. One may be priced per ounce, the next may be priced per jar, and the next may be priced per pound. Devious!

\$

My wife also **clips the coupons** and looks for stores that are offering double or triple coupons on items. Sometimes she even catches the items on sale which compounds the savings. Most grocery stores now put their sale

papers online so it's much easier to comparison shop. Manufacturers' coupons typically offer more discounts than the ones you cut out of the newspaper, but doubling or tripling coupons usually offsets this. You have to shop around and comparison shop and stay on top of store promotions.

\$

I grocery shop at ONE store; I have their extra savings card, am on their snail-mail list (from which they send really good extra savings coupons), am also on their email list (from which I also get more coupons - even better, I get coupons specific to the items I buy regularly because I use that card) and finally, I compile my grocery list/menu for the week from their weekly sale paper. Once I have my list I go through the coupons and add that to my savings - generally I spend \$80-\$125 when I shop and my savings are never less than \$20-\$30 per order. Probably sounds like a lot of steps but it really isn't. I do not spend nearly as much time or money since going to this routine (versus shopping lots of different stores). Oh, and I almost always do my grocery shopping on my lunch hour so I'm not losing any of my weekend!

\$

I always use coupons when I go to the grocery store and plan my menus from the front page of the sale bill. Angel Food Ministries is a good way of purchasing food for \$27.00 and receiving approx. \$75.00 in product which

includes frozen and canned items. This program is for all incomes no matter how large or how small.

I play "The Grocery Game", and have been for over a year. It's an online site that charts coupons and sales for you, the cost is \$5 per month, and I save, on average, 60% off of my grocery bill EVERY WEEK! You can try it out for just \$1. Website address: www.thegrocerygame.com

\$

I use coupons. I was taking the amount that I saved using coupons and setting it aside to see how much I was saving. I don't remember the total for the whole year but after the first quarter I had already saved over \$200.00! It was a nice little extra spending money for vacation. :)

\$

Make a list of things you buy regularly. Be specific. Generic or brand-name? Go over your list and see what you can cut out. Chances are those Oreos aren't that good for you, anyway. If you eliminate desserts and sodas you'll probably save anywhere from \$50 to \$100 a month. Then, make copies of the list. Every week check the sales flyers and highlight the items on your list that are also on sale. Pick them up dirt cheap—as you pass the stores in your normal travels. Every two weeks do your major shopping, using your photocopied list once again. Highlight only the items you need.

(EXTRA TIP: Put list on your fridge and highlight items as you run out.) Take your list with you and shop for just the items you need. If you shop at more than one store because certain items are always cheaper elsewhere, then use different-colored highlighters for each store. You'll find that doing this allows you to streamline your spending and accurately guess how much you'll spend each shopping trip. It will help you with menu planning, too. If you need to cut food expenses even more, plan low-cost meals and eliminate higher-priced items (like steaks and roasts) from your list.

SHOPPING

When do you blow your budget? It's usually not when you're paying your electric bill. It's when you're out shopping—and you see something you need or want. Or think you need or want.

Here's how to shop smart and get the best for less—or ease those urges and keep your money in your wallet.

If you buy the same products all the time, call the company and let them know. Tell them how great their product is. Tell them why you chose their product over a competitor. Tell them you talk about their product to friends. Companies love positive feedback, but most people don't take the time to call until they have a bad experience. Most companies (especially grocery items) will reward customer feedback with discount coupons or even free merchandise. My wife goes through the pantry every couple of months and starts calling 800 numbers listed on the products. The savings add up!

\$

I'm NOT a fan of discount retailer clothing (Wal Mart, Kmart, etc.), but you

don't have to pay retail for name brand clothes. This may sound like a no brainer, but shop the clearance rack. Almost every clothing store has a clearance rack. It may be hidden near the back of the store, but it's a great way to save 30-50% or more off your clothing bill and you get to wear name brand clothes. My wife routinely finds Old Navy, Abercrombie, and Hollister clothes heavily discounted at the end of the season. We get to wear name brand clothes for less than we'd pay for similar clothes at Wal Mart or Target.

\$

Ask your local store when they change seasons and when they mark down seasonal items and go back and shop the clearance racks at those times. You may have to put the clothes in your closet until next year, but it's great to have brand new clothes waiting for you the following year. If you buy certain types of clothes at the end of their season, you can save a lot of money!

\$

.....
Whenever I find a product that I really like, or even one that I have a problem with, I write, call or e-mail the company and tell them my praise (or complaint - in a nice manner). Some examples: package says "10 fish sticks" and it only contains 8, frozen pizza has very little cheese,

all of the chips in a package are crushed, I love a new product line the company has come out with, or just a short letter about being a satisfied customer and knowing I can always count on their high-quality products. Over the past year or so, I've received several hundred dollars (probably over \$500) in free or discounted products (with coupons sent from the companies, themselves). Just a few minutes of my time produces a very high yield!

\$

"Saving Money Every Day". My husband often jokes that the only thing I'll pay full price for is postage stamps! I do a lot of shopping online - clothes, books, CD's, toys, etc. (It saves time and gas money). I love thrift shops -- with three children, who grow very quickly, I can still find like-new clothing for a mere fraction of store prices. I also shop clearance sales, buying shoes and clothes in bigger sizes or for the next season. Wherever a good deal is to be found, I'm there!

\$

One thing my friends and I do when we attend for instance a Pampered Chef party....we put our orders on one order blank and save the \$4.00 shipping. Neither the hostess nor the dealer benefit from the shipping charges.

\$

For those shopaholics (like myself), when I just can't stand it anymore and have to go buy something, I take a \$20 dollar bill and go to the dollar store!!

By the end of my store tour (and I do take my time), I have a full basket and voila! I've only spent \$20!! It calms my shopping bug and I really do end up finding some neat things (and sometimes things I actually need).

\$

If you are about good financial management and getting out of debt, what better place to find all kinds of info than the local library--at no cost! No charge on your credit card for an Amazon or Barnes & Noble purchase--for a book you may only read once. Best tax bargain in any town, available to anyone at any age, socioeconomic condition, ethnicity, race, gender, literacy level.

\$

For a young family purchase whole life insurance in the amount of \$50,000 as soon as possible[larger amounts if affordable - or add additional when possible]; also purchase an amount of term insurance that will cover paying

off the mortgage and other debts should something unexpected happen. The whole life builds equity [just the same way a house does] and will offer options for college costs and other things when the time/need arises. The term insurance will pay off any debts remaining upon a person's demise.

\$

Don't buy whole life insurance. Instead, buy inexpensive term insurance when you're young, and get plenty! If you're married and planning on having a family, make sure both of you have adequate insurance. You want the surviving spouse to have debts paid off, enough money for childcare, living expenses covered and kids' education paid for. If you prefer the surviving spouse not work and exclusively care for the children, then make sure you purchase enough term life insurance to create adequate income (with debts paid). After 20 years, when the typical term is up, chances are your kids will be grown and gone, and your life insurance needs will have changed. Time to re-evaluate!

\$

I used to buy books at the drop of a hat...either the subject interested me, or I'd read a good review or I just wanted to own the book for some kind of comfort. I came to realize that as great as books are I was addicted. I mean, I was constantly building new shelves, I had piles of unread books beside my

bed and when I looked at how much I'd spent in a year I could have had a really nice vacation with the cash. (Fortunately I did pay as I went and didn't rack up a credit card bill over them.) When the light bulb clicked on I decided that every time I saw or heard of a book I wanted, I'd check online at the library to see if it was available. Our city will pull the book from any branch and deliver it to my local branch and then email me when it is ready for pick-up...all for free. How cool is that! Then I have choices. If I read the book and still feel I need to own it then I can look for a used one online or even pay full price if it's a real keeper. If I don't really want to re-read it then I just return it to my local branch (before the due date). The "bonus" in this plan for me, is that I still "buy" the book for myself. I check out the online price for new and used, average the amount, add shipping and handling and put the money in a savings account. So, I get to read the book AND keep the cash.

\$

On Sundays, when The Washington Post comes to my door, with the Sunday circulars from every store, I have found that if I don't look at those ads, I don't get "I-want-it-itis" (or my other favorite: "Visa Disease"). This has served me well for several years now. If I need a pair of running shoes, I will only look at the ads for shoes.

\$

TIP: Most of us have a shoppers discount/savings tag or card for grocery stores, CVS, and other convenience stores. Every time you use your tag/card, at the bottom of your receipt there is an amount you saved by purchasing items. I put the amount listed in a savings account. This helps me with my savings. I also use the holiday club, vacation club, etc. to save money. Finally, I save loose coins. Whenever I get change back from a dollar, I save it in a jar.

HOUSEHOLD

Those countless household expenses, all the way from the car you drive to the trips to the barber shop. How can you save money here?

Have you ever unpacked in your hotel room only to find that you forgot your cell phone or PDA charger? This is exactly how I have ended up with at least two chargers for my various devices over the years. This last trip, I did it again, no cell charger. But, instead of making the run to (Favorite Electronics Store Goes Here), I went down to the front desk with my phone and asked if they have a lost & found box of charges. They did, I found what I needed, they put a sticker on it, I stayed charged the entire trip, and I returned it to the front desk when I checked out. I easily saved over \$50 when you consider the cost of the charger, trying to find the store and the time I didn't have to spend finding the right one.

\$

I bought a used Honda six years ago when gas prices were of less concern. I don't like spending more money than I have to, regardless of the price differential. I paid \$1200 cash. I have never had full coverage insurance. I

change the oil every 3,000 miles. Otherwise I've put less than \$2,000 into it. It has a small dent in the hood which shall remain there, rather than pay \$1500-2,000 to fix this cosmetic issue. How much have I saved? Insurance: \$2000/ year x six years (and counting); gas at 35 mpg x \$2.50 per gallon average (hundreds to over \$1000); interest on a non-existent loan, probably around \$4,000; price savings versus new car, \$14,000. I have no plans to buy a different car until repairs on this one will be more than \$5,000, which is unlikely.

\$

When it's time to do or re-do landscaping at our home, my husband goes to a home/hardware center (Lowe's, Home Depot, etc.) and asks if they have torn bags of mulch, wood chips, topsoil, potting soil, etc. Since we are to use it soon, it doesn't matter that the bags have been accidentally torn and the store will not sell them as "new". We recently purchased a pallet full of various bags for \$5!

\$

When I was a young married girl, I learned to cut hair from a friend of mine who was a professional. I have been cutting my husband's and childrens' hair ever since, and now cut some grandkids' hair. I figure I have saved well over \$30,000 by now.

\$

I've saved hundreds of dollars by eliminating my contract with dish network. Why have it? I sleep eight hours per night and work another twelve hours per day which only leaves my wife and I with about four hours to do other things. Out of those four hours left, how much time can someone who's not a couch potato spend watching TV? I would say about a half-hour if the programming manages to keep your attention for that long. So, instead we find other activities to keep us busy - long conversations, rest, reading and short-term/long-term investment planning, etc.

\$

Another thing that has allowed me to save money is to get rid of my car. You see, we used to have two cars - one for my wife and one for me. But since I'm self-employed my car would be parked at my garage for weeks at a time. The nature of my business forces me to use a van all the time. So, I got rid of my car (\$540.00+insurance on a monthly basis). I've done without a personal car for two years now. What I do is that whenever I have personal business to attend to I take time out from my busy agenda and just get it done.

DINING OUT

Next to food, eating out and/or entertainment expenses also take big chunks out of typical families' budgets. Here's how to have fun but ease up on the wallet.

Over the course of the years, most of our restaurant experiences have been great, however, there's always a few that leave a great deal to be desired. Whenever that happens, I'll call the restaurant, speak with a manager, and explain the problem (meal quality was below their usual high standards, having to wait 45 minutes or more for a meal, poor service, etc). The managers want to hear about problems so they can correct them in the future and not lose any business. I've received gift cards for future visits, free desserts, coupons for a free sandwich or meal, etc. In today's economy, every little bit adds up!

\$

Most people already know this one....but when eating out, even at a fast food restaurant, order a water instead of a regular drink and you will save a couple bucks. Multiply that by the number of times you eat out and it's a good chunk of change. Not to mention that water is better for you than soda.

It's a small and easy thing - and I don't know why I hadn't thought of it before: When eating out make a mandatory switch to water as a beverage - Speak up when the waitress says "what would you like to drink, and announce "We'll have water all around". We can normally shave more than \$20 - \$25 off our bill for a nice dinner (we define a nice dinner as eat-in at Outback, Red Lobster, Applebees etc.). Also, we find using the same idea at fast food restaurants results in the kids ordering only what they want (e.g. a sandwich and water) versus us having to throw away a lot of french fries and pop!

\$

To save a buck or two a day, I have a jar of instant coffee in my desk.

\$

When I take my walks (free exercise) I carry a plastic grocery sack and pick up aluminum cans. Over the course of a year I collect over \$10 worth and use it for an ice cream treat. My weight is not changed and my wallet is only slightly improved. The land fills have fewer cans in them and litter is reduced. I win and the Earth wins.

CASH IS KING...

If you have problems with debt, sometimes the easiest way out is to simply go back to doing things “the old-fashioned way”. Whip out those dollar bills and keep the checkbook/credit card at home.

Pay cash as often as feasible for large purchases. That way you only get what you really need and don't run up huge credit card debt. [I suspect that credit card companies won't like that one, but I've learned the hard way that it makes sense!]

\$

This may be nothing new to some, but I've shared it with a couple of people who had never heard of it and now they think it's one of the easiest ways to get a bit of Christmas cash!

When making purchases in cash, I always pay with paper money, never coins. Every few days I empty all of my change (coins) into my piggy bank. I do this all year until the holidays, and it's amazing how much I collect.

I wrap my coins while watching television. My bank no longer requires me to write my account number on the coin wrappers so it's a no-brainer kind of thing.

My daughter just announced 6 weeks ago that she is getting married, and I began to panic. How can I save money for a wedding?

One thing I've been doing since getting this wonderful news is at the end of every day, I empty my pockets and wallet of change and dollar bills. I keep it in a huge jar in my room, and just this past weekend I decided to add it up. In six weeks I've been able to accumulate \$68. That doesn't sound like a lot, but at this rate, I should have enough to pay for the wedding flowers...one less bill I have to stress about!

\$

Our household has three men and none of them like to carry change. So I have several clear containers around our house that I use for loose change from pockets (laundry & sofa), dresser tops and car ashtrays. Then from time to time - especially when fall came and college started- we would count and wrap all the change. Doing this paid for several books or more on their food accounts. The other day we collected \$73.00 of loose change from one of my son's cars!

\$

I find what really works well is that whenever I need to or am tempted to spend any money in my wallet, no matter how much it is, I break a note. At the end of the day, I empty out all the coins and they go into a money box. The next day, my wallet only has notes in it again. This works in many ways: Firstly, it is amazing how many coins one ends up with at the end of the day, and also, how quickly they mount up. Secondly, if it is a frivolous purchase, then one is reluctant to break the note.

I have been using this method for quite some time, and it is great.

\$

I'm not sure if this is an old idea or if I'm just crazy but the best way for me to save money is first I save all change, and secondly on the old dollar bill I collect the letters B & L (it's usually in the middle of the bill or right before the serial number). I really hate it when my bill adds up to like \$4.01 and the cashier says "Oh I have a penny, I'll just put it in". I usually tell them no thank you and just give me my .99 change please. I've been saving money this way for the last seven years and it has paid for my family vacations ever since. I've enjoyed some very nice family vacations to Disney World, Germany, Outer Banks in NC and Canada.

\$

Everyone knows that tossing pocket change into a jar can add up. I've taken it one tiny step further. I don't like one-dollar bills. They're usually cruddy, crumply, and nasty. But they ARE worth one dollar. So I toss all my ones into the bottom drawer in the bathroom cabinet. When it's time for a trip and I need ones for tips, I go to the cash drawer. I grab a double handful of those wadded up, sweaty, stained and yucky pieces of green paper and toss them into a mesh laundry bag -- the kind you wash lingerie in --and drop it into the washer. (There's enough fabric fiber in the paper that the bills hold up quite well in the washing machine.) When the (clean) wet dollars come out of the spin cycle, I lay them flat on the kitchen counter to dry. An hour or so later (usually just as I'm dashing out to the airport) I grab the iron (yes, the regular clothes iron) and press them so they (a) are completely dry and (b) fit nicely into my wallet. They're now handy for tips at the airport and hotel, most will even feed into a drink machine, and I don't feel like I need to use hand sanitizer every time I touch one.

What makes this a great money saving tip is how quickly those yucky, grimy, wadded up dollars accrue. The last time I ironed my way through the entire bathroom drawer, I found grungy fives and crumpled tens mixed in with the ones. I ironed over \$900 of "spare change" one Sunday afternoon. That's a lot of found cash.

\$

I always save dimes from my change (actually it's mostly from my husband's change that he throws on the dresser every night). No one ever seems to need dimes in their change so they're not missed, but they really add up. Once or twice a year I'll roll them up and come up with \$50 to \$100 at a time. If the kids roll them before we go on a trip they can split it for spending money.

...BUT CREDIT WORKS, TOO

Read this section at your own risk!

If you use credit wisely, you can actually make yourself some money using the tips below. But if you're the least bit tempted to overspend, or have a track record when it comes to credit cards, you may want to skip to the next chapter.

You have to be on top with this one. We signed up for an Old Navy credit card. I hated department store credit cards due to the high interest rate, but Old Navy was offering a promotion of 20% off your purchase if you signed up for the card. They offered a 25-day grace period before the interest hit and they also give 10% back in coupons for every \$100 spent. We now buy our clothes almost exclusively at Old Navy and always put them on the credit card. The trick is we pay the bill as soon as we get home (electronic, before the bill even comes). We get \$10 off coupons in the mail for every \$100 spent and they can be stacked (use more than one at a time)! My wife shops the clearance rack, gets clothes on sale, gets another 10% off by using the store credit card (coupons), and we pay the bill off early to avoid any interest rates.

Having trouble in the past managing credit debt I have recently embarked on a credit rebuilding strategy. I acquired my first credit card in eight years. In order to maintain my new habit of debt-free living and at the same time build my credit score I log each credit transaction in my checking account ledger as if it was a cash purchase. When the invoice comes each month I am able to pay it in full.

\$

I charge just about everything on my Chase credit card because it offers me 3% and 5% back on everything I charge. I always pay the full amount when it is due and in November they give me the percentage that I earned all year. Last year I got back almost \$500.00 and it came just in time for Christmas. I would not advise this if you can't pay when it is due, you could get into a financial bind.

\$

Here's how I save for my grandchildren's college funds.

I have a Citibank credit card that pays 1% for everything I buy using the card plus some extras. It's connected to Upromise so the 1% goes into my grandchildren's account.

But here's the trick to not go into debt. Every time I use the card, say,

\$50.00 for groceries or \$30.00 for gas, etc., I deduct it from my check book . So, I use my credit card like a debit card. I also keep a separate ledger for the charges. Then when the bill comes the money is already in the checking account and I just pay the bill in full.

I have three grandchildren and each of them have over \$100.00 in their account over two years. That's over \$300.00 of free money. But remember, unless you pay your balance in full each month, the free money isn't "free"!

\$

For widows whose spouse's death was sudden and unanticipated, and whose spouse might not have made or been in the position to make fiscally responsible choices, if possible get a home equity loan that will eliminate major credit card debt and afford some financial ease for the widow. (Yes, I learned this the hard way.)

\$

I've taken advantage of a 0% for 6 months' convenience check from my credit card by putting this money in my savings earning 5%. I will earn several hundred dollars on this \$30K of credit before I have to pay the money back on 1/1/07 (to avoid the regular APR). I do pay a transaction fee, but I still make enough money on the interest to make it well worth while.

\$

I used to get frustrated by junk mail, especially the credit card applications and special offers I received every week for 0% APR. I somehow formed the habit of never carrying a balance on a credit card (although I use them in place of cash to get the freebies) so I thought I had no use for such things. How can I transfer a balance if I don't have one? And what good is 0% when I pay it off every month anyway?

The answer? Many of these companies will let you do a "balance transfer" of funds in the form of a check sent to you to deposit in your bank account. Of note, Citibank usually charges no fee to do this; Chase bank charges \$75. My next step is to deposit the funds into an ING Orange account earning 4.25% APY.

Then comes the fun part. I call the credit card company to find out by what date the card needs to be paid off in order to avoid finance charges. Next, I ask how much the monthly payments will be. I keep enough money in the ING account to make the monthly payments, and invest the rest in a CD or T-bill at an even higher interest rate. I set up monthly payments to the credit card company so I don't miss any payments that would compromise the offer. And I schedule automatic transfers from ING to checking to cover the payment amounts.

At the end of the offer, I simply pay off the credit card from my invested funds - and keep the interest for myself. With my available credit, I can earn over a hundred dollars per month, even after paying the \$75 balance transfer fee.

Of course, it is imperative that you read the fine print on any promotional offer from credit card companies. Some only offer the 0% on new purchases, not on balance transfers. Others only offer it on the balance transfers, so if you make a new purchase on the same account, you get charged a finance charge on that amount until the entire balance is paid off - even if you pay the full amount of the new purchase with the next statement (I found that one out the hard way). It is also important that all payments be made on time, or else the promotional interest rate goes sky-high on the outstanding balance.

\$

I used to be a well-paid engineer. I started an advertising business with my brother-in-law, with myself more as a silent partner. I provided all the funding for the business, including giving him authority to sign on two of my credit cards. A year or so went by, things were going well, but the situation went very sour in a fairly short time frame. He kept making charges to the credit cards (while we were both working our day

jobs). When September 11th happened, his day job eventually disappeared, and he stopped paying on the cards. With penalties and interest, the \$25,000 he had on my credit cards bloomed into almost \$40,000. September 11th eventually took my job as well (a year later).

Suddenly I found my fortunes reversed. The problem is that it happened rather slowly. Like a ship slowly sinking, when I woke up to the reality, I found myself with no lucrative job (compounded by the fact that I live in a small town), creditors calling me several times a day, and \$40,000 in credit card debt, the worst kind of debt. It was ironic because I never carried any credit card debt before the business venture. I had monthly charges of about \$400, but always paid the balance every month. We tried making a go of the advertising business, but it eventually ate up all my savings.

I now have a great engineering job again. When I passed my probationary period with the company, I started looking for a home equity loan. Some of the Internet companies had good rates, but further investigation showed many customers had difficulties resolving even minor problems. I went with my hometown bank and got a 6.1% Home Equity Loan. It sure beats the 15% I was paying on the credit cards. Before the home equity loan, my monthly payments were \$550 for the first mortgage, and \$850 for credit cards (the credit card payments were mostly interest-only). The proceeds of the Home Equity Loan almost paid off the credit cards (and the first mortgage). Now my combined total is \$442 a month (versus almost \$1400

before). I am also paying an extra \$500 a month towards the principal. I wrote a short program in Excel to calculate the amortization. My numbers agreed with the Loan Disclosure issued by my bank. In the fourteen months I have had the new loan, I obviously am not wasting tons of money on high credit card interest, but the extra \$500 towards the principal has already saved me almost \$8,000 in interest. On my \$52,000 Home Equity Loan, my Disclosure showed that I normally would have paid almost \$28,000 in interest in the 15 year life of the loan. If I continue on my present path (and I will) I will drop my total interest paid, from \$27,900 to around \$9,200, and the length of the loan will go from 15 years to 5-1/2 years. Then I will be debt free.

My finances are now in great shape and I feel better than I have in years. Some might say that the extra \$500 towards the principal on my loan would be better spent on higher-yielding investments, but I always analyze investments far too long to realize any real benefit. I always get "Analysis Paralysis". I feel I get a better return with my present plan. It works for me anyway.

SAVING AND INVESTING

You've probably heard by now that a recent study showed Americans are currently savings at a **NEGATIVE** rate per year, way down from nearly 10% of annual income in previous decades. This means that the average American is now spending more than they earn each year, or going deeper into debt. This spending epidemic probably isn't limited to the U.S., so let's find out how some of our readers beat the trend and boost their savings and investment accounts.

Over the years, I have invested in DRIPS (dividend reinvestment plans) with various companies. I have purchased enough shares in this way in SBC (now AT&T) to be able to pass on five shares apiece to each of my nieces and grandchildren (and I have six) and still have a substantial amount left over in my own account!

Slow and steady can work wonders in your financial well-being, and I am a firm believer in dividend paying stocks.

\$

When my firm switched banks years ago, the closest bank branch was a 15-

20 minute BRISK walk. When I first started making this walk, I would "treat" myself to a single serving pizza at the Bertucci's across the street. The little pizza was \$6. Well, when you are as frugal as I am, and only take \$20 from the ATM and then spend \$6 on pizza, that doesn't leave you much for the rest of the week. I started NOT buying pizza when I would go to the bank. I became even more frugal than I already am, and started packing my lunch almost every day, which meant that I rarely had to go to the ATM. Then my office installed an ATM in the building. I was concerned that with the ATM so convenient, I would start hitting it up more often. It turns out that I had really disciplined myself over the years I had to walk, so consequently, I would only go to the ATM once a week, and for \$20. There were times I had to go back and get more, but I always thought, if you can live on \$20/week, do it! (I should say that there were no ATM fees involved.) The \$20 would be my lunch money, stamp money, little incidentals, during the week. My rule of thumb became to only get \$20, since there were no fees involved. It works well for me. Occasionally I do need to go back for another \$20, but I don't feel guilty about it.

\$

I also take money away from myself. I like to carry a little extra in my wallet for emergencies (in case I would have to take a cab if my car broke down or something similar). Sometimes if I didn't spend any of my \$20 from the week before (because I brought my lunch every day), and then I go to the ATM and get another \$20 on Monday, I will take the first \$20 and

hide it in my wallet. It's there for an emergency. If someone owes me money, I hide it from myself. If I cash a small check from a rebate or some such thing, I put that in my little emergency fund as well. Often if I get \$20 on Monday and it comes as two tens, I will take one of those tens and put in my little emergency spot in my wallet. I know it's there if I really need it, but I try not to need it.

\$

One easy way to pay yourself first is have a portion of your paycheck direct deposited into a money market or savings account. If you don't see it you won't miss it!

\$

We use a money market mutual fund at TIAA-CREF. We have a certain amount automatically deposited every month. We also have the ability to add money by telephone or online whenever we want; that way, if we have extra funds, we can stash them at any time.

The fund earns nearly 5%, which is better than savings accounts, and is fairly liquid in case we need it. The only restriction is that you can't write a check for less than \$250. This restriction keeps us from using the money for "little" things.

\$

We also get the kids to sort & return the bottles & cans that stack up in the garage for spending money (one half goes into their savings accounts). These little amounts add up and teach the kids the value of saving.

\$

Here in the State of Iowa we have a nickel deposit on pop/soda/beer/wine cans and bottles. If they are going to charge me a nickel then I want it back!

This was also good for a dinner out every once in a while. We have some friends that don't bother with returning their cans or bottles, and that drives me crazy.

\$

My husband and I are currently trying to plan a vacation to Disney World when he returns, although this could be done for any type of purchase or just for regular savings if you are the type of person who has trouble saving. I determined how much money I would need for the trip and then divided it by how many payments I would be making. For example, I figured we would need at least \$2400 (if we booked Disney's special for a family of

four for \$1500) and divided it by 12 months (I chose to make monthly payments but weekly would work also) to come up with \$200 a month.

Then to be sure I was not tempted to use the money I put it in a savings account in which there needs to be two signatures to withdraw money. You will want the second person to be someone you trust and will help you stick to your goal and preferably not your spouse. I have had trouble in the past trying to save money but find this way much easier. I also put money in another account weekly to pay for my mortgage payment and help pay down debts. The way I feel is this: if it isn't in my checking account I can't spend it. It also makes me think "Do I really need or want this?" before I ask the other person to sign for the withdrawal.

\$

I've opened a savings account at EmigrantDirect.com and now earn 5% interest on my savings.

\$

We have two sons in our house and my wife and I have began a game that we feel will teach them to be savers not spenders. Each one of us began saving all pocket change that we accumulated throughout the day and threw it in our own clear change bank designated with our name (clear so everyone could view the increasing pile of coins). We told the boys that at the end of

each month the “winner” of the contest would be the one who accumulated the most change.

The “winner” would receive 10% of all of the change that was collected that month to spend however they saw fit. The rest was deposited into a savings account where it has to remain for 12 months before withdrawing it. That worked so well that we are now trying a modification to the game, a challenge for everyone to save one dollar-a-day along with the change and the same process would repeat itself. We have just started that so we will have to let you know how it works out but so far in 18 months the boys have collected \$1,095 and \$967 dollars respectively. We figure at 4% interest that that figure could rise to \$1,139 and \$1,006 after the 12 month waiting period. Not bad for “chump change”.

\$

When I quit smoking, cold turkey mind you, almost two years ago, I forced myself to take that money I would have been spending and put it in a separate account so hubby and I can take a cruise.....this way I'm not only healthier, but I'm using that money for something I've always wanted to do but never thought I could afford!

GIVING

It sounds counter-intuitive, but many readers have written in to say that when they purposefully give their money, they suddenly find increased abundance.

Most people are just plain happier when they give.

The greatest TIP I have found is in tithing. When I am faithful to tithe 10% of my income, all of my needs and many of my desires are fulfilled. When I neglect to tithe, all sorts of calamities occur.

\$

Give! I have firsthand experience of the phenomenon that occurs when you give some of your money. I used to feel the need to keep all of my money myself. I always thought, "Someone else will help out the charities or the churches, I can't." But, I could. Now, I do, and I feel that my contributions have come back to me at least doubled. The feeling is wonderful and it helps me have a better perspective on life, which, in turn, leads to bigger and better things. You don't have to give money, either, your time is just as valuable and will net returns as well.

TRACKING YOUR FINANCES

If you don't have a handle on what you earn, spend or owe then chances are you aren't doing a very good job managing your finances.

Get some tips on managing your money—and expect great results.

Create a spreadsheet that fits on one screen and shows your entire financial picture. This has been a great way that my husband and I keep track of what's been paid or not and avoid late fees. Plus, it's very inspirational to watch your debt go down and your assets go up. If you have a downturn, it helps to figure out where to reduce your spend.

Everything in Blue is what you owe, and Green is what you own.

SCHEDULED:

First - list the payments that are scheduled on a monthly basis in the left-hand column a few days before they are due.

Then include the way you pay, total owed and monthly charges.

Every month, change the pink box, delete the numbers in that row, and then put in what you pay as you go.

Light blue is manually paid/Darker blue is automatically debited.

Purple is set aside for annual or bi-annual payments.

Yellow is used to bring attention to discrepancies, such as the fact that this month the gym payment is reduced as it's on hold since you're going to be on vacation.

MONTHLY:

List your best guesstimate for the monthly out-of-pocket costs starting with the highest cost.

Insert sums for both Scheduled and Monthly spend and add them - this is your TOTAL monthly outgoing spend.

RESIDUAL:

Include the amount of net pay for each household member and add them as a sum in the Net income box.

Insert a formula to subtract your Spend from your Income.

Whatever is left over is "Residual" - there shouldn't be much here, but if there is, it should go to pay off any debt.

ASSETS & INVESTMENTS:

List any assets and investments you own here.

Add both - this is a total of assets not including your annual income.

ALSO: add a worksheet with the contact info for all the companies you pay

every month (mortgage, landlord, utilities, credit cards, doctors, etc.) including login info, account numbers, etc.

You can add a worksheet of goals and future expenses (include any you are currently saving for in the spreadsheet below) and a blank worksheet for figuring out problems. If you want, you can save each month for reference or just clear the monthly column as you go.

\$

One of my favorite time AND money savings tips is something I resisted doing for sometime: online bill paying. No, I'm not talking about automatic deductions. I'm talking about paying your bills online through your bank. I save a bundle in postage and it also is much quicker and less stressful. If you're not using online bill paying, start NOW !! You'll love it, I promise !!

\$

We create a “paycheck” budget. Basically, we take each month’s expenses and divide in half—we know this amount must come out of each paycheck in order to pay our bills. Then we take annual, semi-annual, quarterly and estimated expenses (like car repairs), as well as savings goals (Christmas and vacation) and divide by 24 paychecks a year. We add this result to the total that has to come out of each paycheck to pay monthly bills. We figure

out how much we want to save over and above automatic retirement deductions (college, surplus fund, whatever) and divide by 24, adding this total to the “paycheck outgo” amount. To keep it simple, we have our paycheck direct deposited into a savings account, and then have our “paycheck outgo” directed into the checking account.

This way, we know we’ll always have the money we need in our checking account when it’s time to pay bills. Our savings account is for discretionary spending; it has to be withdrawn in cash. You spend less if you have to use cash.

A twist on this technique is to have your paycheck further split into separate savings accounts for things like Christmas and vacations. This will keep that money separate from your checking account and you won’t end up spending it by mistake on things like home repairs or car insurance.

MAKING MONEY

Before you can save or spend money you have to earn it.

Here's how some folks earn extra cash or simply find ways to enjoy meeting their family's financial needs.

I've learned something about big business over the last few years. Profit is too heavily weighted as important. Sure, it IS important, but if that's all you want, sell hot dogs. In a combo with a drink and a bag of chips, there's about a 15% food cost. Keep your labour cost down and there's lots of room left after business expenses to take a profit. When I explain that to big business CEO types who are trying to shore up their stock price, I can see their brains getting all scrambled up. So the tip here is to make money at something that matters to you. It's important to be profitable, but don't take your eyes off the prize or even worse, start to think that profit IS the prize.

\$

I have a great-paying job that I love, but it isn't fulfilling my heart's desire of what I want to do with my life. So last year I started a side business online

doing what really fulfills me... helping others get healthy and overcome their chronic illnesses. Last year alone my gross revenues were over \$72,000 and that was only for eight months of the year. This year will be well over \$100,00 in gross revenue.

My tip is fully believing in what you do and having complete faith in the product that you sell. I am not a salesperson, nor will I ever be. It isn't my personality; in fact if I am ever in a position where I need to do a sales pitch I freeze up. But when I talk about my product, my eyes light up and a big smile crosses my face and I don't stutter -- in fact I can give a great improvisational speech about the product, all coming from my heart. So, follow your heart, listen to your heart, and of course, give thanks for all your blessings.

\$

All I can talk about is something I call "risky opportunities". I may not be rich by most people's standards, but I'm at the point in my life where I don't have to worry about running out of money before payday and I don't have to say "no" to my three year old son when we're at the mall and he wants yet another toy train. Taking "risky opportunities" has gotten me to where I am today and is going to take me even farther.

Back when I graduated from high school I really didn't know where I wanted

to go and what I wanted to do. May God eternally bless my parents, but they grew up during the Depression, and having a good, steady job with an established corporation seemed to be their ultimate goal (my father retired from Ford Motor Company and was very content with what he had; I feel as if he accomplished his goal -- and then some).

It's not that there's anything wrong with a good, steady job – it just somehow didn't seem right for me.

As a result, on a day off from my job selling shoes at a department store several months after I graduated from high school, I was driving around town when I suddenly knew that I had to join the Army. So I did.

And it was the start of an incredible journey that has led me to where I am now:

- *Married to a wonderful woman from Poland (and the knowledge of Polish to go with it)
- *A good career as a certified computer security specialist
- *The ability to live in foreign countries (I'm currently living in Germany)
- *Four wonderful children
- *Countless opportunities that would never have presented themselves had I not accepted past risky opportunities.

That's the key point: none of this would have been possible had I not accepted that first risky opportunity and joined the Army.

Here's an example of how accepting this one risky opportunity opened the doors to many more. Once I took the entrance tests for the Army and scored well, I was asked to train for an intelligence specialty instead of doing what I wanted to do -- another "risk". I accepted. That led to another "risky opportunity" -- language school, which opened the door to an overseas assignment and the opportunity to live in Europe. Most people dream of doing a two week tour here in Europe; I've lived here for over 15 years. Another "risky opportunity" happened when one of my military units had too many people with my specialty, so I started volunteering for positions for which I was unqualified: security manager, computers, networks, etc. All of these positions were risky, especially for a military careerist. I wasn't doing the things I needed to do to get promoted to the highest ranks -- a huge risk -- but the skills I learned and contacts I developed have paid off over the past several years. I've more than made up for the extra compensation I would have made had I been promoted and been able to stay in the Army a few more years, and I would not have wanted a different outcome.

Every time a risky opportunity arose and I accepted, it has opened the door to greater responsibility and greater reward. After my Army retirement, most have also led to greater compensation. Not all of them paid off right away, and some of them never will pay off directly but each risky opportunity holds some type of hidden blessing for me.

My advice to someone who would want to duplicate my success? You'll never see any growth and change if you're never willing to get off the bench and take a starting role in this game we call Life. Take risks -- do what nobody else is doing -- go against the crowd (be a contrarian!) -- and accept those risky opportunities.

\$

To earn extra money I go to focus groups in my area and do on-line paid surveys.

There are several reasons why for most people it is important to have not one but several or many different revenue streams. In other words, you may have a day job, but you also have a work-at-home-business that you do on the side. Or you may have a business, but it pays to have multiple revenue streams in the business, not just your core line of business.

For online businesses this is easy: Don't just have one web site, have 5 or 10. Or, don't just have one product, have 5 or 10. Each website should also have multiple revenue streams, making money not just from ad revenues, but also from email lists, product sales, etc.

Why?

1) The 80/20 rule: It takes a certain amount of effort to be successful in one revenue stream. After you know how to do that it might be very hard to get to the next level because at each level of success new skills are needed. Maybe one doesn't have those skills or the personality to implement those skills. So it can be much easier to put the first stream on autopilot and create a second stream in a similar way. Put the second stream on autopilot and move on to the third, etc. You get 80% of the success for only 20% of the effort each time.

2) Diversify for safety: If one revenue stream dies or gets cut in half you still have the other(s) to fall back on. Often I find that if one stream gets hit others might improve at the same time which evens things out.

3) Diversify for success: It could be that a second revenue stream totally outperforms the first one. Multiple streams give multiple chances to find something that works better; then you can focus on building the one stream that works the best.

Here's why I figured out I had to develop multiple streams of income:

I started out about 10 years ago designing web sites as a freelancer. On the side I worked to build up traffic to three information web sites that my wife and I had built with the hopes of making some money from them. Eventually one of the sites started making a bit of money so I had two revenue streams: my freelancing and that site.

After a lot of work and time the website was doing better but my freelancing still brought in most of my income. On the other hand, the website was bringing in the money without much time spent on it. The website got to a plateau so I took the advice of the late Cory Rudl who said to build a site, automate it and move on to the next

site. I now had two assistants and we started building more sites, one at a time.

When the dot.com bubble burst my freelancing revenues went way down as did the revenues from our sites. But we got better and better at building the sites and soon we were making much more from the sites than from our clients. We kept building and now we have over 50, running almost entirely on autopilot. As a bonus, I learned quite a lot from our own sites that has helped me help my clients.

Sometimes the sites earn more and sometimes less. But almost all are all making at least some money, and when one goes down another is likely to go up.

We got to the point where we were making about 80% of our revenues from our own web sites and other projects and the rest from our clients. The clients were 80% of our headaches for only 20% of our revenues. So I started to let them atrophy -- we serviced them, but we didn't look for new clients and if we lost an existing client we could live with that.

You might guess what happened next: our own sites started to tank due to increased competition and tougher search engine criteria. So what did we do? We kept the sites and we keep adding to them

but now we are getting more into the client business again. We have a number of clients, each of which is basically a revenue stream.

Thus we have many revenue streams. If something works we focus on that. If our focus stops working so well or goes away we just shift our attention to something else that is working. And we keep trying to build and expand so that hopefully we will soon get to the next level, whatever that is.

MONEYTUDE

The right “MoneyTude” can make all the difference.

Here’s how some folks have literally changed their lives by changing their outlook when it comes to money.

The best money tip EVER: LIVE BELOW YOUR MEANS! This is pretty much the only way to become financially independent. I have followed this for the past few years and I am so happy with the position I'm in now. I see so many people around me struggling and living paycheck to paycheck, even those people who make substantially more money than I do. It doesn't matter how much or how little you make, you simply need to live below your means.

\$

If you treat money with respect, it will work for you. Your money does whatever you tell it to, but you must treat it with respect. If you do this, it will return the favor!

If after reading this you still can't tear up the credit cards and quit using credit to get those items you want right now then I don't know what will help.

Take all of your loan payments, which includes: mortgage, car loans, credit cards, furniture loans--everything you bought on credit.

Make a list of each creditor.

Then go to each statement and write the amount of finance charges you pay (including over limit charges and late fees) beside each creditor on your list.

Do this for EVERY loan that you owe on.

Add up all of the finance charges, late fees, and over limit charges for every loan. Write the total at the bottom.

Take a voided check and write it out to : "THE GARBAGE CAN"

Then fill in the total amount of all the finance charges added together. Sign the check with the words "could be invested".

Post the check on your refrigerator. Every time you walk past the refrigerator you'll remember why YOU DON'T WANT TO PURCHASE ON CREDIT!

I did this and my check is made out to the Garbage Can for over \$900 a month! It makes me sick enough to NOT use credit! And reminds me of why I'm staying on my path to debt freedom and my goal of working with cash-only.

EVERYTHING COSTS MORE USING CREDIT!

\$

Here is the hands-down most practical day-to-day money saving idea I ever had. Just for an experiment once when I felt I was really broke and would have to borrow money to make it through the next couple of months, I instead decided that I would not buy anything that wasn't ABSOLUTELY necessary to live. Instead, when I saw something I wanted, or thought I had to have, or had been wanting for quite some time and now it was on sale and I couldn't possibly pass it up, I wrote the item down in a little notebook I carried. I also noted the price and why I wanted it at the time.

At the end of the month, I added up the total I'd saved by not buying all of those items and was astounded. It easily paid several of my regular bills that month (that I thought I was going to have to borrow the money for). I also marveled at how many of the things I'd thought were important two, three or

four weeks earlier that weren't important or even desirable any more. It was a simple but very effective lesson on impulse buying, and a habit I've kept.

When I absolutely think I have to have something that isn't necessary to live, I write it down, wait a few weeks, and then see if I still need or want it as much as I thought I did . Sometimes- yes, but a lot of the time - no.

\$

Let me tell our story. I had charged and charged over the years, putting us in financial straits. My husband lost his job at the age of 51 because of downsizing. I had taken a job making \$9 per hour.

Finally a company took a chance on my husband but he was earning \$17,000 a year when he had been earning \$60,000+. We had to sell our home and move into a double-wide mobile home. I hated it. One day I made that statement and my husband said, with tears in his eyes, "Please, this is the best I can afford at this time."

My husband got a better job. He would be starting out at \$14.00 hr with two yearly raises each year for five years. He took it. After he had been there for awhile, we found out about a seminar at a local university regarding investing your income. We

had spent all of our retirement getting our youngest son clean from drugs and the rest on living expenses until my hubby got a better job.

My husband sat down, made a list of our bills and the dates each one was due. By doing this he knew what needed to be paid out of each paycheck and how much money we had left over. My \$500 a week went for groceries, telephone bill, gifts and clothes. Whenever he got a raise, he invested it in mutual funds. During those five years we never saw the increase for it was invested. In fact, until he had to retire on medical disability, we invested every raise until he was investing a lot of money each month.

Our financial advisor told us that he never saw anyone invest like we did, not even his millionaire friends invested the percentage we were doing. We went from nearly broke to having over \$150,000 invested before my husband had to retire.

If we can do it at our age, anyone can follow the same principles and live debt-free. Oh yes, I forgot to tell you my husband paid off our mobile home in nine months. Every dollar he had over and above needed monies went on the house. On July 2, 1998 he came into the room where I was sewing and hugged me. He handed me the deed of our home saying, "You won't lose this one." I burst with love and joy, for this man did what he said he would do.

Since then we still invest, we have taken several cruises and this past nine months he paid off our redo on our kitchen. It certainly is beautiful and I enjoy spending time there.

We plan out each year's expenses, add 3% increase to everything whether it actually materializes or not, write the date that each is due, see what needs to be paid about nine days prior to due date; then pay those bills out of that paycheck. Whatever monies are left over, use sparingly. If you can invest \$10, hang on to it until you have a big enough chunk to invest. If you chose to eat out, eat out once a week instead of every day. There are many ways to limit yourself. It didn't take us that long to get out of debt but it took perseverance and willingness to do without.

Oh yes, we are now 67 and 66 years young. I can honestly say we eat out more than once a week but we allow for it and still invest our monies so we can enjoy life one day at a time. I only pray I can use my moments of my life with love, joy and peace and to help others.