

Twenty-Five Ways to Live on Less

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For any number of reasons, individuals or families can find themselves living on less income than before. Sometimes a pay cut is planned and sometimes it is totally unexpected. Quitting a job to go to school, disability, career change, and unemployment are some common explanations. Other situations include a two-paycheck family “scaling back” to live on one paycheck so they can raise their young children, and persons who cut their expenses to increase their savings for future goals.

Below are twenty-five ideas to cut costs during periods of reduced income:

Food

1. Eliminate convenience food meals and prepared snacks from your shopping list by making them yourself “from scratch.”
2. Use nonfat dry milk alone in baking and/or combined (and chilled) with whole milk for drinking. This will reduce “emergency” trips to the supermarket.
3. Make and follow a shopping list with prices itemized in advance. Avoid “impulse buying.” Don’t go to the supermarket unless absolutely necessary. Avoid shopping at convenience stores that charge a high mark-up on products.
4. Use cents-off coupons and refund forms but only if you would buy the product anyway, and it’s cheaper than alternative products.

Clothing

5. Don’t wear good clothes for play or for working around the house (e.g., cooking), especially if they must be dry cleaned.
6. Recycle clothing or take it to a thrift store or consignment shop which will sell it for you and split the profit, *or* hold a garage sale.

Money Management

7. Don’t buy insurance you don’t need. If you have an adequate (3-6 months of income) emergency fund, consider increasing deductibles. Also be sure to take advantage of special prices for nonsmokers, good students, and multi-car households.
8. Get a handle on your spending habits - list all current income and expenses and decide where cuts can be made the least painfully.
9. Pay off high-interest credit card bills and consumer debt and switch to credit cards with lower interest rates and annual fees.

Utilities

10. Dry clothes in the house on lines to add moisture to the air and to save on charges at the laundromat or on your electric bill. In the summer, dry clothing outside.
11. Write letters rather than make long-distance telephone calls, where possible, and use a timer to monitor the length of necessary telephone calls.



12. Close off unused rooms to conserve heat. Fill in all cracks around windows and doors. Caulk and weather-strip doors and windows to save up to 10 percent of your energy bill.

13. Contact your local utility to arrange installation of energy conservation measures. Some companies will send a contractor to your home and you'll be charged only for the materials used. Details of each company's program vary. Zero-interest loans may also be available for larger projects.

14. Don't turn up the thermostat. Put on a sweater and keep your feet warm. Turn back the thermostat at night, and when no one is at home.

15. Invest in no- or low-cost energy-saving activities such as an annual tune-up and cleaning of an oil heater (furnace or boiler), an insulation wrap on a water heater, and cleaning of the outside coils on a refrigerator once or twice a year.

Miscellaneous Expenses

16. Don't buy products door-to-door and avoid in-home "parties" (e.g., copper, plastic ware, crafts) where the temptation to spend is high. Set a cost limit or "lid" on gifts or make gifts from things around your home.

17. Cut your children's hair and cut or trim an adult's hair between professional cuttings.

18. Shop at discount outlets, thrift shops, and garage sales, especially for childrens' clothing, toys, and household equipment.

19. Wash your own car and change your car's oil.

20. Keep a running "want list" for everything you would like (not just supermarket items). It can help

you stop impulse buying. Compare at least three stores for the best price before you make a purchase.

21. Share a ride with others or take turns carpooling to work, school, and to civic organization meetings and community activities, where possible.

22. Break costly habits such as smoking or buying a lunch or snack out every day. Pack brown bag lunches. Use free or low-cost recreation instead of bowling or the movies.

23. Shop when items go on sale or when prices are lowered (e.g., just before or just after Christmas and other holidays).

24. Shop around for repairs and remodeling/home improvement work. Get written estimates and a contract!

25. Consider carefully answers to the questions "what do I really need?" "what can I do without?" (e.g., new clothes, record & book clubs, cable TV, health club membership).

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