



Charting Your Course to Home Ownership

How to Save When There Isn't a Dime to Spare

You may think, "There's no way I can save any money!" But most people find they can save when they really put their minds to it. Here are some tips to get you started.

Money Saving Tips That Work!

- **Pay Yourself First.** Make your "savings bill" a part of your spending plan, just like rent or utility bills. When you pay your other bills, pay your savings bills by depositing the money in your savings account.
- **Use Payroll Deductions.** Have your employer deposit your savings directly from your pay into a credit union or bank account. If you never see it, you might not miss it.
- **Save Bonus Income.** Try to save tax refunds, overtime pay, gift money, refunds and rebates.
- **Pay Installments to Yourself.** Once you pay off an installment loan (and if other loans are not overdue), continue to make those payments to your savings account.
- **Collect Loose Change.** At the end of each day, throw your loose change in a jar. Bump it up a notch by putting your loose change and a dollar bill in the jar every day. At the end of the month, you should have at least \$50 ... at the end of the year, you'll easily have \$600!
- **Break a Habit.** Every time you don't have a doughnut at coffee break or don't spend money in the vending machine, save the money you didn't spend.
- **Save Lunch Money.** Get up 10 minutes earlier and make your own lunch instead of buying it. Save the money you would have spent on lunch.
- **Save Money on Sales.** When you buy an item on sale, save the difference between the sale price you paid and the full price you would have paid if the item had not been on sale.
- **Have a Nothing Week.** Once in a while, have a week when you try not to spend any extra money. Don't go to the movies, don't go out to eat, don't go bowling. Save the money you would have spent.
- **Use a Crash Budget.** A crash budget works just like a crash diet. You try to cut out all unnecessary spending and save as much as possible for a limited time span.

- **Use store brands or generics.** You will probably find that the store brand is equal to (or even better!) than the national brand. “Save” the money you would have spent on a brand name by putting the difference in your loose change jar.
- **Avoid paying credit charges.** Pay credit purchases in full each month – save the interest you would have paid if you carried a balance on your account.
- **Save your tax refund – now!** Do you usually get an IRS refund in April? If so, too much money is being withheld from your paycheck. Adjust your tax withholding so that it’s fairly close to what you’ll owe in April. Your next paycheck should be substantially bigger. Now, determine the difference between your previous take-home pay and your take-home pay now. Put in the difference into a savings account each month. Now, you, not Uncle Sam are making interest on your money!
- **Be a comparison shopper.** Comparing prices and products can save as much as 50% off the price you may have paid without making the comparison. Bank the money you save.
- **Check for unclaimed property.** You may locate “missing money” from bank accounts, security deposits, stock dividends, pension benefits, insurance policies and other sources. Contact your state’s unclaimed property office (in Louisiana the Louisiana Department of the Treasury— <http://www.treasury.louisiana.gov/>) or visit www.missingmoney.com to search for “hidden treasure.”
- **Adopt the two-week rule.** If you think you really want something, wait two weeks before buying it. You may find the item less expensive elsewhere, or you may discover you really didn’t want the item at all. This habit will make you an impulse saver, not an impulse spender.
- **Avoid waste.** Keep items that are still good. Pocket the money that you would use to purchase unnecessary replacements.
- **Become a coupon clipper.** Take advantage of money saving coupons for items that you normally buy. Saving \$6 a week by using grocery coupons will yield over \$300 per year. Bank the savings to fund your goals.
- **Find the best insurance prices.** Contact the Louisiana Department of Insurance (<http://ldi.louisiana.gov/>) for a publication showing typical prices charged by different insurers. Then call at least four of the lowest-price licensed insurers to learn what they would charge you for the same coverage. Check into the cost of having home, auto and other policies with the same insurer – it can save you money.
- **Raise deductibles.** Talk to your insurance agent about raising your deductibles on collision and comprehensive coverage to at least \$500. Or, if you have an old car, consider dropping this coverage altogether. This can save you hundreds of dollars on insurance premiums.
- **Use the library.** To save dollars on entertainment and education, visit your local library. They have the latest in books, magazines, newspapers, music CDs and video DVDs.
- **Bank windfalls.** Whenever you receive a raise or unexpected money such as a gift or contest winnings, put all or part of the money into your savings account.

- **Reduce bank fees.** You can save more than \$100 a year in fees by selecting a free checking account or one with no minimum balance requirement. Request a list of fees that are charged on these accounts, including ATM and debit card fees. See if you can get free or lower cost checking through direct deposit or agreeing to ATM only use. Be aware of charges for using an ATM not associated with your financial institution.
- **Avoid late fees.** To avoid late payment fees and possible interest rate increases on your credit cards, make sure you send in your payment a week to 10 days before the due date. Late payments on one card can increase fees and interest rates on other cards.

Adapted from: Reichel, C. (1998). *Your Path to Home Ownership*. Baton Rouge, La.: LSU AgCenter.

Additional Resources:

- Consumer Literacy Consortium. (2006). *66 Ways to Save Money*. Retrieved April 13, 2008 from www.66ways.org
- Christenbury, J. (2007). *Finding Money to Invest*. In *Investing for Your Future* (unit 3). Retrieved April 13, 2008 from www.investing.rutgers.edu/unit03.html

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