

Expense Trimming Ideas

Here are a few budget reviving ideas broken out in 6 categories. At the end of this section of the report, I provide you with a copy of an article I wrote a while ago that, outlines my strategy to selecting your insurance deductibles. You may find this article helpful in lowering your insurance premiums which can funnel more money into your Cash-FLOW Index™ (which is the amount of money you use to completely eliminate all debt).

HOME MAINTENANCE & ENERGY

- Take a walk around the house and make sure any lights, TVs, or any other items using electricity aren't left on to provide entertainment to the pets.
- Make sure anything needing repair is attended to in a timely manner. Things like furnaces, faucets, and showers, when running poorly can create larger than necessary utility bills.
- Try to accomplish as much of any home-repairs yourself if possible. Even if that means prepping possible repairs for the true professional so that when he or she does show up, the job can get done as quickly as possible. For example, as much as 85% of a professional painter's cost goes towards simple cleaning and scraping.
- While cleaning gutters and sewer pipes may be an unpleasant job, compared to the possible high cost of repairing them when they're not being maintained properly, that unpleasant job becomes more bearable.
- Use a little trial and error to make sure your temperature gauge isn't set too low on your refrigerator. If set too low, it could unnecessarily increase the cost to keep it running.
- Install "less flow" shower heads to lower your water consumption costs.

FOOD

- Here's a no brainer ... eat at home as often as possible. Try to make dinnertime a time when the family can be together. My kids love to help my wife cook. Make it a fun time and even help the little ones learn how to clean up.
- Use in-store "Club" cards. These usually don't cost anything but can save a few bucks with each trip to the store to purchase items you need. The savings can add up.
- Use a grocery list when shopping and try to stick to it. When I go shopping I have the list written down in the order the items I need are laid out in the store. This way I can go from one item to the next without meandering around aimlessly looking for what I need only to be tempted by something I don't.
- Be aware of how the shelves at the store are stocked. The most expensive items are usually located between waist and shoulder level. Make sure you're checking the top and bottom shelves for less expensive items.
- Be aware of how the store is laid out. Items considered to be necessities (milk, eggs, and bread) are usually located at the back of the store so you have to walk through the entire store to get to them. This is no accident. The plan is to tempt you with all forms of impulse buying while you make your way to what you need. Don't give in. And if you do, make sure you do so within a planned and intended amount.

YOUR CAR

- If you must purchase a car, avoid buying brand new, if possible. Look for a car that you can afford and make sure it still carries coverage from the manufacturer's warranty. Few things are worse than having to make payments on a vehicle while simultaneously having to pay for expensive repairs.
- Avoid financing a car beyond 36 months. If your finance terms exceed 36 months, you're almost guaranteed to always owe more on your car than it's worth.
- As with the appliances in your home, don't put off necessary repairs for your car. Fixing brakes before pads chew into the rotors is wise. And putting off oil changes is even more foolish. Failing to properly maintain your car can lead to very expensive repairs later.
- Consider carpooling. Not only can you save money on gas, but you can make the trips to and from work (or wherever you're headed), much more pleasant when you have someone to share the time with.

ENTERTAINMENT

- Review your cable/satellite bill to make sure you're actually enjoying what you're paying for. If you are, fine, if not, save yourself the money.
- Do "Movie Night" at home. Make yourself some popcorn, shut off the lights, and watch the latest movie from Netflix. You'll save a small fortune and probably have more comfortable seats and better company. Incidentally, you may even be able to get the movies for free by checking them out at your local library and save on those exorbitant late charges.
- Take advantage of low-cost or free entertainment offered by some of your city's parks, museums, and other local attractions. Find out what days of the week, and times of the year, your local museums, and other local tourist-type attractions, offer free days. Pick those days whenever possible and save yourself some cash.
- When you do purchase new merchandise that comes with manufacturer's warranties, keep good records of them. If you need to have something fixed, having easy and quick access to those records can make your life, and your pocket book, much lighter. Place the receipts and other important documents pertaining to the manufacturer's warranties in a folder for easy access.

PHONE

- For your landlines, make sure you're not being nickel and dime-ed to death. Just like when you reviewed your cable or satellite bill, ensure that you're actually using what you're paying for.
- Make sure your long-distance service is as inexpensive as possible. You should be getting billed in 6-second increments (not whole minutes). If you're being billed in whole-minute increments you're losing money. Also, shop around for the best "per-minute" rate. You need to realize that sometimes dialing "local long distance" (within the state – like when you have to dial the area code of another city within the same state) can cost more than dialing state-to-state. Make sure you have the most affordable service.
- Review your cell phone service just like your landline and cable/satellite services. If you've purchased unlimited whatever, and you're not using it, consider canceling that service and saving the money.

FINANCE & INSURANCE

- Consider tracking your spending for 30 days. Keep a little pad of paper and a pen or pencil with you and write down everything you purchase for a month. Then – get the Pepto-Bismol® ready. You might be shocked to see how much this adds up to.
- If your place of work offers direct deposit of paychecks, opt for it. Doing this will ensure all of your paycheck is deposited and there aren't any "\$50" deductions because you feel you need a few bucks in your pocket.
- Review your monthly bank statement for ATM charges (be careful, this may be another Pepto moment). Add up all of those withdrawals and then see if you can remember what that money went towards. Then, add up any applicable fees (like those fees you're charged when you use an ATM machine outside your banks network). If you conclude you're spending too much, make the appropriate adjustments.
- Make sure you're reconciling/balancing your bank accounts regularly. If you're not watching your money, no one will.
- Modify any 401(k) or retirement contributions. If your employer offers a pension plan, meet with the benefits administrator to determine if you should adjust your contribution while you're eliminating all of your debt. Lowering your contribution temporarily may help you maximize it later during the wealth accumulation phase of your Debt-FREE Millionaire Plan. If your employer is matching your contributions, consider contributing only the amount they match 100%. That's a guaranteed 100% return on your money!
- Review the deductibles on your insurance, but be sure NOT to underinsure. If you can, try to buy all of your insurance, homeowners/renters and car insurance, from one company to take advantage of multi-policy discounts. The following newsletter article is one I wrote on how to determine your deductible for car insurance. Consider the ideas in it as you review your need. NOTE: Never...and I mean NEVER cancel any policy until you have a replacement in force.