

save money

7 Easy Ways To Pocket \$5,000 This Year

by Lynn Machon



If there were easy ways to save thousands of dollars each year, it's safe to say that most of us would participate. Sure, taking major steps like refinancing your mortgage, or selling toys such as boats and pricey gadgets can substantially improve your financial picture. But perhaps more impressive are the following "hidden" ways to cut costs, which take little effort, yet result in big discounts. Note: The savings listed here are merely estimates for illustration purposes only.

BUY CLOTHES OFF-SEASON

Let's face it; fashion styles don't change *that* much over a six-month period. By ignoring impulse trends and buying clothes at a time when retailers need to move inventory, you can save 50-75 percent on your wardrobe year round. Get past the mental block associated with buying turtle-necks when it's 80 degrees outside, and you'll find great deals, especially on bigger ticket items

such as winter coats and boots. A family of four (or a lone fashion diva) with an annual clothing budget of \$2,000 can save 50 percent without sacrificing a stitch.

Potential Annual Savings: \$1,000

STRETCH YOUR BUDGET FOR FUN

When looking to cut unnecessary expenses, the category of "entertainment" is usually the first to go. Whether you are a dating single, or a family of five, the cost of dinner and a movie is enough to ruin anyone's appetite for fun. But going out doesn't have to gobble up your budget. For starters, the *Entertainment Books* sold nationally essentially pay for themselves in movie ticket discounts alone. And when dining, most restaurants offer entrée portions ample enough to share, along with the ability to bring your own wine for a nominal corkage fee. Maureen and Richard Righton, owners of Bidwell Street Bistro in Folsom, say they truly

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money

encourage people to come in for smaller plates and enjoy the atmosphere. "Though our restaurant is obviously a great place to come have a three-course meal and a great bottle of wine," says Maureen, "it is equally good for an appetizer, a small salad or a bowl of soup, and one glass of wine."

A couple who typically spends \$30 each on entrées and another \$30 on a bottle of wine once a week, can save \$50 each date without going hungry.

Potential Annual Savings: \$2,600

PULL THE PLUG

Turning off lights and fixing leaky faucets are obvious ways to lower monthly utility bills. But a hidden money zipper inside our homes is a phenomenon called "phantom loads," or the electricity used when devices such as televisions, computers and scanners are turned "off," but still plugged into an outlet. In addition to wasting energy, this needless release of CO₂ into the atmosphere contributes to global warming. According to PG&E, if Americans eliminated these "standby losses," it would be like taking 8.5 million cars off the road each year. Energystar.org estimates these "power vampires" can account for 5-10 percent of your annual energy use. Just unplugging items, or using a power strip with an on/off switch, saves \$30 on a \$300 per month electricity bill.

Potential Annual Savings: \$360

Benefit to the Environment: priceless

PAY OFF THOSE CREDIT CARDS

Living beyond your means can be a spiraling waste of hard-earned income. "Credit card debt was the worst thing ever invented," explains John Urrutia, a partner in Roseville-based Mann, Urrutia, Nelson, CPAs & Associates. Urrutia says the high finance charges paid to maintain a credit card balance stand in the way of a financially-responsible future. "When you are constantly married to monthly minimum payments, it prevents you from putting more money into your 401K at work, and from saving and investing outside of retirement."

Paying off a \$5,000 balance on a credit card that charges an 8.9 percent APR can save almost \$40 a month.

Potential Annual Savings: \$480



UTILIZE DISCOUNTS

Long gone is the stigma attached to coupons. These days, many local grocers offer impressive weekly discount certificates of \$10 to \$20 to loyal customers in an effort to stay competitive. Even Costco distributes coupon books with additional savings for members, and online coupon services let you select discounts on products that you normally buy. And don't forget to check your mailboxes for the LakeStyle Savings Guide and the Roseville Savings Guide, which offer savings at restaurants, shopping, services, salons, spas and more. And if you do not receive them at your home, log onto sierrastyle.com, where you can download them for free. By utilizing coupons at your favorite stores, you can save up to \$50 a month. Those bills are no small potatoes.

Potential Annual Savings: \$600

PUMP UP THE SAVINGS

With gas prices expected to hit \$4 per gallon this summer, the budget category of "automotive" also deserves ample analysis. Thankfully, many retailers offer discounts at the pump that translate to savings behind the wheel. For instance, shoppers who spend more than \$100 in eligible products

at local Raley's and Bel-Air stores currently receive a 25-cent per gallon discount at Aisle 1 Fueling Centers throughout the greater Sacramento area. Other retailers offer similar programs to attract customers. For a typical city driver with a 20-gallon tank, that discount saves \$5 each week.

Potential Annual Savings: \$260

PUT YOUR MONEY TO WORK

Long-term investments aside, there are easy ways to make sure your money earns its keep. If you haven't already, ask your financial institution or professional planner to analyze your basic checking and savings accounts. Most banks offer an interest maximizing savings account or time-specific CDs that can pay interest back into your account while keeping the funds liquid in case of unforeseen expenses. By moving just \$25,000 in an interest maximizing account with a two percent annual interest rate, you can earn \$40 each month without lifting a finger.

Potential Annual Savings: \$500

Saving money doesn't always require making major lifestyle sacrifices. In most cases, significant discounts are yours for the taking – and to ignore them is simply like throwing cash away. •