

The “B” Word – Budget Follow-Up

In our last article we suggested that people may need to rethink how they choose to spend money in light of the economic downturn and the increase in expenses for gas and food. There are places to cut back. You may not want to cut back – but you can. In that article we asked people to email us ideas they use to cut back their spending. We had many people respond with great ideas and wanted to share them. Hopefully these ideas will help support you as you manage your money.

The following list is compiled of the answers we received:

- * One expense that most families forget to budget for is gifts. I have found inexpensive ways to gift people without spending a lot, however it requires a learned skill. I've been making darling purses for my girlfriends and they only cost about \$3 to make. In the past I have made knitted slippers like grandma used to make. Those were always a big hit. But lately with the economy in flux we have made a group decision to forfeit the gift giving on birthdays and Christmas. It just makes it easier to get together for lunch, dinner or drinks, then the person being honored has their meal paid for by the group. We all love the ease of no more presents.
- * Walk or bicycle to work / stores / visits with friends / etc - whenever possible - not only for the sake of your budget - but also for the sake of your body - mind - and spirit.
- * First I cut up every credit card I had and paid off every debt except the house in a very short time period (6 months). I paid off my debt by paying off the smallest debt first so that I saw immediate victories even though they may have been at lower interest rates. I use cash 95% of the time (debit card 5%) and put my allocations in envelopes. Every dollar is allocated every month so I know where my money is spent. A \$500.00 savings account is not large enough in today's costs, I have \$1,000.00 and find that it covers Murphys Law. Don't buy a new car (loan). Save money for a used car replacement and upgrade every year. My stress has been dramatically reduced using Dave Ramseys (author) *Money Management Approach*.
- * Cancel all of your magazine subscriptions.
- * Shop around on-line for the best deals.
- * Find a coworker that lives nearby and carpool to work. If you can find more than one, even better. Take turns driving.
- * Start a vegetable garden. Some vegetables are easy to grow and provide summer-long yields. Lettuce, tomatoes, carrots and even potatoes can be grown in large containers on your patio and are easy to grow. If you don't have space, look for a co-op garden to plant your veggies in.
- * Eat healthier. Reduce the meat and processed foods in your diet, which tend to cost more. Vegetables and fruit are a cheap and healthy alternative.
- * Unplug your TV and DVD player two nights per week, and take your kids and / or significant other to the park, ride bikes, or play a board game. You'll be amazed at the amount of electricity you will save and you'll be spending quality time with your loved ones too.
- * Make sure that you unplug coffee pots, irons, stereos, toasters and other appliances when not in use. They continue to draw electricity even when they're turned off. Swap your old incandescent light bulbs for compact fluorescent bulbs. They last longer and use less energy. Consider replacing regular light switches with motion-activated light switches, especially in areas like the garage, kitchen, and bathrooms.
- * Avoid takeout containers, bring your own cup to the coffee shop, your own grocery bag to the grocery store, and wash dishes by hand. Some grocery stores will now give you a discount if you bring your own bag. Washing dishes by hand uses less water and electricity too.
- * Get a manual rotary push mower and plant drought-resistant plants in your yard. Collect rain water or gray water from washing dishes to water plants and wash your car.
- * Rent out a room in your house, or share an apartment.
- * Throw a garage sale. You make some cash and un-clutter your closets of unused items.
- * Don't forget to recycle your bottles and cans.
- * Consolidate your trips! Gas is too high...use less gas....use other forms of transportation!

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