Saving Money Can Set You Free:
101 Ways to Save Money

How Saving Money Can Set You Free

Savings in the United States remains at a critical juncture. Many households still live with little or no margin, and a large share of Americans do not have enough cash set aside to cover even one month of expenses. Low levels of saving can limit opportunity, increase stress, and reduce future standards of living.

Our saving habits have moved through many cycles since the mid-1980s, when Americans saved more than 11 percent of disposable income. A low or negative savings rate is not always as simple as having no savings at all. It usually means a household is spending more than it earns, drawing down savings, or borrowing to pay for purchases. When you limit your savings, you limit your choices.
Consequently, you jeopardize your freedom.

People may engage in excessive spending for several reasons. Some assume their job is secure. Others rely on a stock portfolio, expected inheritance, home equity, bonuses, or future income. In any case, the question remains: How serious is the problem when spending consistently runs ahead of saving?
Raising the rate of personal saving is still a significant challenge. Household wealth has improved for many families since 2019, but the gap remains wide, and many families are still underprepared for emergencies, education costs, housing costs, and retirement. Millions of Americans are also entering or approaching retirement with savings that may need to last 20 years or more.

Increasing savings can create economic opportunity at both the household and national levels. More household savings can improve resilience, reduce dependence on high-interest debt, support education and homeownership, provide retirement income, and protect families against unexpected needs. Even modest increases in annual personal savings can help families move toward greater freedom and a healthier savings culture.

This report presents findings from decades of research on how families can save thousands of dollars every year. By becoming aware of where dollars are slipping through your fingers and by doing a little planning, you can retain more freedom and reverse the trend created by not saving. Some of these items may not apply to you right now. Highlight the items that do apply, then total the potential savings. Some clients have reported savings exceeding $10,000 in the very first year. Now that you have a vision of what your potential savings can be, identify the small steps you can take today. Remember, “tomorrow” is not a day of the week.

General

Distinguish between wants and needs:

You will save a great deal of money if you do not mistake wants for needs. Needs are simple to identify: the items necessary to sustain life and function responsibly, such as food, shelter, clothing, transportation, basic communication, and essential health care. Wants are the things that enhance or improve your lifestyle. A car may be a need. Unless it is necessary for your business, a luxury SUV is usually a want. Have you ever heard, or said, “I absolutely need…” when the actual meaning was “I really want”? Deluding yourself into believing a want is a need, and busting your budget in the process, is a recipe for financial stress.

Perhaps we are trying to “keep up with the Joneses,” or perhaps ego is involved. Many of us still insist on the biggest and the best, no matter what the cost. When a reliable used vehicle or practical new car may be more than acceptable, we stretch the seams of our budget to buy more vehicle than we need. We buy designer labels instead of durable value. We opt for the expensive dinner at the trendy restaurant when a simpler meal would have been just as meaningful. Is less better? Look carefully at where and how the family money is being spent to see whether minor changes in habits could create meaningful savings.

Try before you buy:

This goes a long way toward helping you avoid purchasing things you rarely or never use. Before you buy something, especially an item with a big price tag, borrow one, rent one, test one, or try a short-term subscription before you commit. For example, suppose you feel that you absolutely must have a new Jet Ski, boat, RV, e-bike, or other recreational item. Rent or borrow one first. If, after a short trial, you discover the experience is not what you expected, you may have saved thousands of dollars, plus the costs of financing, taxes, insurance, maintenance, and storage.
That savings could become an emergency fund, college savings, debt reduction, or a meaningful family experience.

Slash the incidentals:

Cancel any club memberships you don’t use and magazine subscriptions you don’t read. And if necessary, resolve to stop spending hard-earned money on lottery tickets.

Buy used if possible:

Before buying something new, ask friends or relatives, look at garage sales, estate sales, thrift shops, Facebook Marketplace, eBay, Craigslist, Buy Nothing groups, refurbished outlets, or other resale sites. You are helping a product live longer, reducing waste, and often getting it much cheaper, sometimes nearly new.

Savings Accounts

Pay yourself first. This is a good time for honest self-analysis: What have your saving habits been like in the past year? If it seems like the money you make falls straight through your fingers and gets absorbed by bills, think hard about a reasonable amount you could treat as a recurring payment to your future self. Could you handle one more $50 payment? How about $200? Even $15 or $20 is better than nothing. Start setting that money aside for yourself now.

Decide where to put that "payment." If you plan to set money aside for several years until you reach a specific savings goal, your "pay-yourself-first" money could become automatic contributions to a diversified investment account, retirement account, or education account. If you need the money to remain liquid, consider an FDIC-insured online savings account, high-yield savings account, or money-market account linked to your checking account. Rates change, so compare options periodically and ensure the account meets your safety and liquidity needs.

Credit Cards

Aggressively eliminate credit-card debt. The best way to avoid creating problems is to use credit cards cautiously and intentionally, always paying the entire balance in full and on time each month. If you are already carrying balances, request a lower interest rate, ask about hardship programs when appropriate, or transfer balances to a card with a lower rate if the fees and promotional terms truly make sense. Then concentrate on paying the balance off before any promotional rate expires.

Say goodbye to late fees. If your credit-card bill is regularly due before you receive your paycheck, call the credit-card company or use the online account tools to request a new due date. Set up automatic minimum payments as a safety net, and use calendar reminders so the full payment is made on time whenever possible.

Carefully read through your credit-card and bank statements, looking for subscriptions, app fees, memberships, insurance add-ons, storage charges, or other monthly fees you may have forgotten about.

Retirement Accounts

Max out your 401(k)

- Many eligible employees still fail to take full advantage of their company's 401(k) match, and some never enroll. Keep it simple. Do not let anxiety about investment options keep you from signing up. You can usually change your selections later.
- Elect initially to contribute at least as much as your employer requires to receive the full match, if one is offered. Employer formulas vary, so review your current plan documents.
- Create your own plan. If you do not have access to an employer-sponsored retirement plan, create your own disciplined alternative. Depending on eligibility, open a traditional IRA, Roth IRA, SEP-IRA, SIMPLE IRA, solo 401(k), or taxable investment account, and have your bank transfer a set amount into it every month from your checking account.

Ratchet up your savings

- Save half your raise. Increase your contributions by half the amount of any salary increase you get (or, better yet, all of it). You'll increase your level of savings without cramping your lifestyle.
- Sign up for auto-escalation if your plan offers it. You sign up once, instructing your plan provider to automatically increase your savings rate by an amount you choose, often 1 percent or more, on the same day each year. No fuss, no bother.
- Take baby steps or bump up contributions yourself, starting with a percentage point or two. If you make $80,000, an extra 2 percent adds $1,600 in pretax dollars to your account each year, while the take-home impact may be far less than the full amount because of tax treatment.

Looking beyond retirement

- You can apply the same principles of automated savings to other goals, such as building an emergency fund, saving for education, creating a home repair reserve, or preparing for a major family experience.
- Automate everything. Most major banks, brokerages, and fund companies will allow you to set up automatic monthly cash transfers into a designated savings or investment account. This ensures your savings occur each month.
- Match the vehicle to the goal. For your emergency fund, use a safe, liquid vehicle such as an insured savings or money-market account. For medium-term goals, consider conservative options that match the timing of the need. For longer-term goals, consider diversified investments that align with your risk tolerance and time horizon.

Home

In all probability, your mortgage will be the largest single expense in your budget. Obviously, getting the best deal here is of ultimate importance. Not comparing could cost you thousands of dollars over the term of your mortgage.

Homeowner's insurance:

- Be sure to shop around. It may take a little time, but it could save you money. The insurer you select should offer both a fair price and excellent service. Ask about discounts for combining your homeowner's and auto insurance with the same carrier.
- Raise your deductible. Deductibles on homeowner's policies vary widely. Increasing your deductible can reduce premiums, but be sure you have enough cash reserves to cover that deductible if a loss occurs.
- Beef up your home security. You may be able to get discounts for smoke detectors, monitored alarms, smart leak detectors, burglar alarms, dead-bolt locks, fire extinguishers, or other protective devices.

Request a reduction in the interest rate for your home equity line of credit. Sometimes a lender may agree to reduce the rate, especially if you have strong credit, a good payment history, or competing offers.

Refinance your mortgage only when the math supports it. If you can reduce your interest rate meaningfully, shorten the loan term, remove mortgage insurance, or improve cash flow enough to justify the closing costs, refinancing may be beneficial. Start by asking your current lender about lower rates but compare offers before committing.

Get rid of Private Mortgage Insurance (PMI). If your down payment was less than 20 percent, you are probably paying PMI. Once you have sufficient equity through debt reduction or home appreciation, contact your mortgage company to start the process of removing PMI. This can sometimes save $100 or more per month.

There are many energy-efficient water heaters, washers, dryers, HVAC systems, windows, insulation products, and appliances. These can reduce utility costs over time. Other alternatives still matter, such as not using hot water for everything, washing full loads when possible, air-drying clothing when practical, and maintaining appliances so they work efficiently.

To save on utilities, conserve energy. Get an energy audit. Many electric and gas utilities offer free or low-cost audits, rebates, or incentives for recommended changes. Check your utility company's website for current energy-efficiency programs.

Other at-home saving ideas:

- Keep blinds and curtains closed during extreme heat or cold. Window coverings can serve as an insulator and reduce heating and cooling costs.
- Install energy-saving windows or improve weather sealing. Old single-pane or poorly sealed windows can let a lot of heat and air conditioning escape.
- Change the filters in air conditioners and furnaces. Not only does it keep systems running at optimum efficiency, but it also keeps the air in your home cleaner.
- Place window air conditioners on the shadiest side of the house. They won't have to work as hard and will use less power.
- Make sure air conditioners and furnaces are the right size. If it is too small, they must work too hard. If it is too large, they lose efficiency, therefore using even more electricity.
- Have regular checkups performed on systems. This keeps things running smoothly and could catch a problem before it's too late. Like the middle of that unexpected snowstorm or the hottest day of the summer.
- Keep weeds and shrubs trimmed. Keep them away from outside heating/cooling units for best airflow.
- Plant shade trees. This is especially important on the side of the house that gets the most sun.
- Use timers, smart plugs, or motion sensors to turn lights on and off. They are better than leaving lights on constantly and can also help make a home appear occupied while you are away.
- Use LED bulbs. They cost more than old incandescent bulbs but use far less electricity and last much longer. Unplug appliances and electronics, or use smart power strips, because some items still draw power even when turned off.
- Adjust the temperature before leaving the house or going to bed. Better yet, install a programmable or smart thermostat. It can eventually pay for itself through lower heating and cooling costs.

If you have a relatively flat yard and keep your grass short, modern manual reel mowers or electric mowers are easy to use and consume little to no gas. You may also get exercise at the same time.

Auto

For many families, the next biggest expense is the car or cars. Mistakes made here can be as costly on a monthly basis as mortgage miscues. Look at the vehicles you presently own.

Do you own more vehicles than you need? Do you have equity in a car that you no longer use frequently? Could you downsize and save money in monthly payments, maintenance, insurance, registration, fuel, and operating expenses? With the vehicles you do own, are you getting the best deal on repairs, maintenance, and insurance?

Auto insurance:

• Shop around. Prices for the same coverage can vary by hundreds of dollars from company to company, so it pays to compare. Use reputable online comparison tools, ask trusted friends, or contact your state insurance department for ideas about companies and agents.
• Ask for higher deductibles. By requesting higher deductibles on collision and comprehensive coverage, you can lower your costs. Before increasing a deductible, make sure you can cover that amount from savings.
• Take advantage of low mileage discounts. Some companies offer discounts to motorists who drive less than a predetermined number of miles a year.
A ream of information exists on how to get the best price on a new car. But what's the cheapest way to finance it?
Figure out which car you want and wait for the manufacturer's year-end deals.
• Consider buying a car at an auto auction only if you understand the risks. Some auctions are open to the public, and some are dealer-only. Have a mechanic inspect the vehicle whenever possible, research the title history, and know that auction purchases may come with limited protection.
• If you buy at auction or from any nontraditional seller, verify title status, fees, inspection rights, and warranty limitations before bidding or paying.

Gas

With fuel prices still unpredictable, many people have had to tighten their budgets to make room for transportation costs. With practical gas-saving and driving-efficiency habits, you can keep spending within a reasonable range while reducing environmental impact.

• Maintain your vehicle. A vehicle that runs smoothly uses less fuel or energy than one that is poorly maintained. Regular oil changes, air filters, tire rotations, software updates when applicable, and recommended maintenance all help improve efficiency and extend vehicle life.
• Keep your tires inflated. Studies have shown that the savings on gas aren't huge, but keeping your tires inflated to the recommended pressure does make a small difference. And more importantly, this is also safer and makes your tires last longer.
• Don't drive during rush hour. Go to work and come home from work earlier or later, if possible, to avoid the rush hour. Stop-and-go driving is one of the worst ways to waste gas.
• Telecommute. Working from home can save tons in gas, not to mention giving you more time, productivity, and happiness. If you can telecommute even one or two days a week, this can be a substantial savings.

• Remove weight. Driving with more people and more stuff in your car slows it down and requires more fuel. Lighten your load by removing excess cargo.
• Minimize idling. Idling gets you zero miles per gallon and wastes fuel. If you are parked for more than a short time, and it is safe to do so, turn off the vehicle.
• Drive slower. Driving at the speed limit is more fuel-efficient than speeding.
• Accelerate and brake more easily. Driving too aggressively, especially by accelerating and braking quickly, is bad for fuel economy. Accelerate gently and try to minimize use of your brakes, if possible.
• Use efficient driving settings. If your vehicle allows manual gear selection, avoid driving fast in low gears. In automatic, hybrid, or electric vehicles, use eco settings when practical and avoid aggressive acceleration.
• Buy a fuel-efficient vehicle. This is one of the most important transportation tips. A heavier or inefficient vehicle wastes fuel. Choose the smallest, safest vehicle that meets your real needs, and compare fuel economy, electric range, insurance, maintenance, and total cost of ownership before buying.https://www.fueleconomy.gov/feg/choosing.jsp
• Roll up windows on the highway. While many people think they are saving money by turning off the air conditioner, open windows at highway speeds can create drag. Around town, turn off the air conditioner and roll down the windows when comfortable. On the highway, closed windows may be more efficient.
• Do not top off. Topping off while filling your tank can waste fuel, damage emissions systems, and create spills. Stop when the pump clicks off.
• Park in the shade when practical. A cooler car is more comfortable and may reduce the need for air conditioning when you begin driving.
• Walk. Driving less is a great way to save gas. If you must make a trip of only a few blocks, try walking instead. You will burn fat instead of gas.
• Cycle. Many people live close enough to work to commute by bike. It's not hard, and you get exercise while saving money.
• Live closer to work. Of course, you probably won't be able to implement this tip today, but the next time you're considering where to live, try to find a place close to your workplace or try to find a job closer to your house. It will save a lot of driving.
• Group errands. Instead of doing one or two errands a day, try grouping them into one day and planning an efficient route to cut back on driving.
• Carpool. It's not usually hard to find friends, family or neighbors who live in your area and work near you. Take turns driving to save gas for all of you.
• Use cruise control when appropriate. A steady driving speed can improve fuel economy on flat highways, but it may not help in heavy traffic, hilly terrain, or slippery conditions.

Groceries/Food

Not only do you need food to live, but the expense of it can eat the average family alive. Since food is a necessary and recurring expense, saving even $20 a week can add up to more than $1,000 over the course of a year.

Coupons/ads

• If you use national brands, spend a little time using digital and paper coupons. A small investment in a Sunday newspaper, store app, or coupon service could save meaningful money at checkout. Organize coupons by type so that, as you develop a shopping list, you can note where a coupon applies.
• Look for coupons in store apps, manufacturer websites, email newsletters, women's magazines, and general-interest publications.

• Scout coupon swap boxes or community coupon groups, which may be found at supermarkets, libraries, neighborhood groups, or online community pages.
• Take advantage of in-store coupon displays, shelf tags, digital offers, and checkout coupons.
• Log on to your supermarket's app or website for digital coupons and weekly specials.
• Call the toll-free numbers on your favorite products' labels and tell the customer-service rep how much you enjoy them. Some reps will offer cents-off (or even free) coupons for the product itself; if not, ask.
• Check out reputable national-brand coupon services on the web or in mobile apps. They can save you money, especially when paired with store promotions.
• Seek out supermarkets that still offer double coupons, or that stack manufacturer coupons with store promotions.
• Try for stackable savings. When allowed, combine a manufacturer's coupon, a store coupon, a loyalty discount, and a sale price.

Plan ahead/stay organized

• Always go with a list. If you go without a list, you may as well throw your money away. Prepare a list of everything you need, make sure you have what is required for your weekly menu, check your pantry, fridge, and freezer, and then stick to the list.
• Try to plan. By knowing what you need, you will be able to buy in larger quantities (which are almost always less expensive) and cut down on convenience food purchases (which are always more expensive).
• Plan out a weekly menu. This is the best way to ensure your list is complete and you have enough to serve your family for dinner this week. You can plan a weekly menu and then duplicate it for the next week — this way you can shop for two weeks at once. Be sure to plan a leftovers night(s).
• Make a pantry checklist. Make a checklist of everything you normally stock in your pantry, fridge, and freezer. Keep it visible or maintain it in a notes app. When you use something, update the list. This makes it much easier when it is time to shop.
• Plan one big trip a month for bulk staples. You can buy fresh items on shorter trips, but a planned bulk trip can reduce costs and the need for extra errands. Avoid impulse buying at warehouse stores; bulk is only cheaper when you will use the item before it spoils or expires.
• Keep your receipts, or use digital receipts, then enter the information into a spreadsheet or budgeting app. This becomes your price list. Use it to know whether bulk or sale items are truly good deals and to comparison shop between stores.
• Shop early in the day. You get through the store faster with your list and spend less.
• Cook a lot, then freeze. Plan to cook a large amount of food—a whole mess of spaghetti, for example —and freeze it for multiple dinners. A great idea is to set aside one Sunday to cook a week's (or even a month's) worth of dinners. Plan five to six freezable dinners and cook them all at once.

What to avoid

• Do not buy much junk food. Junk food often costs a lot of money for little nutrition and can undermine your family's health. Opt for fruits, vegetables, whole grains, and simple snacks instead.
• Avoid frozen dinners or prepared entrees. Again, these cost way more and are usually much less nutritious.

• Don’t “crisis cook.” Shopping after work for the day’s dinner gets expensive. Plan a weekly menu before shopping and watch your grocery bill shrink.
• Do not waste money on prepared food. Instead, prepare meals ahead of time and freeze them, or double a recipe when cooking and freeze the second portion for a hectic day.
• Avoid shopping for food when you’re hungry; you’ll buy more.
• Do not grocery shop when you are tired or stressed; you may buy more sweets, high-carbohydrate snacks, or convenience foods. When you are angry, you may gravitate toward crunchy junk food.
• Avoid purchasing non-grocery items, such as pain relievers, contact lens solution, batteries, and household supplies, at a grocery store unless the price is competitive. You often pay more for convenience.
• Beware of “discount store syndrome.” Just because you’re in a bargain store doesn’t mean you’re getting the best price on every item.
• Sugar cereals are a bad buy. Lots of money for no nutrition. Look for whole-grain cereals with low sugar content. Add fruit for better flavor.
• Try to shop when you are less likely to be distracted or pressured into extras. Children, fatigue, and hurry can quickly boost your bill.
• Avoid buying snacks from vending machines or convenience stores. Always keep healthy snacks on hand. Toss a granola bar and a bottle of water in your purse before running errands; stash some goodies in your desk drawer at work—just be ready for that hunger attack wherever and whenever it decides to strike.

Think outside the box

Shop online when it truly saves money. Many grocery items are now available through store pickup, delivery, warehouse clubs, and online retailers. Compare prices carefully and remember that delivery fees, tips, subscriptions, and impulse add-ons can erase the savings.
• Purchase bulk meat from local farms when it fits your household. Buying a quarter or half animal can lower the per-pound cost, but only if you have freezer space, will use the cuts, and understand processing fees.
• If you are devoted to cutting your grocery bill, consider buying through a co-op or buying club with friends and neighbors. A group may be able to order some food at lower prices, but compare quality, quantities, storage needs, and membership requirements.
• Think deep freeze. A freezer can help you stock up on meat, frozen vegetables, garden produce, sale items, and big batches of meals you prepare ahead of time. Before buying one, confirm that you have space, will use it, and can cover the additional electricity costs.
• Check your store for clearance, manager’s-special, and markdown sections. Products that are being discontinued, close-dated, or overstocked can be a gold mine for bargains if you use them.
• Request price matching where available. Some stores honor competitors’ ads or online prices, saving money, time, and gas.
• Make your own coffee. At $5 or more per cup, coffee-shop purchases can add up to well over $1,500 a year if purchased once a day. Making coffee at home costs far less, and if you choose Fair Trade or responsibly sourced coffee, you can also support growers and the environment.

Pay attention to details

• Some retailers guarantee that if the item doesn’t ring up at the correct price, you get it for free or at a discount. Pay attention to the details.

• Know when your store marks down perishable goods such as meat, bread, and produce. Use them that night or freeze them safely.
• Shop with a calculator or use your phone. That way, you can figure out whether the unit price for a case lot is lower than buying the same items individually.
• Ask for a rain check or digital substitute if a sale item is gone and the store still offers that option.
• Take the farmer's market approach: buy produce that is fresh, inexpensive, and in season. With fewer middlemen involved, you may get good buys, and your family gets fresh food.
• Always submit rebates or digital cash-back offers when the time required is worth the savings. Whether it is $2 or $50, it all adds up.
• Look for products that use less packaging, buy in bulk when practical, or use stores and co-ops where you bring your own containers. Use real plates and silverware instead of disposable products when possible. Bring reusable grocery bags when allowed and practical.

Other grocery shopping tips

• Consider store brands or generics. You may find the quality is equal to (and sometimes better than) the national brands, and store brands/generics are generally considerably less expensive.
• Look for specials. Every store has specials. Be sure to look for them in the weekly ad, store app, or in-store signs. Do not buy specials unless they are things you use and the price is truly a deal.
• Cut back on your one-item trips. They waste gas, and almost inevitably, you buy more than that one item. If you still find yourself running out for a few items, analyze the reason: is your list incomplete, are you not planning meals, or are you relying too much on convenience stores and gas stations?
• When there's a sale, stock up. Sale items can be a great deal. If it's an item you normally use, buy a bunch of them.
• Do not waste leftovers. Keep a visible list of leftovers in your refrigerator, plan a leftover night, or pack them immediately for lunch the next day.
• Instead of eating at fast-food places or expensive sit-down restaurants, save large amounts of money by creating a simple menu, buying groceries, and cooking at home. You can create easy dinners in 15 minutes or less, and the cost will be a fraction of what you'd pay to eat out. You can also avoid much of the excess packaging that comes with takeout.

Use store loyalty programs and savings cards carefully. They can add up to big savings, but watch privacy settings and avoid buying items simply because the app promotes them.

Eating Out

Eating out can be tough on anyone's budget. However, it's always nice to relax, treat yourself (and your family), and eat a meal at a restaurant. Here are some ways to do that without breaking your budget.

• Don't order two dinners. If you go to a restaurant with your partner, order one dinner and an appetizer, and split it. Restaurants typically serve way too much, which is costly and unhealthy (if you try to finish it).

• Make a second dinner with leftovers. Start by eating the veggies and fries or bread, then eat the actual meat item last. You might be so full of the warm-up stuff that you don't eat much meat. Then take the meat home and use it for a second dinner the next night. Two dinners for the price of one!
• Go for lunch specials. Lunch specials will be cheaper than dinners, and breakfasts are generally even cheaper. Always ask about the daily special, as it can often be a good deal.
• Get a discount. Look for restaurant discounts on the restaurant's website, app, email list, local deal sites, warehouse clubs, credit card offers, or gift card promotions. Make sure the discount does not cause you to spend more than planned.
• Just order side items. A salad and an appetizer can often make for a delicious but affordable meal for one.
• Choose an affordable restaurant. There are casual restaurants, local cafés, food trucks, and counter-service options that can offer a decent meal without breaking your budget. One of the best ways to save is to start with a place that is fairly priced.
• New restaurants. A restaurant that has just opened may offer discounts, soft-opening specials, loyalty rewards, or introductory offers. Watch local ads, social media, email lists, and community pages.

• Drink water. You go to a restaurant for the food, not the soda, specialty drinks, or alcohol. Drink water, perhaps add a slice of lemon for taste.

• Fast food. The cheapest options are often fast-food restaurants, and some have healthier choices. Look for grilled items, salads, bowls, vegetarian options, or smaller portions. Keep in mind that fast food can still become expensive if it becomes a habit.

Clothing

Although many consumer items have gone down in price over time, the cost and quality of clothing can vary widely. In addition, a price that not too long ago bought a good-quality garment may now buy something closer to "throwaway" clothing. With some planning, though, it is possible to maintain clothing purchases that are in line with your family budget.

• If you are hard on clothes, buy quality. Buying an $80 pair of shoes that lasts can save money in the long run, rather than buying three pairs of $35 shoes that do not hold up.
• Buy a season ahead. Buy next year's winter clothes at the end of this season and save. Classic styles often change little, and you can pocket the difference.

Telephone and Mobile Service

Review your phone and communication costs. Many households no longer need an expensive landline or oversized mobile plan. Compare prepaid, family, senior, business, and unlimited plans. Use Wi-Fi calling, FaceTime, Zoom, Teams, WhatsApp, Google Voice, or similar tools when they fit your needs. Watch for device-payment plans, insurance add-ons, international fees, and unused lines.

Use modern internet-based calling and messaging tools. Skype was retired in 2025, so compare current options such as Microsoft Teams Free, FaceTime, WhatsApp, Zoom, Google Meet, Google Voice, Signal, and your mobile carrier's Wi-Fi calling. The right tool can reduce long-distance, international, and landline costs, but always check privacy, data usage, and any fees.

Computers

A computer can still be one of the larger household purchases, especially when you include software, accessories, warranties, and subscriptions. However, if your budget does not allow for a large purchase, do not fret. There are ways to buy a computer for a bargain and keep your budget intact.

• Friends and family. The first place to start looking for a deal on a computer is with your friends and family. Often, someone has upgraded and may be willing to sell or give away an older device. Ask whether it still receives operating-system and security updates.

If all you need is email, web browsing, documents, spreadsheets, schoolwork, and video calls, you may not need the latest model or a high-powered machine.
• Other donated computers. Look for local nonprofits, schools, refurbishers, Freecycle groups, Buy Nothing groups, and community organizations that help people reuse computers. Make sure any device is wiped, reset, and secured before using it.
• Buy used. If you are willing to forgo the latest model, you can get some great deals on used or pre-owned computers. Check local classified ads, Facebook Marketplace, Craigslist, reputable resale sites, and garage sales. Make sure the device still receives security updates.
• Refurbished. Reputable manufacturers and retailers sell refurbished computers that have been inspected, repaired, and restored for resale. Apple, Dell, Lenovo, HP, Microsoft, Best Buy, Amazon Renewed, and other reputable sellers often offer refurbished models at a discount. Check the warranty and return policy.
• Do your research. If you want a good deal, know what is out there, what models are reliable, what should be included, and what should not. Compare reputable sites and retailers, including manufacturer outlets, warehouse clubs, online marketplaces, and local sellers. Be careful with scams, locked devices, missing chargers, and deals that seem too good to be true.
• Build it yourself. If you have technical know-how or are willing to learn, building or upgrading a desktop computer can save money. Compare the cost of parts with the cost of a new or refurbished system, and remember to include the operating system, monitor, keyboard, mouse, cables, and warranty coverage.
• Consider a compact or entry-level computer. A refurbished Mac mini, Chromebook, mini PC, tablet with keyboard, or entry-level laptop may handle email, web browsing, documents, video meetings, and basic school or business tasks at a lower cost.
• Do not take financing without reading the terms. Vendor financing, buy-now-pay-later offers, and low monthly payments may seem easy on the budget, but fees, deferred interest, and missed-payment penalties can make the purchase much more expensive. Save first or choose a lower-cost device when possible.

Right-size your Internet service. A slower or lower-tier Internet plan, a negotiated promotional rate, or switching providers could save money each month. Make sure the plan still supports work, school, streaming, security devices, and video calls before you downgrade.

Travel

Price differences here can be enormous. The difference in costs on the same trip—same airline, same hotel, same car rental—between two travelers can run into the thousands of dollars. Take a little time to comparison shop to ensure the best possible deal.

Credit card rewards points. Some people use rewards cards for nearly all routine purchases and earn travel, cash back, or other benefits. This only works when you pay the full balance every month and never pay interest. Set aside time each week to pay bills, track balances, and avoid spending more just to earn rewards.

Share your vacation. Traveling with another couple, family members, or friends can lower lodging, transportation, food, and activity costs. Compare the full cost, including cleaning fees, service fees, taxes, tips, and transportation.

If you are going to travel overseas, compare destinations where the exchange rate, lodging, transportation, safety, and total trip costs work in your favor. Mexico, the Caribbean, Central and South America, parts of Africa, and parts of Asia may be more affordable than many European destinations, depending on timing and exchange rates.

To get cheaper fares, compare multiple services and alerts, such as Google Flights, Kayak, Hopper, Skyscanner, airline apps, and other fare-tracking tools. Do not procrastinate when a genuinely good fare appears; the cheapest fares may be limited and can disappear quickly.

Toys and Children’s Purchases

Parents know that children’s toys, electronics, games, sports gear, and activities can get expensive. Children may want the latest and greatest item they see online, on television, or at a friend’s house. At some point, the cost can get out of hand. If you want to keep your budget from breaking, here are a few strategies that can help.

- Host a toy exchange party. Children might play with toys for a little while and then get bored with them, even though they are still perfectly good. To prevent waste and save money on new toys, invite friends, family, and neighbors to a toy exchange. Ask everyone to bring good toys they are willing to exchange. Share food, play games, come up with fun ways to exchange toys, and leave with a new set of toys without spending much money.
- Thrift shops. They sometimes have a bad image, but if you check out thrift shops, consignment stores, children’s resale stores, and online resale groups in your area, you may find good toys for very little money.
- Rummage sales. You can get great toys from people who are cleaning out their house or moving. Spend a Saturday looking at yard sales, garage sales, or neighborhood sales in your area. It can be a lot of fun.
- Exchange a box with friends. When you notice your kids are not playing with toys, put it in a box in your closet. Ask your close friends to do the same. When the boxes are full, exchange them.
- Make your own. Some of the best toys are made by parents. From kites to blocks to forts, if you get creative, you can make some fantastic toys and only spend a fraction of what it would cost to buy. And the best part: your child could help, especially with the decorating.
- Shop after major holidays and seasonal peaks. Toys, decorations, clothing, and gift items often drop in price after the rush, when stores clear excess inventory.
- Green them up. Environmentally friendly toys can help the planet and teach children stewardship. They may also be safer and cheaper in the long run. Look for durable materials, non-toxic paints, sturdy construction, and simple toys that do not require constant batteries or expensive accessories.

• Use their imagination. Kids can be amazingly creative. Sometimes they enjoy playing in or with the box the toy comes in more than the toy itself. Give them some paint, beads, glitter, and glue, and they can have a blast. Let them play outdoors and make toys with sticks or other things they find in nature. Make a fort out of bed sheets or a refrigerator box. Let them use their imagination, and old toys can become new again.
• Look for coupons and discount codes online. Search reputable coupon sites, store apps, manufacturer sites, and email promotions before buying.
• Reduce your need. The best way to save money on something is to learn to need less of it. Talk to your children about advertising, consumerism, and how marketing can create the feeling that we need new things. Teach them that families can choose gratitude, creativity, generosity, and service over constant consumption. It is never too early.

Taxes

How many times have you done your taxes and three weeks later learned you missed a deduction or credit? Too many, perhaps. How can you avoid missing deductions, credits, or planning opportunities next time? Start planning now. Tax laws change, and many taxpayers receive a larger benefit from the standard deduction than from itemizing. Proper planning can help you choose the best approach. Discuss questions with a qualified tax professional.

Here are common missed deductions, credits, and planning items that can affect your tax bill and your tax planning:
• Noncash contributions. If you donate items such as clothing, furniture, or household goods to a qualified charity, the fair market value may be deductible if you itemize and meet IRS requirements. Get a written receipt and keep records. For noncash charitable contributions, the rule is simple: no receipt, no deduction if you are audited.
• New points on refinancing. If you pay points to refinance your home, the rules can differ from those for points paid on a home purchase. In many cases, refinance points are deducted over the life of the loan rather than all at once. Tax rules change, and facts matter, so keep closing documents and ask a tax professional how the deduction applies to your situation.
• Old points on refinancing. This is one deduction many people miss. If you refinance again, remaining undeducted points from a prior refinancing may be deductible in the year of the new refinancing, depending on your facts. Keep records and ask your tax professional before filing.
• Health insurance premiums. Health insurance premiums you pay, including some long-term care premiums based on age and IRS limits, may be deductible if you itemize and your unreimbursed medical expenses exceed the applicable percentage of adjusted gross income. Keep records and confirm current thresholds each tax year.
If you are self-employed and not eligible for other employer-paid health coverage, you may be able to deduct eligible health insurance premiums above the line, subject to IRS rules and limits. This can provide a benefit even if you do not itemize.
• Casualty deductions. If the area where you live is affected by a federally declared disaster, such as a wildfire, flood, hurricane, or other casualty, you may be able to claim a loss on your return. Confirm whether you qualify through FEMA and IRS guidance.
• Retirement savings credit. This one is even better than a deduction. It is a credit, a dollar-for-dollar reduction in your tax, not merely a reduction in taxable income. The Saver’s Credit is designed to give eligible moderate- and lower-income taxpayers an

incentive to save for retirement. The income limits and qualified plans change, so check the current IRS table or ask a tax professional. That can create both a current tax benefit and long-term retirement savings. The exact credit depends on your filing status, adjusted gross income, contribution amount, age, student/dependent status, and current IRS limits.

The credit phases out as adjusted gross income increases. Because the limits are updated periodically, check the current IRS Saver's Credit table or ask your tax professional before assuming you qualify.
Contributions to qualified plans such as a 401(k), 403(b), governmental 457(b), SIMPLE, SEP, traditional IRA, Roth IRA, and certain other retirement accounts may qualify, subject to IRS rules.

Reducing Debt

When credit cards are sucking you down like quicksand, paying double or even triple the minimum payment won't cut it. Extreme debt calls for extreme measures. Here are seven ways to radically reduce debt:

• Reduce housing costs. You can move to a cheaper abode, or you can get a roommate. In either case, make sure the cost (of moving, say) doesn't outweigh the savings.
• Drop a car. Gas, maintenance, car payments, insurance, registration, parking, and depreciation add up. Imagine the money you could save if you gave up one household car, used public transit, biked, walked, carpooled, used ride-share selectively, or found other ways to commute and run errands.
• Get another source of income. You do not have to work nights and weekends forever, but if a part-time job, consulting project, seasonal work, or side business produces an extra $300 a month, that is $3,600 you can put toward debt this year.
• Quit your vice. Today's indulgences can add up fast. Smoking, vaping, alcohol, gambling, unused subscriptions, convenience purchases, or constant delivery orders can quietly consume thousands of dollars each year. Eliminating or reducing one costly habit can improve both finances and health.
• Live moderately. Shifting priorities and locations can help downsize your lifestyle.
• Let the kids go public when appropriate. Private school can be a meaningful choice for some families, but it can also be one of the largest annual expenses. Compare the full cost with public, charter, homeschool, scholarship, and hybrid options, and make the decision intentionally.
• Tap on your assets. If you have access to a nest egg, windfall, or generous relatives, you might consider using that money to pay off interest-generating debt. Don't raid your 401(k) or other retirement funds, but you might want to consider selling other assets. Being in debt may not make you feel smart, but getting out of debt sure can.
Jump-start your debt reduction efforts with the following smart money moves:
• Survey the damage. Before you can do anything about your debt, you need to know what you're dealing with. Grab a piece of paper and a pen, and write down all your debts. This includes credit cards, charge cards, mortgages, second mortgages, home equity loans, car loans, personal loans, medical bills and any other debts that you've accrued. Besides each debt, jot down the associated interest rate and minimum monthly payment. Now, total up all your entries to get a clear picture of your current debt load.
• Ask for a lower rate. Next up: tackling high interest rates. Look over your list and highlight debts with especially high rates. Call customer service and ask for a lower rate. Lenders may consider your credit history, payment record, and competing offers.

• Transfer balances carefully. If a lender refuses to lower its rate, it may be time to consider moving the balance. Research transfer offers on existing cards or new cards to see whether moving your debt could lower your cost. The interest rate matters, but it is not the only detail. Before accepting a transfer offer, find out whether there are fees, whether the rate is promotional or fixed, what the rate becomes later, and whether new purchases are treated differently.
• Tackle one debt at a time. After your calls, your debt load should be at the lowest practical interest rate. Pat yourself on the back for being a smart credit consumer, then get on with paying off those debts. Identify the debt you most want to eliminate. It can be the debt with the highest interest rate, the smallest balance, or the one that bothers you most. Make minimum payments on all debts and apply extra money to the chosen debt. Continue until all debts are paid. It may take a while, but reaching debt freedom will be worth it.

How to make saving a habit

So, how do you save money without scrimping, live thoughtfully without feeling miserly, and maintain those habits through good times and difficult times? It may not be easy. Expect some discomfort. Keep going, even when it is uncomfortable. The rewards are worth it, and you will have financial habits in place to support you for a lifetime.
Here are some simple tips to help you think thrift:

• Spend less time feeling poor. Flipping through catalogs and going to the mall will make you feel like you need things. Sure, you can afford some of that stuff, but the main message is: Most of this is out of your reach. Instead, do things that offer a sense of well-being. Invite friends over. Walk in the park.
• Retrain your brain. When you start to feel that "I'm deserving so I'm buying" feeling, visualize a smaller credit card bill or a higher savings account balance.
• Look around you. Are you happy with what your hard-earned dollars bought? If not, shift your spending to those things that bring greater long-term satisfaction, including retirement savings.
• Choose your extravagances. Eating out once a week may be one you choose to keep. An extravagance you may be able to do without: an oversized cable or streaming package.
• Assess weaknesses. Identify what you want to change, then set specific targets, such as a six-month hold on buying new tech gadgets or clothing, or on making online impulse purchases.
• Make trade-offs. Substitute small, free pleasures for those that cost. Have a movie night at home with friends; you'd be surprised how many people are equally eager to cut costs.
• Set goals. Meet weekly with family to discuss the spending plan, not just the budget, for the months and years ahead. This may involve tough choices, such as delaying a family vacation. But think of the guilt-free trip you can take after saving the necessary cash. Good memories last longer when they are not followed by large credit card bills.
• Resist your children. They may find it hard to change their expectations. How can you help? Stand firm. The next time they ask for the latest video game, shoes, toy, or device, remind them of the bigger prize, such as a family vacation or debt-free goal, and give them choices that fit the plan.
• Enlist other people. Many people are reluctant to talk about money worries, but almost everyone has them, so open the conversation with trusted allies. Hold a contest with friends to see who can save the most in a month, or agree with your spouse to talk before spending more than a set amount.

• Post it. Remind yourself by putting a note in your wallet, on your mirror, on your dashboard, or on your phone's lock screen with the mantra of your choosing: “I want to go to Hawaii in January.” “I want to pay off credit-card debt.” “I want more margin.”
• Automate it. Divert money monthly from your checking account to savings. It will force you to budget based on what’s left in your checking account.
• Rethink rewards. What are some of your happiest memories? Those are the true rewards. Next time you are about to buy something because you deserve it, ask whether there is something you deserve more, such as time at home cooking with your teenager, a walk with your spouse or best friend, or a quiet evening free from financial stress.

Benefits of a personal financial coach, mentor, or advisor

A personal finance coach, mentor, or advisor can help you identify goals and motivate you to make those goals a reality. Depending on credentials and services, a qualified professional can also:

• Manage your personal finances like a well-run business.
• Change the thinking patterns that got you in debt in the first place.
• Give you strategies and tools to increase and manage cash flow.
• Help you set up a structured program to reduce and eliminate debt, including your mortgage, over time.
• Provide accountability and support to help ensure your financial progress.
• Help you use a secure web-based or app-based personal financial control system.
• Provide meetings, virtual sessions, educational materials, and updates on critical financial topics.
• Generate sufficient savings and assets to help you retire comfortably.
• Encourage faithful application of the principles, technologies, and strategies you learn so you can improve your financial future.
• Help realize the dream of being debt-free.
• Teach you how and why you got into debt so you can avoid it in the future.
• Give you the opportunity to start over, rebuild your life to your own specifications, and develop a strategy to get there.
• Help you learn to reroute and refocus your present income to make it work more effectively for you rather than for your creditors.

Miscellaneous

• Freecycle groups, Buy Nothing groups, neighborhood sharing groups, and similar communities help people give away unwanted goods, such as baby clothes, computers, furniture, tools, and household items, so they do not end up in landfills.
Often, you can find useful items quickly. People frequently ask for exercise equipment, furniture, baby supplies, tools, and other household goods and find treasures within a day. Super savers also use Facebook Marketplace, Craigslist, OfferUp, local classifieds, estate sales, thrift stores, and community groups. Meet safely, watch for scams, and verify the condition before paying. Large furniture, tools, appliances, and household items are often available for a fraction of the retail price when sellers are moving, downsizing, or clearing space.
• Take your last puff. Depending on local taxes and prices, quitting smoking or vaping can save thousands of dollars a year. You may also qualify for lower life-insurance rates after you quit and remain tobacco-free for the required period.

• Use the library, free streaming options, or low-cost rentals. Many libraries offer DVDs, streaming services, e-books, audiobooks, online classes, and digital media. If you rent movies, compare streaming rentals and subscription services before paying full price; Redbox kiosks shut down in 2024.
• Pay your life and auto insurance annually when it saves money and your cash flow allows it. Insurance companies often charge more when you pay monthly, quarterly, or semi-annually.
• Think before submitting an insurance claim. The rule of thumb is not to submit a claim on a loss that is less than twice your deductible. So, for a $250 deductible on an auto loss, you would pay out of pocket any loss up to $500. Why? The $250 received from your insurance company is not worth the increased premiums you are likely to pay. You may want to call your insurance agent to find out how a claim will impact your premiums before filing the claim.
• Eliminate or reduce cable and streaming services. If you must have cable or several streaming subscriptions, review every charge and consider canceling premium channels, rotating subscriptions, or switching to a lower-cost plan.

The information herein was compiled and updated by Empowered Wealth, LC.