

## Give Your Spending a Reality Check

We're a nation of spenders and we spend unconsciously for all kinds of reasons. But, with the price of gas going up daily and food prices escalating most of us are struggling to make ends meet. How can we survive the tough economic times?

Begin by tracking your spending for at least two weeks. Try not to spend any differently, just write it all down. Write down everything you buy, whether you use cash, check, debit card or credit card. Use a blank checkbook register or small notebook. At the end of the time review your expenditures to see where your money's been going. My prediction is you'll discover dollar dribbling—things you're spending more on than you thought. Simply writing it down will probably prompt you to spend 10% to 20% less.

Now that you've got an idea on where you're spending your money, let's talk about some ways you can cut back on your spending. I was in Wal-Mart a couple of weeks ago – behind a woman who was using coupons. It was obvious she had spent a lot of time organizing her coupons, reviewing the store specials and creating her shopping list. She had to be patient and very organized. But, the bottom line is her grocery bill was reduced from \$80.00 to \$50.00 after deducting the coupons. Not only was I shocked, but so was the clerk who was waiting on her.

If you're ready to start clipping coupons visit The Grocery Game, a website that can save you hundreds of dollars on your grocery bill every month. Another way to reduce your grocery bill is stop making quick trips to the grocery store. According to a study published by the Marketing Science Institute people who do this usually spend 54% more than they planned. Personally my biggest problem with groceries is buying too many fresh fruits and vegetables. They disappear into the refrigerator veggie bin and I end up throwing them out.

There are several other websites that offer coupons for a variety of items including restaurants – [www.retailmenot.com/coupons](http://www.retailmenot.com/coupons), [www.currentcodes.com](http://www.currentcodes.com) , [www.couponparadise.com](http://www.couponparadise.com) , [www.keycode.com](http://www.keycode.com) and [www.overstock.com](http://www.overstock.com) . You won't believe the deals you can find on these websites!

If you want to find the lowest gasoline prices in your area check out [www.gasbuddy.com](http://www.gasbuddy.com) . I just checked and in my area gas is \$3.83 a gallon at Costco versus \$3.93 at Safeway. You'll love this website!

Now that we've covered gasoline and groceries, here are a few more tips for reducing your spending:

Reduce or eliminate the add-on services on your cable television and phone. One cable company charges \$12.00 (each) for HBO, Showtime, Cinemax and Starz. That's \$48.00 per month. Phone add-on services such as call waiting, caller ID and voice mail range from \$6.00 to \$7.50 (each) per month. STOP – and think “Do I really need these services? and “Am I using these services?” If the answer is NO, get rid of them. If you have a cell phone with good reception you can drop your landline and save at least \$25.00 per month.

Don't buy videos—rent them instead. Subscribe to Netflix, Blockbuster or other video service. They offer several monthly plans, which are all much less than renting videos and there's never a late fee! Another option is to check at your local library, because they often have a good collection of videos you can rent for free.

Reacquaint yourself with cash. When shopping, ask yourself: Would I buy this item if I were paying cash? Commit to not using your credit cards, checks, or debit card for one week. Pay cash for everything. You'll probably discover it's much more difficult to spend cash, than to use some form of paper or plastic. Try keeping a \$100 bill in your wallet. It's much more difficult to spend a hundred dollar bill than it is to fork over five twenties.

Before purchasing, ask yourself: How long will this be useful to me? Think about it before you buy a video of a movie you may only watch a few times.

Keep an "I WANT LIST". We've become a nation devoted to instant gratification. We don't want to wait to buy anything. Make your wish list and plan your purchases, then try waiting at least a week before buying something on your list. You may be surprised how many things drop off your want list before you waste money on them! For things that remain on your list, try to be patient and watch for sales.

Before you buy something, think about how many hours you had to work to pay for it. For example, if you're buying an \$80 dress and you earn \$14.55 an hour (after taxes are withheld), you worked 5-1/2 hours for the dress. Is it really worth that much of your effort?

Don't buy something just because it's on sale. Everyone loves to get a bargain, but if you're not going to use it, don't buy it.

Don't buy any new clothes until you have your present wardrobe paid for and think twice before buying clothing that requires dry cleaning.

My last suggestion is to ask use the Checkout Checklist and ask yourself these questions before making a purchase:

Do I really want this?

Do I need this?

Will I use this?

Am I buying this just because it's on sale?

How many hours will I have to work to pay for this?

Do I really love this?

I would love to hear your ideas on how to trim your spending. And if you know about any other websites, please share them with me.

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