

Taking It to the Bank

Trimming everyday expenses means nothing if you're not also increasing your savings. Here are some tips to build your bank account.

1. Don't overpay your taxes. A refund from the IRS every year is sure to put a smile on your face. But what you're really doing is lending money to the government interest-free. Review your tax return and see if you can adjust your withholding so you can use your money now. And if you still get a refund come April 15, bank it.

2. Save your coins. Make all your purchases with bills and every few months deposit all of your change into a savings account.

3. Take advantage of direct deposit. It's the easy way to save. Your money is immediately directed to your IRA, 401(k), money market or savings account.

4. Pat yourself on the back. When you get a raise, put 10, 25 or 50 percent aside for investing or savings.

5. ATMs and debit cards. Use only your bank or credit union's ATMs to avoid paying surcharge fees. **Tip:** Stay on top of your checking account balance to avoid costly overdraft fees that usually occur with debit card purchases at point-of-sale terminals in stores.

About Insurance Deductibles

Raising your insurance deductibles (the amounts you have to pay toward a loss before insurance kicks in) may be one of the quickest ways to lower insurance expenses.

Check your auto and home deductible. Adjust where you can, but keep enough money in the bank to cover your deductible if you need to pursue a claim. And most important, be sure you have adequate coverage.



More Tips for Spending Less

Habits such as smoking and drinking alcohol are expensive, not to mention bad for your health. You'll feel better and boost your savings by quitting.

Aim for making two meals for the price of one.

Include more low-cost (and healthy) protein foods such as beans, peanut butter, turkey and chicken. **Tip:** Don't grocery shop when you are hungry.

Having a get-together?

Go potluck for variety and so everyone shares in the expenses.



When you're tempted to buy on impulse, enforce a cooling-off period of one week; then see if your interest is still high. Can you live without it? If you can, you'll probably be glad you didn't buy it.

Shop only when necessary and use a planned list. Try to use up what's in your pantry first. Frequent trips to the store may tempt you to buy items you don't really need.

Rediscover your area's free recreational and entertainment resources. Try hiking, biking, walking in a local park or on a hiking trail ... go to free museums and exhibits ... attend free concerts.

In your home, close doors and vents to unused rooms to save on heating and cooling costs.

Learn how to do simple home repair jobs yourself. Your local home improvement center may offer workshops for projects.

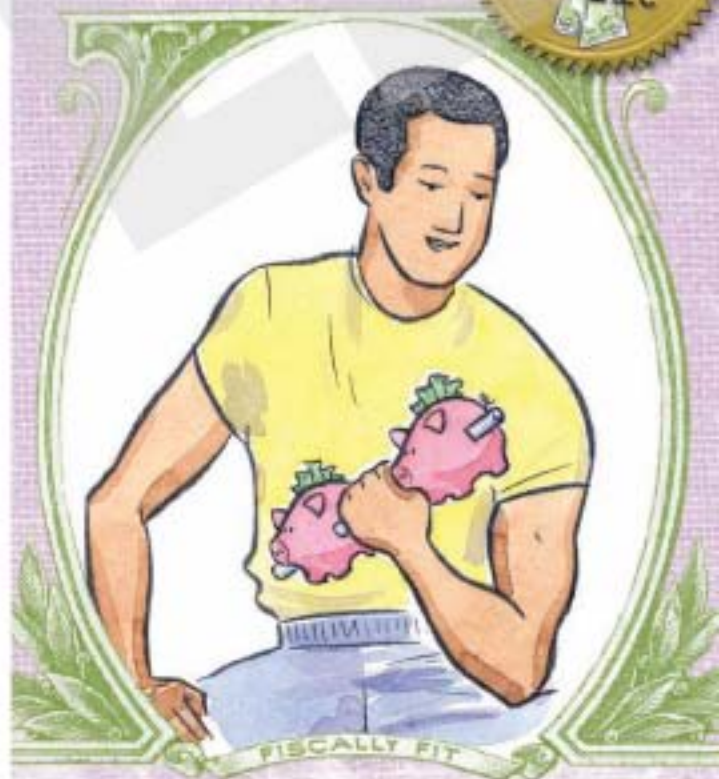
Do you have a talent or special skill? Consider donating your time and talent for contribution. Consider making gifts yourself when possible.

Use your public library often, rather than buying new books and magazines.

Final thought: Learning to save more and spend less puts you more in control over your money and helps prepare you for financial needs or challenges as they arise. Start saving more today.

SAVE MORE, SPEND LESS

Flex Your
Financial Muscle



SAVING IS FOR EVERYONE

You might think that saving money is a pretty simple idea. But for millions of people, it's difficult. No matter what your income, cutting expenses is one of the easiest ways to save money.

This brochure will show you how to spend less and save more and will present some commonsense strategies to help you build your nest egg, whether it's for a vacation, an emergency fund, a college education or your retirement. What's important is that you start saving today.



Trim Everyday Expenses

It seems that everything — from cars and homes to groceries and gas — is getting more expensive. So how can you manage to save your hard-earned cash to achieve your financial goals? Follow this advice and you'll be amazed at how much further you can stretch your dollars.

Stick to a budget. Develop a written, balanced budget where every dollar coming in is devoted to part of your overall financial plan (include a rainy-day fund and, if possible, a retirement fund). Sticking to a workable budget gives you a better chance of reaching your financial goals.

Shop smart. Comparison shop, use a list and remember your coupons. Shop for nonperishable foods and staples when they're on sale. Buy the store or generic brand when possible.

Eliminate unnecessary fees. Bank and ATM fees, late fees and service charges add up. Choose a financial institution with free checking and overdraft protection; balance your checkbook; and mark your calendar with video rental and credit card due dates.

Exercise for free. A health club membership can be expensive, especially if you go infrequently. Consider running, hiking or biking to get fit.

Cut Costs at Home

Heat and cool efficiently. Up to half of your energy bill goes toward heating and cooling. Replace filters as recommended. Weatherproof windows and doors for climate control. Acclimate yourself to a temperature a couple of degrees warmer in the summer and a few degrees cooler in the winter, and try to keep the thermostat temperature constant. **Tip:** Utility companies may offer rebates and can recommend home energy improvements.

Cut the lights. Energy for lighting accounts for about 10 percent of your electric bill. Consider using dimmers or timers, and check the wattage of the lightbulbs in your home. You may be using a 100-watt bulb where a 60- or 75-watt bulb would work just as well. Or replace standard incandescent lightbulbs with compact fluorescent bulbs.

Conserve water. Fix drippy faucets; use your dishwasher only for full loads; use the amount of water necessary for clothes washing (rather than overfilling for small loads).

Compare phone plans. Examine your home and cell phone plans. Look for duplicated services; compare features and charges; and look for ways to cut your fees for both.

Review your entertainment budget. Cutting back on your cable or satellite subscription puts extra money in your pocket immediately. Check your service provider's most current package options and see what you can cut and save.



On the Road

If you spend time in the car commuting or traveling, remember that a well-maintained vehicle operates more efficiently. Keep your tires inflated, and service the engine as recommended. **More tips:** Consolidate running errands to make fewer trips ... avoid carrying extra cargo when it's unnecessary ... avoid stop-and-go traffic when possible.

Mortgage Considerations

Compare your interest rates. Consider a refinance if the current rate is at least 2 percentage points lower than your own rate and if you plan to stay in the home long enough to recoup the closing costs.

Check the status of your PMI. If you've been paying private mortgage insurance (PMI) because you didn't have enough money to make a 20 percent down payment, see if you can drop it. Under current law, your lender must cancel your PMI when requested if the equity in your home is greater than 22 percent.

Pay toward your principal. Specifying additional payments to principal can save you substantial money in interest payments over the life of the loan, and you'll pay off your home sooner. **Tip:** Those biweekly payment management services usually come with a fee. You can make the payments on your own and get the same results without paying the fees.



It's estimated that nearly \$16 billion is sitting in abandoned or unclaimed property offices around the United States.

To find out if some of this money belongs to you, you can check several Web sites free (www.missingmoney.com, www.unclaimed.org and www.irs.ustreas.gov).

Also, companies that offer services to uncover unclaimed funds usually come with a price — often 10 to 25 percent of the assets.