



86

WAYS TO SAVE MONEY

By Henry Diez

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86 MONEY SAVING TIPS THAT CAN SAVE YOU THOUSANDS OF DOLLARS OVER TIME

Track your expenses for six weeks. It's one of the first things you need to do if you're serious about finding ways to save. Keep track of every single expense you make—down to the penny if possible. Track according to categories, such as food, utilities, mortgage or rent, entertainment and so on. When you're done, you're likely to find you're spending more than you thought on something. Once you know where your money is going you'll be best prepared to make spending cuts and increase savings. Always make a list when shopping for more than one item. Research shows the more time you spend in the store, the more money you spend. Usually you are buying on impulse. In fact the average family spends \$3,500 a year on impulse food buying.

- Save coupon money. Shopping with coupons is a great way to save a few dollars, but if you don't put your coupon savings aside with some method, you'll eventually wind up spending it. Try even putting the money in a jar at home.
- On big ticket items, offer to pay cash in exchange for a discount. Credit card companies charge retailers between 2 and 5 percent every time you use your credit card. That leaves you negotiating room.
- Always ask for a discount when making hotel reservations.
- Book hotel reservations through a travel agent and save 15 to 30 percent in some cases. They buy in bulk, have more rooms available, and especially in the off season, there are some good deals to be had.
- Fly as a courier, and save big bucks.
- Automate any loan payments you can. It saves time, prevents late fees, and trims service charges.
 - Use only your bank's automatic teller machines. Cash machines are convenient, but if you use them often at other banks, fees running at least a dollar pile up quickly.
 - Split fares with other travelers.
- Travel off season and save 15 to 50 percent. Check out web sites for discounts on air fares by using Google.
- Check out Traveler's Net "Fare-War Mailing list." It notifies you the very day a fare war starts with major airlines.
- American Airlines posts lots of discounted flights that travel through their Dallas hub.
- Avoid unnecessary insurance and waivers when renting cars, in most cases your own auto insurance will have you covered.

- Haggle over the price of anything costing 500 dollars or more. You'll be surprised. You can save up to 20 percent. It never hurts to ask.
- Save a lot of the money you spend on lunches. If you eat out for lunch every day, add up what you can save: somewhere around twelve hundred dollars a year just by bringing lunch from home.
- Stock up on non-perishables when you find a great price, such as toilet paper, diapers, napkins and the like. You'll always need them. Finding a good price is the key. Think about where else you can buy this item other than a grocery store. Chances are you can do better.
- Buying generic store brand food products does save you money, and sometimes they're made by the same brand name companies anyway. Remember, when it comes to saving money, every little bit adds up.
- Pre-arrange your funeral costs. It may not be something you want to think about, but planning ahead can save you and your family money. But don't pay in advance.
- Reduce the amount of your income tax withholding, if you have been getting tax refunds. Take exactly that amount and invest it in an interest bearing account.
- Exercise with friends or begin a walking regimen rather than joining a health club. Will power is free, and spending money doesn't guarantee it. Plus, one of the best exercises is walking, and you can do that almost anywhere.
- Have a nothing weekend. Try getting through a weekend without opening your wallet.
- Make saving a family affair. It's difficult for one person to save while another is spending freely. Mutual sacrifice will yield the best results: everything from watching the thermostat to purchase decisions at the grocery store.
- Buy the cheaper, so-called "sister" brand of appliance. Major manufacturers often make other "brands." So you may be paying more for a different name tag and a few cosmetic features for a machine that's basically the same. Here are a few examples: Frigidaire also makes Gibson, Kelvinator and Tappan brands Maytag makes Admiral, Magic Chef and Jenn-Air brands, among others.
- Buy a floor model appliance or a scratch-and-dent unit. Make sure the warranty is still good, but if you're willing to sacrifice on the cosmetics, substantial savings can be had.
- Avoid shopping for sport. If you're serious about saving money, chances are you will need to change your spending habits. The experts say there are five states of mind in which you should never go shopping: 1) tired, 2) overly happy, 3) unhappy, 4) hungry, and 5) sad. In those cases, find something else to do: go for a walk, visit a friend, pick up the phone, call a family member—but avoid impulse shopping.

- Keep your loose change. Again, the old adage, it all adds up. Many people dump all their loose change in a jar at the end of the day. Months and years later, you could save enough for a vacation.
- Keep all receipts, and return any unsatisfactory item, whether it's food, furniture or whatever. If you can't stomach returning such items; fine. But you're throwing money away.
 - Buy a refrigerator with a freezer on top or bottom rather than on the side. They are often hundreds of dollars cheaper, and use far less energy.
 - Think twice about refrigerators with ice makers, they usually add around \$200 to the cost, and \$50 to your annual energy bill. They are also the most likely component to break.
- Bargain for furniture. Ask about floor models.
- If and whenever you buy a piece of furniture, if you can pick it up yourself, borrow a friend's truck if you can, and often you can save 30 to 50 dollars in delivery fees.
- Just say "no" to extended warranties. Most new appliances and electronics will run for years without any trouble. Keep in mind, a full 80 percent of all extended warranty contracts are never used.
- If you have a regular bank saving account, change it to a money market account with a better interest rate. Most money markets stay liquid and require a minimum balance—usually one thousand dollars. You could increase your interest rate by 2 or more percentage points by shopping around.
- Write a smaller check for your checks next time. Buy your checks from a non-bank vendor, and you can save up to 50 percent. They will be the same checks with the same numbers on them and there's no difference whatsoever.
- Buy a used car instead of a new one.
- Buy a demo car.
- Shop for a new car only when you are armed with the dealer's invoice price.
- Shop for a new car with financing already in place. It's as good as cash when it comes to negotiating.
- Negotiate to eliminate the documentation fee when buying a new car. If you hold your ground, they usually eliminate the fees, but make sure it doesn't show up on the final contract.

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- Don't forget to write off any points you pay when re-financing, at tax time.
- Try a no-fuss new car offer by phone or fax.
- If you're buying a car and need to decide between a rebate or a lower interest rate; in most cases, taking the rebate is a better bet.
- Sell that used car yourself rather than trade it in. On average, you'll get more for it.
- Buy used merchandise instead of new. Garage sales are a favorite pass time for many, and you can get wonderful deals.
- Don't pay for features you don't want or need when buying appliances, electronics or anything. That feature you may never use might add one hundred dollars or more to the price tag.
- Consider the old adage: Do it yourself.
- The best months of the year to buy a house are October, November, & December. While the number of homes available may be smaller, history shows people selling at these times may be anxious to sell. The opposite is true of January. Sales data shows the first month of the year is the costliest for home buyers. Remember also, you must close by the end of the year to take advantage of the homestead tax exemption for the following year.
- There's nothing like a pre-approved mortgage to let sellers know you mean business. Ready money gives you the negotiating edge. Being pre-approved is the same thing as having money in the bank. Cash talks, and you can really negotiate a better price. Once pre-approved, don't tip your negotiating hand by revealing to the seller how much you're approved for. Note—this is not the same thing as “pre-qualifying” for a loan, which only tells how much money you can afford to borrow.
- Take advantage of seasonal sales. Knowing the right time to buy can go a long way towards saving you money. Buy those wool suits at the end of winter. Buy swimsuits at the end of summer. You save a fortune, and have new duds for next year.
- Buy only marked-down clothes. Put another way, don't pay retail. Clothing mark-ups are high. Be patient, wait for the price to come down. Retailers don't let clothes sit on racks for very long before they start marking them down to move in new merchandise.

Invest overtime and bonus income. Put it in a savings account where it draws interest.

Then draw on that money to even things out in months that you don't earn as much.

Use a buyer's broker to represent your interests when buying a house. According to one survey, people who used a regular real estate agent paid on average 96 percent of list price, while those using a buyer's broker paid 91 percent of list price. On a \$100,000 home that's a savings of \$5,000. Best of All, you don't pay a dime. The buyer's broker is paid at the closing, and shares in the seller's fee.

- Shop for homes for sale by owner. Real Estate agents usually charge 6 percent or more. Maybe some of that savings can be passed on to you.
- Get a free energy audit. They invariably reveal a way to significantly reduce power bills.
- Lower or raise the thermostat by one degree. You save 5 percent on energy costs for every degree. You can easily save 10-15 dollars per month.
- Use fluorescent bulbs and save 75 percent of light costs when compared to incandescent bulbs.
- Change AC/heating filter each month. Electric company representatives say this is very important. The percentage of savings by changing filter is probably somewhere around 5 to 10 percent savings on heating and cooling cost.
- Get the air ducts of your heating and air conditioning system tested. About 70 percent of the homes in different areas that were tested by energy companies had leakage in their duct system.
- Turn off the A.C. when gone 4 hours or more. Energy experts say it's a big myth that leaving your air conditioner on one constant temperature and not raising it up and down will save. After four hour away, you would have been better off just turning the unit off all together.
- Raise the deductibles on your homeowners insurance. For example, raise it from \$250 to \$1000 and save about 20 percent a year on your premiums.
- Secure your home with smoke and burglar alarms, dead bolt locks, and/or a sprinkler system. Many insurance companies will discount homeowner's premiums for these safety features.
- Insulate your home. Adding insulation can reduce your heating and cooling costs by up to 20 percent and often your power company will pay an incentive to add insulation. There are a lot of homes in America with absolutely no insulation at all, and it makes a really big difference in heating cost. Adding insulation to the average 1500 square foot home can cost as little as a few hundred dollars.
- Let dishes air dry in the dishwasher rack after the wash cycle.
- Cut back on swimming pool pump hours. Pool pumps cost about 15 cents an hour to operate so if you're operating a pool pump ten hours a day you're looking at paying 35 dollars a month.
- Drop personal mortgage insurance as soon as possible. Once you accrue 20 percent equity in your home, ask your lender to drop your PMI requirement. It can save you hundreds of dollars each year.

- Insure both your home and car with the same insurance company. Consolidating coverage this way can cut premiums by as much as 30 percent.
- Close the fireplace flue when not in use and save 8 percent of heating or cooling costs.
- Get a heat pump. They can cut your heating and cooling power bills by 40 percent.
- Install a water restrictor behind the shower head and reduce water flow by up to 50 percent.
- Take as high a deductible as you can afford to pay out of pocket on insurance. Raising a 200 dollar deductible to 500 dollars can save you between 15 and 30 percent on your premiums.
 - Cancel collision insurance on 10 year old cars, or when the coverage costs 10 percent of the car's re-sale value.
- Borrow or make a wedding dress, rather than spend the money for a new dress you will wear only once.
- Never say the words "wedding" or "bar mitzvah" until after you have an estimate on catering, flowers, etc.
- Avoid wedding insurance.
- Don't speed, and drive safely. It may sound like hog wash, but every speeding ticket you get costs more in increased insurance rates, not to mention many insurance companies offer discounts for clean driving records sustained for at least three years.
- Avoid buying travel insurance. Bundled travel insurance covers everything from missing luggage, to plane crashes. But many times these are riddled with exclusions and many are secondary policies, meaning they only pay if your primary insurance doesn't.
- When it comes to credit cards, shop around for best annual percentage rate and zero annual fees.
- If you must use credit cards, always try to pay the balance every month.
- Save 10 percent on a purchase by opening a new credit card account with a store. If it's not one you will use regularly, close and cancel the account at the end of the month and pay the bill in full. If it is not properly canceled, the card could show up on credit reports and hurt you later on.
- Avoid cancer insurance. Costing roughly 300 dollars a year, and paying out about 100 dollars a day should you wind up using the policy, it will barely make a dent when the average cost of a day in the hospital is more than 800 dollars. Plus, the coverage very often is redundant with health insurance you already have.

- Never take credit life insurance on a car loan, mortgage or other major purchase. Don't worry about the bills you might have when you're dead. Worry about ways to save money for the things you want while you're alive.
- Avoid buying credit card insurance.
- Spend less money on and more time with your children.
- Start investing for college as early as you can.
- Pay yourself first every month.
- Write down your true wealth philosophy and specify what church and charitable organizations you are passionate about. Then support your church and favorite charities. You'll be amazed how it comes back to you.

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