SURVIVING TOUGH TIMES

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STRATEGIES FOR SPENDING LESS

Control Spending
When your income drops, take immediate action to stop any excess spending. Whether your situation is temporary or extended, you need to get the most for your money. With less income, each spending decision is critical. Many families wait to adjust their spending until about six months after their income is reduced. Six months of ignoring the situation can bring disaster. When you take charge of your financial situation, you make a positive contribution to your family’s well-being now and in the future.

Follow basic money management principles to reduce stress and to help you adjust to living on less income.

$ Make a list of your most important expenses. (This means things you must have or do.)
$ Plan spending to determine where your money will go.
$ Stick to your spending plan.

Most people give high priority to fixed expenses like rent or mortgage payments, insurance premiums, car payments and installment debt.

Flexible expenses like food, utilities, clothing, and household expenses need to be adjusted to fit your income. It’s usually easier to cut back on these flexible expenses.

Family members need to work together to reduce spending. When everyone cooperates, you are more likely to succeed in living on less.

Suggestions for Reducing Spending
Gather your family together. Review the following suggestions for reducing flexible expenses. Circle the ideas you think would help your family to reduce spending. Add your own ideas to each list.

As you review these expenses with your family, ask how you could reduce spending:
• Could you substitute a less costly item?
• Could you conserve resources and avoid waste?
• Are there opportunities to trade or share resources?
• Could you do-it yourself
• Could you do without?

Food
• Plan meals around foods you have on hand until more money comes in.
• Plan meals and snacks a week ahead. See what you need to buy and if you have enough money to last the week. Shop from a list based on planned menus. Your County Extension Family and Consumer Science Agent can provide information on spending guides for thrifty food plans and recipes for stretching food dollars.
• Check food advertisements for good buys. Shopping in a hurry may cause you to overlook the best buys.
• Go shopping as few times as possible. Frequent trips can add to your monthly bill because it is easy to buy extra items each time.
• Shop alone, if possible. It is hard to say “no” to your children’s favorite foods when they are along.
• Avoid shopping when you are hungry. It’s hard to stick to your list when you are hungry.
• Plan to use low-cost protein foods like dry beans, eggs, peanut butter, turkey and chicken. Large cuts can be used in different ways for more than one meal. Use meats in sauces or casseroles to make them stretch farther. Slow cooking or marinating tenderizes less expensive cuts of meat.
• Use reconstituted dry milk for cooking instead of whole milk. It is equally nutritious, but less expensive.
• Turn leftovers into “planned-overs.” You can sometimes get two meals for the price of one. Store cooked foods properly to make them last longer.
• Take advantage of free or reduced price school lunch programs.
• Where available, use fish and wild game.

Utilities and Household Maintenance

• Change filters on heating/cooling systems or window units regularly.
• Find and fix air leaks around windows, doors, foundation, electrical outlets, exhaust fans and attic openings. Insulate ceilings, exterior walls, floors, heat ducts and hot water pipes. You may qualify for programs that insulate your home. Select energy efficient bulbs, tubes and fixtures when replacements are made. Use fluorescent bulbs whenever possible. Turn off unused lights.
• Install storm windows and doors or put up plastic sheeting to reduce heat loss.
• Adjust the thermostat setting by five degrees and compensate for comfort with clothing. Close doors to unused rooms and shut off heat to those areas.
• Hang clothes to dry instead of using a dryer.
• Use cold water rather than hot when possible.
• Take shorter showers.
• Consider writing letters instead of making long-distance phone calls. If possible, make calls when rates are generally lower-between 11 p.m. and 7 a.m. weekdays and on weekends.
• Investigate alternative long-distance services. Check with your long distance carrier on rate plans. They do not automatically switch you to a plan that is best suited for you. The plan you need could depend on the amounts of in-state and out-of-state long distance. You might also want to check on mobile phone services in your area. Some of the plans available have a seven-state plan and all calls in that network area are considered local calls. Look for hidden costs and cost per minute if you go over the number of minutes allotted per month.
• Consider using pre-paid calling cards. Check the cost per minute and look for hidden costs. Many companies sell pre-paid cards.
• Learn to do simple home repairs such as replacing washers in faucets and repairing damaged electrical cords, torn window screens or broken window panes.

Transportation and Upkeep

• Carefully plan the use of your car to reduce the amount of driving. If you own more than one vehicle, consider selling one and combining its use with that of the remaining vehicle(s).
• Car pool or use public transportation when possible.
• Do your own vehicle maintenance if you have the skills and tools.
• Evaluate automobile insurance policies to make sure you are adequately covered if an accident should occur. You may be able to reduce your premiums by increasing your deductibles on
collision and comprehensive coverages.

• If your employment is seasonal, arrange with your
agent to have insurance bills due when you are
working.

Medical Expenses

• Don’t forget good health habits. Good nutrition can
cut down on illness and tooth decay.
• Learn the symptoms of common diseases so you
know when seeing a doctor is advisable. Early
treatment of many diseases or injuries is often least
expensive. Consider taking inexpensive classes on
first aid or baby care offered by community
agencies if you have time.
• Shop around for doctors and dentists whose fees
are reasonable. You may find it less expensive to
stick with a regular doctor or dentist to avoid
duplication of tests and records. Your doctor
would probably agree to an installment payment
plan.
• Take advantage of public clinics and immunizations
such as those often available during local health
fairs. Check with your local health department and
hospital to see if they have an upcoming health fair.
The state of Georgia now offers PeachCare for
Kids, which is health insurance for working, self-
supporting families with limited incomes. Coverage
is the same as private programs, including regular
check-ups and vision care. The cost is $7.50 a
month per child ages 6-18, $15 for two or more
children, and no charge for children 5 and under.
To find out if your family qualifies, or for more
information, call toll-free 1-877-GA PEACH (1-
877-427-3224.)
• Update medical insurance policies to eliminate
duplication of payments since most companies pay
on a co-insured basis. If you do not have health
insurance, see if you qualify for Medical Assistance.
• If a trip to the hospital is necessary, use a ward or
semi-private room. Check the hospital statement to
make sure the services charged were the ones
received.
• Ask your doctor to prescribe and your pharmacist
to fill any prescriptions with generic drugs. Avoid
over-use of non-prescription drugs.

Clothing and Personal Care

Take an inventory of each family member’s wardrobe
to determine which items must be replaced and what
needs to be added. Carefully coordinate clothing and
accessories so that they can be used with several
outfits.

• Repair or remodel present clothing and swap items
of clothing with other family members or friends.
Try to develop the attitude in your children that
“handed down” clothing is not only economical and
less wasteful, but also, enjoyable.
• Follow instructions when laundering clothes. Buy
clothing that is washable and easy to care for.
Check care labels.
• Mend clothing promptly and take care of shoes.
Compare the cost of resoling versus buying a new
pair.
• Have children change to old, worn, clothing for
play.

When You Buy Clothing

• Compare price and quality of the clothing you buy.
Check discount stores, mail-order catalogs, thrift
stores, second-hand outlets and garage sales.
• Check size and fit. Clothing that does not fit well
will not be worn often.
• Learn to do your own shampoo, set, manicure, and
other personal care at home. Cut your children’s
hair yourself. Select cosmetics and toiletries that
are reasonably priced.

Child Care

• Try to arrange your family’s schedule so one parent
is available to care for children while the other
parent works. If both parents are unemployed,
alternate child care responsibilities so each will have
an opportunity to look for a job or have some personal time. If only one parent is present in the home, try to share child care responsibilities with a relative, neighbor or friend.

- Form a babysitting co-op with other parents.
- Investigate pre-k, Head Start, and day care centers. Arrange car pools with other parents for children’s school and extracurricular activities.
- Look for job training programs that provide child care.
- To find out more about child care assistance, contact a social worker at your county Department of Family and Children Services Office.

Miscellaneous Expenses

- Choose recreation and leisure activities that are free or inexpensive such as hiking, picnicking, visiting a museum or attending a free concert. Attend school or community events.
- If you entertain at home, have potluck affairs for family and friends. This way, everyone shares the food costs.
- Carefully consider each gift or donation. Reduce cash giving and donate services instead. Make gifts instead of buying them, or give services such as babysitting, elderly care, house watching or pet care.
- Consider the cost of habits like smoking, eating out and drinking alcoholic beverages. These are expensive and you may want to reduce or eliminate them.
- Stop magazine or newspaper subscriptions when it is time to renew them. Use your public library to find information you may need from these sources.
- Set a reasonable amount for children’s allowance and have a definite understanding with them about what it covers.
- Before buying an item, ask yourself:
  - Can I do without it?
  - Can I postpone its purchase?
  - To pay for it, will I have to do without something else?
  - Can I substitute something else that costs less?
  - Can I use my own skills to make it myself?
  - Do I already own one?
  - Could I barter to get the item?
Surviving Tough Times is a 19 part series for individuals and families experiencing under-employment and unemployment. Originally developed by Linda Boelter, University of Wisconsin Cooperative Extension Service.

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