

In these turbulent economic times, everyone is looking for ways to cut costs and save money. AARP can help. This worksheet offers 15 tips for cutting back on your monthly expenses right now. We've provided a rough estimate of what you might be able to save every month. Of course, everyone's situation is different, so fill in the blank of "your actual savings" to keep track of how you're doing each month. In addition are suggestions for longer-term ways to save money and several other resources and websites that you might find helpful.

Checklist for Cutting Monthly Expenses

1. Cut out one restaurant meal per week.

Consider cooking one extra meal per week rather than dining out, and you could save anywhere from \$40 to \$100 per month. You could even team up with friends to do a "meal swap."

2. Make your daily coffee at home.

Specialty coffees can be delicious but pricey, running around \$2-\$5 per drink. You can save a bundle by replacing your weekday latte with home-made coffee.

3. Use coupons at the grocery store.

Do you wonder if clipping coupons is worth your time? Coupons can save you up to 10-20 percent off your grocery bill, so if you spend \$200-\$400 per month, using coupons could save you as much as \$20 to \$40. It's best to only use coupons for items you normally use in order to maximize your savings. Consider signing up for a grocery store club card to save even more.

4. Rent a DVD rather than going out to the movies.

Renting DVDs a few times a month can help you save for other monthly expenses, and you can have healthy snacks instead of overpriced popcorn.

Estimated Monthly Savings*	Your Actual Savings
\$40 – \$100	_____
\$20 – \$50	_____
\$20 – \$40	_____
\$10 – \$20	_____

**These estimates are based on a set of assumptions and national averages; your actual expenses might vary.*

5. Consider buying generic drugs.

Did you know that generic drugs are sold at some retailers for as little as \$4 per prescription? And the FDA requires generic drugs to have the same quality, strength, purity and stability as brand-name drugs. Generic drugs account for about one-half of all prescription drug purchases in the U.S. and save consumers an estimated \$8 to \$10 billion a year at retail pharmacies. If you take two prescriptions per month, you could save anywhere from \$20 to \$40 per month (or much more) by purchasing the generic form.

6. Downsize from premium to basic cable.

Premium channels that can run over \$80 per month. By scaling back to basic cable, you can still receive many channels, while saving \$20 to \$40 monthly.

7. Switch from premium to lower octane gas.

At up to \$3 per gallon, gas continues to take a huge bite out of monthly budgets. Use the lowest grade gas required for your car (check your owner's manual). Premium gas can cost 20-50 cents more per gallon than standard, so filling up with a standard grade can save you \$5 (on average) per tankful, or \$10 if you fill up twice a month. Visit www.fueleconomy.gov for price comparisons in your area.

8. Use public transportation or carpool to save on gas.

By relying on public transportation rather than your car or carpooling, you might save a tank of gas per month (approximately \$40) and help the environment at the same time!

9. Keep your tires inflated and your engine tuned.

Studies show that simply keeping your tires properly inflated and your engine tuned can save you over \$100 per year in fuel.

10. Use a "basic" cell phone plan with limited minutes.

The average cell phone bill is \$63-\$77 per month. Scaling back from a cell phone plan with loads of minutes (and bells and whistles that you don't find necessary) to a basic plan with limited minutes can save you \$20-30 per month. You'll still have the peace of mind of having your cell phone, especially in case of emergency, but won't have to pay for what you're not using.

11. Use a cell phone with prepaid minutes.

Why pay for hundreds of dollars for cell phone minutes you're not using? With pre-paid cell phones, you will only pay for the minutes you use, saving you upwards of \$30 per month.

12. Drop extra line services from your home phone.

Extra services on your home phone, such as call waiting, can each cost around \$50 per year. Check which services you're currently signed up for and drop any that you don't need on a regular basis.

Estimated Monthly Savings*	Your Actual Savings
\$20 - \$40	_____
\$20 - \$40	_____
\$5 - \$10	_____
\$40 - \$60	_____
\$5 - \$10	_____
\$20 - \$30	_____
\$20 - \$30	_____
\$5 - \$10	_____

13. Save big on your home energy costs.

There are many ways to lower your home energy costs 10 percent or more, by turning down your thermostat; using appliances such as dishwashers and washing machines during non-peak hours; unplugging appliances when not in use, using ceiling fans instead of A/C; and much more. Find additional energy efficiency information at www.energysavers.gov.

14. Switch to a free checking account or one without a required minimum balance.

Often times we stay with the same bank we used for years, out of convenience or habit. However, with familiarity can come high monthly service charges. Many banks offer checking accounts that are free, or ones that don't have a minimum balance service charge, which can save you up to \$10 per month, so consider shopping around. Visit www.bankrate.com.

15. Use only your bank's Automated Teller Machines.

Use only your own bank's network of automated teller machines (ATMs) and avoid costly fees from other banks, which can run \$1.50 - \$3.00 each time you withdraw money. If you use an ATM once a week, save over \$5-\$10 per month by eliminating these extra charges.

Estimated Monthly Savings*	Your Actual Savings
\$25 - \$100	_____
\$5 - \$10	_____
\$5 - \$10	_____
Your Total Monthly Savings	_____

Steps to Longer-Term Saving

Consider refinancing your mortgage. For more information:

- Call 1-888-687-2277 to ask for AARP's "Borrowers Guide to Home Loans," D17381.
- www.consumerfed.org. On a 15-year \$100,000 fixed-rate mortgage, lowering the APR from 7% to 6.5% can save you more than \$5,000 in interest over the life of the loan, and paying two points instead of three saves you an additional \$1,000 (Consumer Federation of America).

Lower your homeowner's insurance rates. For more information go to:

- www.pueblo.gsa.gov/cic_text/housing/12ways/12ways.htm
- Talk to your insurer about raising your deductible.

Lower your auto insurance rates.

- Contact your state insurance department, which can give you typical rates charged by different insurers. Go to www.naic.org and click on "NAIC States & Jurisdictions."
- Lower your rates by raising your deductible.
- Contact AARP's Driver Safety Program at www.aarp.org/driversafety.

Suggestions continued on page 4

Pay off your credit cards.

- Make paying off your credit card debt a priority.
- Call your credit card company to negotiate a lower rate on your existing balance or shop around for a lower rate card.
- For more information go to: **www.creditcards.com**.

Apply for financial assistance with your utility bills. For more information go to:

- **www.aarp.org/makeadifference/gettinghelp/articles/energy_guide.html**
- **www.energysavers.gov**
- **www.acf.hhs.gov/programs/ocs/liheap**

Improve your credit score. Higher credit scores can lead to lower interest rates:

- Read “Building a Better Credit Report” on the Federal Trade Commission’s website, **www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm**.

Sources: AARP, Consumer Federation of America, Federal Citizen Information Center, Congressional Budget Office, U.S. Department of Energy, U.S. Food and Drug Administration, American Public Transportation Association, J.D. Power & Associates, Motion Industry Association of America, National Coffee Association, National Cable & Telecommunications Association, Promotion Marketing Association Coupon Council, National Restaurant Association.

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