

Reducing Expenses

Finding ways to reduce expenses and spending will enable you to start tipping the scale toward more money coming in than going out. Here are some tips to help you get started.



VS



Weigh Needs vs. Wants

When making purchases, ask yourself if the item is a need or a want? Groceries, housing and clothing are needs. A high-priced restaurant or expensive vacation are wants. Focus your spending on needs and avoid “just for fun” shopping.

Plan Ahead

Use lists and plan ahead to avoid impulse buying. Purchase only what’s on your shopping list and don’t buy just because something is on sale. To prevent overspending carry only small amounts of cash and leave credit cards at home. Set money aside regularly for large purchases.

Meet Due Dates

Pay your bills on time to avoid paying late fees, extra finance charges or the cost of having utilities turned back on. Using online bill pay can help.

Prepare for Unexpected Expenses

Have an emergency fund to pay for unexpected expenses like doctor bills or car repairs, instead of being forced to pay with credit cards.

Use Extra Income to Pay Debt

If you have additional money coming in—from a second job, promotion, year-end bonus or tax refund—don’t view it as a reason to forget your budget. Before spending, use the increased income to pay down debt or save more.