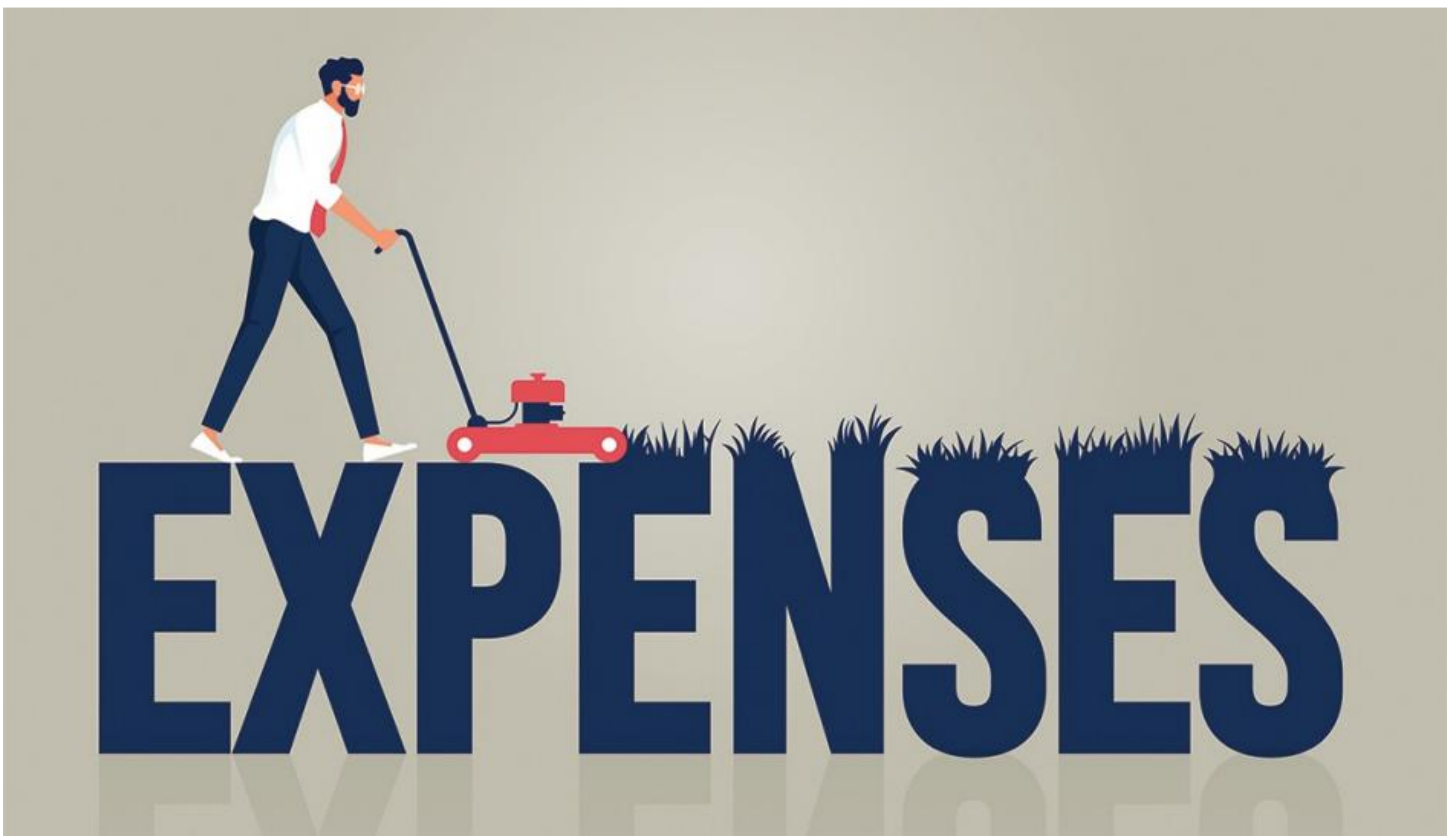
MONEY

# 10 Ways to Shave $100 or More From Your Budget

The best way to beat inflation: Shop smart, eliminate extra spending

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By Patricia Amend, AARP

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Inflation has been rearing its ugly head for months. At its peak in

June, the Consumer Price Index, the government's main gauge of inflation, rose 9.1 percent compared with June 2021, according to the U.S. Bureau of Labor Statistics. On Dec. 13, the government reported that the CPI had gained 7.1 percent over the 12 months ended in November.

In response, the Federal Reserve has been raising interest rates to cool off consumer demand, reduce inflation — and avoid a recession.



While inflation dipped slightly in September and October, the Fed's target of 2 percent is likely to take time to hit. Unfortunately, the latest survey of economists by *The Wall Street Journal* has forecast a recession for 2023. Employers may cut jobs as the economy contracts.

What to do? Look for painless ways to cut expenses. Asking for senior discounts, if you qualify, is obvious. But there are many other things you can trim without affecting your lifestyle, says Ken Waltzer, a certified financial planner at KCS Wealth Advisory LLC in Los Angeles. You can still have your vanilla lattes — but not every day.

Here, financial planners from around the country offer practical suggestions for shaving $100 or more off your spending each month. Then, you can divert some freed-up cash to your emergency fund. You'll be in a stronger position, should the U.S. economy dip into a downturn in the new year.

## 1. Get a grip on groceries

Create a weekly meal plan that you can display on a whiteboard on your refrigerator, says Nadine Burns, a CFP at A New Path Financial in Ann Arbor, Michigan. "Now, make a list of the ingredients you'll need for your shopping trip — and stick to it.

You'll save money, and your older children or partner can start meals before you get home from work."

Paying with cash will also help you to buy fewer items. Pick up your order curbside and you won't be tempted by store promotions. Shop at different stores, says Nick Covyeau, a CFP at Swell Financial Inc. in Costa Mesa, California. "Look for better deals."

Buy in bulk the nonperishable items you use regularly, says Waltzer. "You can get canned and paper goods, for example, in larger quantities at lower per-unit prices. You have the added benefit of buying before the cost goes up again."

## 2. Excise your excesses

Dining out, ordering take-out food and using subscription meal plans may simplify your life but complicate your budget. "I've had clients spend over $1,000 per month just on take-out," says Nicholas Bunio, a CFP at Retirement Wealth Advisors in Berwyn, Pennsylvania.

Examine your credit card and bank statements to determine how much you're spending on indulgences, says Crystal Cox, a CFP at Wealthspire Advisors in Madison, Wisconsin. "Do you stop at Starbucks for coffee every morning? Just $5 a day, five times a week equals $100 a month."

## 3. Shut down your shopping

It's always good to get a bargain — unless you're an impulsive spender. Do "flash sales" online for clothing, shoes and tech stuff grab your attention? If so, learn to ignore them. If you can't ignore them, get rid of shopping "triggers." Cancel notifications of price drops from your favorite retailers. Delete your product subscriptions on Amazon that deliver your favorites at intervals during the year. Buy only what you need and what your budget allows.



## 4. Turn down the temperature

"Given that energy costs are a large component of inflation this winter, my best advice is to reduce your home temperatures by 2 degrees throughout the whole day," says Catherine Valega, a CFP at Green Bee Advisory in Boston. "Use timers. Wear an extra layer of clothing. You'll reduce your costs, while doing something good for the environment."

Also, lower the temperature on your water heater to 120 degrees, says Maggie Kirchhoff, a CFP at True North Partners in Golden, Colorado. "For every 10-degree reduction, you can save up to 5 percent on water heating costs," she says. To save gas, combine errands when you use your car. If it's practical, take a walk — to the post office, for example.



## 5. Scrap surplus subscriptions

Money seems to evaporate, Covyeau says, when magazine, online news and streaming subscriptions go unchecked. Americans spend an average $219 on monthly subscriptions, according to C+R Research, and many underestimate their spending on these expenses. He suggests using Rocket Money, an app that links your subscriptions instantly. "It shows how much you're spending monthly and gives you the option of canceling them through the app."



## 6. Curb cellphone and cable costs

Check to see if you're overpaying for cellphone and cable service. "Plan prices are very competitive these days and companies rarely alert their customers to better deals among their plans," says

George Gagliardi, a CFP at Coromandel Wealth Management, in Lexington, Massachusetts. Mint Mobile, T-Mobile and Consumer Cellular are among the possibilities. "Providers tend to use the same three networks — AT&T, Sprint and Verizon — and their coverage is nearly the same," he notes.

Premium cable is another expense that can get out of hand, says Ryan Eyerman, a CFP at CKE Financial Services in Westlake, Ohio. "See if there are channels that you don't watch anymore, and if there's a less expensive option."

You should shop also around for internet service, he says. "If you find a good price, see if your current company will match it."

## 7. Investigate your insurance

Save by eliminating duplicate or unnecessary insurance coverage, says Bunio. "My parents had dental coverage plus a Medicare Part C plan that covered dental. We saved them $150 per month by dropping the separate coverage."

You might increase your deductibles on your auto and homeowners policies to lower your premiums. Eyerman says. "Before doing this, make sure to consult with a financial adviser who can verify if it is a good option for you," Eyerman says. It may be a good way to save money, provided you have an adequate emergency fund to cover the higher deductibles, should you have an incident.

Sometimes, you can change vendors and pay less, says Waltzer. Or, a slight change in benefits can reduce your premium costs without meaningfully affecting coverage.

## 8. Consider credit card and banking costs

The same can be said for credit card interest rates, and banking fees. "A balance transfer to a less expensive credit card, perhaps one with an introductory interest rate of zero percent, might be a worthy endeavor," says Mark Charnet, a certified financial fiduciary at American Prosperity Group in Pompton Plains, New Jersey. You might also save on fees by changing banks.

## 9. Time your travel

So, you've postponed a trip, time after time, due to the pandemic.

Chances are you can book it, and stay within your budget, if you're flexible, says Sarah Gerber, a CFP at Momentum Financial Planning LLC in Arvada, Colorado. "Traveling during off-peak times or changing your trip by a few days or even a few hours, can make a difference," she says. Also, use credit card or airline points for airfare and hotels, even meals, says Lamar Brabham, a wealth management specialist at the Noel Taylor Agency in North Myrtle Beach, South Carolina.

### 10. Temper your taxes.

Finally, increase your annual 401(k) contributions, if you can. That will beef up your retirement portfolio and may cut your tax bill, says Gagliardi. "If you are at the 12 percent marginal rate, for example, putting in an additional $834 will cut your tax bill by $100. At the 22 percent marginal bracket, a $455 increase in your 401(k) will net that same $100 reduction in taxes."

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*Patricia Amend has been a lifestyle writer and editor for 30 years. She was a staff writer at Inc. magazine; a reporter at the Fidelity Publishing Group; and a senior editor at Published Image, a financial education company that was acquired by Standard & Poor's.*

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