

5 WAYS TO CUT COSTS

If you and your family struggle to make ends meet every month, you're not alone. Here are five ways you might be able to cut costs. You can also find helpful tools and information on cost cutting at www.aarp.org/moneytools.

1

CUT CREDIT CARD DEBT

Do you know that you might be able to work with credit card companies to lower your interest rate? Doing so will cut down your monthly minimum payments. Call your lenders and ask for a lower interest rate. Even if you get a lower rate, you should always try to pay more than the minimum so you can pay down the credit card faster. Also check out AARP's debt payoff calculators at www.aarp.org/moneytools.

2

TRIM DOWN EVERYDAY EXPENSES

It's so easy to spend money in ways we don't think about but that really adds up. Look at your spending habits to see for yourself. For example, if you buy a cup of coffee or tea three times a week and spend just \$2 each time, that's over \$300 a year! Think about those higher cost habits, like eating out often or buying based on want rather than need. The savings can really make a difference. Here are some other ways to reduce everyday expenses:

- Bring lunch to work instead of buying it.
- Rent movies to avoid paying high theater ticket costs. Most cable companies offer videos on demand.
- The cost for cable television, phone service and Internet access can be outrageously high. Review your service to see if there are ways to cut costs. Comparison-shop if that's an option.

3

GET A HANDLE ON HOME ENERGY COSTS

We can all save on home energy costs by following these simple tips:

- Plug up drafty windows and doors with weather-stripping.
- Turn off lights in rooms that aren't occupied.
- Switch off bathroom and stove vents when you're finished with them. Otherwise, they'll pull heated or cooled air out of your home.
- Use the clothes washer, dryer and dishwasher only when they are full.
- Change your furnace filter at least every two months during the winter.
- Drop a little food dye in your toilet tank. If the water in the bowl turns color without flushing, then you're flushing money down the drain. You may just need a new seal that is cheap and easy to install.

4

AVOID BUYING THINGS ON IMPULSE

Think before you head out to shop so you don't buy on impulse. Whether you're going to the grocery store or shopping for clothes, make a list and decide what you can afford to spend ahead of time. Here are some tips for shaving dollars off of your purchases:

- In the grocery store, read the unit prices. You get more for your money if you buy a 16-ounce box of crackers for \$3.50 instead of a smaller 12-ounce box for \$3.10.
- For larger expenses, check prices at several stores or online before you buy.
- Check out thrift shops for good bargains.
- For Internet purchases, in addition to comparison-shopping on prices, search the Web for coupon codes and compare shipping charges.

5

REVIEW YOUR HEALTH INSURANCE

Health care costs can take up a big part of your budget. As you near open enrollment season for insurance, whether through your employer or on the open market, take time to review your health care spending. Here are some things to consider:

- Do you have large monthly costs due to a medical condition? You may be able to save money by choosing a plan with a lower deductible. This is the amount you pay out of pocket before your insurance kicks in. Your monthly payment (or premium) may be higher, but if you compare costs, you might find it's worth it.
- See if your health insurance offers mail-order prescriptions. It might be cheaper than buying directly from your local pharmacy.
- If you buy insurance on the private market, go to www.healthcare.gov review your options.

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