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# CUT YOUR SPENDING BY \$500 A MONTH

In today's tight economy, who doesn't want to free up some cash?

Here are 103 ways to trim the fat but not the fun from your budget.

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**Whether the recession has hit** you directly (say, with a pay cut or layoff), or you're worried that it might, or you just don't feel right spending as freely as you once did when so many others are hurting, almost everyone these days is looking to save a buck. Or two. Or 500. Who couldn't use some extra Benjamins in his pocket, to ease a squeeze on cash flow, shore up an emergency fund, or sock away more money for future goals and dreams?

In the pages that follow you'll find more than 100 practical tips to help you cut at least \$500, and possibly thousands, from your monthly expenses (in some cases we've amortized one-time savings over 12 months). Not the reuse-the-aluminum-foil, buy-near-the-expiration-date kind of advice that sucks the joy out of living, but smart, creative suggestions to free up cash without your feeling deprived. There are tips on your

everyday activities, your family, your home, your finances, and your leisure, plus ideas from MONEY readers solicited in an online survey. In each section you'll also see one idea for an extreme cut that will save you \$500-plus in a single move—though that one admittedly requires some sacrifice.

The best way to ensure that you'll come away from this exercise with \$500 or more a month in your pocket: Arrange to have the savings you identify automatically transferred from a checking to a savings account each month. That way it won't just disappear into other spending. Your life will literally be richer for it.

#### READER TIP NO. 1

SUSAN BOYES AND MATT CANTILLON, Ann Arbor

We cut services we don't use and found cheaper substitutes for the ones we do. We shopped around for less expensive auto and home policies, switched from an unlimited calling plan to 900 minutes, cut the premium channels we never watch, and now always shop with a list. We've saved hundreds, and all without any real sacrifice.

MONTHLY SAVINGS .....

\$355

## DAILY LIFE

\$1,499



## SLASH YOUR GROCERY BILL

**Shop once a week.** The more trips you make to the store, the likelier you are to buy on impulse because you see more tempting items. About two-thirds of purchases are unplanned; cut that in half to save \$143 a month (if you spend \$100 a week on groceries).

**Give up the bottle.** Stop drinking bottled water and instead buy a filter for your faucet (about \$34, plus \$25 for replacements). If your family consumes 12 gallons a month, you'll save about \$15.

**Eat what's ripe.** Out-of-season produce costs 20% to 50% more than it does when it's in season. For a list of what's in season when, go to [fruitsandveggiesmorematters.org](http://fruitsandveggiesmorematters.org). Estimated savings: \$7 a month.

**Differentiate between clean and dirty.** Organic produce costs \$1 to \$2 more than the conventional kind. Cut your pesticide intake by going organic on the dirtiest produce (apples, lettuce) and conventional on the cleanest (kiwi, tomatoes). For a list of clean and dirty fruits and veggies, go to [foodnews.org](http://foodnews.org). Savings: \$18 a month.

MONTHLY  
SAVINGS UP TO .....

\$183

Assumes spending \$55 a month on produce (\$35 on organics), one-third of it out of season.

TWITTER  
TO  
SAVE

Get timely if terse tips about bargains by following these twitterers. Not up on the technology? Get a tutorial at [twitter.com](http://twitter.com).

MUSIC  
@amazonmp3TRAVEL  
@JetBlue  
CheepsFASHION/  
BEAUTY  
@DealDivineGENERAL  
RETAIL  
@DealsPlusGIVEAWAYS  
@fstimesVISIT YOUR  
LOCAL COBBLER

Last year's Cole Haans are so ... in this year. Rather than shell out \$150 or more each season to buy a new pair of good shoes, clean up last year's kicks. Your local shoe-repair shop will charge about \$10 to fix worn-out heel tips for women. Men can get another year or more out of their dress shoes by replacing the rubber heel and the sole, says veteran cobbler Jim McFarland of Lakeland, Fla. Cost: about \$50. If the lady of the house buys four pairs of shoes a year, and the man buys one (at \$150 each), you'd save more than \$50 a month.

MONTHLY  
SAVINGS UP TO .....

\$55

## THE EXTREME CUT

\$662/month

## DITCH YOUR SECOND (OR THIRD) CAR.

*Sure, she turns heads, but that 2007 Audi A6 Quattro is an expensive mistress. Can't do without two cars? Trade it in for a new Camry and save \$221 a month.*

Savings for annual operating costs only: insurance (\$4,992); gas (\$2,218); maintenance (\$734); assumes 5,000 extra miles on remaining car (2008 Acura TL), plus four weekly bus passes. Trade-in is even exchange for a 2010 Camry XLE.

**READER TIP NO. 2**

JODY AND JESSE LEWIS, Downingtown, Pa.

We have signed up for the customer rewards programs at all the places we regularly shop—the local CVS pharmacy, Staples, Best Buy, even the pet-supply store. Our savings at the drugstore alone are about \$240 a year, and we figure we save about \$100 at each of the others. Since we would be spending that money anyway, it's nice to get something back in return.

**MONTHLY SAVINGS** .....

**\$45**

**Time Your Buys Right**

Don't get gouged—buy that air conditioner in January, not July, and get it for nearly half the price. You can save 25% to 40% or more if you know when to buy these goods.

LINENS	KITCHENWARE	WINTER COATS	TIRES	SWIMSUITS
save	save	save	save	save
40%	25%	40%	30%	47%

J	J	J	J	J	J	J	J	J	J
F	A	F	A	F	A	F	A	F	A
M	S	M	S	M	S	M	S	M	S
A	O	A	O	A	O	A	O	A	O
M	N	M	N	M	N	M	N	M	N
J	D	J	D	J	D	J	D	J	D

**MONTHLY SAVINGS UP TO** .....

**\$46**

Savings amortized over 12 months for down comforter (original price: \$480); skillet, pot (\$125); winter coat (\$350); four Firestone tires (\$492); Calvin Klein one-piece suit (\$94).

**STRETCH IT OUT**

Look like a million bucks without spending a million by slowing down your personal care regimen.

**Go easy on dry cleaning.** Cut the number of trips you make in half: 65% of clothes that are dry cleaned can be washed by hand or machine, says Kathryn Finney, founder of thebudgetfashionista.com. For example, you can put linens in the washer and do most sweaters in cold water by hand (including cashmere and camel hair). Most silks are hand

washable too. Exception: bold colors like brick red, deep brown, and navy should still be dry-cleaned.

**Do home touchups.** Add at least two weeks to the time between hair coloring appointments (\$100 or so a pop) by using over-the-counter products (about \$10) from the drugstore to cover up your roots.

**MONTHLY SAVINGS UP TO** .....

**\$38**

Based on estimates from the Drycleaning & Laundry Institute; hair savings assumes treatments every five weeks.

WE ♥ OUR CUSTOMERS

**GET TO WORK CHEAPER**

A suburban driver commuting to the city might shell out \$575 a month for gas, parking, and car upkeep, assuming a 30-mile round-trip. These downshifts can help:

**Grab a tax break.** Sign up for your company's transportation reimbursement account, which lets you pay up to \$230 in monthly parking fees with pretax dollars. (You can set aside the same amount for mass-transit costs.) Savings: about \$80 a month.

**Drive with a buddy.** Carpool to work with a colleague. No one suitable you know nearby? Get matched up at [carpoolworld.com](http://carpoolworld.com) or [erideshare.com](http://erideshare.com).

**Go from four wheels to two.** Buy a good commuter bike (\$500) and cycle to work as the weather permits. Do that six months a year and you'll save \$250 a month.



**MONTHLY SAVINGS UP TO** .....

**\$320**

Assumes 28% tax bracket; carpooling 10 months a year; cycling costs include bike, helmet, air pump, \$25-a-month maintenance.

**WORK OUT FOR LESS**



**NOW**

**\$150** /month

Sweat on your high-end health club's Stair-Master—and unwind at the martini bar.



**BETTER**

**\$50–\$90**

Work out at the YMCA—there are nearly 3,000 locations throughout the nation.



**BEST**

**\$0**

Free online boot camp whips you into shape at [marinecorpsfitness.com](http://marinecorpsfitness.com).

**CNNMoney.com**

For more creative ways to cut \$500 or more from your expenses every month, plus additional tips from readers, go to [cnnmoney.com/saving](http://cnnmoney.com/saving).

# FAMILY

# \$4,713

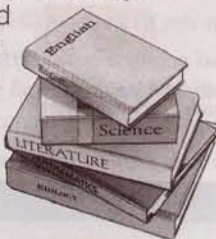
## TRIM COLLEGE EXPENSES

Tuition is the largest single bill you'll pay for Junior to get a degree from Bleed You Dry U. But other costs add up fast. Slash these three:

**Books** Nix *Brief Principles of Macroeconomics* from the college bookstore (\$146); rent it from Chegg.com or CampusBookRentals.com, which carries the intro econ text for \$68 a semester.

**Meals** Go for a seven- or 14-meal plan, not a full one. Your kid will be up late partying, er, studying, and skipping breakfast a few days a week. And no one eats in the cafeteria on Saturday night.

**Travel** For trips home, buy a Student Advantage discount card (\$20) to save 15% on train and bus fares, 10% off selected flights.



MONTHLY SAVINGS UP TO .....

**\$128**

Based on saving 50% of national average of \$1,077 a year for books; Cornell semester meal plans (\$2,900 unlimited vs. \$2,450 for 14 a week); four roundtrip train rides, Ann Arbor to Rockford, Ill., plus one spring break flight to Miami.



## CUT THE COST OF NEXT YEAR'S CAMP...

... and other child-care expenses by signing up for a flexible spending account, a valuable employee benefit that hardly anyone uses. The accounts, offered by 85% of large companies, allow you to use pretax dollars to pay up to \$5,000 in caregiving bills (including day camp) for children under 13 and elders who are your legal dependents, in addition to \$3,000 to \$5,000 of your out-of-pocket health-care costs (your employer sets the limit). But only 6% of eligible workers use the accounts for child care and 22% for medical costs, the consulting firm Mercer reports. What are you waiting for? The accounts offer the equivalent of 35% or more off on expenses you have to pay anyway.

MONTHLY SAVINGS UP TO .....

**\$297**

Assumes the 28% bracket, 7.65% FICA, \$5,000 in both accounts.

SAVE  
ON YOUR  
MEDS



NOW  
**\$30**

Fill your brand-name prescriptions at your local pharmacy.



BETTER  
**\$20**

Buy medications through your health plan's mail-order program.



BEST  
**\$4**

Get low-cost generics at chain stores like Target and Wal-Mart.



# HANG UP ON HIGH PHONE BILLS

Eight out of 10 U.S. families pay too much for phone service, reports billsshrink.com. Use one or more of these strategies to ensure yours isn't among them.

**Take a message.** Teens who live at home average 1,742 texts a month. Switch to a family cell plan with unlimited texting.

**Get smart.** College students text less than high school kids. Spring for a smartphone (like

an iPhone) with unlimited data if your child agrees to a limited text and calling plan.

**Drop the landline.** Some 20% of homes have only cellphones. Maybe yours should be one.

**Add Mom and Dad.** Are your parents spending \$30 a month for an emergency cell that just gathers dust? Instead, put them on your family plan, which will cost only about \$10 a month.

MONTHLY SAVINGS UP TO .....

**\$145**

Based on AT&T plans, saving \$22/mo. on texts, \$55/mo. with smartphone; landline price of \$48.

## Make Your Children Less Taxing

Almost 20% of people who are eligible for higher-education tax relief don't claim it. Make use of these breaks for kids of all ages.

TAX BREAK	GOOD FOR AS MUCH AS ...	KNOW THIS	SAVINGS <sup>1</sup> MAX/MONTH
American Opportunity Tax Credit	\$2,500 annually for the first four years of college	New for 2009 and 2010	\$208
Annual Tuition Deduction	\$4,000 deduction on tuition and fees	You can take this or the tax credit, but not both	\$93
Child Tax Credit	\$1,000 for each kid under 17	Sweetens your \$3,650 dependent exemption	\$83
Dependent Care Credit	\$1,200 if you have two or more kids under 13	May qualify even if you max out flex spending at work	\$50

Savings total assumes taking the college credit and child credit for one child; <sup>1</sup>28% bracket. Income limits apply; cutoffs range from \$130,000 to \$180,000 (joint income); go to irs.gov for details.

**Assess your health risk** To help control costs, a growing number of companies are asking employees to fill out a health-risk assessment form, with basic medical and lifestyle info. Why do it? Many employers will then discount your monthly premiums or give a cash reward (\$100 is typical).

MONTHLY SAVINGS .....

**\$20**

Typical premium reduction

THE EXTREME CUT

**\$737**/month

### MAKE THE YOUNG ADULTS PAY.

Boomers provide \$59,000 in financial assistance to grown children over a typical five-year period. Reduce that by 75%—you'll still be helping, but no longer enabling.

### READER TIP NO. 3

CAMERON PADGETT, Beaufort, Ga.

To send my son to college without going into debt, we planned for him to start at Georgia State, which cost \$12,000, and finish at a private school like Emory, which was almost \$50,000. But he grew to love Georgia State, and now he'll just graduate from there.

MONTHLY SAVINGS .....

**\$2,995**

DON'T BE A SNOB

Coupons can yield big savings on purchases for your family—if you're not too proud to use them.

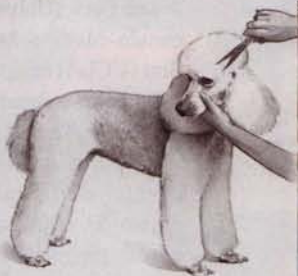
↓  
GROCERIES  
CouponMom.com

ONLINE SHOPPING  
CouponCabin.com

FREE SHIPPING  
FreeShipping.org

CASH BACK  
Extrabux.com

## PAMPER YOUR PET FOR LESS



Try these techniques:

**Say bye to boarding.** Going away? Nix the pet motel; instead trade sitting duties with other pet-owner pals.

**Go to school.** Get Spike looking spiffy at a grooming school. Price: 40% to 50% less than a regular groomer.

**Drop the pet insurance.** You'll probably pay way more in premiums than you stand to save on vet bills.

MONTHLY SAVINGS .....

**\$74**

Annual costs: boarding, \$265; grooming seven times: pro (\$55) vs. school (\$30); pet policy, \$447

# CHANGE YOUR HABITS

Cutting costs is not just about what you buy but also *how* you buy. Rewire your brain to stop loading up on stuff you don't need.

DO → DON'T



**Look, but don't touch.** In fact, maybe you shouldn't even look. There's a reason retailers lay out sweaters and shirts on tables like hors d'oeuvres: They know you won't be able to resist touching them, and that if you touch them, you may not be able to resist buying them. Why? A study by marketing professors Joann Peck (University of Wisconsin-Madison) and Suzanne Shu (UCLA) suggests that when you put your hands on an object—or even stare at it too long in a store window—it increases your psychological sense of ownership. That, in turn, makes it harder for you to resist buying it.

DO → DON'T



**Get a grip.** Making your spending limits concrete—by writing them down or even telling them to other people—can help you maintain self-control, says MIT behavioral economist Dan Ariely, author of *Predictably Irrational*. When you go into a grocery store

with a list in hand, you're far less likely to stray and end up with a package of two dozen seasonally appropriate cupcakes. Also resist the urge to give in to impulse buys: Studies indicate that once you decide to buy something—anything—you will find it psychologically easier to buy even more. Researchers Ravi Dhar (Yale), Joel Huber (Duke), and Uzma Khan (Yale) call this the “shopping momentum effect.”

DO → DON'T



**Don't get comfortable.** The more convenient it is for you to shop, the more convenient it is for you to overspend. So don't make it easy on yourself. Unless you're stocking up on supplies, use a basket instead of a cart the next time you head to Target, for instance. And if you're planning to buy only a few small items, do without the basket altogether.

DO → DON'T



**Shop happy.** Don't go to the mall when you're in a lousy mood. A study by Harvard management professor Jennifer Lerner has

found that people who were feeling depressed when they shopped were willing to spend 30% more than consumers who were in a better frame of mind.

DO → DON'T



**Don't be too hard on yourself.** A little treat from time to time won't hurt you—and could even help. If you don't allow yourself an occasional indulgence, you'll end up feeling deprived, suggests research by Columbia University marketing professor Ran Kivetz. The regret in turn can tempt you to splurge on something big in an effort to feel better. Also recognize that you have only so much willpower to spare, according to a study by Florida State University psychologist Roy Baumeister and marketing professor Kathleen Vohs at the University of Minnesota. If you're trying to, say, quit smoking *and* cut back on spending, give yourself a little slack on the spending front. Quitting smoking will save you so much money—on cigarettes now and your health-care costs later—that you can afford to order a latte.

DO THIS  
NOT  
THAT

One way to avoid the temptations of shopping is to stay away from where the temptations are.



DO

Take a walk by the lake.

DON'T

Take a stroll through the mall.

DO

Take a trip to the library.

DON'T

Spend the afternoon at Borders.

DO

Take the scenic route home.

DON'T

Drive by the shoe store that draws you in like a magnet.

# FINANCES

# \$774



## STAY ON FEE ALERT

A typical overdraft fee is \$26, a 30% jump in 10 years. Credit card late fees at major banks are around \$39, and could hit \$49 next year, experts say. Avoid the shakedown by setting up e-mail and text message alerts at your bank's website. You'll get a ding when bills are due or your checking balance drops below a certain amount.

### MONTHLY SAVINGS

**\$15**

Assumes four overdrafts a year at \$26 each and two credit card late payments at \$39 a pop.

## HAGGLE OVER HIGH RATES

A well-placed threat—er, negotiation—can save you a bundle. Three places to cut:

**Credit cards** Call customer service and mention you're planning a balance transfer unless the issuer lowers your rate. Repeat up the chain of command until satisfied. This works best if you have a credit score of 750 or higher.

**Cellphone** New customer? Ask for an activation fee waiver—you'll save \$40. Already using the service? Tell the rep you're thinking about canceling—usually good for 10% to 20% off.

**Cable** Find out what the new customer promo is and ask for it. Or threaten to dump cable for the phone company's TV service.

### MONTHLY SAVINGS

**\$46**

Rate cut from 22% to 14%, \$3,000 balance paid in two years; 20% off \$75/month cell bill; recent cable promos.

### INVEST FOR LESS

Make cheap bets on U.S. stocks by opting for funds with low expenses.

#### NOW

Davis  
New York  
Venture B  
(NYVBX)  
**\$13.83**  
a month

#### BETTER

FMI  
Large Cap  
(FMIHX)  
**\$8.25**  
a month

#### BEST

Vanguard  
Total Stock  
Market ETF  
(VTI)  
**75¢**  
a month

Fees based on a \$10,000 investment.

**Stop overpaying for college savings.** Two-thirds of new 529 college savings accounts are sold through brokers—even though the plans charge up to 5.75% per transaction and you can buy similar funds directly from providers at no charge. Find a good one at [savingforcollege.com](http://savingforcollege.com). One possibility: Utah Educational Savings Plan ([uesp.org](http://uesp.org)).

### MONTHLY SAVINGS

**\$12**

If you invest \$100 a month for each of two kids.



**READER TIP NO. 4**

SEAN NESSELT, Sunrise, Fla.

I use the American Express Blue Cash card to pay as many everyday expenses as I can—\$15,000 a year. I get 5% back on my grocery, pharmacy, and gas purchases after I spend \$6,500, 1% before that, and cash back on other things I buy too. I have a long commute and get \$17 back a month on gas alone.

**MONTHLY SAVINGS****\$31****DRIVE DOWN PREMIUMS**

High auto policy prices will hit the road if you use a combination of these cost-cutting strategies.

**Raise your deductible.** Going from \$250 to \$500 could save 7%. Jump to \$1,000, and you'll save 14%.

**Just say no to collision.** Got an older car? If it's worth less than 10 times what you'd pay in a year for collision (check at kbb.com), drop the coverage.

**Dig for discounts.** Save up to 15% with breaks for safe driving records and good grades for teens.

**Shop around.** Compare prices at insweb.com. You may get coverage at up to \$300 less than you pay now.

**Pay as you drive.** In 15 states, Progressive allows drivers to plug a device into their cars that monitors driving habits and miles. Possible savings: up to 30%.

**MONTHLY SAVINGS****\$50**

Estimated savings for a married couple with two cars in Edmonds, Wash., who raise the deductible from \$250 to \$1,000 and drop collision on one car.

**Break the Bank**

Borrow from a credit union instead of a big bank to nab a lower rate on your loan. See how to become a member at findacreditunion.com.

PRODUCT	AVERAGE BANK RATE	CREDIT UNION AVERAGE	SAVINGS/MONTH
48-month new-car loan	6.59%	5.24%	\$19
Home-equity line of credit	4.91%	4.43%	\$12
Regular credit card	12.53%	11.66%	\$4

\$10K card balance paid off in two years; \$50K HELOC in 10; \$30K car loan.

**USE WEB TOOLS TO SAVE**

Bookmark these URLs.

**BANKRATE.COM**

Find the best terms and interest rates.

**CARDRATINGS.COM**

Compare offers, read reviews.

**BILLSHRINK.COM**

Deals on credit cards, cells, gas.

**MINT.COM**

Track spending, get alerts.

**MONEYAISLE.COM**

Banks bid for your business.

**THE EXTREME CUT****\$500**/month**PAY IN CASH.**

You'll spend 20% less if you pay the old-fashioned way instead of whipping out the plastic, according to researchers at New York University and the University of Maryland.

Assumes income of \$150,000, 20% spent on discretionary expenses.

**DON'T OVERINSURE**

The lazy way of buying life insurance: Choose a policy that replaces five to 10 times your income. For a better estimate, sweat out some calculations—you may find you need less coverage than you have, especially if your spouse isn't dependent on your paycheck or your children are grown. Get help figuring out how much you really need by using the life insurance estimators at tiaa-cref.org or lifehappens.org.

**MONTHLY SAVINGS****\$58**

For a male nonsmoker, 45, in good health who buys a 20-year \$1 million policy instead of a \$1.5 million one.

**GET FREE AT LAST**

At \$3 to \$4 per withdrawal, those annoying out-of-network ATM fees can really add up. Three good ways to eliminate them: Use only your own bank's ATMs (the exercise will be good for you). Skip the ATM and get cash back when you're paying for groceries with your debit card. Or switch to an online bank that refunds all ATM fees. One good choice: Schwab Bank High Yield Investor Checking account (no minimum balance required). Bonus: You'll earn 0.75% interest.

**MONTHLY SAVINGS****\$14**

Assumes four out-of-network withdrawals a month at average fee of \$3.43.

# HOME

# \$1,211

## DO IT YOURSELF

Even DIY newbies should be able to tackle these home maintenance projects.

**Clean the carpet.** No need to hire a pro every time you get a spot on the rug. Rent a carpet cleaner for \$20 (see rental tips on page 95) and save the \$200 or more a cleaning service charges to render five rooms spotless.

### Fix that leaky toilet.

All you probably have to do is replace the valve in the tank (called the flapper valve) that lifts up when you flush and lets the water flow through to the bowl. The actual part costs only \$3 to \$5, but a plumber will charge \$70.

### Weather-strip your doors.

To stay toasty this winter, stop the leaks that let warm air out and cold air in. A handyman will charge \$65 to install the weather stripping and door sweep needed to help seal a door against the elements. But you can buy the supplies for \$15 at your local hardware store and attach them yourself.

#### MONTHLY SAVINGS

**\$23**

Fix a toilet once a year, clean your own carpet every other year instead of hiring a pro annually, and weather-strip two doors every three years.



## ZAP YOUR ENERGY COSTS

Tired of your spouse telling you to lower the thermostat and put on a sweater? Try these tips to cut your energy bills by 25% or more.

**Do an energy audit.** Get a free check of your home for energy leaks if your utility company offers one. Or do it yourself using the guide at energystar.gov. Savings: up to \$40 a month (after improvements).

**Automate heating and cooling.** Set a programmable thermostat (\$50) to automatically lower the heat after bedtime and warm up the house before the alarm clock rings. Savings: \$15 a month.

**Go fluorescent.** A compact fluorescent bulb uses 75% less energy and lasts 10 times as long as an incandescent one. You'll make back its higher cost (\$3.50 vs. 50¢) in six months. Savings: \$7 a month.

**Put on that sweater.** What's so bad about layering anyway? It's free and it's cozy. And for every one degree you lower the temperature, you'll cut about 1% off your heating bill. Savings: \$8 a month.

#### MONTHLY SAVINGS

**\$70**

Energy audit based on average \$1,900 annual home energy expenses; Energystar.gov estimates on savings; bulb item assumes 10 CFL bulbs with the lights on an average of three hours a day.

## FIRE THE LAWN GUY


**NOW**

**\$220**  
a month  
Pay the gardener.


**BETTER**

**\$100**  
a month  
Cut his hours: He still mows the lawn, but you do the trimming and weeding.


**BEST**

**\$3-\$23**  
Dust off your mower or buy a new one (\$250) and cut the grass yourself.

Informal survey of gardener fees in Sacramento; cost of walk-behind mower amortized over 12 months.

**Refinance.** The silver lining of the gloomy housing market: Mortgage rates are low, hovering at 5.35%. If the rate on your current loan is 6.35% or higher and you plan to stay in your home for at least three years, look into refinancing. On a \$300,000 mortgage, closing costs will run you about \$6,000, but you could cut your monthly payment by more than \$250.

**MONTHLY SAVINGS** ..... **\$250**  
 Assumes a \$300,000 30-year mortgage taken out three years ago at 6.35%; remaining balance refinanced at 5.35%.

## RENT, DON'T BUY



Do-it-yourselfers may take pride in their tool collection. But how often do you really use that pressure washer or chainsaw? Instead of buying a specialty tool that you may need once every couple of years, rent it at a national chain such as Home Depot or Sunbelt Rentals, or at an independent retailer (find one at ararental.org). Prices typically range from \$20 to \$100. Better yet, borrow the tool you need, often for free, from a tool-lending library. Wikipedia has a list of major cities that offer this service; to find one near you, just type "tool lending library" into the search engine. Savings: \$27 a month, if you rent six common tools (average price to buy: \$300) twice over a four-year period.

**MONTHLY SAVINGS** ..... **\$27**

### FIX IT UP SMARTER

Renovating a home doesn't have to blow a hole in your pocket. Just follow these savings strategies.



#### PIPES

Keep plumbing and gas lines in the current location.

#### KITCHEN

Refinish cabinets, don't replace them.

#### APPLIANCES

Buy ones with slight dents or scratches, or last year's model.

#### LABOR

Consider doing some of the work yourself (get savings estimates at diyornot.com).

### READER TIP NO. 5

HEMANT MUNGEKAR, Campbell, Calif.

I installed a solar attic fan, which saves me money because I do not run the air conditioner as often. The fan cost about \$350, but it lowered my summer electricity bills by about \$30 each month, and I got a federal tax credit. It paid for itself in three summers, and my house is now about seven degrees cooler on a typical summer day.

**MONTHLY SAVINGS** ..... **\$30**

## Slash Home Insurance Premiums

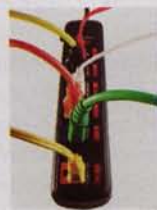
Cut the tab on your homeowners policy by as much as 25% with these moves.

STRATEGY	% OFF	SAVINGS/MONTH
Raise your deductible to \$1,000.	Up to 25%	\$18
Ask for loyalty discounts (six years or more with the carrier).	10%	\$7
Use the same insurer for your auto coverage.	10%	\$7
Install dead bolts or security systems.	5%	\$4

Assumes an \$841 annual premium.

## STAKE OUT VAMPIRE APPLIANCES

Many electronic devices (TVs, DVD players, and computers) draw a lot of power even when they're off. An even bigger energy waster: a PC in sleep mode, which can use a third as much electricity as it does when on. Cut the waste by putting as many of these hidden energy suckers on the same power strip as you can; then flip the strip off at night.



**MONTHLY SAVINGS** ..... **\$8**

Based on common usage for a typical modern household with a flat-screen TV, digital cable, and desktop and laptop computers, among other electronic devices. For more info, go to [standby.lbl.gov](http://standby.lbl.gov).

### THE EXTREME CUT

**\$568**/month

#### MOVE TO A SMALLER HOME.

If big mortgage payments are eating into your cash flow, consider trading down now that home prices in many areas look as if they're bottoming out.

Assumes you shift from a \$300,000 mortgage at 5.5% to a \$200,000 mortgage at 5.5%.

# BE A FRUGAL CONNOISSEUR

Want high end without the high prices? These strategies can save you 75% or more on a variety of luxury goods.



You don't have to shop Fifth Avenue stores or pay Fifth Avenue prices to buy designer clothes, jewelry, or home goods. You can go online to grab high-end products at deep discounts—if you know where to look.

## Shop the online clearance bins

For years fashion designers have held sample sales to clean out inventory, pricing end-of-season stragglers at a deep discount. But you had to be in cities like New York or Los Angeles to benefit.

Not anymore.

Over the past year or two, at least a half-dozen sites have been launched that bring the designer sample sale concept online, as recession-challenged luxury marketers search for a broader audience. While sites such as Bluefly.com and Yoox.com have been around for years, the new

breed—sites such as Gilt.com, EditorsCloset.com, HauteLook.com, and RueLaLa.com—offer limited-time sales but for deeper discounts (50% to 75% off retail vs. a more typical 40% at the older sites). The deals can be stunning: HauteLook recently sold a stainless-steel men's Movado watch for \$429, 71% less than the \$1,495 price tag in stores.

In addition to clothes for men, women, and children, many of the sites handle jewelry and other accessories (handbags, shoes, sunglasses). But to get the bargain, you have to become a member of the site, either by invitation (say, from a friend who's enrolled)

or by simply signing up (some sites may have a short wait list). You also have to time it right. Sales typically run for 36 to 48 hours only, with many items selling out in the first hour.

## Scour home-goods sales

The sample-sale concept is expanding to high-end home decor, such as pottery from interior designer Jonathan Adler, Odegard rugs, and glassware from Italian maker Luigi Bormioli. Some of the fashion sites, like HauteLook and Gilt, now sell home goods. But you will find more variety at sites such as OneKingsLane.com, which deal exclusively in home design. There, a Staub cast-iron pan recently sold for \$99 vs. \$200 in stores.

## Use a free personal shopper

Love the luxe sales but can't shop while you're at work? Sign up for alerts letting you know when your favorite designers go on sale at retailers such as Nordstrom and Bloomingdale's by creating an account with ShopItToMe.com. The site acts like a virtual personal shopper, scouring online deals for you. You'll see results only for the brands and sizes you choose, rounded up and sent in an e-mail once a day or once a week (your preference).

**BUY  
THIS, NOT  
THAT**



You can buy a men's designer suit, like this Hickey Freeman, in stores for \$1,200.

OR

Buy the same suit for \$380 at GILT.COM.



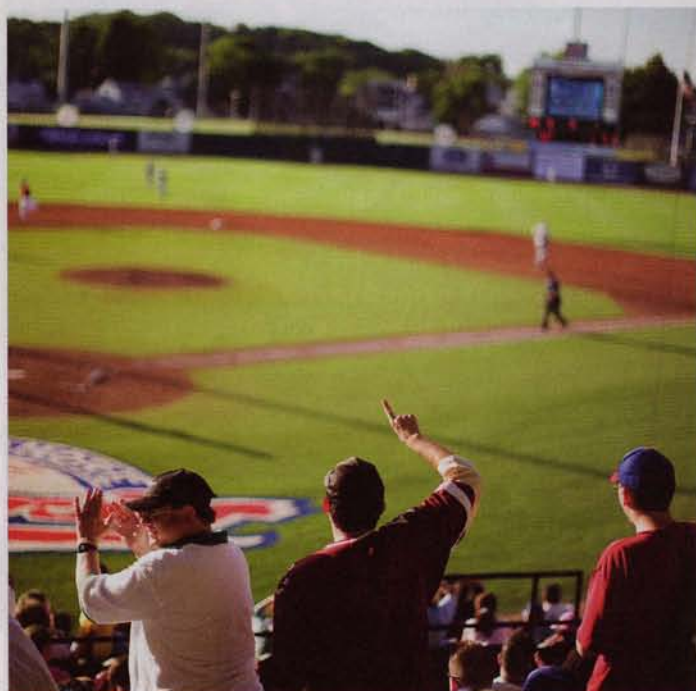
Want to impress at a job interview? You could buy this Tory Burch Studded Leather Tote for \$495.

OR

Rent it from AVELLE.COM for \$26 a week for members.

# LEISURE

# \$1,405



## HAVE MORE FUN FOR LESS

These low-cost outings can be a lot more enjoyable than loftier fare.

**Take in a minor-league ball game.** You'll pay less for a seat right behind the dugout than you would for two hot dogs and a beer at a big-league ballpark. Exhibit A: Four tickets behind first base at Angel Stadium in Anaheim will cost \$380 this season; comparable seats at a nearby Rancho Cucamonga Quakes game are just \$48.

**Listen to aspiring musicians.** Exchange your subscription to the Philharmonic (\$736 for two prime orchestra seats for four performances of the San Francisco Symphony) for one to your local university's orchestra (an introductory package with similar seating for the Berkeley Symphony Orchestra: \$240).

**Watch the early show.** In place of an evening at the multiplex, catch a midday matinee. Better yet, make it breakfast and a movie. Theater chains discount generously on shows that start before noon: You might pay \$4.25 a ticket vs. \$8.50 for the same film at night.

MONTHLY  
SAVINGS UP TO .....

\$105

Other assumptions: ball games for a family of four twice a year, once-a-month movies for two.

### DINE FOR FEWER DOLLARS

#### BROWN-BAG IT TWICE A WEEK

Ditch the sandwich at the downstairs deli and pack a couple of lunches with leftovers.

#### DO LUNCH, NOT DINNER

Make reservations at a pricey hot spot for a midday meal; the food is the same, but the prices are cheaper.

#### THINK SMALL

Forgo the white-tablecloth service at a ritzy restaurant; order smaller portions from the bar menu instead.

#### INDULGE A LITTLE

Eat your main course at home, then go out for dessert. Order something extravagant—you can afford it.

## GARDEN SMARTER

The golden rule of gardening: Don't pay for something that you can do yourself.

**Don't buy mature plants** (50 for \$200) when you can grow them from seed (\$20).

**Make compost** from rotting leaves in your yard rather than buying it (\$110–\$165).

**Mooch the mulch** You may be able to pick up free mulch from your town or local utility. Just call and ask.



MONTHLY  
SAVINGS UP TO .....

\$29

A 200-square-foot flower garden, replacement of a quarter of the plants.

**Celebrate Frugally** Toasting a special occasion? Veuve Clicquot's Rare Vintage 1988 will run you \$105. An excellent, far less costly substitute: French bubbly from outside the Champagne region, like Louis Bouillot Crémant de Bourgogne Grande Réserve Brut. The price: just \$13.

MONTHLY  
SAVINGS .....

\$15

For two bottles of fine bubbly a year.

## READER TIP NO. 6

RICHARD ROSMARIN, Gainesville, Fla.

I'm retired and an avid golfer, playing about three or four times a week. I belonged to a country club for 13 years, which ran \$400 to \$500 a month. After losing so much of my retirement savings, I volunteered as a ranger at a nearby golf course, usually working a five-hour shift once a week or so. In return I can play all the golf I want for free. I can even bring guests three times a month at no charge.

MONTHLY SAVINGS .....

\$500

### Take Some Cheap Shots

Want to play a country-club sport on a schoolyard budget? Try these strategies.

SPORT	BEST PLAY	SAVINGS/MONTH
Tennis	Skip the club and find a public court using tennismaps.com.	\$90
Golf	Book tee times and save on greens fees at GolfNow.com.	\$15
Skiing	Get lift tickets for 32% off at Liftopia.com.	\$13

Assumes \$90-a-month family membership at tennis club vs. free public courts; 25% off on greens fees of \$79 for nine outings a year; 32% off seven \$69 weekend lift tickets (industry average).

## CUT THE CORD

Here's a radical idea. If you watch mainly movies, a few select shows, and an occasional ball game, you may not need TV service at all: You can watch many shows free online at sites such as Hulu.com or the network sites and (depending on your Internet provider) live sports at ESPN360.com. You can also get DVDs delivered to your door by Netflix or pick them up at a Redbox (those little



\$1 DVD rental vending machines at the grocery store). Doing without cable can save you \$40 to \$100 a month, depending on your cable package. Got to have the History Channel? Keep basic cable but drop one or more premium channels, and save \$15 or more a month.

MONTHLY SAVINGS .....

\$54

Assumes typical cable bill of \$70 a month minus \$14 for a two-at-a-time Netflix subscription and two Redbox rentals a month.

THE EXTREME CUT

# \$517/month

### TAKE A HOME-SWAP VACATION.

Find someone who lives where you want to visit, and trade places for a week.

Find interested traders at [homeexchange.com](http://homeexchange.com) or [1sthomeexchange.com](http://1sthomeexchange.com).

Assumes family of four taking two trips a year spends \$325 a night on lodging, \$175 a day on food; home swap is free, \$400 a week on food.

### READ BARGAIN BOOKS



NOW

\$41.50/month

Buy two hardback bestsellers at Barnes & Noble.



BETTER

\$30.67/month

Buy your books at 45% off list price from reliable third-party sellers on Amazon.



BEST

\$0

Get books free at the library—even if you have to wait for that bestseller.

## JOIN THE CLUB

Sometimes you have to spend a little to save more. These upfront outlays can yield big payoffs.

**Get carded.** Nab discounts by paying a membership fee at businesses you frequent. A \$25 Starbucks Gold card will earn you a 10% break on lattes and pastries (worth the price if you spend at least \$21 a month), plus two free hours of Wi-Fi a day.

**Buy the book.** Discount coupon books like *The Entertainment Book* may seem cheesy, but for \$10 you can get discounts of 10% or more at restaurants, theaters, and other venues in your area, along with other freebies. Or go online for discounts at [entertainment.com](http://entertainment.com) and [restaurant.com](http://restaurant.com).

**Drive a bargain.** A \$73 annual membership in AAA doesn't just buy you maps and a free tow when you need one. You'll also qualify for hundreds of discounts, and not all of them involve travel: 6% from Dell, for example, and 10% from Target.com.

MONTHLY SAVINGS UP TO .....

\$25

Assumes 12 Starbucks drinks (\$4 each); one free concert a year, restaurant/mo. through Entertainment Book for Cleveland; 10% off on \$700 seven-night hotel stay; 30% off on four theme park tickets; \$20 off at Target.com; minus membership fees.

With additional reporting by Nathan Adkisson, Ramya Gopal, Danielle Gorman, and Hibah Yousuf

FEEDBACK:  
[money\\_letters@money.com](mailto:money_letters@money.com)

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