

LD
5655
A161
M116
no. 125
Spec



coping with money pressures

Hilda Dailey
Extension Specialist, Home Management

What Do You Do When. . .?

Your Buying Power Goes Down? Your Income Goes Down? Your Expenses Go Up?

Your buying power goes down when prices go up faster than income. Inflation has affected everyone and families are having to make changes in the way they use money as well as other resources.

Expenses go up when family needs increase. Expenses go up during periods of inflation.

Your income goes down when you are laid off from your job; when work hours are short, when there is no more overtime pay, when business slumps, and when the amount of tips or commissions fall.

What Can You Do. . .?

Basically you can take action to utilize, maximize, and economize.

UTILIZE - Make use of all of your assets. Everything you have is an asset. Each person has a long list. A few examples are: mental ability to cope, family emotional support, money possessions, property, skills, talents, community resources, and government resources.

MAXIMIZE - Not only can you utilize all of your assets, you can maximize the use of them. Use them so that you get the highest degree of value or use from them.

Probably a family will not only maintain its level of living, but can conceivably attain a higher level of living.

EXTENSION DIVISION
Virginia Polytechnic Institute & State University

MHM:125
June 1975

The Virginia Cooperative Extension Service by law and purpose is dedicated to serve all people on an equal and nondiscriminatory basis.
An Equal Opportunity / Affirmative Action Employer

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. W. E. Skelton, Dean, Extension Division, Cooperative Extension Service, Virginia Polytechnic Institute and State University, Blacksburg, Virginia 24061.

ECONOMIZE - When you have exhausted the two actions of utilizing and maximizing, you may still need to economize. Economizing is spending or using less.

Within the act of economizing, we also reallocate resources and we substitute one resource for another.

Use the three work horses of utilizing, maximizing, economizing to the upmost.

At the writing of this publication, the economic conditions are forcing families to stretch each dollar as far as possible. Hopefully the financial situation will improve in the future. The family's financial situation and the economy move in cycles; both good and bad times pass. The lessons we learn in bad times can be used during good times in preparation for the next bad cycle. When preparation is made for bad times, the bad isn't as bad.

When the economy improves, hopefully belts can be loosened, but keep your sights on the fact that the economy does turn down about every eight years.

Life styles of a vast number of Americans are taking some unexpected twists these days. These changes in life style will be different but not necessarily bad. Families can use the adjustment to strengthening human qualities of preservance, creativeness, value clarification, identification of priorities, appreciation of family members, and many other desirable qualities.

UTILIZE

Utilize the resources available to you, and consider alternate uses of resources. There are many ways to use time and other resources to minimize the need for money, to replace the need, or to increase income. Time is the one resource always involved, but other resources are equally useable.

Home. . .Your resource of a home, rented, mortgaged, a condominium, apartment or A-frame, may hold possibilities for you to consider. You may rent out a room, rent ground space for garden plots, give room rent in exchange for help around the house, swap houses for a vacation. Convert part of your house to an apartment or space for a business. You may rent the space to someone else or you may use it to produce something to sell. Going into business however, can be a rocky road to travel so investigate each aspect thoroughly.

Cents off coupons. . .Special offers help consumers to save. Use cents-off coupons for the things you would buy anyway. A saving of 50 cents a week is \$26 a year.

"Free" Services. . .Use "free" community services. Libraries, recreation departments, Virginia Tech Extension Service and other groups offer free classes, and free printed information. Many industries offer free tours, which are great to include in vacation plans.

Tax Deductions. . .Keep tight tabs on allowable income tax deductions. When you write a check, make a note on the stub if tax deductible. When you are in the 20% federal tax bracket, every \$100 saves you \$20. Keep strict records of capital improvements on your home. This means a real tax savings in determining any profit realized when you sell.

The Future. . .Begin now to plan for Christmas. Determine the amount you will not exceed. Shop sales. Plan gifts carefully. Make gifts of preserved foods, toys, clothes, gifts for the home, personal gifts (cosmetic case), or services, gift certificates from you for baby sitting, errand running, or any job that someone would enjoy having you do for them.

Cast offs. . .Turn extra items into cash. The possibilities include yard sales, selling on consignment through a shop, local ads, etc.

. . . Swap articles to someone for something you can use. Organize a community "children clothes exchange." Hold it on a day before school opens in the fall.

Talents. . .Swap talents; find someone who will do something for you, if you use your talent to do something in exchange. Could you bake a cake for someone who would cut your hair?

. . . Swap resources; find someone who would furnish material for you to make two dresses--one for you--one for her.

. . . Can you trade pet sitting services?

Life Insurance. . .The security of a savings account and the protection of life insurance even if the policy is worth a little less in purchasing power each year-can't be replaced by most families.

As the cost of living rises, so does the need for additional protection for families with dependent children. Concentrate the insurance coverage on the breadwinner.

Protect the dependents with adequate insurance for the minimum cost. What is adequate insurance for a family? Use a pencil and paper to figure the following: How much does it cost the family to live? Don't guess, but figure the monthly costs for rent, utilities, food, clothing, transportation, costs of holding a job, recreation, gifts, medical care, insurance, taxes, etc. How would each of these costs change should the breadwinner die today? What would be the cost for the survivors to live each month? What resources would the family have to live on from Social Security, savings, ability of family members to earn income? The difference between the cost for the survivors to live and income available can be covered by life insurance.

. . . Learn differences between the four types of basic policies and then shop around for the best buy for the coverage you need. The four basic types of insurance policies are term, straight life, limited-pay, and endowment. Study the variations of each and the combinations.

. . . If money for buying protection is very limited, strongly consider term insurance. Be sure to understand the advantages and disadvantages between decreasing term, level term, renewable, and non-renewable.

. . . If you are in a real financial bind, should you borrow on your insurance? Should you drop a policy?

Borrowing on life insurance is probably the least expensive credit you can get. However, at the point when family needs are the greatest, borrowing could lead to financial disaster should the breadwinner not live to pay off the debt. Life insurance is for the financial protection of dependents; be sure it is just that.

. . . .At time of retirement or any time you can't make a payment, contact your insurance agent. There may be several alternatives available to you.

The cash value can be used to stretch your coverage over a designated number of years at present face value or the face value may reduce and the coverage continue until death at any age.

Often there is less need for family protection after retirement. Often a retired family may need to reduce insurance payments to increase money available for day to day needs.

. . . .For young families, when the need for protection is greatest, one solution is to carry more term and less whole life. Whole life policies have advantage of building up a cash value (which you can borrow against) that increases each year the policy is in force. This cash value, remember, loses value in an inflationary economy. Usually for less money, depending on your age, you can buy a much larger amount of term insurance. Be sure to buy renewable term. This gives you maximum protection which young and middle age-families need most.

Health Insurance. . . Give your health insurance an annual physical check up. Buy the best in health insurance. Poor insurance is false economy and false security.

. . . .Buying two policies to cover the same expenses is a waste of money. It results in increased health costs to insurance companies, thereby causing us to pay more for protection. Most companies share expenses for the same claim, so that you collect only the amount you would have received from one policy. The money that would be used for the second policy would probably do you more good in a savings account to cover the "deductible" amount of your insurance policy.

. . . .Buy a good basic policy and a good major medical, then build up a savings to take care of the co-insurer's clause.

Often the co-insurer clause means that the policy owner would pay the first \$100 plus 20% of the remainder part of the bill.

Tax Deductibles. . . Reduce health care costs by keeping accurate and complete records of medical expenses. Payments for doctor care, dental care, hospital charges (not covered by insurance) health insurance, transportation for medical care, drugs, and equipment are tax deductible but you need records to support the claims.

Preventive Measures. . . Reduce the fever on medical bills by getting a family doctor. Go in his office when ill; home calls and emergency room visits to hospital are more costly. The cost of an immunization is a few dollars but the dollar cost of the disease can run to thousands of dollars. Complications can develop with a case of measles or mumps, increasing the medical cost to thousands of dollars.

. . . .An annual physical check up is good health insurance for your body and pocketbook. Give yourself TLC--Take care of yourself and take the advice you paid your doctor to give you. Don't cut down on smoking--quit! Don't carry around heavy loads--lose those pounds! Consider the nutrients you need to keep your body functioning correctly. You are what you eat. Money spent on non-prescription drugs only relieves symptoms and overuse has caused real medical problems. Don't buy vitamins and food supplements unless recommended by your doctor.

MAXIMIZE

. Maximizing assets requires an inventory of human and non-human assets. Doubtless every person and every family has a different list. A listing of all assets for even one person is an impossibility, but listing a few gives a tremendous boost to our personal well-being.

Think. . . Maximize skills and ability to learn. If something needs to be done, or you need something, do it yourself. This may involve learning to do it. At least, the time you spend in learning and doing may allow you to cut down on the amount you would spend for recreation. The skill you learn may be worth pursuing as a source for increased income.

Time. . . Maximize your assets of time, ability to learn, and community resources by using your local library, your Virginia Tech Extension Service, community college, etc. to learn more about a hobby, a skill, and how to buy certain products or services. For example, learning a skill can pay off in less recreation money being spent.

. Recreate by learning. Study, read books, attend classes to occupy time (recreate); to learn (for recreation) to learn how to do a skill to save money; to learn to do a hobby to save money; or to earn money, or to keep from spending money on an expensive hobby. Study to increase your knowledge on how to manage money, how to buy, how to prepare inexpensive food.

In addition to all the rewards of learning a skill or pursuing an interest, time can be used to learn more about making the best use of money. Of course, this pays off in dollars just like being paid to work. If two hours spent learning how to buy life insurance saves you a hundred dollars, that is \$50 an hour. If you learn how to cut your living expenses 5% without reducing your level of living, how much is the time worth to you?

. . . Once again, to maximize money, skills, interest, time, consider the use of time and money in purchasing a season football ticket versus pursuing a coin collection. If football or coins are not of interest to you, think of your own example.

Plan. . . . Maximize your ability to plan, think, and control wasteful spending. If you don't have this ability, you can develop it. There are ways to strengthen the spark that you surely already have. You aren't too young or too old to start on a financial plan. The age you are is the age to start.

To change. . . . Maximize your ability to change your habits. Get on a cash basis, don't carry credit cards. If you are using credit cards and paying the bills in full each month, it is the same as being on a cash basis. On the other hand, paying the minimum payment each month is costing you at the interest rate of 18% a year. This rate is almost twice as high as the inflation rate that has caused so much grumbling. You can control the amount you pay out for credit costs.

Credit. . . . If borrowing is an absolute necessity (and you are sure that it is) borrow on your savings. Most savings institutions will make you a loan using your savings as security at a 1% rate above the rate they pay you. Loans on passbook savings paying 5-1/2% can be at 6-1/2% better than a 9-12 or 18% signature loan or a revolving charge account. If you can do without the loan for 3 days, maybe you should not make it at all.

. . . .When you do find it necessary to borrow, make the down payment as large as possible and choose the shortest period for the loan that you can afford. For example, on a new car put some cash into the down payment in addition to the trade-in of your old car. Set up the payments for two years rather than 3. Credit will cost much less in the long run.

Shop around for the credit to buy a car before you shop for the car.

Change non-interest paying Christmas Club to an interest paying savings account.

. . . .Should you borrow to pay bills? Usually no! If you can borrow at less interest than you are now paying, maybe you will come out ahead. But the lure of one-easy-payment can give you a feeling of being almost "out of debt" and entice you to do more buying on credit.

Often consolidation of loans have been the millstones that have buried families deeper in debt rather than helping them to get caught up on payments.

If you must make a cash loan, prepare a net worth statement before you make application for the loan. Lenders are business people and they reward persons who show good business ability.

Money. . . .Maximize the return on your own money.

The growing need to cut living costs is reviving an old-fashioned idea--pay cash.

What are you doing with money you have made on money? Unless you are retired and need income, the interest received on savings and dividends on stock should be put into savings. No money is easier to make than money you earn on interest.

. . . .Check on your checking.

Account banks are regulated by state and federal laws, but they aren't all alike. Each sets its own fees. You may save more by comparison shopping on a checking account than on a camera or some other item. Shop around at all banks convenient for you. Compare the cost in fees, checks, and the amount required for a minimum balance. A "free" checking account may require that you pay for your checks and keep \$100 as a minimum balance. For example, the real cost is \$4.20 for checks, plus \$5.50 interest lost on the \$100. If this \$100 was in a savings account you would draw \$5.50 interest (5-1/2%).

. . . .Periods of excessive inflation dull our incentive to save and periods of depression lessen our resources to be saved, and yet savings at all times is absolutely necessary. Families get into real financial binds when there are no savings for emergencies and big expenditures. Savings require management. The real crux of the matter is that savings should be channeled into areas where they will be eroded as little as possible by inflation.

We must keep in mind that we don't want to jeopardize the safety of our dollars--but with safety in mind, put your savings where you will gain the best return.

Some fixed dollar savings--emergency fund and life insurance (if there are dependent children)--are necessities, but don't overdo the fixed dollar type of savings. Over and above these savings, consider the types of savings that stand to increase as inflation continues.

. . . . Make your dollars work for you and work hard. Would you take a job that pays well, requires little time--about 1 hour more or less a week? The job is available for you. It is putting your money to work for you. Money you earn on your money requires less work than money earned from a job. Your objective should be to earn as much as possible, of course, while protecting your savings.

Real estate has proven a hedge against inflation for the most part. However, careful selection is necessary because all real estate will not appreciate in value.

While some people have made money from odd investments or collections of various kinds, you must develop some expertise to make it profitable. Consider the collection as a hobby and if it increases in value over the long run, that is an added bonus.

. . . . Look for a forced savings and penalty feature. Most of us need something like that to make us save and keep the money in savings. Some methods that have worked are; pay roll deductions for savings, checking account deductions to savings accounts, save certain coins, or letting the best manager in the family handle certain savings and expenditures. One couple couldn't seem to reach their goal of a \$500 savings fund. They finally resorted to borrowing the \$500 and putting it in a savings account. Millions of people have used credit to force themselves to save for a car, equipment, vacation or clothing. This is the expensive way to do it.

. . . . Diversify your investments. Stick with quality first, but consider spreading your savings and investments into more than one type of investment.

Financial Management. . . . Maximize good financial management.

Big irregular expenses, even though we know they are coming up, can throw our finances out of kilter. The idea of pre-preparation is so simple that it is hard to believe that it alleviates much financial agony. List all your big expenses that come up annually, semi-annually, or quarterly--life insurance, health insurance, car insurance, property insurance, and taxes.

Add the total to get the amount you pay out annually. If this happens to be \$1200, put \$100 each month into a passbook savings account. When one of these is due, withdraw the amount to be paid. You probably won't have enough saved as the first 2 or 3 items come due, but if you will stick to this plan it will work.

. . . . Generally, a family needs an emergency fund that is quickly available. This fund can be kept in a passbook savings account and used for repairs, medical bills, etc. In addition, a family needs a larger fund for catastrophies.

This may need to equal 3 months' living expenses. This fund can be stored in certificates of deposit. These draw a higher rate of interest than passbook savings. The certificates can be "bought" to mature at 1, 2, or 4 years. If you cash them in before the maturity date, the interest rate reverts back to passbook savings rate and you are penalized 3 months' interest. This feature serves as a control so you aren't tempted to withdraw the money. On the other hand, in a real emergency you can borrow against the certificates. You will still be ahead of passbook rates.

. . . . Don't carry more money than you can afford to spend. Decide on a limit for "pocket money" for each family member.

. . . . Use a checking account--writing a check is more restraining than spending cash, yet the money is available if really needed.

. . . . Use an allowance system for children and adults. It helps also in planning family expenditures because it is a fixed amount to be controlled each week. This method cuts out handouts, develops in children an appreciation for money, and teaches them something about managing money. Age 4 or 5 is not too early to begin.

. . . . Put yourself into a position to force yourself to make a choice. One family allows \$120 a month for clothing and incidentals. Tickets for a play must come from this fund. "Obviously the \$40 for dinner and the theater had to be foregone. It was fun but now I find myself saying: 'Forty-dollars for one night's entertainment--I could have 4 simple dinner parties for that amount!'"

. . . . Optimize your energy to do something. Tomorrow do something--take some step now, no matter how small or insignificant it might seem.

Positive Attitude. . . . There are families who have made a game out of managing money. Use a bit of humor. Everything can't be thorns or roses. Most of it is how you view it.

. . . . When debating with yourself whether to buy something or to borrow money--get yourself a good listening friend--ask him to talk you out of doing this.

. . . . The best way to handle tough times is to face up to it, rather than pretend that times haven't changed. One way to do this and develop a good mental attitude is to find ways to enjoy being thrifty. It can be done.

. . . . Take a vacation, if you will feel deprived if you don't take one, but use the months before to plan for it. Set a limit to be spent and then stretch that amount as far as possible.

. . . . Brag about being a bargain hunter--but don't get so enthusiastic about saving money that you spend more than you can afford.

. . . . Spend some money for fun. This releases tensions, but the secret is to set a limit to the amount you will spend.

. . . . Play the challenge game--I challenge myself to--reduce living expenses by 10%.

. . . Most families can increase the value of their income 10% by giving more thought to how their money is spent. For a family with a \$10,000 take home income, this would be \$1,000 per year.

. . . Wait 3 days before making a major purchase. Wait 2 weeks or 4 weeks before charging the item or borrowing the money. The need may not be as great as you believe.

. . . Don't over-estimate income. Think of your income as the amount of take home pay. Thinking of your total income as "what you can afford" is misleading.

ECONOMIZE - Spend Less/Use Less

Inflation is expected to reach into the year 2000. Are there some long term plans you need to consider now? Some big changes in habits and future plans may lighten the impact.

Control Your Own Money. . . Big Businesses--Madison Avenue controls your spending. Madison Avenue advertising agencies, chambers of commerce and national trade associations have done an outstanding job of getting us to spend out money. We are already spending next year's income. As a result, because so much is spent and so little put aside, too many people are almost broke when they retire.

. . . . We can get into a mental state where we rely on money to do everything for us. We can learn to think positively about spending less.

Be Thrifty. . . Learn to be thrifty. In contrast to shopping to entertain ourselves make thrift a game of fun. It certainly has the challenge that any game needs.

. . . . Buy for the long term use, for the most part, it is more economical in the long run.

. . . . Use secondhand things whenever possible. If it is something that needs renovation, the project can save money not only over the price of a new item but the time involved prevents you from having to buy other recreation.

. . . . Give a prize to a family member who can find a satisfactory way to save money, give him half the money saved--everybody wins.

. . . . Set a limit--then do what you can within the limit: on vacation, at Christmas, for clothing.

Spend less on

Housing. . . . Consider smaller living quarters after children are on their own. Housing is usually the biggest expense a family has.

Can we afford the luxury of empty rooms, waiting for children and grandchildren to visit? Adjusting, accepting a different place to live is easier at middle age than later. If plans to change living arrangement are made several years ahead, it is easier to accept than waiting until one is forced by health or finances to accept a different place to live.

. . . . Cut down on cleaning supplies:

One way to cut down on cleaning supplies is to buy only products that can be used for more than one purpose. Another way is to select the least expensive products. The least expensive are water, ammonia, vinegar, soda, soap. The liquid and solid forms of cleaning products are much less expensive than the liquid spray and aerosol. You can make your own liquid spray to refill your sprayer container.

by health or finances to accept a different place to live.

. . . .Cut down on cleaning supplies:

One way to cut down on cleaning supplies is to buy only products that can be used for more than one purpose. Another way is to select the least expensive products. The least expensive are water, ammonia, vinegar, soda, soap. The liquid, solid or powdered forms of cleaning products are much less expensive than the liquid spray and aerosol. You can make your own liquid spray to refill your sprayer container.

. . . .Don't get carried away with all the new products that are advertised. Use up the old and buy new ones with discretion.

. . . .With soft water, bar soap is a good degreaser on washable fabrics.

. . . .Don't over-paint. Scrub the walls--unless the paint is for protection of the surface, postpone painting for one year.

Food. . . .Eating out for lunch, for fun or entertainment of friends? Take your lunch to work; it will cut your lunch expenses by two thirds. Form a brown bag club at work--entertaining too! Plan a special meal at home, in a different eating spot, or include decorations and friends, rather than eating out. Serve special, but low cost food.

. . . .Watch the amount spent on snack food. Generally, cookies, crackers, potato chips, soft drinks, and candy are expensive food items. Celery sticks, carrot sticks, tomato juice, or fruit juice are less expensive and much more nutritious.

Clothing. . . .A few well chosen clothes can be less expensive and can allow you to be better dressed than many inexpensive ones. Coordinates stretch the wardrobe 2-3 or 4 times.

Recreation. . . .Home parties can be less expensive than entertainment away from home. Good parties can be inexpensive. Plenty of planning and creative thinking can replace much of the expense.

. . . .Entertain yourself at the library, walking, or cooking creatively; anything to stay away from stores. Get involved in community affairs, get too busy to think of material things you want.

. . . .Put the emphasis on fun, not on eating.. Candy-pull parties were successful because the fun was mostly in pulling, not in eating the candy.

. . . .Dutch-treat dinners for 4 or 6 families can be organized. The group can have a party once a month and one family can be the host/hostess 2 or 3 times a year. A party club that meets once a month could work for singles, mingles, or families. If the group included 6 singles or families each would give 2 parties a year and get to attend 12 parties.

. . . .Give a Monopoly, Scrabble, or hiking party.

. . . .Recreation can mean a hike rather than a Sunday afternoon ride.

. . . .Re-discover home, your yard, neighbors, and community. Use the same old resources in a new way, then you have fun.

. . . Vacations--sleep at home and spend the days taking short trips. Exchange vacation time with friends and relatives. Exchange houses with friends or relatives. Camp, using inexpensive equipment, or rent necessities. Back pack. Off-season and off-beat places generally cost 10 to 20% less. Shop around for air fares.

Utilities. . . Is your telephone extension a luxury that you can't afford?

. . . Examine all bills to avoid late payments or to take advantage of discounts for prompt payments. In some areas these discounts can be as high as 10%. Limit long distance telephone calls in number and length. Use a 3 minute timer. Plan your conversation before you dial.

Equipment. . . Rent equipment rather than buying. Could you cooperate with a friend to rent a piece of equipment together? Per hour or day the cost might be less to you.

. . . Count the cost of conveniences. An ice maker on a refrigerator costs \$40, plus plumbing charges. Can that \$40 buy something more valuable to you than an ice maker? How about adding the \$40 to the down payment on a new car that you are considering? This will cut your cost of borrowing. Or better yet, put it into savings to make money for you while you are waiting to buy the new car!

. . . Don't wait until your television, washer or automobile is completely shot before shopping for a new one. Desperation buying may force you to make an unwise decision. It may force you to use credit or, worse, to use the highest rate of interest on the credit. Plan ahead.

Automobile. . . The family car is next to housing in the amount of family income that it requires. Any expense that you can cut there will be significant. There are ways to reduce spending without much sacrifice.

An older car may not be "worth selling" so will you just hang on to it? But how about licenses, insurance, and the temptation to drive it?

Can you drive a smaller car? Could you drive a less expensive car?

When you trade cars, could you do with less extras on the car?

You can cut the cost of living by doing something drastic like getting rid of one car or not even having a car. As drastic as it seems, it is better than getting head over heels in debt, and losing family security.

. . . Two families found they could share a car. It takes planning, but the big cost of car upkeep, depreciation, and insurance is cut in half for each family.

. . . Spend less at the gas pump: A car that doesn't require high test gas runs just as well on regular. By using regular gas in place of high test, there is a savings of \$30 dollars a year for a car driven 10,000 miles which averages 14 miles to the gallon.

. . . The gas you pump from a cut-rate station is just as good as the "best" gas in town pumped for you by an attendant. The savings can be 4¢ a gallon. The average person would save \$32 a year. This is figured on 12,000 miles a year at 15 miles per gallon.

Insurance. . . There are ways to economize on insurance, but do it wisely.

. . . . If your car is over 4 years old, consider dropping the collision insurance on it. If the loss of this car however would put you into a real financial bind to replace, don't drop the insurance. To make the decision, determine the value of the car and how you would pay this amount on another car should you need to replace this one.

. . . . Investigate insurance reductions for "Good student", "Driver Training", "No accidents."

. . . . Often we can buy more or same amount for less money.

On most life insurance policies you can save money by switching from paying premiums monthly to an annual basis. Depending on the company, on a \$200 premium the saving can be from \$42 to \$68 a year. You are saving this money and still have the same policy and, of course, the same coverage.

A word of warning though--if paying out \$200 at one time is going to be a hardship, you must force yourself to be prepared. Probably the easiest way to do this is to put 1/12th of the payment into savings each month. Look for a way to do this through automatic deductions. Some possibilities are payroll deductions to your credit union or automatic transfer from checking account to savings accounts at bank or savings and loans associations. Some banks and savings and loans do have this type of arrangement.

. . . . Shop around for property insurance. You can save, but be sure you compare the equivalent coverages.

. . . . On automobile and property insurance, take the largest deductible clause allowable. A \$100 deductible instead of \$50 deductible cuts insurance rates 35-40%.

Economize--use less

Use less: heat
gasoline
transportation
conveniences
services--by doing it yourself, by creating what you need
buy less
conveniences-phone
food
cleaning products
cleaning services