

# Money for Life

April 2009

Dear Readers,

When money is tight, give priority to paying fixed expenses, such as rent or mortgage, insurance premiums, car payments, and credit card debt. It's better to cut back on flexible expenses—food, utilities, clothing, and household expenses—as much as possible. This month's newsletter offers some tips for tight budgets. For more information about budgets and other pertinent topics, be sure to visit: [www.extension.iastate.edu/toughtimes/](http://www.extension.iastate.edu/toughtimes/)

## ***Don't Wait to Make Changes***

Many families wait as long as six months to adjust their lifestyle after a reduction in income, making matters worse as they hope for things to get better. Instead of waiting, act immediately to stop all excess spending when you have a financial reversal. Buy only what you and your family really need. Ask yourself the following questions about your flexible expenses:

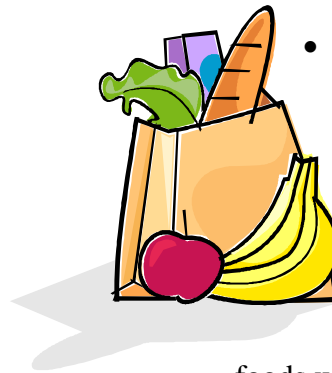
- Can we substitute a less costly item?
- How can we conserve resources and avoid waste?
- Are there opportunities to cooperate with others by trading or sharing resources?
- Can we save if we do it ourselves?
- Can we do without?

## ***Tips for Shopping***

- Plan meals around foods you have on hand until more money is available.
- Plan meals and snacks for a week ahead. Make a list of what you need to buy; estimate the cost to know if you have enough money to last the

week. See “Stretching Your Food Dollar” for more information.

- Shop from a list based on planned menus. Check the food advertisements for good buys. Clipping and using coupons may save money.



- Go shopping as few times as possible. Frequent trips can add to family food costs because it is easy to buy extra items each time. Shop alone, if possible. It is hard to say “no” to your children’s favorite

foods when they are along.

- Do not shop when you are hungry. Everything looks good when you are hungry, so it is hard to stick to your list. Also, shopping in a hurry may cause you to overlook the best buys.
- Use low-cost protein foods such as dry beans, eggs, peanut butter, turkey, and chicken. Hamburger is often a good buy in red meats. Large roasts can be cut up and used in different ways for more than one meal. Stretch meats by using them in sauces or casseroles. Use slow cooking and/or marinating to tenderize less expensive cuts of meat.
- Use reconstituted nonfat dry milk for cooking instead of whole milk. Dry milk is equally nutritious and can be less expensive.
- Turn leftovers into “planned overs.” You can sometimes get two meals for the price of one. Store cooked foods properly to make them last longer. Freeze them if you have the space.

- Take advantage of free- or reduced-price school breakfast and lunch programs.
- Where available, use fish and wild game.

## Save on Utilities

To save on utilities and household maintenance, turn the thermostat down 5 degrees and wear warmer clothing, take shorter showers, find and fix air leaks, and insulate where you can.

Make long-distance phone calls when rates are lowest, check to make sure you've eliminated phone features you're not using, use e-mail instead of phoning, or eliminate your land line in favor of your cell phone.

You also may want to investigate alternative long-distance services. You are likely to find that it is cheaper to purchase a telephone than to rent one and consider writing letters instead of making long distance phone calls.

Maintain and clean your furnace and filters regularly. Install storm windows and doors or put up plastic sheeting to reduce heat loss.

Insulate ceilings, exterior walls, under floors, heat ducts, and hot water pipes. You may qualify for programs that insulate your home. Check with your local utility company for further information.

Select energy efficient light bulbs and fixtures when replacements are made. Use fluorescent or compact fluorescent bulbs wherever possible. Turn off unused lights.

Give up cable or satellite television connections that increase your monthly bill.

Learn to do simple home repairs such as replacing washers in faucets and repairing damaged electric cords, torn window screens, squeaking doors, or

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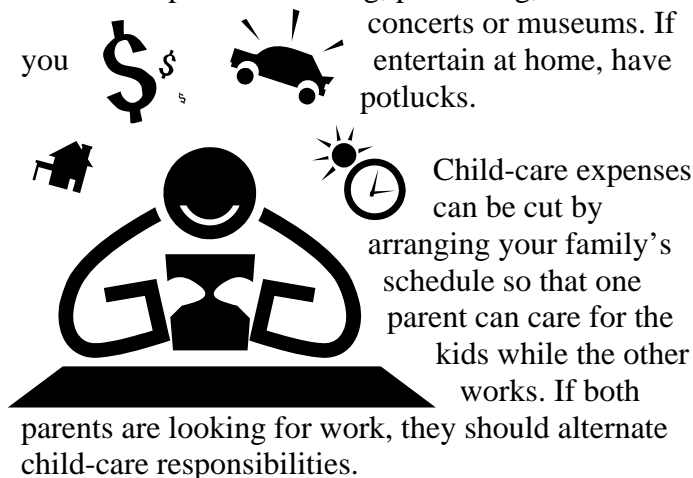
broken window panes.

## Other Expenses

To save on medical expenses, take advantage of public clinics and immunizations and use generic drugs when possible.

clothing expenses by caring for the clothes you have—mending them and following washing instructions. Coordinate clothing and accessories so they can be used with several outfits, and when you buy clothes, don't buy items that don't fit well—you probably won't wear them.

To save recreation dollars, choose activities that are free or inexpensive—hiking, picnicking, and free concerts or museums. If you entertain at home, have potlucks.



Child-care expenses can be cut by arranging your family's schedule so that one parent can care for the kids while the other works. If both parents are looking for work, they should alternate child-care responsibilities.

Other good ideas are forming a babysitting co-op and carpooling to school and other events. If you're a single parent, try to share childcare with a relative or friend.

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