

# Consumer Choice

March – April 2009

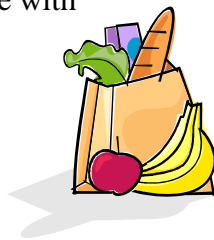
*When money is tight, people should give priority to paying fixed expenses, such as rent or mortgage, insurance premiums, car payments, and credit card debt. It's better to cut back on flexible expenses – food, utilities, clothing, and household expenses as much as possible. This month's newsletter offers some tips for tight budgets.*

*Mary M. Weinand*

## **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**

Make as few trips to the grocery store as possible, don't go when you're hungry, give yourself plenty of time to make selections, and leave the kids at home if you can. It's hard to say no to your children's favorite foods when they go along.

Use low-cost protein foods such as dry beans, eggs, peanut butter, turkey, and chicken and stretch meats by using them in sauces or

casseroles. Also, consider using nonfat dry milk for cooking and turning leftovers into "planned-overs," getting two meals for the price of one.

## **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.

## **Other Expenses**

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

Curtail 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.

For more information about this newsletter or to schedule financial presentations, contact Mary Weinand, FRM Specialist, ISU Extension, 319/385-8126, mweinand@iastate.edu