

FAMILY FOCUS COLUMN

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Improve Your Finances in the New Year

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Are you looking for ideas to improve your finances in the New Year? Saving even \$20 a month at 6% interest can really make a difference thanks to the power of compounding interest. In 10 years \$2,400 in contributions will total \$3,265, in 20 years \$4,800 in contributions will total \$9,113 and in 30 years the \$7,200 contributed will total \$19,585.

The most common excuse for not saving is "too many other expenses". Here are some ideas for finding an extra \$20 a month to save.

- When it's time to renew your vehicle or home insurance, compare rates with other companies. How much can you save if you increase your deductible? Consider consolidating all types of coverage with one company that offers a discount for doing this.
- Stop the special features on your phone service like call waiting, call forwarding and text messaging.
- Cancel the premium cable TV channels you rarely or never watch.
- Check with local phone and utility companies to see if they offer service packages at discount prices that include local phone service, internet access, cell phones, cable TV, etc.
- Toss your pocket change into a jar at the end of the day.
- Reduce food costs away from home. Bring your lunch, switch from cappuccino to regular coffee, purchase beverages and snacks at grocery and discount stores and avoid convenience stores and vending machines.
- For family entertainment check out video and DVDs free from the local library.
- Pay off your credit card balance and avoid the interest charges. Or if you're going to pay interest find a card with a low rate.
- Be patient and wait for things to go on sale, especially seasonal items.
- Consult with your physician or pharmacist about purchasing generic drugs rather than brand name ones.

Plan too for saving unexpected income. If you'll be getting a pay raise this year put some of it away in savings. And if you get a tax refund and it's a big check, consider saving at least half of it.

As you put away money in savings set financial goals. You'll be much more disciplined to save and stay focused if you have a goal in mind. Perhaps it's for retirement, education, a family vacation, a new car, or a home improvement.