



MONEY MANAGEMENT

Living on Less

Personal Financial Planning Extension

Learning how to spend less but still live well takes skill, determination and know-how — but it can be done! Before you buy, ask yourself, “Is there another way to get what we need or want? Can we recycle? Share someone else’s? Make rather than buy? Rent? Trade? Or use public services?” These are all ways to stretch scarce resources when you have to.

This guide includes more than 80 ideas to help you live on less. They are designed to help you meet your needs even after income has been reduced. Most of the ideas are practical, everyday things you can do to cut expenses.

You may already be using some of these ideas, and not every idea will work for you.

Choose the ones that will be the most helpful. Mark the ones that you are currently doing with an “X.” Put a “✓” next to those you plan to try.

As you hear of new ideas that you might consider trying, add them to the list. This is a handy reference when you plan your family budget.

Remember to keep your family needs clearly in mind. Then use these ideas to help you think of ways to increase or extend your resources.

Food

- Plan your meals one week at a time. Take advantage of specials and seasonal foods. Plan meals around featured sale items to cut food costs.
- Make a shopping list. When you get to the store, stick to your list. This cuts down on impulse buying.
- Buy generic or store brands. The quality is usually acceptable, the nutritive value can be the same as name brand products and the price difference can be considerable.
- Shop for food once each week. This will save gas, time and money.
- Shop at discount grocery stores. Convenience store prices are higher.
- Shop alone. Other family members may want items not on the list.
- Eat before you shop. You will be less likely to buy on impulse.
- Check out day-old bread stores. They offer significant savings on bread and some non-bread items that are still of acceptable quality.
- Use cents-off coupons for items you generally buy. Some stores double coupon amounts for additional savings.
- Check out when supermarkets discount meat, produce and bakery goods as day-old goods. The quality may still be acceptable.
- Compare prices per unit: pound, ounce, dozen or package. Take your calculator with you. Comparing cost per unit allows you to accurately compare products of differing sizes.
- Plan a meatless day each week. Meat is one of the more expensive foods in our diet. Check your library for cookbooks having Mexican, oriental or pasta recipes, which often feature beans, cheese, peanut butter or vegetables rather than meat.
- Use your oven efficiently. Bake more than one dish at a time. The energy savings can be used to supplement other parts of your budget.
- Make a pound of hamburger go further by adding bread crumbs, oatmeal or tomato sauce. You are stretching a high-cost food item with lower-cost products.
- Mix one part of reconstituted instant milk with one part of 1 percent or 2 percent milk. Again you are stretching a higher-cost product with a lower-cost one in a way that will not likely be noticed by your family.
- Buy skim milk. The lower the fat, usually the less expensive the milk.
- Wrap and store foods carefully to prevent waste and health hazards.
- Plan for the use of leftovers. Millions of dollars worth of food are wasted each year.

- ❑ Take nutritious snacks such as fruit or oatmeal cookies with you to work for break time. Vending machines can be expensive.
- ❑ Use economy cuts of meat like chicken thighs and chuck roast. They provide good-quality protein but at a lower cost.
- ❑ Growing your own fruits and vegetables can sometimes save money. Preserve your fresh fruits and vegetables by canning (if you already own or can borrow the canning equipment), freezing or drying.
- ❑ Make your own convenience foods. The more convenience built into a food product, the higher its price. Check with your library for booklets or cookbooks that specialize in homemade mixes.
- ❑ Entertain with “pot lucks,” or simple, inexpensive foods such as casseroles and salads. Rethinking what we serve and how we entertain can save on company meals.
- ❑ If your family stays healthy, you will save on medical bills. Make sure everyone eats nutritious meals. Use the USDA’s MyPyramid as your food guide. Go online to mypyramid.gov and make your own food pyramid based on your size, age, gender and activity level. This is a free service.
- ❑ Prepare brown-bag lunches when possible. Take leftovers for lunch — eating out is expensive.
- ❑ Cut down on meals away from home. Eating at home usually saves money.
- ❑ Take advantage of the school lunch program. This program can provide well-balanced lunches to children at a reasonable cost. Check about qualifying for reduced-price or free lunches.
- ❑ Form or join a food co-op. Check with your Community Action Agency to see if there is a food co-op in your area. Food co-ops buy in bulk so you don’t pay for expensive product packaging.

- ❑ Use the food stamp program if you qualify. Check with the Family Support Division. Using food stamps can free up money for use in other areas of the family budget.
- ❑ Use the WIC (Women, Infants and Children) nutrition program if you qualify. This program provides vouchers for many nutritious foods. Check with your local health department.

Clothing

- ❑ Buy any needed clothing on sale. End-of-season sales often offer some of the best savings.
- ❑ Shop for clothing at yard sales to save considerably on slightly used items. This is especially true of children’s clothing or maternity wear.
- ❑ Start a swap program for children’s clothing. Many children’s garments are still in good shape when a child grows out of them. You can exchange items you have for items you need.
- ❑ If you cannot start a swap program, take clothing to a consignment shop where they will give you money, or trade yours for others in stock.
- ❑ Before buying any garment, check the fabric labels and care instructions. Avoid clothing that requires expensive care such as dry-cleaning.
- ❑ Read and follow care instructions to make clothes last longer.
- ❑ Spot clean clothes promptly, and save on cleaning by careful wear.
- ❑ Remember, some clothes can be worn more than once without washing such as jeans, sweats and pajamas.
- ❑ Encourage family members to hang up clothes after wearing to eliminate unnecessary laundry. The cost of doing a load of laundry is no longer a minor expense.
- ❑ To get more life from each pair of shoes, do not wear the same pair all of the time. Resting shoes between wearings extends their overall life.

- ❑ Keep clothes in good repair, that way a minor problem does not get worse.
- ❑ If you buy a factory second, check the item for flaws. Some flaws you can live with, but some you cannot.
- ❑ Hang laundry out to dry. The average cost of a load dried in an electric dryer is higher than the average cost of a load dried in a gas dryer.
- ❑ Investigate whether using cloth diapers and laundering them yourself is a reasonable option.
- ❑ Clean and polish dress shoes often to keep them in good condition. They will look good longer and will need replacing less often.
- ❑ Store clothes properly to prevent damage from sun, moths, mildew or stretching.
- ❑ Use a coin-operated dry cleaner for cost savings on items that must be dry cleaned.
- ❑ Wear old clothes for messy jobs. Try to anticipate tasks that would cause damage to better clothing, and take the time to change.

Transportation

- ❑ Learn how to maintain your car. Change oil, air filters and oil filters when recommended. Using your own labor can cut costs considerably.
- ❑ Keep your car in good condition. It is safer and less expensive to operate a well-maintained automobile.
- ❑ Take advantage of auto repair classes held in your community. A major portion of auto maintenance/repair costs is in the labor. Using your own skills can trim these costs.
- ❑ Read and follow the instructions in your car owner’s manual. The recommendations can keep your car operating more efficiently for more miles.
- ❑ Try to get along with fewer cars. Automobiles are expensive to own when you include the cost of insurance, taxes and maintenance.

- ❑ Form car pools for going to work, meetings, children's activities and even shopping trips. The average family spends 18 percent of their income on transportation.
- ❑ Walk more, drive less. It saves money and can improve your health.
- ❑ Use self-service gas pumps. Remember to check oil and water levels to keep from having unnecessary repair bills in the future.
- ❑ Protect against salt damage and rust by keeping your car clean. This will extend the life of your car.
- ❑ Get to know which gas stations in your community sell good-quality gas at the lowest rates. Then gas up when you are in the area rather than making a special trip to save a few cents per gallon.
- ❑ Save on fuel with good driving habits (such as slowing down gradually rather than braking at the last minute).
- ❑ Use school and public transportation whenever possible.
- ❑ Organize your errands to eliminate unnecessary trips.
- ❑ Consider carrying just liability coverage on any automobile that no longer has much dollar value. The ongoing cost of collision and comprehensive coverage may not make sense given what you would be paid if you had a claim.
- ❑ Save money by washing and waxing your own car.

Personal habits

- ❑ Barter talents and resources. Trade skills such as typing, wallpapering, painting, sewing or hair trimming with a friend or neighbor. You can obtain things you need without spending dollars.
- ❑ Trim your children's hair between professional cuts. Better yet, you may be able to give simple cuts yourself.
- ❑ Choose an easy-care hair style — you'll need fewer styling products.

- ❑ Start a child-care cooperative. Co-ops provide free child care in exchange for you taking a turn at caring for the children.
- ❑ Make gifts. Grow plants from seeds or cuttings to give as gifts. Fill an inexpensive basket with loaves of freshly baked bread. Develop a unique, quality craft to use as a gift. Gifts do not always have to mean an expensive purchase.
- ❑ Write more letters or e-mails if you have access to a computer, or make fewer long-distance calls. The cost of a stamp is usually less than long-distance rates.
- ❑ When you must use long-distance, make your calls when the rates are the lowest. If you use a cell phone, call when minutes are free.
- ❑ Check through your telephone and cell phone bills carefully each month to be sure all the calls you are paying for are correctly billed.
- ❑ Cancel any phone services you are paying extra for but don't really need (call waiting, call forwarding, text messaging, etc.).
- ❑ Evaluate your need for cable television services. How much time do you really spend watching cable stations, and how important is that to you and your family?
- ❑ Take advantage of learning opportunities at local schools, attend University of Missouri Extension classes, community-sponsored workshops and other adult education courses. All of these can increase the skills and knowledge you have to work with.
- ❑ Give a gift of your own personal services. Window washing, baby sitting, lawn mowing and garden weeding are all examples of jobs friends would appreciate having you do. There are many ways to be generous without spending dollars.

Housing

- ❑ Rent, share or borrow household equipment that is seldom used.
- ❑ Simplify your possessions. There will be less to maintain, clean and repair.
- ❑ If furniture or appliances are needed, check the classified ads in the newspaper or try an auction, garage sale or second-hand shop.
- ❑ Learn how to refinish furniture. Refinishing takes skill and time but is an inexpensive way to acquire attractive furniture.
- ❑ Learn to clean, repair and restore household items yourself. Substitute your time and skills for dollars you would have to pay to someone else.
- ❑ Make your own draperies, curtains, spreads, slip covers and table covers. Look for instruction books at your library.
- ❑ Cut down on cleaning supplies by buying all-in-one cleaners. You will have fewer dollars invested in cleaning supplies.
- ❑ Follow instructions on amounts of cleaning products to use so there is no waste from using more than actually needed.
- ❑ Maintain your home. Make minor repairs before they become major ones requiring an expensive financial outlay.
- ❑ Wash walls instead of painting. Washing may be all that is needed to freshen the look of a room.
- ❑ Rent out a room or garden space for additional income.
- ❑ Provide a room in exchange for child care or elder care.
- ❑ Take short showers instead of baths to save water. There will be additional savings from not having to heat the extra water.
- ❑ Install a water-saver shower head (available at most hardware stores). There will be water and energy savings, and family members may not even notice the change.

- ❑ Service your furnace yearly; change filters regularly. A furnace that is well maintained with clean filters will operate more efficiently.
- ❑ Stop watering the lawn. The savings on your summer water bill can be considerable.
- ❑ Turn off air conditioning and open windows in temperate weather. Consider installing an attic or roof fan, which costs less to operate than the air conditioner.
- ❑ Try energy-saving measures such as placing plastic over single-pane windows in winter. Your furnace will not have to operate as much because there will be less heat loss.
- ❑ Close rooms and turn off the heat or air-conditioning to rooms not being used.
- ❑ Contact your utility company to have an expert check the insulation in your house to make sure it is adequate. If not, insulate where needed. Insulate open areas, such as the attic, yourself. Proper insulation provides long-term savings on your energy bill because the furnace and air conditioner will not have to run as much.
- ❑ Replace incandescent light bulbs with compact fluorescent light bulbs where possible. This is especially helpful in rooms where lights are left on for long periods of time.
- ❑ Turn off lights, TV and appliances when they are not in use. It saves on energy usage and will help the appliances and light bulbs last longer.
- ❑ Use window shades or insulated drapery liners to block sun in summer and drafts in winter. You will be more comfortable and spend less on heating and cooling your home.

- ❑ Adjust your thermostat setting in both cold and hot weather; for every degree adjusted, you can save 1 percent to 3 percent on heating and cooling costs. When in the house, dress appropriately for the adjusted temperature.
- ❑ Whenever you must buy equipment, study the Energy Guide Labels that compare estimated annual operating costs. The label provides information on the average cost of operating that specific appliance annually.
- ❑ Save energy and money by turning down the hot water heater. A setting of 110 degrees F to 120 degrees F is adequate if you do not have a dishwasher, 140 degrees F is recommended if you do have a dishwasher.

Managing money

- ❑ Keep track, item by item, of where your money goes every day, week and month. Go over this spending record periodically with the entire family. Decide together if money is being spent the way you really want.
- ❑ Do not carry more money than you can afford to spend. You can't buy impulsively if you have to return to make the purchase.
- ❑ Have a garage sale to get rid of unwanted items. This frees up storage and generates dollars for other needs.
- ❑ Pay bills early when creditors give a discount for early payment.
- ❑ Check to see if you are eligible for the earned income tax credit. This federal tax credit can provide a larger tax refund or can cut the amount withheld from each paycheck.

- ❑ Consider taking up less expensive sports and hobbies than you now have. There are many ways to have fun at little or no expense.
- ❑ Take advantage of community recreation services such as concerts, fairs and public tennis courts.
- ❑ Read magazines and books from the library. Cancel book club memberships and magazine subscriptions, especially for those that remain unread for a long time. Look for ways to enjoy the same resources at little or no cost to your family.
- ❑ Analyze your insurance coverage to make sure you are adequately insured at the lowest price. Comparison shop for insurance; the cost for the same coverage can vary widely from one insurance company to another.
- ❑ Stay away from malls. It's too easy to spend money on impulse when browsing at a mall.
- ❑ Balance your checkbook soon after the bank statement arrives. Stay on top of where you are financially. Overdrafts can be expensive.

For more information about publications that can help you manage your money, call your local University of Missouri Extension center, or order online at extension.missouri.edu/explore/order.htm. Call toll-free: 1-800-292-0969.

This guide was originally written by Nancy Flood, University of Missouri Extension. Brenda Procter, MU Extension state specialist in personal financial planning, reviewed and revised this edition.

To learn more, please visit the MU Extension Web site at:
extension.missouri.edu/