

LEARNING TO LIVE ON LESS



Prepared by:

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Yes You Can

IMPORTANT THINGS TO REMEMBER:

- You are not alone in your struggles.
- You are taught that you might teach.
- You accomplish that others may be encouraged.
- You give up some things to gain something of greater value.
- Today is the beginning of your tomorrows.

Steps to Budgeting

a. **Inform the Family**

Inform the family of the budgeting plans.

1. Determine the yearly family income.
2. Determine the income per person, per year.
3. Determine the income per person (per month, biweekly, or per week) depending on the income flow.
4. Base the income on the lowest amount received times the number of payments received per year.
5. Estimate the total cost per year of household expenses.
6. Follow the same steps that were stated for income.
7. Match the per payment income to the expense for the same period.
8. Self-Imposed poverty is a choice not a mandate.

b. **Set Realistic Goals**

1. Determine where the needs are and set a date to complete those objectives. Remember you can always change the date, but set one so you have a focus.
2. Plans should be realistic and allow for basic needs.
3. Plans must be flexible for emergency needs.
4. Budgeting must become a way of life and not a burden. A reminder that budgeting is not an instant solution to the problem, but it can help.

c. **Incentives for the Cost Savings**

1. Make a game of the cost savings side of budgeting.
2. Offer incentives for the best ideas presented by each family member. Here are some incentive suggestions:
 - Coupon for one hour of devoted time
 - Extra help on a project
 - Saturday at the park
 - Hug coupons
3. Look for areas to cut costs. For example:
 - Turn off unneeded lights.
 - Keep fixtures and bulbs clean and in working order.
 - Take baths in a partially, filled tub vs. showers.
 - When taking showers, run water over your body, turn the water off while washing, and back on to rinse.
 - Turn off water after you wet your toothbrush, and resume after you brush your teeth.
 - Fix leaks.
 - Use the sink to rinse dishes vs. running water to rinse them.
 - Look for appliances that are low in wattage usage.

d. **Why Budget?**

Budgeting is the current planning and discipline in use to achieve future objectives and/or goals.

This will vary from family to family based on the objectives and/or goals desired.

The limits set will also vary. The determination of an emergency will vary depending on the ability of the family to maintain and repair broken items.

e. **Resources**


Depending on the area, there are Human Services Agencies that provide free to a sliding scale cost support for meal planning, budgeting, home, and utility assistance. Refer to your local telephone directory for the agency near you.

There are catalogs that provide free information to planning, educational grants, etc. Sources include the library, workshops, and/or the Federal Consumer Information Center, Pueblo, Colorado.

f. **Plan Ahead**

1. Plan.
2. Read the ads. Share the information with others or ask friends for the weekend paper.
3. Make a shopping list and stick to it.
4. Shop alone when the store is not so crowded.
5. Eat first - shop later.
6. Shop at the same store until discipline is in place.
7. Look for the cheaper, yet high value goods.
8. Use coupons.
9. Watch for sales on NEEDED items, etc.

SPENDING/SAVINGS – THINGS TO THINK ABOUT

I only spend \$0.50 a day on snacks.	\$ 3.50 per week or \$ 182.00 per year
Purchase 2 kids meal at the local fast food restaurant per week at \$3.00 each.	\$ 6.00 per week or \$ 312.00 per year
Purchase 1 lottery ticket per week costing only \$ 1.00	\$ 1.00 per week or \$ 52.00 per year
Purchase 1 lottery ticket per week costing only \$ 5.00	\$ 5.00 per week or \$ 260.00 per year
Cigarettes – national average as of July 12, 2013 was \$5.51 per pack. National average usage is 1 pack per day. MICHIGAN AVERAGE COST PER PACK - \$6.50 (07/13)	\$ 45.50 per week or \$ 2,372.50 per year (1 Pack per day - MI) \$ 91.00 per week or \$ 4,745.00 per year (2 Pack per day - MI) (40 years = \$ 189,800)
Impulse spending \$ 15.00 per week	\$ 15.00 per week or \$ 780.00 per year
Regular cup of coffee to go – national average \$ 1.38 per cup. Average usage – 3.2 cups per day Espresso base – national average \$ 2.50 per cup	\$ 30.92 per week or \$ 1,611.84 per year (40 years = \$ 64,473.60) SAVE \$2,920.00 PER YR  MAKE IT AT HOME (40 years = \$ 116,800)
I only purchase one can of pop per day at \$ 1.25.	\$ 8.75 per week or \$ 456.25 per year (40 years = \$18,250)
If you spent \$ 1.00 per day less	\$ 7.00 per week or \$ 365.00 per year in an emergency savings



SAVING ON AUTO COST

- USE THE CIRCLE METHOD. START BY PLANNING YOUR TRIPS SO YOU USE LESS GASOLINE.
- TRY TO AVOID BUSY TRAFFIC TIMES WHERE YOU WASTE A LOT OF GASOLINE STARTING, SITTING, AND STOPPING.
- BUY GASOLINE IN THE EARLY MORNING OR LATE EVENING BECAUSE THE GASOLINE IS DENSEST (HIGH MASS PER VOLUME).
- DO NOT TOP IT OFF – EXCESS GAS EVAPORATES.
- KEEP THE GAS CAP TIGHT
- MAINTENANCE – CHECK THE OIL LEVEL, CHANGE ON SCHEDULE AND CHECK FILTERS.
- KEEP WINDOWS CLOSED WHEN TRAVELING AT HIGHWAY SPEEDS. OPEN WINDOWS CAUSE AIR DRAG AND REDUCES YOUR MILEAGE BY 10%.
- CHECK YOU OWNER’S MANUAL FOR RECOMMENDED MAINTENANCE TO AVOID PROBLEMS.
- TRY TO MAINTAIN AN EVEN SPEED. SPEEDING UP AND SLOWING DOWN WASTE GASOLINE.
- KEEP WHEELS ALIGNED FOR BETTER MILEAGE AND LONGER TIRE LIFE.
- CHECK THE INTERNET FOR ADDITIONAL COST SAVINGS AND AUTO PREVENTION MAINTENANCE.
- SHOP FOR INSURANCE ANNUALLY AND MAKE SURE YOU RECEIVE ALL THE DISCOUNTS

- DISCOUNT EXAMPLES – SEAT BELT USE, MULTI-CAR, CLAIM FREE/VIOLATION FREE, PACKAGE, AIR BAG, FINANCIAL STABILITY (Credit Score), SELECT PAY PLAN, AND VALUED POLICYHOLDER. IF YOUR AUTO AND HOME IS COVERED BY THE SAME PLAN, CHECK TO SEE IF YOU GET A DISCOUNT IF THERE IS A FIRE HYDRANT NEAR YOU HOME.
- CONSIDER HIGHER DEDUCTIBLES VS LOWER PREMIUMS.
- CALL YOUR INSURANCE AGENT TO SEE IF THEY ARE REVIEWING YOUR ACCOUNT ANNUALLY FOR BETTER PREMIUMS.

NOTES:

SAVING ON UTILITY COSTS



1. When possible, wash laundry in cold water.
2. Look for heat theft – areas where heat is lost.
3. Maintenance is vital to lighting efficiency. Light levels decrease over time because of aging lamps, dirt on fixtures, lamps, and room surfaces. Together, these factors can reduce total illumination by 50% or more, while lights continue drawing full power.
4. Clean or repaint small rooms every year and larger rooms every 2–3 years. Dirt collects on surfaces, which reduces the amount of light they reflect.
5. Most everyone knows that you can save energy by turning off lights when they are not needed. Sometimes we forget or do not notice that we have left lights on. Lighting controls can be used to automatically turn lights on and off as needed, preventing energy waste.
6. Inspect windows and doors for air leaks. See if you can rattle them, since movement means possible air leaks. If you can see daylight around a door or window frame, then the door or window leaks. You can usually seal these leaks by caulking or weather stripping them. Check the storm windows to see if they fit and are not broken. You may also wish to consider replacing your old windows and doors with newer, high-performance ones. If new factory-made doors or windows are too costly, you can install low-cost plastic sheets over the windows.
7. Inspect heating and cooling equipment annually, or as recommended by the manufacturer. If you have a forced-air furnace, check your filters and replace them as needed. Generally, you should change them about once every month or two, especially during periods of high usage. Have a professional check and clean your equipment once a year. If the unit is more than 15 years old, you should consider replacing your system with one of the newer, energy-efficient units.

8. You may be over-paying for phone features. Determine whether you need the features that you pay extra for on both your landline and/or your cell phones. Get rid of all paid features that you do not use.
9. Make use of free calls on your cell network. If you have free nights and weekends, make most of your calls then. If you have free calling within the network, find out which people in your use that same network.

The main thing that you need to do to reduce the costs of telephone calls is to start changing your phone habits. Do not just pick up the phone every time you think that you need it. Instead, think about the costs of your calls and make wise decisions about when to call people and what method to use to make those calls. Mindful attention to your calling habits can significantly reduce what you spend on calls.

10. FrugalFun.com for free information about Penny-Pinching ideas.
11. If you do not have a computer, check with you local library for free usage.

NOTES:



SAVING ON FOOD COST

1. Plan your meals for two weeks. Make a list of your needs and then shop. By setting a pattern, you lessen impulse shopping.
2. Eat before you shop. When you are hungry, one sniff could tease your appetite and send you down the aisle grabbing what looks good vs. what is on your list.
3. Coupons, Rebates, and Frequent Shopper Programs can save you hundreds of dollars a year. Use of newspaper, online, and in-store coupons can save you money. Start a group and trade information on sales, etc.
4. If your store offers a frequent shopper program, why not sign-up? You will receive advanced notice of specials, double-coupon days and other money saving information. ASK IF THEY HAVE ONE.
5. Companies have worked hard to improve their private-label brands and often the taste is equal to the national brands. Do not be afraid to experiment. If you find the product meets your standards, you can save on your annual grocery bill.
6. Set limits on impulse buying by:
 - a. Sticking to a well thought-out shopping list;
 - b. Give yourself enough time to shop will help prevent dashing in and reaching for the first item that you come to; AND
 - c. Setting a dollar limit for impulse buying will help soothe cravings without busting the budget.
7. Comparison shopping means you look at the unit price information because the package price only tells you the cost of the entire item. The unit price shows the cost per pound, ounce, etc. Taking a moment to compare this information in similar products will help you get the best value for your dollar. Also, be certain to check "expiration" and "use by" dates to insure you are buying the freshest products.
8. Beware of Marketing Strategies: Avoid marketing ploys designed to draw your attention to a particular product; Beware of end-of-the-aisle dump

bins; island displays; recipe related item placement; and middle-shelf items where higher priced and impulse products are placed. (EXAMPLE – In a sale bin, Macaroni and Cheese were on sale 5 boxes for a \$1.00. On the shelf, the same product was \$.17 per box. Those who took advantage of the sale spent an extra \$.15.)

9. Watch the scanner it may mean you need to put down the magazine, because this is no place to get lax. Keeping your eyes peeled to the scanner has dual advantages. First, it will keep the cashier more alert. Secondly, it will allow you to stop the checkout process if an item is showing the incorrect price. Keeping the store circular nearby is also helpful in disputing an incorrect price. You can also ask the cashier to stop ringing while you accompany the employee to the aisle to check the price of an item.
10. Buy meat when it is on sale and put it in the freezer.
11. Make sure you watch for expiration dates.
12. Watch for gimmicks - New and improved could be old and the same.
13. A bigger package may have less in it than a smaller one. Check unit prices.
14. Watch for sale patterns at your local store.
15. Seniors - Always ask about senior discounts when shopping.

NOTES:

STEWARDS IN ACTION (S.I.A.) CORPORATION

Stewards In Action (S.I.A.) Corporation appreciates and respects the trust you have placed in us as one who assists you in your budgeting concerns.

We are committed to protecting your privacy and maintaining that trust. During the course of our working together, we need to obtain personal financial information about you/your family. This data is used only to assist you in drafting your budget.

We seek to safeguard all information received as stated below:

INFORMATION S.I.A. RECEIVES

- Information S.I.A. received is stored on a non-network, single unit computer. Data is entered in via a worksheet and analyzed for use in producing a draft budget.
- Once the draft budget is completed, reviewed and in use, the actual papers are shredded to protect those we serve.
- The printed information is provided to the individual and/or the family designated to discuss the budget data.
- The information is deleted from the computer after six (6) months of non-activity.

DISCLOSURE OF INFORMATION

- We do not disclose any nonpublic, personal financial information about anyone we serve except as permitted by law.
- We acknowledge demographic information noting the number of families served by city and the overall percentage spent by highest four categories.

Questions or comments regarding this Privacy Notice, please submit them to:

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