

Saving On A Shoestring

Smart Money—Saving May Depend On How You Think About Money As Much As It Does On The Amount Of Money You Make

by M.P. Dunleavey

(NAPSA)—A penny earned can be a penny saved, no matter how few (or many) pennies you earn.

Surprised? Don't be. Saving money has as much to do with how you think about and spend your cash as it does with how much you make. In fact, a recent study found that the top 10 percent of the lowest participating income group saved more than \$150,000 per household, while middle-income folks, on average, had just \$45,000 in assets.

Try these tips to help save more money, regardless of your income:

Step One: Retrain Your Brain. Saving money is a state of mind.

- **Accept Frugality.** Become a closet cheapskate and emulate frugal friends.

- **Seek Inspiration.** Visit MSN Search and type in "living cheaply," "frugal living" and "voluntary simplicity." You'll find a number of helpful Web sites.

- **Cry Poverty—With Style.** Learn handy phrases like: "Let's eat somewhere cheap" and "Shopping? Bleh. Let's go for a bike ride." It's easier than you might think.

Step Two: Save It! Here are some of the least painful ways to economize your life.

- **Don't Even Think About It.** Direct deposit is a saver's best friend because it automatically whisks money into your 401(k), IRA or money market account.

- **Go Veggie.** If you can go three meatless days a week, you could save \$25 a week, which is \$100 a month and \$1,200 a year.

- **Play Money Games.** Whenever you get a five dollar bill, put it aside; or, do it with ones or spare change. You could have a nest egg before you miss a nickel.

- **Don't Spend A Windfall.** Take your tax return, money from your folks or any other "found money" and save it.

- **Haggle.** You'd be amazed at who will drop their prices, fees and interest rates.

- **Re-evaluate.** That dinner out may cost more than you spend on



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groceries in a week. Learn what your money is worth.

- **Don't Overpay Taxes.** Plan your withholding so you get a refund of no more than \$100. That way you have more money in hand throughout the year.

- **Raise Your Deductibles.** If you raise your insurance deductibles, your premium usually drops.

- **Lower Your Mortgage.** If your rate seems too high, consider refinancing. Also, look at your private mortgage insurance (PMI)—the insurance you may be paying if you did not have enough money to put 20 percent down when you bought your house. If the equity in your home is greater than 22 percent, have your lender cancel it. It's the law.

- **Don't Pay Unnecessary Fees.** Avoid ATM fees or late fees for returning videos. They can add up.

- **Bank Your Raise.** Try saving your three to five percent pay raise and live on your previous salary.

- **Pay Less For Long Distance.** Some "dial-around codes" or calling cards give you better rates than certain long distance carriers.

- **Never Pay Full Price.** Discover the world of online discount sites such as eBay, half.com and craigslist.org.

For more budgeting resources and tips, visit MSN Money at www.money.msn.com or use the budgeting tools in Microsoft Money Software.

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