

MANAGING YOUR MONEY



10 Ways To Find The Fat In Your Budget

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(NAPSA)—Finding the fat in your budget may not sound sexy, but try visualizing the new, svelte you—financially speaking. In just a few years, it's possible to change your lifestyle for the better by simply adhering to a few budgetary constraints. Here are my top 10 ways to trim up your budget:

1. Focus on fixed expenses: Just because they're "fixed," it doesn't mean they're not negotiable. Many items are fixed only in that they come out of your paycheck every month, or you write checks for them automatically—like rent and life insurance.

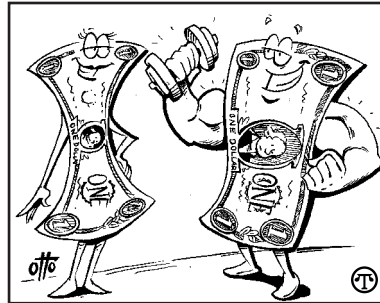
2. Rent or mortgage: Your home is your castle, but can you afford the one you have? Moving is not something you're going to do tomorrow, but if your castle is eating up more than 25 percent of your income, start making long-term plans.

3. Utilities: Turn down the heat and air conditioning. Analyze your phone needs. Do you need so many lines? Is your cell phone essential?

4. Insurance: If your term life insurance policy is five or more years old, you're in for a pleasant surprise: you can almost certainly get a better rate. Increase the deductibles on your auto and homeowner's policies, and drop collision insurance if your car is paid for. Don't skip disability insurance, though. If you can't work due to a disability, you could jeopardize everything without insurance.

5. Groceries: Is there really that much of a difference between generic and name brand products? Do you really enjoy the prepared foods you buy? Could you make something fresh and simple—and cheaper?

6. Clothing: What can we say? The biggest enemy of a clothing budget is impulse. You need a strategy. Make a list of what you need. Shop from your list. Buy the best you can afford. Think about all the stuff hanging in your closet.



With a little work, it can be easy to whip your budget into shape.

7. Transportation: This item can eat up 50 percent of a budget. Take a hard look at where you can save. Set a budget for transportation. Negotiate for bargain air fares. Cars are better made and last much longer than they used to. Get one you like. Take good care of it—and keep it two or three years longer. Walk instead of taking a cab.

8. Household and babysitting help: It's tough cutting corners here. If you've found a good caretaker for your children, don't cut his or her pay. Supportive people to help in your business and home can make your life run much more smoothly.

9. Credit: This one has a lot of opportunities for reductions. Pick up two months' worth of credit card bills and total up the interest you paid. If you pay off your credit cards, you will save that much every month.

10. Taxes: Contribute to your 401(k) and make use of healthcare and dependent care spending accounts at work.

So look at discretionary expenses to see what you can do. Think of positive lifestyle changes. Vacations, too, can be thrilling without being costly if you do some research and plan a trip that allows you to explore and further an interest. You can find the fat in your budget—it just takes a little creativity and willingness on your part.

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