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Five Simple Steps to Significant Savings

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We all know that we should be putting aside an amount of money each month and saving towards our futures - right?

Well, if you're anything like I used to be you get to the end of the month and the cupboard – or the bank account in this case - is bare...if you're lucky you just have enough to meet your monthly bills but you certainly don't have anything left to play with.

Well – what if I told you that there were five very simple steps that you – yes you – could take to cut your monthly outgoings, increase your monthly income and thus free up money and create an amount each month that could be squirreled away for a rainy day?

Step One - Trim Everyday Expenses

We all have a mountain of essential payments that we must make every month; these include all our utility bills, our car, telephone, internet and even cable TV bills.

Although we're all aware of these amounts draining our bank account every month, few of us give a second thought to whether we're paying too much when often we actually are!

So, here are just a few things you could easily do to wipe off significant amounts from those bills – amounts which will, over time, compound to create a nice tidy little sum thank you!

Oh, and if you think about every bill you have I'm sure you'll come up with many creative ways to reduce all of them.

Your Utility bills – have you considered switching your suppliers? Some suppliers in your area will be cheaper than others and all should give you a free quotation of how much you could be saving based on your previous month's usage. You may get a further discount if you pay each month by direct debit.

Be aware of the amount of energy you use - switch to energy saver light bulbs, don't put half a load of washing in the machine, wash-up small amounts instead of using your dishwasher every time and slowly but surely you'll notice a significant reduction in your overall bills.

Your Car – shop around for cheaper car insurance, combine chores into one journey so that you drop the kids off on your way to work and do your shopping on the way home. The more 'extra' journeys you can cut back on the lower your fuel bill, the less often you'll have to have your car serviced and the lower the mileage on the car when you come to sell it.

Step Two - Cut Interest Payments

According to industry statistics, the average home owner in the UK could reduce their annual mortgage payments by up to £1,600 by just re-mortgaging to a better deal. You need to examine the options available to you!

Next look at your credit cards, store cards, loans and overdrafts and check out the rates of interest you're paying – obviously the sooner you can pay off all debt and stop accruing new debt the better, but in the meantime you should consider switching to credit cards offering 0% on balance transfers, consider switching to lenders offering lower interest rates on loans and consider switching to a bank with lower account charges for things like your overdraft.

Cut your interest payments right down and free up more cash!

Step Three - Reign in Extravagance

Trust me, I know that this is the least popular of all the steps – but, do you really need that daily cappuccino from Starbucks, could you live without that health club membership that you hardly ever use, what about stopping smoking, cutting back on alcohol consumption and spending a few more quiet nights in than party nights out? If you can't get rid of your satellite or cable TV could you reduce the packages you subscribe to? If you like to eat out could you reduce the number of times you do it per week?

Don't worry, I'm not suggesting that you should give up living your life the way you like it, I'm just suggesting that you could maybe trim a little off the load and live life today whilst at the same time saving for your life tomorrow.

Step Four - Stop Making Bad Investments

There are so many poor performing, rubbish returning, invisible interest paying savings policies out there that banks and financial advisers push upon us that it's just not funny!

Yet at the same time there are some fantastic inflation proofing safer alternatives that could just net you a nice rate of interest too. You need to look around a little, use the internet as a good starting point and find out what the banks and financial institutions are offering. And if you're saving money make sure you're saving tax too – ISA and pension payments can be made tax free!

Oh, and when it comes to insurances – from car, health, home contents and even life insurance – shop around, shop around, shop around! Big name brokers often cost far more and if you buy your home contents and life insurance all in when you get your mortgage be prepared to pay way over the odds!

Step Five - Add Income Strings to Your Bow

Are you entitled to any tax credits, child payments or other benefits? If you're entitled you should be claiming what's rightfully yours! Could you, your partner or your teenage children be contributing a little more to the monthly pot by taking on a part time job, doing extra shifts or working the odd weekend?

Think as creatively as possible and make good use of any extra time and energy you have to boost your family's income...you might even be able to earn extra income from doing the things you love – maybe you could teach an evening class in something you specialize in, maybe you could sell arts and crafts you make as a hobby or perhaps you could just baby-sit your friends children?

Just remember that there are many options available to you and that every single step you take towards reducing your outgoings or maximizing your income will be a step towards a more secure financial future for you and your family.

Good luck!

About the author: Rhiannon Williamson is a freelance writer whose many articles about international and offshore savings and investments have appeared in financial publications around the world. Visit this link to read her latest articles about Offshore Investment: - <http://www.shelteroffshore.com/>

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