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Getting Through Tough Times: Stop Excess Spending Now!

URBANA, IL – Many families wait as long as six months to adjust their lifestyle after a reduction in income, making matters worse as they hope for things to get better. In doing so, they waste valuable time as well as money, said Lois Smith, a University of Illinois Extension consumer and family economics educator.

"Act immediately to stop all excess spending when you have a financial reversal. Buy only what you and your family really need," she said.

When money is tight, people should give high priority to paying fixed expenses, such as rent or mortgage payments, insurance premiums, car payments, and credit-card debt. They need to keep a roof over their head, a vehicle to drive, risks covered, and their credit in good standing. It's better to cut back on your flexible expenses--food, utilities, clothing, and household expenses--as much as possible, she said.

Ask yourself the following questions about your flexible expenses:

1. Can we substitute a less costly item? 2. How can we conserve resources and avoid waste? 3. Are there opportunities to cooperate with others by trading or sharing resources? 4. Can we save if we do it ourselves? 5. Can we do without?

To save on food expenses, grocery shop with a list of planned items, check the food ads for good buys, and use coupons, she said. Visit www.coupons.com and www.smartsources.com for starters. Some stores don't accept coupons from the Internet, so check your Sunday newspaper's inserts.

Make as few trips to the grocery store as possible, don't go when you're hungry, give yourself plenty of time to make selections, and leave the kids at home if you can. "It's hard to say no to your children's favorite foods when they go along," she noted.

Use low-cost protein foods such as dry beans, eggs, peanut butter, turkey, and chicken and stretch meats by using them in sauces or casseroles. Smith also advises using nonfat dry milk for cooking and turning leftovers into "planned-overs," getting two meals for the price of one.

Also, check "Stretching Your Food Dollar" on the new U of I Extension website "Getting Through Tough Financial Times" at <http://www.ToughTimes.illinois.edu>.

To save on utilities and household maintenance, turn the thermostat down 5 degrees and wear

warmer clothing, find and fix air leaks and insulate where you can, and close doors to unused rooms and shut off heat to those areas. "Take shorter showers," she said.

Make only emergency long-distance phone calls when rates are lowest, check to make sure you've eliminated phone features you're not using, use e-mail instead of phoning, or eliminate your land line in favor of your cell phone, she said.

Carefully plan the use of your car to reduce the amount of driving you do. Think about selling one car if you have more than one, and carpool or use public transportation. Walk or ride a bike for short trips, she said.

To save on medical expenses, take advantage of public clinics and immunizations and use generic drugs when possible.

Curtail clothing expenses by caring for the clothes you have--mending them and following washing instructions. Coordinate clothing and accessories so they be used with several outfits, and when you buy clothes, don't buy items that don't fit well--you won't wear them, said Smith.

To save recreation dollars, choose activities that are free or inexpensive--hiking, picnicking, and free concerts or museums. If you entertain at home, have potlucks, she said.

Child-care expenses can be cut by arranging your family's schedule so that one parent can care for the kids while the other works. If both parents are looking for work, they should alternate child-care responsibilities, she said.

"Other good ideas are forming a babysitting co-op and carpooling to school and other events," she said.

"If you're a single parent, try to share child care with a relative or friend," she added.

Some job-training programs provide child care, Smith said. Read "Community Agencies that Can Help" at <http://www.ToughTimes.illinois.edu>.

Make gifts instead of buying them and donate services instead of money. Offer to babysit, take care of an elderly person, house watch, pet sit, or mow the lawn. "These are great gifts," she said.

"Also, think about eliminating costly habits, such as smoking and drinking alcoholic beverages. Stop subscriptions and use the public library. And set a reasonable amount for children's allowances, making sure there's a definite understanding about what they cover," she said.

For other suggestions on saving money, visit <http://www.ToughTimes.illinois.edu>. Be sure to click on "Setting Spending Priorities" for advice and helpful worksheets.

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