



Planning Ahead

Large regular monthly expenses such as rent and loan payments can put a major squeeze on you. Since you can't skip these payments or even reduce them (assuming you want to stay in your house, keep your car etc.), the money you commit to such regular monthly payments can no longer be used to help out if your income is reduced and/or prices rise on things such as food and gas.

The lesson is clear. Before signing on the dotted line of any long term financial contract, plan ahead and keep in mind that a less expensive car and/or house will mean a lot more financial flexibility (and perhaps a lot less stress) later.

Did You Know?

Looking for an easy way to save money on food? If so (and who isn't), check out Angel Food Ministries (AFM). AFM is a terrific source of low-cost nutritious food for you and your family. Each month you receive a box of food including both frozen and fresh items. The items change monthly and you pay only \$30 for the food which is valued at approximately \$75... that's \$45 you can free up for other things.

To find out more about AFM, simply call 1-877-366-3646. It's a free call.



THE SAVING CENTER

Little Things That Can Save Big Dollars

- Compare the number of cell phone minutes you're using to the monthly number you're paying for. If you're using less than you're paying for, inquire about changing your plan....but be careful about termination charges if changing companies.
- Rethink what you drink. Bring drinks from home rather than using the vending machines at work. Skip the drink at restaurants and ask for water instead.
- Remember: A monthly pass for "The Rapid" (the Grand Rapids area bus system) still costs only \$35. Compare that to the cost of gas, insurance, and a reasonable monthly allowance for maintenance and repairs as well as a car payment if you have one.
- Ditch the plastic. Use cash when you shop. It'll give you a better idea of what you're really spending, whether you can afford what you're buying, and whether you REALLY want it. Plus when the cash is gone you have to stop.
- **Always** pay more than the minimum required payment on your credit card(s). See "The Credit Corner" on the back side of this newsletter to see why.



Ask the Money Man

Q. With the rising cost of gas and food, I'm finding it particularly difficult to save. Have any ideas that might help?

A. It's true that it IS getting harder to save for many of us. But it's also true that saving is just as important as it ever was. In fact, I tell my students that if they're not saving any money, they WILL have money problems. Without some money saved, there WILL be another crisis. It may be a car repair. It may be a layoff. But there WILL be another rainy day. It's just a matter of when. And this pattern will continue until you have adequate savings.

Since saving is so important to your financial well being, it's important to make it a priority. Instead of hoping that something is left to save at the end of the month, save before the spending even begins. Think of it as **"paying yourself first"**.

The best way to **"pay yourself first"** is to set up a payroll deduction savings plan. Have some money automatically taken out of your check and put into a savings account at a credit union or bank. If you don't have a savings account, consider opening one at a credit union (there's no cost to you and you only need a \$5 deposit to open it).

And finally, if you find that after saving there isn't enough money left for all your expenses, don't stop the savings. Look for ways to reduce your spending instead. Saving IS that important.