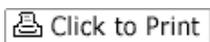




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Your one-day financial makeover

- Story Highlights
- Setting aside a small amount of time can reap big benefits in saving
- Educate yourself about the deals for phone, Internet and even DVD rentals
- Taking advantage of your company's benefits is often overlooked

(RealSimple.com) -- Movie with the girls. Ka-ching! An \$8 focaccia sandwich for lunch. Ka-ching. The cat's blood-pressure medicine. Ka-ching! Late fees, insurance, utility bills. Ka-ching, ka-ching, ka-ching. Sure, you could save money -- if only you could stop spending it.

You can't, of course, but you can spend it more slowly, wisely, and purposefully. How? Set aside one day (or a few evenings) and devote the time to cutting costs, following the daylong schedule on these pages. Along the way, take a look at Real Simple's solutions to readers' top four money problems. Then observe as you reap the benefits -- and save up to \$5,000 this year.

Morning: Housing and food

9 a.m. Research your next purchase.

If your dishwasher is close to kaput or your printer is running low on ink, do your purchasing homework now. "Waiting until the last minute means paying full price," cautions Neale Godfrey, author of "Money Still Doesn't Grow on Trees." Go to www.dealcatcher.com or www.pricegrabber.com, two online marketplaces that offer coupons, rebates, and price comparisons on everything from ink-jet cartridges to DVD players to dishwashers. Type in the kind of item you're looking for, then compare deals from outlets like www.amazon.com, www.Overstock.com, and www.BestBuy.com. Or try www.dealtime.com or www.bizrate.com, which also offer free price comparisons. All these sites provide reader reviews, which can alert you to the strengths and weaknesses of a given product.

AVERAGE SAVINGS: From \$10 for print cartridges to \$50 for a dishwasher (over buying them at a local stationery or department store).

9:30 a.m. Take a bite out of grocery costs.

The average family of four spends about \$450 a month on food, according to the Food Marketing Institute, a supermarket trade association. To economize, join a warehouse club like BJ's Wholesale Club (\$40 annual fee), Costco (\$45) or Sam's Club (\$35). Visit each club's Web site to determine which has the best location and product mix for you, then join online. The clubs can be 20 to 50 percent cheaper than regular grocery stores when it comes to products like condiments, coffee, bottled water, and canned beans and vegetables (they're also, hands-down, the best place to shop for appliances, trash bags, aspirin, and best-selling books, among other things).

One Real Simple tester found she could save \$75 to \$100 a year by purchasing bottled water from Costco rather than the local Stop & Shop. (A bonus: Sam's and Costco sell calling cards that charge just 3 1/2 cents a minute on long-distance calls.) But don't neglect your supermarket entirely -- it will have better deals on items like produce, chips, and cookies.

AVERAGE ANNUAL SAVINGS: \$1,850 (based on the average bill for a family of four at 35 percent savings, minus the average club membership).

10 a.m. Cut heating and utility costs.

The U.S. Department of Energy estimates that the average family spends \$1,400 a year on energy bills. This past season, prices soared up to 45 percent, partly due to increased demand. To lower your bill, surf over to <http://www.energy.gov>, the U.S. Department of Energy's Web site. Go to Information for Consumers and click on "Your Home." You'll find the Home Energy Saver, a handy energy-audit tool. By entering information about your house -- the year it was built, the number of windows, the type of heating system -- you'll generate tips for improving its energy efficiency. The more specific you are, the more detailed the advice. You won't have time to fix all these things now, but you can print out a list and follow up this

weekend. For example, investing just \$33 to \$100 in a programmable thermostat -- which you can set to lower your home's temperature at night and raise it in the morning -- can slice 5 to 30 percent off your heating and cooling costs, according to the Department of Energy.

AVERAGE ANNUAL SAVINGS: \$1,000 if you live in an extreme climate, like Vermont; \$450 if you live in a milder one, like San Francisco.

11 a.m. Scrutinize your wireless, long-distance, and Internet bills.

If the cost of staying connected makes you want to become a hermit, scout for better rates at www.lowermybills.com or www.billsaver.com, free comparison-shopping sites. LowerMyBills.com allows you to search 18 categories of services, including long-distance carriers and Internet access. When you find a rate you like, call the provider directly. (Both sites conduct background checks on companies listed.) Real Simple testers saved, on average, \$150 a year on long distance, \$100 on cellular service, and \$80 a year on Internet access. Savings vary, based on location and whether you want to go with a brand name. For instance, one tester reduced her monthly Internet-access fee from \$24 to \$10 by switching from AOL to a local service.

AVERAGE ANNUAL SAVINGS: Up to \$80 a year on Internet service, \$150 on long distance, and as much as \$100 on cell-phone bills.

Midday: Entertainment

Noon. Convert coins to cash, get a library card, and swap your gift cards.

After a lunch break, get ready to take a walk or a drive. Gather up all your spare change and go to one of the free or cheap change-counting machines that are available in many grocery stores and banks (for a nationwide listing, visit www.theunderstory.com. One tester turned up \$143, which she then put into an interest-bearing savings account. While you're out, sign up for a library card. Borrowing hardcover books instead of buying them can save even the casual reader, who buys an average of four hardcover books a year, about \$70. Once you're back, hunt down any unused gift cards you have and go to www.swapagift.com. For a \$4 listing fee, you can buy, sell, or trade your unused cards for those of merchants you prefer.

AVERAGE ANNUAL SAVINGS: Library card, \$70. Found money, varies by household. Gift cards, \$25 to \$50 (assuming you would otherwise have let the cards languish in your desk drawer).

1:30 p.m. Liberate yourself from video- and DVD-rental late fees.

You checked out "The Remains of the Day" at Blockbuster on a Thursday and plugged it into your DVD player, as planned, on Friday night. But just as Emma Thompson came on the screen, the phone rang ... and you never saw the remains of the movie. The next thing you knew, a week had gone by, you'd forgotten all about the movie, and the late fee was more than the cost of a new DVD. If this sounds familiar, don't feel bad; you're in good (if late) company. A recent report by Decisive Analytics, a market-research firm, found that 20 percent of movie renters pay, on average, \$7.60 in late fees for every tardy rental. So take three minutes -- literally -- and sign up at online movie rental sites such as Netflix, Blockbuster or Wal-Mart. Then take five minutes more to browse through their listings and create a rental queue. For \$19 to \$20 a month (the cost of renting four new releases at Blockbuster), you can rent as many DVDs as you want, keeping three out at a time for as long as you want. When you return one, the company will send you the next one from your queue. Each movie arrives in a prepaid envelope, which you reuse to return the DVD. And you'll never pay a late fee again.

AVERAGE ANNUAL SAVINGS: Depending on your lateness record, up to \$280 a year (based on rental costs and late fees for the average of 60 rentals a year, with half of those returned late).

1:45 p.m. Analyze your attendance at the gym, the theater, and art museums.

Let's face it: Sometimes your ambitions don't mesh with reality. You buy a pricey membership, then hardly use it. Take the gym. In a three-year study, economists at the University of California at Berkeley and Stanford University combed through 8,000 gym-membership records in the Boston area and found that about 80 percent of the members with a monthly contract were paying significantly more than they would have if they had gone on a pay-per-use basis. That's because the members had overestimated their gym usage and went fewer than five times a month, on average -- far less than they had initially projected. The result: An average user paid \$17 per workout, even when a \$10 pay-per-use option existed. And that added up. Members were losing on average \$700 over the life of their monthly or annual gym contracts. One Real Simple tester realized she hadn't been to her local Y in more than a year and was wasting \$87 a month (\$1,044 a year) in membership fees. She found she could pay \$10 a visit and canceled the plan.

Conversely, you may be overpaying for single visits to the local zoo, art museum, or aquarium if you go frequently and don't have a membership. For instance, another Real Simple tester, who lives in Philadelphia, found it would cost her family of four \$56 to visit the zoo, plus \$7 for parking. But for just \$79, her family could buy a membership and enjoy unlimited visits and free parking for a year.

AVERAGE ANNUAL SAVINGS: \$700.

2 p.m. Donate to charity.

Rummage through your closets and bookshelves for clothing and household items you can donate. "Have a two-year rule," suggests Michelle Singletary, a Washington Post columnist and the author of "7 Money Mantras for a Richer Life." "If you haven't worn or used it in the last two years, give it away." Even a sum as nominal as \$150 worth of goods can reduce your taxes by about \$42, if you itemize your deductions and are in the 28 percent tax bracket. (If you're in the 15 percent tax bracket or lower, this may not be worth your trouble. You can find your tax bracket at www.irs.gov (search for "tax rate"). Try to do this at least twice a year, and remember to get a receipt from the charity.

AVERAGE ANNUAL SAVINGS: \$84 (if you're in the 28 percent bracket and make two \$150 donations a year).

Late Afternoon: Banking and Insurance

2:30 p.m. Lower your auto and homeowner's insurance rates.

Number one way to reduce your rates? "Raise your deductible," says Ric Edelman, a registered financial consultant and the author of "The Truth About Money." "Many people go with the minimum, but that's a waste." Insure yourself for catastrophes, not for small mishaps. Insurers will also reduce your premium if you meet certain standards. Call your provider and ask about:

-- Car insurance: Raise your deductible from \$200 to \$500 and you can shave 15 to 30 percent off your collision and comprehensive coverage, according to the Insurance Information Institute, a nonprofit organization. Increase your deductible to \$1,000 and you can save 40 percent.

While you have your provider on the phone, "ask for all the discounts they offer," suggests Ellie Kay, author of "A Woman's Guide to Family Finances." If you carpool or take public transportation to work, you might be eligible for a low-mileage discount. If you have a car-alarm system, are over age 50, or are a longtime customer, you can probably reduce your tab even further.

-- Homeowner's insurance: You can save 25 percent by raising your deductible from \$500 to \$1,000. Combine your auto and homeowner's policy under the same company and you can save 5 to 10 percent.

If these tactics won't work for you or you want to look for a better deal, investigate new policies at www.insweb.com, a free comparison marketplace for auto, homeowner's, and life insurance. The site has detailed custom quotes from dozens of insurance providers nationwide.

AVERAGE ANNUAL SAVINGS: An average of \$155 for homeowner's insurance, and \$360 for collision and comprehensive car insurance.

3 p.m. Get a better credit-card rate.

If you tend to carry a balance and your credit-card company is charging you more than the average interest rate of 12 to 13 percent, call to negotiate a better deal. More than half of all customers who complain are able to lower their rate, according to a study by the Massachusetts Public Interest Research Group, a citizen-funded organization. If your issuer won't budge, go to www.bankrate.com, a consumer-finance marketplace, to look for a lower rate. If you can save even 1 percent on the average \$9,000 balance, you'll be saving \$90 a year. One tester found a bargain card that pays 2 percent cash back on up to \$1,000 of purchases, with no annual fee and an interest rate of just 9.9 percent. Before you sign up, cancel your little-used cards. The fewer cards you have, the less of a risk you will be to lenders and the better the rate you'll get.

AVERAGE ANNUAL SAVINGS: \$360 (assuming you reduce your rate from 12 percent to 8 percent on a \$9,000 balance and make a 10 percent payment each month).

3:25 p.m. Find a smarter checking account.

Dig out a recent checking-account statement and add up the fees you pay for ATM withdrawals, monthly maintenance, and penalties for letting your account dip below the minimum balance. Go back to Bankrate.com and look for a better deal, using the site's search tool. Simply input the type of account you're interested in (for instance, free checking), then follow the prompts. Within seconds you'll get a list of products offered at various banks, along with rates, fees, and minimum-balance requirements. "Many banks are being super-competitive about free checking," says Galia Gichon of Down-to-Earth Finance, a consulting and financial-planning firm. So it pays to hunt around. Bankrate.com analysts estimate that most customers can put \$100 to \$200 back in their pockets by choosing an appropriate checking account. Tester report: By switching from a no-interest checking account that charged \$8 if her balance went below \$1,000 to an account with a 0.76 percent interest rate, no monthly fee, and no minimum-balance requirement, one RS tester will save as much as \$96 this year.

AVERAGE ANNUAL SAVINGS: \$100 to \$200.

4 p.m. Maximize your company benefits.

It may be hard to believe, but your employer spends an average of 28 percent of your compensation on benefits. For someone earning \$50,000 a year, that's \$14,000 worth of perks. Make sure you're taking advantage of all you're entitled to. Call your company's benefit office or go to your company's Web site and work your way down this list:

Boost your contribution to your 401(k) to the maximum of 10 percent of your salary (up to a total of \$13,000) allowed this year. At the very least, make sure you're stashing enough cash in your account to get the company match.

Check your income-tax withholding with the payroll department. The average tax refund last year was \$2,033, largely due to excessive withholding. Sure, it's nice to get a midyear check from the IRS, but that means "you're essentially making the government an interest-free loan," says Grace Weinstein, author of "The Procrastinator's Guide to Taxes Made Easy." If you invest the money instead, you'll be \$71 richer this time next year.

Look into education reimbursements. Some large companies will pay up to 100 percent of the cost of job-related courses, professional-association dues, and conferences, and as much as 75 percent of non-work-related educational programs.

AVERAGE ANNUAL SAVINGS: \$71 to \$7,000.

4:30 p.m. Hire a financial planner.

Set yourself up for life by finding a financial adviser, preferably one who charges you a fee -- that is, either hourly or per project -- and doesn't earn commissions by pushing certain products. A planner can help you figure out if you're saving enough for retirement, if your investments are sound, and how much you should be socking away for education expenses, and she can generally give your finances a tune-up. To find a fee-only planner in your area, go to the Web site of the [National Association of Personal Financial Advisors](http://www.napfa.org) or call 888-333-6659. (NAPFA has rigorous requirements. Members must take 60 hours of continuing education every two years.)

AVERAGE ANNUAL SAVINGS: For professional advice on all your future financial needs: immeasurable.

Our Methodology: Real Simple's nine testers tried out all the tips in this timeline and weighed in with their experiences and findings.

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