

## HOW TO SAVE \$15,000 ON THE THINGS YOU NEED MOST

Follow these savvy shopping tips to keep thousands of dollars in your pocket every year

BY ELLEN MCGIRT

### 1 CREDIT CARDS

**Most credit card rates are variable**, so they've been inching up every time the Fed raises rates. Chances are the rate creep is having a serious effect on your balance, if you carry one. Visit [Bankrate.com](http://Bankrate.com) or [IndexCreditCards.com](http://IndexCreditCards.com) to see better available offers. (Regional or internet banks typically offer the most attractive deals.) If you'd rather stay with your current card, call with an alternative offer in hand (deal directly with a supervisor) and ask for a reduced interest rate. No go? Transfer your balance to a new card, but don't close out your old one—it could result in a credit ding.

POTENTIAL ANNUAL SAVINGS: \$500 (if you lower your interest rate from 18 to 9 percent; assumes a \$9,000 balance—the national average)

BARGAIN BONUS: Avoid airline awards cards if you carry a balance. You'll pay, on average, 6 percent more in interest. It's not worth it.

### 2 ENERGY

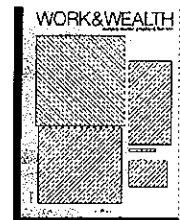
**Worried about home heating prices?** Shave your home energy bill by doing simple things. Using cold water for laundry, for example, can save more than \$60 a year; updating storm windows cuts heating bills by 50 percent; limiting showers to five minutes cuts costs by 30 percent. Hit the Web first. Check out the [Alliance to Save Energy](http://Alliance to Save Energy), at [ase.org](http://ase.org), for tips and advice on finding energy-efficient appliances. The U.S. Department of Energy ([hes.lbl.gov](http://hes.lbl.gov)) offers a home energy assessment Web tool that compares your costs with those of other homes in your ZIP code and gives you specific tips to make your home more energy-efficient.

POTENTIAL ANNUAL SAVINGS: \$950 (half the \$1,900 average energy bill)

BARGAIN BONUS: Ask your utility company to send a trained energy auditor to inspect your home at a low or no cost; it could shave 30 percent off your bill. ▶

### 3 APPAREL

**Sites such as Dealhunting.com** are a treasure trove of Web deals. That site finds daily online sales at more than 1,200 store sites, including Sears and Best Buy, and offers discounts on everything from kids clothes and jewelry to shoes and



sporting goods. (Its sister site, Currentcodes.com, finds coupons and rebates for online retailers.) Savvy shoppers also swear by eBay. "I find cheaper apparel there," says one budget-conscious mom.

**POTENTIAL ANNUAL SAVINGS:** \$1,200 (assuming a 40 percent break on a \$3,000 budget)  
**BARGAIN BONUS:** Ask the salespeople at your favorite department store when items on your wish list will go on clearance, or check outlet and factory stores for savings of up to 90 percent.

## 4 GROCERIES

**All the old sayings are true:** Don't shop while hungry, tired or cranky, and never go without a list, says Phil Lempert of Supermarketguru.com, "or you'll spend 40 percent more." Coupons from the Sunday paper are a great help, he says. Never make a purchase to get coupons: Call the company's 800 number (often on the product label); many companies mail them out for free.

**POTENTIAL ANNUAL SAVINGS:** \$2,000 (40 percent of the average annual grocery budget of \$5,000)  
**BARGAIN BONUS:** Use the self-checkout lane. Doing so reduces impulse buys at the register.

## 5 FURNITURE

**Traditional furniture stores have to pass on to you the costs of keeping a showroom.** For real deals, head to the Internet, where there's no overhead expense. Check out sites like overstock.com for sales and auctions. And before you make a purchase, comparison-shop at pricegrabber.com. It'll show the price for an item at up to five merchants. Instead of going to the large chains, head to smaller retailers, where prices are often better, and freebies—like rug pads and shipping—may be available for the asking. Not afraid of a Phillips screwdriver? Check out the affordable lines at Ikea. And keep your eye on Costco—the bulk discounter doesn't charge a restocking fee (for anything) and has a six-month return policy.

**POTENTIAL ANNUAL SAVINGS:** \$300–\$1,000  
**BARGAIN BONUS:** Buy after Christmas, when stores clear stock

to make room for new inventory; and save up to 70 percent.

## 6 HOME REPAIR AND REMODELING

**Bottom line:** The more you do or buy yourself, the more you'll save. Business owner Kim Vappie saved nearly \$30,000 on a home remodel by being her own general contractor. The key: Let your repair or remodel pros teach you what you can buy, haul or clean yourselves. (Pros typically mark up supplies by at least 25 percent.) "Ask the contractor to pass his discounts along to you," Vappie advises. He can typically buy large items—appliances, carpeting—for less than you can. The vast majority of home repairs can be handled at home—be brave!—so hit the Web before you scream for help. Try DoItYourself.com.

**POTENTIAL ANNUAL SAVINGS:** \$2,000 (half of \$4,000, the average maintenance of a \$200,000 home, calculated at 2 percent of home value)  
**BARGAIN BONUS:** CostEstimator.com can tell you what a remodel job might cost before you start negotiating prices (registration required; free 30-day trial).

## 7 GAS

**Loyalty is a good thing,** just not for gasoline bargain hunters. To find the best deals in your area, hit the Web: Gaspricewatch.com, fuelgaugereport.com and fuelcostcalculator.com can help. And give your car a little TLC: Underinflated tires, an overloaded trunk and a poorly tuned engine use more gas.

**POTENTIAL ANNUAL SAVINGS:** \$100–\$1,000  
**BARGAIN BONUS:** Gas-rebate credit cards offered by companies like Discover, Chase and Citibank provide up to 6 percent cash back on gas purchases. That could put big money back into your pocket, considering that, according to some estimates, the average household spent more than \$2,520 on gas last year. One caveat: These cards tend to carry higher interest rates, so only use them if you pay off the balance every month. ▶

## 8 PHONE AND INTERNET SERVICE

**Although using one service provider is convenient,** it's not always cheaper, particularly if you want to try an alternative phone service such as Vonage, which operates over your cable service's broadband connection at prices of \$15–\$25 per month for 500 minutes of calls to anywhere in the United States or Canada. Another option: Try free calls over the Internet with Skype (skype.com). If you want to go traditional, compare local and long-distance packages at whitefence.com to put together your own plan, buffet-style.

**POTENTIAL ANNUAL SAVINGS:** \$100–\$300  
**BARGAIN BONUS:** Providers such as Skype charge about \$20 a month for unlimited local and long-distance calls, a substantial savings if you already have high-speed Internet.

## 9 CELL PHONE PLANS

**Longtime cell phone users are probably paying more than new**



customers, who have been reeled in by a tasty promotion. Try Myrateplan.com or Lowermybills.com for available deals in your area. Before switching plans, check your contract or you may be hit with a nasty cancellation fee. Skip customer service; reps in the cancellation department are typically the only ones authorized to negotiate with clients.

**POTENTIAL ANNUAL SAVINGS:** \$350 (based on an average of \$25-\$30 saved each month by improving your plan)

**BARGAIN BONUS:** Ask for an audit of your phone usage; you may be paying for a plan or services you don't use.

## 10 CONSUMER ELECTRONICS

"A good way to get a deal on any technology product is to go to the brand's official Web site and copy and paste the actual product number, not name, into Google," says Paul Hochman, tech editor for NBC's *Today Show*. "Money-saving options will pop up all over the Web." Insert your ZIP code for local options. If you prefer to shop in-store, Best Buy is known for accommodating busy women. The chain's free concierge service can steer you to the best products and prices quickly. (Salespeople don't work on commission.) And the retailer will match a better price.

**POTENTIAL ANNUAL SAVINGS:** \$2,000-\$4,000 (about half the \$8,641 affluent consumers spent on electronics in 2005, according to Unity Marketing)

**BARGAIN BONUS:** New products are often announced in spring and debut in fall. If you don't have to have the newest gadget—how does 50 percent off last year's xBox sound?—start looking for deals in late summer and fall.

## 11 BEAUTY

Visit your local beauty school for discounts of up to 90 percent on everything from facials to extensions. Best of all, the work is supervised by professionals. The Internet can help you find one in your neighborhood.

**POTENTIAL ANNUAL SAVINGS:** \$300-\$1,000, depending on where you live, when you compare the price of a relaxer, cut and blow-dry in a major metropolitan area (\$80-\$100) with that of a beauty school price (\$35-\$50) in that area.  
**BARGAIN BONUS:** Some salon chains have "assistant nights," where up-and-coming stylists service clients.

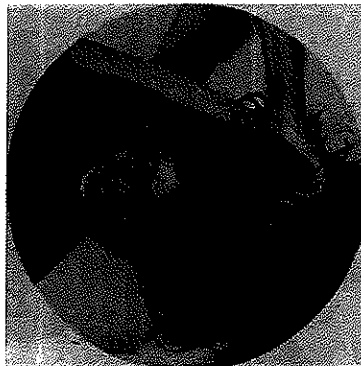
## 12 TRAVEL

The Internet has turned everyone into a bargain shopper, but don't limit your search to just one site; each offers a different inventory of flights. (Check the airline's own site, which often offers deals you can't find elsewhere.) One standout, kayak.com, has a wide search for discount flights, hotels and cars, and doesn't charge a fee when you book. But when booking awards miles, use a real person: "You'll be more likely to get a flight that you want," explains Tim Winship of FrequentFlier.com. And don't forget the hotel loyalty programs: Hammonds, the NFL Players Association director, saved \$700 by using her hotel program points for free stays on a Bahamas vacation.

**POTENTIAL ANNUAL SAVINGS:** \$1,000-\$2,000 (based on a family of four making four leisure trips a year at roughly \$5,000)

**BARGAIN BONUS:** Use mileport.com to help you keep track of all your reward programs.

**Ellen McGirt, a senior writer at Fortune in New York City, also writes the Money Helps column for Money.**

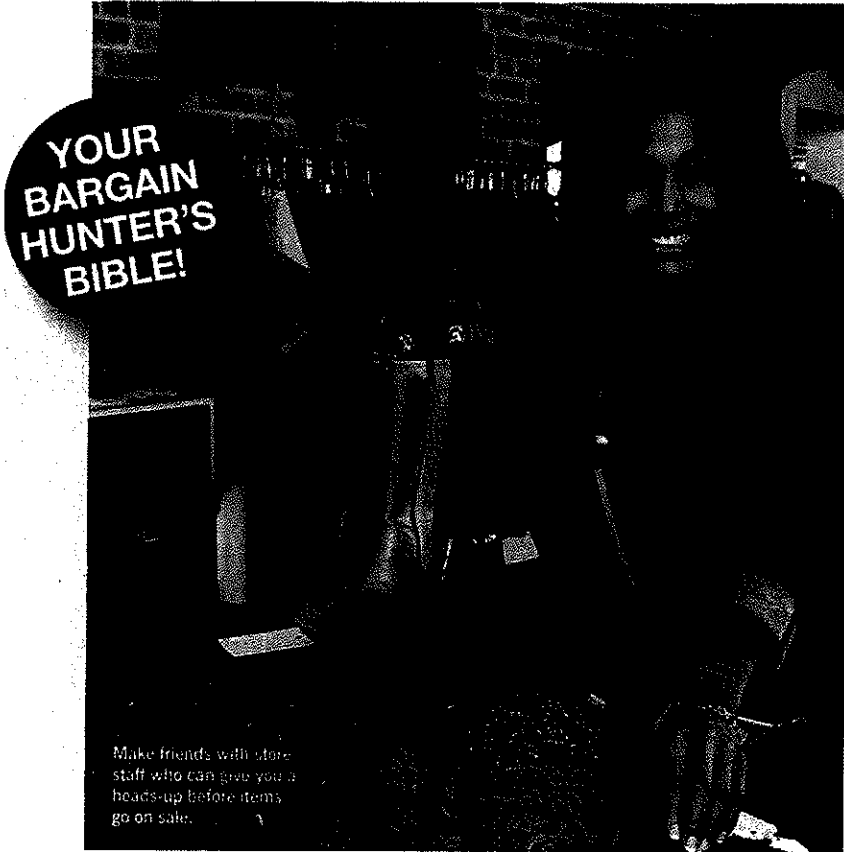


### YOU'VE SAVED A LOT; NOW WHAT?

Try sitting down with a professional. A new breed of financial planners is offering advice at a fraction of what a planner would have cost back in the day. Check out sites such as Garrettplanningnetwork.com, Myfinancialadvice.com or Financial-engines.com for ideas that can help you reach your money goals.

I DID IT! "I hate paying full price if I don't have to," says Dana Hammonds, 41, a director at the NFL Players Association. "I've been known to stretch a dollar until the eagle grins." A single mom of a college-age son, Hammonds comparison-shops like a pro. Participating in perks programs (she logged more than 100,000 miles and 75 hotel stays in the past year) allows her to treat others: "I'm taking my mom to Europe next year on my frequent-flier miles."

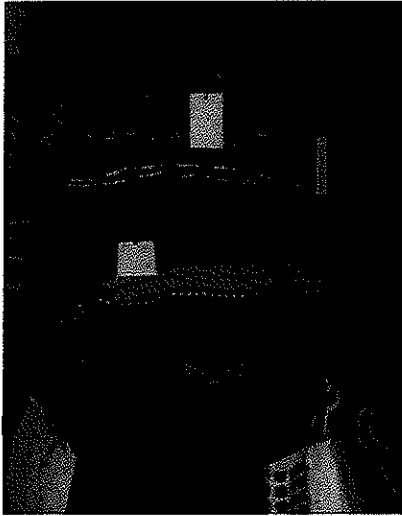




GETTY IMAGES

There are three indispensable weapons in the bargain hunter's arsenal—knowledge, planning and the ability to negotiate. They apply in almost every situation, and to every person.





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