



## TIPS FOR SAVING MONEY ...ON MONEY

**Stay punctual:** Paying your bills on time—including your credit card bills—is the easiest way to avoid racking up unnecessary charges and paying more than you need to. Credit card companies in particular can be stringent about late fees, so get your payments in promptly. You may also risk raising your interest rates if you consistently pay your bills late, because your payment history carries a great deal of weight in calculating your credit score. Some banks offer online bill pay systems, which keep track of your bills and pay them automatically each month. However, make sure that you have sufficient funds in your checking account to cover your costs—you don't want to be charged for the overdraft.

**Buy only what you can afford:** According to Harper's magazine, each U.S. household averages 12.75 credit cards. With all of that plastic, it can be easy to rack up more charges than you can afford to pay off each month. However, it is better for your credit score to pay off the bill in full and avoid accruing interest. If you do not expect to be able to pay your bill in full each month, you may want to choose a credit card with a low interest rate or a grace period on interest rather than choosing a card with other perks. This will help keep the amount of money you are paying in interest as low as possible.

**Shop around:** If you're taking out a new loan or shopping for a credit card, be sure to compare loans and credit cards for differences in their Annual Percentage Rates (APRs) and other fees. These rates reflect the annual cost of credit on the card or loan, including interest. Some banks allow for negotiation on the interest rate. According to the FDIC, negotiating the interest rate of your card or loan may save you thousands of dollars over several years.

**Use your own bank:** Try to use your own bank's ATMs to make withdrawals and other transactions. You may be charged both by your own bank and the bank that owns the ATM when you make withdrawals at other banks, and those charges can add up in the long run. If you are out of town and cannot access your own bank's ATM, paying for purchases at grocery stores or pharmacies with a debit card and asking for cash back is an easy way to avoid high ATM fees.

**Set a monthly budget:** Even with rising transportation and food costs, setting a budget—and, more importantly, sticking to it—can be one of the most effective ways to manage your spending and save more money. One of the most tried-and-true budgeting tricks is the “envelope method.” Determine your major spending categories—food, utilities, household expenses, and so on—and label an envelope for each category. Each month, put the money you've allotted to each category in its appropriate envelope in cash. After you've used up the money in each envelope, you're done spending money on that good or service for the month. Keeping the cash in the envelopes will also help you keep track of how much you're spending.

**Be an informed consumer:** Government resources like [www.consumer.gov](http://www.consumer.gov), a subsidiary of the U.S. Department of the Treasury, are full of government-approved tips and information to help you manage your finances wisely. Always make sure that any information you gather comes from a respected source like a government agency, a university, or a well-known non-profit organization.