

## Savings Tips

Saving money helps us to avoid spending on things we “want” but do not really “need”. This series provides tips on saving in many areas. Some of these tips are simple to accomplish, some will be accomplished with planning, while others will take some amount of discipline to achieve.

### *Series 1. Starting to Save*

You can save much if you can successfully determine your needs from your wants. **Needs** are those items which are necessary for sustenance: food, clothes, shelter and transportation. **Wants** are those items that enhance or improve our lives. Once we identify our needs and cater for them then we can determine how much of our wants we would like to satisfy. ***Remember the wants we sacrifice will result in more savings.***

- To start saving, take an inventory on needs and see if you can reduce your spending. Begin with the biggest items first, where there is the potential for savings, and move down the scale to the less expensive items. A moderate saving on one big item (mortgage payment by renegotiating a lower interest rate) combined with savings on the smaller items (food, clothes, etc.) can reap a large reward on your total spending.
- Do not insist on buying “bigger and better” no matter what the cost. Look at your circumstances. A \$100,000 double door refrigerator may be adequate for you rather than a \$400,000 side by side refrigerator.
- Do not insist on buying strictly branded products since branded products will cost more than the same quality of generic (non-branded) products.
- Try out a product before buying it. This will go a long way in helping to avoid silly purchase of things you rarely or never use. Think before you buy home Gym equipment. Will you use it consistently or is it a fad? How often will you use some of the kitchen appliances such as a juicer or electric knife?

Using these tips will help you reduce unnecessary spending and increase your savings.

## Series 2: Tips for Saving Money – Food Items

Purchasing of food items constitutes a major part of household expenses. Since food is a necessary and recurring expense, just saving a small amount each week can add up over the course of a year.

The following tips can be applied when shopping for food items:

- ❖ Plan in advance and prepare a list: this will help you determine the quantity of items you need. This will also prevent you from making several trips to the stores.
- ❖ Shop with a purpose - deliberate and focused. Turn a blind eye to specials and inducements to buy unless these items are on your list. Buy only what you need.
- ❖ Compare prices on brands offered. Food produced by a cheaper brand may be just as good as a more expensive brand.
- ❖ Shop at a store that is the cheapest overall. If possible shop at a few stores and compare prices. Some stores will have lower prices on certain type of items compared with other stores.
- ❖ Buy in bulk to save on cost; but buy only items which are used frequently so as to avoid spoilage and expiration.
- ❖ Stock up on items on sale only if used on a regular basis. Sales promotion is a marketing tool which entices you to buy unnecessary goods. Do not fall in the trap of impulsive buying.
- ❖ Purchase fresh meats from the butcher and vegetables from the market place. It is usually fresher and cheaper than in stores.
- ❖ Buy local fruits and vegetables which are in season since these may be cheaper.
- ❖ Never go shopping while hungry. All the snacks and unnecessary foods are less tempting if you are not hungry.
- ❖ If possible leave children at home when shopping. Children at a grocery store/supermarket can be budget busters by talking you into buying things that are not budgeted for.

### **Series 3: Tips for Savings - Clothing**

Purchase of clothing could consume much of your money particularly if you are overly fashion conscious or have a large family or teenage children.

Follow the tips below when shopping for clothing:

- Establish a budget and stick to it. Determine how much clothing you need and how much money you are willing to spend. Make a commitment to do with less. Most of us do not need, do not use, or really do want much of the clothing we have.
- Do not buy impulsively. Resisting the urge to buy eye catching items. This may be difficult but make sure you do resist the urge.
- Buy separates that coordinate. You can make numerous combinations with a few well matched items. For women, jackets, slacks, shirts and blouses can be mixed and matched to create different outfits. Men can interchange slacks, shirts, ties and jerseys to create a versatile wardrobe at minimum cost.
- If you wear clothes 'hard' buy quality. Buying a pair of shoes that is of good quality instead of three pairs of poor quality could save money over the long run.
- Stay away from trendy fashion. Stick to the basics. Trendy fashion has short life but basic clothing has longer life.
- Buy clothing that does not require dry cleaning unless you can dry clean it yourself since dry cleaning cost can be high. Clothing which can be washed and ironed at home would help to cut down on maintenance cost.
- Buy dual purpose clothing. If it can be worn at both the office and at different type of social occasions, the purchase will be much more practical compared to a suit or dress that is single use.
- Compare generic (non-brand) clothing to brand clothing. The quality of generic clothing may be just of good and at a cheaper cost than branded clothing.
- Where possible, buy at sales events the things that you have budgeted for.
- Try clothing for proper fit, and find out about return policy before you purchase clothing. Buy clothing which is comfortable. Do not buy clothing which is a bit tight in the hope of losing weight; which you may not lose in the near future.