



3 steps to stretching your dollars

Difficult times can come up at any time and they can happen to anyone. If you or your family has been impacted by challenges, such as job loss, reduced hours or worry over your future job security, it's natural to take a closer look at your expenses right now. Jarrod Ballmer is an Employee Assistant Program specialist with a Masters in Social Work. He talks to people impacted by difficult times, and he says that taking simple steps to get a handle on your own expenses can help: "Focus on the things you can do today, right now."

Here are three steps you can take:

Step 1: Learn what you're spending now. You don't need to make a complicated budget for yourself. You just need to identify the things you can control. Write out your monthly expenses and your day-to-day costs. If you use credit cards, use your statements and look at least two months of your bills to see examples of how you're spending.

You might not be able to do anything about fixed costs like rent and utilities. But highlight expenses where you might be able to make a change. And you may not have any fat in your monthly budget. But many of the opportunities for savings come from food and technology.

Step 2: Reduce your food spending. Everyone's costs are different. But making smart choices on food is one of the best ways to stretch your dollars. Here are some strategies to lower food costs.

1: Pass on take-out: In times of crisis ordering take-out is tempting. Try to hold off. Remember that even just a \$20 pizza delivery once a week is an \$80/month expense. For now, make sure every food or beverage purchase you make is one where you're getting value. That might be your supermarket, a bulk foods store or a produce store/farm market with good values.

2: Cook from scratch: Prepared and packaged foods cost more money per serving. Depending on your work situation, you might have more time at home to experiment. Try to use whole grains such as brown rice and whole-wheat flour, if they're available. Look for easy no-knead bread and pizza recipes.

3: Be friends with beans: Canned and dried beans are inexpensive and can offer plenty of flavor. Make a simple curry with chickpeas, craft a killer chili with pinto, kidney and black beans, throw together a quick lentil soup. The options are unlimited.

4: Use your freezer! This can really help with veggies, when you're not shopping as much. Stock up on staples such as peas, corn kernels and green beans. Or try branching out with frozen okra, baby lima beans or artichoke hearts.

5: Make a list: If you're shopping less frequently because of stay-at-home restrictions, it's important to make the most of those trips. Having a list can help you be more disciplined and limit impulse buys.

6: Be flexible: You may not find every item on your list. No canned chopped tomatoes? Canned peeled tomatoes will work just fine. No pork tenderloin? Grab a shoulder cut and cook it low and slow with a spicy rub.

7: Get to know the cabbage family: Delicate salad greens don't stay as fresh as long as cabbage, broccoli, Brussels sprouts and cauliflower do. These veggies tend to be less expensive too. Go online for some inspiring recipes.

Step 3: Target technology

1: Check your cable spending: Doing away with cable at a time when you're spending a lot of time at home might sound harsh. But it's worth researching whether you can get a better value with simple streaming services.

2: Check your phone spending: Do some research on whether you can reduce your monthly phone costs. A lot of the time you can get better value with a no-contract plan. Also take a close look at your data usage. Make sure you're using Wi-Fi whenever possible and see if you can switch to a low-tier data plan. Call your cell provider and competitors to know your options.

3: Check your app and game spending: Do you or your kids have monthly expenses related to apps and video games? Many people sign up for free trials and forget to cancel, and end up paying for a subscriptions they're not using.

For people in financial crisis:

Stretching your dollars might not be enough for some people, depending on the specific situation they may be facing. Ballmer advises those who are having serious problems with their finances might need to take measures like negotiating with their landlord or utility company.

While it's important to tackle your finances head-on, try not to let it add stress. Focus on the things you can control now and try to stay positive for brighter days to come.

What is an emergency fund and why everyone needs one

An emergency fund is money put into a safe place — usually a savings account or a money market account — and is used only when an emergency expense causes a monthly household budget not to balance.

Generally, it is a good idea for the budget to accommodate small unexpected expenses like a blown tire or a visit to the doctor's office, but in the case of a true emergency, such the loss of a job, a major medical event, or a large car repair, more cash is needed than the monthly budget allows for.

An emergency fund can help in several ways:

- **It can prevent further debt:**When an emergency occurs and there is no emergency fund available, often money is borrowed to cover the expense or the expense is put on a credit card, resulting in further debt. An emergency fund will prevent this scenario.
- **It helps keep the household budget on track:**When unexpected expenses arise, they can be covered with the emergency fund instead of having to re-shift the budget to accommodate the extra expense.
- **It can reduce fees:**Living paycheck to paycheck often results in extra bank or late payment fees. These costs can add up quickly. An emergency fund helps to prevent these unnecessary additional costs.
- **It can help you get ahead:**An emergency fund can allow you to get ahead of expenses, helping to avoid the stress of always trying to play catch-up with finances.

How much money should be in an emergency fund?

Most financial consultants agree that an emergency fund should cover basic living expenses for three to six months, depending on the size of your family and the amount of debt you are carrying.

This amount is recommended because the most common reason for an emergency is the loss of income. If you or your spouse lose a job, it often takes several months to find a new job, and you still will need to pay the bills. One suggestion is to save \$1,000 in a “mini fund” and then begin to aggressively reduce your debt load. Once your debt is paid off, you can continue to save for your three- to six-month emergency fund.

How to get started

Starting an emergency fund can be as simple as budgeting an amount to deposit every week or month. Just be sure to take care of your basic expenses first. It is good idea to place your money into an interest bearing savings or money market account that you can access in an emergency, but which also forces you to think about it if you want to use it for a non-emergency. You could open an internet bank account, for example, or an account on the other side of town. Don't carry a card attached to the account though!

Make saving a habit

The key is to start small. Try putting \$10 per week into your account. After a few weeks, you probably won't miss it. Then try bumping the amount to \$20 per week.

But I cannot afford an emergency fund!

Most financial advisors believe that people can't afford not to have an emergency fund — even students and people earning low incomes.

Here are some ideas for starting an emergency fund even if you think you cannot afford one. You can even combine more than one of these ideas to increase your saving.

- Every evening, put all of your change into a jar. Once a month, deposit all of your saved change into a savings account.
- Determine an amount to save every week. It could be \$5, \$20 or more. Then have it automatically deposited into your savings account.
- Pay yourself first. When you get your paycheck, put your predetermined amount into savings before you pay your other bills.
- Make a list of your "needs" and your "wants." Where can you trim costs? Try bringing your lunch to work a few days per week, or try giving up a couple of coffee drinks per week. Then put the money you saved into your fund.
- Take a second job. If your current job isn't paying the bills or doesn't allow for any extra savings, look for a part-time second job or start a service, such as pet care, babysitting or catering, and then save the proceeds.
- Save any windfalls such as tax refunds or gifts. If you get a raise, put the additional money into your fund.
- Sell something. Do you have unused items in your home? You could have a yard sale or eBay sale, save some money, and reduce clutter in your home.

Be patient

Building an emergency fund can take time, but if you focus, cut back on some of your incidental spending, and apply some of these suggestions you may be able to save money faster than you think!

6 habits to reduce financial stress

Whether you're managing your budget or dealing with debt, financial stress can really take its toll on you. Here are six habits to take up to help you get a grip on spending so you can breathe a little easier.

1. **Document your financial goals.** Make your goal a SMART goal, meaning a goal that you can actually track toward. It should be specific, measurable, achievable, relevant and time-bound. For example, "I will reduce my credit card debt by \$700 within 3 months of today by spending less money on food, including take-out meals."
2. **Pay yourself first.** Consider having money taken out of your checking account and automatically swept (or moved) into a savings account each month, if you are able. Also, see if you can use apps to find additional savings when you're out and Check with your bank to learn about free accounts. Consider opening additional (free) accounts for different types of savings: emergency funds, vacation funds, etc.
3. **Live within your means.** Consider tracking your money to see just where it goes. Just because you may not go on lavish vacations each year doesn't mean you aren't living lavishly in other ways. It isn't just "big ticket" items that can take their toll on your budget; sometimes it's the daily habits that really add up. Do you spend too much on eating out or a daily latte habit? Identify those habits and adjust your spending to be "within your means."
4. **Have a spending plan.** A savings plan is important, but so is a spending plan. Anticipate places where you're more likely to spend money, and prepare beforehand. For example, if you find that you spend a lot of money during happy hours after work, maybe bring a dinner to eat before.
5. **Negotiate your service contracts annually.** Car insurance, cell phone and cable/Internet bills are all examples of competitive markets that often offer promotions. Call them to ask for new promotions to help you save some money on your monthly bills. There's no harm in just asking.
6. **Identify needs vs.** When you're shopping, consider how you can focus on the things you need and say "nay" to the wants. For example, if it's time to get a new phone, you may find that you want the latest and greatest. But you'll tend to pay a premium on the best, newest item that you really want (but don't necessarily need). However, if you wait a few months, you may be able to get the same item for less.