



5 Great Money Saving Tips

Use these money saving ideas to help you build your savings account and avoid common budget-blowing blunders.

Everybody wants to save money, but few people really make the effort.

If you are one of the few, the benefits can really add up: **literally into thousands of dollars a year.**

And remember, **budgeting and saving go hand-in-hand**, so if you're consistent and determined in both areas, you can make a big difference in your budget and your bottom line.

Here are 5 ways that you can really save a bundle of money and help you reach your financial goals. Let's take a look at them starting with the biggest saving opportunities.

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1. Refinance your Mortgage

Your biggest expense each month is probably your mortgage payment. For most people, the majority of that payment is interest.

Typically, over the life of your loan, you will end up **paying twice the purchase price of your home in interest**. With interest rates at near-record lows, you can more than likely take advantage of a real opportunity to save a substantial amount of interest by refinancing your mortgage now.

Even though you may have to pay some closing costs to refinance, most lenders will roll them into the loan so you won't have any out-of-pocket costs. And the closings costs will be **easily made up for in savings** over the long run.

If your current mortgage interest rate is competitive, refinancing may not be a smart thing to do. Instead, consider paying an extra \$100 or so each month to the principal on your home loan. Doing so will save you tens of thousands of dollars in interest charges over the life of your loan.

Homeowner's Insurance - Although rates are rising in many parts of the country, you can still win if you shop around.

Car Insurance - This has to be the most competitive insurance arena. There are several large insurance carriers that are constantly locked in battle for your business.

You've heard all the commercials: Geico, Allstate, Progressive and many others are all competing and you are the winner.

All you have to do is ask for quotes and you can be on your way to saving literally hundreds of dollars per year.

Life Insurance - Save a **ton of money by going with term life insurance vs whole life.**

Be sure to get enough coverage to **pay off your mortgage**, and your **outstanding debt**, and enough to let your **surviving spouse and children** live comfortably for a while. The rule of thumb is 8-10 times your annual income.

When you're getting quotes, ask if you can get a discounted rate if you go with them on more than one type of insurance. This called "bundling" your insurance, (i.e. getting your car and home insurance through the same company). **Many insurance companies will be glad to get more of your business, so they will gladly offer lower rates.**

Many insurance companies **look at your credit score** to help determine your rates. It's very important that your credit score be the best that it can be.

Avoid Fees

Are you being fee'd to death? Probably. Especially if you keep using that out-of-network ATM and have a bank that loves to nickel-and-dime you. Here's a few quick tips to avoid all the pesky fees that can really add up:

- **ATM Fees** - always use free ATMs. Find out from your bank which ones you will not get charged for. If you find yourself consistently in a location where you get charged a fee, get extra money out at the non-fee ATMs. This should be a no-brainer, but a lot of people pay a lot of ATM fees unnecessarily.
 - **Late and Over the Limit Fees** - Do everything in your power to pay your bills on time. Especially your credit card bills. These can be the most expensive type of fees and are completely avoidable. Use software like [Quicken](#) or Money to remind you ahead of time when you have to pay your bills, or have them automatically deducted from your account.
2. **Switch your Phone Company** - Dump the telephone company and go VOIP! By using your phone over your broadband connection, you can save a bundle of money per month on your phone bill.
- VOIP (Voice over IP) is a technology that uses your **current broadband internet connection** to transmit your voice calls over the Internet. If you've got broadband internet access in your home, you're ready. Companies like [Vonage](#) and others are gaining market share and the quality of the **phone call is indistinguishable from a standard telephone conversation.** Some have switched to [Vonage](#) a while ago and have been very pleased. Their plans start as little as \$14.99/month which is a huge savings over the average \$45/month for the standard.
3. **Go Solo with your Cell Phone** - If you find you don't use your home phone much, you may want to consider just **cancelling the service and using your cell phone** as your primary means of communication. Many people are going this route to save money and because cell phones are getting clearer and more reliable.

4. The only thing to watch out for here is going over your minutes. It can be a budget-killer. You might want to check out getting an "all-you-can-eat" plan for a little more than you're paying now. Or check into getting a pre-paid cell phone plan. That way you know how many minutes you have left so you can't go over. Really good for self-control.

Companies like [Tracfone](#) and [Net10](#) have easy prepaid cell phone plans that won't bust your budget.

With these five tips alone, you can probably **save at least a hundred dollars a month, guaranteed**. Always keep in mind your goal, [debt-free living](#). Applying these tips is a sure-fire way to stay within (and beat!) your budget guidelines.