

Money Tight? Six Ways to Stretch Your Paycheck

Does it seem that whenever you are trying to save money, a big unexpected expense pops up?

Most people feel the same, and it's especially hard when they aren't mindful of how they spend their money. But if you look carefully at your current expenditures and itemize all of your expenses, you can start focusing on ways to get the most out of your paychecks.

There are many ways to stretch your dollars, and we've collected what we think is a list of the best advice out there.

The following tips are gleaned from the magazine *Money* and other personal finance websites to help you get the biggest bang for your buck.

1. Budget

Write down all of your fixed and semi-fixed expenses: rent, house payment, car payment, satellite TV, utilities, phone bill, etc. Then try to gather your weekly shopping receipts to get a handle on how much you spend on shopping for food and sundry items.

Then write down additional expenses for eating out, entertainment and clothing, as well as money for emergencies, such as car repairs.

After that, add up your income from all sources and subtract all of your above expenditures - and hopefully you're not in the negative.

Now, you should have a clear idea of where you can start cutting back on expenses, and also you'll know where your money is going.

Using this information, you can set a monthly budget so you don't overspend and so that you can also set money aside in your savings.

2. Shop around

When it's time to make a bigger purchase, use price-comparison websites for car and home insurance, phones, broadband, TV - and even holidays. Even when shopping for clothes or children's toys, the difference in price from one retailer to another can be significant.

3. Collect loyalty cards

These are great if you have room in your wallet. Typically, you get a free lunch, coffee or whatever after purchasing 10 or so. The savings may not seem like much in the beginning, but it adds up over time.

4. Brownbag it

This goes beyond money. We all lead such busy lives nowadays it's hard to keep healthy and eat at the right times. Taking prepared snacks and lunch to work is a great way to save money, since you won't eat out. Also, you can eat more healthy food.

5. Pay with cash

Try this: Once you've budgeted, divide your paycheck by category: entertainment, gasoline and food, for example. Decide how much money you're willing and able to spend for each category. Put that amount of cash in correspondingly addressed envelopes.

Once you've exhausted your fund for each, you'll have to find other things to do that don't cost money. If you've nearly spent the cash in your gasoline folder, you will have to plan and avoid taking that last-minute excursion out of town.

How does the envelope system cut your monthly expenses? By erasing the illusion created by having that plastic in your wallet that there's always a little extra that can be spent. An envelope doesn't have an expanding and tempting credit limit. When it's empty, it's empty.

Also, people who pay with cash say there's a psychological incentive to spend less. Handing over the actual money you earned is tougher than swiping a debit or credit card. In fact, some say it hurts to take that money out of a purse or wallet and say goodbye to it. Paying with cash, you're more likely to make a smaller purchase or skip it altogether.

6. Order wisely at restaurants

At most restaurants you'll often get more food than you could ever eat. Consider ordering a la carte. For instance, rather than getting the jumbo burrito with a side of beans, order a taco and eat the free chips that come with it. It could save you as much as 50% on your main course.

Also, avoid ordering items that really up the final tab, like appetizers, desserts and alcoholic drinks. Those are big profit centers for restaurants. Drinks of any kind will add a few dollars to your bill. If you stick with water, you'll not only save money but also opt for the healthiest choice.

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