

# MORE MONEY-SAVING TIPS

## TO GET YOUR FINANCES IN HOME-BUYING SHAPE



THINKSTOCK IMAGE

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**A**s the year ended, we published a story on some ways you can get your finances in home-buying shape. We offered a few tips on saving money, and setting goals that would seem overwhelming if you broke that big number into a daily savings goal that seemed more doable.

One reader commented that the list didn't seem exhaustive enough, given the expenses associated with being a first-time buyer. And, that's a fair point: We could have easily written a book on the subject that covered all of the struggles a first-time home buyer will wade through (wait, Ilyce already did) in addition to spending a lot of ink discussing first-time buyer finances.

While we chose to focus on a few things that you could do to organize your finances for buying a first home this year, we'd like to share a few other ideas to help you spend less and save more. Since the latest studies show that about 60 percent of Americans still don't have \$500 in accessible savings, here are four other ways to raise that kind of money (and more) at almost any income level:

**1** - Trade paid entertainment options for free entertainment opportunities. Date night can be an expensive proposition. If two people go to see a movie, have something to eat and hire a babysitter, the tab can run in excess of \$100. If you do that twice a month, that's \$2,400 you're spending over the course of a year. If you simply trade a paid entertainment option (like the movies) for a much lower cost one (a service like Netflix, which costs around \$10/month), your savings could be more than \$2,000 per year. And, even if you spend some money on ordering in food, your savings will still be more than \$1,000 per year.

**2** - Elevate your at-home cooking skills. We're seeing a lot of ads for services that send you ingredients for a complete cooked-at-home meal. While that sounds like fun, it's actually far less expensive and more creative to research a recipe online, go to the grocery store, and pick out the food you need. Making your own food is far less expensive than going to a restaurant or even ordering in, and it's a far healthier choice. In addition, you'll really learn how to cook, which is a wonderful way to bring people together. How much will you save? Assuming that a mid-level restaurant tab for two people is \$40 to

\$50, cooking at home should save you about \$35 to \$40 per night. If you make that substitution once a month, you'll save up to \$420 per year, or \$840 if you eliminate eating out twice a month.

**3** - Plan Regular pot-luck parties. If you have friends you like to see regularly, start a regular dinner club. Whether you're making pizzas from scratch with salad or grilling steak, it'll cost a lot less if everyone chips in rather than meeting at a local bar. Expect to save \$250 to \$500 per year, or more.

**4** - Shop your insurance and cell service. Regularly checking the rates with competing insurance companies could give you as much as a 10 to 15 percent break on premiums, according to the Insurance Information Institute. If you have homeowner's insurance, check to see if you qualify for reductions because of home improvements, cessation of smoking, etc. If you have auto insurance, ask if you qualify for a reduction if your children go away to college or move into their own homes. Finally, cellphone services are a very competitive field at the moment. You may be able to save hundreds of dollars a year simply by shopping cellphone plans with competing companies.