



# 14 Ways to Cut Back on Spending in 2014

By MC1 Elliott Fabrizio, Chief of Naval Personnel Public Affairs

I stop by your office and put \$840 on your desk. "This is yours if you stop visiting the coffee shop on your way in and brew your own at home or here in the office."

I put another \$1,440 in front of you. "This is yours if you don't go out for lunch and brownbag it instead."

Do you follow these rules and put \$2,280 hundred bucks in your wallet or do you hand the money back to me?

If you normally spend \$3.50 on a latte and \$6 eating out at lunch, that \$2,280 is already your money, it's your decision to save it or spend it bit by bit every day.

There are many small adjustments like these that can add up to big sums by the end of a year. In 2014, if your resolution involves saving money, here are 14 ways to cut costs and keep that money in your bank.

Keep in mind, these are only suggestions, and may need to be adjusted depending on the situation. If an expensive latte every day is the final bastion of happiness your sanity hinges upon, you can always find another place to cut back.

**1. Avoid impulse buys; give it a week** – If "that'll practically pay for itself!" summarizes your feelings about a new paintball gun after your first time playing the sport, then great, but realize you're about to make an impulse buy on a \$350 toy. Keep renting for a couple trips and see if you actually start going enough to justify owning your own gear. This is a good idea for any activity that includes expensive gear i.e. kayaking, mountain climbing, camping or skiing. Give yourself time to make sure you will be doing that activity as much as you think before you decide it's time to "invest" in a full complement of high-end equipment.

**2. Don't buy bottled water** – Good on you if you're skipping soda and drinking water instead, but let's improve our financial health too by filling up a reusable bottle. If you buy a bottle of water each day for \$1.25, you're paying \$456.25 each year on a basically free commodity (like paying for air). Tap water is held to very high standards under the Environmental Protection Agency's Safe Drinking Water Act, and is available free nearly everywhere. But if you still won't touch tap, there's a wide market of filters available for well under the \$450 price tag of bottled water.

**3. Consider raising your insurance deductible** – If your deductible is set at \$250, you may be able to save money by raising it to \$500 or higher. So for example, if you save \$10 each month by having a \$500 deductible rather than a \$250 deductible, it will take you 25 months to save the difference. At that point if you get in an accident with \$500 worth of damage or more, then it all cancels out. If you don't, you have saved \$250. Just be sure to have enough in savings to cover whatever deductible you decide on, and drive safe.

**4. Drop your paid subscriptions** – Even All Hands magazine is digital now; most content you find in paper magazines can also be found free online. If there's a website that is charging you to read it, there's usually another site that will give you similar content for the ad views alone.

**5. Use your military discount** – "Do you have a military discount?" Get in the habit of asking that, and you'll be surprised how many establishments actually do have an under-advertised discount. Apple, Home Depot, RadioShack, Verizon Wireless, AT&T, American Eagle and Banana Republic to rattle off a few. Some stores offer the discount in some locations but not others, so a good rule of thumb is to ask.

- 6. Skip sales tax at the Navy Exchange** – Navy Exchanges are exempt from state sales tax. When making big purchases like a TV or videogame system, the sales tax alone could be \$50 at a civilian electronics retailer.
- 7. Make sure you have free checking** – If your bank charges you fees to maintain your checking account, you need a better bank. Talk to a representative from a local military-focused credit union to research your other options.
- 8. Ditch any credit cards that charge you annual fees** – You shouldn't pay a dime to use your credit card. Pay down your balance monthly, if possible, and switch to a card with no extra fees if you're not there already.
- 9. Checkout thrift stores** – Listen to Macklemore. It will take a bit of digging to get through the junk, but that's half the fun, and you can find many quality items for dirt cheap in thrift stores. The big savings come when you're looking for a pair of jeans and can avoid paying \$50 at a retailer in lieu of \$5 at a second-hand store. Many bases also have small thrift stores, often full of military uniforms that can save you money when you put on your next rank or need to get your sea bag up to par.
- 10. Quit smoking** – Obviously not easy, but the benefits will be immediate. Depending on the price of cigarettes in your area and your intake, smoking could be among your larger monthly expenses. Ready to quit? You can get cessation assistance and products like nicotine patches and gum for free through TRICARE. Step out of the smoke and click here.
- 11. Cut the power bill** – I know you've heard this one before, but if you're not in a room, turn the light off. This will cut down on your power bill and the amount of light bulbs you go through. Many electronics use power even in the off mode. Unplugging these items can further lower your bill. This is a fun cost savings method to actually test. Grab your latest power bill, try to limit as much power use as you can and see how much you can actually lower your bill. Now try to get it even lower.
- 12. Ask for an APR reduction** – Do you have a credit card carrying a balance that you can't pay off yet? Call the number on the back and request an interest rate reduction. Tell them you are thinking of transferring your balance to another provider. If they won't help, speak to a supervisor. If you're carrying a balance of \$5,000 or more, a three percent reduction will save you at least \$150 a year.
- 13. Plan your weekly meals and a grocery list together** – I'm guilty. After every shopping trip, I'm delighted by the bounty of food my fridge is stocked with, but after the string cheese and Doritos are gone, there is "nothing to eat." Then I later find vegetables that went bad and bread that molded. You can avoid this pitfall and save money if you plan your meals first, and then make a grocery list based on the exact ingredients needed to cook those meals.
- 14. Make an appointment with your Command Financial Specialist** – Self referring yourself for a financial counseling session is a productive way to get an outsider's confidential perspective on your finances. Even if you're already considered fiscally responsible and financially savvy, your CFS can provide a sanity check to ensure there isn't any glaring mistake you're making or opportunity you're ignoring.

While the benefits of reducing spending may not be as obvious as getting all the money you'd save handed to you upfront in cold hard cash, if you stick with your plan, the end result is the same. Money!

MC1 Elliott Fabrizio is a certified command financial specialist (CFS) for the office of the chief of naval personnel. For one-on-one financial counseling, Sailors should make an appointment to consult their command's CFS. Militaryonesource.com houses a variety of financial resources and information. Certified financial advisors are also available through Fleet and Family Service Centers, and Sailors in need of immediate financial assistance should contact the Navy and Marine Corps Relief Society.

**“If you stick with your plan, the end result is the same. Money!”**

**-MC1 Elliot Fabrizio**