

CLIENT TELL

STRATEGIES FOR SAVING ON UTILITIES

By David Conn

Energy costs are rising, but you can save significantly by conserving energy at home. Several factors influence the amount of energy you use — the age and efficiency of your appliances and equipment, the condition of your home, and your own lifestyle choices for energy use.

Heating and cooling total about 45% of your home's energy costs. Careful attention to temperature settings can reap big savings!

- Have your air conditioning system inspected by a qualified contractor to be certain it is operating at peak efficiency.
- Use a programmable thermostat that's specifically designed for your system.
- If you have central air conditioning, keep your thermostat at 78 degrees.
- Get rid of hot air. Use an exhaust fan to blow hot air out of your kitchen while you're cooking.
- Close blinds, drapes and shades during the hottest part of the day to keep the strong sunlight from heating your home.
- Some computers, fax machines, TV's, cable boxes, and DVD and CD players consume energy because of their standby features even when turned off. Consider unplugging them when you leave home or go on vacation.
- Activate the "sleep" feature on home office equipment to automatically minimize power consumption when not in use.

Water heating is the third largest energy user in your home, typically accounting for up to 13% of your monthly energy costs. Changing how and when you use hot water can save energy costs. Here is how:

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FROM THE PRESIDENT
Jim Godfrey

In this period of rising costs and high unemployment, it is more important than ever to have a financial game plan and to live within our means. For most of us, this means living on less. Luckily staying on budget doesn't always require giant sacrifices. Small changes in spending and lifestyle can make a difference. That's why we've devoted this entire *Client Tell* issue to cost-cutting ideas you can employ to save money on three major budget items: food, transportation, and utilities. In our next issue, we would like to feature financial survival tips that have worked well for you. In the meantime, here are some time-tested suggestions:

The Best Defense Is a Good Offense. A current budget is the cornerstone of any viable financial (Continued on Page 3)

STEADY PROGRESS

A refund from Uncle Sam is always welcome. If you receive one this year, consider placing some of it in a savings account and applying the rest to your debt management plan (DMP). Each extra payment places you one step closer to financial freedom.

If you currently make monthly DMP payments using a money order, consider using CCCS's online payment option or enrolling in the ACH EASY PAY program for added convenience. Online payment allows you to save money on money orders and postage each month. The ACH EASY PAY program automatically withdraws a payment for you each month. For questions or advice on applying your IRS refund, please call CCCS Operations at 1-800-571-2227. We're here to help!

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Four Ways to Save on Food

The cost of food has risen almost 20 percent in the past five years. On average, consumers spend 15-20 percent of their monthly budget on it. If you eat out often — this figure may be even higher. We all know about comparison shopping and using coupons. Here are four more ways to reduce personal food costs and improve your health at the same time:

1. **Buy produce when it's in season.** Vegetables and fruits often cost less in season. For example, during the summer corn on the cob may run as little as 10 cents an ear but cost 10 times that amount at other times of the year. Locally grown food is also generally fresher and less expensive, because it doesn't cost as much to transport. This summer, consider shopping at neighborhood farmer's markets or buying a share in a community supported agriculture project at a local farm (www.localharvest.org).
2. **Buy and cook in bulk.** Buying items in bulk makes sense as long as they get used. Cooking in bulk saves money and time. Prepare and freeze family-sized portions. This way, you'll always have a ready made meal even when you don't have time to fix one from scratch. This will also help you to avoid the temptation of going out for fast food.
3. **Use less meat.** As Americans, we eat substantially more meat than most cultures. Meat is also the most expensive item in most meals. Consider making one vegetarian meal a week or adding beans or grains to extend casseroles. Breakfast also makes a great, inexpensive dinner — scrambled eggs or omelets with fruit or a salad provide a quick, easy, nutritious meal.
4. **Plant a garden.** Gardening doesn't have to be time or space intensive. It's also a great way to relieve stress. And nothing tastes as good as a vine-ripened tomato. If you've never gardened before, start small: Grow a few fresh herbs or simple vegetables in containers (www.cheapvegetablegardener.com). If you freeze, dry, or can leftover produce, you'll save even more and enjoy this summer's bounty throughout the year.

How to Reduce Transportation Costs

- **Research before buying car insurance.** It's possible to save hundreds of dollars if you shop around for car insurance, because rates vary widely from insurer to insurer. A reputable comparison site such as InsWeb.com may help you locate the best deal. Save even further by purchasing your car insurance and home owners' or renters' insurance from the same source.
- **Keep your tires properly inflated.** Driving on poorly inflated tires can waste two-to-three miles per gallon, because it requires more energy for the tires to rotate. Driving on overinflated tires is dangerous, because it leads to less traction. Check your tire pressure every couple of weeks.
- **Wash your own car.** Doing this provides healthy exercise and can save you up to \$30 per month.
- **Carpool or take public transportation.** These strategies save on gas and car maintenance. They also help keep the environment cleaner and in times of traffic congestion may save wear-and-tear on your nerves.

Easy Ways to OVERPAY

Bottled Water. It's important to stay hydrated, but in many communities tap water has been shown to be just as healthy as the bottled water we buy. If you're still concerned, consider buying a pitcher and filter for about \$20. Then drink as much as you want for pennies a glass.

ATM Fees. Using an out-of-network ATM may be convenient, but it also racks up extra fees. Making one ATM transaction like this a week could cost you an additional \$180 a year. To avoid unnecessary ATM charges, choose a bank with a large ATM network.

Cup a Joe. Find it hard to get through a day without a trip to Starbucks or Dunkin Donuts? Consider this: Store-made coffees run an average of \$1.65 to \$13 each. A large can of coffee at home or work makes 40 cups for about 20 to 33 cents each.

Best Sellers and More. Reading is a wonderful way to unwind or fill time on the subway or bus. But you don't have to pay for the privilege. Why not take a trip to your local library, where books and CDs are still FREE?

Afternoon Snacks. When it's pick-me-up time at work, do you eat protein bars as a healthy alternative to chocolate? If so, these snacks often run about \$2 each, and you may be consuming just as much sugar as you would with your favorite candy bar. Fresh fruit or veggies are a more nutritional alternative at a fraction of the price.

Connection Costs. Long-distance phone fees run an average of \$15-25 per month. To save on this cost, research and consider signing up with a reputable online company that allows you to make free or discounted long distance calls using your computer. For additional savings: If you have a landline and a cell phone, consider eliminating the plan that you use less.

STRATEGIES FOR SAVING ON UTILITIES

(continued)

- Consider taking a shower instead of a bath; showers on average use 50% less water.
- Only run your dishwasher and clothes washer when full and use the energy-saving cycle whenever possible.
- Reduce water temperatures from 140°F to 120°F on your water heater.

Lighting represents 6% or more of your monthly energy expenses. Here are some easy ways to keep your lighting costs to a minimum:

- Use compact fluorescent bulbs. They give off as much light as regular incandescent bulbs, use up to 75% less energy and last 10 times longer, quickly recovering the higher purchase price.
- Turn off lights when not in use.

For more conservation ideas, go to www.bge.com and click on "Energy Saving Tips."

David Conn is the Energy Assistance Program Director at BG&E.

How Does YOUR Budget Compare?

Recently a CCCS client wrote us to ask if there are guidelines for how much of a person's monthly budget should be devoted to specific expenses. Here are percentages you can use for comparison:

Housing	20-30%
Food	15-20%
Auto(s)	12-15%
Entertainment	5-7%
Clothing	3-5%
Savings and Investment	5%-10%
Medical	6%
School / Child Care	5-10%

plan. How long has it been since you reviewed yours? Doing so may provide you with a clearer perspective on your financial outlook. Determine your present income by checking recent pay stubs and listing other income sources, such as child support or dividends. Then take a fresh look at your expenses: List the fixed payments you now make, such as for your mortgage or rent, car loan, utilities, and insurance. To find out where the rest of your money goes, review your checkbook / bank statement and jot down the amount you spend on items such as eating out, snacks, transportation, and entertainment. Finally, take a look at the bottom line. If you have less income than expenses, don't give up. Look for ways to spend less. For help updating your budget, use CCCS of MD and DE's online budget worksheet located on our website (www.cccs-inc.org) or talk with one of our counselors (1-800-642-2227).

Pay Yourself First. It's more important than ever to maintain an emergency fund. Have a small amount automatically transferred from each pay check into an interest bearing savings account. Given you don't have access to this money, you probably won't even miss it, and you'll be better prepared if the car breaks down or the air conditioner goes out.

Research Pays Off. Use the Internet at home or at your local library to comparison shop, find grocery coupons, or locate free family activities this summer. CCCS's website (www.cccs-inc.org) also offers several tips and tools to help you ride out the recession.

Ask a Counselor

Q: We have always made our DMP payments to CCCS on time and in full. But my husband just lost his job. We are really worried about how we will make ends meet. What should we do?

A: In hard times like this, CCCS is here to help and provide hope. Please call **800-642-2227** today to set up a counseling appointment. At your session, we will help you assess where you stand financially, look for ways to make your debt management plan work, and provide advice on how to make up any income shortage. We are committed to helping you succeed.

PARTING THOUGHTS

Fresh Ideas Bring Rewards. We are ALL in this economy together. If you know someone who needs help with their finances, please encourage them to call CCCS at **800-642-2227**. Also share your knowledge with other clients. Please email your ideas and suggestions to Nancy Stark at **nstark@verizon.net**. If your contribution is used in the next issue of *Client Tell*, you will receive a copy of *Nine Ways to Lower Your Auto Insurance Costs* from the Insurance Information Institute.

Money Order Methods. Do you make DMP payments using money orders? Please print all information legibly. List **CCCS of MD & DE** in the "Pay to Order Of" blank. Put your address and phone number below your signature and your client number in the corner of the money order. Sign the money order and include the top portion of your statement. File the receipt in case you need it for future reference. No matter what payment method you use, please provide CCCS with copies of your creditor statements each quarter. We need these to accurately update your account.

Protect Yourself. To help counter identity theft, keep an eye on your personal credit report. The Fair Credit Reporting Act requires each of the nationwide consumer reporting companies (Equifax, Experian, and TransUnion) to provide you with a free copy of your credit report once every 12 months. To order copies, visit **annualcreditreport.com** or call **1-877-322-8228**. To learn how to check for identity theft once you receive your credit report, visit the FTC *Deter, Detect Defend* microsite.

A personal finance education advocate since 1966.



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