

• GET MORE WITH LESS • BY REDUCING EXPENSES

If you want to reduce expenses, the first thing you must determine is 'where your money goes?'

Start by recording in a diary every single thing that you purchase in one week and the price. After two or three days it may feel like a pain keeping all the details however if you do not maintain the records until the end of the week you will not know how you can reduce your expenses.

Once you add all the less frequent expenses (eg monthly or annually), have a close look at the expenses to see what could be trimmed. Often money leaks include fast food purchases, entertainment costs, the latest fashions or excessive hobby costs. At first, this will be hard, however over time you will start to see the results. If you don't believe that you are 'leaking' money anywhere and every expense is necessary, take a closer look because all of us waste money – most of us just don't realise it.

Savings on Grocery Costs

Grocery shopping can be a major expense each week so it is important that you understand the tactics that the supermarkets use to maximise their income.

- Purchase your groceries from the large supermarkets and not the local convenience store, where you will be sure to be hit with premium prices.
- Buy any meats in bulk at a cut price butcher and identify a local greengrocer who has competitive prices. There are also a lot of farmers markets around now that sell fruit and vegetables at wholesale prices to the public, without having to purchase bulk lots.



- Generic brands can save you a lot of money and while their packaging looks boring, they can lead to quite a cost saving. The same applies to items like pet food.
- It is advisable to avoid the frozen food section of the supermarket. Frozen foods are often quite expensive and are normally less healthy than homemade meals.
- Avoid where possible buying your groceries on credit card, particularly if you are not paying your complete credit card off each month. By using your credit card and not paying it off, you will be paying interest on every single item that you purchased.

Supermarket chains are clever and they will never place the essential items that you need in the one



place. They want you to walk up and down every aisle looking for what you want, with the hope that you pick up other items as well. You will notice that anything at eye level shelves will be more expensive than the products above or below.

Every time you shop, ensure you have a list of the groceries that you require. While it can take some time to put together a list it will save you a lot of money – time well spent. By planning meals and putting a shopping list together, you should only need to shop at the supermarket once a week.

On the weekends, make your special treats like pizza, sausage rolls and pies and do a double batch so that you can save some in the freezer for the next weekend or snacks during the week.

More cost cutting tips

- Check you are on the best plan for your home and mobile phone and internet. You may be getting charged for services that you don't need and can save money. If you use the internet a lot, search for the best prices, these can range from \$10 to \$80 per month depending on your needs.
- Use ebay to buy clothes and presents as you can often get a bargain. If you are after electrical appliances or something brand new, you can often save 10% to 50% compared with the same item in a store.
- Use shopper docketts and have them ready for related purchases. In particular use the petrol docketts the next time you buy fuel (on a discounted day of course) and save extra money.

Saving on children expenses

- Avoid buying brand clothing for your children.
- Use second hand stores to buy clothing.
- Avoid taking the children grocery shopping with you as you tend to buy more impulse items when they are there.
- Limit the number of out of school activities your children do.
- Use a budget for birthday and Christmas presents.
- Involve the kids in cooking and help them to make their own snacks and treats.
- Take your children to the library or a museum during the school holidays instead of an expensive day trip.
- Join or set up a babysitting club where you share looking after each others kids rather than paying for a babysitter.
- Use the kids sections and competitions in newspapers to entertain your children cheaply.
- Teach your children about money especially savings and spending at an early age.

- Use pocket money to reward effort, this enables them to control their own earnings.
- Share the drop off and pick up from school with local parents.



Ways to reduce fuel costs

Consider changing your car for a more economical 4 cylinder. Light weight models are easier on running costs and this should be a major consideration if trading your vehicle.

Choosing the right day to completely fill your car with petrol each week can save you hundreds of dollars each year. Allocate petrol money each week and then fill the car rather than just putting in \$10 or \$20 each time. The best days with the lowest prices are usually Tuesday and Wednesday.

Reduce the amount of travel. Think ahead about where you are going and plan the shortest route. Sometimes it is pleasant to walk or cycle rather than drive. Several short distance trips eliminated add up to big fuel savings.

Develop the habit of driving a little slower and smoother. Sharp braking and accelerating is a sure way to guzzle petrol. Reducing your cruising speed by ten per cent could save you twenty per cent in fuel consumption over that stretch.

Ensure that your vehicle is fully serviced and properly tuned. Dirty air filters and spark plugs reduce engine efficiency. Faulty wheel alignment will cost you in fuel too.

Check your tyre pressure. Tyres should be inflated to the vehicle manufacturer's recommended level. Under inflation causes drag which means the motor has to work harder. Even one tyre under inflated will have an adverse effect.

Reduce weight in the vehicle. Unnecessary objects on board such as sports equipment or tools mean your motor has to work that much harder and sucks up a surprising amount of fuel.

Minimise idling time. If it looks like you are going to be stationary for more than thirty seconds switch off the engine.

Car pool – ask around at work to see who lives in your neighbourhood and take turns in driving each week.

Take the first available park at the shopping centre, it may be a bit of walk but you pass those people waiting with their motors running waiting for a park.

Saving on baby expenses

- Use face washers (buy 10 of the same colour) instead of expensive baby wipes, wash them out and reuse.
- Do a bulk cook once a week and store/ freezes baby meals for use throughout the week.
- Buy nappies by the box, when they are on special. You can save \$10 a box if you buy at the right time.
- Use a day care centre that provides all the babies food and nappy needs.

Saving on electricity and water usage

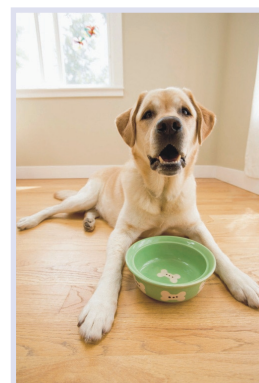
- Turn idle electrical appliances off when you are not using them. Switching these appliances off at the power point will save you a lot of money in energy costs.
- Buy and use energy efficient light bulbs.
- Use rechargeable batteries for TV remote controls and children's toys
- Fully load your washing machine and dishwasher prior to turning on.
- Dry your clothes naturally.
- Install water saving showerheads in your shower.
- Fix any leaking taps around the house as soon as you notice the leak.

Save money on entertaining

- Ask everyone who is coming to dinner to bring their own signature dish.
- Check supermarket catalogues and buy items on special from your shopping list.
- Use fresh flowers from the garden to design a nice table centrepiece.
- If guests offer to bring some food invite them to bring a dessert or nibbles.
- Light some candles and play some music in the background to create an atmosphere.
- Use free recipes from the internet rather than buying expensive cookbooks.
- Rather than going to the movies, have a movie night at home with a couple of DVD's.
- Attend free shows at the local shopping centre during each school holiday.
- Organise the family to play a board game together rather than going out.

Cutting pet expenses

- If you would like to buy a pet, check out the local RSPCA or the local animal shelter.
- Your pet doesn't necessarily need all the gourmet foods that are advertised on our television sets. Give your dog some of your leftovers or buy a less expensive brand of dog food.
- If you go away on holidays organise a house sitter to save on kennel costs.
- Wash and care for your own animals.
- Make your own toys for your pets, a tennis ball in a sock is great.
- Cook your own pet meals. Dogs love home brand pasta mixed with vegetables.
- Recycle your children's old plush toys to entertain your pets.
- Give you dog a bone every week, the bone will clean their teeth and help prevent diseases.



Save on holiday costs

Ask for discounts. If you don't ask you don't get. These days, every business is fighting for your dollar, so get into the habit of asking whether that is their best price or best deal. Be prepared to go elsewhere.

Check out all inclusive packages, but remember a package is no guarantee you will save on all the components. However, it is worth knowing what is on offer and there are deals to be had.

Travel off peak. If you can only get away at peak times you are going to pay dearly for the privilege.

Be flexible. A few days earlier or later can make a huge difference on the cost of airfares and accommodation. Check out all the options.

Consider self catering options. Food is a major expense on holiday. This may be your annual opportunity to let someone else do the cooking and cleaning up. Perhaps this is worth as much to you as being in an exotic location. If so, know that you will pay for the service. However, if you want to stretch your budget you can save a small fortune with a self catering apartment. In that case you should spend no more on food than you do at home!

Disclaimer

This Fact Sheet has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this document is General Advice and does not take into account any person's investment objectives, financial situation and particular needs.



IPLAN FINANCIAL SERVICES AUSTRALIA PTY LTD | Level 1, 4 Park Road | PO Box 1969 | Milton Qld 4064
Ph: 13000 IPLAN (1300 047 526) | Fax: 07 3368 3998 | www.iplan.net.au

iPlan Financial Services Australia Pty Ltd ACN: 106 591 833 as trustee for the iPlan Australia Trust ABN: 58 928 175 252 is a Corporate Authorised Representative and Credit Representative of iPlan Financial Services Pty Ltd ABN: 70 122 979 140 AFSL/ACL No. 311824