



## TOP TIPS TO SAVE YOU MONEY

### 1. DON'T USE RENT-TO-OWN STORES

Most rent-to-own deals are a rip-off. By the time you make your last payment, you may have paid 2 or 3 times what the item was worth. If you have bad credit, you are much better off saving up your money and paying cash, or cleaning up your bad credit.

### 2. DON'T BORROW MONEY FROM "PAY-DAY" LENDERS

Pay-Day lenders charge high fees and it puts you further behind in your next pay period.

### 3. DON'T BORROW MONEY ON YOUR TAX REFUND

Sometimes called "Refund Anticipation Loans (RALs). Tax refund loans charge high fees and only get your refund to you a few days early. If there is some problem that takes time to sort out, you will be paying interest until it is. You can get your taxes done for free if you have a low-income. To find a VITA site near you for free tax help call First Call for Help at 211 (or (651) 291-0211 from a cell phone) statewide. Or, call (651) 297-3724.

### 4. DON'T FINANCE PURCHASES

It is much better to save your money until you can pay the full price for something. Most businesses that offer financing charge a high interest rate. This means that by the time you pay it off, you have paid a lot more than what it originally cost.



### 5. GET A BANK ACCOUNT

Check cashing businesses are very expensive. Shop around for a **bank or credit union** with free or low cost checking and savings accounts. A lot of credit unions are now open to anyone in the neighborhood and sometimes have accounts with better offers than banks do. You may want to start with a small savings account.

If you have an account you can usually cash your checks for free. You will save money on check cashing fees, and you will improve your credit rating. If you get an ATM card, be sure to keep track of what you spend so you know your balance. Be careful of ATM fees—they can add up fast!! You can avoid these fees by using ATMs owned by your bank or credit union.

**If you open a checking account, be very careful not to bounce checks. You may get charged a fee by the bank AND the person you wrote the check to. It could cost \$50 or more.**

## 6. GET YOUR AUTO LOAN FROM YOUR BANK OR CREDIT UNION

When you finance a car loan with the dealer, the dealer is often making money on the loan. They may make more money if they give you the loan at a higher interest rate. They may tell you it is the best they can do, but they may be able to do better. A local bank or credit union may give you a better rate.

## 7. WATCH OUT FOR PAWN SHOPS

The pawn shop pays you much less than your goods are worth, and charges very high interest. If you have to sell something, sell it someplace else. Sell to neighbors and friends, put a sign up on some local bulletin boards, or use [www.craigslist.org](http://www.craigslist.org). When you have money again, you can buy a replacement for it.

## 8. LOWER YOUR UTILITY BILLS

Call your utility company and ask for a free energy audit. They will come to your home and show you where you are losing money. They give you tips and supplies to weatherize your home. This can lower your bill a lot.

Pay your bills on a budget plan – where you pay the same amount every month. If you do this, you won't get big bills in the winter that you can't pay. Turn off lights, TVs, and stereos when you are not using them.

## 9. LOWER YOUR PHONE BILL

Give up extra services like call-waiting, caller-ID, and answering services. Write letters or e-mail instead of calling long distance. Shop around for the cheapest long-distance service or do without it and get calling cards for long distance. Shop for a good price on those, too.

Be careful of the same extra charges on your cell phone. Cell phones can make long distance cheaper so you can get rid of your long distance carrier on your house phone. Be sure to ask when the rates are low or free according to your plan. Pre-paid minute plans are more expensive than a monthly plan unless you don't use your phone much. Make sure you get all the information you need and compare services.



## 9. DON'T GAMBLE OR PLAY THE LOTTERY

Every form of gambling, including the lottery, works on a simple plan. They pay out less money than they take in. **ALWAYS.** The more money you put into gambling or lotteries, the more money you lose.

## 10. AIM FOR HOME OWNERSHIP

A good way to save money is to own your home. But buying a home is tricky. You need expert help to get a good loan and to make sure the house is in good shape and the price is right. If you don't get help, you can be ripped off by home scams or shady lenders. Talk to a home owner counseling program in your area. Find out what you need to do to get a home, and don't buy until you are ready.

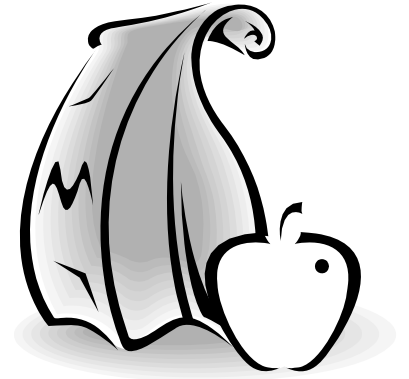
To get help and information about buying a home call:

**First Call for Help**- dial 211 statewide or (651) 291-0211 from a cell phone

**The Home Ownership Center** - (651) 659-9336 in the metro or 1 (866) 462-6466 outside the metro.

## 11. WHAT CAN YOU DO WITHOUT?

Think about the little things you can do without. Little things add up to a lot. A can of pop per day can be \$275 or more per year. Bring lunch from home instead of grabbing something from a fast food place or deli. Before you buy a more expensive item, think about whether you could borrow it from a friend or relative, or whether you could do without it until you have more money.



## 12. IF YOU HAVE UNPAID DEBTS, GET HELP

Being in debt is confusing and depressing. But you can get help. Call Consumer Credit Counseling Service at (612) 874-8164 or 1-(800) 388-2227.

You might want to consider bankruptcy or a repayment plan to get your debts under control. Watch out for "credit repair" schemes that tell you to do things that are illegal, or charge you to do things that you can do for free. Check your Credit Report. You can get a free copy every year at [www.annualcreditreport.com](http://www.annualcreditreport.com). See our fact sheet [C-6 Credit Reports](#).

**13. MAKE A BUDGET.** It helps to know exactly where your money goes. A consumer or home ownership counselor can help you do a budget, or you can do it yourself with the form attached.

To find other Legal Aid Society materials, including the fact sheets mentioned in this document, go to [www.lawhelpmn.org/LASMfactsheets](http://www.lawhelpmn.org/LASMfactsheets).

# MONTHLY BUDGET

<b>MONTHLY INCOME</b>	
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<b>BASIC MONTHLY EXPENSES</b>	
Rent / House Payment	
Heat	
Electric	
Phone	
Water / Trash	
Home Maintenance (cleaning, repairs)	
Car Payment	
Car Insurance (divide by 12 months)	
Car Maintenance	
Car Registration (divide by 12 months)	
Gas / Parking	
Bus Fare	
Child Support	
Child Care / Babysitting	
Food / Groceries	
Children's School Supplies	
Medical Bill Payments	
Debt Repayment	
Laundry	
Other	
Other	
<b>TOTAL BASIC EXPENSES</b>	

<b>FLEXIBLE EXPENSES</b>	
Restaurants/Fast Food	
Beer, Wine, Liquor	
Your Clothes	
Children's Clothes	
Cable TV	
Gifts (Birthday, Christmas, etc.)	
Movies, Videos	
Entertainment	
Haircuts, Beauty	
Lottery/ Bingo, Gambling	
Cigarettes	
Other	
Other	
Other	
Other	
<b>TOTAL FLEXIBLE EXPENSES</b>	

<b>TOTAL EXPENSES</b> (add totals on front and back)	
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Subtract your TOTAL EXPENSES from your monthly income. If your total expenses are higher, you need to start spending less. Start by cutting back on things on your flexible expenses list, maybe eat out less or cut off your cable TV.