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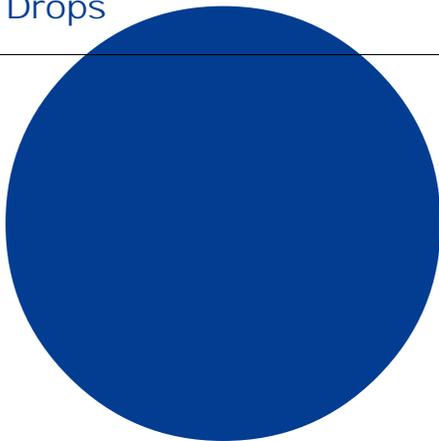
Back

When

Your

Income

Drops



Cutting Corners and Economizing

A life transition, excessive consumption, or income change can force a family to evaluate their use of personal and financial resources. The effects of less income can be managed by economizing. Your family must decide which goods and services are most needed. Keeping a positive attitude and adopting several economizing skills will help improve your family's situation. The result will be a more effective use of resources, especially time and money. Economizing also should help your family realize your situation is not as difficult as it seems.

Economizing

Economizing means using personal and family resources where they will do the most good. This does not simply mean buying less of an item; it might even imply purchasing more. For instance, if home cooking, sewing, or another activity will pay for itself by either cutting an expense or producing income, spending more for supplies may be in order. If you decide to find a different job to increase your family income, a successful employment search may require clothing or a skill. Keep in mind, however, that spending eventually must be decreased to balance the family's reduced income with expenses.

Specifically, economizing means managing your family resources to meet needs and wants now and in the future; in other words, using what you have (resources) to get what you need and want (goals). This can be done in a number of ways, such as substituting, conserving, utilizing, cooperating, and finding free goods and services in the community. An anonymous verse that probably originated during the Great Depression concisely states the meaning of economizing: "Use it up, wear it out, make it do, do without."

Substitute

Substitute less costly for more costly resources. Examples abound. Your family's time and skills can be substituted for purchased time and skills. Eat at home rather than in restaurants. Cook from basics rather than buying prepared meals that cost more. Walk or use a bicycle as often as possible instead of driving. Entertain at home rather than going out to be entertained. The most important key is for the family to develop the habit of thinking, "*What can be substituted that would do the job for less money?*"

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Conserve

Conserve your resources. Avoid waste. Find ways to make the products you buy last longer, and keep foods from spoiling before being used. Keep your family's health, skills, and possessions in good condition. Get the most use out of each car trip, each load of laundry washed, and each dollar already spent on clothing and furnishings. Make conserving a habit and have family members think, *"How can we make all items last? How can we use it more efficiently?"*

Utilize

Find new uses for resources you already have. Can you rent a room in your house or share your home for income? What about renting part of your yard for a garden plot or for parking? Can you car pool for work and other activities to reduce transportation costs? Can you use family skills such as baking, sewing, cleaning, repairing, and adult or childcare for income-producing activities? Have all family members ask, *"What are the talents, time, or other resources we have that could be put to new, more productive uses?"*

Cooperate

Resources can be multiplied when you cooperate with others. Food co-ops, housing co-ops, baby-sitting co-ops, and car pools are some of the many forms of co-ops, either formal or nonformal, that can help you and others economize the use of resources. They operate from a common principle: buyers' co-ops seek to provide members with goods or services at lower cost, while producers' co-ops seek to help members market their products themselves.

Members of a cooperative usually provide some of the organization's labor requirements. For example, parents who take their children to a cooperative preschool five days per week might be required to work or pay for another person to work at the school one day every other week.

Organizing a cooperative to provide necessary goods and services permits members to help each other. When considering a co-op of any kind, be sure you understand the operating rules and are confident of the manner in which it is run. Think, *"How could I or other family members share time or talent with others to stretch our resources?"*

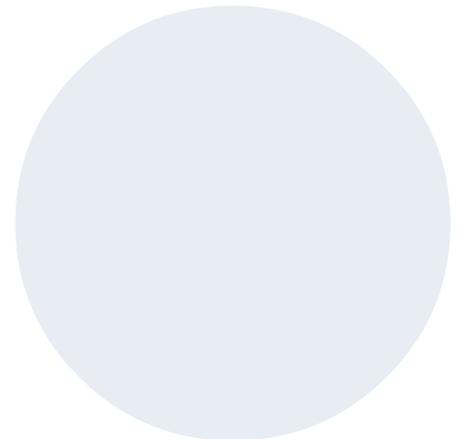
Find Free Community Resources

Only some of the resources you value and use are privately owned. A large share could be called public or community resources. Some publicly financed programs, such as unemployment insurance, food stamps, or income maintenance programs, which citizens or businesses pay for with taxes, are discussed in the overview to this series.

Other community resources provide entertainment or recreation. These include parks, wildlife areas, museums, and libraries. Remember that you and your family need to take some time for fun, too. Get together with friends for a picnic, a potluck dinner, card games, fishing, or whatever you enjoy. Take advantage of low-cost classes and recreation programs in your community.

Many communities offer free or low-cost health or counseling services, ranging from inoculations to family planning to psychological counseling.

Personal or family resources can be greatly enhanced through use of community resources. Think, *"How can we use and support public services for family welfare, education, health, and recreation?"*



How Many Ways Can Your Family Economize?

The following list has more than 100 ideas that can help your family find new ways to economize by substituting, conserving, utilizing, cooperating, and finding free goods and services. First, try activities that your family will get the greatest benefits from in terms of reducing cost and excessive consumption. Some of the following suggestions may not be appropriate right now, but will have value in the future.

Food

- Set dollar limits on how much to spend on food.
- Feed your family well from the basic food groups. Keep them healthy and you will save on medical bills.
- Plan your meals one week at a time. Review grocery ads to take advantage of specials. Make your shopping list from the menu plan and the ads.
- Buy generic and store brands.
- Use cents-off coupons for items you generally purchase.
- Compare price per unit: pound, ounce, dozen, or package. Take your calculator with you.
- Limit your food shopping trips to one per week. This will save gas, time, and money.
- Buy produce in season.
- Stop buying “junk” foods for snacking. Substitute fresh fruits and vegetables, fruit juices and milk drinks, and oatmeal and peanut butter cookies.
- Make snacks such as popcorn and peanut butter balls.
- Plan one or two meatless dinner meals each week.
- Plan the use of your oven by cooking the main dish, dessert, vegetable, and quick bread all at the same time.
- Use small servings of meat, poultry, or fish with rice, macaroni products, and bread for a complete meal.
- Stretch hamburger by adding bread crumbs, oatmeal, or tomato sauce.
- Mix one part of instant dry milk with one part of liquid milk.
- Buy skim milk. It is lower in cholesterol and less expensive.
- Wrap and store foods carefully.
- Freeze leftovers for use later. Vegetables can be used for soup. Even leftover salads can be pureed, frozen, and used later in soups.
- Eat less expensive foods and drink less expensive beverages.
- Grow your own fruits and vegetables if possible. Can, freeze, and dry some of them for future use.
- Prepare your own convenience foods, master mixes, and desserts at home.
- Double or triple standard recipes when making spaghetti sauces, chili, pastries, and stews. Label and freeze for later use. Not only does this save time, but also you can often buy larger amounts of basic ingredients more economically.
- Entertain with “potlucks” or inexpensive buffets, such as Spanish rice supper and salad.
- Use picnic facilities at parks.
- Prepare brown bag lunches when possible.
- Cut down on meals away from home.
- Take advantage of the school lunch program.
- Form or join a food co-op.
- Watch your weight. It is costly to put pounds on and costly to take them off.

Housing

- Plan carefully and thoroughly as the first step in economical decorating.
- Buy furniture and appliances on sale or at an auction, garage sale, or second-hand shop.
- Rent or share household equipment used infrequently.
- Learn how to refinish furniture.
- Choose equipment with a high energy efficiency ratio (EER). Check the label for EER.
- Learn to clean, repair, and restore household items yourself.
- Use floor wax sparingly. This not only cuts cost, but also eliminates the extra cost and work of removing wax buildup from surfaces.
- Learn to make draperies, curtains, spreads, slipcovers, and table covers.
- Be creative. Make dry flower arrangements from garden flowers, wildflowers, or decorative weeds.
- Cut down on cleaning supplies. Buy products that can be used for more than one purpose, such as bleach and ammonia.
- Buy items that require as little maintenance as possible.
- Buy household equipment that can be operated and cared for by family members.
- Consider remodeling rather than building a new home.
- Maintain your home. Make minor repairs before they become major ones.
- Wash walls instead of painting.
- Rent out a room or garden space for additional income.
- Give room rent in exchange for household help.

- Have a yard sale to raise money and get rid of unwanted items.
- Increase your deductible on homeowners' insurance.
- Turn off air-conditioning and open windows in temperate weather.
- Have an expert check the insulation in your house to make sure it is adequate. If not, insulate where needed. Insulate open areas, such as the attic, yourself.
- Close rooms and turn off heat to those rooms you are not using.
- Consider an attic or roof fan.
- Lower your thermostat setting in cold weather and wear warmer clothing in the house.

Clothing

- Buy color-coordinated clothing, which can be mixed and matched.
- Buy all-season styles, fabrics, and colors when possible.
- Buy clothes with a design that will stay in style.
- Look for quality fabric and good construction in clothing.
- Eliminate impulse clothing purchases.
- Choose clothes with simple trim that is of good quality and requires the same care as the rest of garment.
- Buy clothing on sale when possible.
- Use yard sale purchases, especially for children's clothing and maternity wear.
- Check fabric labels and care instructions. Is it wash-and-wear? Can it be dried in the dryer? Avoid clothing that requires special care, such as dry cleaning.
- Read and follow care instructions to make clothes last longer.
- Spot-clean clothes promptly and save on cleaning costs through careful wear.
- Keep clothes in good repair by remembering a "stitch in time saves nine."
- Make use of factory outlet stores. The merchandise could be surplus, samples, or discontinued lines. The flaws in seconds or irregulars may be minor.
- Check churches, junior leagues, St. Vincent de Paul, and Goodwill Industries for secondhand clothes.
- Dress up or modify an outfit you already own. Accessories can add a new look to last year's wardrobe at a minimal cost.
- Swap outgrown clothing and maternity clothes with friends and relatives.
- Learn to sew, but do not buy excess fabric you will never get around to using.
- Contribute clothing to a "nearly new" shop sponsored by a charitable organization. Your gift is tax deductible if you get a receipt for the estimated value.
- Store clothes properly to protect them from sun, moths, mildew, and stretching.
- Protect shoes and leather items from water and salt stains.
- Take dry cleaning to a coin-operated dry cleaner.
- Wear "work" clothes for messy, dirty jobs. Rent seldom-used clothes, such as formal wear.

Transportation

- Keep your car in good running condition. It is safer and less expensive.
- Walk more and drive less. You will save money and improve your health.
- Learn how to do your own car maintenance. Change oil, air filters, and oil filters when recommended.
- Substitute maintenance and repair for a new car.
- Follow the instructions in your car owner's manual.
- Protect against salt and rust by keeping your car clean.
- Save on fuel with good driving habits.
- Increase your deductibles on auto insurance.
- Drop collision insurance when your car's value has dropped sufficiently.
- Take advantage of auto repair classes held in your community.
- Use self-service gasoline pumps. Remember to check oil and water levels.
- Form a car pool to go to work, meetings, and even shopping trips.
- Ask yourself, "Is this trip really necessary?"
- Make lists of "things to do" and "things to buy." Forgetting is costly.
- Substitute less costly transportation whenever possible. Take a bus instead of a plane.
- Have family members use school and public transportation whenever possible.
- Wash and wax your own car.
- Shop for low-cost air fares.

Personal Habits

- Trade hair trims with your spouse or a friend between professional cuts.
- Have an easy-care hairstyle.
- Trim your children's hair between professional cuts. Better yet, learn how to give professional cuts.
- Barter talents and resources. Trade skills such as computer typing, serving, or decorating with a friend or neighbor.
- Start a "childcare pool" with a group of friends.
- Encourage children to do extra work, besides regular household tasks, to earn extra spending money.
- Teach children ways to live on less by caring for their clothing and toys to minimize repairs and losses.
- Make gifts. Give homemade jams or jellies. Grow plants from cuttings or seeds to give as gifts. Develop a unique, quality craft.
- Give a gift of your own personal services. Baby-sitting, lawn mowing, garden weeding, and window washing are all examples of jobs someone would appreciate having you do.
- Buy gifts and holiday decorations on sale.
- Take advantage of learning opportunities at local schools. Attend cooperative extension classes, community-sponsored workshops, and other adult education courses.
- Write more letters and make fewer long distance calls.
- Keep a record of long distance calls to check against bill for errors. Include dates and telephone numbers.
- Keep a record of cellular telephone call costs. Use cell phones for emergencies, not to socialize. Driving while talking on a cell phone is not safe.

Managing Money

- Use credit cards only if you pay the bills in full each month.
- Carry only the amount of money you plan to spend.
- Write checks; it is more restraining than using cash.
- Pay bills early when creditors give a discount for early payment.
- Analyze your insurance coverage to make sure you are adequately insured at the lowest price. Comparison shop for premiums, because they vary widely.
- Check to see if you are a taxpayer eligible for the earned income credit.
- Cut your recreation costs with activities and games at home. Your family will grow closer.
- Take advantage of community services such as concerts, fairs, and public tennis courts.
- Consider taking up less expensive sports and hobbies than you have now.
- Spend less on vacations. Sleep at home and take short trips during the day.
- Spend your vacation camping. Use inexpensive equipment and rent necessities such as a tent or boat.
- Take advantage of low weekend rates at many city hotels and off-season rates at resorts.
- Read magazines and books from the library. Cancel book club memberships and magazine subscriptions, especially for those that remain unread for a long time.
- Use 800 toll-free information as often as possible. Call (800) 555-1212 to check if an out-of-town business has a toll-free number.

- Obtain term insurance for optimum coverage for loss of income through death of major earners in the family.
- Invest money for children's education in equities.
- Keep track, item by item, of where your money goes every day, week, and month. Go over this spending record periodically with the entire family. Decide together how to live on less.

Revised by Marilyn Mancini Furry, associate professor of agricultural and extension education. The original article, "Living on Less," was written by Mary Stephenson, University of Maryland Cooperative Extension (1989).

Penn State College of Agricultural Sciences research, extension, and resident education programs are funded in part by Pennsylvania counties, the Commonwealth of Pennsylvania, and the U.S. Department of Agriculture.

This publication is available from the Publications Distribution Center, The Pennsylvania State University, 112 Agricultural Administration Building, University Park, PA 16802. For information, telephone (814) 865-6713.

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Issued in furtherance of Cooperative Extension Work, Acts of Congress May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture and the Pennsylvania Legislature. T. R. Alter, Director of Cooperative Extension, The Pennsylvania State University.

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