

Joyfully Living
Within Our
Means



Sherry Neiger

Becoming a Wiser Consumer

Being in control of your money will improve your health and your relationships. The difference between being financially fit and on the brink of bankruptcy amounts to

- Planning
- Delaying gratification
- Spending less than you make each month.
- Cutting expenses by becoming a wiser consumer.
- Living by the principle that a dollar saved is worth more than a dollar earned.

A Few Quotes

“If you teach your child to live on small means, you have left him a fortune.”

“Wealth lies not in the extent of possessions, but in fewness of wants.” Unknown

“Most people give up what they want most for what they want right now.” Unknown

“Pay the debt, and release thyself from bondage.” D&C 19:35

“As parents, we are responsible to cloth our children not decorate them” H. Stephen Glenn

Suggested Reading Material

Shattering the Two-Income Myth, by Andy Dappen

“It takes money to make money.” For example, a childless couple, with a combined income of \$46,000, logged 108 hours of work (including commute time), and spent almost \$30,000 of their earnings on work-related expenses (including taxes). In other words, they spent \$2 to earn \$3 and cleared \$16,000 a year. Their hourly wage? \$2.96.

Our generation has high expectations. In 1953 the average house size was 1,100 square feet, and by 2009 it was over double that at 2,480 square feet.

“It has been estimated that the average dual-career family needs to earn about 35 percent more than a single-income family to meet the same standard of living. If no one is home to look after children, maintain the house, buy food intelligently or obtain price quotes for major repairs and expenses, you spend big bucks for the privilege of joining the nine-to-five parade.” One example, in the early 1970’s only 26 percent of the household food money was spent on meals consumed away from home; in 2009 a whopping 48.5 percent.

A scaled down version of the American dream is attainable. “We can have enough; we just can’t have it all. Having enough involves making choices and establishing new priorities. The one-income lifestyle may require settling for a smaller house, an older car and reducing your visits to restaurants.”

“By having one spouse stay home and stretching one income, you can shave thousands from your annual expenses. Life is far less stressful when one partner manages the home. And that stress reduction translates into happier, closer-knit marriages as well as better parent-child relationships.”

Suggested tips for saving money:

- If you carry a balance on your credit cards from month to month, put them somewhere other than your wallet. Suggestion: Place credit cards in a gallon Ziploc bag, fill with water and freeze. This will help decrease impulse buying by putting rational thinking time between you and your credit card purchases.
- Use credit cards to benefit you, but only if you have the self-discipline to pay the balance off every month.
- Conserve on amounts of toiletries. For example, use a dab of toothpaste instead of an inch-long bead.
- Use cooler temperature settings for washing clothes. About 90 percent of the cost of washing clothes goes into heating the water, and a large load of wash can require 40 to 50 gallons. Reserve the hot setting for things such as bed linens, dishtowels, and undergarments.
- Turn your water heater to 115 degrees, as recommended by the Department of Energy. In the summer, cool the house to 77 degrees. In the winter check for leaky windows and caulk them, and turn down the heat. Your heating bill rises 3% for every degree you increase your thermostat over an eight-hour period.
- Review your insurance policies. Make sure your homeowners insurance is not covering the cost of your land. Your land value does not need to be insured. Drop car collision and comprehensive insurance, as a rule of thumb, when the cost of a year's worth of collision and comprehensive insurance is more than 10% of the current cost or value of your car (check Kelley Blue Book for car's value). Comparison shop every year with an independent insurance broker.

The Millionaire Next Door, by Thomas J. Stanley

Stanley did an exhaustive study of American millionaires, and shares their habits. He found that large salaries aren't the key to wealth, because Uncle Sam takes 40 percent of salaries before you get them. Furthermore, a job that pays a large salary is usually accompanied by expensive lifestyle expectations. So the key to wealth is not a big salary but the asset appreciation that is most often found in building one's own business. The biggest difference between many of those who really accumulate wealth and those who just look rich are their spending habits, and an unproductive debt load.

One for the Money: Guide to Family Finance, by Elder Marvin J. Ashton

This excellent booklet focuses on twelve simple guidelines for improving personal and family financial management. You can get a free copy at any church distribution center.

Raising Self-Reliant Children in a Self-Indulgent World: Seven Building Blocks for Developing Capable Young People, by H. Stephen Glenn & Jane Nelsen

Great Web Sites

clarkhoward.com – Clark Howard is a consumer advocate with a syndicated talk show & HLN TV show, designed to help you spend less, save more and avoid getting ripped off.

www.daveramsey.com – Dave Ramsey is the host of a nationally syndicated radio program who emphasizes reducing, avoiding, and eliminating debt.

www.jeanchatzky.com – Jean Chatzky is an award-winning financial journalist, best-selling author, and gives personal financial advice on TV shows.