

20 Practical *and Easy* Ways to Save Real Money

#1 Bank Fees

I never, ever, pay fees of any kind to my bank. According to **MoneyRates.com**, the average monthly maintenance fee banks charge is \$13.58. Do the Math. Never mind, I'll do it for you. Using that number (\$13.58), over the next 25 years you will waste \$4704 paying fees. If on the other hand, you invest that amount (instead of blowing it) at 9%^{1*} you will have \$15,000. That's not taking into consideration annual increases. What about overdraft fees? According to recent data, Americans pay \$15 Billion in overdraft fees annually, with the average charge of \$32.53 per occurrence. Unfortunately, poor Americans are hit the hardest paying up to \$450, per year. So what's the solution? Negotiate—just about everything is negotiable, including bank fees and charges. If your bank won't give you what you want (free) shop around until you find it. Additionally, I use a nationwide bank so I don't get stuck paying ATM fees when I am travelling.

2 Negotiate with your real estate agent

In spite of what they might tell you, the real estate commission structure is not set in stone. Agents usually start off by asking for 6%. On the sale of a \$300,000 house it will cost the owner \$18,000. Many times an agent will work for 5%, in order to get the listing, saving the seller a couple of thousand dollars. Even better, many agents will work for 4% if the deal is done with an agent working for the same broker/agency, a total savings of \$6,000 on our 300K example above. That's **real money**, wouldn't you say?

If you're a do it yourself, you could save even more by using one of the for sale by owner sites. The downside is it takes a fair amount of time, effort and energy to go it alone.

3 Used vs. New When Buying an Automobile

As a general rule of thumb, it makes more economic sense to purchase a well maintained, low mileage car with an extended warrantee, rather than purchasing a brand new car. If you ask nicely, especially when the economy isn't doing well, the dealership is very likely to through in an

¹ The average annual return of S&P 500 over the 50 years.

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extended warrantee for free. Used foreign cars can be extremely expensive to repair. My Audi's extended warrantee has more than paid for itself over the past couple of years. Most new cars will typically depreciate by 20% during its first year of use and 10% every year thereafter which means a \$30,000 new car will have a resale value of less than \$25,000 at the end of its first year of use. Not good. Whenever you see a new car drive down the road, hold a moment of silence to mourn the wealth departed!

If, however you must buy a new car in order to keep up with the Joneses, shop on a Monday, Tuesday, or Wednesday—less customer traffic means a better chance to get a good deal. You should also shop late in the year and late in the month. Why? Dealerships have sales quotas for the month, quarter and year. As they get closer to the end of these three deadlines you have a better opportunity to save **real money**.

Which reminds me of a story. Several years ago we were shopping for a new Lexus, which parenthetically has the best resale value in America. We haggled with the salesman and his managers hiding behind the curtain for an hour or so, which is cruel and unusual punishment to say the least. After finally giving us their “best price,” I said it was too high. If they wanted to sell us the car they would have to come down an additional 5K. They said they couldn't do it, so we left. I told them on the way out to call us if they changed their mind. Sure enough, the next morning I get a call from the dealership asking if I would accept \$4,000 less? We had a deal I saved an additional 4K, which, no matter how you look at it, is **real money**. What's the moral of the story? Unless the dealership flat out says no and never attempts to call you back, you're paying too much. Be prepared and ready to walk away when negotiating a high ticket item.

4 Get rid of your landline (phone)

With an average cost of \$15-30 per month, depending on features, you can save \$8,000-\$10,000 over the next 30 years, not taking into consideration annual increases. If you invest the monthly savings at 9%² you'll have an extra 40K (**real money**) in three decades!

² The average annual return of the S&P 500 over the past 50 years.

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Just above everyone in America owns a cell phone these days. Why pay for something you probably don't need anymore? We cut our cord years ago, haven't missed it once.

5 Buy in Bulk

The major warehouse clubs really do offer substantial discounts. For a modest annual fee of about \$50 you end up saving at least 20% on most groceries according to Consumer Reports. TV's, tires, car rentals, clothes and vacations are generally anywhere from 10- 35% cheaper than you would find in a typical retail store. But wait – there's more! Get their credit card and save even more, depending on the warehouse club. You can get an additional 5% back on gas, 3% back at restaurants and travel and an additional 5% on in-house purchases. Believe it or not there are even more benefits that come with owning one of their credit cards. On just about every major purchase you make on their credit card, you get an additional year's extended warranty, you'll now be covered for two years, that may come in handy. Best off all, it's free. Most clubs don't charge an annual fee for their credit cards.

One of my favorite purchases is discounted gift cards at my wholesale club. I buy gift cards for some of my favorite restaurants and Movie Theaters at a 20 – 30 % reduction. The best deals are almost always around Christmas. I can't think of any good reason to pay full price for anything when I don't have to. Keep an eye open for iTunes gift cards. They are sometimes available at a 15% discount.

6 Always Ask for a Discount

Many restaurants, hotels, movie theaters, airlines, car rentals, grocery stores, retail stores and amusement parks offer discounts but most of the time you have to ask. AARP members get a 10% discount at Outback Steak House and other Bloomin Brands, Inc. locations such as Carrabba's and Bonefish grill. If you join their dine rewards program you'll receive additional discounts on future visits and the coup de grace, if you buy a \$100 gift card for \$80 at a warehouse club, you'll get to triple dip. Using all 3 discounts can add up to as much as a 50% saving on your dining experience. That's a pretty big deal, don't you think?

By the way, you don't have to be a senior to become a member of AARP to reap the benefits.

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Seniors have it made, just ask for a senior discount and the world is your oyster. Pharmacies, UPS, trains, cruise lines, auto parts, eye glass purchases and national parks, all offer discounts to older folks. Just about everybody wants their business. After all, they have most of the money in America.

AAA also offers discounts to its members for travel, prescriptions, restaurants, automotive, attractions and retail. They offer a terrific coupon book for almost all retail outlet malls. Once again, though, you have to ask. Anytime we are going someplace new to eat, I check their website to look for coupons, specials, or other incentives such a rewards program. Many offer a free appetizer or dessert for simply signing up. Many will offer you a free meal on your birthday—that's worth celebrating, right?

7 Take Advantage of Price Match Guarantees

Many retailers will match a competitors price if it is lower. I've been in Best Buy looking for a high tech item (toy) my brother-in-law recommended to enhance the quality of my life, not knowing what it should cost. Once I find the item I'm looking for, I check the price elsewhere by Googling it and comparing. If I find a cheaper price, I simply show it to the salesperson and they ring it up at the cheaper price. I've saved a fair amount of money doing this at a number of retail stores. I can honestly say it feels pretty good knowing I'm not overpaying for an item. Here are some of the major retailers offering price match guarantees:

Best Buy	Target	Petco
Home Depot	Staples	JC Penney
Office Depot/Max	Lowe's	Nordstrom
Dick's Sporting Goods	GNC	Walmart
Bed Bath and Beyond	Advance Auto Parts	

8 Buy Term and Invest the Difference

That old battle cry, from years gone by, is still as true today as it was back yonder. Most Americans own cash-value life insurance, also known as whole life, universal life, or variable universal life insurance. These policies have a savings plan attached. Term life insurance, on the other hand has no cash value or savings, at first glance, why would anyone buy term insurance with no saving

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when the other kind of insurance offers a built in guaranteed saving plan? The answer is, the cost. Cash-value life insurance can cost as much as ten times more than, term insurance for the exact same coverage. Yes, as much as 10 time more!

In other words, a 30 year old male might spend \$10 per month for a \$100,000 term insurance policy. He may end up spending a \$100 per month for a \$100,000 whole life policy. Same coverage, huge difference in cost. In our example, if our 30-year-old were to invest the \$90 per month savings he could end up with \$234,804.87 at a 9%^{3*} average annual compounded rate of return at age 65. How much cash value might he have in his more expensive whole life policy? Somewhere around \$60-\$70,000 which would you rather have? Please choose the higher amount. Quiz time. Any idea who keeps the cash value in a whole life policy when the insured dies? (answer: the insurance company!)

Yes, that's right, the insurance company keeps the money. Back to our example, if our 30-year-old reaches retirement age (65) and dies owning a whole life policy, his beneficiaries receive the death benefit, while the \$60-70,000 cash value is kept by the insurance company. Anyone who thinks that's a good deal needs to have their head examined. On the other hand his beneficiaries receive his term insurance death benefit and his 234K investment account. A word of caution, you must be healthy and insurable in order to qualify for a new term policy. Never cancel your old cash value policy before you are accepted by your new term insurance company.

9 Buy a TV Antenna

Here's a money saving idea that does not require as much thinking as #8. For about 50 bucks you can buy a TV antenna that picks up local stations within a 50 miles radius. If you live in, or near, a fairly large city, you may be able to pick up dozens of free channels and cut your cable cord, saving you a bundle. Never forget, free is **always** good.

Here's something I bet you didn't know. Philo Farnsworth, the inventor of the Television, forbade its use in his own home describing it as "a way for people to waste a lot of their lives."

³ The 50 year average of the S&P 500

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10 Take Advantage of Free stuff

Most local libraries offer all kinds of free services. For starters, they will lend you a book to read instead of you buying or renting one. For those of you who still live in the dark ages, this has been going on for a couple hundred years – yet folks, for some reason enjoy spending money on things that are available at no charge elsewhere – like books.

Next on the list is free movies, videos, documentaries, audiobooks and CD's. Yes they do still make CD's! Many libraries offer free music and video streaming and downloads.

I love to read and avoid the Television as much as possible. Other folks never shut their TV off. They love to watch movies nonstop. No matter what your preference, take advantage of FREE. Save yourself a few bucks and start a college tuition savings plan (529) for your children or grandchildren.

11 Never Stop Negotiating

Every year or so, I take a few minutes to examine my cable and wireless bills. Just a couple of weeks ago I made the dreaded call to my cable company because my existing contract was about to expire. I was ready to cancel my service with them and go elsewhere. After an aggressive sales pitch by the customer service rep, I was convinced to stay where I was. As it turned out, I ended up with more channels and paying a few bucks less per month instead of a \$40 monthly increase.

I asked to the rep several times, how can I reduce my bill even more? Come to find out, if I sign up for auto pay I can save an additional \$10 per month, and if I buy my own router for about \$50, I save an additional \$13 on the monthly rental fee I was paying.

Some people might think that's not a big deal, saving just \$23 a month. But those people don't understand the magic of compound interest and the time value of money. \$23 per month invested at 9%^{4*} over 40 years grows to \$93,977.97 or put in simplest terms: **real money!**

⁴ The average annual return of the S&P 500 over the past 50 years.

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A couple of months earlier, I switched my family wireless plan and ended up saving 40 bucks a month by switching carriers. That's more money in my pocket and less in theirs.

By the way, next time you purchase a new cell phone, don't forget to sell your old one. You can do so by Googling companies that buy used cell phones. Or you can sell it to the manufacturers of your old phone. Either way it's found money.

12 Shop at Thrift Stores and Consignment Shops

I am fortunate enough to live in paradise – SW Florida. It's a fairly affluent part of our great country. It offers terrific weather year-round and plenty of palm trees and beautiful beaches. It's a great place to live, but don't tell anyone, we already have enough people living here. More to the point, our thrift stores and consignment stores are loaded with high end stuff at incredibly low prices; furniture, artwork, housewares and jewelry priced at pennies on the dollar, mostly in mint condition.

We have more than our fair share of retirees living down here. When they pass away, their kids want to unload everything, ASAP. So, the stuff ends up in the secondhand stores at fire sale prices. Many have websites to view what's available. Just Google Beverly Hills, Naples FL, The Hamptons or other affluent towns for consignment shops or thrift stores you'll be amazed at what is available at dirt cheap prices.

13 Skip Starbucks

Really, it's costing you a small fortune AKA **real money**. Here's the Math, \$4 a day, the cost of the coffee Latte, over your working lifetime will cost you about \$50K. If invested, you would end up with nearly half a million dollars, \$490,319.85⁵ to be exact! Sorry, but I don't enjoy Starbucks enough to waste \$490K. For you coffee snobs who can't give it up long-term, how about for just a year? By doing so you'll save enough for a decent vacation, sounds good doesn't it?

⁵ At a 9% rate of return over 40 years the S&P 500 has averaged 9% for 50 years.

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14 Prepay Your Rental Car

Budget car rental, allows you to save up to 35% with “pay now rates” backed with a best rate guarantee. I spend a fair amount of time shopping and comparing when I’m renting a car. These are real, legitimate savings. No, I don’t work for Budget. As a side note, it is generally cheaper to rent a car off the airport property when possible. Why? Airport fees and taxes can really add up.

Be careful how you spend your hard earned money!

15 The Right Financial Advisor can save you a Fortune

Smart investors use advisors who do not receive fees from anyone other than their clients. This leads to totally objective, unbiased investment advice. The right advisor could be worth over 3% per year to you. According to a Vanguard Research Report, the potential for a Registered Investment Advisor (RIA) to add value to a client relationship can be significant. In their words it’s about 3% annually. WOW, that’s worth doing some quick math so you can see what a big deal that is. Saving 3% per year on a \$100,000 portfolio and its annual growth over 25 years will save an investor tens of thousands of dollars. Look at it this way: a \$100,000 onetime investment will grow to \$685,000 in 25 years at a 9%⁶ average annual rate of return. Three percent of \$685K is \$20,550. According to the Vanguard Report cited above, in this example our investor is throwing away \$20K plus, per year by not using an RIA. They are paying unnecessary fees, charges, commissions and loads to a financial salesperson, instead of using a Registered Investment Advisor. I hope you get it, that’s \$20,000 per year! or \$200K over 10 years. If you don’t consider that **real money**, I don’t know what is.

To get a better understanding of what I’m talking about pick up a copy of my latest book, **How to be a Great Investor—Investment Techniques for Christians** on Amazon. Available in paperback and Kindle. Once you read the book, you’ll have a better understanding of how much fees, sales charges and taxes matter. You’ll also learn how an RIA can save you an incredible

⁶ The 50 year average return of the S&P 500

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amount of money.

16 Credit cards

Americans will pay 122 Billion dollars in credit card interest this year! Yikes, that's a whole lot of money! If you want to save some **real money** stop paying credit card interest—it's dangerous to your financial future.

The average APR⁷ for credit card accounts last year was 16.4690%. Let's do some very simple math. If you carry a balance of 6K (the National average). For 10 years at 16.4690% you'll end up paying about \$10K in interest. What's even more depressing is, you'll still owe the credit card company \$10K. What a complete waste of money. Think about it another way, how many hours do you have to work to make \$10,000? The quick and easy way to alleviate the pain is to move your balance to a zero interest credit card. You know, the offers you get in the mail every week. I've seen - 0- interest offers for as long as 12, 18 and 24 months. Be very careful to read the fine points. Some of these offers will charge a onetime fee of 3, 4 or as much as 5% to move your balance from your existing CC Company. So, the zero percent offer doesn't end up actually being zero percent. Shop carefully and learn how the game is played. By doing so, you'll never pay any credit card interest as long as the zero offers are available. By the way, I don't encourage you to carry any credit card debt.

Long term, it's unwise – sooner or later there will be a day of reckoning where you must pay off the balance. The idea here is to help you stop wasting your hard earned money so you can pay down debt sooner rather than later.

*Good judgment comes from experience,
and a lot of that comes from bad judgment.*

Will Rogers.

17 Pay Yourself First – Forced Savings

⁷ Annual percentage rate

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A lot of free-spirited Americans lack the discipline to save enough money for the important things in life, like retirement, college tuition, vacations, emergency funds etc. Here's some ideas I've learned over the years to force me to save **real money**.

A. Increase your Tax Withholding from Your Paycheck

When you get a bigger refund, invest it into a Roth IRA. Why? Because Roth's grow completely 100% tax free. Just a friendly reminder, **free is good**. This is a good but not completely effective way to save money. The downside is, the IRS gets to hold on to your money, interest free, for a year before you get it back.

B. Make Sure you Participate in Your Employer's 401(K) or 403(B)

Retirement planning is important, that's assuming you, would like to retire someday. If an employer matches your contributions in any way shape or form, take advantage of the free money they are offering you. It's absolutely nuts not to do so.

C. If your employer offers any type of payroll deduction, take advantage of it. It's painless and easy.

D. One of my favorite ways to save money is to throw my change, including one and five dollar bills, into my piggy bank. When I empty my pockets at the end of the day, it may not sound like much, but I usually end up with somewhere between \$1,000 and \$1,500. At the end of any given year I look at it as found money. I've used it towards vacations, my children's college saving plans, or bought gold or silver coins to stash away.

[Great investor.com](#) has a link for one of our affiliates. Silver Gold Bull on the resource page if you're interested in precious metals.

E. Rounding up

There are many apps that can help you save and invest your money. These mobile Apps are designed to round up each debit or credit card purchase to the nearest dollar, or a specified amount. For example, you buy lunch for \$9.50 with your card, that purchase is rounded up to the nearest dollar. In this case, 50 cents goes to your savings account. My problem with these apps is, they all charge you a fee for the privilege of saving your own money.

A better way to go, is to take advantage of your bank's automatic savings options, including rounding options outlined above. Most banks do not charge fees for these services. So, if you want your change to go into your savings accounts every time you use your debit or

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credit card, without paying fees, check it out.

18 Dining Out Discounts

I am amazed at the amount of times my adult children go out to eat with their kids on a weekly basis. They must spend a small fortune over the course of a year. Even though I have a hard time admitting it, I am a senior. Us seniors are extremely proficient at saving money when we dine out, *we don't spend nearly as much as our kids do.*

So, here are several tips from a senior citizen on how to save **real money** when dining out.

Early bird specials serve two purposes for us:

#1 we get to eat early so we can get home and be in bed by 9:00 pm.

#2 the food is cheaper than later and busier times. Happy hours are not only for 2 for 1 drinks. In many places appetizers are buy one get one free. A couple of appetizers for dinner saves you a few bucks.

Groupon allows us to buy dinner deals at up to half off at some of our less popular restaurants. Food tends to taste better if its half price. I am a firm believer in using coupons. Ruby Tuesday, for example is constantly offering, buy one, get half off a second entrée. If you sign up for their email blasts, they occasionally offer a buy one get one free deal. If you use their discounted gift card available on BJs website, you end up paying 20% less. Ruby Tuesday also offers a free hamburger on your birthday if you sign up for their emails.

Denny's offers a free "grand slam" on your Birthday as well. IHop gives you a free stack of pancakes. Perkins pancake house, also gives you a free birthday meal, just for signing up. Want to save even more money when eating out? Forget ordering beverages and go with water, skip the appetizers and desserts as well. Carry out restaurants like Five Guys or Panera Bread with counter service saves you another 15 – 20% assuming you don't tip someone for handing you your food.

As you can see, I have a black belt in saving money when eating out! If you still work for a living pack your lunch instead of eating out. You can bring last night's leftovers to work and save a few bucks. If you happen to live in a part of the country with lots of investment seminars which include

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lunch or dinner at high end restaurants, take advantage of those. You may learn something and you get a free meal at a nice restaurant. I have a friend who insists he can eat 2 or 3 free meals almost every day at these seminars. Who says there's no such thing as a free lunch (or dinner)?

19 Quit Smoking – Quit vaping

These habits are extremely expensive, in fact they could cost you your life.

Here's the financial cost:

Take the nationwide average of \$7.00 for a pack of cigarettes. For an 18-year-old smoking a pack a day, this is how much he or she would spend over the next:

20 years	\$4100
30 years	\$76,650
50 years	\$127,750

These calculations do not take into consideration the annual price increases of around 10% for a pack of cigarettes. You can bet these numbers will be a heck of a lot higher over time.

If this 18-year-old invested⁸ \$7.00 a day for 50 years instead of letting the money go up in smoke, a very large fortune would be accumulated. How large? \$2,069,625. Yes, that's two million dollars or in today's vernacular – **real money!**

Help me out here, how is it that some folks can afford \$7.00 a day for cigarettes or vaping, but can't manage to come up with that much to save or invest. Not only will a lifelong smoker blow two million bucks, but smoking will take years off their life, and it will also mess up their home, car and clothes, costing even more money.

Not only will smoking mess up their lungs, but their spouse's, their children's and their grandkid's

⁸ At a 9% average annual return – The S&P 500 average return for the past 50 years.

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health—but you knew that already. Smoking lowers your productivity and your worth to your employer by taking breaks every hour and additional sick days. As an ex-smoker, I know how hard it can be to quit. But I'm not an idiot, for two million dollars I can accomplish just about anything.

20 Dine on Road Kill

Only kidding. (I wanted to do 20 practical and **easy** ways to save **real money**, not 19. I thought 20 sounded better than 19.) I got the idea from the Bob Newhart show (1982 - 1990) with the 3 backwoods brothers, Larry, Darryl and Darryl, who occasionally bagged dinner (AKA Pavement Pizza) while driving the rural roads of Vermont. Funny stuff!

The idea may save you a few bucks (pun intended) but I'm not sure about the nutritional value. I also considered other money saving ideas like: using newspaper instead of toilet paper, collecting rainwater off my roof, walking 8 miles to work instead of driving, or using both sides of a disposable diaper and taking in dirty laundry from my redneck neighbors. I was even going to share an idea one of my friends gave me when our luggage didn't get on our cruise ship on time. According to him, you can wear underpants 4 times before washing them. He claims you can wear them front or back and then turn them inside out and repeat. After much thought and contemplation, I decided to go with the roadkill idea. My recommendation to you is to go with the first 19 money saving ideas and ignore #20. If you do so, there is a very strong possibility you'll end up a millionaire (and less likely to get sick!). It's everything you could possibly imagine, but better. Go for it!

Feel free to share our website, GreatInvestor.org with your friends and family, so they can learn how to be a great investor. Please like us on [Facebook](https://www.facebook.com/greatinvestor).

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