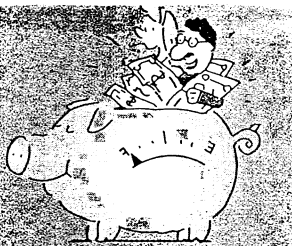


10 SIMPLE WAYS TO SAVE \$5000 THIS YEAR...

Next Year...and Each Year Thereafter



With the economy sputtering and home values falling, many Americans are looking for ways to trim their bills. The following strategies can add up to savings of more than \$5,000 each year without significantly diminishing your quality of life...

FOOD AND DRINK

Shop for groceries on your supermarket's 12-week sale cycle. Most products in the typical grocery store—except milk, eggs and bread—are put on sale at least once every 12 weeks, often for 20% to 30% below their usual prices. Rather than buy what you need once a week, buy three-month supplies of the items you use that are currently on sale. Of course, don't stock up on foods that spoil quickly unless they can be frozen.

Savings: \$1,700. The average American family of four spends about \$8,500 on groceries each year. Trimming that bill by 20% saves \$1,700.

Eat in restaurants when you really want to, not when you just feel like it. There is nothing wrong with eating out when you are in the mood for a restaurant meal, but people often eat out simply because they are too tired or too rushed to cook.

Instead, prepare two or three times

the amount of food you need when you do have the time and energy to cook, and freeze the excess. When time is tight, a home-cooked meal is just a few microwave minutes away.

Savings: \$360. A restaurant meal for two costs \$30 even at inexpensive chain restaurants. Home-cooked meals typically cost half as much, if not less. Convert two restaurant trips into two frozen homemade dinners each month, and you will save \$360 per year.

Don't buy bottled water. Bottled water is no safer or better-tasting than most tap water. *ABC News* tested bottled and New York City tap water for bacteria and found that there was no difference in purity. Some people worry about traces of chemicals and minerals in tap water, but the trace amounts usually aren't harmful.

Savings: \$311 per person per year. One person might drink one \$6 case of bottled water a week. That's \$312 a year. Tap water costs five cents per gallon,

or less than two cents per equivalent case—about \$1 for the year.

INSURANCE

Refinance term-life insurance. Term-life rates have fallen dramatically during the past decade. If you bought your policy more than a few years ago and are still in good health, shop around for a better deal. The Web sites AccuQuote.com, Term4Sale.com and Insure.com can help you find the best rates.

Savings: \$700 or more per year for a \$500,000 policy.

Increase the deductibles on your home and auto insurance. Higher deductibles mean lower premiums. They also mean more out of your own pocket if you need to make a claim, but making small claims is a bad idea anyway, because your insurance company could respond by canceling your policy or raising your rates. Increase your auto insurance deductible to between \$500 and \$1,000 and your homeowner's insurance deductible to between \$1,500 and \$2,500.

Auto insurance savings: \$280 per year. Increasing your deductible from \$200 to \$1,000 could reduce premiums by as much as 40%—a \$280 savings for someone paying \$700 per year.

Home insurance savings: \$210. Increasing your homeowner's insurance deductible from \$250 to \$2,500 could save you as much as 30%—that's \$210 for someone paying \$700 per year.

PHONE

Find telecom bargains. If you have a computer and broadband Internet service, switch to Internet-based "VoIP" long-distance phone service. The service [magicJack](http://magicJack.com) (800-897-8700, www.magicjack.com) provides you with a phone number and unlimited calls through a standard phone for just \$40 the first year and \$20 in subsequent years (calls to countries other than the US and Canada cost extra). **Downsides:** Your computer and modem or high-speed service, such as DSL, must remain on...your phone will not work during power failures (unless your service has backup power)...and call quality will be only as good as your broadband connection.

If you do not have broadband Internet service, Web sites such as ABTolls.com, TRAC.org, MyRatePlan.com, PhoneRateFinder.com, CheapTelephoneBills.com and SaveOnPhone.com can help you find long-distance rates as low as three cents per minute.

magicJack savings: \$560. The typical family spends \$600 per year on a phone line and long-distance bill. Switching to magicJack will save you \$560 in the first year and \$580 in following years.

Switching carrier savings: \$100. A less expensive long-distance carrier could save you more than \$100 per year, depending on your calling habits.

Switch to prepaid cellular service if you average less than 200 minutes of cellular talk-time per month. Most cell-phone users pay a hefty monthly fee for minutes that expire. Those who use their cell phones infrequently or irregularly should instead pay a flat up-front fee for “prepaid plan” minutes that do not expire for up to one year.

Savings: \$520. The average cell-phone user pays about \$720 a year for 1,000 minutes per month. T-Mobile’s Prepaid Plan charges \$100 for 1,000 minutes that don’t expire for 12 months, with no monthly fee. If you purchase 2,000 minutes a year, your total annual cell-phone bill will be \$200—a \$520 savings.

OTHER SAVINGS

Cut ink-jet printer cartridge costs. Replacement printer cartridges can cost as much as \$30 to \$40 apiece.

Store-brand cartridges are cheaper than the name brands and nearly as good. Cartridge-refill stores, such as Cartridge World (888-997-3345, www.cartridgeworldusa.com) and Caboodle Cartridge (888-793-9596, www.caboodle.com), put new ink in old cartridges for less than the cost of new cartridges.

Savings: \$40 or more per year. Using store-brand cartridges or professional refill shops could cut your ink costs in half. Annual savings could be \$40 or \$50 if you use two printer cartridges per year.

Use your local library. Borrow books for free. Most libraries have extensive DVD collections as well, though they may lack the newest releases.

— **Book savings: \$300.** Checking one hardcover book out of the library each month rather than buying it for \$25 saves you \$300 per year.

Movie savings: \$200. Checking out library movies once a week rather than subscribing to the Netflix movie delivery service (the most popular plan is \$14.99 a month) saves almost \$200.

Buy contact lenses on-line. Get your prescription from your eye doctor, then order your contact lenses on-line. Reliable Internet contact lens retailers include 1800Contacts and VisionDirect.

Savings: \$50 per year based on average disposable contact lens use. ■ ■