



How to Save \$1,000 A Year

Saving an extra grand a year is easier than you may think. Here are 10 ways you can save about \$100 or more in a single year. Add them up, and that's about \$1,000 in savings.

1. Bring your own soda

When you put your change in the office vending machine, you're paying for the convenience. A little planning can really save you money. If you know that you'll likely want a soda mid-afternoon, bring your own and stash it in the company fridge. Save 50 cents a day and you'll pocket more than \$100 over the course of a year.

2. Max out your emergency savings

If you've been smart enough to have saved three months of living expenses in an emergency fund, make the most of that savings. Letting \$5,000 sit in a checking account likely won't earn you any interest. But by moving those funds into a money-market savings account at 1 percent and they can potentially grow by \$50 in a year.

3. Reduce ATM fees

It's handy to grab cash from any available ATM, but the fees really add up and they're increasing. Nearly all banks charge non-customers for using their ATMs. The average fee is about \$2 per transaction, but some can be as high as \$3. Stop using ATMs other than your bank's just once a week (a \$2 fee x 52 weeks) and you'll save \$104.

4. Get tax breaks on health care

Check to see if your employer offers a Flexible Spending Account (FSA). You set aside money before taxes for health expenses and then are reimbursed when you submit receipts for qualified expenses. If you put just \$500 in an FSA, you could save \$125 next year (figuring you're using pre-tax money at a combined federal and state tax rate of 25%).

5. Go green

Not only is being energy-efficient good for the environment, it's good for your pocketbook too. Simple adjustments can add up. For each incandescent lightbulb you replace with a compact fluorescent (CFL), you can reap \$30 in savings over the life of the new bulb. Get a programmable thermostat and reduce your energy bills by about 10 percent when you automatically adjust the temperature for the hours you're away.



6. Go to the library

If you haven't visited your local library recently, you may be in for a surprise. Many libraries now stock wide-ranging selections of CDs and DVDs you can check out for free or at a nominal cost. You can even go online to search for your favorite titles and reserve them. Checking out just a few DVDs and CDs a month from the library can easily save you more than \$100 a year.

7. Raise your deductibles

Review your insurance policies — auto and renter's or homeowner's — to see if you can raise your deductibles. For example, bumping up your car insurance deductible from \$250 to \$1,000 could save you \$100 to \$150 a year. Just be sure to drive carefully and have enough emergency cash on hand to cover a claim in the event of an accident.

8. Put bill paying on autopilot

Consider having your bills paid automatically through your bank or an electronic bill-paying service. Not only does it provide convenience and peace of mind, it's a money saver. Having everything set up for automatic payment guarantees bills will be paid on time to save potential late fees. You also save on check-processing fees and postage.

9. Cut commuting costs

When you consider the expense of gas, oil, tires and vehicle depreciation, it costs about 52 cents a mile to drive a car. That translates to about \$12 a day for an average commute of 24 miles. Think you could get creative just two days a month? Carpool, walk, bike or take the bus. The savings could really add up.

10. Be smart about credit cards

Credit cards can be misused, of course. But used properly, they can be a great convenience and even help you save money. Choose cards that offer rewards programs tailored to your spending habits. For example, some give higher rebates for gasoline purchases. A 4 percent rebate on gas purchases can total \$80 if you buy \$2,000 in gasoline over the course of a year. Try to choose cards that don't levy an annual fee.