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# Bargain Shopping Made Easy

How can you continue to shop for yourself and your family while still adhering to your budget? How can you enjoy giving gifts to family and friends without overspending? How can you eat well and have fun while living within your means? The answers may be easier than you think.

Bargain shoppers plan ahead. From now on, make a list before you go to any store. This will give you time to think about what you need and help you to avoid impulse purchases.

- If you are loyal to a particular store, product, or brand, check the company's website to see if they offer a free e-newsletter. Subscribers are often rewarded with special coupons or promotions.
- Make homemade gifts and cards for special occasions using items you already have around the house. Get creative and recycle!
- Form a neighborhood swap. Designate one day a month to get together and trade books, DVDs, magazines, CDs, children's clothing, and even home décor. Remember, one man's trash may be another man's treasure!
- Spend time each week cutting coupons from newspapers, magazines, etc. Have your children join in and make it a family project. Look for restaurant coupons that advertise buy-one-get-one free or kids-eat-free nights. Grocery store coupons can also help to cut your weekly bill.

- Plan for affordable meals each week by creating your family's menu around the weekly sales flyers.
- Switch from brand name items to generic items. You may be able to save without sacrificing quality.
- If you usually buy birthday or holiday gifts for a group of friends, put everyone's name in a hat and pick one person each for whom you'll buy. You and your friends will save money and time, while preserving the joy of gift-giving and receiving.

If you find yourself in the checkout line and can't pay by cash, check, or debit card, think twice about the purchase. Ask yourself if it is really necessary.

## Revocable Living Trusts and Probate

A revocable living trust is a trust that deeds property to heirs, but permits the grantor to retain control over the property during his or her lifetime. Upon the grantor's death, the property passes to the beneficiaries, avoiding probate, which is the judicial process wherein a court appoints an executor to carry out the provisions of a will.

Because it can be an expensive, time-consuming, and public process, many individuals choose estate strategies that help avoid probate. While a revocable living trust does not provide tax savings for the grantor during his or her lifetime, upon death the trust becomes "irrevocable," and beneficiaries are thus entitled to the tax advantages an irrevocable trust receives.

# Planning Your Financial Future: It's Never Too Early to Begin

Regardless of the path your life takes, money will play an important role at every turn. Certain events, especially graduating from college, entering the work world, getting married, having children, and retiring, require targeted financial strategies. Good habits developed *now* can go a long way toward helping you achieve your financial goals.

### From Campus to the Workforce

If you are just starting your career, set some goals for making the most of your disposable income. These simple rules will help in both good times and bad: 1) budget your money; 2) keep an emergency fund to cover three to six months of living expenses; and 3) avoid unnecessary debt.

Paying off any college loans should be a priority. Also, try to avoid spending too much on housing. A good, general rule of thumb is to limit rent or mortgage-related expenses (principal, interest, insurance, property taxes, and/or condo fees) to 28%–30% of your gross monthly income. When other short-term debt, such as car payments, student loans, and credit card bills are included, the guideline may rise to 36% of your gross pay.

For younger workers, retirement is often last on the list of financial concerns. However, if your employer offers a retirement plan with tax benefits, such as a **401(k)**, you may want to make the most of the opportunity. Payroll deductions make contributing relatively painless. Try to contribute the maximum amount allowed—especially if your employer *matches* some, or all, of your contribution. If you don't have a retirement plan at work, consider opening an **Individual Retirement Account (IRA)** or establishing a **Keogh plan** (if you're self-employed) that can provide for *tax-deductible* contributions and *tax-deferred* earnings.

### Settling Down

If settling down means marriage, you now have two financial situations to reconcile. Keep in mind that marriage establishes a *legal* relationship, and your spouse may have his or her own debt. If possible, attempt to begin your new life together with a clear balance sheet.

Whether single or married, financial goals take on greater importance as you assume adult responsibilities. You and your spouse will probably want to name each other as **beneficiaries** of **retirement accounts**, **annuities**, or **life insurance** policies. Also consider the protection offered by disability income insurance. In the event you or your spouse is unable to work, due to an accident or illness, disability income insurance can provide a certain level of replacement income.

### Children Raise the Stakes

Although children present new and immediate demands on your time and financial resources, having dependents may motivate you to focus on the future. Two strategies include carrying adequate **life insurance** and preparing a **will** that names **guardians** for minor children.

You may also want to establish an education funding plan to help finance college costs. Many adults feel torn between saving for their children's college education and saving for their own retirement. Starting early may allow you to do both.

### Nearing Retirement

For many people, a comfortable retirement may require 75% to 80% of their pre-retirement income. The "three-legged stool" of retirement income consists of Social Security, pensions, and personal savings. If you anticipate little or no income from Social Security or a traditional company pension, you will need to prepare early to make up the difference with savings and an employer-sponsored retirement plan.

It is never too early to begin building the foundation for your financial freedom. The sooner you get started, the better. Regardless of how soon you will enter retirement, your financial professional can assist you in finding appropriate strategies to meet your needs.

A comprehensive estate plan may minimize potential estate tax liabilities and help ensure that your assets are transferred to your heirs according to your wishes.

No matter where life takes you, money will play an important role. Good habits developed *now* can go a long way toward helping you achieve your financial goals. For specific guidance, contact your financial advisor.

## For Your Information

### Money Matters

The Federal Trade Commission (FTC) created Money Matters, an English/Spanish website, to help consumers tackle money issues. Practicing positive, time-tested money management techniques, managing job loss, working from home, controlling debt, and learning to recognize and avoid financial scams can help individuals gain control over their finances. Learn to weather tough economic times at www.ftc.gov/moneymatters.

### Consumer Action

Consumer Action is a nationwide nonprofit organization that serves consumers by advancing consumer rights, referring consumers to complaint-handling agencies, publishing educational materials in a variety of languages, and advocating for consumers. Among other features, their website includes a Take@ction page that seeks to educate voters about upcoming legislation and connect them with their Federal elected officials in order to express their support or disapproval. For more information, visit www.consumer-action.org.

### Back to School Tips

Students, parents, and teachers can all make a difference in reducing waste at school by practicing the "3 Rs" of waste reduction—reduce, reuse, and recycle. The Environmental Protection Agency (EPA) offers unique suggestions to make waste reduction part of everyday life and to make schools more waste-free. Strategies include starting a school composting project or a day in art class where only items that would have normally been thrown away are used. To learn more, visit www.epa.gov.