

MEDIA RELEASE

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Top Ten Tips for Beating the Interest Rate Rise and Fuel Price Hikes

Budgeting expert Michelle House of www.secretbudget.net believes Queenslanders shouldn't take the new interest rate rise lying down. She's compiled ten of her best budgeting tips to help consumers take a proactive approach to their personal finances.

"The key to keeping on top of your finances is to keep track of your money, use cash, create a budget and plan everything," says Michelle. "Not only will you feel more positive and in control, but you'll be setting up a positive way of managing of money that will stay with you for years to come."

Tip 1: Avoid impulse spending and track your spending.

The first step is adopting a new attitude to money. Money is a precious, finite resource. So start a budget and review it and your spending every month at a minimum.

Using cash, rather than credit cards or EFTPOS, is a great way to 'see' your money. Each week, withdraw your budgeted money for the week and allocate your cash for fuel, groceries, public transport etc. Use a budgeting tool like the *Personal Budget Organiser* to keep you in check (see www.mypbo.com.au).

Have all committed payments taken directly out of your pay and put into a high interest earning account.

Tip 2: Eat at home more.

When tracking your spending, you will see how many times you are eating out each month. Try to treat yourself only once a week.

Make your lunch or take leftovers to work. When cooking your evening meal, cook extra and freeze it, for your lunches. Some leftovers are great put in puff pastry parcels and are easily transportable for lunch.

Eat out at local clubs, like local sports clubs, RSLs and golf clubs. You can usually get a huge and nutritious dinner for a family of four, for under \$100. Some even have free kids clubs!

Pack a picnic dinner and take the family out for an early dinner, evening stroll and/or play in the park.

Tip 3: Buy only what's on your shopping list

Sit down and plan your meals for the week. Go through your pantry/fridge/freezer first to see what meals you can come up with and then add the rest.

Definitely don't shopping when you're hungry. If you have a habit of stopping for a coffee, choose a supermarket away from coffee shops. Cappuccinos really add up!

Try to buy home brand where possible. You'll generally save 50% every time.

Save up and buy in bulk, and if necessary invest in a freezer. A whole rump is around \$13.99kg where piece by piece it's around \$22.00kg. Buy washing and cleaning products in bulk too. Most products will easily last a year after being opened.

Only buy fruit and vegetables in season. Don't pay a premium for out of season items or frozen fruit.

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Tip 4: Plan for fuel use and public transport

The key to reducing fuel use and travel expenses is to plan your trips for the week.

Run errands in order so you are not doubling up on your trip.

Fill up on fuel on the cheapest day – every week, even if you're not on empty!

Get up a little bit earlier and walk to bus stop. You'll save on fuel and be healthier too.

Car pool – this is really easy to do. Splitting your travel costs with even one extra passenger will make a huge difference.

Trade in your car for a more efficient one – if it is a fuel guzzler, this could really save in the long term. And if you have several cars, consider selling one and using the money earned to pay off any debts.

Save fuel by drive smoothly and inflating your tyres.

Tip 5: Review your insurances

Allow yourself enough time to call around for the best price on the anniversary of the policy. Make sure you are on the best possible rating and getting the best price. Let them know you are shopping around.

Try to combine insurances with the same company to get a discount.

Be careful about paying monthly – this can cost more over the year. Instead, put money away each week into a high interest earning account and have your annual payment ready.

Tip 6: Go green

Switch appliances off at the wall. This accounts for around 10% of your bill. Even if the item is not in the charger (eg your mobile or ipod), it's still using power.

Change to energy efficient light bulbs and make use of the Government's water wise service to reduce water usage and costs.

Don't use the dryer unless absolutely necessary!!

Set air conditioners to 24 degrees in summer and 21 degrees in winter. Put more clothes on before turning on heaters, and avoid fan heaters – these are amazingly expensive!

Regularly defrost the freezer.

Avoid high priced cleaning products and go natural. Bicarb and vinegar are the best natural cleaners and by far the cheapest. Use it everywhere, from the bathroom to the kitchen bench tops. Essential oils are also good for odours and keeping insects at bay.

Tip 7: Ask for a reduction of credit card interest rates

First – aim to not even have a credit card. They really are not necessary if you are disciplined and organised. You can still have everything that you want, if you can afford it.

If you do have one, ask for a rate reduction.

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“It’s all about being proactive and just asking,” says Michelle. “I know a lady that received a discount of 7% and no longer pays an annual fee. It’s made an incredible difference to her already tight budget.”

Tip 8: Be creative - Bake and create more

Homemade is always best, when it comes to food and presents.

For Mother’s Day or birthdays, create vouchers for loved ones like: “I offer you a weekend of my time to help spruce up your garden” or for children, “I promise to be quiet and let you sleep in on Mother’s Day”.

Michelle House of www.secretbudget.net says: “If you really need to buy a present, buy second hand. Wrap it beautifully and no one will know. Or cook or clean for someone instead of a present.”

Clean out your pantry and freezer – you never know what lurks there. Use up dry products in your pantry and make biscuits and slices. Most mixes can be frozen if you want to save them up for later.

Cook up meat in the bottom of the freezer. Just adding a can of soup and some frozen veggies makes a nutritious casserole.

Tip 9: Avoid addictions

Avoid activities or substances that may become addictive, like gambling, drugs, alcohol or cigarettes.

Addictions can very easily lead to financial ruin, not only for you but also for your family. The emotional cost can be equally high, if not worse.

Financial savings in this area are huge. A smoker stopping a one pack a day habit can save more than \$2,000 in one year.

Cut back on one \$30 bottle of spirit per week, and you can save over \$1,500 a year.

Tip 10: Make some extra money

Have a garage sale or sell items you no longer use on eBay or in your local newspaper. Some publications and websites provide free ads for items under a certain dollar value.

Ask for a pay rise from your employer. With the ongoing skills shortage, employers may be happier to give you a pay rise (if deserved!) than to lose you as an employee. Just remember to provide them with good reasons for why you deserve a pay rise. Even a small pay rise will make a huge difference over a year.

The hard word

“If you are in real financial trouble or need advice on how to tackle your current financial situation, please seek professional financial advice from a financial counsellor as soon as possible,” says Michelle House, of www.secretbudget.net.

For more great budgeting tips and information, check out www.secretbudget.net.

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