

# Tangible Solutions

## Financial Information to Meet Your Needs

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Fall 2011

### Introduction

Many of my clients are seeking useful information to help them make educated decisions on financial matters. Each issue focuses on a specific topic to provide pertinent information which I believe that you will find valuable. If you have a suggestion for a future topic or concern, please let me know. I look forward to your input and feedback.

- Sandy Voit, Owner, *Tangible Solutions*

## Alternatives to Your Not-so-Insignificant Expenses

Budgeting is not unlike dieting. If your goal is to lose 10 pounds you can either reduce the amount of calories you consume, or you can burn off more calories (or a combination of the two). If your goal is to save \$1000 so you can go on a vacation, you can either find ways to increase your income, or you can reduce spending. In dieting or budgeting, deprivation rarely works more than a short time. If you deprive yourself you will wind up bingeing. Often a successful strategy is to find less expensive ways to do the things that are important to you and that you enjoy doing.

Sometimes we have addictions – that morning latté provides you with a jolt of caffeine. Giving up caffeine is no small matter. So, one way to approach this is to find other, less expensive alternatives. If you changed to drip coffee you'd be paying less than half the cost of a latté. Better yet, brew as much coffee as you'd like at home and bring it with you in a thermos...

Determine how important each expense is to you. Identify the expenses you can cut back or eliminate. For example, instead of purchasing two cans of soda each day, buy a 12-pack in the grocery store (\$3-\$4 per case, or 25-30 cents each) when they are on sale and keep them in your refrigerator at home and/or bring one, or more, to work each day. This saves you about 70% a year and still allows you two sodas a day. Or bring your lunch to work with you every day – the \$8/lunch savings are over \$1900/year. You also could reduce eating out to once a week with your work colleagues and still save about \$1500/year.

### Other ways of saving:

- \$ If your **transportation costs** include parking, if you can take a bus to work it would save you parking and gas costs. Plus you would have time to read (or knit, etc.) while riding.
- \$ Are you eligible for **discounts**, such as being a student, a member of the armed forces (or a veteran), a member of AAA, or the AARP, or above a certain age (variable by store or service), etc.
- \$ Rather than purchasing DVDs, considering **renting** them. Use a service such as Netflix (limit yourself to one item at a time for a less expensive monthly rate, no contract to sign, but you need a computer to use), use Redbox vending machings (\$1/night), or better still, **borrow them for FREE**, at the public library (King County and Seattle Public Libraries are some of the best and busiest in the nation). You also can borrow CD's, books, and magazines, as well as read local and national newspapers, use computers for free (some loan laptop computers), and even take free classes on a wide range of topics.

- \$ Look in the **newspaper** (don't buy one, pick up "used" copies at local coffee shops or at the Library) to **find free, or cheap, cultural events to attend**. Friday's *Seattle Times*' Ticket section has a page devoted to free and discounted events.
- \$ Volunteer to usher at a theater. Museums usually have at least one day a month when they have FREE admission. Galleries usually don't charge at all, and when an area has a gallery night once a month, may even offer some light refreshments.

### Employment-Based, Pre-Tax Deductions:

- \$ If your employer offers any matching contribution towards your own retirement plan, such as a 401(k) plan, you should deduct the maximum amount that can be matched. This is FREE money that will go towards your retirement. [*This is the concept of "paying yourself first".*] You don't pay taxes on it the amount you contribute. Instead, once you start withdrawing these funds in retirement (not before you're 59½) you will pay taxes on your withdrawals. But in the meantime your investment grows tax-free.
- \$ If you are paying any portion of your health insurance premiums (or disability or life insurance premiums) via your paycheck deduction, be sure that it is deducted pre-tax. This means that neither you, nor your employer, have to pay the payroll taxes (Social Security or Medicare) – you each would save 7.65% of that amount. In addition, you won't have to pay income taxes on that amount either – saving you anywhere from as much as 10% - 28% in income taxes, depending upon your marginal tax rate bracket.
- \$ If your employer offers a **Flexible Spending Account**, take advantage of it. This allows you to determine once a year how much you estimate you will spend annually in two separate areas – **dependent care** (such as child care, summer day camps, etc.), and **health care** costs not covered by insurance (such as deductibles, co-pays, prescriptions, over-the-counter medicines, medical supplies, etc.). Each employer gets to determine their own maximum limit within what is allowed by federal law. Your downside is that this is a "spend it, or lose it" program. You have a year to spend what you estimated you would spend and what was deducted from your paycheck. If you don't spend all of it by the end of the year you don't get it back. You can, however, spend the remaining amount at the end of the year on vitamins, supplements, over-the-counter medications, etc. and stockpile them. Your savings include the payroll taxes – 7.65% – plus income taxes at your marginal rate (10%-28%). For more information, please use this website: <http://www.bankrate.com/brm/itax/news/20001129a.asp>
- \$ Ask your employer's human resources department about any other possible pre-tax deductions for which you may be eligible. You will save both payroll and income taxes on these.

### Groceries & Food:

- \$ If you like playing games, try playing "**How much can I save this week?**" Make it a quest to see where you can economize. Some do it by only buying items when they are on sale, and then stocking up on them. Or using **store brand vs. national brand** products. (*Consumer's Reports* – available at the Library – rates products and proves that store brand items can offer significant savings without sacrificing taste.)
- \$ Find stores (**Sunshine Liquidators, Big Lots**, etc.) that specialize on discontinued or stale-dated items, often at substantial discounts. **Grocery Outlets**, a chain in the NW, also offers many items similarly, at significant savings. (**Note:** look at expiration dates...)  
**Costco** may be appropriate for some, but it depends upon how much you expect to shop. It costs \$50/year to join so it takes a while to save enough to pay that back. On the other hand, they have the lowest price gasoline (and if you use their free American Express credit card – which is the only credit card that Costco accepts – you get 3% rebate on gas and 1% on all other purchases), pharmacy, optical, hearing aid prices, and even a new auto buying service. Not all products on sale at Costco are the cheapest – some items are still cheaper when on sale at your

local grocery store – and sometimes you wind up buying more than you can use. Just use a little restraint and shop for your best value...

- \$ **Organic/Health foods** – In addition to the local **Puget Consumer's Co-op (PCC)** (which may not be “cheap” vs. a conventional grocery, but is generally cheaper for organic items), or **Trader Joe's** (many locations) offering more up-scale items, but at reasonable prices, consider joining a **CSA (Community Supported Agriculture)** which essentially is buying a share of an organic farm's produce each week for the growing season. It might cost \$600, but you get seasonable, organic fruits & veggies for a family of four for about \$35/week (**Root Connection**, Woodinville, 425-881-1006 is local, or contact **Seattle Tilth** for a directory – 206-633-0451). **Costco** now carries a number of organic products, including their own brand (Kirkland). Or see if you can join a **Food Buying Club**, usually a group of families that together put in an order directly to a wholesaler (usually once a month) and then share in the savings. **Farmer's Markets** are another way to be a locavore, saving some money and ensuring you are eating fresh, local produce. **Yakima Fruit & Vegetables**, 17321 Bothell Way, Bothell (425-486-6888) is a local seasonal (March-October) produce market open 7 days/week, 12 hours/day.
- \$ **Entenmann's Bakery**: They have a number of retail sites in the area. They offer their bread products both fresh and “day-old” (actually the products are about a day or two before their “sell by” date), but they offer great discounts and if you're over the age of 55 you get an additional 10% off.
- \$ **Food Banks** – there may come a time when you need to do what is necessary to put food on your table. There are numerous food banks in the Puget Sound. If you have access to the internet, try this - <http://www.hope-link.org/gethelp/food> - for a listing of all the local food banks and food assistance programs.

#### **Legal:**

- \$ The **Eastside Legal Clinic** can provide free advice on civil legal problems for up to 30 minutes. Located at Hopelink Center in Bellevue, 7-9pm on Wednesdays. Must make appointment – call 206-267-7070 Monday through Thursday between 9am-noon to make an appointment.
- \$ **Eastside Legal Assistance Program** has clinics for immigration, family law and domestic violence as well as clinics for people who speak Spanish or Russian. Immigration clinic is at Bellevue Hopelink twice each month; general and family law clinic at Kirkland/Northshore center twice a month. Must make an appointment. Call 425-747-7274.

#### **Medical:**

With the cost of health care rising faster than inflation for many years, here are some possible opportunities to be sure you get necessary medical care at a lower cost:

- \$ **Health Insurance**: Washington State has a Basic Health Plan with a cost dependent upon your income. The past several years, due to severe budget cuts, the number of people that can be served has been greatly reduced. There is a waiting list to enroll, so contact them ASAP – 1-800-826-2444. Adults may be eligible for sponsorship through Evergreen Community Health Care – call 425-899-4247 for information.
- \$ **Hospitals**: The Hill-Burton Act ensures that hospitals who received federal funding must treat patients without regard to their ability to pay. If you are unable to pay your bills, you need to ask about assistance under this Act.
- \$ **Health Clinics**: There are a number of Community Health Clinics providing services on a sliding scale. For a complete listing of clinics that charge a sliding scale fee, please contact the Seattle Public Library's Information Service.
- \$ **Rotacare Free Health Clinic** – basic medical care and medicines for men, women and children (not for preventative, school immunizations or physicals). Even if you don't have insurance or money, you don't need an appointment. Heald at Hopelink in Bellevue, Saturdays 9:30am – 11:30am.

- \$ **Alternative Medicine:** There is the Bastyr Center for Natural Health (naturopathic medicine, acupuncture, nutrition) (206-632-0354) in Seattle, which offers a student training clinic, open to the public, as does the Seattle Institute for Oriental Medicine.
- \$ **Dental Clinics:** Several community colleges, such as Shoreline and North Seattle, and Lake Washington Vocational College (425-828-5600) offering dental hygiene clinics at reduced cost. The UW has a Student Clinic (206-616-6996), and King County offers a Health Access Program (206-684-0331). Call far in advance for any of these clinics as there can be a long wait time for an available appointment.
- \$ **Massage:** There are a handful of massage schools in the area. Call them and see if they need volunteers.
- \$ **Pharmacy:** When possible be sure to ask for generics. Many pharmacies offer a 30-day supply of the 300 most popular generic drugs at \$4 (sometimes \$10 for a 90-day supply). Also, for those without good health insurance, Costco pharmacies allow non-members to fill their prescriptions. They frequently have the lowest prices.
- \$ **Supplements:** Depending upon your needs, there are many sources. These items usually carry a 100%, or more, mark-up in price. There are almost always sales going on for one brand or another. PCC (8 locations) offers knowledgeable staff and high quality products. Seattle Super Supplements (many locations) have a large selection and lower prices in general.

### **Financial Services:**

- \$ **Banking – Checking Accounts:** Some banks, like credit unions, which are open to all, provide free checks and no monthly charges.
- \$ **Banking – Expensive Fees:** Little mistakes can be very expensive – if you “bounce” a check it can cost you \$30-\$40. If you wrote several checks and they get to the bank before your deposit, those costs can easily mount up. Sometimes you can deposit money the same day and then go shopping only to find out later that the deposit didn’t get recorded until the end of the day, after you went shopping...
- \$ **Banking – Debit Cards:** Debit cards are just like checks. If you don’t have enough money to cover the expense, you will be charged a similar fee to bouncing a check - \$30-\$40. If you are making several shopping stops, each time you use your debit card the bank will “pay” the merchant, then attach the NSF (Not Sufficient Funds) Fee to each transaction. A number of banks are starting to institute monthly debit card fees. Shop around for a bank or credit union to find out their fees.
- \$ **Credit Cards – Interest Rate:** If you always pay your credit card bills on time, it may not make a difference. However, miss one payment due date, and you’ll get hit with a late fee – \$39 – plus finance charges. When you miss a payment, the interest rate often will skyrocket. It may have started at 8.99% (assuming you have a good credit score – maybe 18.99% if you don’t) and it can go as high as 29.99%!!! If you have an interest rate that is higher than you believe is appropriate, call your credit card company and ask if they will lower it – about half of the customers who call manage to lower their interest rate! Definitely worth the phone call.
- \$ **Credit Cards – Late Fee:** Don’t have enough money to pay your entire bill, so you decide to wait until you do? Or you went online after work to pay it off on the due date, but discovered that since the bank’s credit card operations are back east, and payments had to be received by 5pm that day, so your payment will be recorded the next day? Don’t miss the payment due date – your credit card company will assess a late payment fee – usually around \$39 if you are late. Plus they will hit with finance charges at significant interest rates. At the very least, make the minimum payment – usually about 10% of your balance – every month to not be subject to the late fee. If you do get hit with a late fee, call the credit card company and ask to have the fee waived. If you’ve had a good record with them, more often than not they will waive the fee (but not usually the finance charge). Definitely worth calling about.

## Other Services:

**\$ Haircuts/Beauty Shops:** There are a number of training salons, teaching students to become hair stylists and cosmetologists. They always need customers to practice on and will provide their services at usually less than half the retail cost. The students are supervised by experienced professionals. Contact your local community or vocation-technical college, Gene Juarez, and private schools, (find phone numbers and locations in Yellow Pages or online) to find out availability and pricing.

## Utilities/Energy/Conservation:

Many utility companies provide **free energy audits** – analyzing your home’s energy efficiency, and suggesting ways to save money. Some suggestions are low-cost/high value (such as using a **caulking** gun to fill gaps near windows and doors to make them more weather tight, or weather stripping doors and windows. Others may require an investment that will yield savings a number of years down the road. Contact your utility and see if they offer such an audit. Below are some cost-effective ways to save money on your utility bills now:

- \$ Use compact fluorescent light bulbs.** While they are nominally more expensive to purchase, they save more than 75% of the energy for comparable wattage, and they last up to ten times as long. (Look to purchase them when they are on sale and when the utility companies provide rebates to make them \$1, or less, per bulb.)
- \$ If you have an electronic thermostat,** program it to set specific temperatures in your house for specific hours every day, reducing it automatically when you leave in the morning for work/school, increasing it just before you return, reducing again when you go to bed and increasing it just before waking up. If you don’t have an electronic thermostat, consider purchasing one (\$40-\$100). Each degree you reduce the temperature will save you many dollars over the year.
- \$ Reduce the temperature on your water heater.** It usually is set for 140F (which if you have young children could cause them to get scalded); reduce it to 120F.
- \$ Unplug unnecessary appliances,** especially chargers. All these items use electricity all the time, even when you’re not recharging your cell phone, etc. Or consider plugging all of them into one power strip with an on/off switch.
- \$ Replace failed windows.** If you have double pane glass that is permanently “fogged” between the panes, it means that the inert gas that was originally there has now leaked out and now the glass is just the same as a single pane of glass in terms of insulation value. If you have single pane windows, consider replacing them. If that’s not affordable at the moment, there are plastic **storm windows** that can be placed on the inside of your windows for the colder months, generally saving at least their cost, and increasing the quality of the temperature inside and will help your heating system last longer (by not cycling on and off as many times).
- \$ Install flow restrictors** on your bathroom and kitchen faucets as well as your showerhead.
- \$ If your toilet(s) are old,** consider replacing them with the new low-flow models (some have jet action to ensure flushing everything down). Depending upon how many people use the toilet every day, the payback in water reduction can take a couple of years.
- \$ Always remove the lint** in the lint trap after every load, and clean the exhaust line twice a year. Not only will this reduce the risk of fire, but your clothes will dry faster, using less energy.
- \$ Your refrigerator** uses more energy than virtually any other appliance you own. Vacuum the back or bottom (the coils) of your refrigerator twice a year. This will make it more efficient to cool, and save energy. And keeping the door open while looking at what’s inside wastes a lot of energy, too.
- \$ Hopelink Energy Assistance Program** helps people with low incomes to pay winter heating bills as well as with Puget Sound Energy bills. You can own or rent and be eligible. Only open from October through winter. Call 1-800-348-7144.

## Telephone:

- \$ **Dialing 411:** Calling for telephone number information can cost at least \$1 or more. If you text, use Google (466453) and enter the name and you will be immediately texted back with their phone number as well. There are some free directory assistance phone numbers which require you to listen to a 30 second ad, and use voice recognition software, which isn't very good for uncommon names...
- \$ **Skype** – if you have access to a computer with a built in webcam, you can make video phone calls for free to any other computer which has Skype software installed. Even with no camera, you can still make computer to computer phone calls for free, or call from your computer to a landline or cell phone for about two cents a minute. ([www.skype.com](http://www.skype.com))

#### **DVD's, CD's, Books, Magazines / Clothes / Furnishings, etc.:**

- \$ **King County Library** ([www.kcls.org](http://www.kcls.org)) offers online ordering (you can scan their entire collection and have it delivered to the library location of your choice), where you can sign up for movies and every other item in their catalog. You can renew online as well.
- \$ **Red Box** (located in many supermarkets) charges \$1/night for recent DVD's. Must register with credit card on line, but after that just go into the store and swipe your credit card. If you remember to return it the next day by 6pm, it only costs \$1 (+tax).
- \$ **Half-Price Books** (many locations) offers books, magazines, software, etc. at "half-off"
- \$ **E-Bay, Craigslist, Half.com, Amazon.com**, etc. There are many places online where you can find great bargains – but beware of shipping and handling costs that get tacked on.
- \$ **Garage/Yard Sales.** This is the thrill of the hunt. Even the hunter-gatherers enjoy stopping by and seeing what is to be had at bargain prices – usually ten cents on the dollar for most items.
- \$ **Thrift stores.** There are chains (Goodwill, St. Vincent DePaul's, Valu Village) and lots of church-affiliated thrift stores carrying all sorts of items. Never can be sure what's in stock, but take a look.

#### **Entertainment:**

- \$ Many theaters have programs that allow you to serve as an **usher** for a show (usually means you have to show up an hour early), and be able to be seated in the audience once the show begins – for FREE. (If you have young children, contact the Seattle Children's Theater – they have entire families become ushers – kids absolutely love handing out programs and "working"!)
- \$ Some theaters occasionally offer a "**pay what you will**" price for selected performances.
- \$ Some theaters provide "**rush tickets**" selling available tickets an hour before the show at half-price. Or they may have **student tickets**, or **senior discounts**. Call to find out the theater's policies.
- \$ **Discount Theater Booth:** Ticketmaster has a day-of-performance tickets at Westlake Center (cash only, 206-233-1111).
- \$ **Ticket/Ticket:** tickets at half-price, plus a small fee. Matinee tix available day in advance; evening performances same day only. Two locations – Broadway Market (Tues.-Sun, 10-7) and Pike Place Market (1<sup>st</sup> & Pike), 12-6. Cash only.
- \$ **University Drama/Music/Dance programs** offer inexpensive and even FREE performances during the academic year. (UW and Cornish College of the Arts have most offerings.)
- \$ **High School and Community Theater programs** offer low-cost alternatives to seeing a favorite play or even premieres.
- \$ **Museums offering FREE admission on the 1<sup>st</sup> Thursday of each month:**
  - \$ **Henry Art Gallery** (UW campus)
  - \$ **Seattle Art Museum:** (1<sup>st</sup> Ave. & University St.)
  - \$ **Seattle Asian Art Museum:** (Volunteer Park) Also FREE first Saturdays each month.
  - \$ **Burke Museum** (UW campus)
  - \$ **Museum of History & Industry**
  - \$ **Northwest African American Museum**

- \$ **Olympic Outdoor Sculpture Park:** FREE every day!
- \$ **Bellevue Art Museum:** FREE on first Friday of each month.
- \$ **The Crest** (165<sup>th</sup> & 5<sup>th</sup> Ave., Seattle) is \$3 for all shows for movies that already have had first-runs and are about to come out on DVD
- \$ **Wineries:** The area has a lot of them, particularly in Woodinville (over 80 at last count, plus five distilleries). Take advantage of free wine tastings by taking a leisurely day, supplemented by a picnic or even a bicycle ride off the Sammamish Slough trail. (Ste. Michelle, Columbia, DeLille, Facelli, Silver Lake, etc.
- \$ **Breweries:** Redhook Brewery, also in Woodinville has a minimal charge for tour but includes tastings, and has the Forecaster's pub with live music many evenings.
- \$ **Third Place Books:** (located in Lake Forest Park) has free entertainment every night of the week, ranging from book readings, to poetry, to music and dancing. Check their schedule - [www.thirdplacebooks.com](http://www.thirdplacebooks.com)

### **Transportation (Cars, Gas, etc.):**

With the price of gasoline becoming more expensive, there are several approaches.

- \$ If you own more than one vehicle, can you eliminate one? Savings come from not having to insure it ,plus the wear and tear and upkeep on it.
- \$ If you must continue to drive, drive the car with the best mile per gallon for as many of your miles as possible.
- \$ With tolls expected on 520 bridge, they are more expensive during peak hours. Plan trips accordingly, or better yet, take the bus and save the toll as well as parking...
- \$ If you don't need a car on a regular basis, consider becoming a member of zipcar.com. They have cars placed all over the area and you can use their website to locate a car near you when you need it and pay an hourly fee for its use...
- \$ Consider using a gasoline company credit card. There usually is no annual fee. For example, Shell Oil gives you a 5% rebate on your Shell gasoline purchases. At \$4.00/gallon, that's a 20 cents/gallon savings. An American Express credit card will rebate you 3% of gasoline purchases from any gas station.
- \$ Be sure your tire are fully inflated (usually about 32 pounds of pressure). Less than fully inflated increases friction and reduces gas mileage.
- \$ Be sure your car's engine is tuned at recommended intervals. A lot of gasoline can be saved when your engine is tuned.
- \$ Reduce as much weight in your car as is safe. Trunks are great catch alls and your engine works harder carrying more weight.

### **Transportation (Buses, etc.):**

- \$ Consider taking the bus, especially if you are heading to Seattle where parking alone can cost \$8-\$10 for two hours downtown. Yes, it takes more time than driving, but you can use the time to read, knit, snooze, etc. and it's far less stressful. Oh yes, even though the cost may be \$5 or so round trip, you probably would use a gallon of gas to travel 20+ miles round trip, plus save the parking costs, and toll (on 520 bridge), too. And if you commute regularly, the cost of a monthly bus pass is even less/round trip. Metro buses have a fantastic customer service line – 206-553-3000 – which you can call and say “I'm at XXX, and I want to be at YYY by XX:XX, and they'll tell you exactly how to do that via bus.
- \$ If you qualify for Medicaid, you can use Hopelink to get you free rides to and from your medical appointments. 1-800-923-7433 in King County; 1-855-766-7433 in Snohomish County.

### **Recreation:**

The area is full of parks, trails and public access sites. There are community gyms and pools, charging a reasonable fee for entry and use. There also are YMCA's and commercial gyms (many of which offer free one-day (and even one-week) passes to try it out.

**Get Away to the Country in Seattle?:** One of the wondrous opportunities includes **Camp Long**, in West Seattle, a naturalist park, offering a climbing rock, log cabins for rent, campfires, etc. It's an inexpensive get-away. (206-684-7434).

**Flowing Lakes State Park** in Snohomish offers cabins in the woods near the lake for very reasonable prices. (452-388-6600)

**Camping:** Available at a number of areas not too far from here. Just Google "camping" & "King county" & "Snohomish county".

### **Charity:**

OK, this may not be a way to save, but since there always will be people who may be less fortunate than you or I, it may still be important for us to continue making charitable contributions, if you can afford to do so. Here are some strategies to consider:

§ We suggest budgeting annually for three types of donations:

1. Put aside some funds to sponsor neighbors, friends, or family who may be participating in a fund-raising event. Rather than give a specific amount per lap or mile, set a specific amount regardless of the results.
2. When asked to contribute to a charitable organization, ask for written information and then twice a year sit down with your family and ask for their input on the priority of each organization. Not only is this a good learning experience for children, it helps personalize the mission and goals of each charity. Decide your annual budget in advance and don't go over it. This will help clarify your priorities as well. Children enjoy the experience and it's great training for them.
3. As a family, identify one social project or charity you all feel most concerned about. Don't dilute your amount of effort – chose only one project per year.

§ As a family, or as individuals, find a cause you can help personally, without having to donate money. This may be volunteering at a homeless shelter, food bank, soup kitchen, environmental project, Tent City, etc. Or get involved politically to help influence policies that impact a cause or issue you feel strongly about.

### **Closing Statement and Request:**

Thank you for finding ways to help you live better and which cost you less than you thought. These listings are not complete by any means. You can help others by providing feedback on what's already listed (listings that are no longer valid, have revised information, etc.), as well as offer suggestions for items that were not listed. Please feel free to contact me: [sandyvoit@gmail.com](mailto:sandyvoit@gmail.com) with your suggestions, corrections, and ideas.

*Sandy Voit*  
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