



**Grab an Umbrella
(Policy)**



**File Your Tax Return
As Early As Possible**



**Don't Watch
the Market**



**Set Up
Banking Alerts**

MONEY HACKS

275+

**Ways to Decrease Spending,
Increase Savings, and Make
Your Money Work for You!**



**Shop Clockwise at
the Grocery Store**



**Fill Your Gas Tank
on Monday**



**Never Let Your
Rewards Expire**



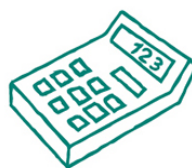
**Start a Seasonal
Side Hustle**



**Go On a
Money Date**



**Make a
Wish List**



**Pay Taxes Now to
Save Later**



**Save Money on
Financial Planning**

LISA ROWAN

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LISA ROWAN

Adams Media

New York London Toronto Sydney New Delhi

Introduction

Hacking your way to financial independence is one of the best ways to get your life on track.

If you follow the hacks in this book, you'll start to see results right away. In some cases, those results may be small at first, but a penny saved is a penny earned, and if you add up enough pennies...well, you can see where this is going. You'll find that as your financial independence grows, other things in your life fall into place!

The 275+ hacks in *Money Hacks* will help you get started today with improving your money management. You'll find information on everything from the basics of personal finance to more complicated questions such as investment and retirement planning. You'll find simple but effective hacks that will save money and offer better ways to make it work for you.

Money Hacks will teach you how to:

- Make small changes that help you save money...without even noticing
- Stop overspending, even on things you think you need (like groceries)
- Choose the best repayment plan to finally tackle those student loans
- Make the most of your credit card by learning about rewards
- And more!

Whether you're making your first budget, wondering how you'll ever pay off your debt, or thinking about how to afford that one big thing you daydream about, *Money Hacks* has your back. And when you hit roadblocks along the way and need a boost of motivation, you can revisit any page for a quick refresher to help you get back on track.

CHAPTER ONE

Curb Mindless Spending



HACK 1

Avoid the Spending Trap!

How many times have you anxiously waited for your next payday, confused about where all your money went? Odds are, you're not fully aware of your spending and what triggers it. And those small purchases add up quickly to eat away at your budget.

Take a look at your debit and credit transactions for the past month or so to identify your spending patterns:

- Do you pick up breakfast sandwiches on your way to work?
- Are your bar tabs all from happy hours that went later than planned?
- Can you never get out of a big-box store for less than \$50?
- Do you keep picking up the bill for lunch with friends?

Once you know when, where, and why you're spending more than you're comfortable with on a regular basis, you can strategize how to pull back. Think about breakfast the night before to avoid the morning rush. Send your friend a Venmo request for their share of the bill while you're still sitting at the diner. Set an alarm on your phone so you don't order "just one more drink" after happy hour has ended. Head to the store after work—when you have less time to browse.

It's hard to avoid spending traps when you have no idea what they are. Once you get intimate with your spending habits, you can restructure your time and activities—not necessarily to cut out those expenses completely, but to pull them back to a more comfortable place.

HACK 2

Make a Financial Bucket List

It's possible to make a budget that doesn't feel restrictive and severe. You just have to put your money in the right bucket.

Rather than make an extensive budget spreadsheet with lines for each and every way you've ever spent money, break your budget into just three buckets:

- Essentials bucket (50 percent)
- Savings bucket (20 percent)
- Everything Else bucket (30 percent)

Your budget will look like this:

FIRST, PLAN THE ESSENTIALS

Fifty percent of your budget should go to “needs.” This includes everything from your rent, to the parking garage at work, to your groceries and prescriptions. If it's an expense that rolls around every month and is necessary for daily survival, it goes into this bucket.

NEXT, SAVE A LITTLE

Any money you put in your savings accounts—whether it's short-term savings or contributions to a retirement account—goes into this bucket. If you're paying off debt of any kind (credit cards, student loans, medical bills), put those monthly payments in the Savings bucket too. It should add up to about 20 percent of your take-home pay.

AND NOW FOR EVERYTHING ELSE

If it's not essential, it's not helping you save, and it's not helping you get out of debt, then it goes into the Everything Else bucket. Some things that might fit here:

- Your gym membership

- Holiday gifts
- Concert tickets
- Magazine subscriptions

Having a hard time filling up that Savings bucket? See what expenses from Everything Else you can reduce or cut out completely.

HACK 3

Don't Quit Cold Turkey—Cut Back

The idea of cutting out a budget category probably makes you nervous. But being mindful about your spending doesn't have to be an all-or-nothing game. Instead of forcing yourself to go entirely without, reduce spending on that category by just 10 percent each month. You won't see sudden, drastic change in your budget, but the shift will be a lot easier to stomach.

Say you spent \$148 at coffee shops last month. The idea of never buying coffee is enough to make you want to hide from your budget forever, but what if you challenged yourself to spend just 10 percent less on coffee this month? That's \$14.80 less, for a total of \$133.20. Then, next month, see if you can bring that expense down by 10 percent again to \$119.88. By introducing incremental shifts instead of huge, radical changes, you're more likely to stick with your new, moderately reduced habits.

HACK 4

Never Miss a Payment

While you may get reminders by email when your bills are due, don't rely on them as the sole reminder of whom you owe money to and when. Whether you use a paper planner or the calendar on your phone, put the due date for every single bill—and the amount—on your calendar each and every month.

Don't let yourself get lazy after a few months, thinking you've got all those due dates memorized. Having your bills noted on your calendar each and every month is a reminder of how much you're spending on recurring costs month in and month out. If there's an area that needs attention, it'll be on your mind the minute you open your calendar.

HACK 5

Make a Wish List

The tricky thing about avoiding impulse buys is that it's not the *stuff* that's the problem—it's our brains. When we're feeling sad, stressed, or even bored, our brain searches for happiness. And from childhood, we learn that getting something new (a toy, candy, or some other reward) makes us happy—at least, for a little while.

But that immediate sense of happiness doesn't last. If you buy something on a whim without thinking through whether you really want to spend your money on it, you can end up with buyer's remorse (and often a headache-inducing return process, if you can even return the item). Instead of giving in to the urge to get something fun and new, resist impulse buying by instituting a cooling-off period whenever you want to make a purchase you haven't already planned.

There are a few ways you can do this. One option is to make a wish list of all the items you want. Maybe it's a new pair of boots, the new book by your favorite author, or those earrings you saw in a boutique window. Then wait a week. Revisit your list and see if you feel as excited about the items on it as you did when you first wrote them down. Don't check the price to see if the item went on sale—just revisit your gut reaction. If you still want the item, go ahead and get it if your budget allows. But if your interest has waned, it's a sign it just isn't worth your money.

HACK 6

Do the 10/10 Rule

Don't think you can last a week with that object from your wish list on your mind? Work up to it with the 10/10 rule from writer Kristin Wong. When you want to buy something, wait for ten minutes. Then, if you're still thinking about the item and it costs less than \$10, go ahead and get it. But if you're still not sure after ten minutes and it costs more than \$10, put it back. This rule gives your brain time to cool down from the initial excitement of potentially buying something, but you won't agonize about it for too long. It helps curb impulse buys especially well when you have limited time to shop.

HACK 7

Simplify Your Coffee

Fancy coffee drinks can put a pep in your step...but can also drain your wallet. If cutting caffeine is out of the question, it's time to be strategic about your order.

One option is to find a cheaper drink that tastes just as good. If you enjoy frosty blended drinks, maybe an iced coffee with a shot of your favorite flavor would hit the spot. If you like frothy milk, replace your latte with a café au lait. If you're not sure what to try, ask your favorite barista if there's a "simpler" version of your favorite drink.

Or strip down your order to the basics and customize on your own. Order your coffee extra-hot and wait until you get into the office to add a splash of almond milk!

Maybe this trick only saves you 50 cents—maybe a dollar. But over time, that amount can add to your savings without leaving you feeling sluggish.

HACK 8

Hack Your Spending with the Envelope Method

Controlling your spending doesn't stop at making a budget and allocating your money to various categories. Next, you have to stick to the plan you create. One way to do that is to go old-school and spend more cash money instead of swiping all the time.

The envelope method, a favorite of personal finance expert Dave Ramsey, involves putting exactly the amount of cash you have budgeted for each category in a physical envelope. Your envelope categories might include:

- Groceries
- Toiletries and cosmetics
- Gas
- Pet food and care

That's just to name a few. Make envelopes for each category that appears in your budget. When the envelope for that category is empty, you're done spending in that category for the rest of the month. You can pluck cash from another envelope if you really need to make a purchase in that now-empty category, but you'll have to make a sacrifice somewhere in the end.

The envelope method isn't a great fit for recurring expenses you pay online or by mail, like housing costs and utilities. But for anything that varies—and any category that has potential for you to save money on the fly—the envelope method is a good option.

And don't worry, you don't have to carry a bunch of envelopes full of cash with you everywhere. Know you're going out to dinner and a movie? Take your "restaurants" and "entertainment" envelopes and you'll be all set for your night out.

HACK 9

Aim for Zero

Want to feel even more in control of your money each month? Try using a zero-based budget. With this method, every single dollar you bring home each month gets allocated to a particular category. The goal is to make your expenses for the month match your income to the penny.

That doesn't mean you should spend every penny you make. It means that every penny is accounted for and assigned to a budget category. You'll still determine how much money you want to go toward savings, credit card payments, student loan payments, eating out, and gifts. This method ensures that you aren't underspending in areas that are priorities to you (like transferring money to savings or giving to charity), while also giving you strict limits for those discretionary categories you're not as good at predicting each month (like groceries or entertainment).

If you find your total for the month comes to something below zero instead of zero exactly, you'll have to decide which categories to adjust in order to hit that magic number. Working out the math can take time, and it might seem daunting, but if you want a strong foundation for your finances, it's worth trying.

Be prepared to reallocate funds as needed throughout the month to maintain that perfect zero. It's also a good idea to leave any leftover funds in a "miscellaneous" category for your first few tries to provide a safety net, just in case.

HACK 10

Carry Big Bills

When you open your wallet and see a couple of crumpled dollar bills, you probably don't feel very rich. With enough of those dollars, you can visit the vending machine at work or grab a drive-thru dinner on the way home.

But how would you feel if you opened your wallet to find a crisp \$20? Would you still feel compelled to spend it? Or would you want to hold on to it as long as possible?

Researchers have found that you're less likely to spend a single large bill (like a \$20 or \$50) than the same amount in smaller bills. Once you break a larger bill into smaller currency, the likelihood that you'll spend it increases. The next time you visit the ATM or request cash back, opt for \$20s instead of smaller bills. You'll probably find that you hold on to them a little longer.

HACK 11

Declutter Your Phone

Here's how most shopping apps wind up on your phone—you're browsing in a store, when you notice a sign that says you can get a discount on today's purchase if you download the app and show it at the register. The app is free, it takes two minutes, and it's a way better proposition than signing up for a store credit card. But before you know it, you have five or ten store apps on your phone, and you can't figure out how to get them to stop sending you notifications about sales you shouldn't miss.

Want to cut the clutter from your phone and get fewer distractions trying to separate you from your money? Simply delete the apps. If you change your mind down the road, you can always re-download the app.

HACK 12

Unfollow Your Favorite Brands

Some experts claim we see more than five thousand advertisements every day. That may seem extreme, but there's no doubt that you see at least a few dozen when you're scrolling through your favorite social media feed.

It's easier than ever to keep up with your favorite brands, but that convenience also creates the temptation to make unnecessary purchases. And social media sites use your interests and activity to show you ads they think you'll like, which increases that temptation.

Next time you feel yourself getting sucked into an endless scroll of picture-perfect ads, unfollow the businesses you've liked. You won't be able to avoid ads completely, but you'll be able to dodge those constant reminders of new items, "can't-miss" sales, or limited-time offers that can derail your budget. It may feel extreme at first, but decluttering your social feeds is far less restrictive than trying to reduce your scroll time overall, and it'll help you avoid the temptation to spend.

HACK 13

Keep Temptation Out of Your Inbox

What do you look at first when you pick up your phone or open your laptop in the morning? It's probably your email inbox, which, by the time you wake up each day, is packed with promotional emails from businesses. Some of them are brands you enjoy and shop frequently, while for others, you may wonder how you even got on their mailing list in the first place.

Each company that emailed you wants the same thing: your money. And who can resist the pull of a 20 percent-off coupon, a clearance sale, or a buy-one, get-one-free offer?

You can. If you have a hard time resisting the temptation of all those promotional offers cluttering up your inbox, it's time to unsubscribe. Many web-based email services make it easy to unsubscribe with a single click right when you open up that sale email. Or, if you need some help battling back the clutter, you can sign up for a free service like Unroll.me.

What about those times when you're shopping for something specific and you don't want to miss your chance to use a coupon code? Set up a new email account just for promotional emails, and only check it when you have a specific store or website in mind. Set up an email with an obvious name like stephanieshopping@emails.com to remind you of its purpose—and that it should be used sparingly.

HACK 14

Don't Fall for the Free Shipping Trap

Free shipping on orders over \$25. Over \$35. Over \$75! Some stores seem to make it impossible to get your online order shipped for free. And, of course, your cart somehow always tends to come in just a penny or two short of the minimum. So, you go hunting around for something inexpensive to buy to push you over the threshold to free shipping.

Unless you truly need another pair of socks, remove those extra items from your cart and stick to what you originally planned to buy before you looked at your total. Then check the price for shipping—yes, regular old full-price shipping. In most cases, you'll find that the cost to have your order shipped is less than the cheapest thing you'll find on the entire website.

Plus, looking at your cart with shipping fees added gives you one last opportunity to make sure you really want to make that online purchase. Are you willing to pay \$5 to have that sweater arrive in a week or less? Are you willing to pay \$9 for your new gadget to be delivered via priority shipping? If not, you might just be bored and shopping for the thrill of it. In that case, can you delete the whole cart and save your money? If you're confident the cost of shipping is worth it for the item you've chosen, then it's probably a well-planned purchase.

HACK 15

Streamline Your Subscriptions

When you subscribe to a magazine, streaming service, or makeup trial kit, you probably notice the cost per month. What's \$5 or \$10 here or there? So, you start adding more streaming services, or a newspaper subscription, or another app, or you sign up for one of those companies that sends you a new pair of yoga pants every month.

But the cost of subscribing is more than just the monthly fee—you're paying twelve times a year for that product or service. Do you really need that much of what you're paying for?

Review your transactions from the past month to see what digital and physical subscriptions you're buying. While you're at it, check whether the monthly price is what you expect. Many subscriptions start you off at a lower introductory price, then increase it once you're hooked. Or perhaps you signed up for a free trial, then forgot to cancel the service once your trial ended.

Auditing your subscriptions doesn't mean depriving yourself of the content or products you enjoy. It simply requires you to take stock of where your money is going. Once you know, you can consider the cost per year for those subscriptions. You may discover a few you're not enjoying as much as you hoped. If that's the case, it's time to cancel and put that money back into your budget, where you can spend it on something that matters to you.

HACK 16

Ditch the Shopping Cart!

This tip works best for people who get around on foot or by public transit, but even if you drive a lot, you can try it too. The next time you run into the store for “just a few things,” challenge yourself to purchase only what you can carry. In theory, that means you only purchase the things you set out to buy in the first place: toilet paper, dog food, a frozen pizza for dinner.

But the minute you pick up a basket—or worse, start pushing a cart—the more likely you are to find excuses to buy items that aren’t on your list. It’s hard to pass up a discount or walk past the item that jogs your memory of something you need.

But if you can’t carry it, it doesn’t come home with you—at least, not with this tactic. That means buying the appropriate size of what you need, rather than the extra-large package. It means telling the cashier you “just need one” when she tells you about a buy-one, get-one-half-off deal.

If you can’t easily get the items home in your own two hands (or that tote bag you always take with you), they don’t leave the store. If you’ve ever waddled home under the weight of overstuffed shopping bags and vowed you’d never do that again, you’ll find your load is a bit lighter in no time.

HACK 17

Write It Down

Want to keep a better eye on your money? Get a reality check by keeping a handwritten money ledger for an entire month. It doesn't have to be fancy—you can keep your money log in a small notebook, inside your planner or agenda, or on a legal pad you keep at your desk.

The only thing you have to do is write down the amount you spent, where you spent it, and when. If you purchase a variety of items in one place—say you pick up groceries, an item of clothing, and some home improvement tools from a big-box store on Saturday—break down your receipt by category to get even clearer on where your money is going. Be sure to update your log each day, if not immediately after you make each purchase. At the end of the month, add up what you've spent in each category and think about how each one makes you feel. Does your spending seem lopsided? Do those purchases make you feel happy, sad, or neutral?

On its surface, keeping a handwritten log doesn't prevent you from spending money. What it *does* help you do is reflect on what you've spent and how you've spent it. It can help you recognize patterns in your spending or categories where you may be spending too much. Then, you can use your ledger to help you make your budget or re-evaluate it to match your priorities.

HACK 18

Save 100 Percent

Window shopping is a fun way to pass the time, until a sign tempts you with an ad for 40 or 50 percent off. “I should take a look inside,” you might say. “I could save 40 percent.”

Do you know what’s better than saving 40 percent? Saving 100 percent. That’s how much you’ll save if you never walk into the shop in the first place. You probably don’t need anything there anyway (check your list of wants if you’re unsure).

Imagine your local gourmet food shop is going out of business. Cheese is 50 percent off, and bottles of wine are 40 percent off. Those ingredients would make a delicious low-cost picnic for you and a few friends. But if you’re not already planning that picnic, you’re just spending money to stock up. The cheese might even go bad before you have a chance to enjoy it.

Saving 100 percent is the ultimate money-saving hack: You can’t spend any money if you don’t go inside. You’ll keep 100 percent of your money in your pocket, maximizing your savings without spending a dime.

HACK 19

Reconsider Whether Membership Is Worth It

It's not just Amazon Prime. So many retailers offer faster shipping and other perks for shoppers who pay for a membership. They can offer great savings if you're a frequent shopper. But you might find that the perks aren't enough to make your investment truly worth the cost.

Take a look at your membership accounts at e-commerce sites like *Amazon*, *Sephora*, or *Barnes & Noble*, as well as traditional shopping memberships like Costco or Sam's Club. Are you really shopping there enough to make it worth the cost of paying up front for shipping?

One way to evaluate whether you need a membership for free shipping is to look at the total cost of each order you've made in the past few months. Do your orders typically exceed a spending threshold that provides free shipping anyway? Unless you're spending small amounts of money on frequent orders, you can probably eliminate your need for the membership with a bit of planning before clicking "place order."

HACK 20

Stop Those Free Trials

Who wants to pay for something before you're really sure you want it? It's so convenient to try a new product or service by taking advantage of a free trial.

But did you read the fine print on that free offer? Usually, a company will require you to save your credit card information so it can start charging you after your free trial ends. Some trials last a week, while some last two weeks, a month, or more. These different lengths make it hard for you to track what's due when, and make it more likely that the free trial will wind up costing you money. Bankrate found that 59 percent of people who signed up for a free trial were later charged against their will!

Avoid being in that 59 percent by thinking twice before signing up for a free trial. If you truly want to try a product or service before paying, take note of the day your free trial will end and what the balance will be if you don't cancel. Then put a note on your calendar for three to five days prior to that expiration date to make sure you don't miss your chance to cancel in time.

If you want another layer of protection, use a prepaid card or a one-time-use virtual credit card number when you sign up for your free trial. Some services won't allow you to use a prepaid debit card to sign up for a free trial, but many will.

HACK 21

Make a List

No matter how well you budget for those month-after-month expenses, the irregular ones can trip you up. Maybe your car insurance is due twice each year, your alumni association fees are due in May, your magazines all renew in July, and the domain for your personal website renews each October. Sure, you can mark those due dates on your calendar, but how can you plan ahead for them instead of stealing from other categories during the month when the bill arrives?

It's all a matter of division. Make a list—consider an online spreadsheet so you can keep it updated—of every single yearly, biannual, or quarterly bill you'll pay this year. Add them all up, then divide the result by 12. That's how much money you need to put aside each month so you're prepared when these irregular but scheduled expenses roll around. You might call this line in your budget “subscriptions and dues,” referring to your list when you want further details.

When it's time to switch things up—maybe you decide to quit one professional association that's not serving you and, instead, join a different one—you can do the math on your separate worksheet, then make a change to a single line of your monthly budget.

Just don't forget to put that monthly allotment somewhere you can access when you need it—and somewhere that won't tempt you in between bills. If you have a savings account linked to your checking for stashing short-term savings, that would be an ideal spot for it.

HACK 22

Check Your Bank Account

How much money is in your checking account right now? If you don't know the answer, it's time to set aside a few minutes each day to check on your money.

Many banking and finance apps make this easier than ever: You can set a notification to pop up at the same time each day with your balance. Start every morning with a reminder of your balance, and you're more likely to keep that amount in mind as you go about your day. If money is tight, you get a reminder not to overdraw your account; if your balance is flush, you can feel comfortable for the day or maybe challenge yourself to save a bit extra today. A little awareness each day—especially when you don't even need to manually log in to your bank account to check your balance—can go a long way in providing financial peace of mind.

HACK 23

Never Start a Tab

“Do you want to start a tab?” It’s the most innocent question you’ll hear at a bar or maybe even at your local café. *Why wouldn’t* you want to just pay one bill at the end of your visit? Because it’s too easy to ignore how much money you’re spending until it’s too late.

If you pay round by round, you’ll see and feel the money leaving your hands (or at least, imagine it leaving your card), leave a tip, and think a bit harder about whether you really want another drink. By making it harder to order a drink knowing you have to take the extra step of paying right away, you’re less likely to complete the process a second or third time.

HACK 24

Think Big with “Bonus” Money

How you manage your money depends in part on how often you get paid. You’ll budget differently if you get paid once per month versus twice per month, and so on.

But if you get paid every other week, pay attention to the calendar: You get twenty-six paychecks a year. Typically, you’ll get two paychecks per month for a total of twenty-four. But twice a year, you’ll get a third paycheck at the very tail end of the month. When it happens depends on your pay schedule and the calendar, so look ahead to count out the months when you can plan to receive an “extra” paycheck.

What you do with that “extra” money is up to you. The thing that matters more than having this “bonus” check is that you decide ahead of time how you’ll use it.

- If you’ve had some unexpected expenses, now’s the time to pay them off.
- If your expenses for the next month are already covered, you might throw that money into an extra debt payment (more on that in Chapter 3).
- If you’re planning ahead, you might choose to stash that third paycheck into savings for when unexpected expenses crop up.
- If the rest of your budget looks good, you could use the extra cash to boost your retirement account.

However you choose to allocate that third paycheck, make sure you have a plan for that money so you can avoid the temptation of spending all of it on one fun weekend.

HACK 25

Frame a Positive Narrative

So often we explain our choices around how we manage our finances as negatives. “I can’t afford that right now,” we say when friends ask us to join them for a night out. Or we scold ourselves: “I really need to cut back on my grocery spending” or “Ugh, I really shouldn’t have agreed to get this coffee.”

All that sort of language is going to do is make you feel even worse about the choices you’re making (or should be making). Instead of framing your financial decisions in the negative, state them in a positive way. That doesn’t mean you have to be a Pollyanna, or fake positivity. Simply give yourself credit for the actions you’re taking.

A few examples to help you get started:

- “I can’t afford that right now” becomes “I’m prioritizing other parts of my budget this month, so I’ll have to skip this time and join you for the next night out.”
- “I need to cut back on my grocery spending” becomes “I’m challenging myself to reduce my grocery spending. This week I’m going to try a new recipe that uses a lot of ingredients I already have.”
- “I can’t believe I spent \$5 for this latte” becomes “Hmm, maybe this isn’t where I truly want to spend my money. I’ll enjoy this treat today and experiment with other ways to reward myself next time I want to get out of the office.”

HACK 26

Stop Trying to Be Perfect

Do you know the phrase “The best is the enemy of the good”? If you’re constantly striving for perfection, you can work yourself into a frenzy and end up not accomplishing anything. To combat your desire to be perfect, focus on being just good enough. Author Ramit Sethi argues that you only need to get your finances 85 percent “right” in order to be generally successful with money. He calls it the 85 percent solution.

Think about your finances as they stand right now. Perhaps you’ve sketched out a budget, you set up automatic transfers to your emergency savings, and you have a good credit score. But you’re not saving for retirement. You’re probably 60 percent of the way there, to make a rough estimation. Set up a Roth IRA (more on that in Chapter 5), set up automatic contributions, and choose a target date fund, and you’ll easily hit 85 percent.

Doing those administrative tasks may not be as satisfying as finding hundreds of dollars in your budget per month to invest or choosing a complex set of investing options, but by taking those few steps to set up your retirement savings plan, you’ve already done most of the work.

Take a spin through your finances and list out all your accomplishments, from choosing a budgeting style to autopaying your bills. Give yourself credit for all the positive actions you’ve already completed. You’re probably a lot closer to 85 percent “right” than you realize.

HACK 27

Sweat the Big Stuff

Want to make the biggest changes to your budget to see the most dramatic results? Use the 80/20 rule, also known as the Pareto principle. That rule says that 80 percent of the effects are driven by 20 percent of the causes. For your money, that means that 20 percent of the money you spend (items you buy, bills you pay) eats up 80 percent of your budget. Instead of examining your budget line by line and wondering where you're going wrong, start by focusing on the areas where your spending has the biggest overall impact. This may feel obvious in some areas, like housing or food. But if you can break down some of the costs within those key categories, you may spy a few spending decisions that have thrown the balance into a tizzy.

Say you go to the drugstore and buy two nail polish colors, a bottle of shampoo, and a bottle of conditioner. But on your way to the checkout counter, you think about that weird noise your hair dryer made the last time you used it. You pick up the cheapest one they've got, but it's still way more expensive than anything else in your basket. If you analyze that receipt, you'd probably find that 80 percent of the total was due to the hair dryer.

Check your own spending by seeking out the most expensive items on your receipts and the most expensive portions of your monthly bills. Can you cut back on those highest costs to create a more noticeable reduction in spending?

HACK 28

Savor a Splurge All Month

There's no need to cut your favorite café or store completely out of your budget. Instead of depriving yourself completely, purchase a gift card at the top of the month. When you run out of money on the gift card, your shopping comes to an end.

When friends or family members ask what you want for your birthday, request a gift card to the café or store where you have a self-imposed spending cap. If you already stop at Starbucks a few times a week, they—and you!—know you'll enjoy every cent of that gift card, no matter the amount.

HACK 29

Recalculate Prices As Hours of Work

Say you take a spin around Target. How long would you have to work to pay for the entire cart? The next time you find yourself with a full cart or basket, take the items out one by one and ask yourself how long you'd have to work to pay for each one. If that new book costs \$25 and you make \$18 per hour, is it worth one hour and twenty-four minutes to “earn” it? If you lose 25 percent of your pay to taxes, you'd probably have to work more like one hour and forty-eight minutes to earn the book.

Thinking of prices in terms of your time isn't always effective—for instance, if you start doing it at the grocery store, you'll be there all night. Try it at big-box or specialty stores where the items you're eyeing aren't considered essentials.

HACK 30

Opt Out of Overdraft Protection

Modern banks are all about convenience, claiming to make it easier than ever to manage your money. But one of those common convenient features is overdraft protection.

It sounds great, but it's usually not free. The fee, which can easily hit \$30, is incurred each time you swipe your debit card and the bank moves money from your savings to cover your purchase. You could easily go an entire day, completing errands as you go, without realizing you're racking up fee after fee.

But instead of relying on this expensive "protection," opt out of overdraft protection completely. Then, put the pressure on yourself to keep an eye on your balance each day.

HACK 31

Live in the Future

On the first of the month, don't sit down to make your budget for just this month. Budget two or three months ahead to help you catch birthdays, irregular expenses, or even irregular income. By staying a few months ahead, you can anticipate what your financial situation will look like and whether you need to make any meaningful changes. Being prepared never hurts, especially when it comes to your finances.

Just don't forget to review and update your plans each time you check in on your budget. You'll need to make adjustments as that month grows closer, and that doesn't mean you've failed at budgeting in advance. Even the most experienced financial wizards still have to adjust their own budgets from time to time.

HACK 32

Spend on the Buddy System

Sometimes when you go over budget in a certain spending category, the only consequence is that you're disappointed to have less spending money overall. But what if you tied your discretionary spending categories to one another, giving them each a buddy?

For example, you might give yourself a budget of \$100 per month for indoor cycling classes and a budget of \$100 for the Friday happy hours you always attend with your work friends. Tie them to one another, and every time you're tempted to blow your budget for one of them, you'll have to face the consequences of spending less in the other. If a friend invites you to attend an extra workout class, are you willing to give up one Friday night happy hour in order to pay for it? If the answer is yes, then honor the commitment and shift your spending to accommodate your adjusted budget.

This buddy system concept comes from behavioral economist Dan Ariely, who says that setting "anti-goals" helps you understand what you're giving up each time you spend money.

AN IMPORTANT CAVEAT

Don't tie two vastly different goals together, like your workout classes and your retirement fund. Stick to your discretionary spending areas so there's something more tangible (and enjoyable) to consider than a line on a portfolio growth chart.

HACK 33

Save Money on Settling Up

Peer-to-peer payment apps like Venmo, Zelle, and Cash App make it a snap to exchange money from your mobile phone for free—no more waiting for your friends to pay you back for dinner from two weeks ago.

But these apps have to make money somehow, and it's usually by charging a fee if you connect a credit card to your account and use your card to send money. It's typical to see payment apps charge a fee of about 3 percent for the convenience of using a credit card to send funds. And while that might not seem like a lot, it adds up quickly.

Imagine you owe your roommate \$30 for groceries and you use a credit card to send her the money via a mobile app. A 3 percent fee means you're really paying \$30.90 total. Do that three times a month (your roommate loves grocery shopping, it turns out), and you've paid an extra \$2.70 that doesn't even go to your roommate and could have been used on an extra jumbo-sized bag of pretzels for your weekly movie nights.

Instead, stick to your checking account when you need to send money transfers with mobile apps, and plan ahead so you're not scrambling to take out money via instant withdrawal.

HACK 34

Make the Holidays Stress-Free

Years ago, banks offered Christmas funds, special savings accounts you contributed to all year. When the holidays rolled around, you didn't have to worry about how to budget for gifts—you could withdraw your Christmas fund without having to compromise your finances elsewhere.

Whether you visit the bank in person or do most of your banking online, there's nothing stopping you from creating a Christmas fund of your own. Don't worry about shopping all year long and stashing away gifts. Simply divide the amount you typically spend on holiday gifts by 12 and move that amount to savings each month. If you travel during the holidays or host a gathering, include those costs in your holiday budget.

The "Christmas fund" method is good for other holidays too. If you plan all year for your family reunion or don't want to miss the annual girls' trip to the beach, prioritize saving for these events and you'll be better prepared when it's time to pay the tab.

HACK 35

Swear Off Spending

Can you imagine going a whole month without spending a single dollar? A no-spend challenge can provoke you to revamp your financial mindset by spending zero dollars beyond your necessary recurring expenses like housing, transportation, and groceries.

It's become the standard to do a no-spend challenge that lasts an entire month, but if you're just getting started, try doing a no-spend weekend or a no-spend week. Then work yourself up to a month. It takes determination and willpower to make it happen, but first, you need to do some preparation.

HOW TO PREPARE FOR A NO-SPEND CHALLENGE

You'll want to make plans in advance for any spending you'd normally do in that month. Think about things like purchasing gifts for upcoming birthdays, making home repairs, or buying tickets to social events. Next, find alternatives for your usual leisure activities that come with a cost, like swapping an evening at your favorite jazz club for an open-mic night.

Some people who do month-long no-spend challenges do it without purchasing groceries. Instead, they prep and freeze meals in advance, or clean out their pantries to use items that have lingered there.

ACCEPT IMPERFECTION

Can't make it through your whole no-spend challenge? Don't give up! Take notes about what happened so you can learn from the experience. Even if you can't go an *entire* month without spending money, you're sure to save a lot more than you've grown accustomed to while getting a reality check about your spending habits.

HACK 36

Live the Cash-Only Life

It's so easy to swipe your way through your monthly expenses. One traditional method to reset your finances is to leave your plastic at home and stick to cash.

Can you really swear off cards in a world where so much spending happens via automatic recurring payments? Don't worry about the payments you have set up for your rent, utilities, or insurance. Focus your all-cash month (or cash diet) on your face-to-face transactions:

- Buying groceries
- Fueling up
- Going to yoga

Switching to cash is important because it increases what's called the "pain of payment." When you swipe a card, it doesn't feel like you're paying for anything. You're just shoving a piece of plastic into a machine and receiving an item or service in exchange for that motion.

Using real, tangible cash makes you feel the impact of your spending as soon as you do it. Imagine the dread you've felt logging into your credit card account to see how much you spent recently. If you used cold, hard cash, you've already spent that money—it's not on a growing tab for you to deal with later.

By paying with physical cash and feeling that "pain" now instead of later, you can be more proactive in making good financial choices as you go, rather than facing them down the road. Try paying with cash for an entire month, and you may be surprised at how your finances transform during just a few weeks. Pair this method with the envelope system for an extra challenge.

HACK 37

Make It Harder to Shop Online

Nothing kills the buzz of shopping online or via mobile app like having to get off the couch and dig your credit card out of your wallet. It's tempting to save your payment information on that website so you can shop more quickly next time and check out with a single click.

But that convenience could be costing you money. A Bankrate survey found that 64 percent of people save their credit card number online or in mobile apps. And retailers know that if you save your payment info for next time, there's much more likely to be a "next time" that you'll visit their website and make a purchase.

Saving your payment info takes the pain-free experience of paying with plastic to a whole new level. Not only are you using a card, but you're not even touching it or inputting the numbers. And that makes it easier to spend more than you'd like.

If you want to make it harder to spend on your favorite e-commerce sites, remove your saved payment information. Not only will it help curb your spending impulses, but it'll also make your financial information safer. Businesses large and small have found themselves vulnerable to hackers and data breaches as online shopping has grown in popularity. Keeping your payment info private, even if a company provides encrypted, secure payment processing, is an extra step you can take to protect your personal information from fraudsters.

HACK 38

Hit the Gym

Want to feel a rush that's a lot like the one you feel when you go shopping? Go for a run. Really! Exercise reduces stress, which is probably one of the triggers that makes you want to go shopping in the first place. The stress-busting effects of exercise last long after you leave the gym too, helping you build up resilience to those retail temptations.

Granted, exercise can eat up a substantial part of your budget if you belong to a pricey gym, participate in group classes, or subscribe to an online on-demand workout program. But if you're *not* already paying for one of these things, focus on what you can do to get moving for free.

- Lace up your sneakers and go for a brisk walk around your neighborhood.
- Find workout routines on *YouTube*.
- Check your city's recreation guides for free yoga or group fitness classes.
- Visit your local rec center to find group classes for as little as \$2–\$5 per visit.

This strategy isn't about getting buff or losing weight—it's just about replacing an unhealthy habit (reducing stress by spending) with a healthier one (reducing stress by moving around). Find an inexpensive physical activity you enjoy and schedule it into your week at regular intervals. Before you know it, you'll be looking forward to your workouts instead of looking forward to hitting the next big sale at the mall.

HACK 39

Start a New Hobby

It's hard to waste money when you're too busy to do it. A full financial re-evaluation is a great chance to pick up a new hobby, or maybe even an old hobby that's fallen by the wayside. The key is to choose a hobby that's not too expensive.

- If it requires costly equipment you don't already have, it's not a good fit.
- If it requires a lot of travel or up-front costs to participate, like some recreational sports leagues, it's not a good fit.

Free or affordable hobbies to consider include:

- Board games
- Jigsaw or crossword puzzles
- Sketching
- Baking
- Journaling
- Learning a new language
- Hiking or running
- Yoga (at home)

If you already have sporting or outdoors equipment, dust it off and hit the trail or court. Whether you pick up a hobby that's solitary or communal, you might find it's a good excuse to connect with friends, whether it's to discuss your latest activities or swap supplies.

For an extra challenge, track what you spend on your hobby and see how close to free you can keep it. For instance, if the nearest art museum doesn't charge admission on Tuesday evenings, round up your fellow art lovers and visit then.

HACK 40

Join a Buy-Nothing Group

Want the thrill of the bargain hunt without spending any money? Join a buy-nothing group. These local groups usually hang out on *Facebook*, and their mission is to allow neighbors to pass around things they no longer need and ask for items they desire.

Find your local group and sign up to get the lay of the land before making your first request or listing your first item to give away. There's no need to trade; simply offer items you have lying around and find you don't need anymore.

WHAT TO LOOK FOR

You might find that you can get free clothing, tools, event tickets, or even larger items like appliances. Toys and baby clothing tend to be popular in these groups, since kids often grow out of them before wearing them out. These groups are also a great way to get supplies for your hobbies, avoid spending on necessary (and unnecessary) items, and get to know your neighbors.

NOT A FAN OF FACEBOOK?

You can also look for a Freecycle email group for your area. These messages are a bit more transactional—members just send short email messages to the list containing their offer or request along with their neighborhood and details of the item. Freecycle groups are especially useful for giving and receiving moving and packing supplies, baby clothes and other items for kids, and furniture.

HACK 41

Use the Stranger Test

If a stranger offered you money, would you take it? What if they were also holding something you want to buy? Would you take the cash, or the item?

You'll probably be surprised at how often you'll choose the cash over the item. Don't imagine it's your friend holding the cash and the jeans, though—your friends know exactly how to sway you one way or the other, while a stranger doesn't care which one you choose.

HACK 42

Outsmart Pricing Tricks

Have you ever noticed a price tag that says “Originally \$14.99. Now \$12.99!”? It feels like you’re getting a deal, but it’s only a discount of two dollars. Retailers show you a higher price so that the lower price seems like a better deal.

Some retailers do this when an item hasn’t even been discounted, saying “Compare to \$85” before listing that store’s price of \$79. The item may be \$6 more elsewhere, but that’s not a reason to buy the cheaper one.

Whenever you see “manufacturer’s suggested retail price (MSRP),” “compare at,” or other similar language listed on a product tag, be wary of price anchoring. It’s a cue to research the product via the manufacturer’s website or other retailers. Remember that just because two prices are listed on a tag, doesn’t mean you’re getting a deal.

HACK 43

Avoid Temptation by Enjoying Convenience

Do you find yourself tossing snacks into your shopping cart right and left, even when you've carefully planned your grocery list and meal plan? Avoid the temptation by skipping the trip altogether and getting your groceries delivered to your door. All you have to do is select your items online, provide your payment information, choose a delivery window, and wait for your ingredients to arrive.

It's true that most of these services are not free. Whether you choose Amazon Fresh, Instacart, Peapod, or any other grocery delivery option, you'll probably pay between \$7 and \$12 per order. If you sign up for an annual membership, you might end up paying a little less per delivery.

But the true benefit here is the money you'll save by skipping the distracting add-ons at the store. You'll also save money on gas or other transportation, as well as the time you would have spent pacing the aisles.

HACK 44

Pay Yourself to Splurge

What if you could save and splurge at the same time? It might sound counterintuitive, but with a little bit of planning, you might be able to.

AN UNCONVENTIONAL STRATEGY

Once you've thoroughly considered an impulse or unexpected purchase and decided you really, truly want that item, dig a little deeper into your bank account. Do you have enough cash available to both buy the item and put the exact same amount into your savings account? If you're considering something small, like a donut to go with your morning coffee, you might say, "Sure, I've got \$3 to put in my savings right now. I'm getting that donut."

BUT CONSIDER BIGGER TEMPTATIONS

As the impulse buys get more expensive, the math becomes a bit more challenging. If you've been eyeing a pair of boots that cost \$100, you may not have enough money to be able to move another \$100 into savings and still be able to buy groceries to last until your next paycheck. If that's the case, it's a sign that you probably shouldn't make this purchase right now.

On the plus side, if you transfer money to savings every time you make a purchase that's outside of your ordinary spending, you may find your savings balance adds up quicker than you could ever imagine.

HACK 45

Don't Shop When You're Tired

Whether you're heading to a job interview or competing in a sporting event, you want your performance to be its very best. Why not take the same thinking to your shopping?

Retail expert Paco Underhill says that you should never shop tired and never shop hungry. That's because we suffer from decision fatigue. When we're tired (probably at the end of the day), we've already made thousands of decisions of every size, from deciding what to eat for lunch to where to stand on the subway platform to which pair of socks to put on.

That's why you see some tech leaders wearing the same style of clothing every day—it's one less decision they have to think about, and they can focus their energy on more important tasks.

You may not be willing to adopt a uniform or eat the same sandwich every single day. But you can recognize when you're vulnerable to decision fatigue. Is it when you head to the grocery store on your way home, right before dinnertime? Is it while scrolling through *Instagram* when you're lounging on your couch at night?

If you shop when you're tired or hungry (either out at a store or online), you're more likely to make impulsive decisions that could lead to buyer's remorse. If you notice you're exhausted or peckish, hold off on your purchasing decisions until you feel refreshed.

HACK 46

Focus On Your Financial Goals

Have you ever gotten a new job, raise, or promotion and ended up wondering why you don't feel any richer? Lifestyle inflation is probably the culprit. You likely spent the "extra" money on what you previously thought you couldn't afford:

- Takeout lunches
- Trips to the salon
- A round of drinks

Sure, you can technically afford these extra expenses, but they're not getting you any closer to your financial goals.

If you find yourself earning consistently more money than you're used to, make gradual changes to your spending. Replace one aging appliance before renovating your entire kitchen. Remember that just because there's more money in your budget doesn't mean you need to spend it. Focus on your financial goals and don't let the thrill of extra spending money throw you off course. You deserve to treat yourself for your accomplishments, but don't neglect the guidelines you've set for yourself so that you can achieve even more down the road.

HACK 47

Pay Now or Not at All

The last time you purchased clothing online, you may have seen next to your payment choices a fancy new option: to pay for your cart in installments. That means you can apply for a loan right there on the retailer's website, with the option to pay for your purchase over three months, four months, or even longer. These services make it easy to apply in just a few moments and show you what your monthly payment could be before you even start the application process.

But that convenience could get you in trouble. Some installment plan services charge interest rates as high as 30 percent, but distract you from that fact by pointing out that there are no late fees or other "surprises."

Some services offer interest-free installments but drop a hefty interest rate on you if you don't pay on time. All this just to buy cosmetics, clothing, and shoes. Are these essential items in your budget, or discretionary categories?

The next time you're confronted with the option to pay now or pay later via an installment plan, think long and hard about how long you want to be paying for those sneakers that could get scuffed up on the very first day.

CHAPTER TWO

Be a Savvy Saver



HACK 48

Choose Two Savings Goals

Consider your goals in order of priority. Then, choose just two to work on at a time. While it's great to have several goals, working toward all of them at once will slow down your progress for each one. Imagine thinking about your next vacation when your vacation fund only has \$20, then \$25, then \$30 in it over several months because you have so many other goals parceled out. Scale back and focus with intent on your two most important savings goals. Once you achieve your goal amount for one, switch it out with a new goal. Continue to rotate through goals as needed.

If you don't have an emergency fund, start there and work up to a financial cushion of three to six months of your typical expenses. From there, it's all up to you.

HACK 49

Get Free Movies at the Library

There's a lot to love about streaming TV and movies, but the downside is that none of those services are free. Why not cancel *Netflix* and *Hulu* and head to your local library? Even in this age of streaming, libraries carry plenty of movies and TV shows on DVD, including new releases that sometimes charge extra to access on streaming services.

You may have to wait a few weeks for the series or film you want to be available for checkout, and you typically only have about a week to complete your viewing. But the anticipation is worth it if you want to keep up with your favorite on-screen characters without a monthly fee. Just make sure to return the titles you borrow on time.

HACK 50

Save 10 Percent of Every Paycheck

Want to give your savings an extra boost? Strive to save just 10 percent more. At this point, you've probably set up automatic transfers to set aside money for retirement, build your emergency fund, or work toward other financial goals. What's stopping you from saving just a bit more?

The next time you look at your checking account, determine whether you can transfer 10 percent of your take-home pay to savings, even once you've already put money toward your other savings goals, debt payments, and fixed expenses. If your next paycheck is for \$941.50, for example, could you transfer \$94.15 to savings? What would you have to adjust in your budget to make it work? You may not be able to do this every time you get paid, but looking for opportunities to transfer 10 percent can help you build up a savings cushion that can be quite meaningful over a short time.

WHAT ABOUT SIDE HUSTLES?

This strategy works just as well. Maybe you make an extra \$60 per week teaching piano lessons. Can you put \$6 into savings before you allocate that money to any other parts of your budget? Don't worry if the amount feels too small to make a difference. The important part is that you scan your budget and bank account every few weeks to look for opportunities to save even more.

HACK 51

Automate Your Savings

If your company offers direct deposit, find out if you can split your paycheck into two or more separate accounts. It only takes five or ten minutes to fill out new direct deposit forms, and you'll be able to choose how much of each paycheck—either a percentage of your take-home pay, or a specific dollar amount—goes into which account. Some employers require you to submit voided checks to initiate direct deposit, while others only need your routing and account numbers.

You'll get used to seeing only the amount that goes into your primary checking account each pay period, instead of watching your whole paycheck get whittled down by transactions like rent, your grocery bill, and your transfers to savings. Making your savings automatic—and putting it somewhere you can't see it all the time—reduces your chances of falling short on your financial goals.

HACK 52

Round Up to Boost Your Savings

Want to replicate the feeling of dropping your spare change into a piggy bank? Sign up for a program that rounds up your debit purchases and puts that spare change toward your financial goals. Your bank might offer this for free if you have a checking and savings account, like Bank of America's Keep the Change program. But there are various apps that offer the same function.

- Chime rounds up your transactions to the nearest dollar if you're a customer who uses its debit card.
- Acorns allows you to round up your purchases and puts your spare change into an investing account (there's a fee of \$1–\$3 per month).
- Tip Yourself (now a part of the Earnin app) links to your checking account and creates a secure "tip jar" for savings. It's triggered by your own actions that you set. Log a trip to the gym, for instance? A dollar gets transferred to your tip jar.

HACK 53

Never, Ever Pay Bank Fees

With online banks growing and competing with traditional banks, there are plenty of options for storing your money. The average checking account fee is \$9.60, according to *MyBankTracker*. What would you rather do with almost \$10 per month? If you keep your money with an institution that charges monthly fees for your checking account, it's time to look for another bank.

It's easy to miss these fees when you first sign up with a bank. Many don't charge a monthly account fee if your balance stays over a certain amount, or if you are signed up for direct deposit. But those restrictions don't offer much flexibility if you want to shift your money to another account, have some big purchases coming up, or have irregular income.

Before opening a new account elsewhere, find out if you can convert your checking account to a free version at the same bank. If that's a no-go, search "best checking accounts" online to find options that don't charge fees—you might even find that some offer sign-up bonuses. Just be sure to choose a bank that's still convenient for you, whether it's in your town or online.

HACK 54

Get Cash Back

Even if you plan ahead for times when you need to have cash on hand, sometimes those cash-only moments crop up on you unexpectedly. Instead of turning to the nearest ATM, take a look around you for a supermarket or drugstore. Most of these retailers offer cash back at checkout for up to \$40, \$50, or sometimes even more. Of course, you'll need to buy something with a debit card in order to take advantage of this.

Does buying something on a whim cancel out the savings you get from not paying ATM fees? It depends on the situation, and this tip makes the most sense for when you're far from your own bank and its ATMs. Here's how to make the most of it:

- If you track your grocery list on your mobile phone, it'll be easy to reference that list to see if there's a small item you can grab.
- If you're not sure what's ready for restocking at home, pick an easy-to-carry item that you need on a recurring basis.
- If your efforts to make a sensible purchase fail, a beverage, pack of gum, or even candy might do in a pinch.

Just make sure to double-check that the cashier can give you cash back before you have them start ringing up your purchase, so you don't get to the last step only to find they can't give you the one thing you came in for in the first place.

HACK 55

Pay Your Bills Up Front

Think about the services you use that renew once or twice per year for a hefty amount, like, for instance, car insurance. The default option you probably see is you pay that bill over the course of several months instead of all at once. At first, you might be relieved to not have to pay up front. But if you can manage the entire bill in one fell swoop, you could save anywhere between 5 percent and 15 percent for paying in advance instead of monthly. If you don't see an option for this on your billing statement, call your service provider and ask if there's a discount for paying up front.

Beyond the savings, paying up front is usually a flexible arrangement. You may be ready to pay your annual premium or other service fee this time, but the next time that service renews, you can usually switch back to monthly payments if your financial situation has changed. You won't get the same prepayment savings if you do, but you won't have to deal with credit card or other interest fees in order to spread out those payments once again.

HACK 56

Keep the Best Interest Rates

Certificates of Deposit (CDs) aren't just the music you used to play on road trips. They're also a useful addition to your financial toolkit. A CD is a savings device that locks up your money for a certain amount of time, called a term. That term could be anywhere between a few months and a few years, and you can't access your money during that time without paying a hefty penalty.

In return for saying goodbye to your cash for now, CDs offer competitive interest rates—some of the highest available for savings accounts of any kind. When the CD matures (the term ends), you can take all your money back or renew for another term.

WHEN TO CHOOSE A CD

You don't want to store your emergency savings in a CD, since you want to be able to access that part of your savings quickly if necessary. But say you've started saving to purchase a house and think you might be able to save up the down payment in four or five years. You could put the money you have saved so far in a three-year CD so it can grow as quickly as possible due to interest, without risking that you'll dip into that fund to pay for a spontaneous vacation. At the end of the term, you can decide if you're ready to use that money, move it somewhere else, or you want to tuck it away again for another year or two.

HACK 57

Make Your Money Work for You

It can be tough to get motivated to save money when interest rates are low. If your bank isn't offering competitive rates for regular savings or high-yield savings accounts, consider opening a money market account.

A money market account works a lot like a savings account, but it allows you to make a few transactions by check or debit card each month. There can be a few drawbacks:

- Some money market accounts require an opening deposit of \$1,000, \$2,500, or more.
- You may be required to keep a certain amount in your account at all times.

But, in return for those inconveniences, you can often get an interest rate that's higher than other savings accounts by as much as 1 percent. And even if your money grows by 1 additional percent each year, that's extra money in your pocket for the long run.

HACK 58

Make Tuesday Your New Movie Night

Find out when your local movie theaters offer discounted tickets all day. Tuesday is a popular one, with many theater chains offering a “\$5 Tuesday” promotion all day. All you have to do is show up and buy your tickets.

Some cell phone service providers offer a discount if you buy tickets through their customer portal, with tickets often costing somewhere around \$5 rather than the usual \$12–\$15. You can also check the schedule for early showings. Sometimes the first show of the day is discounted even further than a regular matinee show.

HACK 59

Install a Browser Extension

You might be working to dramatically reduce your spending, but you can't go forever without doing at least some online shopping. We've come to expect that we'll be able to use a coupon code, either for a discount or for free shipping on our order. But how can you find them without wasting a bunch of time checking dead-end forums or sketchy-looking coupon portals? Instead of searching for coupon codes, install a browser extension that does it for you automatically. Examples include:

- Honey
- Wikibuy
- InvisibleHand

Some even tell you if an item is available for a lower price somewhere else. They're free to use and can reduce your reliance on those coupon codes and sale ads that are still crowding your email inbox. Start with one coupon extension and remember that you can always delete it and try another if you don't like it.

HACK 60

Team Up for Greater Savings

Savings clubs are popular in communities that may not wish to rely on traditional banks. They prove the power of a group in saving money for a goal. To do it, you need a savings goal, a group of friends who want to save the same amount, and someone who's willing to manage the finances of the group for the duration.

A SAVINGS CLUB IN ACTION

Say you and ten friends each want to save \$1,000 over the course of the next ten months. Each month, you each contribute \$100. On the same day you meet to turn in your \$100 each, one of you takes home the full \$1,000 pot.

Then next month, that person continues to contribute their \$100, while someone else takes home \$1,000. The “winner” rotates until everyone has taken home the full \$1,000 that they've contributed over the course of the ten months, although some people will get their money early (which acts almost like an interest-free loan) and some people will get their money closer to the end of the cycle.

If you identify a group of people who want to participate, consider starting with a smaller goal so the stakes are lower. Once you complete a cycle, you can increase the amount you all save together.

HACK 61

Reap the Benefits of Loyalty

Every store seems to have a loyalty club or rewards program now. And while they don't make any sense if you only shop at a retailer occasionally—they just tempt you to shop—they make so much sense for places you shop with regular frequency.

- If you do all your grocery shopping at two supermarkets in your neighborhood, of course you want to get those members-only discounts.
- If you find yourself picking up the same items several times a year from the beauty supply store, you might be missing out on rewards points or coupons by not signing up.

The great thing about loyalty programs is that most of them are free, and more and more of them are becoming available to customers without requiring them to open a store credit card. That means if you end up not shopping at that store often or you move away from your favorite location, you won't have wasted any money or effort in your quest to save.

And don't forget the power of the humble punch card. Look for cards that offer a discount or freebie once you accrue a number of stamps or hole-punches at businesses like:

- Gas stations
- Car washes
- Hair salons
- Consignment stores
- Coffee shops

It's easy to lose and forget them, so keep your punch cards in an easy-to-grab spot, like your car's glove box.

HACK 62

Earn Rebates

Once you've applied the most valuable promo codes to your online order, make sure you're *also* earning cash back on your purchases. It's easy to get started through mobile apps as well as browser extensions.

HOW MUCH CAN YOU EARN?

It depends on where you shop and which shopping portal or app you use. You can earn anywhere between 1 percent and 10 percent—and sometimes even more—when you shop a specific participating retailer through *Rakuten*.

Meanwhile, Ibotta offers a dollar-value rebate for various products when you shop in-store (for example, get 25 cents when you buy a specific brand of cereal); it also offers percentage-back opportunities to earn in stores beyond grocery and big-box chains.

WHAT'S THE CATCH?

You might be wondering what the app gets out of this deal. It depends on the program. Retailers typically pay to participate by sharing a sliver of your purchase total with the cash-back portal. In addition, rebate programs make money by selling information about consumer purchasing. They may not use your personal demographic information, like age and location (check their terms and conditions to be sure), but they typically aggregate the buying patterns from their users to provide information about sales trends or product preferences.

To make sure the rebate program doesn't encourage you to spend more, make your shopping list before you log on to look for applicable rebates and cash-back offers.

HACK 63

Browse Your Local Pawn Shops

Pawn shops are frequently filled with treasures ranging from antique jewelry and quality electronics to sporting equipment and small appliances. You don't have to feel guilty about buying these items—there are plenty of people who chose to sell their items outright to these local businesses.

If you're looking for a specific brand or model of an item, call around to find out if any pawn shops nearby have it in stock. Check whether local stores have social media accounts or websites that catalog their more covetable items. Ask about purchasing warranties that go above and beyond the typical return policy. You'll already be saving up to half price on what you'd pay for that same item new.

HACK 64

Roll Your Own Coins

As much as we shift our financial lives to digital methods, we still end up with random piles of change: on your dresser, in the bottom of your handbag, in the cupholder of the car, etc. After a while, you might be tempted to round up all that extra change in a jar and take it to the coin counter at your nearest grocery store.

You're in the right mindset to think about taking that loose change and turning it into more useful currency. But some machines don't take a fee if you choose to take the value as a store credit for select stores.

Your bank will give you free coin wrappers, and it doesn't take long to sort and stack your change. The next time you need to visit the bank, simply take those rolled coins with you to deposit them.

HACK 65

Buy Refurbished Electronics

Do you want the latest, greatest version of that smartphone or other tech device but don't want to pay full price? You can save \$50, \$100, or more by picking out one that's refurbished. Refurbished items typically come from one of two places:

- Someone who owned and used that item sold it to a retailer or reseller
- Someone who bought the item, opened the box, changed their mind, and returned it

In the latter case, the retailer can't advertise the item as new. They list it as an open-box item and offer a steep discount to unload that product. Refurbished items are reviewed in detail by the party reselling them, and they get restored to factory settings before getting listed for sale.

ARE REFURBISHED ELECTRONICS LEGIT?

You can usually trust a refurbished item you see advertised by a major electronics maker. Some retailers that sell various products also offer an "outlet" section of their website where they list open-box and refurbished items. These sections are always changing, so it's worth checking repeatedly or setting up alerts. You'll also want to check prices for e-commerce resellers.

As with all purchases, do your research, comparison shop, and make sure any refurbished item you're considering matches the specifications (like screen size or amount of memory) you really want.

HACK 66

Visit Tourist Attractions for Free

Admission to your local museum, zoo, or cultural site can cost more than \$20 for a single day of fun. But almost every one of those destinations offers a free or reduced admission day. Some offer the same day or evening each week, while some offer a monthly event.

Determine when their special admission days take place and what their prices are. You can probably put together a schedule with a free admission available almost every day of the week. Look for terms like:

- Free days
- Pay-what-you-wish days
- Discount days
- By-donation days

Keep a close eye on museum and other sites' calendars for events with partner organizations, as well. Smaller art galleries, animal rescues, or educational centers that partner with bigger museums may offer even lower admission rates or even be free to visit all the time.

You'll also want to keep an eye out for *Smithsonian Magazine's* Free Museum Day, when museums around the country offer free admission on the same Saturday. You'll need to reserve your spot online in advance and be prepared for crowds.

HACK 67

Share Your Ride

Ride-hailing apps have made it easy to get an inexpensive ride around town. But after fees and tips, your Uber or Lyft rides can quickly add up to a considerable portion of your budget. Both services have even less-expensive options of getting a ride, offering you a discount for sharing your route with other users who are going the same way. But choosing an UberPool or a Lyft Shared ride can add considerable time to your trip, and you may not feel like chatting with strangers on your way home from the airport or dinner party. You can still save by looking for opportunities to share rides with people you know.

- Most ride-hailing services allow you to make two stops in one trip, so you can make an extra pickup on the way to dinner.
- Coordinate with your companions to start the night at a single location rather than meeting up at the venue if you're going to see a performance or sporting event.

It takes a little extra time to plan who's going to meet where in order to make the trip efficient, but you were probably going to spend a bunch of time texting those people anyway. You might as well spend a few minutes figuring out how you can all spend less money on transportation.

HACK 68

Be the Host with the Most

Instead of gravitating toward your usual nightlife haunts, invite your friends over for a night in. Host a potluck if you want a hearty meal or set out some simple snacks and make the night bring-your-own-beverage for a gathering that's even more gentle on your budget. If you want to create some structure, plan your evening around a sporting event on TV, or a card or board game.

The dress code is casual, it's not too loud to have a conversation, your pets are always welcome, and there's plenty of elbow room. The next time you want to get together, you can rotate to someone else's place, so you don't have to host every single time.

HACK 69

Save Money at a Repair Café

Don't throw away that piece of furniture, item of clothing, or kids' toy you think is broken. Take it to a Repair Café. Repair Cafés are free meetups where you can bring broken items from home. The meetup location has tools and materials on hand for your repairs, and category specialists are on hand to assist you in completing the repair your item needs. There are more than two thousand Repair Cafés around the world, and you can usually drop in without registering or making an appointment.

If your item is too big to bring to a café location, you can still attend—bring some photos of the issue and as many details as you can remember. You might run into an expert who can advise you. Every meetup is volunteer-run, and some groups request you provide a small donation if you're able. To find a Repair Café near you, visit RepairCafe.org/en/.

HACK 70

Pay Less for Prescription Drugs

Sometimes the prescription your doctor has ordered for you has a price far higher than you expected, even if you have health insurance coverage. Before you risk getting surprised at the pharmacy register, look online to see if there are any coupons or discounts available for the drug you need to take. Some pharmaceutical brands provide information for coupon programs on their website, so check there if your doctor's office or pharmacy doesn't have information about a discount program from the drug maker (your doctor, nurse, or pharmacist is often aware of these programs that help their patients save money!). You can also search on drug coupon sites.

HOW TO USE PHARMACY COUPONS

A good pharmacy coupon site is free to use and will provide pricing information for various grocery and drug store pharmacies in your area. If there's a coupon available for that drug, you'll be able to print it at home and take it with you when you pick up your prescription.

Just be sure to tell the pharmacist that you have a coupon before they apply the drug to your insurance plan. Sometimes you can use both together, but sometimes you can't. In that case, you'll be able to make a decision at the cash register whether to accept the price for your prescription plan or pay the retail price with the coupon you've found.

Going to the pharmacy to pick up medication can be an exhausting endeavor, especially when you're not feeling well. But a few extra moments spent searching online could save you \$10, \$20, or potentially far more.

HACK 71

Budget Your Utility Bill

If you live in a climate that features roasting hot summers and frigid winters, your heating and cooling bills can be a major stressor month in and month out. Instead of sacrificing your comfort by keeping your thermostat at a level that makes everyone in your household resent you, find out if your utility provider offers a budget plan.

A budget plan analyzes your past bills and averages your monthly usage. Then it bills you the same amount each month, all year round. You'll have to pay a higher bill during the spring and fall when you're not using your utilities as much, but that slightly elevated bill will be predictable. Then, during those extremely hot or cold months, you set the thermostat and forget it (bonus points if you use a programmable thermostat). There may be a fee to participate, so check those details before signing up. It may still be worth it if you value a steady monthly bill.

ONE CAVEAT TO NOTE

At the end of the year, if your usage varies widely from what your utility provider estimated, you may have to pay the difference. So, don't get lazy about where you set that thermostat, even though you're on a regular utility budget. Some programs also warn that if you end your service with the utility provider before your year is up, you'll need to pay for the difference in your usage. Budget plans like this are best for people who know they'll be staying in one spot for at least a year or two after signing up.

HACK 72

Clean the Back of Your Fridge

You've replaced your light bulbs with energy-saving options, you've lowered your thermostat, and you've insulated your home. But you still want to shave a few dollars off your energy bill. Look behind or under the fridge for a common culprit. You'll have to get a little dusty to complete this task, but it's worth it.

HELP YOUR FRIDGE HELP YOU

Find out where your fridge condenser coils are located. They're usually on the back of the fridge or underneath it, behind a small grate. These coils release heat from the unit so your food stays cold in the fridge. If your condenser coils are covered in dust, pet hair, or cobwebs, your fridge has to work harder to chill your groceries.

Take a vacuum attachment to the coils (you may have to remove a cover) for a quick cleaning; check the instruction manual for your model for specific instructions and maintenance tips. Do this every six months to keep your refrigerator running efficiently.

While you're at it, take a peek at the vents in your freezer. They blow out cold air and can get blocked up with frozen condensation. Wipe these vents with a damp cloth once a month or so to keep them clear. When you're done, you can reward yourself with some ice cream.

These two tasks take just a few minutes a couple of times each year but can do a lot to keep your food cool—and your power bill pretty chill too.

HACK 73

Turn Down the Heat

You may enjoy a long, hot shower, but you can probably survive with that water temperature just a few degrees cooler, right? Turning down the temperature on your hot water heater is a quick and easy way to reduce your heating costs all year long. Water heater manufacturers often set the temperature to 140°F, which is far hotter than the average household needs. By turning your hot water heater thermostat down to 120°F, you could save up to 10 percent on your annual energy bill.

That's because a too-hot water heater can waste energy in a major way:

- **Distribution losses:** heat escaping as the heated water travels through pipes from the water heater throughout your home.

Check the instructions for your water heater to learn how to adjust the temperature. Call a handy friend or neighbor if you don't feel confident making the adjustment yourself.

HACK 74

Save Money by Moving on a Weekday

When it's time to move to a new abode, you might schedule your movers or rental truck for Saturday. After all, you're off work and will have the entire weekend to transfer your stuff to your new place.

But since moving companies have the highest demand on the weekends, that's when their services or rental vehicles are the most expensive. The next time you compare prices, check a weekday—Monday through Thursday—date versus the weekend options (Friday counts as a weekend day in this case).

If moving during the week would be cheaper than the weekend by the equivalent of one day's pay, it's worth taking the day off and considering a weekday move.

HACK 75

Get an Energy Audit

Even if you turn off the lights whenever you leave a room, your home may have inefficiencies that can make your monthly bills higher than they need to be. Find out if your energy provider offers energy audits to pinpoint areas where you can increase your home's efficiency. These appointments are usually free, with a trained professional who can help you identify trouble spots, whether they're caused by your appliances or insulation or by your habits. The consultation only takes about an hour.

Participation can also make you eligible for rebates from your energy provider if you make significant improvements to enhance your home's energy efficiency. It's not just for homeowners—in many cases, renters can take advantage of these programs.

HACK 76

Use Ceiling Fans Strategically

An easy way to save money might be right above your head—it's your ceiling fan. Ceiling fans don't warm or cool a space; they move the air to make you *feel* warmer or cooler. A ceiling fan costs about a penny per hour to run, according to *Angie's List*, and you can use yours in tandem with your heating and air conditioning systems to actually save you money.

- If you want the room to feel cooler, make sure the blades are turning counterclockwise to move the cool air down toward you.
- To feel warmer, make sure the blades are turning clockwise to draw cool air up and bring warm air down toward your skin.

The US Department of Energy says you can adjust your thermostat by four degrees if you have a fan on in the room, and you'll feel just as comfortable. Doing this can reduce your energy costs by as much as 30 percent in the summer and as much as 15 percent in the winter.

Check your fan's installation manual or search for instructions online to learn how to change the fan direction; it usually just takes a flip of a switch on the unit. While you're up there, wipe down the blades to reduce the amount of dust in the room. Make a note to adjust the setting every six months or so and you'll be sure to have a comfortable room all year round.

HACK 77

Never Forget a Bill Again

The easiest way to pay your bills on time, every time, is to not pay them at all. Instead, set up automatic payments. This option is usually free, but the real savings comes from the fees it prevents you from dealing with. Once your bill is late, your phone or cable company typically won't chase you down with repeated emails to remind you that you're late. It'll be a month later when you realize the error and have to pay two months' worth at once—plus late fees—putting a major dent in your financial plans. Setting up autopay prevents errors even if you consider yourself a diligent bill payer. Why mess with fate when you can avoid late fees for free?

HACK 78

Stop Buying Books

Instead of letting yourself automatically click that “buy now” button and having your favorite author’s latest title shipped to you ASAP, remind yourself of the power of your local library, with the help of a free browser extension.

The Library Extension app (www.libraryextension.com) can be added to Chrome and Firefox browsers. All you have to do to start saving is select your local library system. Then, when you browse titles on *Amazon*, *Barnes & Noble*, *Google Books*, or *Goodreads*, you’ll get a notification if your library has that book. You’ll also see how many copies of the title are available. Even if you have to wait for the book to become available at your nearest branch, you’ll have made a wallet-friendly choice that doesn’t interfere with your reading habits.

HACK 79

Spend Money to Save Money (and Time)

Some financial startups will do all the work of negotiating your phone, cable TV, and Internet bills for you. That means they wait on hold, haggle with customer service representatives, and seal the deal for you without you ever needing to say a peep. All you have to do is upload your latest billing statement.

In exchange for this service, you pay a portion of the achieved savings to the negotiation service; but then you continue saving all year long. Depending on how much they can negotiate your bill, the savings can add up to a significant amount. And consider the time you'll save by outsourcing this task.

HACK 80

Score Double Savings on Groceries

What's the best day of the week to shop for groceries? That depends on when the new sale circular goes into effect. Some stores make their sales even better by combining two weeks' worth of sales into one.

Say the sale week starts on Wednesday. Every Wednesday, the store will honor sale prices on items from last week's sale *and* the coming week's sale. You might need your store loyalty card, but there are no coupons to take advantage of double the number of items on sale. All you have to do is pick the right day to shop—and brace yourself for the crowds if everyone else is already in on the secret.

Not every chain does this, so you'll want to check the policies for the stores in your area.

HACK 81

Make Your Shopping Trips Count

Have you ever run to the store for a few items only to find that none of them are in stock? Instead of getting what you need, you return home, having wasted gas on an unsuccessful trip. Or, you continue your search, hoping the next store (or the next, or the next) will have what you need. That wastes even more gas.

Instead of simply hoping the store has what you need, check inventory before you leave the house. Many stores allow you to do this online, while others will require you to use their mobile app to check inventory. If an item is out of stock, you can check other locations and determine whether it's worth visiting another store to complete your shopping list. Take five minutes to check before getting in the car and you could save yourself a lot of time overall.

You can also use that inventory check to simply order the items and avoid traipsing around the store completely. Major chains like Walmart and Target allow you to place an order online and pick it up at the customer service counter or even at the curb—often as quickly as the same day. It's a savings trifecta:

- You save money by not paying for shipping.
- You get exactly what you need.
- You won't be tempted by other items if you don't go past the pickup counter.

HACK 82

Avoid Convenience Stores

Having essential items at the ready for your last-minute needs comes at a price. Researchers have found that convenience stores charge 11 percent more than grocery stores for the same item. Similarly, drugstores often charge higher prices than you'll find for the same item at a supermarket or big-box store.

If you regularly find yourself popping into the convenience store or the pharmacy, take note of that spending and start planning ahead for those purchases. It may take a bit more energy to drop into the grocery store when you only need a few items, but the savings might be worth the tradeoff.

HACK 83

Enjoy Fresh Herbs with Every Meal

You may not have space to have a lush garden, but just about everyone has space for a simple herb garden. All you need is a windowsill and a few seedlings from your local garden or hardware store.

Fresh herbs pump up the flavor in your favorite dishes, and you can collect exactly what you need from your own plants. Plus, you can make sure you never run out of your favorites.

If your plants get a little too overzealous, clip some to share with friends or neighbors. In fact, before you purchase herbs to grow at home, think about who you know who might already have herbs growing in their own home. Gardening enthusiasts—even those in very small spaces—are usually happy to share cuttings or smaller plants they've raised from their larger plants.

HACK 84

Shop Clockwise at the Grocery Store

Since more people are right-handed, a store layout that guides you to start on the right side of the store and work your way around, counterclockwise, encourages you to spend more. You're pushing the cart with your left hand and grabbing items with your right. Customers who follow along spend \$2 more per trip to the grocery store, according to researchers.

Go against the grain the next time you go grocery shopping and navigate the store clockwise instead of counterclockwise. It won't be any harder to steer the cart, but you may feel less temptation to pick up extra items while you check off your list.

HACK 85

Fly on the Cheapest Days

Everyone loves to get away, but no one enjoys paying for the jet-set life. If you have some flexibility in your schedule, focus your search on flights during the middle of the week, when demand is lower. *CheapAir* has found that flights on Tuesdays are on average \$85 cheaper than they are on the most expensive day of the week to fly, which is Sunday. Wednesday and Thursday flights are often considerably less expensive than options on Friday, Saturday, Sunday, and Monday.

Tuesday afternoon is the best time to purchase airfare, according to *FareCompare*. US airlines tend to start discounting their fares late on Monday or early on Tuesday, which sparks competition among them that settles down by Tuesday afternoon. You'll have the best selection of the lowest prices then.

HACK 86

Buy Lunch Twice a Week

If you abruptly switch from buying lunch every day to packing lunch every day, you're going to find yourself in a rut. No matter how good your intent is to change your habits and save money, you can't deny the irresistibility of a hot dish or crisp salad prepared for you fresh by someone else. To make it easier to transition to a leftovers-heavy life, set a realistic meal prep goal.

Pack your lunch three days each week, while leaving two days as free days during which you can go out for lunch or order delivery. By mixing up your week, you give yourself something to look forward to while still sticking to your goal of increasing the number of days you save money by bringing your own lunch.

Format the week however you desire:

- Bring your own lunch on Mondays, Tuesdays, and Wednesdays and splurge the rest of the week.
- Pack lunch on Mondays, Tuesdays and Thursdays, leaving Wednesday and Friday for takeout lunch.

However you organize the week, try to leave Friday as one of your "hot lunch" days. At the end of the week, your brain is tired, and your body might be too. You're allowed to make your Friday a little easier with takeout to help you stay strong until the stroke of five on Friday afternoon.

HACK 87

Shop Your Pantry Instead of the Store

The best way to save money is by not spending any at all. Delay your next trip to the grocery store by a few days. Instead, raid your pantry.

- Open the cabinets and pull out anything that's been ignored.
- Dig inside the fridge and find perishables it's time to use up before they expire and go to waste.

You might be surprised what you can whip up instead of standing in front of the fridge complaining there's nothing to eat. As an added bonus, searching your pantry for ingredients can also help you find where you've doubled up on supplies over time. Take a few moments to organize those shelves so you know with a glance what you have—and what you don't need to spend money on this week.

HACK 88

Fill Your Gas Tank on Monday

The best time to fuel up your car is well before the light on your dash comes on. Instead of driving farther (and using more gas) to save a few cents per gallon, focus on the day of the week you fill up. A survey from *GasBuddy* found that the best day of the week to buy gas is Monday. Fill up on your way into work or on your lunch break with prices that are likely to be the lowest you'll see all week.

The worst time to buy gas is Friday, Saturday, or Sunday. As the end of the week nears, we tend to fill up our tanks in preparation for fun weekend plans or completing errands. If you can stop to top off your tank on Mondays, it could keep your week running smoothly for a bit less money.

HACK 89

Try Every Weird Tip Once

The further you get into the world of personal finance blogs and communities, the weirder the advice gets. It's not necessarily because all the advice is the same and we're desperate to mix it up. It's more because money advice is so specific to every person. What works well for your friend might be a nightmare for you. If you read a tip for saving money, try it once or twice and evaluate its usefulness to you before committing.

YES, TRY THIS AT HOME

Take this one for instance: Some people reuse tinfoil in their kitchens. Once they unwrap that extra piece of lasagna that was in the freezer, they wash the sheet of tinfoil in the sink, let it dry, fold it up and stick it in the drawer next to the roll of new foil. You can reuse a portion of aluminum foil two or three times or more, but only if you have the patience to wash, dry, and store it between uses. For some people, this routine means saving \$5–\$10 per year on this kitchen material. But you might see it as a waste of time after a few attempts.

If a tip doesn't work for you, don't worry that you're doing it wrong or you're just not frugal enough. Skip it and move on, experimenting with strategies and adopting those that work for you—not just the ones you feel like you *should* be doing.

HACK 90

Always Buy the Biggest Pizza

After many days of dining on the meals you've prepped ahead of time to save money, it's finally time to enjoy a hot, fresh pizza delivered by your favorite local spot. You've earned it! But which size pizza should you get?

If you're feeding a group, it's probably an easy decision to get a large pie. But if you're just ordering for yourself or you and a partner, you might wonder if you really need to spend more on a large pizza.

THE MATH SAYS SO

You might be surprised to learn that you should always buy the large pizza, no matter how many hungry people are hanging out at home. It's because of the geometry of the area of a pie. A 16-inch pizza is four times the size of an 8-inch pizza. To get the same amount of pizza with small or medium pies as you would with large pies, you'd end up paying far more for your entire order.

If you have access to a fridge or freezer, it's worth wrapping up the leftovers once you've had your fill and reheating slices when your next pizza craving hits. It may feel like you're spending more, but you're really maximizing the amount of pizza you're getting per dollar you spend. Plus, with your savings, you can kick an extra buck or two back in to get pepperoni or your other favorite topping. Consider it a reward for ordering smart.

HACK 91

Stock Your Garden for Free

Houseplants are all the rage right now, but the bigger they are, the more expensive they get. And if you're just getting started with lots of small plants, those can start to add up too. Instead of blowing all your money at the hardware store or garden center, find a free plant swap in your area. At these events, plant enthusiasts bring:

- Flowers
- Cuttings
- Entire plants already in pots

Not only will you be able to pick up some new greenery for free, you'll also be able to learn from other enthusiasts before you take your new leaves home.

If you don't have any cuttings of your own to offer yet, you may be able to pay a small fee to attend. Or, ask a friend who's a green thumb to take you along to share the fruits of their labor.

HACK 92

Tune In to New Skills

You don't have to be a trained mechanic to learn how to take good care of your vehicle. Learn how to do basic tune-ups for your vehicle to save major cash on regular maintenance. It may seem daunting if you haven't spent much time under the hood, but there are lots of free resources—from library books to *YouTube* channels—to help you get started.

Take the cost of an oil change, for example. Doing it yourself can cost as little as \$25, while having it done by someone else can easily cost up to \$100. Plus, think of the convenience of changing your own oil, filters, and fluids on your own. You can spend that time tinkering at home, instead of in a waiting room, and no one's going to try to sell you extras you don't really need if you're doing all the work yourself.

If you're nervous about following a tutorial, you may be able to get hands-on knowledge at a live class. Search for “free car care classes” in your area or visit your local library for help tracking them down.

KEEP CALM AND RIDE ON

If you steer two wheels instead of four, you're also in luck. The ability to do basic repairs on your bicycle can save you the \$30–\$75 you'll pay for a tune-up at your local shop. Find out if your area has a bike co-op that offers hands-on repair help for nominal fees. Local biking clubs may also help you connect with repair resources and you'll probably find fellow cyclists happy to guide you through your first few repairs.

HACK 93

Buy a Transit Pass

Reduce the cost of each ride on mass transit by paying in advance for a weekly or monthly transit pass. When you're just getting used to a new commute, it can be hard to gauge whether you can save by essentially buying transit fares in bulk. But if you take two trips per day (to work and back) during the week, plus any weekend trips, you're likely to save 20–30 percent for each trip overall.

Take the Los Angeles DASH bus, for one example. The city's transit department has a calculator to show how much you'd save with a monthly pass for unlimited rides. It only costs 50 cents each time you ride the bus, but if you ride twice per day almost every day of the month, you could buy a monthly pass for \$18 and save \$120 per year.

HACK 94

Take Out Your Cell Phone

Looking for a new place to live, either buying or renting? Do yourself a favor and look at your cell phone signal during your tour. Don't just check it once near the front door—make sure you take a peek at how strong your signal is in every room of the home.

If you're struggling to find a strong signal, it's worth thinking about the additional costs you may have to deal with after moving in—and it's even more important if you plan to work from home.

If you need to get a signal booster or “repeater” to extend the strength of your cellular signal throughout your home, you'll need to get one that specifically works with your carrier's signal. That could cost you \$300 or more. A network extender that serves the same purpose can cost just as much.

HACK 95

Cut Insurance You Don't Need

Before you pick up your rental car, check to see what insurance benefits your credit card offers. Extra insurance benefits are usually available for cards that offer travel rewards, and you can only use these extra perks on travel purchases you make with that credit card.

SWEAT THE DETAILS

Check whether your card offers primary or secondary insurance for rental cars. If it only offers secondary insurance, that means it will only cover the costs of a collision or other damage after you file a claim with your primary insurance company. If your card only offers secondary insurance and you don't have a car insurance policy (say, you don't have your own vehicle), you may still need to purchase insurance from the rental car company.

You'll also want to research whether your credit card offers collision coverage, liability coverage, or both; it's common to have coverage from your card issuer for damage to your own rental car (collision) but not for damages to the other party. This information is listed in your credit card's guide to benefits that you received in the mail; you can also find this document in your online account for that card. If you have questions about what the insurance benefit does and does not cover, call your card issuer to clarify before heading to the rental counter.

And when it's time to pick up your rental, take that guide-to-benefits pamphlet with you. Some car rental agencies will ask for proof of your credit card insurance coverage if you decline theirs. Rental car insurance can add as much as \$50 per day to your overall bill. Imagine what you could do with an extra \$50 per day to spend on the fun parts of your journey?

HACK 96

Make Your Airfare “Typical” or “Cheap”

Have you ever searched for airfare on *Google Flights*? The site has lots of tools to help you find the best deal on airfare. But you’ll miss one of the most helpful tools if you don’t know where to look for it.

Don’t just scan the prices and pick the one that looks the lowest. Click on an itinerary (you’ll need to select a departure and a return close to your ideal for the trip) and scroll to the bottom of the next page. You’ll see a chart that shows whether the price for that itinerary is cheap, typical, or high based on other flights on the same route. It will also tell you the typical range, so you know exactly what price spread to keep an eye out for.

If the flights you’re seeing are on the lower end of the “typical” range or even “cheap,” you can be confident booking your trip right away. If the fares are “high,” wait to purchase or redo your search with different dates or even a different nearby airport selected.

HACK 97

Never Prepay for Gas

If you've ever rented a car, you know it can be a tense conversation at the counter. You want to be a responsible driver, but you also don't want to overpay for what can already be a pricey convenience.

No matter how many options the counter associate throws at you, never prepay for gas. When you do that, you're essentially paying up front for the rental company to refill the tank when you return the car. And you pay for an entire tank, even if you don't drive enough to get the needle down toward the *E*. There aren't refunds for prepaying, either, if you only drive a little bit.

On top of that, rental companies often charge higher per-gallon rates for gasoline than the stations located nearby. So even if you choose to pay per gallon for what you need when you return the car, you're likely to be paying several cents more per gallon than you would if you had done the errand yourself on your way back to the rental facility.

Next time you rent a car, tell them you'll fill the car up yourself. Then, take a note of nearby gas stations as you depart the rental facility with your temporary ride. You'll be happy you did when your trip is over. If you're really nervous about getting credit for your legwork fueling up before you drop off, take a photo of the gas gauge with your phone when you pick up the car, before you fuel up, and as you're dropping it back off.

HACK 98

Negotiate Car Prices by Email

The days of rolling up to the nearest car dealership and spending the afternoon haggling are long gone. If you haven't bought a car in a while, you might not know about the latest advancements in car shopping:

- Email
- Texting

Dealerships show available new and used inventory online, and you can input your contact information to ask a question about the vehicle or express your interest. Most dealerships will try calling you as soon as you submit your request, even if you check that you prefer to be contacted by email. Once you're connected to a sales associate, the ball is in your court to negotiate pricing—and you don't even need to have a conversation out loud.

These newer methods are useful if you get anxious negotiating or working with sales associates. You can plan your next question or statement carefully and you won't feel pressured into making a decision.

DON'T LIKE THE PRICE?

Go quiet for a few days and wait for the associate to follow up. Their next text message or email might offer the deal you're looking for. You'll still have to visit the dealership to do that mountain of paperwork and get payment settled, but you'll save all that negotiation time and skip the sweaty palms.

HACK 99

Haggle the Best Price

Choosing the right car for you and negotiating a price at the dealership can be a long and anxiety-ridden process. But the work isn't done once you agree on a price.

Next, unless you're prepared to pay for the vehicle in cash, it's time to talk to the finance office. Car dealerships are happy to offer you financing, but you shouldn't trust that your dealer has the best rate. Before getting too far into your car shopping process, check car loan rates from your own bank or credit union. Take proof of that quote with you when you go car shopping. Your dealer is likely to do their best to match the rate you were offered; if they can't, they'll help you complete the process to use the financing offer you have.

IS IT WORTH IT?

It may feel like a lot of work for an interest rate that's close to what the dealership might offer you. But consider that 1 percent of a \$15,000 car is \$150. Why pay an extra \$150 for your new wheels if you don't have to?

Checking your credit for a loan does impact your credit score, and you may see it decrease by a few points while you're car shopping. But don't let that prevent you from doing your own research and shopping around. Credit bureaus can tell when you're shopping for a large purchase and will lump those preapproval inquiries into a single event on your credit report.

CHAPTER THREE

Get Debt-Free



HACK 100

Check Your Free Credit Report

There's only one place to get your credit report from all three credit bureaus—TransUnion, Equifax, and Experian—for free. To get yours, visit AnnualCreditReport.com.

You'll provide your Social Security number and answer a series of questions to verify your identity to gain access to your credit report from any or all of the bureaus. This report won't show your score, but it's actually more important than your numeric credit grade. It shows every credit account you've held for the past seven to ten years, along with your payment history. (If you don't see your most recent payment activity, that's okay—it takes lenders a month or two to send updates to the credit bureaus.)

Doing these checks also ensures that you haven't been a victim of identity theft or fraud. Review it for any errors or accounts you don't recognize. If there are discrepancies, you'll need to file a dispute with that credit bureau to get it straightened out (the bureau will have instructions for doing that at the top of your report). The more boring your report is, filled with decreasing balances and on-time payments, the better.

WHY IT'S IMPORTANT

Your credit report gives you a baseline for the health of your credit, so routinely check it like you would your health. You can access a free report once a year from each of the three bureaus, meaning you can choose to access them all at once (helpful for your first time), or stagger them throughout the year. Maybe you request your free Equifax report every January, then TransUnion in May and Experian in October. Whatever schedule you choose, mark it on your calendar so you don't forget.

HACK 101

Know Your Debt

The first step to getting out of debt is knowing what you owe. Log in to your credit card accounts online or look at your most recent mailed statement to find out how much debt you have and what your interest rate is. The interest rate often won't be obvious when you log in to your online account, so you may have to hunt around a bit or open the digital version of your last statement.

Create a spreadsheet or list of your cards, the balance and interest rate for each, and the monthly due date for each one. Do the same for balances and interest rates for any:

- Student loans
- Personal loans
- Car loans

Don't get overwhelmed when you do this—you're just taking inventory. You don't need to have all the answers for paying off your debt just yet; you only need to know the details of what you're working with.

HACK 102

Keep Your Oldest Credit Card

Don't close your oldest credit card if it doesn't charge an annual fee. The length of your credit history makes up 15 percent of your credit score; the longer your history, the better that part of your score gets. The length of history for that credit card adds to your "credit age," which is the average length of all your credit accounts. If you're just starting to build credit, you might only have a credit history of six months or a year. That doesn't make much of a case to other lenders who might consider you as a borrower. But if you have a history that's at least five or six years, a lender can get a better picture of how much risk it would take by lending to you.

HACK 103

Check Your Statement

If you're paying your credit card bill on time and usually pay off the entire balance, you may not feel like you need to look at every line of your statement. But reviewing your transactions from the previous billing period can help you catch any signs of fraud before it's too late to take action.

If you wait a month or more after a fraud event happens to contact your card issuer and file a fraud report with your local police, it's harder to prove you weren't the person who made the charges. If you can catch suspicious or unusual charges within a week or two of them taking place, you have a much better chance of the card issuer and any other party you must consult with standing in your corner to help you solve the problem—and help you get your money back ASAP.

HACK 104

Get Your Annual Fee Waived

There's so much competition among credit cards that it usually doesn't make sense to have one that charges an annual fee. But if you find yourself with one, you may want to call the number on the back of your card. You might be able to get your annual fee waived.

Many cards waive the annual fee for your first year before reminding you about it in year two. As your renewal date approaches, call and ask politely if it's possible to have your annual fee waived.

FOLLOW THIS SCRIPT

You might say something like, "I've been a customer for [however long]. I really like this card, but I'm considering closing it due to the annual fee. Is there anything you can do to waive that fee?" Even if the customer service representative can't cut the fee completely, they may be able to reduce it for you.

A CreditCards.com survey found that more than 80 percent of people who asked got their annual fee waived or reduced. If you have a high-end rewards card with an annual fee in the \$450–\$550 range, you may have less success than if you're trying this for a card with a lower fee. In that case, you may want to ask if you can switch to a card with a lower annual fee, or none at all. You'll earn fewer rewards, but you'll pay less for the privilege.

HACK 105

Track to Motivate

How close are you to paying off your debt? Search online for fun and interesting ways to track your debt payoff progress.

By tracking your progress in a visual format, you can glance at your progress and get an instant boost of motivation to keep going.

Whatever you choose, put it somewhere in your home where you can see it often. Don't be shy about visitors seeing it—it'll help everyone get talking about the importance of monitoring your money and your financial goals. It may even inspire others to pay down their own debt with more diligence.

HACK 106

Make Every Dollar Count

Ever opened a birthday card to find a \$20 bill and felt a sense of endless possibility? That gift could turn into a night at the movies, the tab at your favorite lunch spot, or a portion of that new pair of sneakers you've been eyeing.

But what if you put every extra dollar toward your debt? Think of all the extra money you end up with each year from:

- Birthday cards
- Holiday gifts
- Commissions or bonuses at work
- Consigning clothing you no longer wear
- Other surprises

It may seem like the least fun way to use extra funds, but it can make a serious dent in your debt with minimal effort.

HACK 107

Score FICO for Free

Your free credit report has plenty of information about your credit history, but you'll notice it doesn't contain your numeric credit score. There are plenty of places online that will sell you your credit score—even FICO charges consumers about \$60 to access their score from all three credit bureaus. Since FICO scores are the ones used most frequently by lenders, learn where you stand before applying for credit.

But don't pay those inflated prices when you can probably access your FICO score for free through your bank or credit card issuer. More than two hundred financial institutions offer their customers free FICO credit scores, including:

- Bank of America
- Barclays
- Citibank
- Discover
- HSBC
- SunTrust
- Wells Fargo

Many credit unions participate as well. To see your free FICO score, log in to your account and look for an icon for your score on your customer dashboard. It's the easiest \$60 you'll ever save.

HACK 108

Never Be Late

If you pay your credit card bill late, you get up to a month of leeway before it gets reported to the credit bureaus and impacts your score.

But there's another negative to keep in mind: You could be slapped with a penalty APR of 10 points higher (or more) than your typical interest rate. The highest penalty APR that can be charged is 29.99 percent. Card issuers can't switch you to a penalty APR until your account has hit sixty days late, but they can put that higher interest rate on both current and future balances on your card.

Your card issuer is required to lift your penalty APR once you've made six months of on-time payments. But that penalty APR may still apply to your future balances for several months—be sure to check your card's terms and conditions for details.

There's also a negative impact right away when you don't pay at least the minimum payment on time: a late fee. Credit card issuers can charge up to \$30 for your first late payment and up to \$40 if you've had repeated late payments. While you can call your issuer and ask them to waive the late fee, it only works once or twice—you're not going to get much sympathy if you're a repeat offender. With automated payments and mobile apps for credit cards, there's no reason to pay late. The price is just too high.

HACK 109

Ask Your Landlord to Report Your Rent

Your rent probably takes up a big chunk of your budget, but it rarely gets included on your credit report (that is, unless your rent is always late). There are two methods to getting your positive payment history reported to credit bureaus:

- Ask your landlord to report your on-time payments via a service like *RentTrack*, *Rentler*, or *Cozy*. These companies allow you to pay your rent online to facilitate the reporting process with your landlord.
- Have your rent payments reported without having to ask your landlord. *RentTrack* and *Rentler* provide this service; you pay online and in some cases the service mails a rent check on your behalf. Not every option is free, but the nominal fees could be worth it each month if you're making a concerted effort to raise your credit score.

HACK 110

Lower Your Interest

Did you know your interest rate for your credit card might not be set in stone? If you have a consistent on-time payment history, try calling your card issuer to request a lower APR, or annual percentage rate.

Do a little research first: If your interest rate is already the lowest shown for the available range for your card, you won't be able to snag a discount. But say the interest rate range for your card is between 16 percent and 25 percent (the better your credit when you apply, typically the lower the rate). If you have a 23 percent interest rate right now, you may be able to convince your issuer to knock that down to 19 or 20 percent. That reduction may not seem like a lot, but it can make a huge difference in the long run.

If you have a high balance, an interest rate even just a couple of percentage points lower could potentially save you hundreds, even thousands, of dollars in interest, especially if you are only able to make the minimum monthly payments and it takes you a long time to pay down the balance.

This negotiation tactic doesn't work for personal, car, or student loans, as they all have a fixed term; it only works for revolving accounts like credit cards. You can search online for "APR negotiation script" for examples you can use when you make the call. Always be polite, and if you strike out, try again in a month or two. It never hurts to ask, especially when the outcome could mean saving thousands of dollars.

HACK 111

Aim for Excellence

The highest credit score you can get is 850. It's difficult (but not impossible) to get that if you have a shorter credit history or don't have enough types of credit in your profile. But once you achieve a credit score of 740 or higher, you're an excellent borrower. That status gets you access to the best interest rates and loan terms.

The reason 740 is the key number is because lenders can use a variety of credit scoring methods to evaluate your creditworthiness. Your score might be higher or lower depending on the scoring method, but once you exceed a 740, everyone just gets stuck into one main group of winners. So, don't worry about your numerical score as much as what contributes to it. If you're paying on time and watching your credit utilization, you're likely at that star level—or creeping closer and closer to it.

HACK 112

Set Smaller Goals

Don't let a large debt balance drag you into a pit of despair. Instead, break your debt into parts and attack those smaller goals one by one.

There's no wrong way to do this. Perhaps mentally you look ahead to the payoff date on one credit card at a time, or the amount you plan to put toward your debt each year.

You need to be aware of both the long and the short term in order to think of your debt payoff realistically, but if you can break down your debt into smaller payoff goals, you'll reduce your chances of getting discouraged halfway through because you feel stagnant.

HACK 113

Boost Your Credit Score

One frustrating aspect of your credit score is that lenders use it to determine if you're a reliable borrower, but your report doesn't show all your other good financial habits outside of credit cards or loans. What about your sparkling payment history for your utilities, your always-early rent payments, or your consistent cash flow?

Several programs can help you increase your credit score by adding elements to your credit history.

ULTRAFICO

Credit scoring system FICO allows you to opt into UltraFICO, which pulls in information about the balances for your checking, savings, and money market accounts to show that you have a consistent banking history. It doesn't replace your score if you already have enough credit history for a FICO score—it simply creates a new score with the additional information included. FICO says that seven in ten people who sign up find out they have an UltraFICO score that's higher than their regular score; you can choose to share your UltraFICO score with lenders when it's time to make your next big financial decision.

EXPERIAN BOOST

Credit bureau Experian allows you to connect your bank accounts, which it uses to pull your positive payment history for utility and phone bills. Then you can choose which accounts you include for your boost. Experian says that the average user sees their FICO 8 score increase by 13 points. Experian does warn that if your lender doesn't use the FICO 8 score (there are 10 FICO scoring versions), your boosted score may not reflect when that lender pulls your credit score.

HACK 114

Start an Avalanche or Build a Snowball

There are two methods for paying off your debt. While one has an obvious monetary benefit, which one you choose really depends on your preference.

THE AVALANCHE METHOD

Start with the debt that has the highest interest rate and focus your efforts on paying off that one debt—by doing so, you reduce the amount of interest you pay in the long run. While you focus on that high-interest debt, you pay the minimum balance on all your other debts.

Once the high-interest debt is paid off, take all the money you were spending each month on that account and start paying that amount—plus the minimum you were already paying each month—on the next highest interest rate on your list. You continue this “avalanche” until you’ve worked your way down through all your debts.

THE SNOWBALL METHOD

In this strategy, you focus on the lowest balance first; once that lowest balance is paid, you roll that payment into the next lowest debt. The quick win of paying off a debt account motivates you to keep going, and you work your way up the list of debts by total amount instead of interest rate. You’ll pay a little more in the long run because you’re not chipping away at your interest with as much gusto, but you’ll feel like you’re progressing faster.

HACK 115

Kickstart with a Blizzard

Can't decide between the avalanche or the snowball? Combine the best of both into what's called a debt blizzard. This hybrid method starts with the best part of the snowball method: paying off your smallest balance to free up some cash to put toward your other balances. Then you switch over to the avalanche and focus on your debt interest rates from highest to lowest.

You can do a blizzard just once to get you started or come back to it whenever you need a boost of motivation on a long journey. See one of your balances creeping closer to zero? Zap it with a quick snowball, then go back to the avalanche.

HACK 116

Pay More Often

You may receive a monthly statement for your credit card, but that doesn't mean you can only make a payment once per month. Credit card interest is calculated daily, which means that the sooner you pay toward your revolving balance, the less interest you'll pay on your next statement.

Your credit card issuer charges your daily interest rate based on your average daily balance. The smaller your average daily balance is at the end of the billing cycle, the lower the interest you'll owe on your next statement.

You can make a credit card payment every day if you want, although that's probably a bit excessive. But don't hesitate to schedule twice monthly or even weekly payments to your credit card if it helps you stay motivated to chip away at your debt.

HACK 117

Hide Your Credit Cards

You might have heard the old tip that if you want to stop using your credit card, freeze it in a block of ice. But you don't really have to freeze your credit cards to put them out of sight and out of mind.

The best strategy is to leave your credit cards at home. If you typically reach for a credit card to pay for everything, see how you feel every time you reach for your debit card or even cash. You probably think for a second longer before swiping your debit card, right? Plan to have cash or a healthy cushion in your checking account before you run out for "just a few errands." If you can separate yourself from the idea that you always need a credit card handy for emergencies, you can break that habit of reaching for credit first.

HACK 118

Write a Goodwill Letter

Want to quickly raise your credit score? Write a goodwill letter. This is a letter that asks your lenders to remove any negative marks from your history—most likely, you'd do this if you had a former track record of late payments.

Your letter doesn't have to be long or detailed. Instead, explain in plain language if you had a particular circumstance (a hospital stay, a job loss) that made it difficult to uphold your obligations as a borrower. Acknowledge that it's your fault you fell behind and highlight the actions you took (or are still taking) to remedy the situation.

If you don't hear back within a few months, send a short follow-up letter highlighting your original request. Your lender may not take any action to benefit you, but it's worth the effort to make your case in your favor.

HACK 119

Look for Balance Transfer Offers

One of the quickest ways to accelerate your debt payoff process is to transfer credit card balances to a card with a zero-interest promotional offer. If you have a good payment history with a credit card you've already had for a few years, you might have a balance transfer offer on that card; you can also find balance transfer offers on new credit cards you might be eligible for. These offers usually last for anywhere between a year and two years before increasing your interest rate to one you're probably more used to, in the 16–25 percent range.

FIND YOUR BALANCE

It's like putting pause on your credit card balances. Your balances won't shrink, but they won't grow due to interest either. It's up to you to accelerate your payments as much as possible before the interest-free period ends.

It's best to take advantage of an interest-free offer when you know you can pay off the balance during that promotional period. For instance, if you can transfer up to \$5,000 but only have twelve months interest free, it doesn't make sense to move your balance over unless the post-promotional interest fee would be lower than the interest rate you are already paying on your current card. But maybe you can transfer \$1,000 with confidence to be able to make a dent in your debt in a quicker manner.

Try it once and see if it helps motivate you in your debt payoff process. If it feels too complex, leave your debts where they are and stay focused. Using balance transfers is an advanced trick a lot of people use to get their debt under control and kickstart their payoff plans, but it's not for everyone.

HACK 120

Partner Up for Accountability

If you're not working to pay off debt with a significant other, your payoff process can be a long and lonely road. Prepare to endure the marathon by enlisting an accountability partner. This might be someone who's also working to pay off debt, or someone whose financial habits you admire.

Once you find the right person, set parameters for how often you'll check in and in what format you'll communicate. If you're both working on a debt payoff goal, you'll likely find that your discussions go beyond a weekly check-in as you navigate the details of your journeys together. Knowing there's someone there cheering you on every step of the way can make a long slog feel a little lighter.

HACK 121

Reward Yourself

Once you've determined smaller benchmarks for paying off your debt, set rewards for yourself. A few ideas:

- After six months of making debt payments above your minimum amounts, you can go to the movies—and it doesn't even need to be a cheaper matinee show.
- Celebrate one year of your debt payoff journey by planning a hike with friends.
- Every time you pay a total of \$1,000 toward your debt, you can get a manicure at your favorite salon.

Don't pick rewards as you go, because you'll start creating arbitrary goals for the sake of rewarding yourself. Plan ahead and write down your benchmarks and your rewards for achieving those goals. Share them with your accountability partner, who's likely to be just as excited as you are as you near your goals and corresponding rewards.

HACK 122

Remember Why You're Doing This

No matter the financial goal you've chosen, there's a good chance it's going to take you a while to achieve it. That's especially true when you're paying off debt. You're spending time thinking about interest rates, payment calendars, and everything you're giving up in exchange for a debt-free life.

Acknowledge that you're playing a long game by putting visible reminders around you:

- Make your phone lock screen an inspirational quote you cite often, or a picture of your dream vacation spot.
- Tape a handwritten reminder to your bathroom mirror so you'll think about what's motivating you every time you brush your teeth.
- Tuck a photo of your family into your wallet.

It doesn't need to be fancy; it just needs to be present in a place you'll look on a regular basis. Those small reminders can help reset your motivation on hard days, scrimp and save a bit more when you're feeling tempted to splurge, and light the path toward the end of those pesky debt payments.

Your accountability partner can't be with you 24/7. In those cases, you—armed with your motivational messages in whatever form you prefer—will be prepared for those moments you need a little extra strength.

HACK 123

Automate Your Payments

The best way to ensure you can pay down your debt on a zero-percent interest card is to set up autopayments. It's easy to figure out because you don't have to factor in compounding interest—you simply have to divide your balance by the number of interest-free months you have ahead of you. Schedule a recurring payment from your checking account, make a note on your calendar to make sure your payment went through without a hitch, and enjoy knowing you're making progress paying your debt without any extra interest fees.

It's helpful to set up these payments because as your balance decreases, you may feel compelled to pay it off altogether. But since you're not paying interest for a while, it makes more sense to stay the course and make consistent payments on your interest-free balance while working to bring down your balance on any interest-bearing accounts.

HACK 124

Pay Off Your Debt with Refunds

Ever returned an item you purchased online and been surprised when you see the refund hit your account a week or two later? Instead of celebrating your newfound cash by spending it, funnel any refunds you get into your debt payments. If you notice a ton of refunds coming back into your account (outside of the holiday season or a special event that required a lot of trial-and-error shopping), it may be time to skip back to Chapter 1 to re-evaluate your spending. Doing so could help you find even more money to put toward reducing your debt.

HACK 125

Claim Your Missing Money

The National Association of Unclaimed Property Administrators says that about one in ten people has unclaimed cash or property held by state governments. These funds could be money from a forgotten savings or checking account, refunds, uncashed payroll checks, rental or utility security deposits, or even contents of safe-deposit boxes.

GO TREASURE HUNTING

Search for your name in the state where you live (and states where you used to live or go to school too). It's as easy as visiting Unclaimed.org to find and search your state's directory for unclaimed funds.

The process for filing a claim depends on your state and the type of property, but you'll have to provide proof of identification and ownership, which could mean a pay stub or an old utility bill. Some states process unclaimed property claims in thirty days or fewer, but some take longer; you'll probably get a check in the mail unless you're getting actual property from your state.

Resist the urge to spend your "surprise" money on something fun, and instead deposit those funds into your debt bills. If you were "missing" any money, you probably won't be able to try this tactic repeatedly, but the one-time injection of funding toward your debt could shorten your payoff timeline by just a bit.

HACK 126

Repair Your Credit with a Secured Card

If you've made mistakes in the past with credit, you may feel the need to boost your credit score. But how can you get approved for a new credit card if your credit score isn't great?

The answer may be a credit-builder loan or secured credit card. These products look and feel like regular loans and credit cards, except that you hand over money up front in order to access them. In the case of a secured credit card, you'll pay a collateral that's the same as your credit limit. You could pay \$500 to open your card and be able to spend up to \$500 on that card. After about a year, if you've proven you can pay on time and respect your credit limit, your bank may graduate you to a normal credit card; you'll get that initial \$500 back.

For a credit-builder loan, you'll take out a loan, but you won't receive the money—your lender will instead put it into a CD or other savings vehicle for the duration. You'll make monthly payments plus an interest fee each month until the loan is paid off. Then, your lender will release the amount of the loan (along with the interest that accrued during that time), and you'll get that cash.

The downside is that you need cash on hand in order to open one of these accounts. But if you can gather a few hundred bucks and have a year to work on building your credit, one of these options could get you on positive footing with your bank as you prove you're a reliable customer. Your credit score will reflect your improvement.

HACK 127

Track Down Your Student Loans

Having a hard time getting organized so you can pay off your student loans? The first step is to track down all those loans, along with other financial aid awards you may have received over the years. If you can't find the paperwork or emails for all your aid packages, visit the National Student Loan Data System at [StudentAid.gov](https://studentaid.gov). You'll be able to see all the federal financial aid you've received, and the terms for each loan.

You'll need your Federal Student Aid (FSA) ID to log in and see the status for each of your loans. This review can help you formulate a plan for approaching your repayment, or help you decide if refinancing your loans is an option for you.

HACK 128

Never Skip a Payment

If you routinely make payments larger than the minimum for a loan with a fixed term, you'll probably end up with a billing statement that says there's no payment due. It's confusing because you know you still owe money, so why doesn't the lender want you to pay that money? This is actually a courtesy—the lender is showing you that you're caught up, so you've essentially bought yourself time.

If you take that “grace period” you created for yourself, you'll lose all the momentum you created by scheduling substantial payments. Even if a loan with a balance says there's no payment due, continue to make your planned monthly payments to keep chipping away at that debt. Just because your debt has a fixed term of a set number of months or years doesn't mean you can't pay it off early and enjoy your freedom from debt.

HACK 129

Never Let Your Student Loans Default

No one wants to get behind on their bills, but your student loans should take priority if you find yourself struggling to make ends meet. If your federal student loans go unpaid for 270 days (about nine months), they enter default. The consequences of letting your loans go this long is that you lose your eligibility for some federal repayment programs, and you could be sued or taken to collections. The federal government can even garnish your wages or take your tax refunds until you're caught up.

If you're nearing the nine-month mark on a student loan that has fallen behind, make a payment as soon as you can to avoid going into default. Even if you can't come current on what you owe, making a payment shows your intent to get caught up. Call your lender and explain your situation to them—they may be able to put you into a payment plan that fits your circumstances better, or help you pause your loan payments through deferment or forbearance.

ALREADY IN DEFAULT?

Getting back in good standing will take some time. The primary way to do this is with loan rehabilitation. You'll need to show your responsibility by making nine on-time payments over ten months. Once you do so, your credit report will show your late payments, but won't show that you were in default.

HACK 130

Choose the Right Repayment Plan

Federal student loan repayment plans can be confusing to decipher. The Department of Education provides a repayment estimator (<https://studentaid.gov/loan-simulator/>) to help you determine which payment plan or plans may work best for your situation. Here's a short guide to your options:

- **Standard repayment plan:** You'll pay a fixed amount each month for a period of up to ten years. Everyone is eligible for this plan.
- **Graduated repayment plan:** Your monthly loan payment amounts increase every two years, and you finish paying your loans in ten years or fewer. Everyone is eligible for this plan.
- **Extended repayment plan:** You'll pay your loans in twenty-five years or fewer. Payments can be fixed or graduated. You must have more than \$30,000 in Direct Loans to be eligible for this plan.
- **Revised Pay As You Earn Plan (REPAYE):** Your monthly payment amount is recalculated each year; you'll pay 10 percent of your discretionary income each month. If your loans aren't paid off in twenty years (twenty-five for graduate programs), any amount that's left will be forgiven. You may have to pay income tax on the amount that's forgiven.
- **Pay As You Earn Repayment Plan (PAYE):** You'll pay 10 percent of your discretionary income each month. If you haven't repaid your full loan in twenty years, the remainder will be forgiven, and you'll pay income tax on that forgiven amount.
- **Income-Based Repayment Plan (IBR):** Your monthly payment is recalculated each year and will be either 10 or 15 percent of your discretionary income, depending on when you received your loan. The remainder gets forgiven after twenty or twenty-five years, again depending on the date of the loan, and you might have to pay income tax on that remainder. You must have a high amount of debt compared to your income.

- **Income-Contingent Repayment Plan (ICR):** Your monthly payment is either 20 percent of your discretionary income or the amount you'd pay on a twelve-year fixed payment plan depending on your income. The amount gets recalculated each year and the remainder is forgiven after twenty-five years, with income tax due on the remainder. Any Direct Loan borrower can choose this plan.
- **Income-Sensitive Repayment Plan:** Your monthly payment depends on your income. Your loan will be paid off within fifteen years. This plan is only available for Federal Family Education Loans (FFEL).

HACK 131

Make Payments Every Other Week

Your student loan interest doesn't get plunked onto your balance once a month. Instead, it accrues on a daily basis. That means the lower you can shrink your loan balance, the less interest you'll pay—and the more money you'll save while you're working to pay back your loans. If you get into the habit of making a student loan payment every other week, you'll end up making that payment an extra two times. That adds up to thirteen “monthly” payments in a year, instead of twelve. Paying in this way shaves months off your repayment period too.

Consider a \$20,000 loan balance with a 7 percent interest rate. You're just starting your ten-year repayment term. If you pay biweekly, you'll pay your loan a little more than a year early and save almost \$950 in interest. Just make sure your payments are automated (so you don't have to remember which weeks require you to pay your loan), and make sure that your total payments submitted for that month add up to at least your minimum monthly payment.

COMPARE YOUR INTEREST RATE TO THE MARKET RATE OF RETURN

If your only debt is student loan debt, you might feel torn between trying to pay it off as soon as possible and not prioritizing it at all. But there's an easy trick to help you figure out which part of your finances should take center stage:

- If your interest rate for your loans is more than the return you could get by investing, focus on paying off the loans to minimize the amount you'll pay between the principal and interest.
- If the interest on your student loans is less than your expected return, you should stay the course with your regular loan repayment schedule and prioritize investing instead. Your

money will earn more over time than you would save by paying your loan early.

A conservative rate of return for an investment portfolio is about 6 percent. If you're paying 7 or 8 percent interest on your student loans, get them paid off ASAP. But if you're only paying 2–4 percent interest on your loans, it's a no-brainer: Focus on investing now so you're more comfortable down the road.

HACK 132

Check If You're Eligible for Forgiveness

If you work in a public service field, you may be able to have your federal direct student loans forgiven, tax-free, after ten years through the Public Service Loan Forgiveness program (PSLF). Qualifying work includes careers in local, state, or federal government (including law enforcement), public schools, and nonprofit organizations. To be eligible:

- You don't have to work at the same job for all ten years, but you must have your employer certify your employment each year.
- You also must make on-time payments for the entirety of that ten-year span under a standard repayment plan or an income-driven repayment plan.
- Once you've made your 120 payments, you can apply for forgiveness.

PSLF was created in 2007, and the first student loan borrowers became eligible for forgiveness in 2017. It's still difficult to get your loans discharged because many applications get rejected for missing information or not meeting program requirements. To learn more about the restrictions and requirements for this program, visit <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>. There, you'll be able to use the Federal Student Aid PSLF Help Tool, which leads you through prompts to determine your eligibility for PSLF and help you submit the required forms. The only plans that protect your eligibility for the Public Service Loan Forgiveness program are REPAYE, PAYE, IBR, and ICR (see hack 130). If you have private student loans, your payment plans will differ.

HACK 133

Never Buy Rewards

Earning points or miles on a credit card makes it even more fun to spend money. But the excitement of earning while you spend can catch up with you quickly.

The urge to spend in order to earn rewards especially increases when you consider sign-up bonuses. These introductory offers lure you with the promise of a certain number of points or miles (we're talking in the 20,000–60,000 range) if you spend a certain amount of money within a specific—and short—time frame. If you don't typically make enough charges on a card to hit that minimum spend, you're pretty much signing up to go into debt in exchange for a free flight or hotel stay. Before swiping a rewards card, check your motivation and make sure your spending is in line with your budget.

HACK 134

Max Your Credit Card Rewards

Planning a trip after you've earned points or miles on your rewards credit card is the best part of having one in your wallet. But before you book flights or a hotel room, find out how to get the best value for your points. Some credit cards offer a rewards portal that allows you to book travel; if you do this instead of transferring your points to a travel partner, your points could be worth 25–50 percent more.

Some credit cards offer a higher value for points used in their portals, but the flights and stays you find there are more expensive than if you transferred your points to the airline or hotel directly. But unless you're booking a spontaneous getaway, you probably have time to do your research before spending those hard-earned points.

HACK 135

Never Let Your Rewards Expire

Do you know when your credit card points or miles expire? Do they even have an expiration date? A Bankrate survey found that 29 percent of people have let their credit card rewards expire, and only 33 percent of people could recall their rewards balance. Every credit card, airline, and hotel has its own rules regarding expiration dates, so don't assume it's the same for all your rewards cards and frequent traveler programs.

Check the terms and conditions of your rewards program to find out when and if your earned points or miles expire; if they do expire, note if there are actions you can take to delay that expiration.

HACK 136

Find the Best Places to Earn Rewards

If you carry several rewards credit cards, you may wonder which one offers the most points for which category. Some give you more points for purchases at gas stations, restaurants, flights, or any other combination of categories. If you can't keep them all straight, enlist an app. Reward tracking apps identify businesses near you and recommend a card to use based on how that business is categorized.

- Max Rewards and Birch link to your accounts to give you the most holistic view of your rewards card lineup.
- If you want an app that doesn't link up with your accounts and simply provides information based on the cards you select from its list, try Maxivu.

The best part? They're all free.

HACK 137

Spread Out Your Balances

It's best not to carry a card balance from month to month. But if you must carry a revolving balance, spread your spending across your credit cards, rather than using just one. The credit utilization rate impacts 30 percent of your credit score. As soon as you spend more than 25 percent of your available balance on any one credit card, your credit score will start to go down by as much as 50 points. The closer you get to your credit limit on that card, the more your credit score will go down.

Instead, make smaller purchases on your cards so the balance on none of them exceeds that important 25 percent. Of course, in an emergency, this might not be possible. But if you're just using your credit cards to fill a temporary gap in your finances, keep a close eye on your credit limits and your utilization rate.

HACK 138

Consider Your Options for Medical Bills

Medical debt is one of the leading causes of bankruptcy in the United States, and it impacts people who have insurance as much as it does people who don't. If you have a stack of outstanding medical bills on your kitchen counter, don't ignore them. Read the fine print, or call the billing department to determine what payment options are available to you. You may be able to get a discount on your bill for paying the entire amount at once.

If the amount isn't something you can tackle in one payment, ask about starting a payment plan. Medical billing offices often offer interest-free payment plans for up to six months or a year, depending on the amount and their policies. It's as easy as asking, "Do you offer payment plans?"

You don't need to have a sad story lined up for why they should cut you a break—remember this is just business. If the biller doesn't offer an interest-free payment plan, they may recommend the next-best solution for you. For instance, they may offer payment plans for a fee, but that fee may be lower than your credit card interest, making it a better deal than charging your medical bills or risking a late fee. In short, don't just take the printed bill you've received as the end of the story. Make time to have a conversation with the billing office to find out what your options are and see how you can get those bills paid off fastest.

HACK 139

Reallocate Your Credit

Closing a credit card can lower your credit score because your amount of available credit across cards decreases. But if you know which question to ask your credit card issuer, you might be able to avoid that.

Ask to have your credit limit transferred to another card with the same issuer. This can be especially helpful if you want to ditch a credit card that has an annual fee but has an impressively large credit limit. If you can get at least a portion of that limit transferred to another card, you can feel more confident closing that card and washing your hands of that annual fee. Your score may fluctuate slightly for a few months depending on the length of time you held the now-closed card, but your positive utilization should bolster your score for the long run.

HACK 140

Take the Shortest Possible Loan Term

It used to be normal to get a car loan for either three years or five years. Or you'd get a thirty-year mortgage—*maybe* fifteen, if you were really in control of your finances. But now, loan terms seem to be longer than ever before. The average car loan for new vehicles is almost seventy months, and you can actually find mortgages available for forty or even fifty years.

THE LONG AND THE SHORT OF IT

Longer loan terms seem attractive because by stretching out the length of the loan, you can make lower payments each month. But instead of taking the loan term that gives you the lowest payment, you should choose the one that keeps you in debt for the least amount of time you can afford. Doing so allows you to gain equity faster, if you're paying for an item like a car or house.

It also reduces the amount of interest you pay. Consider a car loan for \$20,000 at 5 percent interest. If you pay it off over sixty months (five years), you'll pay \$2,645 in interest. That same loan for eighty-four months (seven years) will cost you \$3,745 in interest.

Don't let a lower monthly payment fool you into paying more interest over time. Do your math before you shop to know how much you can really afford to pay and how quickly you can reasonably do it.

HACK 141

Skip the Extended Warranty

Making a sizable purchase like a computer or home appliance? The retailer will remind you that the manufacturer of the item probably only offers a one- or two-year warranty and encourage you to purchase an extended warranty from them. An extended warranty can give you peace of mind, but you may not need to buy one if you're making the purchase with a credit card. Check your card's guide to benefits to see if it offers extended warranties on purchases. In some cases, your card will give you a spare year after the manufacturer's or retailer's warranty; some cards will double what's already offered.

If you need to make a claim, expect to present the receipt for the item and documentation of any warranties or guarantees made by the product's manufacturer. Since the ink on many receipts fades over time, save a digital copy of the receipt image along with the original. Stick all your receipts and user guides in one designated spot so you don't lose track of them.

HACK 142

Ask for Help

If you're having trouble making ends meet, don't avoid your debt to the point where you end up behind on payments. Asking for help is hard, but it can save you money in the long run and a lot of stress and heartache.

First, if you're struggling to pay your minimum debt payments on time, call your lender and ask if there's a hardship department or hardship program you can speak with. If you have an obvious circumstance like unemployment, an illness or hospital stay, natural disaster, or a family crisis, your lender may be able to put you on special terms for a few months to help you get back on your feet. You may have to provide documentation proving your hardship, and your lender may require that you agree to special terms, like a reduced or paused interest rate, in writing.

Participating in such a program could cause your credit score to go down since your credit utilization will go up if you're paying less or not paying at all for several months. But it's better to have your score decrease for this reason than to end up with a credit history loaded with negative marks due to late payments and fees.

FOR LONG-TERM HELP

If your struggle is more than temporary, you might consider debt counseling. Don't trust advertisements that claim to offer quick and easy debt relief. Instead, search for accredited counselors through the National Foundation for Credit Counseling or the Financial Counseling Association of America. Debt counselors can provide education and guidance to determine the best path to eliminate your debt over time. In some cases, you may be a good candidate for a debt management program. In these programs, your debt isn't reduced, but your program may be able to negotiate a lower interest rate for you. Your debt counselor will manage all your debt payments and you'll make one payment each month toward your debt. Some programs charge a monthly

fee of about \$30 to participate. There's no cost to chat with a debt counselor or access resources that can help you get organized, so don't hesitate to reach out to a respected organization if you're in need of support.

HACK 143

Use Reward Points to Buy Gift Cards

If the holidays are approaching, it might be worth bolstering your gift-giving fund by using some of your credit card rewards. Much like some credit card issuers offer increased point value when you book travel through its rewards portal, you can often shop for other items through these same portals. That means you can buy gift cards alongside various merchandise.

If your rewards portal increases the value of your points by half a penny, you could end up buying a gift card and getting some of that card's value as a "free" bonus. It's a better option than choosing to get cash back, as that often has the lowest value of all the methods of redeeming your rewards. Buy gift cards to a few stores you know you'll shop during the holidays and you could cross a few items off your list without having to actually spend any more money.

HACK 144

Ask for a Better Sign-Up Bonus

The best way to earn credit card rewards quickly is to get a sign-up bonus when you first open your card. These bonuses usually require that you spend a certain amount of money in the first few months using the card in exchange for far more points than you could earn normally on the same purchases.

But what if you sign up for a card, get a decent bonus, and then find out the card is now offering an even better bonus for new customers? You may be able to ask for an adjustment. If it's been ninety days or less since you opened your account, call your card issuer or bank and tell them you noticed that even-newer customers are being offered a better bonus than yours. Ask if they'll adjust it to match—they just might do it. (You can also make this request via your bank's messaging portal or live chat, if you don't want to call.)

But before you make the ask, make sure that you can achieve the higher standards that might come with a better sign-up bonus. If you need to spend an extra \$2,000 to get that extra bonus of several thousand points, you will want to ensure you plan to put \$2,000 worth of charges on your card before time runs out.

HACK 145

Choose the Best Travel Credit Card

The best card to use for meals and other expenses while you're traveling isn't necessarily the one that offers the best reward earning potential. It's more important to choose credit and debit cards that tout no international transfer fees. These fees can range from 1 to 3 percent of your purchase total every time you swipe a card to pay with another currency.

The same goes for taking money out of ATMs—you'll pay the same percentage on top of any ATM fees your bank charges (and whatever fees that ATM charges). When you're finally on that big international vacation, you don't want to have to worry about those small percentages that add up quickly. Put as many charges as possible on a card that has no international transaction fees.

HACK 146

Always Pay in Local Currency

You've chosen a credit card that doesn't charge international transaction fees, but now you're sitting in a café and the register is giving you two options for paying your bill: the local currency, or your home country's currency.

This heightens the case for carrying a card without transaction fees. It makes the decision, if there is one, easy—always choose the local currency. But it's also a reminder to look twice before you sign off on any bill when you're traveling internationally. You want to make sure you get what you're paying for, and in the currency you feel most comfortable handling.

CHAPTER FOUR

Make More Money



HACK 147

Find Out What You're Worth

It's hard to negotiate your salary or ask for alternative workplace perks if you don't know what you're worth. To get a better idea of your true market value, use a salary calculator to find out how much you *should* be earning. You can do this on sites like *PayScale*, *Salary.com*, or *Glassdoor*, to name a few. You can also search for industry-specific reports on compensation, as many fields share salary guides for various roles.

If you find that your market value is well above what you're currently making, don't despair. You can use that information during your next annual review, when you're interviewing for a new job, or if you've simply decided to have a compensation conversation with your supervisor.

HACK 148

Take Your Address Off Your Resume

You'd think listing your mailing address on your resume would be an obvious component, right? But if you're looking for a job outside of the region where you live right now, employers may skip you in favor of a local applicant.

If you're applying to jobs far from home, you have two options to make sure your resume doesn't get lost in the shuffle:

- Don't put a location on your resume at all. You might include the location of your previous roles, but don't stick your mailing address at the top—it'll only draw attention to it.
- List your address as "Relocating to: New York City" or whatever city the company is located in—but only if you truly intend to move there.

HACK 149

Build Your Public Portfolio

You can't rely on a well-written resume to get you a job these days. You need to be easy to find online. Specifically, you need digital proof that you're progressing in your career.

The easiest way to do this is to set up an account on *LinkedIn*. Include details about your current and past jobs, but don't forget to list your accomplishments, instead of just your usual duties. It's easy to upload or link to examples of your work within your *LinkedIn* profile. If your work isn't visual, describe the challenges and tasks along with your results under each role.

If your work would benefit from a separate portfolio outside of *LinkedIn*, it's easy to set one up on a simple website through *WordPress*, *Squarespace*, or *Wix*. All have free options and have templates you can choose to show off your designs or other samples of your work.

HACK 150

Use Every Vacation Day

Do you use all your vacation days your employer offers? If you don't, you're not alone. A Bankrate survey found that only 28 percent of people use every single day of their available paid time off. Even if you can't afford to take a lavish vacation—or go away at all—you should still be sure to take all your vacation days each and every year.

This rule applies especially for people who can't roll over their days into the following year or get paid for unused vacation time if you leave your job. If your paid time off (PTO) is “use it or lose it,” not using it means you're essentially working for free.

Even if you love your job, at the very least, schedule some staycation time for yourself to enjoy the sights near your town—or even just hang out at home with a good book or your favorite hobby. You deserve it!

HACK 151

Learn a Skill You Can Sell

Ever think to yourself, “If only I knew how to do this one extra thing, I could get a promotion”? As you get settled into your career, you might wonder how you can keep growing your skillset. Continuing education can be a big part of that advancement.

It doesn't have to cost a lot of money to pick up additional skills that can enhance your value. Your company might offer access to courses through *Lynda* (which is becoming *LinkedIn Learning*), *Skillshare*, or another online learning platform. Some libraries even offer free subscriptions to the classes on these platforms, although you may need to visit your local branch to access them.

You can also investigate class offerings at your local community college, or sign up for a free online class called a MOOC (Massive Open Online Course) offered by a top-name university. There might even be a club of enthusiasts who offer free or inexpensive classes and workshops in your area, whether you want to learn how to code websites or practice a language.

Learning about a new aspect of your industry or a skill you can apply to your daily work not only gives you a boost of confidence. It also looks great on your resume when it's time to apply for a job or promotion. Or, you may find that your newly honed skills help you sell the products or services you offer in your side hustle. Either way, you'll be putting your best foot forward and showing your value while you stretch your brain a bit.

HACK 152

Get Credentials in Your Field

Want to level up your career beyond a particular skill? Consider earning credentials for your industry or type of work. An advanced degree could propel your career to new heights, but so can earning licenses or certifications. They can help you earn more in your career, and the best part is, your boss might cover the tab.

You might already be familiar with certifications in your industry, especially if you're looking for learning opportunities, as in your industry-related professional groups or a local networking group. You can also return to [MOOC.org](https://mooc.org), which offers certification programs alongside free online classes. Its certifications typically aren't free, but many offer lengthy courses for a few hundred dollars. If your employer won't cover the cost, you may be able to chalk it up as an investment in your own professional future.

HACK 153

Don't Give the Government a Loan

It's nice to get a tax refund from Uncle Sam, but that refund is essentially an interest-free loan you gave to the government over the course of the year. Instead, you could find a few more dollars in every paycheck, all year long. It's your money—why wait to get it?

The IRS has made it easier to get your estimated tax withholding correct when you file your W-4 form with your employer. The form has five steps to determine your tax liability. You don't have to file this new form unless you start a new job at a new company. But if you think you have too much income tax taken out of your paychecks, you can ask to update your W-4. The IRS has a tax withholding calculator (www.irs.gov/individuals/tax-withholding-estimator).

HACK 154

Always Negotiate a Job Offer

Hiring managers usually leave some wiggle room in their initial offer anticipating you to ask for more. If you take the first offer, you could be leaving thousands of dollars on the table. And if you don't negotiate when you first get a job offer, it could be harder to earn more down the line.

If your new employer only typically increases salaries by 2 or 3 percent per year, it could take years for your salary to catch up to the point you could have started at in the first place. And if you sell yourself short, your salary could suffer not just in this job, but in future ones too. If you can't negotiate monetary compensation, ask about vacation days, remote work, or other add-ons that could make the role worth it for you even if you can't max out the salary range for the job.

HACK 155

Let Strangers Rent Your Time

Do you want to rent your time? If you consider yourself a people person or have special skills or activities you want to share with others, consider letting people rent your friendship.

RentAFriend.com claims it has more than six hundred thousand “friends” available for hire worldwide. The platform charges a membership fee for people looking for companions. People offering their time set their own rates, and users pay them directly; rates tend to be around \$25 per hour.

Plus, depending on what your new friend wants to do during their time with you, you may get to see a museum, movie, or sporting event for free; you may even get to dine on their tab. If you’re looking to expand your social circle, this could be a good way to meet new people while also making a few bucks along the way.

HACK 156

Use a Job Offer to Get a Salary Boost

If you're having a hard time getting your boss's attention to negotiate a raise, it may be time to enlist an outside influence: a counteroffer. If you can get a better job offer, you may be able to use it to get a raise in the job you already have. You don't need to share what company the other offer is with—just simply state why it's compelling and what factors would make you consider staying with your current firm.

While you don't want to give your current employer an ultimatum, laying out what your current company can do to match your offer can help you get a much-needed salary bump. Of course, make sure you're serious about staying with your current employer, but also know what it would take to lead you to jump ship if your company isn't able to counter. Some companies have a strict policy not to provide counteroffers if an employee has an offer elsewhere, so ask a few trusted colleagues at your current job about that before you start going on interviews.

HACK 157

Set Your Hourly Rate

When you got your very first job in high school or college, you probably spent a lot of time focusing on how much money you made per hour. You knew that working a couple of extra hours could make a big difference in your paycheck. But when you get a job that has a set annual salary, it's harder to figure out what your time is worth in hourly increments. But doing so can help you determine how best to spend your time—and when it's worth spending a little money for the opportunity to make even more.

HOW TO DETERMINE YOUR HOURLY RATE

Check out your latest pay stub. You'll probably find that your paycheck is for a certain number of hours, even if you don't have to punch a time clock. Usually, that pay stub also lists out the rate for each of those hours worked.

Otherwise, you can simply divide your pre-tax pay by the number of hours you typically work. Doesn't your time—and your money—seem more valuable once you know what you're getting paid for each hour spent on the job?

HACK 158

Outsource Time-Sucks

Once you know your hourly rate (see hack 157), you can figure out if you have the financial space to outsource some tasks. Imagine the household tasks you hate to do; maybe you dread mowing the lawn, preparing meals, or mopping floors. Imagine someone was paying you your hourly rate to do that dreaded task. Does it make you want to do it more, or still avoid it? Or, could you pay someone else to do that same task, probably more efficiently than you can, at what might even be a lower hourly rate?

Spending money to do the chores you hate may not seem like a hack for making more money, but thinking smarter about your money and your time could eventually lead to an income bump. If you pay someone to do the tasks you dislike, you can spend more time focusing your energy on the work that makes you money. If you're in a salary role, maybe you can use that time to learn a new skill or work toward a promotion. Or you can get more rest so you can be sharper at your morning meetings.

It's especially important to consider outsourcing if you work for yourself or have a side hustle. If you can make more money doing what you're good at and pay someone to do some of the other stuff, you can still come out ahead; and you have a richer portfolio of work to show for it too.

HACK 159

Know Your Target, Alternative, and Reservation

When you receive a job offer or are offered a raise, it's important to be strategic in how you negotiate your salary. If you give a knee-jerk response, you could be selling yourself short. Before responding to the anchor—that's the initial offer that's made in a negotiation—consider the following:

- **Your target:** This is your ideal total compensation, from salary to insurance, 401(k) matching, or vacation time, to any other benefits.
- **Your BATNA:** This stands for the Best Alternative to a Negotiated Agreement. It's the next best thing if you can't get your target compensation.
- **Your reservation point:** This is the worst-case scenario you'll accept. If you're considering a new job offer, your reservation point is most likely the first salary you're offered. If you're asking for a raise, you might have a minimum in mind you'll accept that would keep you happy in your current role. It's helpful to think about your reservation point before even receiving a job offer.

PREPARE BEFORE BATTLE

Don't rely on your memory to serve you as you work toward an agreement, whether you're negotiating by phone or by email. Write down your target, BATNA, and reservation points and list out the factors that are most important to you, including salary, benefits, and other perks that could be leveraged.

And don't feel pressured to accept an offer up front; employers expect that you'll need to take a day or two to consider an offer, even if you've been negotiating for a while.

HACK 160

Add Up Your Benefits

If you're looking for a new job, it's not enough to compare your current salary to what a potential employer is offering. Consider your total compensation. This calculation includes your base salary, any bonuses you're eligible to receive, paid vacation and sick leave days, medical and other insurance coverage, and retirement plans. It might also include gym memberships, a cell phone plan, home-office stipend, commuter benefit, tuition assistance, or childcare. This all gets added up in a total compensation statement. If you haven't received one, you can ask your human resources department if there's one available for you.

Asking about your total compensation statement shows that you care about recognizing all the positives of working where you do, beyond the dollar amount you receive on a regular basis. You might be surprised at what your benefits are worth when you add them all up!

HACK 161

Let Your Job Pay You to Exercise

Some jobs offer reimbursement for your gym membership fee or coordinate with a local gym where you can attend for free. If you participate in programs like step-count challenges, you might be eligible for a free fitness device. Even better, some workplaces reimburse you for the cost of your insurance if you exercise. Each time you visit the gym, you ask a staff member to sign off on your attendance; if you visit a certain number of times in the course of a month, you may be eligible for a reimbursement of a portion of your health insurance premium.

HACK 162

Keep an Eye on the Job Boards

Even if you're happy in your current role, it's still a good idea to periodically check job listings for roles in your field. Doing so can help you learn a few key things that could help you earn.

First, those job listings give you an idea of what the competition is looking for in its candidates. A job listing for a role close to yours at a similar company can tip you off as to whether that company might be paying more for the role. Look closely at the job duties and requirements to see how the listing stacks up to yours. See duties on the list that aren't on your job description, but that you're regularly doing? Be sure to note that during your next review.

It also provides hints for what your next move could be as you progress in your career. Looking at jobs that are one level above you can help you prep for skills, certifications, or other factors that can aid in you getting hired or promoted.

Finally, it never hurts to be on the lookout for a new opportunity. You never know when the "perfect" job will open in your field—but it'll probably happen when you least expect it. Don't wait until you're unhappy in your current role to go looking for something better.

This doesn't have to be a time-consuming task. Set up a few job alerts on *Indeed* or *Glassdoor* and have them go to your personal email. You can "search" for a better job in just a few minutes a day.

HACK 163

Get a Mentor

If you want to excel in your career, you need help to get there. That doesn't just mean a supportive boss and great coworkers—it also means getting a mentor. This might be someone in your field or a person with general business experience who can guide you through critical moments. A good mentor is part cheerleader and part advisor who can remind you of your worth, all while challenging your assumptions about how you move through your career.

Studies have found that mentored employees are more likely to get higher compensation and more promotions. Plus, they feel more committed to and fulfilled by their career, which can only help when it's time for those conversations regarding compensation.

EXPLORE INTERNAL OPTIONS, BUT DON'T STOP THERE

If you work at a large corporation, you might find that there's an in-house mentorship program in which you can participate. But a mentor doesn't have to be someone who works at your company. To find a mentor, look to your existing professional network or within networking groups you frequent. A professional association for your industry may even have a formal mentorship program to match you with a mentor compatible with your goals and interests.

It can be hard to quantify the results of working with a mentor. It may not be until you look back on your career later that you see the impact of your relationship in the form of raises, promotions, and accolades. And who knows—your mentor may still be there to cheer you on.

HACK 164

Skip Your Commute

The average one-way commute in the United States is just over 26 miles, according to the US Census Bureau. If your job requires spending most of your time in front of a computer, instead of in meetings or working one-on-one with clients, you may be able to negotiate to spend less of your workday on that commute. Working from home does more than just reduce your time spent between home and work. It also helps you save money on gas, for one—an employee who works from home half the time can save anywhere between \$450 and \$4,500 (wow!) on the costs of commuting, from gas to tolls and meals outside the home, according to Global Workplace Analytics.

And, it helps you be more effective during your workday. Research has shown that remote and telecommuting employees are less distracted, miss fewer days at the office due to illness, and are more likely to be willing to try out and use new technologies to aid in their work.

To find out how much money you would save by telecommuting, try *SkipTheDrive's* calculator (www.skipthedrive.com/how-much-money-can-you-save-by-telecommuting/) or search online for “telecommute savings calculator” or “remote work savings calculator.”

HACK 165

Brag a Little

Performance reviews at work are usually stressful. When you look back at what you've accomplished, all your projects and tasks can blur together, making you wonder if you actually achieved anything at all.

If you can easily identify how you've excelled in your role, you have a better chance at nabbing a raise at review time. To do this, don't rely on memory. Keep a running list of work-related accomplishments, large and small. It may include projects you've completed, metrics you've met, or new skills you've learned.

HACK 166

Work Off Your Student Loans

When you check out job listings, one benefit that may surprise you is student loan repayment. More and more companies are adding repayment assistance to their roster of employee perks—about 8 percent of companies offer this benefit. Employers usually have a cap per year of \$1,000 to \$2,000, with a lifetime cap somewhere around \$10,000.

Some participating companies base your benefit on what you pay toward your own student loans and match it up to a certain point. You probably won't be able to pay off your student loans altogether with this help, but you may be able to accelerate your repayment timeline. Just keep in mind that it's considered taxable income on your annual return, although Congress is trying to make at least a portion of that contribution tax-free for employees.

HACK 167

Track Your Mileage

If you drive your personal vehicle for your job duties or a side hustle, you need to document every mile you drive. If you're lucky, your employer reimburses you for miles you track and submit. But even if you're not so lucky, you can deduct that mileage from your annual income taxes.

Tracking your mileage used to mean keeping a handwritten log in your car and remembering to keep up with the task. But now, there are lots of apps available to do the heavy lifting for you—and many of them are free. Try Hurdlr, TripLog, or Stride; each app has a free version and only charges for premium features.

HACK 168

Sell Your Junk Mail

You can actually gather up your junk mail like credit card offers, restaurant flyers, and other advertisements and exchange them for gift cards.

The program is run by SBKCenter.com, a market research company. It sends you prepaid envelopes, into which you can tuck your junk mail as you receive it. After a few weeks, seal up the envelope and send it off to get points in exchange for your mail. Once you earn 2,000 points, you get a prepaid gift card that you can use like a debit card. It's that easy!

You won't be able to change your lifestyle if you apply to this program and start "selling" your mail. Panelists typically earn a few \$20 gift cards per year. But surely you can think of a few things you'd like to do if you had a few extra twenties in your wallet?

HACK 169

Find Extra Money in Your Paycheck

Instead of digging wrinkled coupons out of your pocket when it's time to pay at the drugstore, make your money go further by actually having more of it to spend. If your employer offers a Flexible Spending Account (FSA) as part of your benefits, you can set aside pre-tax dollars to use on a variety of health-related expenses. That means that if you're in the 25 percent tax bracket, for example, you'll get a full dollar to spend instead of your after-tax 75 cents.

Each time you get paid, an amount of your choosing gets put on a debit card. You can use that money for doctor visit copays, prescription drugs, birth control, chiropractic and acupuncture visits, first-aid supplies, contact lenses, prescription glasses, and more. (Some programs require you to pay up front and then reimburse you. Either way, you should keep your receipts according to your program's guidelines.) Your employer will have a list available of qualified expenses for which you can use your FSA funds.

The tricky part about FSA accounts is that there's a limit for how much you can contribute per year—about \$2,750—and you have to use all that money in the same year you contribute it. Your employer may allow you to roll up to \$500 into the following year or offer a grace period of two and a half months into the next year, but that's not mandatory. It's up to you to accurately predict how much money you should put aside for your medical expenses that aren't covered by your insurance and use it accordingly.

HACK 170

Find the Perfect Side Hustle

If you can, pick a second gig that doesn't look anything like your nine-to-five job. If you sit at a computer all day, for example, don't become a transcriptionist or pick up work as a virtual assistant. You might be more energized getting on your feet working in a boutique or out walking dogs. Remember that variety is the spice of life, even when it comes to making a little extra money, and don't assume that the most lucrative side gig is the best fit for you. The best side gig is one you can tolerate and even enjoy doing for as long as you want to rake in those extra bucks.

HACK 171

Deliver Groceries, Packages, or People

Who *doesn't* have a side hustle driving for a ride service? The average ride-hailing driver makes about \$10 per hour after expenses. If that doesn't seem like enough money to deal with chatty passengers or strange hours, consider the alternative: delivering items.

Amazon Flex drivers make about \$19 per hour delivering packages in their neighborhoods. Grocery delivery drivers for services like Instacart make about \$11 per hour, and takeout delivery drivers for companies like Postmates make about \$15 per hour.

All these services make it easy to sign up, so you can test a few out and see which you like best—and which brings in the most income. There are also lots of forums online where current drivers discuss the platforms they use and their experiences.

HACK 172

Start a Seasonal Side Hustle

Don't want to worry about maintaining a side hustle all the time? Choose a seasonal one that allows you to make some cash in a shorter period. These seasonal gigs will probably take place outdoors. Adore watching the leaves change? Rake leaves for a few weeks in the fall. Love when it snows? Shovel driveways or sidewalks for neighbors who don't want to do the task. In the spring, you could offer yard prep and garden-starting services for people who want help fostering a lush lawn.

If spending time outdoors doesn't excite you, find an indoor activity that does. You could offer your services as a day-of party assistant during the holidays when people are hosting guests and have plenty of chores to go around. Or, if you make a unique craft, market it for a specific holiday or season.

Running a side hustle for a few months out of the year can help you bring in extra cash without going through the requirements of setting up a formal business (you'll still need to report your extra income to the IRS, though). Once you know what you want to do, you can promote your services on *Facebook*, *Nextdoor*, *Instagram*, or even *Twitter*. Offer a small discount if your friends recommend your work to others. Friends and neighbors are likely to remember you and your amazing seasonal services year after year. And a seasonal schedule ensures you get plenty of rest after all your hard work.

HACK 173

Become a Notary

In this digital age, there's still plenty of paperwork that must be signed by hand. And notaries are ready to witness and authenticate those documents—for a small fee. Becoming a notary public is a side gig that you can add to your repertoire without a ton of training, and it's an additional source of income you can take just about anywhere you go.

What you earn will depend on the state where you live. Some states allow notaries to set their own fees, while others have standard fees for various types of documents. But some states also allow you to charge clients for your mileage, or an extra fee if you perform services for a marriage. On average, you'll probably make \$10–\$20 per hour of work.

It doesn't take much money to get started, so you'll recoup your startup costs quickly. Typically, you'll pay \$100–\$200 to take a class and pass an exam according to your state's regulations; you'll also need to pass a background check and have your fingerprints taken. Then, you'll get a surety bond, which is basically insurance that covers you if you make an error in your duties. You pay a fraction of what your bond is worth to get it, usually between 1 percent and 15 percent of the bond amount. You'll pay any fees your state requires to file certification paperwork, and you have to buy your notary seal and record-keeping kit. You can find out more about the process and how to qualify to become a notary via the National Notary Association (www.nationalnotary.org).

HACK 174

Show Off Your Hometown

Do you have an interest in history, culture, or architecture? Do you love showing people around town when they come to visit? Being a tour guide could be a great side gig for you. Companies in towns large and small offer walking tours, ghost tours, and even brewery tours—and they need people who can engage with a crowd to lead them. Tour guides can make about \$15 per hour and sometimes get tips at the end of the tour.

If there's not a tour company hiring in your town, you might be able to host your own tours. Beyond lodging listings, *Airbnb* also offers “Experiences” to travelers who want to learn from locals during their visit. You set your own rates, and *Airbnb* keeps 20 percent.

HACK 175

Leverage Your Second Language

If you speak more than one language, you can communicate with family and friends, and wow people you meet with your talents. But you might not know that people who can speak more than one language can earn more at work. Bilingual people earn about 2 percent more per year than people who speak just one language. That might only add \$1,000 to a \$50,000 salary, but over the course of your career, it could add up to significant additional earnings.

It helps if you know a language that's less common in your region, as it can add major value for an employer who may not have someone on staff already who speaks that language. But whether you're fluent in Russian or Spanish, it's worth pointing out to potential employers—or even your current boss—that you've got additional language skills to share.

HACK 176

Get Paid to Share Your Home

You don't need to have the fanciest home to be a host on *Airbnb* or *Vrbo*. You just need to have some extra space to host guests. If you're willing to have guests stay with you for at least part of the month, the earnings can really add up. One survey found that hosts in fifteen cities who listed one bedroom in a two-bedroom apartment could cover 81 percent of their rent via *Airbnb* bookings.

Of course, it takes work to get these results—beyond having extra space, you'll need to have the time to keep your place squeaky clean and change all the linens between guests. And, not everyone is allowed to offer short-term rentals on platforms like *Airbnb* and *Vrbo*, so check your local laws.

HACK 177

Stick with a Short-Term Rental

Don't want to feel like you're always "on" as an *Airbnb* host? Consider hosting guests for just a few days each year. Typically, when you make income by renting out space, that income is subject to taxes. But the IRS has an exemption: If you rent out your home for fourteen days or fewer, you're exempt from paying taxes on the money you make. That means you can take advantage of big events happening near your home—maybe a big sports game, music festival, annual parade, or college graduation weekend—and host guests during these times when hotels and other rentals may be booked or overpriced.

Of course, check your local regulations before doing this, and make sure your renters or homeowners insurance will cover any incidents that may arise during that brief period.

HACK 178

Tutor Students Around the World

You don't have to spend afternoons at the library to tutor students anymore. Now you can do it from the comfort of your own home. Online platforms hire tutors to help students around the world practice their English language skills. You typically don't need a teaching or language arts background—just enthusiasm and a good handle on the basics of the English language. And if you do have a teaching background or certificate, you can make up to \$20 per hour, with some platforms offering bonuses after you teach a certain number of classes. Due to time zones, you may need to teach at strange times of day, like early in the morning or late at night. But that makes it easy to fit tutoring into your schedule before or after work.

HACK 179

Hang with a Pet

Don't want the burden of taking care of a pet 24/7? Or maybe you already have some furry friends of your own but have a "the more the merrier!" mindset. Pet sitting might be a good side gig for you.

If you're a natural with animals, you usually don't need any special skills—just time and the ability to get to your client's home to pick up their pet or provide in-home care. You can sign up for a pet-sitting platform, or apply for a part-time job with a local pet-sitting company. The benefits of going either of those routes—instead of just putting up flyers in your local coffee shop—is that pet-sitting platforms and established companies have insurance specifically for the risks that come with pet sitting and walking dogs. That means that you can focus on making money instead of covering overhead expenses.

HACK 180

Get Cash for Last Year's Phone

Online platforms allow you to see a quote for selling or trading in your phone before you commit to the deal. You enter details about your device's specifications and its condition, and if you accept an offer, you typically have a few weeks to mail your item with a prepaid mailing label. That gives you time to purchase your new phone or a replacement device if you're trying to generate funds for an upgrade.

Check websites like *Gazelle*, *Swappa*, and *Decluttr* to see how much money you could make from your devices. Look around to see if you have any extra old phones tucked into your junk drawer. These websites will still pay you a few bucks for those phones, even if they're a few years old.

HACK 181

Sell Your Stuff to Your Neighbors

You'd be amazed at how many people will be interested in buying everything from your old furniture or car parts, to your clothing and even houseplants.

If your neighborhood has a robust *NextDoor* community, list your items individually or announce a full-blown garage sale. *Facebook*, meanwhile, even allows payments to be sent through its messenger platform, making it easier to trade items on its *Marketplace*. Being able to see interested buyers' profiles on *NextDoor* and *Facebook* can also ease your nerves if you're anxious about meeting strangers from the Internet. You don't have to exchange your items for cash at home either—most police departments are happy to have you meet buyers in their parking lots.

HACK 182

Sell Your Books, DVDs, and Video Games

If you're reading this book at home, take a look around the room where you're sitting. Chances are, you have some books you'll never read again, DVDs you haven't touched in years, or video games you finished playing a long time ago. Why not make some money selling these gently used items? While the resale market for used books, music, movies, and games may not be as lucrative as it used to be, there are still plenty of people who want some fresh entertainment without paying full price.

Some resale platforms let you scan item barcodes with your smartphone and give you an instant quote; they often cover the cost of shipping your items to them and pay within a few days. Others allow you to sell movies and video games directly to your peers, taking a cut of your revenue for the convenience. And there's always *Amazon*, which makes it easy to list your item and price it according to demand.

If your item is hard to find, like a first edition book or collector's item, you may be able to get top dollar by putting it up on an online auction site, as enthusiasts are always watching for items they can add to their collections.

Of course, you can always go to your favorite used bookstore or video game shop to sell your wares in person. But don't start browsing there while you wait, or you may be tempted to spend your profits.

HACK 183

Pay Attention to Class Action Settlements

What do customers get when big companies do them wrong? Sometimes a lot of money. When businesses make false claims about their product, violate customer privacy, or even when they experience a data breach, the result is often a class action lawsuit—meaning that many customers come together to sue the company. A few key plaintiffs represent the whole “class” so that thousands of people who were impacted by the bad business practices don’t have to go to court.

Typically, the company defending its products or practices doesn’t admit guilt but does agree to a settlement. That settlement can take many forms, including in some cases, coupons toward future purchases. But in many cases, you are rewarded with a check.

But you can’t get that cash unless you know what class action settlements are available, and whether you were impacted by the case. One website that compiles information for current settlement opportunities is TopClassActions.com. You can also usually learn about class action settlements during your local news station’s “consumer corner” segment.

Not every settlement opportunity will apply to you, but you’d be surprised at the number you’re eligible to claim. You give up your right to sue the company in the future if you file a class action settlement claim, but the odds of you taking up a case against a major corporation were probably slim to begin with.

HACK 184

Get Paid for Your Opinions

Companies are always looking for regular people to help them evaluate new products. They hire marketing companies that run focus groups to allow people to test products, share their opinions, and point out opportunities for improvement. While you probably can't make a living off focus groups, you can get up to \$200 to participate in a single focus group session.

This side gig is best for people with flexible schedules, as many focus groups take place during the day. There's usually an initial survey or questionnaire before you attend to make sure that you don't have a conflict of interest (for instance, if you work for a toothpaste company, you'd probably be excluded from a focus group about dental care products).

Legitimate focus group hosts never charge a fee for access to their opportunities. To find focus groups near you, search "your city + focus groups" or check the directory on FocusGroups.org.

HACK 185

Get Paid to Sleep Over

Maybe you're not into dogs and cats, but you're cool with houseplants. You could work on the side as a house sitter. Many house-sitting gigs don't pay, because you get to stay in the client's home for free. It can be a great way to take a budget-friendly vacation or even a staycation. But there are opportunities to get paid for house-sitting too.

The pay depends on the services required and how long the resident is gone, with sitters charging anywhere between \$10 and \$80 per day according to HouseSitter.com. Sitters who can care for and stay overnight with pets tend to earn more, but you can still command a decent rate if you can look after plants, bring in the mail, take out the trash, and maybe do some light cleaning. You can find house-sitting gigs on HouseSitter.com, Care.com, or through local social media networks.

HACK 186

Use Your Hands to Make Extra Cash

Do you have a knack for DIY tasks? Maybe you love to clean. You may be able to make extra income by picking up assignments through online platforms.

Your options are wider at some sites, where “taskers” can do everything from cleaning and home improvement jobs to moving furniture, delivering items, or performing personal assistant tasks. You can even spend an afternoon putting together furniture with the aid of illustrated directions. You’ll set your own hours and rates to be matched with jobs near you. The site generally keeps a portion of the fee you charge for each job.

HACK 187

Rent Your Garage, Shed, or Yard

What's in your garage? Are you using the space, or is it just... sitting there? What about your shed? You can make money sharing spaces you don't use often.

To make money renting out your extra space, you just have to be willing to relinquish a bit of access to it. Rental platform *Spacer* says users who rent their garages earn about \$250 per month. Your driveway could bring in \$200 per month, while an outdoor space could earn you as much as \$175 per month.

Of course, if you use a platform like *Spacer* or *Neighbor.com*, be aware you'll share some of your earnings with the platform. Want to deal locally? Put up an ad on social media or consider running a small ad in your local newspaper or neighborhood newsletter.

HACK 188

Become a Shopping Detective

Become a mystery shopper and get paid to shop, dine out, visit breweries, or visit lots of other places.

It's the perfect side gig if you have great attention to detail and a good memory. Mystery shoppers complete a task at their assigned location, then file a report or fill out a questionnaire immediately after "doing the shop," as the pros say. Once your report is processed by the company you're shopping for, your expenses get reimbursed. On top of that reimbursement, you get paid to complete the assignment. While the pay can be low—think \$10 or less per hour of work—the addition of free meals, merchandise, or experiences makes up for the low rate.

WATCH OUT FOR SCAM "OPPORTUNITIES"

There are a ton of scammers out there claiming to have mystery shopping opportunities for you. Legitimate opportunities won't charge you a fee, and you'll find legit companies listed by the Mystery Shopping Professionals Association (www.mspa-global.org). You can also check Secret Hopper for opportunities doing mystery shopping at breweries, BestMark if you're down to test drive cars or visit casinos, or Market Force if you want to go to the movies on someone else's dime. Mystery shopping won't dramatically boost your income, but it's a fun way to make some extra cash while trying new spots around town.

HACK 189

Let Strangers Rent Your Car

If you don't drive much—maybe you convinced your boss to let you work from home more!—there's potential to make extra money by renting your car to other people. It may sound like a risky proposition, but there are a few platforms that exist to facilitate this peer-to-peer exchange.

Turo allows you to set your own pricing and vehicle availability, and you keep between 65 percent and 85 percent of the rental fee, depending on how much damage insurance you choose (*Turo* covers the liability insurance). The company says the average user earns about \$700 per month by listing their car. You get paid a few days after each rental.

Getaround suggests how to price your car, and in some cities, it offers predictive pricing that fluctuates depending on demand. The company takes 40 percent of every rental fee, which covers liability and damage insurance. You pay \$99 up front to have a device installed that allows your car to be unlocked with the company's app, plus \$20 per month to use that device. *Getaround* says the average user makes about \$500 per month, and you get paid monthly.

HACK 190

Wrap Your Car

Next time you're on the road, keep an eye out for vehicles with logos painted across the side. They might be a regular commuter like you, driving the car and getting paid to drive that rolling advertisement. Car wraps are advertising decals that look flawless once a pro installs them, and you may be able to make \$200-\$500 per month to add one to your car.

There are lots of scam car wrap companies out there, so keep in mind that a legitimate one will never make you pay a fee for access to its opportunities. But do keep in mind that every legit car wrap agency will have its own requirements for eligibility, like:

- Minimum number of miles per day
- Average distance per day
- Car make or model
- Car age (the newer, the better)
- A clean driving record

If you're already on the road as a part of your regular day, why not make some money doing it? You can even apply with some agencies if you're an Uber or Lyft driver, in order to multiply your earnings. To find car wrap opportunities near you, start with Wrapify, which operates nationally, or Carvertise, which operates in many major cities. Heard about a company near you that pays for car wraps? Look them up in the Better Business Bureau directory to ensure there aren't any troubling complaints against the company—and always be on the lookout for those scammers.

HACK 191

Switch Banks for the Bonus

Just because your bank gets the job done doesn't mean you need to stick with it forever—or that you can't have accounts at more than one bank. By selectively opening new accounts, you can earn cash that can quickly add up to a few hundred bucks.

Banks sometimes offer new account sign-up bonuses for checking or savings accounts—and sometimes offer more when you open both types of account. Naturally, there are a few requirements. You have to be a new customer, and usually you have to either meet a minimum initial deposit or set up direct deposit into that account.

The latter can be a hassle, so you won't want to try to sign up for every new customer offer you see. But if you haven't opened a new account in a while, it could take just a few minutes to open a checking or savings account and funnel a portion of your paycheck into your new account to meet that direct deposit requirement. Perhaps you could even use your new account as a place to tuck away extra-special savings you're planning to use for a trip or other big occasion.

If you take advantage of one of these sign-up offers, be sure to read the fine print to make sure your new account doesn't come with monthly maintenance fees or even an account closure fee. Note any important dates related to your account opening and bonus eligibility. You don't want to miss out on your bonus cash after doing all the work of getting set up as a new customer!

CHAPTER FIVE

Plan for the Future



HACK 192

Blow Out Your Money Candles

Everyone wants to set big new goals that start on January 1. But when it comes to money, the start of a new year might not be the best time to make a resolution. You've just completed a year's worth of financial transactions, and especially after the holiday season, your wallet might be feeling a little drained. It can be difficult to make heads or tails of your finances after a month and a half of parties, food, and other indulgences.

Instead of making a financial resolution for the new year, set money-related goals each year on your birthday. Your birthday is a time of year when your ambition is high—you're reflecting on the past year's achievements and can see lots of possibility in the year to come. So after you blow out the candles and put away your party hat, spend some time reviewing your finances and setting some goals—large or small, they're all important!—for your money.

Once you have a goal or two for the new year, write them down somewhere you can refer to often. Whenever you pay bills or consider a large purchase is a good time to check in with those goals and see if you're on track.

HACK 193

Go On a Money Date

Couples can choose to manage their finances in a variety of ways, but whichever you choose, there's one necessary requirement: You need to communicate. If you don't talk about your money, you won't be able to make smart financial decisions as a group. That's why it's important to have money dates with your partner.

You might choose to have these meetings monthly, quarterly, or even twice a year, depending on your goals. Use your time together to review your progress, talk through any conflicts that have popped up, and prepare for the months ahead. These meetings don't have to be formal, and you can make an agenda that suits you. Order takeout, sit together at the kitchen table while you eat and talk, and then take to the living room to unwind with a movie after your meeting. Or, maybe you focus on business first, then go for a run after to clear your minds.

Whatever works best for you, be sure to make notes about what you discussed and what you'll want to check in on next time you chat. It may feel awkward and formal at first, but before you know it, you'll look forward to your money dates with your partner.

HACK 194

Merge with Caution

One of the biggest decisions in your life will be whether to marry and who to do it with. But before you tie the knot, it's worth talking about how you'll manage your money as a couple.

There's no "right" way to merge your finances as a couple. A few options to help you kickstart your own discussion:

- **Merge everything:** Become joint partners in every account, from debit to credit to everything in between.
- **Partial merge:** Create a joint account for expenses that serve you both, like housing, transportation, and funneling money toward your savings. You might send part of your paycheck to this shared account via direct deposit or transfer money manually.
- **No merge:** Keep your money separate and share money only when necessary. For instance, if your partner pays the rent, you might transfer your half to them each month.

The method you choose isn't as important as the fact that you choose a method at all. Couples benefit greatly from discussing their preferred financial management system before they walk down the aisle.

HACK 195

Choose Equitable over Equal

If you decide to share expenses with your partner, you don't have to split everything fifty-fifty. Each share of the finances doesn't need to be equal if there's a noticeable difference, but it should be equitable.

For instance, say you make \$60,000 per year and your partner makes \$40,000. Both you and your partner feel fulfilled in your careers, and you make salaries that are on par with your peers. To make those salaries work for your household budget, you should pay 60 percent of the expenses, and they should pay 40 percent.

Taking the example one step further, if your rent is \$1,000 per month, that means you pay \$600 and your partner kicks in \$400. It takes a bit of figuring out, but once you're set up, it's easy to contribute equitably and adjust as needed.

HACK 196

Determine Your Investing Risk

In general, stocks are riskier investments than bonds, but their volatility can bring a larger return—which means more money for you. And as you get older, it's recommended that you gradually shift your portfolio from more stock-heavy, to one that leans more on less-risky, more stable bonds.

How much is enough of each for your portfolio? An easy way to determine your balance of stocks to bonds is to start with 100 and subtract your age. For example, if you're twenty-eight, you might invest up to 72 percent of your portfolio in stocks, with the remainder in bonds. But by the time you're thirty-eight, it's time to drop that stock allocation to 62 percent.

HACK 197

Go Mortgage Hunting

There are two steps to the process of getting qualified for a mortgage.

STEP 1: GET PREQUALIFIED

It only takes a few moments and gives you an idea of the amount of mortgage you may be able to get from a particular lender. In many cases you can do this without a full credit check.

STEP 2: GET PREAPPROVED

If you like the rates a lender offers, you can get preapproved, which means you'll submit to a full examination of your credit and finances. Once you're approved, you get a letter confirming you have a mortgage offer. If you move forward to get preapproved, ask your lender if you can lock in your rate; it preserves your interest rate for a while in case rates go up while you're house hunting.

HACK 198

Get Financially Fit

You might be familiar with your employer's workplace wellness program that reimburses your gym membership fees or provides healthy snacks at the office. But some companies go a step further and offer financial wellness programs for their staff members.

The programs can take many forms, including access to financial counselors or financial planners, retirement planning workshops, access to financial management platforms, online lessons for topics from budgeting to investing, and even debt management programs.

Employers offer such programming because it's widely known that money is notorious for causing high levels of stress. By reducing some of that stress, companies can encourage good money management behaviors and put employees' minds at ease.

Most financial wellness plans are operated by a vendor (not your boss), so you know that your personal and financial situation is kept confidential. If you're not sure, ask to see your program's written confidentiality policy.

HACK 199

Get Free Money from Your Boss

After taxes and other deductions are taken out of your paycheck, you might feel like you don't have enough money left to be able to save for retirement. But if your employer offers a 401(k) plan with a match, you're missing out on free money. Having a 401(k) is already a smart move because it's a tax-advantaged retirement account. Your contribution gets funneled over to your retirement savings before taxes are taken out of your paycheck, so once you get used to the adjustment, you won't even notice that your checks are a bit smaller. If your employer offers a match, they'll typically offer it up to a certain percentage of your salary. That means that you can contribute as much of your salary to your 401(k) as you want (up to the annual limit), but your employer will only match a certain percent of that.

For instance, imagine you make \$40,000 and contribute 3 percent of your salary to your 401(k). You'll contribute \$100 per month. If your employer matches up to 3 percent of your salary, your employer will *also* contribute \$100 per month. Now imagine you contribute 5 percent of that same salary to your 401(k), which comes out to \$167 per month. But your employer will only contribute \$100 per month—3 percent of your salary.

On the other end of the spectrum, if you don't contribute up to the employer match limit, you're missing out on free money. Picture that same salary. If you only contribute 2 percent, you and your employer each only contribute \$67 each month. That's like leaving a \$33 bonus from your boss on the table. A few percent may not seem like a big difference, but your larger contribution will really add up.

HACK 200

Don't Watch the Market

Knowing the latest stock market movers and shakers makes you sound brilliant when you're chatting around the water cooler. But knowing too much about what's going on in the markets could negatively impact your portfolio's growth potential. When an event is fresh in your mind—like a stock market dip—you're nervous that it's going to happen again. And that could convince you to change your investment strategy to be more conservative.

If you're investing for the long term, like for retirement, resist the urge to get too caught up in what's happening in the financial world every moment. Sure, it can benefit you to keep up with investing trends. But be wary of making decisions because you got fired up over something you saw on a news broadcast. You probably don't need to make any quick changes to your portfolio.

HACK 201

Start with a Robo-Advisor

Robo-advisors are digital platforms that provide financial planning services, but instead of working with a human through your computer, you work mostly with the computer itself. Based on your needs, the robo-advisor can help you manage your portfolio and work toward your goals.

Check out Betterment, Wealthfront, Personal Capital, and Ally Invest. Some robo-advisors have account minimums to get started ranging from \$500 to \$25,000, but still many of them let you get started with no account minimum at all.

HACK 202

Pay Taxes Now to Save Later

While 401(k) tends to be the default option for employer-sponsored retirement programs, you may be able to choose a Roth 401(k). While you contribute funds to your 401(k) before taxes, you put after-tax money into a Roth 401(k). But then, it's tax free from there on out—even when you start taking out money for retirement.

Why's it such an attractive idea? Because you get taxed at your tax rate today, not the one you reach in your sixties. If you decide not to retire until well into your sixties or even your seventies, you'll be taxed on withdrawals from your regular 401(k) at the rate of your salary at that point.

If you withdraw money from your account early, you are only on the hook for income taxes on your earnings—not your original contributions—on top of a 10 percent penalty.

HACK 203

Use Your Investment Time Machine

Want to give your IRA an extra boost? Contribute to last year's limits. IRAs allow you to contribute from January 1 through April 15 of the following year. That means that if you're doing your taxes in March, you still have time to put money in your account and have it count for the previous year. Not only does this help you maximize your savings for each and every year that you have an IRA, it can also give you a boost if you get a raise or have another windfall.

If you contribute to a traditional IRA, make any additional contributions before you do your taxes, since those contributions are tax-deductible. Otherwise you'll have to submit an amended tax return later to reflect your full contribution for the tax year.

HACK 204

Work for Yourself? Don't Forget to Save

Just because you don't have access to an employer-sponsored retirement account doesn't mean you can't invest with similar tools. There are a few retirement accounts available especially for you, and they're easy to get through a regular investment brokerage like Charles Schwab or Vanguard.

- **SEP IRA:** SEP stands for Simplified Employee Pension. If you're self-employed or have just a few employees, you can contribute up to 25 percent of your compensation or net self-employment earnings to a SEP IRA. You can deduct your contributions, but distributions are taxed as income when you withdraw money later.
- **SIMPLE IRA:** It's called the Savings Incentive Match Plan for Employees, but you can open one if you're self-employed too. You can contribute up to about \$13,500 of your earnings pre-tax each year, but you must also contribute from your net self-employment earnings.
- **Solo 401(k):** If you're self-employed and don't have any other employees, you can open a solo 401(k), sometimes called an individual 401(k) or a one-participant 401(k) plan. It allows you to contribute pre-tax funds as both employee and employer. You can contribute up to \$19,000 as an employee; on the employer side, you can contribute up to 25 percent of your compensation. And if you'd rather pay taxes now than later, you can open a Roth 401(k).

To get your "net self-employment income," subtract your business expenses from your revenue. Then, multiply the answer by .9235 (92.35 percent) to find out your net income.

HACK 205

Invest In the 5 Percent Rule

You've heard that you should diversify your portfolio, but how varied do your investments really need to be? Play it safe with the 5 percent rule of investing. The rule states that no more than 5 percent of your portfolio should be locked up in one particular investment type. If you were investing in individual stocks, for example, you would want to invest no more than 5 percent of your money into a single stock.

If you invest not via individual stocks but through products like index funds or exchange-traded funds (ETFs), it can be slightly more difficult to determine the 5 percent rule; but it's not impossible once you know where you look. You'll want to check the holdings for each fund. Mutual funds are assumed to be diverse by design, but some of them can get lopsided in favor of stocks, bonds, or even precious metals.

You can also use the 5 percent rule to ensure your portfolio doesn't rely on any one sector. Some funds focus on a particular industry, like healthcare or real estate, for example. But you don't want your portfolio's success to ride on either of those industries. Keep your allocation for each sector to 5 percent or less.

Of course, there's an exception to every rule. One mutual fund can take up more than 5 percent of your portfolio if the holdings *within the fund itself* respect the 5 percent rule. You might choose a highly diversified index fund to take up a substantial chunk of your portfolio, while supplementing with smaller allocations to a few other funds.

HACK 206

Choose a Target

Perhaps you're looking at different types of mutual funds you can choose for your portfolio, and you're just feeling overwhelmed or confused. No need to fret—there's an easy solution to get your money invested ASAP so it starts to grow: a target date fund.

All you have to do is pick the fund for the year you expect to retire. You don't have to pick the exact year you turn sixty-five—target date funds usually increase years by fives—just pick a date that's close to the age you think you'll retire. That mutual fund is managed with the people in that retirement date range in mind.

HOW A TARGET DATE FUND CHANGES AS YOU AGE

For example, if you're in your twenties and choose a target date fund for around the time you turn seventy, your target date fund is likely to be filled primarily with high-risk, high-reward investments, like stocks. Each year, it'll get a little bit more conservative until you near your retirement date, by which point you'll probably see that it's mostly invested in bonds and other stable investments.

The drawback of a target date fund is that it's not tailored exactly to your personal financial situation. But it's a solid set-it-and-forget-it starting point for many beginner investors. You might start with just a target date fund at first, then slowly start to reallocate your investments to other types of funds, or even a few different target date funds. Remember, you're not locked in for life when you choose a fund like this. It's simply a good place to get started.

HACK 207

Double Your Money

Do you know how long it will take your money in an investment or savings account to double? It might have never occurred to you to even wonder. But a simple equation could help you determine if your money is in the right place based on your financial goals.

It's called the rule of 72. All you do is divide 72 by the interest rate for your savings account (or the anticipated rate of return for your investing vehicle). If the interest rate on your high-yield savings account is 1 percent, it'll take—no surprise here—seventy-two years for your money to double. If your interest rate is 2 percent, it'll take thirty-six years for your money to double. A 10 percent return rate on an index fund—maybe the markets are having a great couple of years—will require a little over seven years for your money to double.

You should not use the rule of 72 to feel bad about how slow it may feel your money is growing. What you should use it for instead is to motivate you to make sure your money is in the right place at the right time. If the interest rate for your savings account drops below 1 percent, and you see lots of other banks offering 2 or 3 percent, moving over to a competitor could dramatically reduce the amount of time it takes for your money to accrue interest. Or, the rule of 72 could be a reminder not to hoard too much money in a liquid savings account when you could be earning so much more by investing it.

HACK 208

Celebrate Your Money Anniversary

Look at your investment portfolio too often and you'll work yourself into a frenzy about the performance of each and every one of the index funds, ETFs, and other investment vehicles you're relying on for your future comfort and prosperity. But if you never look at your portfolio, you basically have your head in the sand. You can't make smart decisions for your finances if you're not paying attention at all.

Find a happy medium by reviewing and rebalancing your investment allocations once each year. It doesn't matter when you do it—the start of the year, right after Tax Day, your birthday—it just matters that you make time to regularly review your portfolio.

When you do it, check in on the following areas:

- **Your Money Goals:** Are you contributing enough of your income to your retirement account? Experts usually say to aim for 15 percent.
- **Your Portfolio Performance:** Regardless of any big peaks and valleys you see on the line graph for the past year, are your investments generally growing?
- **Your Age and Risk Tolerance:** Do you have a mix of stocks and bonds that fits the level of risk you're comfortable taking on right now?
- **Your Fees:** Your annual check-in is a great time to review the expense ratio for each of your investments. An expense ratio of more than 1 percent means it's time to move on.

HACK 209

Don't Overlook Money Market Funds

Money market funds—not to be confused with money market *accounts* from Chapter 2—are known for their reliability for investors who don't want to take on a lot of risk. Only a few money market funds have “broken the buck” (meaning they lost money) since these funds were first created in the 1970s.

The tradeoff for not subjecting your money to a lot of risk is that money market accounts don't provide a huge potential for return. In fact, they're often close to the same rate of growth you'll find for high-yield savings accounts. The difference is that money market funds earn dividends. When you buy shares of a fund, you're basically giving a short-term loan to an organization. When that company or government pays back the loan—with interest—you get that interest as a dividend, which you can withdraw as cash or reinvest into your fund.

Money market funds keep it simple—one share equals one dollar for every fund. Funds frequently require a higher minimum than a savings account to get started, but you can withdraw your money at any time. Money market funds aren't FDIC insured like a savings account, but since the risk of poor performance on these accounts is low, it's not likely that you'll see a notable loss. One downside of money market funds—they usually don't keep up with the rate of inflation, so your money loses value if you leave it there for a long time.

HACK 210

Don't Forget to Actually Invest Your Money

It's a big misconception that once you set up automatic contributions to your 401(k) or IRA, your work is done. But it's really just beginning. When you contribute cash, it sits in what's called a settlement fund until you decide what to do with it. Since your settlement fund is a money market fund, it earns interest, but only a small amount. This money isn't invested in stocks, bonds, or anything else. You have to choose how to invest those funds.

If you're enrolled in a 401(k), it's likely that the plan administrator automatically enrolled your cash into an index fund or other diversified option. But if you're investing on your own, say through an IRA, no one's going to do this for you. Make a point to log in to your account to make sure you've chosen one or a few holdings. Then, once you've chosen your holdings, check your scheduled contributions to make sure they're going directly into the holdings you want to focus on growing, instead of into the settlement fund.

YOUR SETTLEMENT FUND IS A SAFE SPACE

Your settlement fund is where you receive dividends or trade earnings, so don't be alarmed if you see a bit of money in there. Depending on how your account is set up, these earnings are likely reinvested into your holdings. Other than that, you don't have to worry too much about what's in your settlement fund and why. Just keep contributing to your selected holdings and watch your money grow.

HACK 211

Become a Homebuying Pro

If you're thinking about buying your first home in the next few years, take advantage of free first-time homebuying classes. A class can teach you the lingo you need to know *and* help you qualify for first-time homebuyer programs that can save you money on your first place.

Classes tend to run about \$40–\$75 and last between four and eight hours, either in person or online. Look for one that's approved by the Department of Housing and Urban Development (HUD). If you take an online class, you'll probably be required to complete the curriculum in a time frame of about a month.

Once you complete a class, don't lose your certificate or other documentation. It'll be required for many first-time homebuyer programs that provide down-payment assistance or low mortgage rates. Some programs require that your class be completed in the past year or two.

HACK 212

Keep Company Stock Out of Your Portfolio

Your retirement account is sponsored by your company. Why not fill it up with your company's stock? This is a bad way to invest. You already spend eight hours a day working there (at least)! Don't invest twice in the company by holding a bunch of your company stock and hoping business stays brisk.

Companies love to give out stock, either as part of your compensation plan or as the default investment option for your 401(k). So keep an eye out for opportunities to minimize your risk by investing in more reliable options like index funds.

If company stock is the default option for your 401(k), it should be easy to switch it to another option offered by your plan. If company stock is a part of your compensation, you may have to wait until you've been with the company for a few years until you're fully vested.

HACK 213

Ask Your Employer for Lower Fees

Your employer's 401(k) options may be limited to a few dozen fund options. That might give you enough flexibility to choose a direction for your investments, but what if all the expense ratios look too high? It's worth asking your employer if there are other options for you. Ask your human resources department if it's possible for your company to add another option through your plan administrator. If there's potential for you to keep more of the money you earn, there's potential for your coworkers too—so everyone should be happy about the potential change.

HACK 214

Ditch PMI ASAP

If you make a down payment on a home that's less than 20 percent of the cost, you'll need to get private mortgage insurance. This kind of insurance protects your mortgage lender if you skip out on your loan. It usually costs up to 2.5 percent of your total annual mortgage each year, but you can get rid of it once you've paid off 20 percent of your home's value. It helps to request this yourself, because lenders must (by law) let you off the hook once you've paid 22 percent of the purchase price. Why wait for them to stop billing you?

You may also be a candidate for lender-paid mortgage insurance (LPMI). It's designed for people who don't plan to own their home for the full length of the mortgage, allowing them to spread the PMI over the length of the loan so you pay less up front (but more over the total length of the loan, if you decide to stay).

HACK 215

Go On a Retirement Treasure Hunt

How many jobs have you had since you were eighteen? Even if they didn't all offer retirement plans, there's a good chance that you've had at least one 401(k) under a previous employer. If you're not sure you took care of that account when you left your job, it's time to double-check your history for lost 401(k) accounts. Doing this is important because you may have had a job in the past where your employer contributed on your behalf even if you didn't.

WHERE TO LOOK FOR OLD 401(K)S

Your employer. Check through the paperwork from your old job for any information about a retirement account. If you have information about your plan administrator, contact them for account login info. You may need to contact your previous employer's human resources department for direction, otherwise.

Your state's unclaimed property office. Your employer may have cashed out your account if the balance was small, leaving the cash in limbo. Check MissingMoney.com—and see Chapter 3 for more details about getting unclaimed funds back.

The National Registry of Unclaimed Retirement Benefits (www.unclaimedretirementbenefits.com). You can search for plans in your name using only your Social Security number. If there's a match, you enter your contact information so your employer or account custodian can find out what you want to do with the money.

Once you find your retirement plan, you can choose to roll it over into an account you already have, leave it in its current account, or take a cash distribution. Obviously, continuing to invest that money is your best move.

HACK 216

Wed Wisely

Can you guess how much a wedding costs in the United States? The average is about \$30,000, with weddings in pricey places like New York City and Miami coming in with much higher averages. But just because you want your friends and family to witness you committing your love to one another doesn't mean you need to break the bank to do it.

A few options for reducing the cost of your reception without sacrificing the fun:

- Get married in the off-season for your area (winter and early spring are usually your safest bets)
- Consider a venue that has everything you need on site, like a restaurant
- Host a wedding brunch or lunch instead of the pricier dinner meal
- Offer beer and wine instead of a full bar—or skip the booze altogether
- Have champagne and desserts instead of a full sit-down meal
- Explore the cost of a buffet versus a plated meal
- Skip spending extra on chair covers

Ask your friends and family for ways they saved money on their own weddings. They'll be sure to have recommendations of venues and vendors that fit your style and are in your price range. Remember that the amount you spend doesn't reflect how much you love one another. And if you can only afford a small party now, you can renew your vows later on and have an even bigger celebration if you choose.

HACK 217

Get Vested

When your employer puts money in your retirement account by matching the amount you contribute, it doesn't mean you have the right to that money right away. You may hear the word "vested" used by your company's HR department—that's a word for who owns your money. If you're fully vested from day one, you can take every penny that's been contributed to your 401(k) by you or your employer whenever you leave. Other companies will require that you work for a certain amount of time before being fully vested, meaning you own all the money you contributed, but not all the money your company contributed, until you have worked the required amount of time.

THE TWO KINDS OF VESTING

Cliff vesting: Your employer can make you wait up to three years to own the contributions it has made to your 401(k).

Graded vesting: Your employer can grant you partial ownership of the funds it has contributed, increasing that level over the course of a few years. In most cases, your employer must declare you fully vested within six years of your job starting.

The vesting schedule probably isn't the sole reason to take or leave a job. But if you've been thinking about a career move in the near future, it's worth checking your vesting schedule to make sure you'll get to keep all the money you see in your 401(k).

HACK 218

Don't Rob Your Retirement

Often parents, wanting the very best for their offspring, take early distributions or loans from their retirement accounts in order to help with college costs. But doing so puts you at a severe disadvantage. You may still be dealing with your own student loans, but the reality remains that your own children can—and will, if necessary—take out their own student loans to pay for school. But there's no similar option for you to take out loans to fund your retirement.

That's why it's so important to prioritize your own savings. You can't predict what shape their education will take, and you definitely can't bank on them getting rich and taking care of you in your old age. So, play it safe and prioritize your own retirement savings over their college fund.

HACK 219

Save for Graduate School

Did you know that you can benefit from a 529 plan even if you don't have children? You can use it to save for your own education, whether it's graduate school, continuing education courses, or a career change that requires additional training.

Contributions to 529 savings accounts are exempt from federal taxes. Every state offers at least one option for this type of savings account.

If you know you're going to go back to school at some point, saving with this type of tax-advantaged savings account can help you start to plan for those nerve-wracking tuition costs. But beware: If you withdraw these funds for a use that's not educational, you'll have to pay a 10 percent federal tax penalty.

HACK 220

Prepare Your Baby for College Costs

Even though you may (and should) prioritize your own retirement savings over your child's education fund, you can still make it easy for your family to save. Savings plans called 529s are investment accounts designed specifically for education expenses. Adults typically open them for their children, grandchildren, or other young relatives to help them save for college, but if you're over eighteen, you can also open one for yourself. While you can participate in a 529 that essentially buys prepaid credits to use at participating colleges, your better option is most likely to go with a 529 savings plan. You invest your funds sort of like you would in your 401(k). Then, when it's time to send junior off to college or trade school, that money is tax free as long as it's used toward tuition, housing, equipment, books, or other costs of attending. 529 funds can also be used for \$10,000 worth of K–12 tuition per year.

529 PLANS MAKE GIFT-GIVING EASY

Anyone can contribute to a 529 plan, and there are no caps to how much a beneficiary's account can receive in a year. That makes it a great thing to have around for when your aunts, uncles, or parents ask, "How can we help you save for school for Junior?" because you can provide the information for them to contribute. And 529 balances are typically counted as assets belonging to the parent when it's time to apply for financial aid, so the amount of aid your student gets won't be reduced dramatically if you've done a great job helping them save.

HACK 221

Aim for 80 Percent in Retirement

How much money do you need when you retire? The reason it's so hard to determine the right amount is because it's different for everyone.

Experts say to plan for a yearly retirement income of 70 percent to 80 percent of your pre-retirement income. That's because you'll have fewer expenses—you won't be commuting to work every day, for starters. You won't be paying social security or Medicare taxes. And you won't be saving for retirement anymore.

Some financial planners think that mentally preparing to “spend” 80 percent of your salary per retirement year is too high, and that it encourages you to overspend as you get used to life in retirement. They have a point, but a benchmark like this gives you a goal to work toward.

HACK 222

Save Money on Financial Planning

Maybe you're ready to work with a human (vs. robo) financial planner, but you're worried about the cost. One of the ways you can get the most convenient service possible and save a bit of money is by working with a virtual planner. Instead of meeting in an office, the certified financial planner (CFP) or other advisor connects with clients through some combination of online video chat, phone, and email. This method keeps you from having to take time to travel to your advisor's office and to plan your meeting times around your working hours or theirs; and if one of you moves to another city or state, you'll still be able to work together.

HACK 223

Make Sure Your Money Lasts

If you've done everything right on your way to retirement, when the day finally comes you might feel like you deserve to splurge with a bit of your well-saved money. But there's a rule of thumb you should follow for your retirement account withdrawals if you want to make that money last.

Experts advise that you withdraw no more than 4 percent of your retirement funds each year if you want to make sure your money lasts for thirty years. Play around with this math, and you'll get a good idea of how much money you really need to save for retirement for the lifestyle you want.

HOW THE 4 PERCENT RULE WORKS

For instance, say you've saved \$500,000 for retirement and your last day of work has finally arrived. Multiply 500,000 by .04 and you'll learn that you can take out \$20,000 each year and still have plenty for future years. If that isn't enough for you, you'll know you need more in order to retire. The 4 percent rule on a savings of one million would allow you to withdraw \$40,000 per year.

IT'S ONLY AN ESTIMATE

The math isn't perfect, but it gives you a rough number to shoot for depending on how much money you think you'll need for expenses when you retire. Many people don't just use this rule for life in their 60s, 70s, and beyond, though—if you've heard of the FIRE movement (Financial Independence, Retire Early), many of those people are hoping to amass as much money in their younger years as possible, so they can start withdrawing that 4 percent earlier, while maintaining strong financial footing.

HACK 224

Create a Backup Investing Account

If your employer offers a Health Savings Account (HSA) in tandem with a high-deductible healthcare plan, it may be worth considering, even if you think you're healthy enough not to need this savings account. When you contribute money to an HSA, you're not required to use the funds in a certain time frame, like you are with a flexible spending account. But while you're waiting to use these funds, you can hold them as cash or invest them like you would contributions to your 401(k) or IRA. That means you can basically use your HSA as a backup retirement account.

Your money grows tax-free, and your withdrawals for qualified healthcare expenses are tax-free too. If you withdraw the money for non-health reasons, you pay income tax plus a 20 percent penalty tax. But if you wait until age sixty-five to withdraw the money for non-health expenses, there's no penalty. You just pay income tax on your withdrawals, just like you would with a 401(k) account.

There are limits to how much you can contribute to your HSA each year—around \$3,500 for an individual and \$7,000 for a family. But if you can max out that contribution alongside what you put into your other retirement accounts, you can set yourself up to be more comfortable down the line—and to cover any medical issues that may come up prior to retirement.

HACK 225

Protect Your Finances with a Fiduciary

When it's time to work with a financial planner, it's important to find one that intends to take care of your money. CFPs and chartered financial analysts (CFAs) come in two main varieties: fee-only planners, who charge you a flat rate for their services; and commission-based planners, who earn a portion of the financial transactions they make on your behalf. Fee-only planners pledge to act in your best interest, monitoring your money and helping you make decisions regardless of whether the decision will benefit them. They earn their income based on charging a flat or hourly rate, or from a percentage of your assets that they manage.

CHOOSE FIDUCIARY OVER SUITABILITY

Being a fiduciary is voluntary. Commission-based financial advisors are only required to adhere to the "suitability standard," which means that the financial planner may not be as clear about their processes and aren't obligated to monitor the health of your accounts after a trade is made. They don't need to disclose conflicts of interest. Their income is based entirely on the products they sell you or accounts they open.

It's easy to see why you'd want to work with a fiduciary, so ask if they are fee-only or commission-based first when screening potential financial advisors. To find a fee-only fiduciary near you, search the XY Planning Network (www.xyplanningnetwork.com) or FeeOnlyNetwork.com (www.feeonlynetwork.com).

HACK 226

Let Your Money Be Boring

Your money should be boring. Financial experts tend to agree that the best way for your portfolio to grow is slow and steady over the course of many years—not with wild ups and downs that make you sweat. There is no secret that, if followed, will make you rich now and long into your golden years. Instead, it's a matter of saving, investing in inexpensive funds instead of individual stocks, and monitoring—but not reacting—to your portfolio performance. That's it!

HACK 227

Lock Down Your Credit

If you're even considering buying a home, get serious about your credit score. Get your score as high as possible, then maintain it—even for as long as one to two years. A boring yet healthy credit profile is exactly what lenders want to see when considering your mortgage application.

That means you should skip applying for a new credit card or car loan in the year or two leading up to your home purchase. You should strive to pay off as much debt as possible, and make sure any late payments get covered up in your credit history by a long string of on-time payments. If you work to fortify your credit score with plenty of time before you do apply for a mortgage, you can make sure there are no surprises when you see the rates available based on your credit report.

HACK 228

Get Your FICO Mortgage Score

There are many different ways to calculate a credit score. But you can reduce your chance of surprise if you have a good relationship with your bank or credit union. Going this route can help you get your score without paying for it.

Ask your banker if they can access your FICO score specifically for mortgages. You may also be able to request your score for free from a housing counselor that's approved by HUD. There are a few variations that lenders can choose for mortgage applications, but it's a far smaller pool than the dozens of methods you could see used otherwise. Doing this will give you a good idea of what you're working with and whether you need to raise your score before applying.

HACK 229

Request a Rapid Rescore

If you've been working hard to boost your credit score, you may have noticed it can take a while for paid debts to reflect in your score—sometimes up to forty-five days. But if you're anxious to start the process of buying a home, you may be able to accelerate the process.

It's possible through what's called rapid rescore, which is typically used to correct credit reports that have errors. You can ask a lender to do that if your score isn't matching up where you think it should be. You won't see a drastic change in your score, but even a boost of 20 points can get you a better interest rate. Doing so doesn't *guarantee* you'll get a better rate on your mortgage, but a better credit score never hurt anyone, did it?

HACK 230

Make a *Big* Down Payment

Even if you plan to make a small down payment on a home, you can use the savings you've built up for closing costs or even moving costs. Some lenders want to see that you have a few months of mortgage payments on hand before granting a loan. In fact, it's common for lenders to ask for copies of your tax returns and bank statements when you apply for a mortgage. The process of "account verification" allows them to see not just how much money you have, but also how long you've had it. If you have large deposits that suddenly show up in your accounts, the lender may even ask about the source of those funds to make sure you aren't inflating your ability to pay back a home loan.

HACK 231

Pay Points Now to Save Later

Maybe you already have a solid interest rate offer for a mortgage, but you'd like to pay even less interest over the course of your loan. It might be possible if you have extra money you can use to buy points. When you do this, you essentially pay off a bunch of interest on your mortgage in advance to get a lower interest rate. One point usually equals .25 percent off your mortgage interest rate (say, reducing it from 4.25 percent to 4 percent). To get that special discount, you'll pay 1 percent of your mortgage amount. You pay these points at closing, which is why it's important to have cash on hand after your down payment and your other closing costs.

HACK 232

Figure Out Your PITI

The people who tell you that you could have a monthly mortgage payment for less than your rent may not be looking at the right numbers. To get a better idea of how much buying a home would really cost each month, you need to know your PITI:

- **Principal:** The monthly main amount you pay on your mortgage (the part that makes the amount you owe go down).
- **Interest:** The monthly interest you pay on your mortgage loan (this gets rolled together with the principal for your overall mortgage payment).
- **Property Tax:** The taxes you pay on your home to your local government. The payment schedule depends on where you live, but the first few months usually get rolled into your closing costs. Often, you pay this as part of your bigger mortgage payment and your lender submits it to your city when due.
- **Insurance:** This is either your homeowners insurance or your homeowners association fee. If you're getting insurance for a home that's not in an association, you will need to pay up front for the first year, but you may be able to shift to monthly payments after that first year.

Why is it important to know how these four items add up to your monthly homeownership costs? Because if you don't know your PITI, you could be getting in way over your head in a house you can't truly afford. Lenders want to see your PITI as 28 percent or less of your income. And let's face it—you don't want the costs of owning a home to eat into your budget by too much more than that anyway.

HACK 233

Buy a House for Less

Finding an affordable home to purchase can be a long and frustrating process. Looking at foreclosed homes may open up new possibilities, but it also comes with risks. To get started without getting overwhelmed, look for homes that are in foreclosure in your area on HomePath.com. It's a program from government-sponsored mortgage company Fannie Mae that helps it sell the homes on which it has foreclosed. A lot of the homes are move-in ready, though conditions vary. Buyers may be eligible for one or both of two programs that can make the process of buying a home easier. The first is the HomeReady mortgage program, which allows low down payments. Meanwhile, the Ready Buyer program lets qualified buyers get a refund on up to 3 percent of their closing costs.

The other government-sponsored mortgage lender, Freddie Mac, has a similar program called HomeSteps. Freddie Mac provides cleaning and lawn services before its homes are put on the market. The Home Possible mortgage program allows down payments as low as 3 percent.

With both programs, investors are not permitted to make offers for the first several weeks the property is on the market, ensuring that people who are buying a primary residence get first dibs, instead of investors who have lots of cash to wave around.

HACK 234

Save Thousands on Your Mortgage

Once you sign all the paperwork and finally get to hold the keys, you might hope the stress of buying a home is over for a long, long time. But paying attention to mortgage rates in the months and even years after you buy could help you pay off your home faster by refinancing. When you refinance, you replace your current mortgage with a new one for the amount you still owe. You have to qualify for refinancing by having your credit reviewed by a mortgage lender, and you complete the entire closing process you went through when you first bought a home. You'll pay another round of closing costs, which might make the prospect of refinancing less attractive since you'll have to have at least a few thousand dollars on hand. But it could be worth it in the long run, if mortgage rates have decreased considerably. For instance, if you took out a thirty-year mortgage on a \$300,000 house at 5 percent, then refinanced two years later at 4 percent, you could save approximately \$32,000 in interest. Doing so would also reduce your mortgage payment by about \$220 per month.

Of course, a lot depends on the market and how interest rates fluctuate. Talk to a mortgage broker to get an estimate of your potential up-front costs as well as a rundown of the potential savings you'll reap down the road. And remember, the later you refinance, the more equity you'll have in the home and the smaller mortgage you'll have to take out, so you won't necessarily have to saddle yourself with another thirty-year mortgage. Ten or fifteen years may be enough.

CHAPTER SIX

Protect Your Money



HACK 235

Put Your Credit on Ice

Want to make sure no one opens new credit in your name? It's as easy as requesting a freeze. A credit freeze prevents lenders from checking your credit, which in turn means that no one can use your personal information to open a credit card or take out a loan. You'll still be able to check your credit report, and you can still use your existing accounts when your credit is frozen.

Credit bureaus used to charge fees every time you wanted to freeze or unfreeze your credit. But now it's free for everyone. To freeze yours, visit each credit bureau's website—Equifax, TransUnion, and Experian—to create a free account with each. You'll log in to that account whenever you want to make a change to your freeze status. Remember to unfreeze your profile with each bureau before you apply for new credit!

This is one of those money tasks that takes a few minutes to set up but serves you in the long run. You probably don't even apply for new credit that often yourself, so there's no reason *not* to freeze your credit.

HACK 236

Set Up Banking Alerts

One of the easiest things you can do to keep your money safe is set up your notifications for just about every sort of event that could take place in your account. It's easy to set up alerts to make sure you're the only one using your cards or accounts in the ways you want to use them—and make sure no one else is meddling in your banking activity.

When you log in to your bank account, credit card, or other financial account online, you'll find a security section that allows you to toggle on or off alerts for any number of activities. You can usually choose to have these notifications sent to your email inbox or to your mobile phone.

Consider a few baseline alerts for your accounts:

- **Low balance alerts:** You'll get a notification when your balance drops below a level you specify.
- **Purchase alert:** You'll get an alert each time a purchase is made over a certain dollar amount that you set.
- **Fraud alert:** You'll get a message if your bank detects unusual activity on your account. These messages can be helpful if you avoid answering numbers you don't recognize to avoid robocalls.

HACK 237

Choose Better Passwords

While banks and other financial institutions have plenty of measures in place to keep your account secure, you need to do your part too. That means choosing good passwords for all your accounts. Don't default to your pet's name or the street where you grew up—make your passwords a pain for hackers to guess.

Passwords should be:

- **Complex:** Don't just use lowercase letters. Mix it up with capitals, numbers, and punctuation too. "moneyhacks" is a bad password. "M\$neyH!ck5" is better.
- **Long:** The longer they are, the longer it takes for a hacker to figure out the right combination of numbers and letters.
- **Unique:** Don't reuse the same password for a whole bunch of accounts. If you do, when a hacker figures out your password for one account, it's like they've found the key to your entire financial life.

As an extra precaution, set up two-factor authentication on any account that offers it. Doing so will require you to enter a second password—a short, numeric code sent in an instant to your mobile phone—to complete the login process.

HACK 238

Cover the ATM PIN Pad

ATMs are pretty secure, right? After all, they require your card and your PIN to complete transactions. But scammers can still take advantage of you at the ATM even after they install a skimmer on top of the card slot. They may *also* install a pinhole camera that records you entering your PIN number.

So beyond the usual safety tips for visiting ATMs, like making sure the area is well lit and noting the presence of security cameras, you should also do one extra step: Cover the PIN pad when you enter your number. Use your hand, your bag, your hat—anything that blocks the view of the numbers you're pressing to any secret cameras that may be hoping to snag your info. You might feel silly next time you're taking out cash, but you'll be glad knowing your account is a little less vulnerable.

HACK 239

Avoid Tax Phishing Scams

As the ways we manage our finances online evolve, scammers are getting smarter in their efforts to get your personal information. These criminals often use phishing scams to take advantage of consumers, often by posing as the IRS, banks, or other financial professionals.

Phishing scams often come by email, saying you've violated a law, are delinquent in filing or paying your taxes, or need to fix a problem with your account. When you click a link or attachment in the email, scammers can gain access to your computer—and all of your financial and personal information.

Whether it's tax season or any other time of year, be skeptical of any emails, text messages, or phone calls you receive from anyone claiming to be from the IRS.

The IRS will never:

- Demand immediate payment of any kind
- Threaten to have you arrested
- Ask you to pay any entity other than the US Treasury
- Make you pay your taxes with a prepaid debit card, a gift card, or a wire transfer

To make you even more certain: The IRS usually contacts you about any issues with your taxes by regular mail first—and sends several notices before escalating any issue. And you always have the opportunity to question or appeal the amount you owe. So be skeptical of any contact from the “IRS” that doesn't come by mail. If you receive a suspicious message from someone claiming to work for the IRS, report it to www.irs.gov/privacy-disclosure/report-phishing. You can even forward suspected scam emails there too.

HACK 240

File Your Tax Return As Early As Possible

If you're someone who dreads Tax Day and waits until the last minute to file their taxes, you may want to change your ways. The longer you wait to file your annual tax return, the greater the chance that someone could claim your tax refund for you.

It sounds like something out of a crime movie, but it happens more often than you might think. Fraudsters who gain access to your Social Security number can create a tax return and file it in your name—and then take any refund you are owed. When you finally get around to filing your tax return, you find out that someone has already done so for you. The result is a huge headache to sort out your identity theft with the IRS, the Federal Trade Commission, local police, and the credit bureaus.

A few tips for avoiding this type of tax fraud:

- Check your mail often to grab any tax forms as soon as they arrive.
- File your tax return as soon as you have the necessary forms.
- Check your credit report regularly for any unusual activity.
- Get an IRS Identity Protection PIN at www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin. You can sign up to get one of these six-digit PINs for free from the IRS. You'll use it any time you file tax forms to verify your identity alongside your Social Security number. It's not available nationwide yet, but tax filers in about half of the states can get one.

HACK 241

Don't Do Financial Tasks on Public Wi-Fi

You might decide that instead of checking in on your finances from home, you'd like to visit your favorite coffee shop instead. But that may not be a great place to log in to all your bank and credit card accounts to check your balances.

Public Wi-Fi networks are more vulnerable to hackers, which means your accounts are more vulnerable—even if you have rock-solid passwords and are logging in via secure websites.

If you *must* check your financial accounts while you're out and about, use your data plan to access them from your phone instead of the Wi-Fi on your laptop or tablet. Hackers can still tap in to cellular networks, but it's more difficult for them to do so. If you really want to use your laptop to review your finances in public, consider using your phone's data plan to tether that signal to your computer.

Your best bet—just work on your finances at home, *then* go out for coffee with the newspaper or a good book.

HACK 242

Don't Click on Text Messages from Your Bank

If you get a text from an unfamiliar number claiming to be your bank, that's a big red flag. It may be a scam technique that takes you to a fake website made to look just like your bank's mobile login screen. When you enter your credentials to see what "unusual activity" your bank wants you to address, the scammer takes it and takes over your account.

Banks are on the lookout for these types of scams, but as criminals get more sophisticated in imitating financial institutions, you can't be too careful. If you get a message from your bank that you think is a real issue you need to address, use your bank's secure mobile app or type in its web address yourself—don't click on any links provided.

HACK 243

Make a Will While You're Healthy

Wills aren't just for people who have spouses or children. Even if you're single, a will can help your loved ones settle your estate. And it's not just about money either. A will can provide instructions for who will care for a pet; it can list recipients for items of sentimental value, like family photos or diaries. Your will can even help you leave a legacy, if there's an organization to which you'd like to leave funds.

If your finances are fairly simple, it can cost between \$1,000 and \$2,000 to have a will drawn up by an attorney. If you're short on cash, you can go the assisted-DIY route online through legal service platforms which cost significantly less.

HACK 244

Never Give Out Your PIN

It may seem like the easiest tip in the book to protect the PIN you use to access your bank account or take money from an ATM. But scammers know how to wear you down and take hold of this information. It's up to you to be aware of their methods to resist their attempts.

In what's called an imposter scam, the caller will claim to be someone you know in order to get you to give them money. For example, you might get a call from someone claiming to work at your bank. They may ask you about a fraud alert and ask you to confirm or provide details about your bank account. You might even get a text message the caller "generated" to confirm your identity—but watch out, because those text messages are often used to trick you into letting the caller reset your account password. And if they ask for your PIN and you *still* think this person is a helpful bank representative, you could have some serious fraud and identity theft on your hands.

The Federal Trade Commission says never to give out account numbers or numbers that identify you (like your Social Security number) to someone who calls you. If the caller has those numbers or a portion of the digits and asks you to confirm, don't do it. Hang up and file a complaint with the FTC at www.ftccomplaintassistant.gov.

When in doubt, don't share any bank-related info by phone. If you suspect there may be an issue with your bank account, call your bank using the number on the back of your debit or credit card.

HACK 245

Kick Up Credit Card Fraud Help

See something on your credit card statement that just doesn't add up to what you thought you spent? It might be fraud—or it might be a simple mistake.

Take a closer look at the transaction date, location, and amount. If you were overcharged or charged several times for the same amount, it's probably an error on the merchant's part. You can file a dispute to have your credit card issuer investigate the problem—and you can usually do that right from your statement when you're logged in online. You can also file a dispute if the product or service you paid for was never delivered, or if your refund for a return wasn't processed.

WHEN TO OPEN A FRAUD INVESTIGATION

Meanwhile, if you see charges from vendors you don't recognize or amounts that you don't remember spending, it's more likely to be fraud. In that case, don't use the dispute form—pick up the phone and call your bank or card issuer.

Disputes can take a few weeks to investigate, while fraud teams can start working on your case immediately. But it's up to you to know when to make the call, if your bank doesn't pick up on the problem first.

HACK 246

Consider Spending Extra for Wedding Insurance

Wedding insurance can cover issues related to your ceremony or reception site, weather, and vendors. Your vendors will typically have insurance for liability if someone gets hurt during your celebration, but check with them about their cancellation or postponement policies. If they're rather strict, it may be worth getting a wedding insurance policy to cushion the blow if for any reason you need to delay your nuptials.

Wedding registry website *The Knot* says wedding insurance costs between \$150 and \$500, based on how much coverage you need. If your vendors don't offer a lot of liability insurance and you are worried your aunts and uncles will get hurt cutting a rug on the dance floor, consider paying more for liability insurance. But keep in mind: Your wedding insurance does not typically cover a change of heart by either partner about to be wed.

HACK 247

Protect Your New Car Purchase

If you're buying a brand-new car or truck with a loan, you may want to get gap insurance. Cars lose up to 20 percent of their value in their first year on the road. That means that if your new car gets totaled or seriously damaged in the first year you own it, it may have already depreciated so much that you could still owe more money than your insurance company declares it's worth. Gap insurance covers the difference between what your insurance company will pay and what you may still owe on your car.

Gap insurance adds about \$20 per year to your insurance premium, according to the Insurance Information Institute. Your car dealership will likely offer this coverage to you when you're working through payment details, but you can save money by using your own auto insurance company.

Insurance carriers typically drop your gap insurance automatically once you've had your car or truck for a year or two, but you should routinely compare what you owe to your car's value to be sure of whether you still need your gap insurance.

HACK 248

Hold On to Your Gains

It's a good idea not to be too active in your investment strategy. But the time may come when you may want to do some buying and selling to switch things up in your portfolio. When you do, keep in mind that you'll have to pay capital gains taxes.

A capital gain is the profit you earn when you sell an investment for more than you paid for it. There are short-term and long-term capital gains, and they both get taxed. If you hold an asset for a year or less, that gain gets taxed at your regular income tax rate. But if you hold your investment for a year or more before selling, you only have to pay long-term capital gains taxes. The rates vary depending on your taxable income but are lower than your regular income tax rates.

If you're investing for the long term anyway, this may not come into play for you. But before you make any quick decisions with the assets in your portfolio, check the calendar to make sure you won't pay a higher tax rate than you absolutely need to.

HACK 249

Don't Be Fooled by the January Effect

Each January, the stock market tends to kick things off with an encouraging performance. There are a few contributors, but one of them is that investors sell off a bunch of stocks in December before that tax year ends, then they put that money back into other investments in January.

When you see the markets doing well in January, it shouldn't prompt you to suddenly invest more or to start moving around your allocations. You may find that your portfolio gains value in January, but that shouldn't be a signal to sell high and increase your risk with newer investments. Instead, focus on the long haul. If you want to increase how much you contribute to your investments in January, it's a great time to evaluate your priorities for the coming year. But don't count on a boom market to get you rich overnight.

HACK 250

Don't Get Duped by Funeral Homes

When you're grieving, it's easy to overspend. The federal government has rules to help make sure you don't pay more than you want to when it's time to plan a funeral, whether it's pre-planning for your own or handling someone else's affairs. The Federal Trade Commission's Funeral Rule requires funeral providers to give you itemized price lists for their services. That list must include casket prices. Funeral providers are also required to give you this pricing information over the phone. Once you choose products or services, funeral providers must give you a written statement of your total due that itemizes each charge.

HACK 251

Look Up Your Insurance Profile

By now, you know how important it is to check your credit report regularly. But did you know you can also access your financial risk profile? Your LexisNexis Risk Solutions report contains information about your financial history—much of it a repeat from your credit report—but also may include information about your education, property sales, traffic violations, and professional licenses, if you have any.

This information can be used to help companies decide whether to raise your insurance rates or insure you at all. For instance, your LexisNexis profile includes a CLUE report—comprehensive loss underwriting exchange—that helps auto insurance companies determine how risky you are to insure.

HOW TO GET YOUR INSURANCE PROFILE

You can get one copy of this report each year for free. All you have to do is visit <https://consumer.risk.lexisnexis.com/request> and provide the necessary information, including your Social Security number or your driver's license number.

The process takes longer than checking your credit report—once you submit your request, you'll wait for a letter in the mail with instructions for how to complete the process. Review your report for any errors or issues that look unfamiliar; errors could cause you to pay more for insurance or even be denied altogether. You'll want to dispute any issues as soon as you can to keep your profile in tip-top shape.

Like a credit report, you can also freeze your LexisNexis report. Doing so can prevent someone from taking out an insurance policy using your personal information; it can also protect your profile from mistakes if you have a common name.

HACK 252

Avoid Permanent Life Insurance

A permanent life insurance policy is just that: You pay a premium every year until you die, and once you die, your family gets cash. There's also a savings side to these policies—whole life and universal life insurance are ones you've probably heard of before. But...

The premiums are expensive because they go toward maintaining the policy *and* go toward building up your own cash fund from which you can borrow (or sometimes make withdrawals). Permanent life insurance can cost several thousand dollars each year, while the premium on a term life insurance is more likely to be in the low- to mid-hundreds each year. And since you pay that pricey premium up until the day you die, it can be hard to keep up with the tab. Most universal life policies, for instance, never pay out because payment lapses—and so the coverage lapses too.

HACK 253

Protect Your Final Wishes with a Trust

Want to make life even easier for your loved ones down the line? Set up a trust along with your will. When you die, the executor of your will has to go to probate court, where the contents of your will are made public—and that process can take up to a year. Set up a trust to make the process more private (and faster too). When your will is filed in court, it will just say that everything in the will is inside your trust, which gets to stay private. That can help your loved ones settle your estate faster and get your assets to where you want them to be.

HACK 254

Buy Term Life Insurance Early

If you're considering life insurance, *term* life insurance is probably your best bet. With this setup, you pay a premium for a certain number of years—twenty years is a common term—and if you die during that term, your family gets cash. If you're alive when your term expires and you want to continue having life insurance, you can usually renew your policy.

Your cost depends on how much coverage you get; experts tend to recommend you get coverage for ten times your annual salary if you have dependents like children. At a minimum, you'll want enough coverage to cover any debts you have, like a mortgage.

Have access to life insurance through your employer? You may think you don't need this tip at all. But if you leave your job, you probably won't be able to take your life insurance coverage with you. If you find yourself out of work for a while or join a company that doesn't offer life insurance in its benefits package, you'll want to consider getting your own policy.

HACK 255

Buy More Life Insurance Than You Think You Need

When you consider buying term life insurance, don't just stop at the first quote you get. It's important to compare several different plans. You might be able to get more insurance for a lower price.

The reason is because insurers put their coverage into groups. For instance, if you want life insurance for somewhere between \$50,000 and \$100,000, you'll pay a little bit more per year than the next rate group of \$100,000 to \$150,000, and so on. It's like buying in bulk for life insurance.

Each life insurance company sets their own coverage and pricing groups, which are known as rate bands. So, if you only want \$100,000 of life insurance, you might actually pay more for it with one company than you would for \$150,000 of coverage with another company.

Don't put on blinders and only look at the amount of insurance you think you need. Consider all the coverage available to you and see which fits into your budget best. You might be surprised at how much life insurance you can really afford.

HACK 256

Get an Insurance Discount

When you compare prices for insurance policies, don't forget to check with your affinity groups. Don't think you're in any of these groups? You might be surprised.

Here are a few examples of affinity groups:

- Alumni associations
- Professional associations
- Service clubs
- Honor societies
- Military organizations
- Recreational clubs

Insurance companies like these groups because there's something about them that makes their customers less risky to insure. It could be a level of education, a shared profession or industry, or approximate activity level.

Beyond offering special rates to members of these groups, insurers may offer additional perks. These might offer pricing guarantees, introductory rates, or bonus coverage levels. Keep in mind that you may need to access insurers' offers through the members-only website for your group, or by using a specific offer code provided by the group.

If you'd prefer to work with a different insurer rather than the one offered by your group, you can always ask if your preferred carrier can match its price.

HACK 257

Protect Your Salary

Imagine how you would perform your job duties if you got in a major accident. In the best-case scenario, it's likely you'd have difficulties doing routine tasks—even if you typically just sit at a computer all day. That's why it's important to consider purchasing disability insurance if your employer doesn't offer it.

Disability insurance provides for a considerable portion of your income—usually somewhere between 50 percent and 70 percent—if you can't work. Depending on your policy, there will be a cap for how much money you can receive per month and for how long you can continue to receive it. Short-term disability covers about three to six months out of work, while long-term disability insurance can provide coverage for several years.

SHORT-TERM DISABILITY VERSUS LONG-TERM DISABILITY

If you don't have a strong emergency fund set up, it can be worth considering getting short-term and long-term insurance because the latter usually requires a waiting period before the policy starts to pay out; short-term coverage can fill the gap. If you're out of work for a year, for instance, you don't want to have to wait until month three for your policy to kick in. When you compare your options, look for policies that are “noncancelable,” meaning your policy can't be turned off by your insurer on a whim, and that are “guaranteed renewable,” meaning you can renew your policy each year without a new medical exam.

Whether short term or long term, you can expect to pay a premium of 1 percent to 3 percent of your income each year for disability insurance.

HACK 258

Cover Your Own Occupation

Browsing your options for disability insurance? Make sure you select a policy that provides “own occupation” or “regular occupation” coverage. This ensures you’ll get benefits from your policy if your injury or illness prevents you from performing your current occupation. If your policy doesn’t specify this or says that it provides “any occupation” coverage, your benefits could be denied if there’s any other job you could perform that replaces the same amount of your income as your policy would.

Say, for example, you work as a manager in a retail store. After your accident, it’s hard to walk around the store and lift heavy objects like you used to do. Without own occupation coverage, your insurer could say that you should be able to work a desk job that doesn’t require walking around or lifting anything. But if you’ve always worked on the sales floor managing a team, could you imagine trying to quickly transition into a desk job at the same time you’re recovering from an injury?

You’ll pay more for own occupation coverage because it’s more flexible in how easily it provides benefits. But it’s worth the added expense for the comfort of knowing that if you get hurt, you won’t have to rush into an unfamiliar role just to make up some of your income. In addition, you’d probably be able to get your disability benefits, even if you are able to return to the workforce in a different role.

HACK 259

Grab an Umbrella (Policy)

One extra layer of insurance protection that's worth considering is an umbrella policy. Its name has nothing to do with actual umbrellas—rather, it refers to its purpose, and fits over the top of the policies you already have for your car or home. This insurance kicks in if you exceed the limits of your regular insurance policies for your car, home, or other assets. It's often referred to as excess liability insurance, and can come in handy if you get sued by someone with whom you're involved in an insurance claim.

It can be a good idea for people who do the following:

- Are landlords
- Coach a sports team
- Volunteer frequently with or serve on the board of a nonprofit
- Participate in high-risk sports
- Own a pool or hot tub

Umbrella insurance doesn't cover your own injuries or damages, but does cover others' injuries or damages, along with your legal defense. A \$1 million umbrella insurance policy costs between \$150 and \$400 per year.

HACK 260

Name Names on Your Financial Accounts

When you open a new account related to your finances—whether it be for life insurance, a retirement account, or any number of other purposes—you probably get asked who you want to name as a beneficiary. Whoever you name gets the funds from that account after you're deceased, and it's typical to list a family member, friend, or other loved one. But while accounts like 401(k)s and IRAs will prompt you to name beneficiaries, you should also be on the lookout for opportunities to name beneficiaries for other accounts, such as regular old checking and savings accounts.

Naming someone as a beneficiary doesn't mean they get access to your accounts when you're alive—it just means that they can deal with your accounts when you pass away. Naming a beneficiary allows your selected person to access your accounts with just their identification and your death certificate, rather than waiting for the entire process of your will being read or your estate being handled in court. It can make life a lot easier for whomever you name to handle your finances when you die.

HACK 261

Go Window Shopping

One of the worst things you can do for your finances is get too comfortable. Companies that provide financial services know the power of inertia. You're not likely to pick up and change companies unless there's something super appealing about a competitor, or if something makes you really upset with your current company.

That means your insurance company can raise rates on you even if you've been a loyal customer for years. The practice is controversial. Some insurance carriers are known to buy consumer data about you to determine how sensitive you are to price increases. They use this data to figure out how much they can increase your rates when it's time to renew without you reacting. Then, at the same time they raise your premiums, they may say you're getting a discount or a special rate for being a loyal customer. The catch is that sometimes that discount is made up just to make you feel valued. The practice of using data for price optimization is frowned upon by regulators, but it's hard to prove insurance carriers do it.

Other carriers who don't participate in price optimizing will nudge your premiums upward while giving discounts to new customers because they know you're unlikely to move on. So, before you renew your policy without a second glance, compare your renewal rate to what you're seeing for new customers at the same company—or what you might be able to get somewhere else. You might not feel like moving where you do your business, but for the right price, you'd probably be willing.

HACK 262

Hold On to Your Car Keys

If you rely on your vehicle to get to your job, you want to make sure you protect it. That means you'll want to avoid lending your car out to people who aren't on your insurance policy.

Most car insurance policies will cover anything that happens to your car while anyone is driving it, as long as that person has permission to drive your car. But in the event of a collision, you and the borrower both have to deal with the consequences.

Even though your insurance will cover the accident, your premium is likely to go up. If the damage to the others involved in the accident exceeds your insurance limits, the driver who was in your car at the time may have to make up the difference with their own insurance. And in the worst-case scenario, if your friend doesn't have their own insurance, a serious accident could leave you on the hook for all damages, even if it exceeds your coverage.

It sounds mean to say no when someone asks to borrow your car. But if neither party can afford to pay the consequences in the event of an accident, it's best not to do it at all.

HACK 263

Create an Emergency Folder

Having important documents organized isn't just helpful if you die suddenly—it can also be a huge help if you take ill and need help managing your finances. To make life easier for any loved one who may step in unexpectedly, it's a good idea to keep your important documents and financial information in one central location in your home.

Perhaps you already have a file cabinet or file box set up for your essential documents. You can either add to it or set up a specific binder or envelope that contains the following:

- Your will, advanced medical directive, and/or estate plan
- Instructions for a funeral or other service
- Information for your insurance policies
- A list of recurring expenses, due dates, and which accounts you use to pay them
- A list of financial accounts and their purpose
- A list of passwords to access your online accounts (or your login to your computer or login for your online password manager)

If you choose to keep your documents in the cloud, consider downloading a copy of its contents to a portable drive, and storing that in an easy-to-reach spot at home. Your documents should be easy to access, and more than one trusted person should know how to access them in the event of an emergency. Once you've gotten organized, don't get complacent—review the contents once per year to make sure everything is up to date. While it was once recommended to keep all this information in a safe-deposit box, fewer banks offer this service these days—and you'll want your documents accessible immediately, not only during bank hours.

HACK 264

Consider Final Expense Insurance

Consider getting final expense insurance, sometimes called burial insurance. This coverage helps your loved ones deal with the immediate expenses related to your death, including medical bills and the cost of hosting a funeral.

There's no medical exam for final expense insurance, and your coverage likely won't exceed \$50,000, which makes paying the annual premium more affordable. Premiums start at about \$5 per month, depending on your age. If you're a new customer, there may be a waiting period before your loved ones can access your coverage in the event of your demise. Some policies even allow you to receive up to half your benefit while you're alive, if you develop a serious illness.

You can typically get a better deal on burial insurance as part of a regular life insurance policy, but if your finances are fairly limited, this coverage could help you bridge the gap if you pass unexpectedly.

HACK 265

Buy Travel Insurance, but Only Sometimes

Among the many boxes you tick when buying a travel ticket, you might encounter an option to buy travel insurance. It usually costs just a few dollars and claims it'll protect you if you need to cancel your trip. But unless you're taking an expensive trip, it may not be worth paying extra for this coverage.

For one, it's more cost-effective to buy your own travel insurance than to buy it as an add-on to a ticket. If you have a rewards credit card, it's more than likely that your card—as long as you use it to reserve your ticket—comes with enough protection to cover you if you need to cancel your trip and have nonrefundable tickets. If you change your mind at the last minute, you'll miss out on a refund either way. But if you get sick and need to cancel your trip, your credit card will probably reimburse you for tickets for which you can't get a credit.

ONE NOTABLE EXCEPTION

If you're traveling internationally or are embarking on a trip of a lifetime, take note: If you don't have medical insurance that works internationally, the coverage you'll get from a travel insurance policy will be a huge help and will cover more causes and effects than your credit card. But, as always, do a little price comparison first, and don't just check the box on the airline or tour company's booking website just because you feel like you're supposed to buy it.

HACK 266

Review Your Health Insurance Plan Every Year

Maybe you've seen a notice or two about open enrollment season for your health insurance. If you're already insured, you might not think you need to pay attention to open enrollment. But even if you love the insurance you have now, you still need to review your insurance options every time open enrollment comes around.

If you get insurance through your employer, there may be new options for your insurance coverage for the coming year, or your employer may have removed some options. If anything's changing to your current coverage, you'll want to switch to comparable coverage. Open enrollment is also the only time each year that you can make changes to your coverage, unless you have a major life event that qualifies you to make changes. You can add a flexible spending account, change your contribution to one, switch plans, add dependents—and you only get a period of about a month during which to do it.

It's a similar situation if you buy your own insurance, either outright or through the government exchange. During open enrollment, you might find that there are new plans available to you. Oftentimes you'll find similar coverage, but at a cost that's more appealing.

Find out when open enrollment takes place for your healthcare plan and make a point to review your current coverage about a month before that period begins. Think about what you like about your coverage—the cost, the convenience, maybe the prescription drug program—versus what you don't like. Are your doctors in network in your current plan? If not, that's one big reason you might consider switching things up. But if you go into open enrollment unprepared, you might find yourself stuck with a decision you regret for an entire year.

HACK 267

Learn the Difference Between HMOs and PPOs Once and for All

Do you know the difference between an HMO and a PPO health insurance plan? If not, you might be choosing coverage based on the price alone—and that could cause headaches later on when you're feeling under the weather.

An HMO is a health maintenance organization. You see your primary care doctor first whenever you have a health issue, and if they decide you need to see a specialist, they give you a referral for that care. You have to see the in-network specialist you get referred to, or else you may have to pay for the visits yourself. Copays are typically lower with an HMO.

A PPO is a preferred provider organization. You can choose from a variety of in-network healthcare providers without having to check with your primary care physician first. You can choose to see an out-of-network doctor, but you'll pay more out of pocket (but usually not the entire cost of the visit).

There's also a third type you may see: POS, or point of service. You work mainly with your primary care physician but can choose an out-of-network option if you need to see a specialist.

HOW YOUR CHOICE AFFECTS YOUR PREMIUMS

HMO plans are typically less expensive than PPOs because your choices are limited to your network. According to the Kaiser Family Foundation, the average monthly cost for a single person on an HMO is \$548 per month, while the average monthly premium for a single person on a PPO is \$567 per month. Ultimately, the right plan for you will depend on your medical needs and your budget.

HACK 268

Get the Most Expensive Deductible You Can Afford

Want to pay the lowest rate possible on every kind of insurance from car, to renters, to health insurance? Take the highest deductible you can afford.

Your deductible is what you're responsible for paying after insurance takes care of its part. Depending on the type of insurance, your deductible could be anywhere from \$250 (for a basic renters insurance policy) to \$4,500 (for a health insurance policy). And those deductible levels depend not only on what type of policy it is, but also the insurance company from which you're getting a quote.

HIGHER DEDUCTIBLES MEAN LOWER PREMIUMS

The basic rule of thumb is that the higher your deductible, the lower your premium that you pay per month or year. That's because by volunteering to take on more of the costs of an incident on your own, you signal to the insurance company that you're a less risky client. Because you're so willing to take on that financial risk yourself, you get rewarded with a lower price.

Of course, don't sign up for a car insurance policy with a \$1,000 deductible if you only have \$250 in your emergency fund right now; if you do need to file a claim, you don't want to end up in debt trying to come up with money for your portion of the bill. But if you have a robust emergency fund, turning to that first before filing an insurance claim can help you save a lot in up-front costs.

HACK 269

Talk to Your Parents about Their Money

It can be hard to talk about money with your peers. But with your parents? That can be even harder.

It's important to know that your parents are set up to afford their lifestyle—or any lifestyle—well into their golden years. And you also need to know their final wishes for when that time comes, so you or another sibling can handle their estate accordingly. Not knowing about your parents' finances is like having your hand over your eyes while watching a scary movie. You know something bad is about to happen, but you're not quite sure what it is.

The easiest way to start talking about money with your parents is to talk about your own. Just made a will? That's the perfect time to ask your parents about theirs. But it goes beyond wills to living arrangements, long-term care, and planning ahead for medical emergencies.

HACK 270

Talk about Long-Term Care Plans for Mom and Dad

The average monthly cost for a private room in a nursing home is almost \$8,000, according to the US Department of Health and Human Services. It may be too late to get long-term care insurance at a price that isn't prohibitively high, so you'll want to know about your parents' income, expenses, and if they have any debt (including a mortgage) in order to factor care into their long-term finances.

If you do end up providing 50 percent or more of the financial support your parents need in retirement, you can probably claim them as dependents on your taxes and get the dependent care credit.

HACK 271

Think about Long-Term Care Plans for Yourself

Long-term care insurance can be expensive, but it could be worth buying if you want your money to go further in retirement. This kind of insurance offers more options for when you get to the point that you need daily assistance in your home or a facility that health insurance doesn't cover.

It's recommended that you select your policy sometime between age fifty and sixty to get the best rates while you're in good health. You'll need to pay for care up front to be reimbursed by your policy, but having that policy could give you peace of mind as you enter your later phases of life.

HACK 272

Leave a Legacy

You might assume that your wealth must go to a family member or other loved one when you die. But many people choose planned giving to make sure that a favorite charity or nonprofit organization benefits from their estate. To do so, you typically name an organization in your will or trust and specify the terms of your gift. Then you send a notice to that organization of your intent to leave a gift when you pass.

You might not consider yourself a philanthropist yet, but think of it this way—instead of having a mindset of “You can’t take it with you when you die!” about your money, consider sharing your wealth with an organization you’d like to support in a major way.

HACK 273

Don't Let the Market Upset You in September

Just as you shouldn't get caught up in January's stock market highs, don't be discouraged by September's lows. Don't make any rash moves with your portfolio. You'll recover some of that value as the markets move into the autumn months.

If you truly have money to spend on investments, September is a good time to buy. Think of stocks as being on sale during September. Buy a few shares now, and you'll probably find you can afford more than if you decided to buy on a random day in, say, March. Investors call this "buying the dip." The extra buys may take a while to start earning in your portfolio, but at least you'll have gotten a deal on them. If you decide to just hold on to what you've already got, that's okay too.

HACK 274

Take an Inventory

When you buy renters or homeowners insurance, tucking your policy into a file folder and into a drawer isn't enough. You need to be ready with documentation of what's in your home in case you need to make a claim. Having a list handy can help move your claim along more quickly so you can get the cash you need to rebuild.

The easiest way to get started without feeling overwhelmed by this task is to make a video for each room of your home. All you need is your smartphone. Go around the room, talking about what's in it and any important features of those items. Open cabinet doors and record what's inside. Open drawers and talk about what you see in there. Upload these videos to a cloud storage service that you can access from anywhere in the event you don't have your phone or computer.

USE YOUR VIDEO TO MAKE A LIST

Then, write out a list of what you own in each room. Describe each item and include model numbers and/or serial numbers for electronics. Record when you purchased or received each item and how much it cost when you bought it. If you know what it would cost to buy a comparable replacement item, list that too (maybe you got a record player as a gift, but know that a new one from the same brand would cost you \$300).

Review your list annually to make sure it's up to date and make a new room-by-room video if needed. Beyond proof of your belongings, this process also helps to ensure that you have enough coverage based on the quantity and value of your belongings.

HACK 275

Value Your Valuables

When you're buying renters or homeowners insurance, you're probably thinking about the big things, like being able to replace your furniture and TV if a tree falls into your living room. But you should also be thinking about the items that might be vulnerable to thieves. Valuable items worth more than a certain amount often aren't covered by your insurance policy unless you insure those items specifically. This is often called personal property insurance, scheduled property coverage, or an endorsement.

Some examples you might have at home:

- Jewelry, like an engagement ring or family heirlooms
- Fine art
- Specialty electronics, like a digital camera or high-end computer
- Tools and equipment

Insuring your personal valuables typically costs about \$25 for each \$1,000 of coverage you need. If something happens to that item, you won't need to pay a deductible. But make note of whether your insurance policy covers the replacement value of an item or the actual cash value of the lost or destroyed item. For items that are replaceable but may depreciate (like electronics), you want to make sure you can get as close to an exact replacement as possible—so you want to look for replacement value over cash value.

Don't forget your documentation! For unique items that may have been passed down to you, you should expect to provide a copy of an appraisal to your insurer, so they have proof of the estimated value of the item. If it's a new item like a top-of-the-line camera, you may need to provide proof of purchase to document the value.

HACK 276

Save Claims for Big Mishaps

Homeowners and renters insurance policies are there to help if something goes wrong and you need to pay for repairs or replacements. But you should take caution not to make too many claims on your policy. If you make too many claims—or even if you make a single claim that you could have handled yourself—you may find that your premium rises a great deal.

A few instances where it's not wise to file an insurance claim:

IF YOU MADE A CLAIM RECENTLY

Homeowners typically make claims once every nine or ten years. Filing a claim more often is a big red flag to insurance companies, even those who have provided your coverage for a long time. Unless you have a major incident, avoid filing an insurance claim if you've already filed one in the past three to five years.

WHEN YOUR DEDUCTIBLE IS HIGHER THAN THE DAMAGE

If you have a \$1,000 insurance deductible and a baseball comes through your living room window, will it cost more than \$1,000 to replace the glass? If not, then pay for it yourself and save yourself the hassle.

WHEN IT'S NORMAL WEAR AND TEAR

These policies aren't for replacing worn-out computers or roofing shingles that come loose from age. You need to be ready to pay for those upkeep expenses yourself. File a claim for a wear-and-tear issue and you're likely to get denied.

HACK 277

Prepare for Disasters

If you live in a region that's prone to natural disasters, you may need to pay more for additional insurance to protect your home, whether you rent or own. The typical insurance policy does not cover earthquakes or related shifts; nor does it cover flooding due to storms.

Earthquake insurance covers damage to your property, loss of use of your residence, and clean-up costs. As a bonus, earthquake insurance typically covers sinkholes, if one happens to open up on your property. It doesn't cover damage to your home itself. You can probably add earthquake insurance to your current policy, but you can also buy a separate policy for earthquakes. Your cost will depend on your location's risk of earthquakes and how much coverage you want, but you'll pay a minimum of \$5 per month.

Meanwhile, some renters or homeowners insurance policies cover water damage from pipe and sewer backup, but no standard policy covers damage from rain and natural flooding. Most flood insurance policies come from the federal government's National Flood Insurance Program (NFIP), which says that just 3 inches of water in a 1,000-square-foot, one-story dwelling could cause more than \$11,000 in damage. You can get coverage for your belongings, including appliances, carpeting, and items of value, and/or building coverage, if you own your home. Your annual cost will depend on your area's flood risk, but providing an elevation certificate for your address may help lower your cost. The NFIP's [FloodSmart.gov](https://www.floodsmart.gov) website says coverage for contents starts at only \$99 per year, while coverage for a building and its contents starts at \$325 per year.

HACK 278

Think Twice Before You Loan Money

When you're in a solid financial spot, it's natural to want to help others. But if a friend or family member asks to borrow money from you, you should think carefully about your answer. Spotting someone \$10 for lunch is a lot different than a request to borrow \$100, \$1,000, or beyond.

If you think you can count on this person to pay you back and decide to lend them the cash, type up an agreement. It doesn't have to be fancy, but should spell out the date, amount, and repayment schedule. If you want to be a financial stickler, you can require your borrower to pay interest; you may decide that's too much work to worry about. Make sure you both sign it. If the borrower doesn't pay up on time, you can refer back to your agreement.

In all cases, you should assume the money you're lending to someone is a gift; if they repay it, be pleasantly surprised. Thinking about loans to friends and family in this way helps you think about whether you really have the money to spare, or if helping a friend would put yourself in a financial jam.

HACK 279

Check Your Child's Credit

Have you ever thought about checking your child's credit report? Probably not, because they shouldn't have one until they start to actually use credit. But child identity theft does happen, and if it goes unchecked, it can have lasting effects.

A few warning signs that your child's identity has been compromised:

- You get mailed credit card offers in their name
- You get a notice from the IRS concerning your child's name or Social Security number in relation to income taxes
- Debt collectors call looking for your child

If any of the above occurs, contact each credit bureau—TransUnion, Equifax, and Experian—to request they search for your child's credit file. You'll need to prove your child's identity and your own in order to do this. If your child has a credit file, you'll need to work with any lenders listed on their report, the credit bureaus, and the Federal Trade Commission to remedy their records.

If you're not suspicious of child identity theft, it's still a good idea to use your child's Social Security number as little as possible and ask about privacy measures anywhere that it's a required identifier.

HACK 280

Keep Scammers and Solicitors Out of Your Phone

If you hate getting phone calls from telemarketers, you probably know to sign up for the National Do Not Call Registry (www.donotcall.gov). This list, maintained by the Federal Trade Commission, blocks salespeople from calling you, but it doesn't block scam calls. And it doesn't block charities from calling to solicit donations or political groups from calling you before an election.

Often scammers—and even legitimate organizations—can make their calls from afar look like they're coming from your area code. That can make it hard to tell when you should pick up a call or let it go to voicemail. And on those occasions where you *do* pick up, it's easy to get cornered by a caller asking for donations for a charity you may indeed want to support.

To make dealing with these calls a little easier, pick a time of day when these calls can't interrupt you. A great time to do it is after dinnertime when you're winding down from the day—and when you're also tired from making decisions all day. That's when you may be most vulnerable to requests from organizations soliciting donations or vulnerable to scams, even if you think you're savvy.

Set your phone to switch over to "Do Not Disturb" during those hours to send all calls to voicemail without bothering you. Not only will it help you avoid uncomfortable solicitations, it takes away that decision about whether to answer the phone at all. Then, make sure the family and friends you talk with most often are on a "favorites" list so you'll hear the calls that you look forward to taking.

About the Author

Lisa Rowan is a writer and editor based in St. Petersburg, Florida. She is a staff writer at *Lifehacker*, where she covers personal finance for the “Two Cents” vertical. Prior to that, she was a senior writer and on-air analyst at *The Penny Hoarder*, where she wrote more than five hundred personal finance–related posts and launched the “Dear Penny” advice column syndicated by the *Tampa Bay Times*. A graduate of the University of Maryland and Georgetown University, her work has appeared in *Retail Dive*, *The Washington Post*, *Family Circle*, *CityLab*, and the *Washington City Paper*, among others.



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