

THE CHEAPSKATES

JOURNAL

Bright ideas to save you money



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THE CHEAPSKATES JOURNAL - BRIGHT IDEAS TO SAVE YOU MONEY

January 2010

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The Cheapskates Club -

Showing you how to live life debt
free, cashed up and laughing!

If you want to win the Battle of the
Bills and are serious about saving
money, and living life debt free,
cashed up and laughing then this is
the place to be.

The Cheapskates Journal

Brought to you by: The Cheapskates Club
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Jan 2010

From Cath's Desk

"A year from now you may wish you had started today."

Anonymous

I still can't believe it's 2010. Remember January 2009, when 2010 was a whole year away and resolutions were made to build savings, slash debt, get the grocery bill under control, pay off the mortgage, spend more time as a family, lose weight, get more exercise, read more books and a myriad of other useless resolutions made in an emotion charged moment? Well, we're here now. Although the world is not exactly the way it was twelve months ago, and not so many of those resolutions actually made it to fruition.

Interestingly enough, according to a quirkology.com study, only 12% of the participants achieved their New Year's Resolution goals, even though 52% were confident at the outset of the study that they would do so. That doesn't bode well for us and our resolutions, does it?

I think New Year's Resolutions get a bum rap because they come with such a big, shiny label. People make and break resolutions every day. They say they'll bank ten per cent of their pay every week. They say they'll stop using their credit cards. They say they'll stop spontaneous spending. They say they'll become a Cheapskate extraordinaire. Guess what? Most of those people stick to their resolutions, no matter which day they made they made them.

Bah humbug, I say!

The thing is, you've really got to be dedicated to your goal or resolution. You need support, a

plan and you've got to get back on track when you fall off. As a Platinum member of the Cheapskates Club you're already well on the way to keeping your New Year's resolutions with the support of the Cheapskates Club and your fellow Cheapskaters. You'll find inspiration in the Journal and Tip Store and encouragement and support in the Forum. You'll get organized with the Printables and find every day it gets easier and easier to live the Cheapskates way if you take just one day at a time.

In 2010 try putting a focus on living the Cheapskates way. No pressure to be totally debt free, have an emergency fund equal to six months' pay, or a fully funded Peace of Mind account by 31st December 2010. Maybe fewer ice cream treats and more cooking from scratch at home or not quite so many brand names in the trolley and a few more generic groceries. You know, stuff you can incorporate into your everyday life.

If you're making a resolution, good for you. If you're not, why not make a goal to simply be in a better financial position this time next year? Because I'd hate for you to get to another New Year and regret not starting your journey to living life debt free, cashed up and laughing today.

Have a very happy, safe and prosperous 2010 everyone,

Happy Cheapskating,

Cath



Top Ten Tips for Saving Money in 2010

- 1. Baby steps.** Find one saving tactic and focus on making it a habit. Then focus on the next one.
- 2. Automate savings.** Set up savings account and a direct credit each payday.
- 3. Track your spending for a month.** Money can just vanish before we know it so tracking makes you more conscious of where it goes and what it goes on.
- 4. Spend less than you earn.** It's a no brainer but if you spend less than you earn you'll actually have money to save.
- 5. Create a realistic spending plan.** Be exact with your figures, you need to know exactly how much comes in goes out.
- 6. Saving even \$1 is worth it.** You'll be surprised at just how quickly small amounts add up.
- 7. \$100/24 hour rule.** If it costs more than \$100 wait 24 hours to buy it.
- 8. Thirty day rule.** For those big ticket items, wait 30 days. You'll either change your mind or you'll find a better deal.
- 9. Track your progress.** It's exciting watching your savings grow.
- 10. Talk about your money with your partner.** Support each other and share ideas and advice in financial choices.

A Thoughtful Moment Clay Balls

A man was exploring caves by the Seashore. In one of the caves he found a canvas bag with a bunch of hardened clay balls. It was like someone had rolled clay balls and left them out in the sun to bake. They didn't look like much, but they intrigued the man, so he took the bag out of the cave with him. As he strolled along the beach, he would throw the clay balls one at a time out into the ocean as far as he could.

He thought little about it, until he dropped one of the clay balls and it cracked open on a rock. Inside was a beautiful, precious stone!

Excited, the man started breaking open the remaining clay balls. Each contained a similar treasure. He found thousands of dollars' worth of jewels in the 20 or so clay balls he had left.

Then it struck him. He had been on the beach a long time. He had thrown maybe 50 or 60 of the clay balls with their hidden treasure into the ocean waves. Instead of thousands of dollars in treasure, he could have taken home tens of thousands, but he had just thrown it away!

It's like that with people. We look at someone, maybe even ourselves, and see the external clay vessel. It doesn't look like much from the outside. It isn't always beautiful or sparkling, so we discount it.

We see that person as less important than someone more beautiful or stylish or well known or wealthy. But we have not taken the time to find the treasure hidden inside that person.



There is a treasure in each and every one of us. If we take the time to get to know that person, then the clay begins to peel away and the brilliant gem begins to shine forth.

May we not come to the end of our lives and find out we have thrown away a fortune in friendships because gems were hidden in bits of clay. May we see people in our world as God sees them.

Anonymous

Making Do

There's an old saying, one I learned from my parents that we use often in our house "Use it up, wear it out, make it do, or do without."

I've always admired the ingenuity of Australians and our ability to make something from nothing or, to quote John Williamson, "tie it up with wire, just to keep the show on the road?" Many the time a length of baler twine has been used to tie up tomato plants, wrap a parcel, act as a handle, transform into a latch to keep a gate shut on a paddock full of sheep or cows. I've even made do with a length of baler twine to tie the covers on a pudding basin so we could steam the Christmas pudding.

We made do with what we had and it worked. Clive Robertson, host of Weekend Afternoons on Sydney's 2UE, has become a fan of making do. He didn't consciously plan to live the "making do" lifestyle; it was something that just happened. Now when he needs a particular item, he looks around at what he already has, and makes do. And he tells me he's savings bucket loads of cash!

The dictionary defines make do as "the ability to manage to get along with the means available" and that is something that we should all aspire to, not only to save money (and it will) and our environment, but to preserve skills that will be lost to future generations of Australians. We see all too often the result of a disposable society: cluttered landfill, huge personal debt and a consumer mentality of if it's broken, throw it out and get a new one.

My husband's grandmother was the best make-doer I have ever known. Granny Armstrong never bought or borrowed anything unless she absolutely had nothing else that would make do. I have known her to turn a paper bag into a sun visor rather than buy a new hat or a pair of sunglasses (OK, that's taking making do to extremes but it did the job, she didn't buy something she didn't need and she was happy).

Basic life skills are being lost all because we don't make do with what we have. It can take a little imagination, and perhaps we are losing that with too much TV time, but next time you need a scourer in the kitchen how about rolling up the plastic bag the onions came in and using that? It works really well. Run out of shampoo? Try washing your hair with soap and rinsing with white vinegar - it will be so clean, shiny and soft you may never go back to shampoo and conditioner.

Need a marinade for some meat? Add a little vinegar, oil and garlic to that almost empty bottle of bbq sauce, shake it up and pour it over the meat. You've used up all the sauce (waste not, want not) and not had to buy a marinade (saved about \$3). Let the meat rest in the fridge for at least two hours and use the marinade as a baste when cooking.



Before buying new sheets, think about what you have: are they really beyond use or do they just need to be turned? Turning sheets is one of those almost lost skills, but if you turn your sheets and make do another year or two, how much interest will you save on your debt?

Making do doesn't have to mean you are deprived of the things you enjoy. In fact if you become a champion make-doer you may find you have more money and time to spend on those things, without affecting your budget at all.

The Buy Now, Pay Later Trap

Don't you love those commercials that advertise no payments for two years on purchases made today? You see them on TV all the time - Harvey Norman, Domayne, The Good Guys, even Carpet Court, to name a few. They sound like a great deal, but beware. You could be setting yourself up for trouble down the road. No one wants to window shop forever. You see something that you wish you had and there's a sign hanging saying no payments until May 2011. What could be better?

You don't have a fully funded Peace of Mind account (which would enable you to pay cash and therefore haggle for a better deal). You sit down and sign a contract, generally for between six and twenty-four months. Two years later you find out that the price you thought you were paying has in fact doubled and that you actually have a loan with a finance company (usually GE Finance) and the store doesn't want to know you.

There are generally two types of offers you'll come across. The first is interest-free with instalments, which requires you to make monthly payments over the specified period. As long as the specified payments are enough and you make them when they are due, you should own the item at the end of the contract. You can calculate how much you should be paying each month to clear the debt by the end of the contract and you can increase the payments at any time.

The second is a buy now, pay later arrangement where you don't have to pay the full amount until the promotion period ends. But you are required to make minimum monthly repayments and pay an ongoing fee of a few dollars a month. Again, you can make higher repayments if you want to.

But be aware: the minimum payments you are required to make may not clear the debt (and it is a debt you owe), and so you will need to find a lump sum at the end of the contract to finalize the loan or be stuck with a huge debt, all the time accruing interest and getting bigger.

Did you read the contract? The interest rate that is accruing can be phenomenal. Think about a 30% interest rate on your purchase accruing monthly. That's not so great a deal after all, is it? Depending on the cost of the item (most likely a furniture or appliance purchase, which is losing value every day) this could add up to a lot of money. Some contracts specify that it has to be a purchase over a certain amount in order to qualify for the special offer and that amount isn't normally cheap.

During the time that you are enjoying your purchase payment free, the interest is accruing on the items.



You may be late or miss a payment for some reason and find out at the end of the contract period that you in fact owe hundreds, if not thousands, of dollars in interest and late fees, accrued from the date you signed the agreement, because of one little slip up.

Consumers who do not read the fine print can find themselves in a bind. They think that after two years they start making payments and all is well. For one thing, most people don't try to put aside some money for the payment each month. The payment is forgotten until the first bill arrives.

The first bill can be a shocker. There is the high interest rate and the amount of the accrued interest added to the bill. Did I forget to tell you? More often than not, if the purchaser does not make a payment in full when the two years are up, the interest is tacked on to the purchase price. Surprise! You now have a bill that is substantially more than it was in the beginning.

When used wisely, buying now and paying later can work. People, who are trying to build credit, can start by purchasing items like furniture or appliances and paying on time. You will still need to make a lump payment to avoid paying the interest unless you increase the minimum payments. Better still is forgoing the special deal and making payments each month from the beginning. Depending on what you are buying, most stores will lay-by for up to six months, giving you time to save the money and you are guaranteed to only pay the advertised price. And when you finally take delivery, you will own the furniture.

How Much Should I Spend on Groceries?

How long is a piece of string? Grocery budgets vary, that's natural. No two families are the same, family sizes differ, we all live in different areas, shop at different places, eat and use different things, have different amounts of money to spend.

So when it comes to setting an exact amount for a grocery budget all these things need to be considered, making it almost impossible to say "a family of two adults and two children under five should spend \$80 a week on groceries" simply because of those variables.

How much do you spend on groceries each month? Do you have any idea? Do you track your grocery spending? Do you know exactly how much of that spending is on food, how much on cleaning supplies, toiletries and sundries?

If you don't know, don't fret. You just need to know how much you are spending now and to do this you simply track your grocery spending, in the same way you track your overall spending when setting up your Spending Plan. You can start tracking now; you don't need to wait until the end of the month. Use the Grocery Tracking Spreadsheet to help you track your spending. Keep your receipts each time you shop and enter them into the spread sheet. You'll quickly see where the money goes each time you visit the supermarket or greengrocer or butcher and this is the information you need to be able to start cutting your grocery spending.

When you know where your grocery money is going, it's time to start working on getting it as



low as you can without starving your family. A simple way to start is by cutting your grocery bill by ten per cent this week. It's easy to manage and the difference isn't so drastic as to cause the family to complain. So, if you expect to spend \$200, aim to only spend \$180.

If you find you manage perfectly well on \$180 this week and no one seems to be missing out on anything they like, next week cut it down another ten per cent and aim to spend \$162. Keep cutting your grocery spending by ten per cent each week until you find you can't eat well or the family starts to complain. When this happens go back to the previous level and you will have found your grocery budget.

Your grocery spending is the easiest thing to cut simply because you control exactly how much money you spend. You choose what goes into the trolley and what doesn't. Only you know what your family needs to survive comfortably (there is absolutely no point in cutting the grocery bill so low that you are all miserable or even worse hungry!) and what they like.

There is no hard and fast rule to calculate your grocery budget. Some people work on a percentage of income - ideally no more than 10%, or a dollar amount per person - \$5 per person per day (a family of four would then be spending no more than \$140 a week on food) or even a blanket amount of \$100 a week, regardless of the size of the family.

What it all boils down to is you need to spend however much it takes to feed your family and keep them healthy and happy and full without going into debt.

Create Fabric Sample Swatch Book for Easy Matching

It doesn't matter whether you use fabric for dressmaking, patchwork and quilting or for decorating, you always end up with pieces left over that are too big to throw away, but perhaps not quite large enough for a complete project.

When you decide to use up your scraps, it can be a difficult remembering what works and what doesn't, especially if you decide to use them up and need to match or co-ordinate them with other fabrics. An easy way of doing this is to create a fabric sample book that you can carry with you when shopping so you get just the right material for your project. That's when having a fabric sample book pays off.

It's also a great way to store samples of your embroidery skills, fabric painting and stamping talents, even dyeing abilities.

When you have a piece of fabric left over, cut a 15cm square from it, punch a hole in one corner and store it on an 'O' ring (from stationers and hardware shops). It's small enough to carry with you when you go shopping, so you can match fabrics, threads, buttons, zips, laces etc with confidence. When you use up that piece of fabric just take the sample off the ring.



Creating a more detailed book

Find out which of your stamps and stencils give you the best results. Gather up all your stamps and stencils and clean them off if you used them for other craft projects. Using low-cost fabric paints, use a different repeat design on each sample or use a combination of stamps and stencils on your sample squares. Try different colour combinations e.g. one-colour, two-colour, all shades of one colour, warm colours, cool colours, etc.

Make mini-samplers. Try out your hand embroidery stitches and techniques by making mini-samplers. Use 15cm squares of white, 100% cotton fabric that has been pre-washed and dried. Reinforce the cotton fabric squares with lightweight fusible interfacing ironed on the back and you won't need an embroidery hoop to work them.

Get the right colour threads. Always buy the right shade of embroidery thread by keeping the paper binder with the colour number and a sample of the thread. Cut a 10cm length of thread and tie it around the binder, then staple it to a piece of paper and keep it on your 'O' ring. You won't have to rely on your memory when you buy embroidery threads.

Once you have a pile of samples, you can arrange them by technique, pattern or by colour. Staple a note to each one so that you know the manufacturer, whether it's 100% cotton or a blend etc.

If you use a lot of fabrics you can go a step further and mount each sample on a piece of A4 card. Write down details, such as the type of fabric, manufacturer, name of the technique or

stitch, which dyes or paints were used, and any problems or successes you had with a specific project. Slip the page into an A4 page protector and keep them together in a ring binder.

Keeping a fabric sample book ensures you always use up your materials scraps to their best advantage.

Saving Story

Even When You Live in the Country You Can Save

I live in a reasonably remote rural area of Victoria. The majority of our community members are farmers, farmer's wives or farmer's children or at least, people who rely on farmers for their income. Due to the prolonged drought situation, we are all suffering at the hip pocket and towards the end of the year is particularly hard financially. If you do not stick to your budget religiously throughout the year, there simply isn't any money coming in ANYWHERE!

Last year my partner and I ran out of money due to budget oversights and unforeseen circumstances on the farm with machinery. It was mortifying and very tough on both of us emotionally. This year, I am proud to say we have already done our Christmas shopping; we are doing the usual festive meal on a blitzing budget and have even saved enough money for our airline tickets for a holiday in February - all on the same amount of money as last year.

I wanted to personally thank you and your brilliant website and of course the generous and supportive Cheapskaters out there who have provided me with a new perspective on



money, material wealth and emotional well-being. I have never been a saver. I have always lived for the moment.

In retrospect, I was thoroughly materialistic in all the worst possible ways. This is not to say I am now an efficient saving machine but at least I know that my goals in life are not determined by what I have and how much it cost.

Thank you for providing me with an insight into a potentially destructive life path and of course, for those brilliant newsletters chockfull with great ideas! By the way, I have made my partner pay for his cups of coffee since July. This is how we have afforded to go on holidays!!!!!!

Dear Cath

Q. I have moved into house that has all clear glass shower screens that have a lot of scum build-up on them. We have a grey water recycling system and I don't wish to use the wrong products on it. I have tried using bicarb and vinegar in a paste and that hasn't done anything. Any heavy duty ideas? *Nicole*

A. You need to scrub the scum off without scratching the glass. Roll up a pair of old pantyhose so they look like a tan scrub bud. Wet them and then dip them into shampoo and gently scrub over the shower screens, rinsing as you go. Keep the pantyhose wet and continue to dip into the shampoo as necessary. Work a quarter of the glass at a time so you can see where you've been. The pantyhose act as a gentle "steelo" and the shampoo dissolves the scum and together they get the job done without damaging your lovely shower screens.

Q. How can I get rid of pantry moths? I have tried moth traps but not very successful. I have tried surface spray for moths. Still not very successful. Please Help! *Paris*

A. Well I wouldn't be using surface spray in the pantry, where you keep your food. You can get rid of pantry moths but it takes a bit of effort and some time. First of all you need to empty the pantry completely. Wash the ceiling, walls, shelves (tops and underneath), behind the door, skirting boards, floor and the light fitting with hot, soapy water. Dry them off as you go.

Go through all the food, including unopened packets. Anything that is showing obvious signs of infestation (you'll see weevils or their little webs) seal in a plastic bag and throw out. All other dry goods go into the freezer for at least seven days. This will kill any weevils, larvae or moths you haven't found.

In the meantime wipe over all cans and jars and wash all your storage containers in hot, soapy water and dry them thoroughly.

Sprinkle bay leaves over your pantry shelves and leave a little tray of borax on each shelf. I use the lids off jam jars with a teaspoon of borax in it. Weevils don't like the bay leaves and any stray moths will sample the borax and fly away to die.

Once you've managed to eradicate them, you need to be vigilant. Every time you buy a new packet of something put it in the freezer for a week. Each time a canister or container is emptied, wash and dry it thoroughly before refilling. I freeze all dry goods including sugar, flour, cereals, gravy mix, dried fruits, in fact anything that comes in a packet or box.



A once a year pantry clean out will keep your pantry moth and weevil free.

Q. I'm in need of a piece of very fine stainless steel mesh suitable to use in a coffee plunger. I can only buy the whole plunger wherever I look. Stefan

A. Go to your local hardware shop, with the existing mesh, and look at the fly screens. Then just by a strip the width you need and use the old one as a template to cut a new filter. You'll have plenty leftover for spare filters when you need them in the future.

Q. My silver (mostly plate some EPS) is tarnished and I want to use it. Is there a quick and easy way to bring it back to its shiny best and while we are on the subject is there a way to store it so that it does not need to be cleaned too often? Liz

A. You need to treat silver-plate gently or you run the risk of removing the plate and having to have your silver re-plated by a silversmith. To clean your silver tip some bicarb soda onto a soft, clean cloth, sprinkle with vinegar and while it is fizzing gently rub over the pieces. Wear cotton gloves to prevent the oils from your skin getting onto the silver after you've cleaned it. Wash in hot, soapy water and buff dry with a soft cloth. I use old flannelette sheets for this purpose. Don't use abrasive cleaners on your silver; they will take the finish off.

On the Menu

Veggie Delights

Do you get enough vegetables in your diet each day? Really? The recommended daily intake of vegetables for Australian adults is 5 serves. Research shows that on average Aussie adults eat 2 - 3 serves of vegetables a day - around half the RDI!

It's time for vegetables to make a comeback. And they are no longer consist of sides of boiled to mush potato or Brussels sprouts and cabbage, dished up water-logged and grey. Do your health and your tastebuds a favour and try these dishes to get more veggies in your diet.

Tomato Casserole

Ingredients:

8 medium tomatoes, peeled and cut into wedges

8 slices of bread, cubed with crusts removed

1/2 cup plus 2 Tbsp. of margarine or butter, melted

1 tsp. each of salt, thyme and dried basil

3/4 cup grated Parmesan cheese

Method:

Place tomatoes in a greased 9x13 pan. Top with bread cubes. Mix butter and spices and pour over tomatoes and bread. Sprinkle with cheese. Bake uncovered at 350° for 30-35 minutes or until tomatoes are tender.



Dutch Beans

Ingredients:

- 1 medium onion, sliced
- 500g green beans, sliced
- 2 tbsp butter
- 1/3 cup water
- 1 tsp bacon bits (or cooked, crumbled bacon)

Method:

Sauté onion in butter until golden. Add beans and water. Simmer until beans are tender. Sprinkle with bacon bits and serve.

Cottage Potatoes

Ingredients:

- 500g potatoes, cooked and mashed
- 1 small onion, grated
- 1 cup cottage cheese
- Chopped parsley

Method:

Fold onions, cottage cheese and parsley into mashed potato. Spread in a greased 2 litre

casserole dish and bake 20 minutes in a moderate oven until browned on top. Serve immediately.

Celery & Almonds

Ingredients:

- 1 cup slivered almonds
- 4 cups chopped celery
- 1 tbsp chopped chives
- 1 small onion, finely diced
- 1 tbsp lemon juice
- 2 tbsp oil

Method:

Heat oil in a medium saucepan with a lid, add almonds and brown. Remove almonds from oil and lay on paper towel to drain. Return saucepan to heat and sauté onion in oil till tender, add celery. Cover tightly and cook slowly over a low heat until celery is tender. Just before serving fold through chives and almonds and sprinkle with lemon juice.

Colcannon

Ingredients:

- 500g cabbage



- 500g potatoes
- 4 large carrots
- 1 medium onion, peeled and sliced
- 75ml milk

Method:

Cut away any stalk on the cabbage. Shred finely and steam until tender. Peel and cut potatoes into quarters, steam until tender. Steam (or microwave) carrots until tender. Put onion in a medium saucepan with enough milk to just cover and simmer until onion is tender. Drain cabbage, potatoes and carrots. Mash potatoes until smooth. Stir in the cooked onion and milk mixture. Stir through the cabbage and carrots. Season with salt and pepper. Serve hot.

Vegetables in Cream Sauce

Ingredients:

- 500g cooked, mixed vegetables (fresh or frozen)
- 1 cup white sauce
- Salt and pepper to taste
- 2 tbsp cream

Method:

Cook vegetables, drain thoroughly. Make white sauce and remove from heat. Add cream, stirring well. Season with salt and pepper to

taste. Gently stir through mixed vegetables, serve at once.

Quotes of Note

Tomorrow is always fresh with no mistakes in it.

~~ Anne of Green Gables~~

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He who knows not, and knows not that he knows not, is a fool; shun him.

He who knows not, and knows that he knows not, is a child; teach him.

He who knows, and knows not that he knows, is asleep; wake him.

He who knows, and knows that he knows, is wise; follow him.

~~Persian Proverb~~

~~~~~

Build on yesterday's success and learn from yesterday's failures.

Live in today.

~~Anon~~

~~~~~

Optimism is the faith that leads to achievement.

Nothing can be done without hope and confidence.



~~Helen Keller~~

~~~~~

We are what we repeatedly do.

Excellence, therefore,

is not an act but a habit.

~~Aristotle~~

~~~~~

If you take responsibility for yourself,  
you will develop a hunger to accomplish your  
dreams.

~~Les Brown~~

~~~~~

Always leave enough time in your life to do
something that makes you happy, satisfied,
even joyous.

That has more of an effect on economic well-
being
than any other single factor.

~~Paul Hawken~~

~~~~~

The future belongs to those who believe  
in the beauty of their dreams.

~~Eleanor Roosevelt~~

# Meet the Bumsteads Part 1

.... Blondie, Dagwood and their children  
Alexander and Cookie in part one of their year  
long Budget Renovation as they begin their  
journey to living life debt free, cashed up and  
laughing - the Cheapskates way

Late last year Dagwood wrote

"Help us please. We are working harder than  
ever and earning more than we ever have but  
no matter how hard we try we just don't get  
ahead. It's really getting both of us down. I  
spend hours sitting at the computer trying to  
figure out where the money is going and  
getting depressed. The bills are just mounting  
up and we are getting further and further  
behind. Please show us how we can get out of  
debt and start saving for a home of our own. I  
don't want to be renting when I retire!"

So let's meet the Bumsteads:

Blondie - a 48 year old wife and mother,  
working full time in an office a few suburbs  
away from home. Each weekday she leaves  
home at 8am, and drops the kids to school  
before heading off to start work at 9am. The  
kids get the bus home. She is supposed to finish  
work at 5pm, but at least 4 nights a week works  
over, and gets home between 6.30 - 7.30. Too  
tired to cook tea she picks up takeaway on way  
home or rings ahead for delivery, trying to  
choose the healthier options of charcoal  
chicken and salad or Chinese rather than pizza,  
fish and chips or burgers. She shops at her local  
supermarket in a big shopping centre on  
Saturday because she is simply too tired and  
busy with housework to be bothered going a



little further to Aldi. Blondie has no organized menu plan or shopping list, rather just buys as she sees and thinks about groceries. There is no clothing plan for the family so she buys spontaneously or in an emergency shopping run when a garment is needed. There is no gift box or gift plan so again the shopping mall dash does the job, and poor Blondie ends up spending more than intended simply because there is no plan.

Dagwood - a 48 year old cabinet maker, employed by a local contractor, works 6 days a week, leaves home 7am, arrives back 6.30pm most days. Dagwood goes fishing to relax and this can cost \$100 or more each time he goes, depending on how far he travels and whether or not he takes his little tinny. Towing the boat adds significantly to the cost of his hobby. He and Alexander often leave early on a Sunday morning to take the boat out and hopefully catch some fish. Otherwise he spends his time at home mowing the lawn or relaxing with the paper.

Alexander - in year 12, and the pressure is on. School supplies have been very expensive - Blondie forgot the second-hand book sale at the end of last year and so missed out on some cheaper textbooks. Alexander is on his Ls and gets his practice driving to school and each weekend when Dagwood takes him out for a drive. He spends most of his time studying or playing games on computer (online of course). Alexander often has friends over for gaming nights and Blondie has to feed them all, plus cover the extra electricity and broadband allowance that another 5 laptops use etc.

Cookie - the social butterfly of the family. In year 8, Cookie is the most expensive member of the Bumstead family. She always needs cash for something - dancing, piano, school

assignments/excursions/clothes/shoes/presents for friends/parties etc. Cookie is generous to a fault and sending her parents broke with her generosity. She too often has friends over for weekend and holiday sleepovers - Blondie feeds them all - they like pizza and hiring DVDs - and these weekends usually end up costing close to \$100.

I asked the Bumsteads to send me a list of their current expenses, current debts and savings and their income (all of it).

The Bumsteads live in a suburban house they are renting, and trying to save for their own home. They own their car, a 10 year old sedan, the boat and boat trailer and their furniture.

|                   |                      |
|-------------------|----------------------|
| Rent:             | \$1,798.33           |
| Takeaway:         | \$ 346.66 - a        |
| Groceries:        | guestimate           |
| Utilities:        | \$1,170.00 - another |
| Phone:            | guestimate           |
| Mobile phones:    | \$ 373.33            |
| Foxtel:           | \$ 89.95             |
| Internet:         | \$ 116.00            |
| Education:        | \$ 120.00            |
| Car Insurance:    | \$ 89.95             |
| Car registration: | \$ 822.50            |
| Petrol:           | \$ 37.81             |
| Dancing:          | \$ 53.75             |
| Piano:            | \$ 390.00            |
|                   | \$ 112.00            |
|                   | <u>\$ 98.00</u>      |

**Total known expenses:** \$6,664.98



**Monthly income  
(Nett):**

|                    |                                             |
|--------------------|---------------------------------------------|
| Dagwood:           | \$3,137.33                                  |
| Blondie:           | \$2,227.33                                  |
| Family Assistance: | \$ 782.01 (this includes<br>rent allowance) |

**Total monthly**

|                 |                   |
|-----------------|-------------------|
| <b>income:</b>  | <u>\$6,146.47</u> |
| <b>Deficit:</b> | \$ 518.51         |

Debt-wise the Bumsteads are carrying a heavy load. Their debt is all non-secured and even worse, they have nothing to show for it. They have one credit card with a current balance of \$7,823.47, a school fee debt they owe from 2009 (\$2, 263.00) and a private loan from Blondie's mother for \$30,000 that they haven't started to pay back yet. Their total debt load is \$40,086.47 and increasing daily with interest payments as they are struggling to make the minimum payment on the credit card debt each month (and it wasn't included in their list of monthly bills).

*Dear Blondie and Dagwood,*

*You are carrying a heavy debt load and it is all unsecured. Even worse, you have nothing to show for this debt.*

*I noticed you didn't include the credit card repayment, the school fee debt or the loan from Blondie's mother in your monthly bills. These are*

*debts, money owed, and they should be your first priority.*

*From what I can see you are living day to day, have no spending plan or savings. If an emergency crops up you will be even further behind.*

*Your tasks this month are to:*

*Task 1: Stop spending immediately on non-essentials.*

*Task 2: Track your spending - the four of you are to record every cent you spend. Milk, petrol, groceries, the credit card bill, the rent - record every cent you spend. Alexander and Cookie can track their spending too - they need to be accountable for how they spend the money you give them. Tracking spending is boring and monotonous, but after two weeks you'll see patterns begin to develop, after a month you'll be able to see at a glance exactly where your money is going. Be prepared to be shocked!*

*Task 3: Pantry, Fridge and Freezer inventory - this is a task to be done immediately. You need to know exactly what food you have and how much of it. Print off the inventory sheets on the Printables page, they'll make getting started easier.*

*Task 4: Menu Plan - Blondie, sit down with the family and come up with a menu plan, using only the ingredients you have, for one week. Then allocate Alexander and Cookie a night each to prepare and cook dinner. They are on holiday and more than old enough for this task. Let them use your recipe books or look up simple recipes in the Recipe File. At the end of the first week, sit down and come up with a menu plan for the rest of the month. Remember, you are not going to buy any ingredients, you must use up what you have on hand. Your meals may be unusual but you will*



have \$1,170 extra in the bank at the end of the month.

*Task 5: Collect bills, receipts, invoices, credit card statements and bank statements. Find twelve envelopes and label them January through December. Put the receipts, invoices etc into the right envelope. Hunt down as many as you can find, we need these to work on your Peace of Mind account.*

*Good luck with your tasks for the month. You have a lot to do, but it is all achievable. If you need inspiration, motivation or help, login and use the Search to find what you are looking for or ask the Forum members for suggestions. Remember, the first month is the hardest and the most satisfying.*

*Happy Cheapskating,*

*Cath*

## Stunning Designer Doormats

**Approximate \$ Savings:** \$150

I saw a beautiful pebble doormat in a magazine and it sold for \$200. I thought about it myself and decided to make my own. I bought marine carpet from Bunnings costing \$20 (which was enough for two), polished black stones from Crazy Clarks/Reject Shop costing about \$20 and the liquid nails came from my husband's stash of hardware (\$Nil). I cut the marine carpet into the size of doormat I wanted, then glued the polished rocks neatly using the liquid nails. Now I have a beautiful designer doormat that gives you a little foot massage as you arrive home!!

- Contributed by Rachael, Coffs Harbour

## Lunchboxes that Last

**Approximate \$ Savings:** \$10-\$15 for lunch box, \$5 per fortnight for Clipseal bags

I don't know about you but I get really cross when I pay \$10-\$15 for a school lunch box that gets trashed soon enough anyway! I now go to the cheap shop and buy a cheap cooler bag and box and then my boys cover them in stickers from the cheap shop and any free stickers they can find. They love doing it and end up with really cool, individual lunch boxes that they tend to look after better and lose less often! To save money and the environment we no longer buy Clipseal sandwich bags - we save the plastic bags the bread comes in and re-use them as many times as the boys remember to bring them home. We also re use any pop top water/ juice bottles - I'm less concerned if they lose it than if I paid \$5 plus for it.

- Contributed by Fiona, Chapel Hill

## Doorknobs, for More Than Doors

When we were young, we loved hanging our jackets on doorknobs. Competition was fierce for the best locations. My Dad, a carpenter, retaliated by buying a bunch of doorknobs and installing them on the entry wall. Now I have a family of my own and Dad made a similar rack for my front entrance, sourcing the doorknobs from his jobs. Hoodies and jackets prefer doorknobs to hooks, because doorknobs don't dent the fabric the way hooks do. And, the row of knobs added a unique touch to our entry room.

- Contributed by Bev, Morrisett



## A No Fail Way to Cut \$100 from Your Grocery Bill

I cut \$100 a month from my grocery bill and it was easy. I used to shop every Friday, four grocery shops per month, and spend \$400 (sometimes more) every month on groceries. I started keeping a price book and tracking the sale cycles and had a aha! moment. By following the sale cycles to decide when I would shop I was able to change my shopping habits. I changed my shopping schedule to go every ten days instead of every seven. By adding three days of groceries to each shopping trip, it became easy to eliminate one week over the month, and remarkably, I shaved \$100 from my monthly grocery tab. It's not taking any longer to do the shopping and I'm saving at least an hour a month of my precious time too, time I can use to do something I really enjoy.

- Contributed by Rose, Ringwood North

## Knitted Dishcloths Clean Dishes and Teach Kids to Wash Up

**Approximate \$ Savings:** \$15-30/year or more

Use woollen knitted squares or old woollen knitted tissue holder or shoulder pads as dish scourer. They are good for little kids with little fingers who see dish washing as a fun thing to do. They also last longer than the ones you buy in the supermarket, you can wash/rinse them easily either by hand wash or throw them in the washing machine and they dry quickly, thus avoiding the chance of growing bacteria on it. The kids specially enjoy doing their washing in the sink after washing the dishes. Fun, fun, fun

for the kids and at the same time teaching them to share the load of never ending house chores in the kitchen.

- Contributed by Erlinda, Mildura

## Turning \$10 into \$7,500 Painlessly

**Approximate \$ Savings:** \$ 7500

When my son started school I was a single parent so money was tight with 3 boys. Each week I put into a bank account \$10. Doesn't sound like much but guess what, he is just going to start year 12 and the account has grown to \$7,500. I haven't really missed the \$10 each week. Being diligent no matter what has paid off. He will put this with his part time job earnings to buy a safe reliable car. No one went broke in the process and what a saving. Thanks and happy saving.

- Contributed by Vicki, Beaumont Hills

## Tear Off Scribble Pads

**Approximate \$ Savings:** This tip saves the environment as well as a few dollars.

Save all the unused pages from school exercise books, scrap paper from the printer, or just any clean writing paper and cut to the same size, if possible. Assess to a guillotine or craft cutter would be an advantage but scissors will do the job. Make sure one end of the pile of paper is very even and hold it in place with clips or even a vice and then paint the even end with wood



glue. I give it a couple of coats, drying each coat thoroughly before applying the next one. Once dry each page will tear off like the store bought scribble pads and looks more professional than just clipping or stapling together. I have been doing this for so long that I can't remember the last time that I bought a shopping list or notepad.

- Contributed by Desley, Kirwan

## Freeze Them Standing Up

Stand your new pack of water ices up in the freezer so when they freeze there's a nice gap of air at the top for easy cutting off with scissors. No more bits of frozen icy pole being wasted or left to go sticky everywhere.

- Contributed by Sharon, Balga

## Bruise Relief

**Approximate \$ Savings:** \$17.00

I had a recent fall in a mountain bike race and sustained a large painful haematoma on my right hip. A lady at work suggested mixing an aspirin together with some sorbolene cream and pasting the mixture onto the bruise for 5-10 minutes. I was pleasantly surprised when after the first application the bruising had significantly reduced in pain and the colour was beginning to fade. I was also impressed with how simple the mixture was to make and I have no worry of spending \$17 on a tube of cream which would possibly go out of date before I'd use it again. Super practical for me.

- Contributed by Rachael, Wahroonga

## Party Activity to Dye For

**Approximate \$ Savings:** \$5-\$10 per child

Save money and teach kids new tricks by hosting a tie-dye activity at your kid's next party. Buy some old singlets at Vinnies or your local op shop, usually for about 50c-\$1 each, and a pot of clothes dye (\$10-15). To be even more economical use coffee or brewed tea. Show the kids how to fasten elastics around the singlet, or on separate spots of the singlet, so that when you dye the top white rings will remain. Use a big pot for the dye so you can fit up to 10 small-medium singlets. Once dry, each child can take their creation home. If you have 10 kids, this will cost you about \$2 per child. Better than a party bag any day!

- Contributed by Bronwyn, The Channon

## Learning LOTE at Home

**Approximate \$ Savings:** \$728.00

When my daughter was young I wanted to take her to the classes for her to learn a second language, as they say if they are young they pick it up very quickly. I couldn't afford the lessons that were \$24 for one hour and by the time we returned the following week my little girl had forgotten, you need to speak the language on a regular basis. I then had a brain wave and rang the local high school and spoke to the teacher that was teaching Japanese. When I asked her if there was a young girl she could recommend to come over twice a week and just sit and play with my daughter, dolls etc and only speak to her in this language the teacher was very helpful and talked to her best student for me. The young lady lived in my suburb, a couple of streets away and she agreed



to come over twice a week after school and teach/play with my daughter. She only charged me \$5 per hour and I had to supply afternoon tea - a drink and something to eat. So we were all winners. I came to know a great young lady where we live and my daughter can now speak a second language as well as write her name and other phrases. The best bit was that I was also able to listen into the lessons and pick up knowledge on the way - this meant I could also speak the language. My daughter didn't even realise she was at school as they just sat and played or drew for the hour. My little girl loves her young friend and is wowing her LOTE teachers in primary school.

- Contributed by Kathy, Rochedale South

## Give Yourself a French Polish

**Approximate \$ Savings:** \$45.00

Do a French polish on your nails for next to nothing. Firstly, purchase a matt white nail polish. Remove any existing nail polish etc. Paint the tips only in the white polish. Let dry 5-10 minutes. Once dry, coat with a clear glossy nail varnish (I use Cutex top coat, approximately \$6 from the chemist). For added protection, cover with two coats. To get this done professionally would cost about \$45. Both polishes cost me under \$15, and I get heaps of applications from these two bottles. Practice makes perfect, so give it a bit of time if your lines are a bit wobbly!

- Contributed by Judith, Greenwith

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