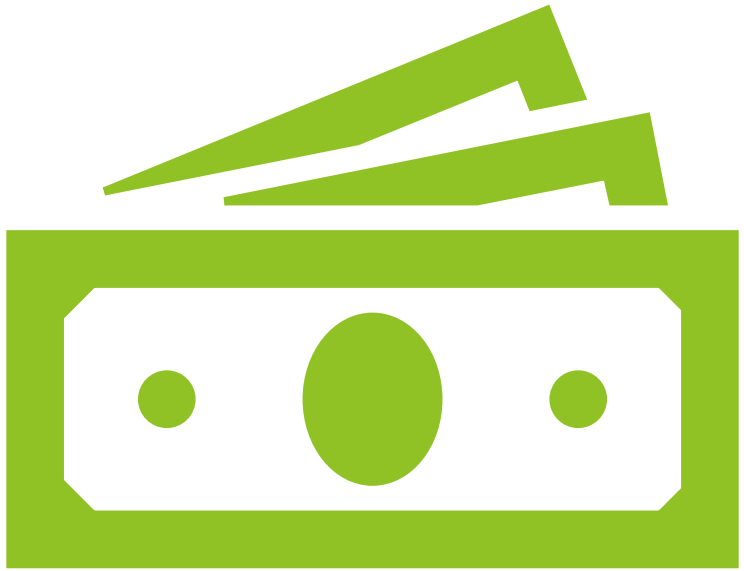


28 EASY WAYS TO SAVE MONEY AFTER DIVORCE

Divorce Planning with Ron Reinstein

Going through litigation or mediation for your divorce, money is likely to be tight as the household income has been cut in half. With this cut in household income, your expenses went up.

Here are ways that you can use to help you save money so that you can get back on your financial feet fast.

1

MAKE A BUDGET

- Making a budget doesn't sound like the best way to spend your free time. At any stage of our life the goal is to have enough cash flow to meet our fixed expenses and our variable expenses. Having a budget plan will make a huge difference with your finances. Even if you do not stick to your budget religiously, just knowing where your money is going will help you spend it more wisely.

2

RECALCULATE YOUR PAYROLL DEDUCTIONS

- Once your divorce is finalized your filing status will change to either filing single or head of household. As a result, you should recalculate the amount of taxes that you are having withheld to match your new filing status with the IRS. You may be able to increase your take home pay by lowering your withholding. Just do not make the mistake to not have enough withholdings as penalties may apply because of it.

3

KEEP TRACK OF YOUR MONEY

- Interest fees. Overdraft fees. They are a complete waste of your money. Log in online or use an app if your bank has one so you are able to keep track of your balances.

4

PAY OFF THE CREDIT CARDS WITH THE HIGHEST INTEREST RATE FIRST

- Pay the minimum on every credit card and should there be any extra cash available that month use it towards your balance that has the highest interest rate. Once it is paid off, cut up that card and start paying off the next one that has the highest interest rate.

5

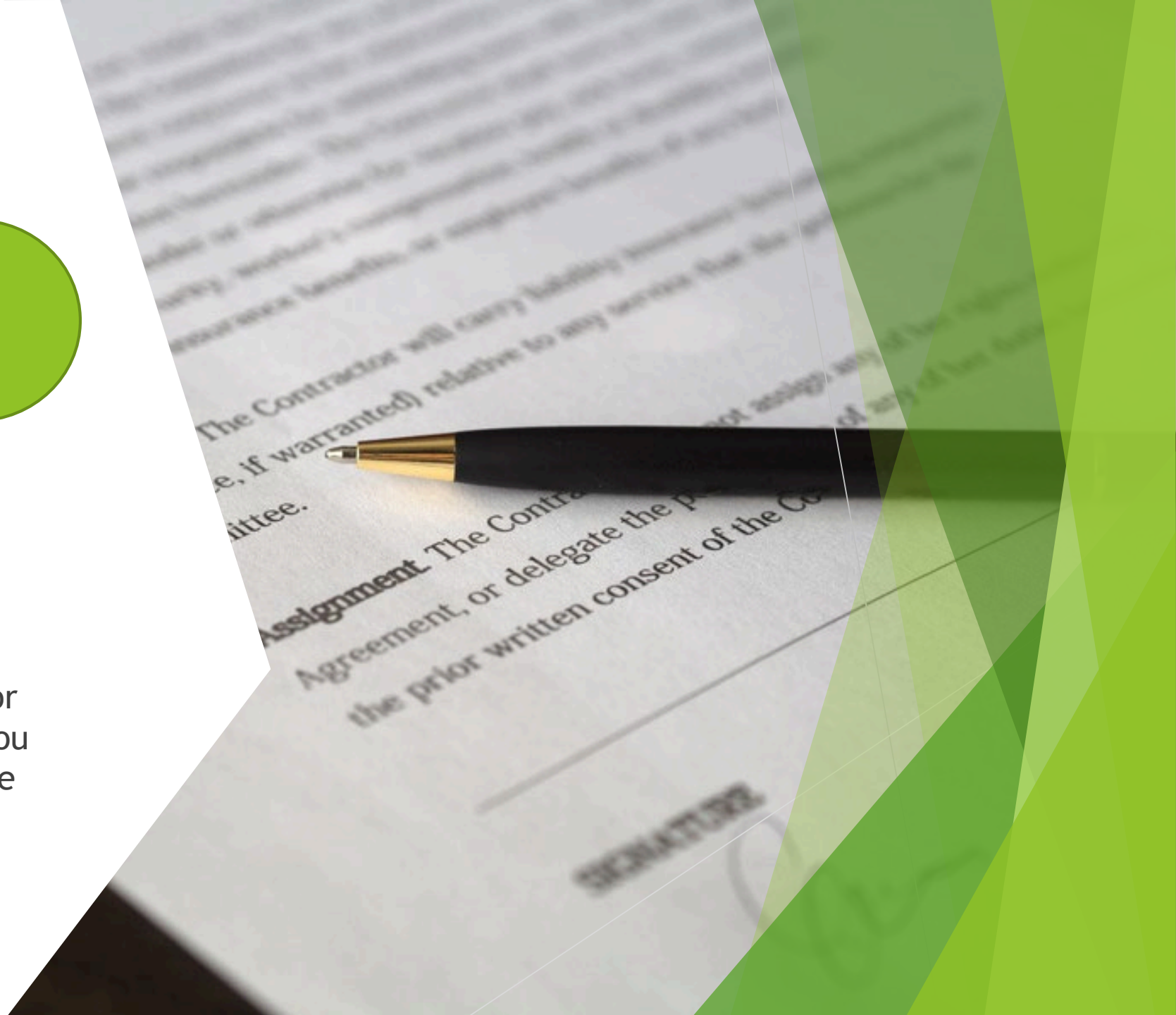
RE-EXAMINE YOUR INSURANCE POLICIES

- Compare premium prices among all of the insurance carriers. Maybe raising a deductible to lower your monthly premium payment should be considered.

TERM LIFE INSURANCE

6

- Term life insurance is cheap because we are renting the coverage for a period of time. We will not have any equity accumulate for us inside term insurance policies as it does for permanent life insurance. If you need to maintain life insurance this is the most cost efficient way to do so.



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REFINANCE YOUR HOME

- Interest rates are still fairly low, even though we have seen rates increase from the Federal Reserve the past three years. If you can refinance your home to lower your monthly payment take advantage of the low interest rate environment. If you can take some equity out of your home from refinancing do so to pay down credit cards should they have high balances with high interest rates.

8

TEMPORARILY REDUCE CONTRIBUTIONS TO YOUR RETIREMENT PLAN

- This is an option I am not a fan of. However, if you are far away from retirement and need more cash flow today this may be your temporary solution. If you receive a match from your employer, try to keep contributing so you receive the full match if possible.

SEPARATE YOUR BANK ACCOUNTS

9

- Separate your savings account and your checking account. If your savings is out of sight and out of mind (not in your checking account) you will less likely dip into it.

10

DELETE YOUR CREDIT CARD NUMBERS ONLINE

- Retailers like Amazon allow you to store your credit card to make your purchasing experience easier. This may be the time to make it a little harder for you. Delete your credit card number. If you want to make a purchase, it will take more effort to do so by reentering your credit card number. As you have to reenter your information hopefully it will make you think twice about you making that purchase.

11

BUY GENERIC

- Generic prescription drugs are usually as good as the name brand. Ask your doctor or your pharmacist if you are able to swap out the expensive prescription drugs for their less expensive generic alternative. Should you be able to, this will lead to cost savings!

12

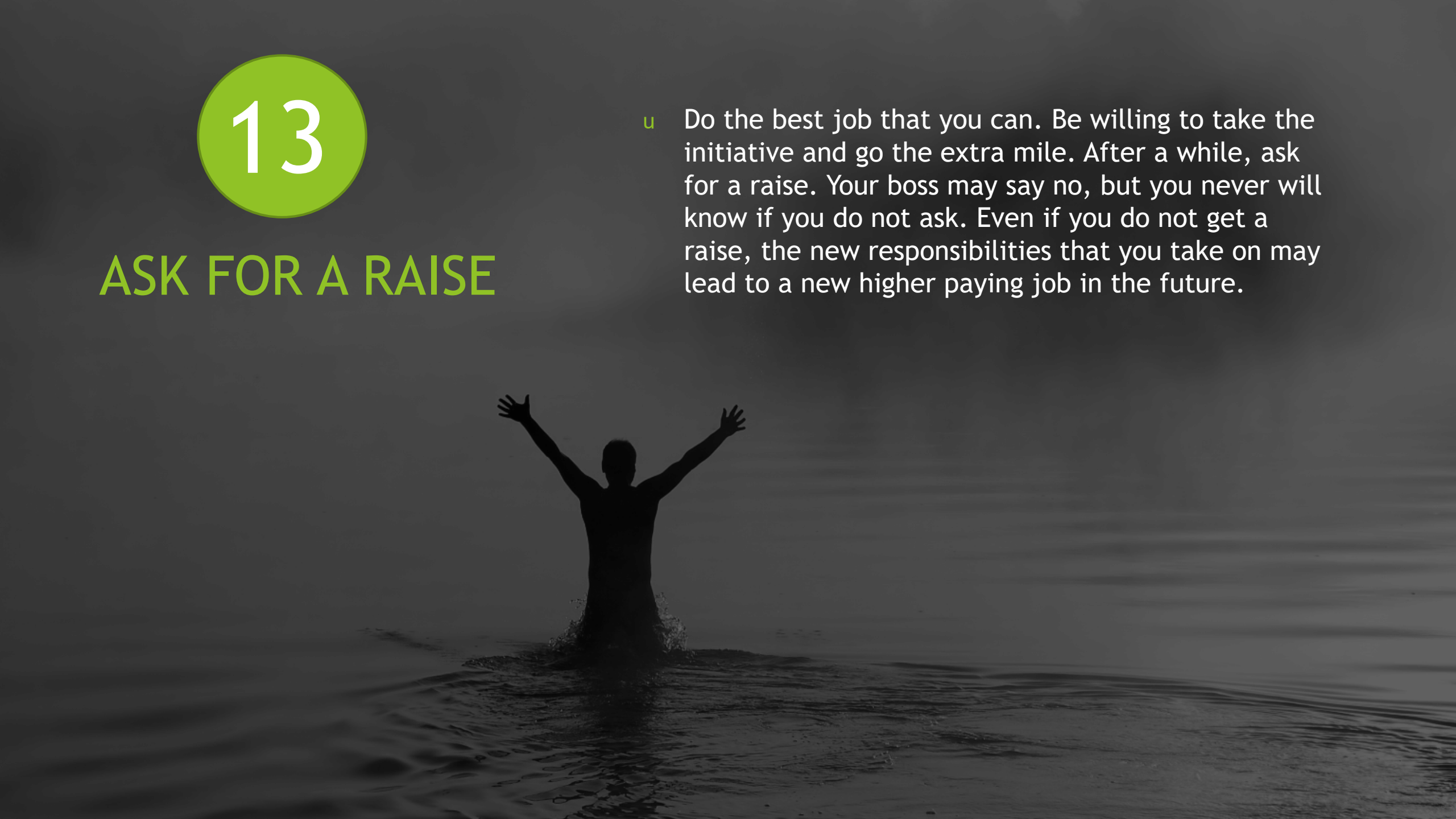
SELL WHAT YOU DO NOT NEED

- If you have things that have been sitting around the house for years that you never use, sell them. Have a garage sale. Sell stuff on eBay or Craigslist.

13

ASK FOR A RAISE

- Do the best job that you can. Be willing to take the initiative and go the extra mile. After a while, ask for a raise. Your boss may say no, but you never will know if you do not ask. Even if you do not get a raise, the new responsibilities that you take on may lead to a new higher paying job in the future.



14

ELIMINATE CARRY-OUT

- Tim Hortons, pizza, and carry out Chinese may be convenient, but they cost more than their home made alternatives. You do not need to kick your coffee habit, but you will save on bringing coffee to work. Same goes for cooking at home, instead of grabbing carry out.

STOP SMOKING 15

- Not will it only save you money now, it will save your health and your future medical costs.

16

RE-EXAMINE YOUR DRINKING PATTERN

- Going out to eat at a restaurant and having a few drinks with dinner will dramatically increase your bill. Going out to the bar is just as bad. If you want to look at ways to save money, consider cutting back on your alcohol consumption.

17

BROWN BAG IT

Bringing your lunch to work instead of buying it every day can save you a bundle.

18

SWITCH TO STORE BRANDS

- Just as generic prescriptions will save you money on drug costs, using store brands for certain staple items will save you at the checkout line. There is not a huge difference in quality for items like tomato sauce and canned beans.

19

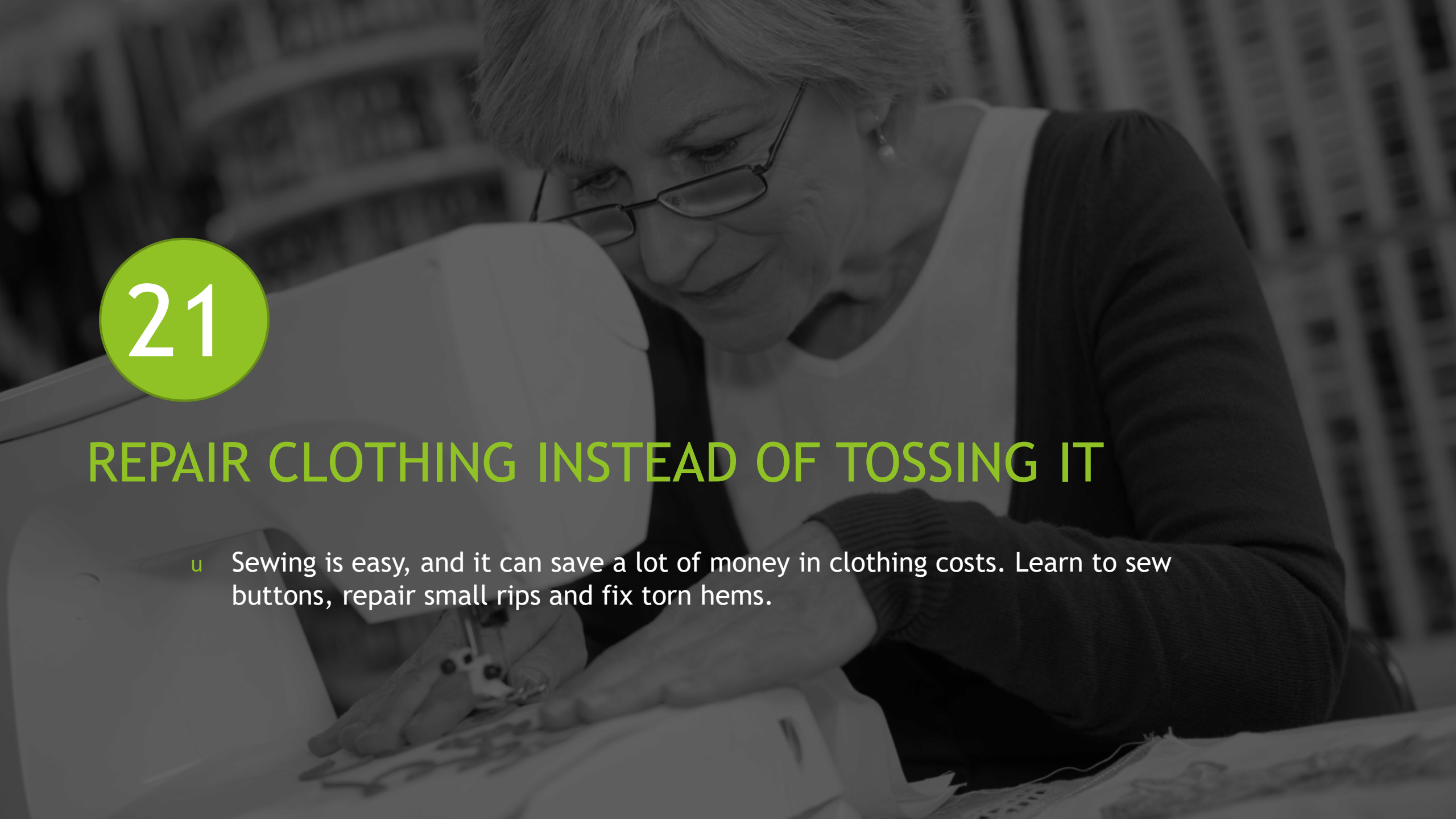
EXAMINE ALL OF YOUR MEMBERSHIP AND SUBSCRIPTION COSTS

- Do you really need HBO Go once your favorite shows season is complete? Do you need 100 cable or Satellite channels to choose from and you watch maybe 10 channels at the most? The annual membership fee that is needed to buy in bulk for items that you still haven't used in two years, is it necessary?

20

DON’T BUY AS MANY CLOTHES

- Look good, feel good. I get it. But you don’t need to have 10 of the same shirts in different colors either. Buy a few key pieces each season and work with what you already have.



21

REPAIR CLOTHING INSTEAD OF TOSSING IT

- Sewing is easy, and it can save a lot of money in clothing costs. Learn to sew buttons, repair small rips and fix torn hems.

22

RE-EXAMINE YOUR PHONE PLAN

- Do you really need unlimited minutes? Do you use all of your data each and every month? Compare phone plans online. Reducing your monthly plan can save you a lot.

23

TERM LIFE INSURANCE

- Term life insurance is cheap because we are renting the coverage for a period of time. We will not have any equity accumulate for us inside term insurance policies as it does for permanent life insurance. If you need to maintain life insurance this is the most cost efficient way to do so.

24

ASK FOR A DISCOUNT

- If you have been a steady customer for years, call your cell phone provider, cable provider, internet provider, and any other service provider you deal with and ask for a discount. You may not get it with every company, but you be surprised by number of companies who will. Some companies like to get 60% of something and others prefer to get 100% of nothing in the event you cancel.

25

ELIMINATE YOUR LAND LINE

- If everyone calls your cell phone, do you really need a landline?

26

CUT YOUR UTILITY BILLS

- If you are not in the room do the lights need to be left on? When you are at work during the day does the house need to be heated or cooled to your desired temperature? If we are looking to save some money the answer would be no. Install a programable thermostat for your house and have it programed to the desired temperature when you will be walking back through the door.

27

LEARN TO SAY NO TO YOUR KIDS

- This one can be hard. Especially if you are feeling guilty about your divorce. However, there is a lesson here that they learn there are some things in life they just can not have. Limiting what you buy your kids is one way to cut back. You can also cut back on their activities too. Do they need to be involved in three different activities every season? Have them pick one or two they really enjoy and excel at.

28

USE FRIENDS, NOT BABYSITTERS

- We all need an evening out now and then. Instead of hiring a babysitter, swap babysitting time with a friend. Each of you can now take some time to yourself, away from the kids without having to pay a sitter.