

# Seven Extreme Ways to Save

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Friday, January 25, 2008 provided by *TheStreet.com*

To save money, it's sometimes necessary to resort to extreme measures.

While you should be able to get your finances in order by strictly following basic debt-reduction steps, the time may come when you'll need to radically reduce your monetary outlays to get your finances in order. Times like these include when you get laid off from work or have debt that continues to mount.

Drastic spending reduction steps are something most people would only consider as a last resort. But they are a way to take a large expense out of play. Most people won't do them because of the inconvenience, but when hard times hit and you need to slash your expenses, here are some steps:

**Ditch the car:** No matter how much you think you need your car, chances are that you can live without it. It will be a lot more inconvenient, but it will also **save you a lot of money**.

You can commute by public transportation or join a carpool. For short trips near your home you can use a bike (or an electric bike), and when the occasion occurs when you need a car, you can either take a taxi or rent a car for the day.

For most people, getting rid of their car will greatly reduce their monthly expenses since it eliminates the cost of purchasing a car, any car financing costs, insurance payments, car repairs, maintenance costs and gas. These can add up to thousands of dollars saved over the year.

**Downsize your home:** Chances are you live in a house which is bigger than you really need and you could live comfortably in a much smaller place. Selling your current home and replacing it with a smaller one is not an option that most people consider, but it would mean a lower mortgage payment, lower upkeep costs and lower taxes. Due to the smaller space, it would also mean needing less to decorate the house. Best of all, you'll have a place where you don't have to worry each month how you're going to make the mortgage payment.

**Bringing in boarders:** Another option to downsizing your home is to find live-in boarders to help pay for the mortgage. While most people don't want to have strangers living in their house with them, doing so comes with a lot of financial advantages. The boarders will help pay for the mortgage costs through rent and will also usually help pay a portion of utility bills and other expenses. Many of the basic upkeep costs for the house such as repairs, landscaping and improvements to the boarder's rooms may also qualify as tax deductions.

**Don't pay for housing:** Some people have learned how not to pay for housing at all by becoming a house-sitter. In exchange for performing basic maintenance such as taking care of the yard and keeping the house clean while the owners are away, the house-sitter gets to live in the house rent-free.

House-sitting lengths vary, but usually are from three months to a year at which point you must find another house-sitting opportunity. This can be an excellent way to reduce a big cost in a budget, especially if you live in an area with high rental and housing prices.

**Go without a cell phone:** While it may seem impossible to live without a cell phone these days, it wasn't that long ago when virtually nobody had them. Not having a cell phone can be a lot less convenient when you can't reach your friends or other acquaintances in an instant, but it's still fairly easy to survive without one. This should reduce your expenses by about \$70 per month according to a recent J.D. Power and Associates Report.

**Trash the TV:** The cost of watching TV is a lot more than you probably imagine. Getting rid of it will likely have a large positive effect on your finances. This is not just the cost for a TV or the cable programming. Going TV-free is bound to decrease the amount of commercials you see, which in turn helps you reduce your spending. It will also give you the opportunity to use the time you were spending in front of the TV to do other things that potentially could increase your income.

It's important to note that these are all steps that will work best when planned well before you reach financial desperation. While each of these will cut the amount that you need to spend each month, some will take time to organize and set into motion before you get the reduced cost benefits. The sooner you commit to them, the greater the savings to your pocketbook and the better the chance of avoiding a money crisis.

All of the above steps are fairly radical. But if you follow them you will see positive results for your finances in the future.

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