



## Balancing Income and Expenses

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There are two things you can do when expenses are greater than the income in your spending plan. You can either spend less or earn more. Though it sounds very simple, those are the two options you have when spending is greater than income.

One way to close the gap is to spend less by conserving. Turn the thermostat down during the winter. Turn it up in the summer. Combine shopping trips, carpool or walk, when possible. Take shorter showers, do larger loads of laundry, and rinse laundry in cold water. Share tools and equipment with neighbors and friends instead of buying them yourself.

Cutting back is another way to spend less. Eat out less often. Limit long distance calls. Buy only what you need. Eliminate special features on telephone or cellular service. Look for fun things to do as a family that don't cost a lot. Share magazine subscriptions, books, etc., with others.

Consider using alternative resources. Buy generic or house brands instead of name brands. Learn more do-it-yourself skills. Choose less expensive restaurants or vacation spots. Check out books and other material from the library. Use public parks and facilities instead of expensive health clubs.

Spend less by not buying things. Ask yourself if you really need the item or if there is something else you want even more. Learn to say, "No" to yourself, your children, and salespeople. Resist when you feel pressured to buy something. Don't buy on credit unless it is absolutely necessary.

Increase income by upgrading job-related skills or finding a better paying job. Work overtime or find a second job. See if other family members can work for pay. Compare different savings and investment alternatives to get a good rate of return.

Making an effort to incorporate these money saving tips and others will allow you to bridge the gap between income and expenses in your spending plan.

RESOURCE: Successful Money Management (EC 428.1-4) by Dr. Barbara Rowe with Kay W. Hansen and Marsha M. Peterson, Utah State University Cooperative Extension Service, November 1990.