

13 Ways To Save Money On A Low Income

BY [JASON CABLER](#) ON JUNE 19, 2014

I get a lot of questions from readers wanting to know how they can save money on a low income, so I thought I would write a post about some of the suggestions I've been giving out that can help you put money in the bank, even when you're living on a limited income. I've also included some great resources along with the suggestions that will help you get started putting money in the bank right now!

You Can Still Save Money On A Low Income

When you're living on a small income, it can be especially hard to save money for things like an emergency fund, college, retirement, cars, or anything else. We all have our lean times financially, but even in those lean times you can still find ways to save money for the future needs of you and your family, such as college and retirement. I truly believe that even if you have a low income, you can still save money if you're diligent about the process.

13 Ways To Save Money On a Limited Income

So let's get on with it! Here are 13 ways you can save money on a low income:

Evaluate Housing Costs

Many times it's difficult to save money because housing costs take a huge chunk of the family budget. In general, it's best to keep housing costs to 25% of your take home pay or less. If your housing is costing you more than 24% of your income, you may decide you need to sell your house and move to something more affordable. You can even use discount real estate agents in your area that can help find a home that's right for your budget.

I realize that in some areas of the country this might be impossible on a small income, but there are always a few very good deals available on rent. Just be diligent and keep looking. If you own a home, you may be able to refinance your mortgage at a lower rate and free up some money that you can put into investments, savings, or toward getting out of debt. If you're single, you can even take in a roommate or two and charge them rent to save money on housing costs. That's money you can put straight into investments, IRA's, 401k's, or an emergency fund!

Plan Your Shopping

Never spend money on a whim or just because you "feel like it". That's where a lot of money leaks tend to happen. The best way to spend a limited income is to plan your shopping ahead

of time using a written budget every single month. That way, you spend your money on paper before you spend it in real life.

When it comes time to buy what you need, you will already have a plan in place and you won't overspend because you only have so much allotted for each category. When you approach your spending in that way, you'll feel like you got a raise because it frees up money that you were wasting when you didn't have a plan.

Buy Used Stuff

Buy everything you can used, such as used cars, used electronics, used furniture, clothing, etc. You'd be surprised at the great deals you can find on stuff that's hardly been used. Sometimes you will find "open box" items that haven't been used, but can't be sold as new because the packaging has been damaged or opened. I get some killer deals on EBay on this kind of merchandise all the time. I always buy used cars, and I've even been known to shop at Goodwill and at yard sales. I've gotten \$100 shirts for \$4 at Goodwill and \$250 shoes for \$45 (worn only once!) on Ebay.

Believe it or not, my wife even picked up a beautiful set of wrought iron and glass shelves that someone had set out for the garbage collector that had absolutely nothing wrong with it. They just didn't want it anymore and were too lazy to give it away or sell it (price = FREE!). There are incredible deals out there for most anything you want or need, you just have to know where to look.

Get A Programmable Thermostat

A programmable thermostat can save money on heating and cooling bills that can free up money for savings. You can buy a basic model for around \$40, or get a more sophisticated thermostat that saves a lot more energy. Angie and I have two Nest programmable thermostats in our house that have cut our energy bills by about 10-15%. That means we save around \$30-\$45 every month on our energy bills. SWEET!

Of course, you can always change your home's temp manually too, but a programmable smart thermostat can sense when you're away from home, and does a much more efficient job of controlling usage while keeping you comfortable at the same time. The cool thing is that even though these thermostats can be a little pricey, they will more than pay for themselves over time, making them a great investment!

Don't Use Credit Cards

Credit cards keep you poor. When you use a credit card, studies have shown that you spend 12% more on average because using plastic is such a smooth and frictionless way to spend money. That doesn't include the money you also spend on interest and fees that come with

using credit cards. Your best bet is to go cash only and use cash in an envelope system along with your monthly budget.

Sweat The Small Stuff

Take your lunch to work, plan to do your errands all at once to save gas instead of making multiple trips. Save your change and cash it into an investment account periodically. There are always ways to cut costs that will free up money you can put straight into savings.

Walk Or Ride Your Bike

If you can ditch the car to go to the store or to work, then do it. You will save money on gas and have the added benefit of getting more exercise. It's a win-win!

Find a Side Gig

There has never been a better time in history to find ways to make extra money. I wrote a whole series of articles to help you get started, and I'll add more "Money Making Ideas" over time.

[You can see all my Money Making Ideas articles here](#)

Stay Out of Restaurants

Of course, it's ok to eat out occasionally, but making eating out a regular habit can add up very quickly. Restaurant food costs at least 4x more than a homemade meal would cost. That multiple goes even higher at more expensive restaurants. If you want to save money and still have a nice meal with friends, host a potluck at your house and have everyone bring a dish. You'll have just as much fun for a fraction of the cost.

Plan Your Meals

You can save money using meal planning apps or even a paid service like Emeals.com. Planning your meals ahead of time allows you to better plan your grocery list. Therefore you spend less on food and save much more than the service costs.

Get Rid of Cable TV

This is one of the more common suggestions you'll find, but it's also one of the most effective. Get rid of your cable bill and save money for the future instead. You can still get the free broadcast channels and enjoy plenty of good programming and all the news you need. It could also have the side benefit of freeing up some extra time to work on a side gig or increase your skills for your present job so you can get a raise or promotion.

Use Coupons

Using coupons to buy groceries and necessities can save you a large amount of money, especially if you know where to find the best coupons. You can save even more by going to stores that double your coupons, as well as using that store's discount card along with the coupons.

You can do a Google search to find coupons on your favorite products.

[Learn Couponing 101 here](#)

Diligence Is The Key

Of course there are plenty of ways to save money if you put your mind to it and get creative. But when it comes down to it, diligence is the key to save money on a low income. When you use any of these techniques mentioned above, you have to be sure to stick with them for the long term, and when you determine how much you're saving from each one, put that money in the bank as an emergency fund, or into investment accounts to provide for your future needs. I realize saving money on a low income can be a daunting task, but you CAN do it. These are just a few of the things you can do to get started.

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