

WEALTH TIPS  
*of the*  
MILLIONAIRES

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*by*  
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# *Wealth Tips that Save You Money!*

## **Track your expenses for 6 weeks.**

It's one of the first things you need to do if you're serious about finding ways to save.

Keep track of every single expense you make, down to the penny if possible. Track according to categories, such as food, utilities, mortgage or rent, entertainment and so on. When you're done, you're likely to find you're spending more than you thought on any one category.

Once you know where your money is going you'll be best prepared to make spending cuts and increase savings.

## **Always make a list when shopping for more than one item.**

Research shows the more \*time\* you spend in the store the more \*money\* you spend. Often it's impulse buying - in fact, the average family spends \$3,500 a year on impulse food buying.

## Save coupon money

Shopping with coupons is a great way to save a few dollars, but if you don't put your coupon savings aside somehow, you'll eventually wind up spending it. Try putting the money in a jar at home.

## Offer to Pay cash

On big ticket items, offer to pay cash in exchange for a discount. Credit card companies charge retailers between 2 and 5 percent every time you use your credit card. That leaves you negotiating room.

## Hotels reservations

1. Always ask for a discount when making hotel reservations.
2. Book hotel reservations through a travel agent and save 15 to 30 percent in some cases. They buy in bulk, have more rooms available, and especially in the off season, there are some good deals to be had.

## Fly as a courier and save big bucks

## Automate any loan payments you can.

It saves time, prevents late fees, and trims service charges.

## Use only your bank's automatic teller machines.

Cash machines are convenient, but if you use them often at other banks, fees running at least a dollar pile up quickly. You wouldn't stand on a street corner looking to give away a 10 or 20 dollar bill, depending how often you use ATM's.

### **Travelling**

1. Split fares with other travelers.
2. Travel off season and save 15 to 50 percent And there are some web sites to check out for discounts on air fares.
3. Get the Traveler's Net "Fare War Mailing list." It notifies you the very day a fare war starts with major airlines.
4. American Airlines Posts lots of discounted flights that travel through their Dallas hub.
5. At Cathay Pacific's site you can bid in auction for seats to Asia.

### **Use your own insurance on rental cars**

Avoid unnecessary insurance and waivers when renting cars, in most cases your own auto insurance will have you covered.

### **Learn how to haggle**

Haggle over the price of anything costing 500 dollars or more, You'll be surprised, you can save up to 20 percent. It never hurts to ask.

### **Save your lunch money**

If you eat out for lunch every day, just think what you can

save: somewhere around 12 hundred dollars a year just by bringing lunch from home.

### **Stock up on non-perishables**

Stock up when you find a great price, such as toilet paper, diapers, napkins and the like. You'll always need them. Finding a good price is key. Think about where else you can buy this item other than a grocery store. Chances are you can do better.

### **Buy generic**

Buying generic store brand food products does save you money, and sometimes they're made by the same brand name companies anyway. Remember, when it comes to saving money, very little bit adds up.

### **Pre-arrange your funeral costs**

It may not be something you want to think about, but planning ahead can save you and your family money. But don't pay in advance.

### **Reduce the amount of your income tax withholding.**

Take exactly that amount and invest it in an interest bearing account.

### **Exercise inexpensively**

Exercise with friends, or begin a walking regimen rather than joining a health club. Will power is free, and spending money

doesn't guarantee it. Plus, one of the best exercises is walking, and you can do that almost anywhere.

### **Have a nothing weekend.**

Try getting through a weekend without opening your wallet.

### **Make saving a family affair.**

It's difficult for one person to save while another is spending freely. Mutual sacrifice will yield the best results: everything from watching the thermostat to purchase decisions at the grocery store.

### **Buy "sister" brands**

Buy the cheaper, so-called "sister" brand of appliance. Major manufacturers often make other "brands." So you may be paying more for a different name tag and a few cosmetic features for a machine that's basically the same. Here are a few examples:

Frigidaire also makes Gibson, Kelvinator and Tappan brands  
Maytag makes Admiral, Magic Chef and Jenn-Air brands,  
among others.

Buy a floor model appliance or a scratch and dent unit.

Make sure the warranty is still good, but again, if you're willing to sacrifice on the cosmetics, substantial savings can be had.

### **Avoid shopping for sport.**

## Watch your moods

If you're serious about saving money, chances are you will need to change your spending habits. The experts say there are 7 states of mind in which you should never go shopping, They are:

**Tired**

**Happy**

**Unhappy**

**Hungry**

**Sad**

In those cases, *find something else to do*: go for a walk, visit a friend, pick up the phone, call a family member, but *avoid impulse shopping*.

## Keep your loose change

Again, the old adage, it all adds up. Many people dump all their loose change in a jar at the end of the day. Months and years later, you could save enough for a vacation.

## Keep all receipts

Return any unsatisfactory item, whether it's food, furniture or whatever. If you can't stomach returning such items, fine. But you're throwing money away.

## Freezers

1. Buy a refrigerator with a freezer on top or bottom rather than on the side. They are often hundreds of dollars cheaper, and use far less energy.

2. Think twice about refrigerators with ice makers—they usually add around \$200 to the cost, and \$50 to your annual energy bill. Not to mention they are the most likely of all components to break.

### **Bargain for furniture: ask about floor models**

If and whenever you buy a piece of furniture, if you can pick it up yourself, borrow a friend's truck if you can, and you can save 30 to 50 dollars in delivery fees.

### **Just say \*no\* to extended warranties**

Most new appliances and electronics will run for years without any trouble. Keep in mind, a full 80 percent of all extended warranty contacts are never used.

### **Money market account**

If you have a regular bank saving account, change it to a money market account with a better interest rate. Most money markets stay liquid and require a minimum balance, usually one thousand dollars. You could increase your interest rate by 2 or more percentage points by shopping around.

### **Buy checks from non-check vendor**

Write a smaller check for your checks next time. Buy your checks from a non-bank vendor, and you can save up to 50 percent. They are the same checks with the same numbers on them and there's no difference whatsoever.

## Buy a used car instead of a new one

### Buy a demo car

1. Buy the cheaper half of so-called sister act cars and save. One example is the Chrysler Cirrus and the Plymouth Breeze. Identical, except for the name.
2. Shop for a new car only when you are armed with the dealers invoice price.
3. Shop for a new car with financing already in place, it's as good as cash when it comes to negotiating.
4. Never pay documentation fee when buying a new car. If you hold your ground, they usually eliminate the fees, but make sure it doesn't show up on the final contract.

## Increase your mortgage payments

1. Cut down your mortgage pay back time with extra payments, and save. For example, say you have a 50 thousand dollar, 30 year mortgage, fixed at 8 percent. Pay just 25 dollars extra each month and you now have a 26-year loan, and have saved 23 thousand dollars in interest over the cost of the loan.
2. Make bi-weekly payments on your house note, if your lender allows. Why? By sending a check every two weeks for half the monthly payment, you actually make more payments, because most months are longer than 4 weeks.

## Refinance your home

1. You can realize savings by following a couple of rules of thumb. First, your new rate should be at least 2 percentage points lower than your existing mortgage, and you plan to

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stay in your house for at least 3 more years. There are many mortgage-related web sites:

2. [FinanceCenter.com](http://FinanceCenter.com) helps people looking to purchase a home or re-finance a mortgage. It has built-in calculators, tips, and more.
3. HomeOwners Finance Center provides current interest rates and has a primer for various mortgage products.
4. Bank Rate Monitor is the country's leading source for bank rates. Free info, calculations, credit card info, & banking trends.
5. Remember to write off any points you pay when re-financing, at tax time.
6. For people with adjustable rate mortgages or ARMs, get a free audit of your mortgage by contacting the American Homeowners Foundation. They claim seven percent of the mortgages they look at contained errors. Call 703-536-7776. There is no up-front fee. However, if they locate a refund, it's a 50-50 split.

## Sell your own home

You've seen the signs before, For Sale By Owner. Selling your home yourself will save you thousands of dollars in a broker's commission, but it's not easy.

Think hard and do your homework before trying this one. Consider how much time you have to sell the home, how much money are you willing to pay towards marketing it, and how much time you have to show the home.

## **Try using a no-fuss new car offer by phone or fax**

### **Rebate cars**

If you're buying a car and need to decide between a rebate or a lower interest rate, in most cases, taking the rebate is a better bet.

### **Sell the old one ourself**

Sell that used car yourself rather than trade it in. On average, you'll get more for it.

### **Buy used merchandise instead of new**

Garage sales are a favorite pass time for many, and you can get wonderful deals.

### **Don't buy extra features**

Don't pay for features you don't want or need when buying appliances, electronics and, well anything. That feature you may never use might add 100 dollars or more to the price tag.

### **Best/worst months to buy houses**

The best months of the year to buy a house are October, November, & December. While the number of homes available may be smaller, history shows people selling at these times may be anxious to sell.

The opposite is true of January. Sales data shows the first

month of the year is the costliest for home buyers.

Remember also, you must close by the end of the year to take advantage of the homestead tax exemption for the following year.

### **Pre-arranged mortgage**

There's nothing like a pre-approved mortgage to let sellers know you mean business.

Ready money gives you the negotiating edge.

Being pre-approved is the same thing as having money in the bank. Cash talks, and you can really negotiate a better price. Once pre-approved, don't tip your negotiating hand by revealing to the seller how much you're approved for.

Note—this is not the same thing as pre-qualifying for a loan, which only tells how much money you can afford to borrow.

### **Take advantage of seasonal sales**

Knowing the right time to buy can go a long way towards saving you money. Buy those wool suits at the end of winter. Buy swimsuits at the end of summer. You save a fortune, and have new duds for next year.

### **Buy only marked down clothes**

Put another way, don't pay retail. Clothing mark ups are high. Be patient, wait for the price to come down. Retailers don't let clothes sit on racks for very long before they start marking them down to move in new merchandise.

## **Invest overtime and bonus income**

Put it in a savings account where it draws interest, then draw on that money to even things out in months that you don't earn as much.

## **Use a buyer's broker**

Use a buyers' broker to represent your interests when buying a house. According to one survey, people who used a regular real estate agent paid on average 96 percent of list price, while those using a buyers broker paid 91 percent of list price.

On a \$100,000 home that's a savings of \$5,000. Best of All, you don't pay a dime. The buyer's broker is paid at the closing, and shares in the seller's fee.

## **Shop for homes for sale buy owner**

Real Estate agents charge 6 percent or more. Maybe some of that savings can be passed on to you.

## **Get a free energy audit**

They invariably reveal a way to significantly reduce power bills,

## **Lower or raise the thermostat by one degree**

You save 5 percent on energy costs for every degree. You can easily save 10-15 dollars per month.

## Make the largest down payment you can afford

When buying a house, the more your down payment, the less your interest cost will be, and the lower your monthly payment.

Also, most lenders require personal mortgage insurance if you put down less than 20 percent. That insurance runs from 50 to 90 dollars per month. One more reason to put down as much as possible. When you reach 20 percent equity, you can cancel the insurance.

Once you're committed to a mortgage and before closing on your house, *get your lender to lock in your rate* for 60 to 90 days. Protect yourself against possible rate increases.

## Change AC/Heating filter each month

This is very important. The percentage of savings by changing filter is probably somewhere around 5 to 10 percent savings on heating and cooling cost.

## Get Air Ducts Tested

Example: About 70 percent of the homes in Florida have leakage in their duct system. Tampa Electric has a new duct repair program. Customers pay 25 dollars for the test itself, TECO pays the other part of the 60 dollar fee. TECO will also pay up to 200 dollars toward the cost of repairing leakage to the duct work.

## **Turn off the A.C. when gone 4 hours or more**

TECO experts say it's a big myth that leaving your Air Conditioner on one constant temperature and not raising it up and down will save. After four hour away, you would have been better off just turning the unit off all together.

## **Raise Your Home-owners insurance deductibles**

For example, raise it from \$250 to \$1000 and save about 20 percent a year on your premiums.

## **Secure your home**

Smoke and burglar alarms, dead bolt locks, and/or a sprinkler system. Many insurance companies will discount homeowners premiums for these safety features.

## **Insulate your home**

Adding insulation can reduce your heating and cooling costs by up to 20 percent. Tampa Electric pays a 100 dollar incentive to add insulation. Check if your company does.

Believe it or not, there are a lot of homes in Florida with absolutely no insulation at all in the home, and it makes a really big difference in heating cost.

Adding insulation to the average 15 hundred square foot home costs about 200 dollars. Again, TECO customers can obtain a refund on \$100 of that expense.

## Let dishes air dry

Dry them in the dishwasher rack after wash cycle.

## Cut back on pool pump hours

Pool pumps cost about 15 cents an hour to operate so if you're operating a pool pump ten hours a day you're looking at paying 35 dollars a month.

## Drop personal mortgage insurance as soon as possible

Once you accrue 20 percent equity in your home, ask your lender to drop your PMI requirement. It can save you hundreds of dollars each year.

## Insure with same carrier

Insure both your home and car with the same insurance company. Consolidating coverage this way can cut premiums by as much as 30 percent.

## Close fireplace flue

Close it when not in use and save 8 percent of heating or cooling costs.

## Get a heat pump

A heat pump can cut your heating and cooling power bills by 40 percent.

## **Install a water restrictor**

Install it behind the shower head and reduce water flow by up to 50 percent.

## **Deductible**

Take as high a deductible as you can afford to pay out of pocket. Raising a 200 dollar deductible to 500 dollars can save you between 15 and 30 percent on your premiums.

## **Cancel old-car collision insurance**

Cancel on 10 year old cars, or when the coverage costs 10 percent of the car's re-sale value.

## **Weddings**

1. Borrow or make a wedding dress rather than spend for a new dress you wear once. You can also sell the dress after the ceremony, if it isn't that important to you.
2. Never say the word wedding or bar mitzvah until after you have an estimate on catering, flowers, etc.
3. Avoid wedding insurance

## **Don't speed, and drive safely**

It may sound like hog wash, but every speeding ticket you get costs more in increased insurance rates, not to mention many insurance companies offer discounts for clean driving records sustained for at least three years.

## Avoid buying travel insurance

Bundled travel insurance covers everything from missing luggage, to plane crashes. But many times these are riddle with exclusions and many are secondary policies, meaning they only pay if your primary insurance doesn't.

## Credit cards

1. When it comes to credit cards, shop around for best annual percentage rate and zero annual fees.
2. If you must use credit cards, always try to pay the balance every month.
3. Save 10 percent on a purchase by opening a new credit card account with a store. If it's not one you will use regularly, close and cancel the account at the end of the month and pay the bill in full. If it is not properly canceled, the card could show up on credit reports and hurt you later on.

## Avoid cancer insurance

Costing roughly 300 dollars a year, and paying out about 100 dollars a day should you wind up using the policy, it will barely make a dent when the average cost of a day in the hospital in more than 800 dollars. Plus, the coverage very often is redundant with health Insurance you already have.

## Car loan insurance

Never take credit life insurance on a car loan, mortgage or other major purchase.

Don't worry about the bills you might have when you're dead. Worry about ways to save money for the things you want while you're alive!

### **Use savings to pay off credit card debt**

If your credit card interest is higher than what you're getting for your savings account, you should draw from your savings account to pay off your credit card debt.

Pay 15 to 20 dollars more than minimum each month, and you'll wipe out debt 2 to 3 times faster.

### **Avoid buying credit card insurance**

### **Tax-deferred savings**

Join your employers tax-deferred saving plan immediately, if one's available to you. If it is, and you haven't done it yet -- do it. Then invest as much as you can afford up to the maximum allowed. It can pay a 50 or 100 percent return on investment with matching contributions from your employer.

### **Chose a no-load mutual fund**

That's a fund that you can buy without a sales charge up front, and there certainly is a benefit to doing that anytime you feel you have the knowledge to make an investment decision on your own.

### **Spend less money on and more time with your children**

## **Start investing for college early as you can**

### **Pay yourself first**

### **Invest online—save with computer trading**

If you're comfortable making your own investment choices, the opportunity there is tremendous. Some charge less than less than 15 dollars per transaction.

Here are two of the best-known trading web sites.

[ETrade.com](http://ETrade.com)

[AccuTrade.com](http://AccuTrade.com)

### **Invest in DRIPs and no-load stocks with direct purchase plans**

These plans are available to people who want to invest their own funds into a company without paying any commissions. It's a good opportunity if you are able to make the decision and know that this is the company you're wanting to invest in. There are more than 900 publicly traded companies who do this, including McDonald's and General Electric.



In *The Millionaire Next Door*, Thomas Stanley documented the common money-saving techniques millionaires use to

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reduce their monthly expenses. For example, 57% of the millionaires he surveyed said they saved money by doing a simple thing like raising the thermostat in the summer so the air conditioner didn't have to work so hard (and cost so much!)

There are dozens and dozens of things wealthy people do that middle class and lower class people don't do. *For one thing, they literally watch every penny.* They *know* where their money goes. Overburdened middle class people and poor people often have no clue where their money really goes.

Millionaires typically spend as little as they can on things that are not assets. That is, *their focus is to spend money on things that create a return on their money, such as real estate.*

And no, contrary to what your accountant tells you, your house is not an asset for you if you have a mortgage. It's an asset for the bank because it's earning money for them.

**Take care of your money  
so it can take care of you!**

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*Angela Treat Lyon* is an EFT Instructor and practitioner, Financial Freedom/Business Success Trainer, and speaks on Personal Wealth and Energy Management.

Angela writes, designs and publishes both ebooks and print books. A professional artist for over 40 years, she specializes in stone carving and oil painting. She is also a professional illustrator, graphic, web and fine artist (see [Lyon-Art.com](http://Lyon-Art.com) and [TheLandofAmmaze.com](http://TheLandofAmmaze.com)). Maybe you can tell Angela has a bit of a maverick streak: she has ridden across the US on a motorcycle and sailed from Hawaii to California, and travelled for two years in her truck.

Angela Treat Lyon is the author of ***Change Your Mind!*** (the popular, comprehensive EFT manual) at [EFTBooks.com](http://EFTBooks.com); ***The REAL Money Secrets*** at [TheREALMoneySecrets.com](http://TheREALMoneySecrets.com), ***The Six Little P.I.G.E.E.S. Learn the Amazing Money Multiplying Methodde*** and ***The Six Little P.I.G.E.E.S. 100-Day Millionaire MindSet Guide*** at [PIGEES.com](http://PIGEES.com).

Angela conducts individual and group TELE-CLASS trainings, ***P.I.G.E.E.S. Millionaire MasterMindSet*** and ***Financial Freedom Focus Courses*** for creating and maintaining a high level of financial freedom, personal health and wealth.

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